

Growth picked up slightly as the sector's outreach grew by ten percent compared to the eight percent growth of the previous quarter. In absolute terms, the net increase in active borrowers was the highest during these three months compared to each quarter over the past year. National Rural Support Programme (NRSP) continued to be the biggest contributor to this expansion, followed by Khushhali Bank (KB) and First MicroFinanceBank Ltd. (FMFB). Some of the fast growing microfinance providers (MFPs) of 2007, such as Kashf, seem to be in the process of consolidation and did not post any significant growth during the quarter.

Rural Support Programmes (RSPs) continued to be the largest peer group (for definitions of peer groups please see the back cover) in terms of active borrowers and their share has grown consistently over the past year. Given NRSP's expansion and its dominance in its peer group, coupled with the relative slowdown in the growth of other large MFPs, this is not surprising.

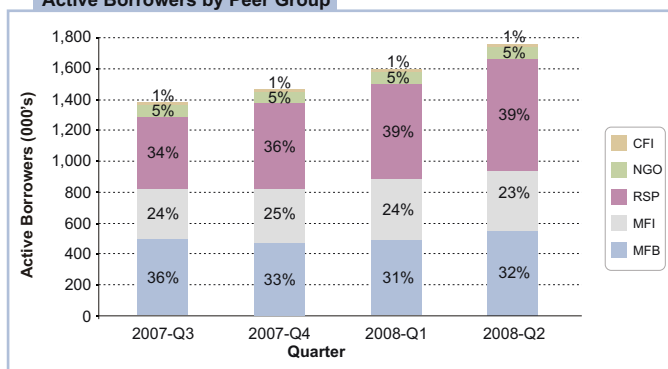
For the first time, Bahawalpur has emerged as the most active microfinance market with the highest penetration rate of all districts, overtaking Lahore. This again can be attributed to NRSP which is very active in the district. No significant change was seen in most other parameters of the microcredit portfolio: group lending remained dominant, the male-female ratio favored male borrowers slightly whereas the rural borrowers outnumbered urban borrowers by a small margin as well. The MFIs share in GLP declined whereas the RSPs and MFBs gained share of the market.

In terms of savings, very little growth was seen in the number of active savers but the value of savings posted a decent growth of 12 percent. Although the total savings of NGOs and RSPs declined, an addition of Rs. 500 million to FMFB's value of savings resulted in an overall increase in the sector's total savings. Peer-group wise RSPs held the largest market share in terms of active savers whereas microfinance banks (MFBs) clearly dominate in terms of their share in the sector's total savings.

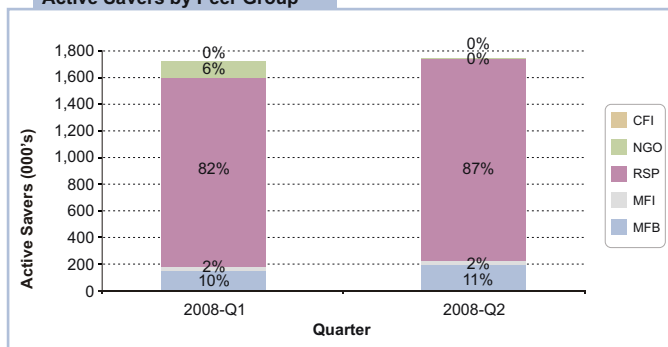
Of the three microfinance services, outreach of micro-insurance grew the fastest in this quarter. However, unlike the growth of active borrowers which shows the number of new clients reached, the growth in micro-insurance mostly stems from the MFPs' providing this product to their existing clients. Kashf and NRSP together accounted for 70 percent of the policy holders, and their shares remained over 90 percent within their respective peer groups. The share of male policy holders increased by four percent although overall the total number of female policy holders remained higher.

	Microcredit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value (PKR Millions)	Active Savers	Value (PKR Millions)	Policy Holders	Sum Insured (PKR Millions)
2008-Q1	1,591,126	16,527	1,715,612	4,208	1,368,807	12,419
2008-Q2	1,754,118	19,648	1,732,950	4,692	1,576,381	15,183
Increase (Net)	162,992	3,121	17,338	484	207,574	2,764
Increase (%)	10%	19%	1%	12%	15%	22%

