

The microfinance market in Pakistan is evolving at a rapid pace with new entrants, new products and practices, and a growing client base. The increasing momentum of the microfinance market has raised the need for up-to-date information. Driven by this need, the Pakistan Microfinance Network (PMN) and ShoreBank International Ltd. (SBI) conceived the idea of a quarterly bulletin - MicroWatch.

The bulletin gives information after a quarter to provide analysts and key decision makers up-to-date market data. The goal is to strengthen and speed the expansion of the microfinance market to provide more services of a higher quality across Pakistan.

MicroWatch is a publication of the Pakistan Microfinance Network and has been developed in collaboration with ShoreBank International. It was made possible by the generous sponsorship of the Department for International Development (UK) and the United States Agency for International Development (USAID).

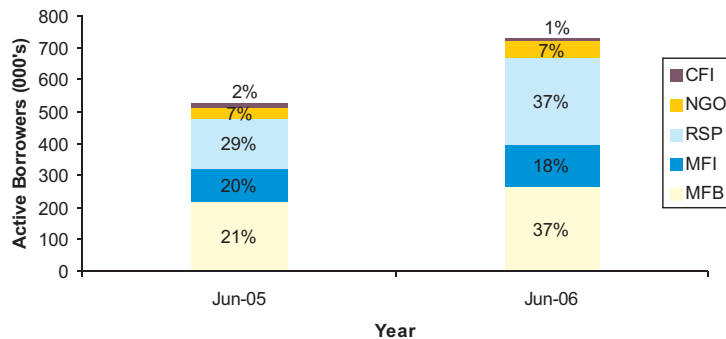
This publication is also the result of the cooperation and efforts of organizations that contributed their data and all are gratefully cited on the back cover.

Exchange Rates PKR/USD (June-05: PKR 59.66, June-06: PKR 60.1)

### THE MICROFINANCE SECTOR

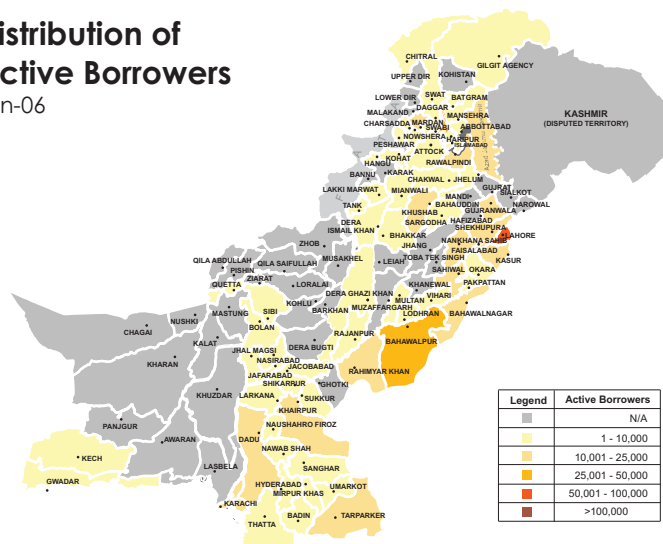
Year	MICROCREDIT		MICRO-SAVINGS	
	Total Outreach	Value of Outstanding Portfolio (PKR)	Total Savers	Value of Savings (PKR)
Jun-05	527,275	5,161,601,734.02	1,073,390	1,426,853,203.00
Jun-06	730,960	7,197,248,764.00	1,052,368	1,659,672,880.00
Increase (Net)	203,686	2,035,647,029.98	-21,022	232,819,677.00
Growth (%)	39	39.00	-2	16.00

#### Active Borrowers



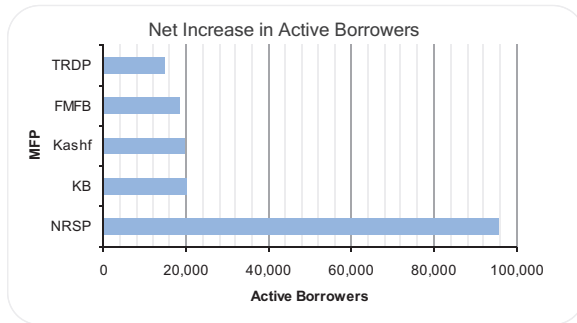
#### Distribution of Active Borrowers

Jun-06

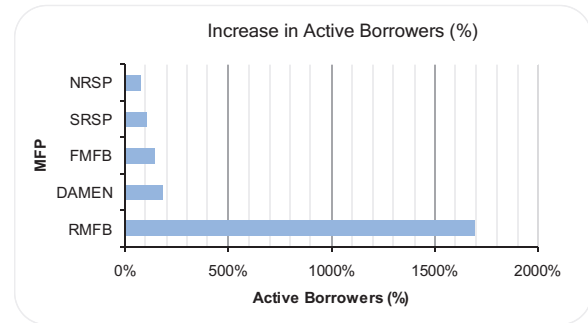


## MARKET HIGHLIGHTS

### FASTEST GROWING PROVIDERS OF MICROCREDIT (June 2005 to June 2006)



Top Five Growth in Active Borrowers



Top Five Percentage Increase in Active Borrowers

### LARGEST PROVIDERS OF MICROCREDIT (June 2006)

#### TOP FIVE LARGEST MICROCREDIT OUTREACH

	MFP	Active Borrowers
1	KB	225,552
2	NRSP	218,033
3	Kashf	90,523
4	TRDP	45,469
5	FMFB	31,618

#### TOP FIVE LARGEST GEOGRAPHICAL OUTREACH

	MFP	Districts Touched
1	KB	64
2	NRSP	32