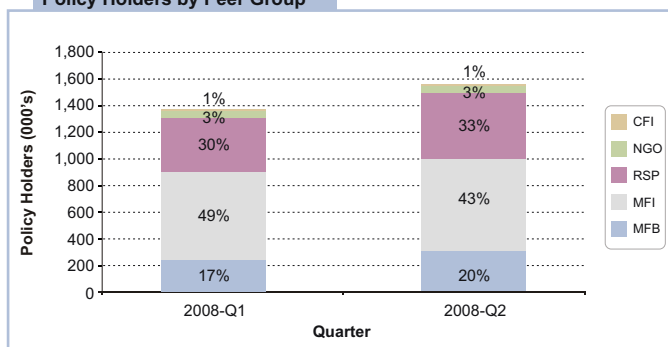
Active Borrowers by Peer Group



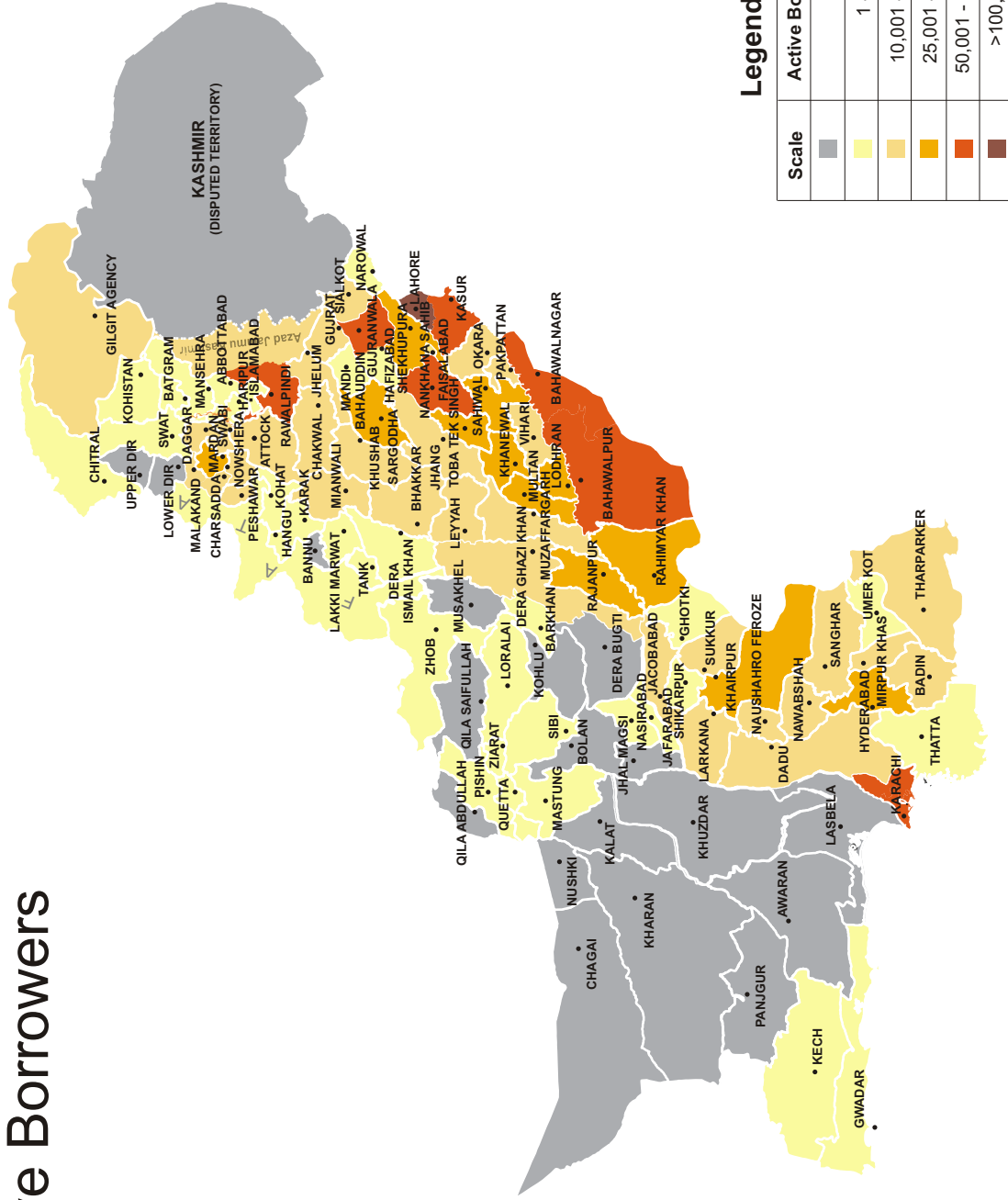
Active Savers by Peer Group



Policy Holders by Peer Group



Distribution of Active Borrowers

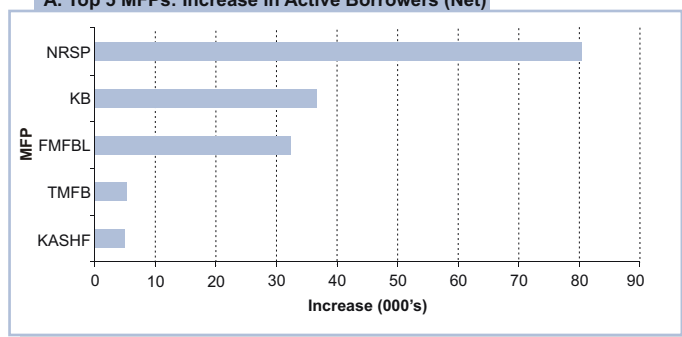


* Geographical boundaries for new districts demarcated in 2004-06 have not been made available by Survey of Pakistan. The following districts are therefore, not shown on the map: Sehwan Sharif, Jamshoro (Dadu); Matyari, Tando Allahyar, Tando Muhammad Khan (Hyderabad); Sheddadkot (Larkana); Mingora (Swat); Sherani (Zhob)

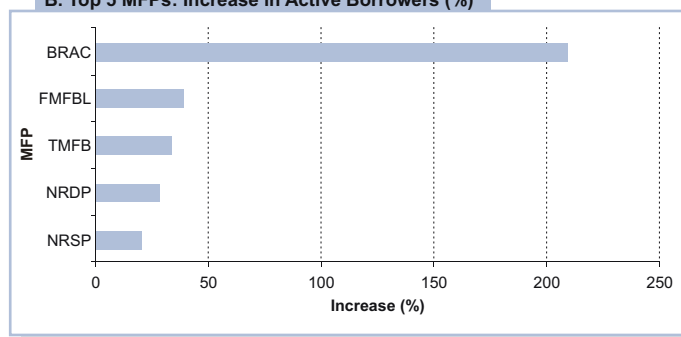
MARKET HIGHLIGHTS (APR 1, 2008 – JUN 30, 2008)

MICROCREDIT

A. Top 5 MFPs: Increase in Active Borrowers (Net)



B. Top 5 MFPs: Increase in Active Borrowers (%)



C. Largest Providers of Microcredit (Active Borrowers)

	MFP	Active Borrowers (30-Jun)	Market Share (% of Active Borrowers)
1	NRSP	575,740	32.8
2	KB	359,314	20.5
3	Kashf	318,501	18.2
4	FMFBL	155,154	8.8
5	PRSP	75,230	4.3

D. MFPs with Largest Geographic Spread

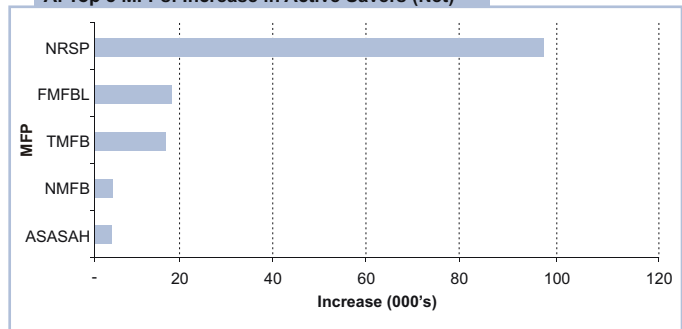
	MFP	Geographic Spread (No. of Districts)
1	KB	89
2	NRSP	50
3	FMFBL	45
4	Kashf	24
5	PRSP	20

E. Districts with Highest Growth (Net)

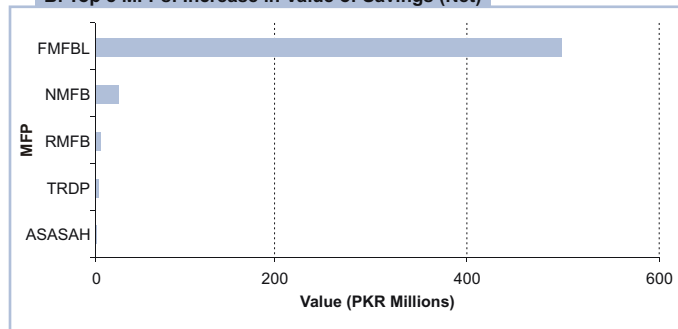
	Province	District	Active Borrowers (30-Jun)		Growth (1 Apr to 30 Jun)		Potential Microfinance Market (2007)	Penetration Rate (%)
			A	Net	%	B		
1	Balochistan	Jafarabad	2,408	1,290	115.4	121,911	1.98%	
2		Nasirabad	2,063	1,210	141.9	75,783	2.72%	
3		Gwadar	2,102	249	13.4	55,537	3.78%	
1	N.W.F.P	Nowshera	18,337	9,341	103.8	201,208	9.11%	
2		Mardan	40,979	3,606	9.6	354,988	11.54%	
3		Charsadda	13,298	1,463	12.4	271,736	4.89%	
1	Punjab	Bahawalpur	97,052	14,639	17.8	461,777	21.02%	
2		Multan	69,753	12,695	22.2	689,339	10.12%	
3		Rahimyar Khan	36,841	7,743	26.6	585,705	6.29%	
1	Sindh	Larkana	16,015	10,515	191.2	534,891	2.99%	
2		Karachi	95,640	5,612	6.2	1,329,990	7.19%	
3		Badin	10,185	5,105	100.5	294,781	3.46%	
1	AJK	Bhimber	1,341	529	65.1	-	-	
2		Kotli	5,313	484	10.0	-	-	
3		Neelum	1,395	387	38.4	-	-	
1	FANA	Ghizer	5,605	594	11.9	-	-	
2		Skardu	6,047	552	10.0	-	-	
3		Ghanche	2,873	374	15.0	-	-	
1	FATA	Kurram	944	245	35.1	-	-	
2		Mohmand	295	166	128.7	-	-	
3		Bajaur	221	145	190.8	-	-	
1	ICT	Islamabad	4,156	312	8.1	74,750	5.56%	

MICRO-SAVINGS

A. Top 5 MFPs: Increase in Active Savers (Net)



B. Top 5 MFPs: Increase in Value of Savings (Net)



C. Largest Providers of Micro-Savings (Active Savers)

	MFP	Active Savers (30-Jun)	Market Share (% of Active Savers)
1	NRSP	943,542	54.4
2	PRSP	333,714	19.3
3	TRDP	216,182	12.5
4	FMFBL	114,222	6.6
5	TMFB	67,528	3.9

D. Districts with Highest Outreach (Active Savers)

	District	Active Savers (30-Jun)	Increase (1 Apr - 30 Jun)	
			Net	%
1	Tharparkar	119,630	1,526	1.3
2	Bahawalpur	105,419	18,043	20.6
3	Karachi	68,014	8,106	13.5
4	Bhawalnagar	49,655	6,908	16.2
5	Badin	45,734	117	0.3

MICRO-INSURANCE

A. Largest Providers of Micro-Insurance (Policy Holders)

	MFP	Policy Holders (30-Jun)	Market Share (% of Policy Holders)
1	Kashf	621,658	39.4
2	NRSP	481,642	30.6
3	FMFBL	155,154	9.8
4	KB	129,540	8.2
5	TRDP	41,748	2.6

B. Districts with Highest Outreach (Policy Holders)

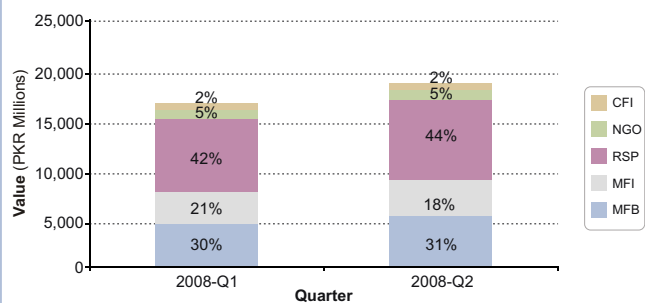
	District	Policy Holders (30-Jun)	Increase (1-Apr to 30-Jun)	
			Net	%
1	Lahore	210,879	6,506	3.2
2	Karachi	94,337	489	0.5
3	Faisalabad	92,844	-1,907	-2.0
4	Bahawalpur	82,340	14,872	22.0
5	Gujranwala	73,710	2,364	3.3

SUMMARY OF MICROCREDIT PROVISION (All Pakistan)

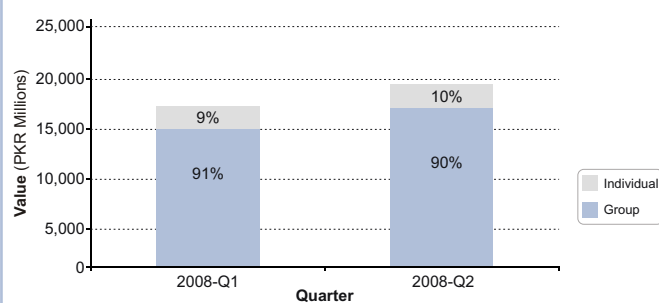
Exchange Rate (Jun 2008): PKR/USD = 68.8/1

Indicator	Total	Lending Methodology		Peer Group				
		Group	Individual	MFB	MFI	RSP	NGO	CFI
Number of Branches/Units								
2008-Q1	1,424	-	-	285	222	797	103	17
2008-Q2	1,515	-	-	326	237	830	105	17
Active Borrowers								
2008-Q1	1,591,126	1,499,361	91,765	489,499	386,351	621,054	75,932	18,290
2008-Q2	1,754,118	1,636,488	117,630	566,343	396,526	691,389	79,850	20,010
Gross Loan Portfolio (PKR Millions)								
2008-Q1	16,527	15,032	1,495	5,030	3,450	6,851	891	306
2008-Q2	19,648	17,665	1,983	6,185	3,597	8,552	997	318
Average Loan Balance (PKR)								
2008-Q1	10,387	10,026	16,288	10,276	8,929	11,031	11,728	16,719
2008-Q2	11,201	10,794	16,860	10,921	9,072	12,369	12,481	15,866
Number of Loans Disbursed								
2008-Q1	399,511	374,383	25,128	136,057	127,602	114,404	17,375	4,073
2008-Q2	705,199	669,428	35,771	206,874	147,319	327,684	19,826	3,496
Disbursements (PKR Millions)								
2008-Q1	5,444	4,850	593	1,943	1,546	1,622	250	83
2008-Q2	10,677	9,791	886	2,872	1,831	5,589	317	69
Average Loan Size (PKR)								
2008-Q1	13,626	12,956	23,618	14,277	12,119	14,177	14,398	20,390
2008-Q2	15,141	14,626	24,774	13,884	12,426	17,056	15,975	19,623

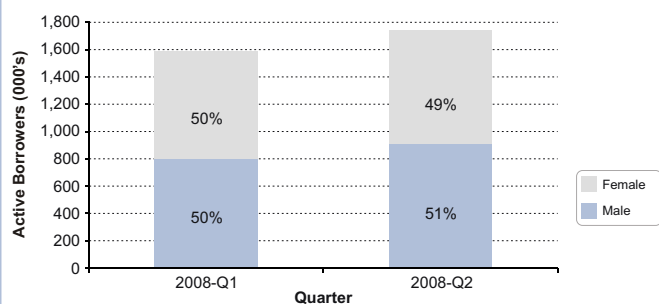
Gross Loan Portfolio



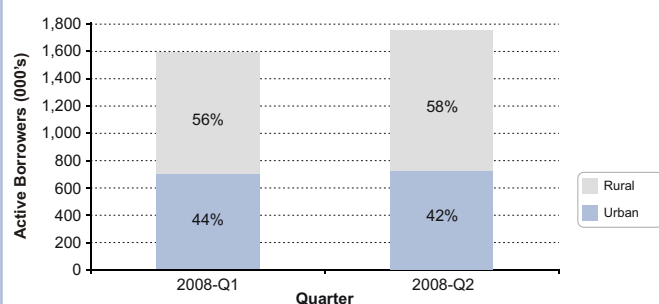
Gross Loan Portfolio by Methodology



Active Borrowers by Gender

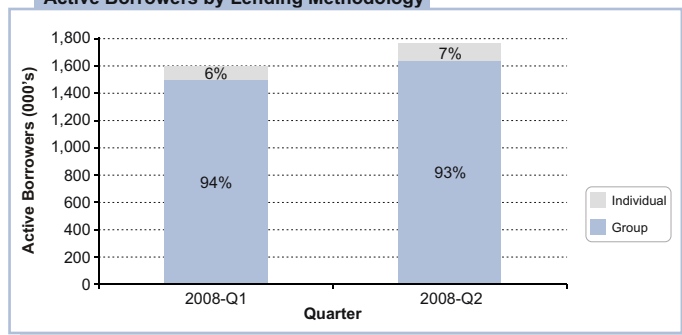


Active Borrowers by Rural/Urban

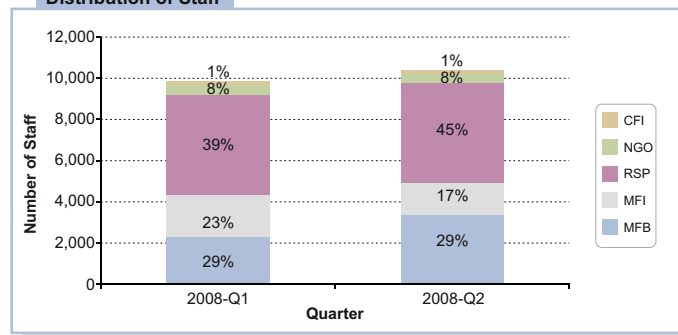


SUMMARY OF MICROCREDIT PROVISION (All Pakistan)

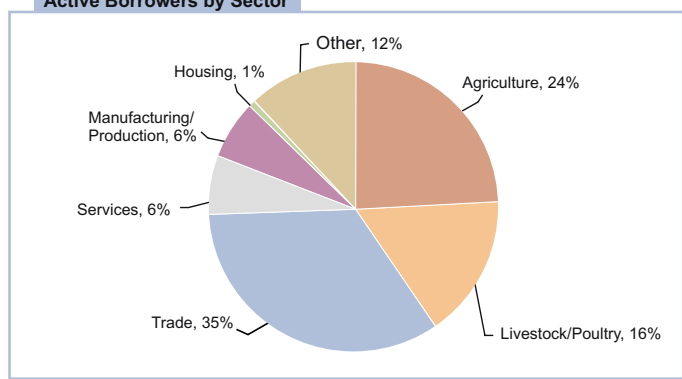
Active Borrowers by Lending Methodology



Distribution of Staff



Active Borrowers by Sector



SUMMARY OF MICRO-SAVINGS PROVISION (All Pakistan)

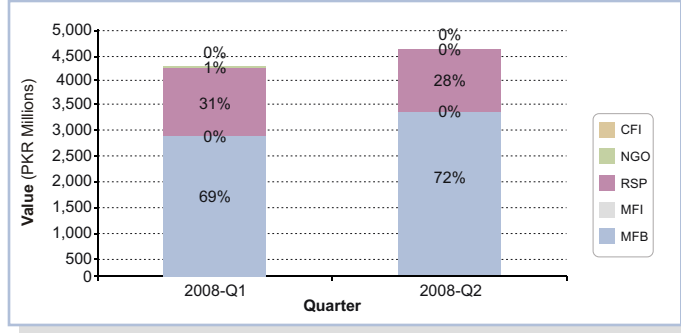
	Total	Saving Methodology		Peer Group				
		Intermediation	Mobilization	MFB	MFI	RSP	NGO	CFI
Number of Savers								
2008-Q1	1,715,612	172,814	1,542,798	172,814	24,839	1,407,671	110,288	-
2008-Q2	1,732,950	205,712	1,526,933	194,129	28,483	1,505,326	5,012	-
Value of Saving (PKR Millions)								
2008-Q1	4,208	2,878	1,336	2,872	4	1,310	21	-
2008-Q2	4,692	3,376	1,316	3,376	5	1,30	2	-
Average Saving Balance(PKR)								
2008-Q1	2,453	16,619	866	16,619	177	931	190	-
2008-Q2	2,707	16,410	862	17,389	189	869	442	-

Saving Methodology:

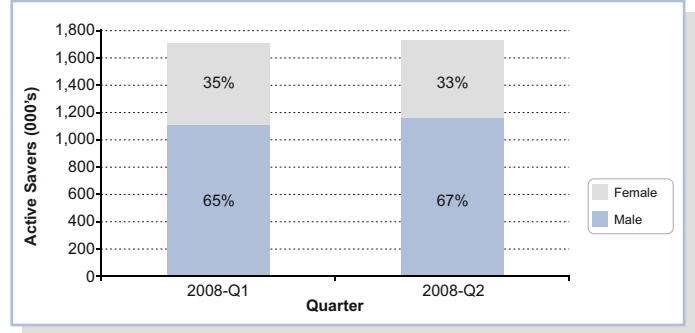
- Intermediation:** Public deposits used to finance an organization's loan portfolio. Only SBP-regulated MFPs (CFIs and MFBs) can accept and intermediate deposits from the general public.
- Mobilization:** MFPs not regulated by SBP (MFIs, NGOs, RSPs) can neither hold nor intermediate deposits from the general public. These organizations do however mobilize savings from their members/clients to place with licensed commercial banks.

SUMMARY OF MICRO-SAVINGS PROVISION (All Pakistan)

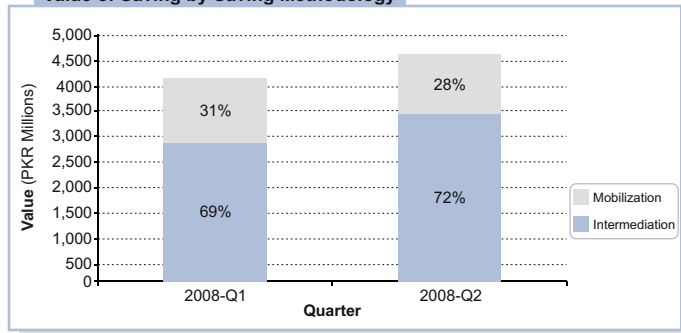
Value of Savings by Peer Group



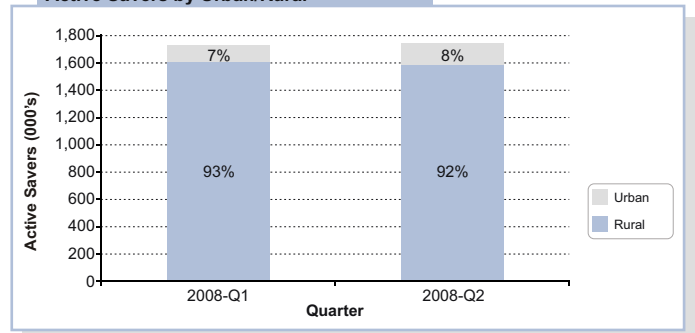
Active Savers by Gender



Value of Saving by Saving Methodology



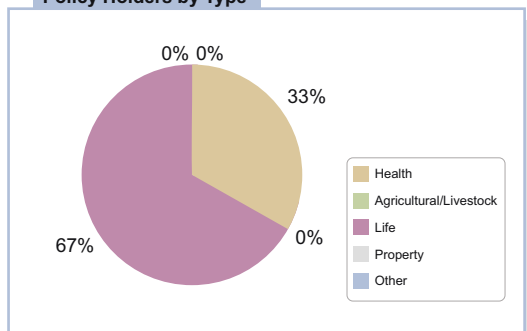
Active Savers by Urban/Rural



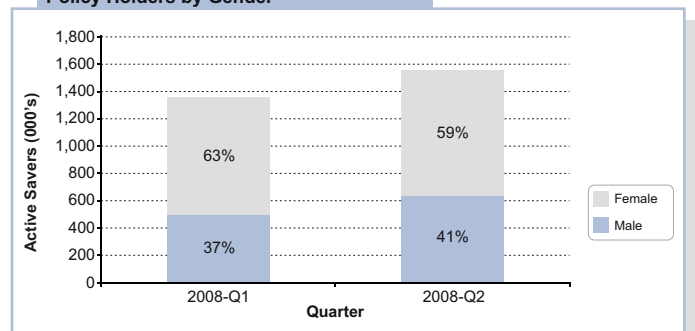
SUMMARY OF MICRO-INSURANCE PROVISION (All Pakistan)

	Total	Type		Peer Group				
		Health	Life	MFB	MFI	RSP	NGO	CFI
Number of Policy Holders								
2008-Q1	1,368,807	416,122	952,685	238,126	663,583	416,122	42,091	8,885
2008-Q2	1,576,381	523,390	1,052,991	315,762	675,783	523,390	49,207	12,239
Sum Insured (PKR Millions)								
2008-Q1	12,419	-	-	2,952	3,172	5,779	332	183
2008-Q2	15,181	-	-	4,036	3,269	7,230	424	225

Policy Holders by Type

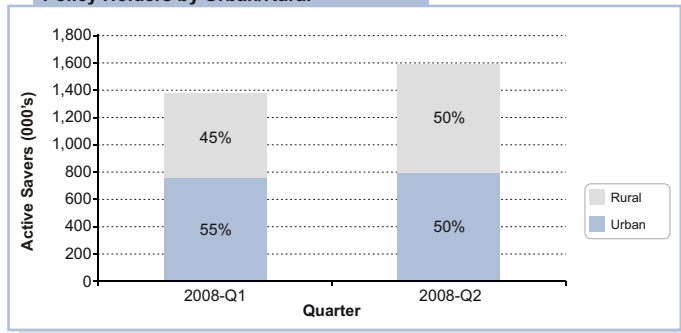


Policy Holders by Gender

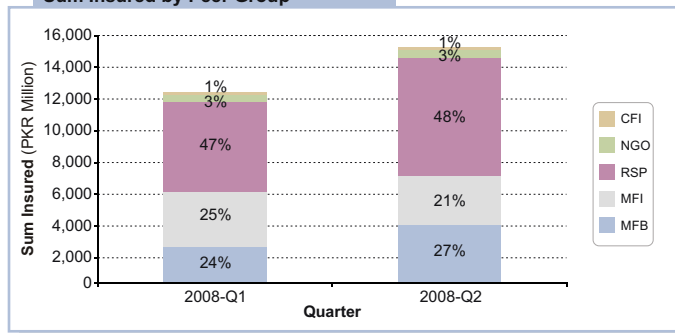


SUMMARY OF MICRO-INSURANCE PROVISION (All Pakistan)

Policy Holders by Urban/Rural



Sum Insured by Peer Group



OUTREACH (District Level)

BALUCHISTAN

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Awaran										26,054
Barkhan	KB	1	0	1,025	7,013,780	-	-	39	388,200	31,881
Bolan										66,423
Chagai ¹										54,814
Dera Bugti										43,770
Gwadar	FMFBL KB NRSP POMFB	5	0	2,102	13,191,928	8,051	1,557,493	1,143	11,566,661	55,537
Jafarabad	KB	1	0	2,408	28,700,380	-	-	1,891	23,317,000	121,911
Jhal Magsi										29,887
Kalat										53,884
Kech (Turbat)	NRSP	4	0	19	247,743	29,957	6,756,973	40	600,000	92,271
Kharan										47,948
Khuzdar										104,104
Kohlu										26,910
Lasbela										84,637
Loralai	KB	2	0	1,973	12,727,782	-	-	248	2,639,500	76,879
Mastung	KB	1	0	405	2,560,629	-	-	34	371,100	41,317
Musakhel										27,545
Nasirabad	KB	1	0	2,063	21,715,802	-	-	1,522	16,043,300	75,783
Nushki ³										-
Panjgur										51,074
Pishin	KB	1	0	1,334	10,019,871	-	-	74	786,000	100,179
Qila Abdullah										115,112
Qila Saifullah										44,345
Quetta	FMFBL KB OPP	6	0	5,014	28,147,454	1,073	65,600,000	1,421	13,892,385	174,437
Sherani ³										-
Sibi		1	0	2,070	13,939,257	-	-	267	2,837,300	48,944
Washuk										-
Zhob ⁴		1	0	776	4,561,616	-	-	48	528,100	53,848
Ziarat		1	0	19	70,748	-	-	-	-	7,268
Total		25	0	19,208	142,896,990	39,081	73,914,466	6,727	72,969,546	1,656,762

OUTREACH (District Level)

NWFP

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Abbottabad	KB SRSP	2	0	5,159	25,080,849	2,122	1,058,112	2,417	11,926,500	180,672
Bannu										167,380
Batgram	KB	1	0	783	1,941,793	-	-	444	1,514,000	58,257
Buner (Daggar)										133,171
Charsadda	BRAC KB NRSP	20	0	13,298	141,707,490	9,665	1,168,201	11,287	161,291,700	271,736
Chitral	BOK FMFBL	6	0	8,344	169,589,795	12,337	217,464,225	7,486	143,400,891	84,846
D.I. Khan	BOK KB	2	0	5,626	68,663,321	-	-	2,103	26,883,000	221,328
Hangu	SRSP KB	1	0	253	361,204	1,600	801,600	-	-	64,648
Hangu Haripur	SRSP KB SRSP	3	0	5,103	57,749,214	2,190	1,098,192	856	9,373,100	103,830
Karak	KB	1	0	2,053	14,880,959	-	-	838	8,675,500	102,174
Kohat	BOK KB SRSP	3	0	5,997	37,139,148	2,460	1,234,464	734	8,107,900	114,908
Kohistan	KB	1	0	365	713,200	-	-	280	840,000	73,374
Lakki Marwat										107,505
Lower Dir										176,660
Malakand	KB NRSP	20	0	11,653	157,690,995	32,696	4,751,168	9,806	143,312,000	106,429
Mansehra	KB POMFB	2	0	5,032	21,671,615	-	-	1,512	6,055,000	271,288
Mardan	BOK KB NRSP	45	0	40,979	440,582,745	27,093	7,565,888	36,126	538,017,200	354,988
Mingora ⁵	BOK KB	2	0	2,063	22,388,106	-	-	729	7,769,900	-
Nowshera	BRAC KB NRSP SRSP	19	0	18,337	158,383,152	1,696	849,696	10,091	134,919,900	201,208
Peshawar	BOK BRAC KB OLP SRSP NRSP OLP SRSP	13	0	10,320	84,735,244	1,820	913,824	2,345	24,209,800	451,548
Shangla	KB	1	0	730	4,306,008	-	-	486	3,743,000	116,366
Swabi	KB NRSP SWWS	13	2	12,094	125,581,417	13,479	3,571,274	8,473	124,290,800	230,073
Swat ⁶	NRSP	9	0	3,582	35,343,643	4,945	751,607	603	9,045,000	286,555
Tank										62,446
Upper Dir										142,427
Total		164	2	151,771	1,568,509,898	112,103	241,228,251	96,616	1,363,375,191	4,083,817

OUTREACH (District Level)

PUNJAB

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Attock	KASHF KB NRSP POMFB	58	0	19,292	171,380,016	44,683	92,125,052	12,695	164,899,737	262,870
Bahawalpur	FMFBL KASHF KB NRSP TMFB	34	0	97,052	1,544,897,594	105,419	253,793,442	82,340	1,208,307,479	461,777
Bhakkar	KB NRSP	33	0	20,791	197,701,473	41,919	26,572,765	24,376	357,030,000	252,453
Bhawalnagar	KB NRSP	9	0	50,743	848,630,015	49,655	96,147,204	44,635	656,372,800	427,843
Chakwal	KB NRSP POMFB	38	0	14,180	138,301,377	32,360	69,739,411	8,759	129,340,900	219,565
D.G. Khan	FMFBL KB NRSP	20	0	24,620	335,864,469	28,839	69,809,831	18,562	257,575,959	419,252
Faisalabad	AKHUWAT ASASAH FMFBL KASHF KB NRSP PRSP RCDS TMFB	79	0	96,852	828,188,535	38,896	34,653,752	92,844	477,311,570	1,096,924
Gujranwala	ASASAH FMFBL JWS KASHF KB NRSP OPD OPP ⁷ PRSP TMFB	41	0	60,779	770,788,634	33,306	31,232,376	73,710	615,528,263	735,741
Gujrat	AKHUWAT KASHF KB NRSP PRSP TMFB	13	0	12,941	118,982,829	12,049	6,317,321	14,826	82,047,242	446,630
Hafizabad	KASHF KB PRSP	6	0	8,844	71,885,170	7,020	1,215,604	8,816	41,856,361	231,170
Jhang	AKHUWAT FMFBL KASHF KB NRSP PRSP	15	0	20,241	169,640,537	13,817	18,925,954	23,042	144,737,123	626,546
Jhelum	KB NRSP	32	0	14,176	128,103,870	16,387	16,775,766	10,813	160,595,400	170,498
Kasur	ASASAH CSC DAMEN FMFBL KASHF KB OLP PRSP RCDS TMFB	30	0	51,408	468,133,263	8,009	13,590,477	60,644	418,979,067	586,427

OUTREACH (District Level)

PUNJAB

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Khanewal	AKHUWAT ASASAH KASHF KB NRSP PRSP	13	0	26,637	299,963,103	26,257	14,569,480	34,029	302,845,411	432,948
Khushab	KASHF KB NRSP OPP	25	0	20,053	174,124,338	45,169	48,373,214	24,706	302,665,158	235,163
Lahore	AKHUWAT ASASAH BOK BRAC CSC DAMEN FMFBL KASHF KB NRSP OLP OPP PRSP TMFB	125	0	174,020	1,727,335,260	38,916	76,496,483	210,879	1,482,038,543	872,760
Layyah	KB PRSP	4	0	13,285	147,709,595	14,020	2,054,557	4,837	64,377,200	263,251
Lodhran	AKHUWAT FMFBL KB NRSP	12	0	27,073	509,304,527	40,327	86,107,489	22,844	333,090,100	261,693
Mandi Bahauddin	KASHF KB PRSP	6	0	8,787	61,130,939	10,914	2,603,259	6,516	20,347,950	298,371
Mianwali	KB NRSP	31	0	21,735	189,341,118	21,006	1,965,915	22,949	342,378,600	252,413
Multan	AKHUWAT ASASAH BRAC FMFBL KASHF KB NRSP OLP PRSP	65	0	69,753	729,943,688	45,230	117,227,770	51,385	456,412,139	689,339
Muzaffargarh	KB NRSP PRSP	5	0	7,500	80,077,100	18,308	2,905,699	7,811	106,324,700	570,580
Nankana Sahib ^a	DAMEN RCDS	7	-	5,219	193,981,662	-	-	244	1,881,612	-
Narowal	KB NRDP PRSP	9	-	9,092	135,464,482	24,124	2,277,242	1,351	15,955,700	268,902
Okara	ASASAH DAMEN FMFBL KASHF KB PRSP TMFB	11	0	18,617	166,203,618	17,279	14,458,678	18,787	112,445,135	509,842
Pakpattan	ASASAH KASHF KB NRSP PRSP	8	0	22,669	310,015,552	21,488	11,408,138	25,159	267,981,166	281,988
Rahimyar Khan	FMFBL KASHF KB NRSP TMFB	39	0	36,841	538,075,776	23,723	88,234,708	37,431	354,046,606	585,705
Rajanpur	KB NRSP	7	0	25,707	374,578,003	20,731	54,596,516	16,002	224,813,500	260,436

OUTREACH (District Level)

PUNJAB

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Rawalpindi	AKHUWAT FMFBL KASHF KB NRSP OPP ⁹ POMFB	78	0	52,052	439,886,487	45,600	74,144,165	23,231	201,500,569	327,457
Sahiwal	ASASAH BRAC FMFBL KASHF KB NRSP OLP PRSP	20	0	31,063	317,009,920	29,110	12,559,689	36,617	279,305,098	395,468
Sargodha	KASHF KB NRSP PRSP	28	0	35,941	328,939,563	27,970	3,667,427	42,928	297,484,487	671,679
Sheikhupura	AKHUWAT DAMEN KASHF KB OLP PRSP RCDS	20	0	28,726	378,807,090	6,069	1,133,525	30,028	211,579,979	831,522
Sialkot	KASHF KB NRSP PRSP	26	0	17,312	163,398,932	29,989	8,221,952	5,699	62,837,541	501,997
Toba Tek Singh	KASHF KB NRSP PRSP	9	0	20,740	227,389,212	23,400	2,827,497	20,906	191,769,720	309,316
Vihari	ASASAH FMFBL KASHF KB NRSP OLP	12	0	24,155	291,659,920	28,907	28,263,008	23,976	243,473,448	475,398
Total		968	0	1,188,896	13,576,837,667	990,896	1,384,995,367	1,144,377	10,590,136,263	15,233,924

SINDH

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Badin	FMFBL KB NRSP POMFB	9	0	10,185	121,966,989	45,734	34,359,936	8,567	114,715,810	294,781
Dadu	FMFBL KB OLP OPP ¹⁰ TRDP	19	0	11,211	113,446,385	33,426	39,566,455	12,088	32,650,381	447,305
Ghotki	FMFBL KB	3	0	8,987	109,393,475	3,124	12,239,200	6,121	77,904,406	248,442
Hyderabad ¹¹	FMFBL KB NRSP OPP POMFB SAFWCO TMFB	34	0	34,196	364,315,807	19,307	97,198,889	30,805	426,534,218	517,652

OUTREACH (District Level)

SINDH

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Jacobabad	FMFBL KB	4	0	10,651	127,823,854	1,445	71,864,300	4,322	55,917,321	361,146
Jamshoro ¹²	TRDP	3	0	891	7,602,754	10,070	8,052,290	-	-	-
Karachi ¹³	FMFBL KASHF KB NMFB NRSP OLP OPP POMFB RMFB TMFB	106	1	95,640	889,295,892	68,014	1,641,299,984	94,337	588,078,135	1,329,990
Khairpur ¹⁴	FMFBL KB OPP TRDP	9	0	25,364	319,342,236	25,872	57,190,489	24,746	157,841,706	401,853
Larkana	FMFBL KB	6	0	16,015	199,218,530	1,216	18,505,400	12,686	160,514,398	534,891
Matyari ¹⁵	FMFBL NRSP OPP SAFWCO	7	0	13,217	142,551,532	14,339	10,047,957	10,960	112,393,706	-
Mirpur Khas ¹⁶	FMFBL KB NRSP POMFB TMFB	11	0	15,391	177,478,633	38,556	14,546,153	12,668	177,005,530	210,494
Naushahro Feroze	FMFBL KB OPP	2	0	10,298	100,097,334	879	11,389,100	3,290	39,690,128	266,462
Nawabshah	FMFBL KB NRSP OPP SAFWCO	5	1	17,939	210,995,174	4,662	19,403,121	10,831	115,607,249	225,430
Sanghar	FMFBL KB OLP OPP SAFWCO	10	1	19,578	176,749,370	201	6,586,000	13,840	26,834,149	354,133
Sehwan Sharif	KB	1	0	2,004	15,346,849	-	-	135	1,656,200	-
Shehdad Kot										-
Shikarpur	FMFBL KB	2	0	1,201	11,791,804	-	-	946	9,824,435	237,633
Sukkur	FMFBL KB OPP	7	0	10,735	111,287,928	1,747	13,365,400	5,562	62,639,008	213,080
Tando Allahyar ¹⁷	FMFBL KB NRSP POMFB	4	0	8,484	87,570,521	13,607	52,867,400	5,516	64,018,197	-
Tando Muhammad Khan	FMFBL KB NRSP POMFB	4	0	6,863	82,349,640	7,194	14,465,817	6,021	77,994,993	-
Tharparkar	FMFBL KB TRDP	22	0	11,375	97,215,189	119,630	123,676,251	10,895	21,554,706	245,046
Thatta	FMFBL KB NRSP	5	0	5,405	55,970,370	14,660	24,252,316	3,751	47,795,000	283,491
Umer Kot	FMFBL OPP TRDP	14	0	8,765	86,862,673	33,510	69,391,022	10,297	13,921,491	185,966
Total		287	3	344,395	3,608,672,939	457,193	2,340,267,480	288,384	2,385,091,167	6,357,795

OUTREACH (District Level)

AZAD JAMMU AND KASHMIR (AJK)

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market ¹⁸
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Bagh	NRSP	6	0	1,360	9,379,814	22,033	6,165,271	700	10,500,000	-
Bhimber	KB	1	0	1,341	4,436,542	-	-	618	2,761,600	-
Kotli	NRSP	11	0	5,313	41,670,618	15,807	3,194,849	5,794	86,910,000	-
Mirpur										-
Muzaffarabad	KB NRSP	9	0	7,691	43,860,997	7,983	2,578,273	3,696	39,613,000	-
Neelum	FMFBL KB	2	0	1,395	19,795,791	2,461	11,280,000	1,314	19,841,291	-
Poonch	KB NRSP	4	0	1,914	9,035,622	31,557	9,087,064	1,101	11,269,000	-
Sudhnati	NRSP	1	0	453	3,739,744	7,182	1,619,036	494	7,410,000	-
Total		34	0	19,467	131,919,128	87,023	33,924,493	13,717	178,304,891	-

FEDERALLY ADMINISTRATED NORTHERN AREAS (FANA)

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market ¹⁹
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Astore	FMFBL	1	0	2,342	56,452,798	1,751	13,744,000	2,342	56,452,798	-
Diaram	FMFBL	0	0	-	-	-	-	-	-	-
Ghanche	FMFBL	2	0	2,873	68,411,453	3,519	80,424,000	2,873	68,411,453	-
Ghizer	FMFBL	5	0	5,605	114,252,544	8,926	59,707,000	5,605	114,252,544	-
Gilgit	FMFBL	4	0	6,843	162,148,888	14,153	145,509,000	6,843	162,148,888	-
Skardu	FMFBL	3	0	6,047	131,960,259	5,770	86,315,000	6,047	131,960,259	-
Total		15	0	23,710	533,225,942	34,119	385,699,000	23,710	533,225,942	-

FEDERALLY ADMINISTRATED TRIBAL AREAS (FATA)

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market ²⁰
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Bajaur	KB	1	0	221	1,964,239	-	-	149	1,490,000	-
Khyber	KB	1	0	804	4,685,185	-	-	170	1,769,900	-
Kurram	KB	1	0	944	9,128,509	-	-	353	3,672,700	-
Mohmand	KB	1	0	295	2,625,050	-	-	169	1,690,000	-
North Waziristan										-
Orakzai	KB	0	0	251	2,428,136	-	-	254	2,540,000	-
South Waziristan										-
Total		4	0	2,515	20,831,119	-	-	1,095	11,162,600	-

ISLAMABAD CAPITAL TERRITORY (ICT)

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Islamabad	FMFBL NRSP POMFB	13	0	4,156	65,150,567	12,535	231,931,063	1,755	48,358,013	74,750

OUTREACH (ALL PAKISTAN)

Province	Offices		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market	Penetration Rate (%)
	Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)		
Balochistan	25	-	19,208	142,896,990	39,081	73,914,466	6,727	72,969,546	1,656,762	1.16
N.W.F.P	164	2	151,771	1,568,509,898	112,103	241,228,251	96,616	1,363,375,191	4,083,817	3.72
Punjab	968	-	1,188,896	13,576,837,667	990,896	1,384,995,367	1,144,377	10,590,136,263	15,233,924	7.80
Sindh	287	3	344,395	3,608,672,939	457,193	2,340,267,480	288,384	2,385,091,167	6,357,795	5.42
AJK	34	-	19,467	131,919,128	87,023	33,924,493	13,717	178,304,891	-	-
FANA	15	-	23,710	533,225,942	34,119	385,699,000	23,710	533,225,942	-	-
FATA	-	-	2,515	20,831,119	-	-	1,095	11,162,600	-	-
ICT	13	-	4,156	65,150,567	12,535	231,931,063	1,755	48,358,013	74,750	5.56
Grand Total	1,510	5	1,754,118	19,648,044,250	1,732,950	4,691,960,120	1,576,381	15,182,623,613	27,407,048	6.40

OTHER NEWS ITEMS

Kashf receives license whereas NRSP receives NOC to set up their respective MFBs

Kashf Foundation was issued a license to set up a national level microfinance bank (MFB) by the State Bank of Pakistan. The Kashf Microfinance Bank (KMB) will start operations by the end of 2008 and is expected to offer a full range of finance products and services, including credit for working capital, household needs, home improvement, transportation and emergency financing and deposit products such as checking, saving, certificates of deposit and a program saving account. The Bank will commence operations with the purchase of a portfolio of approximately 15,000 individual loans totaling Rs. 337 million from the Kashf Foundation. These loans were provided through the Kashf Foundation's Business Sarmaya Loan (BSL) product, which has grown steadily since its creation in 2005.

In a similar development, the National Rural Support Programme (NRSP), the largest microfinance service provider in the country, received an NOC from the central bank for setting up its microfinance bank as well.

2nd International Conference on Microfinance held in Islamabad

The second international conference on microfinance was held on the 28th of August in Islamabad. The one-day event was organized by Shamrock Conferences International. Federal Minister for Finance, Mr. Naveed Qamar inaugurated the event as the chief guest. Speakers included representatives of SBP, MFPS, donor organizations, PPAF, and development and research institutions who highlighted the various issues and challenges faced by the sector on various fronts including regulation, expanding outreach, funding strategies, portfolio quality and business development.

ASA-Pakistan starts business in the country

ASA-Pakistan began its operations in the country in September. ASA is recognized internationally as one of the leading microfinance institutions of Bangladesh, which now has a global presence. It also has extensive experience in providing technical assistance to various emerging microfinance institutions across the globe. ASA-Pakistan has registered as a for-profit company and is currently operating four branches in Karachi.

To learn more about the organization, please visit www.asabd.org

END NOTES

- ¹ Chagai district was divided into two districts (Nushki and Chagai) in 2005. The potential microfinance market estimate for Chagai is therefore an overestimation (aggregate of potential markets for Nushki and Chagai).
- ² Population data for Nushki district is not available. Nushki was carved out of Chagai district in 2005. Thus, the potential microfinance market estimate for Chagai is an aggregate of the potential market for Chagai and Nushki.
- ³ Population data for Sherani district is not available. Sherani was carved out of Zhob district in 2005
- ⁴ Zhob was divided into two districts (Zhob and Sherani) in 2005. The potential microfinance market estimate for Zhob is therefore an overestimation (aggregate of potential markets for Zhob and Sherani).
- ⁵ Population data for Mingora district is not available. Mingora was carved out of Swat district in 2005. Thus, the potential microfinance market estimate for the district of Swat is an aggregate of the potential market for Mingora and Swat.
- ⁶ Swat district was divided into two districts (Swat and Mingora) in 2005. The potential market estimate for Swat is therefore an overestimation (aggregate of potential markets for Mingora and Swat). The estimate is based on 1998 DCR population data available for Swat.
- ⁷ OPP does not provide retail microcredit services in Gujranwala and Khushab. It wholesales funds to partner organizations: Mehran Education Welfare Society, and Soan Valley Development Program, respectively.
- ⁸ Population data for the district of Nankana Sahib is not available. The district was carved out of Sheikhpura district in 2005. Thus, the estimate for the district of Sheikhpura is an aggregate of the potential market for Sheikhpura and Nankana Sahib (based on 1998 DCR population data available for Sheikhpura).
- ⁹ OPP does not provide retail microcredit services in Rawalpindi. It wholesales funds to a partner organization: Alfalah Development Organization.
- ¹⁰ OPP does not provide retail microcredit services in Dadu. It wholesales funds to a partner organization: Soofi Shah Inayat Shaheed Sanghat.
- ¹¹ Hyderabad district was divided into four districts in 2006. These are Hyderabad, Matyari, Tando Muhammad Khan, and Tando Allahyar. Thus, the potential microfinance market estimate for Hyderabad is an aggregate of all four resulting districts (based on 1998 DCR population data available for Hyderabad).
- ¹² Population data for Jamshoro district is not available. The district is new and was carved out of Dadu district in 2006. Thus, the estimate for Dadu also includes the estimate for the recently created Jamshoro district.
- ¹³ The market estimate for Karachi is the aggregate of four districts namely, Central, West, East, and South.
- ¹⁴ OPP does not provide retail microcredit services in Khairpur. It wholesales funds to partner organizations: Khajji Cooperative Society, Goth Seenghar, and Marvi Rural Development Organization.
- ¹⁵ Population data for Matyari district is not available. The district was carved out of Hyderabad district in 2006. Thus, the estimate for Hyderabad also includes the estimate for the recently created Matyari district.
- ¹⁶ OPP does not provide retail microcredit services in Mirpur Khas, Nawabshah, Naushahro Feroze, Thatta and Umer Kot. It wholesales funds to a number of partner organizations: Sindh Rural Partner Organization; Shah Sachal Sami Welfare Association; Village Welfare Society; Sindh Community Development Organization; Ghulam Qadir Group; and Shama Roshan Social Welfare Development Organization, respectively.
- ¹⁷ Population data for districts Tando Allahyar and Tando Muhammad Khan is not available. The districts were carved out of Hyderabad district in 2006. Thus, the microfinance market estimate for Hyderabad is an aggregate of the potential markets in the recently created Tando Allahyar, Matyari and Tando Muhammad Khan districts.
- ¹⁸ Due to unavailability of population data for the Azad Jammu and Kashmir (AJK) districts, the potential microfinance market could not be estimated.
- ¹⁹ Due to unavailability of population data for the Federally Administered Northern Areas (FANA) the potential microfinance market could not be estimated.
- ²⁰ Due to unavailability of population data for the Federally Administered Tribal Areas (FATA), the potential microfinance market could not be estimated.

REPORTING ORGANIZATIONS

Category	MFP	Reporting Period	
		Quarter 1	Quarter 2
		2008	2008
MFB Microfinance Bank licensed and prudentially regulated by the State Bank of Pakistan to exclusively service microfinance market	Khushhali Bank (KB)	✓	✓
	Network MicroFinance Bank Ltd. (NMFB)	✓	✓
	Pak-Oman Microfinance Bank Ltd. (POMFB)	✓	✓
	Rozgar Microfinance Bank Ltd. (RMFB)	✓	✓
	Tameer Microfinance Bank Ltd. (TMFB)	✓	✓
	The First MicroFinanceBank Ltd. (FMFB)	✓	✓
MFI Microfinance institution providing specialized microfinance services	Akhuwat	✓	✓
	Asasah	✓	✓
	Kashf Foundation	✓	✓
	Orangi Pilot Project (OPP)	✓	✓
	Sindh Agricultural and Forestry Workers Cooperative Organization (SAFWCO)	✓	✓
RSP Rural support programme running microfinance operation as part of multi-dimensional rural development programme	Lachi Poverty Reduction Project (LPRP)	×	×
	National Rural Support Programme (NRSP)	✓	✓
	Punjab Rural Support Programme (PRSP)	✓	✓
	Sarhad Rural Support Programme (SRSP)	✓	✓
	Thardeep Rural Development Programme (TRDP)	✓	✓
NGO Non-government organization running microfinance operations as part of multi-dimensional developed programme	Centre for Women Cooperative Development (CWCD)	×	×
	Community Support Concern (CSC)	✓	✓
	Development Action for Mobilization and Emancipation (DAMEN)	✓	✓
	Jinnah Welfare Society (JWS)	✓	✓
	Narowal Rural Development Programme (NRDP)	×	×
	Organization for Participatory Development (OPD)	✓	✓
	Rural Community Development Society (RCDS)	✓	✓
	Save the Poor (STP)	×	×
	Sindh Rural Support Program (Srsp)	×	×
	Sungi Development Foundation (SDF)	✓	×
	Swabi Women's Welfare Society (SWWS)	×	✓
Taraqee Foundation (TF)	×	×	
CFI Commercial financial institution providing microfinance services as separate function	ORIX Leasing Pakistan Ltd. (OLP)	✓	✓
	Bank of Khyber (BOK)	✓	✓

Author: Aban Haq

Data Collection and Compilation: Moazzam Iqbal

Design & Layout: Sumaira Sagheer

Printed at Pangraphics

Copyrights © Oct 2008 Pakistan Microfinance Network

Pakistan Microfinance Network Secretariat

Hs 38-B, Street 33, F 8/1, Islamabad, Pakistan

Tel: +92 (51) 2816139-41, Fax: +92 (51) 2854702

Email: info@pmn.org.pk

www.pmn.org.pk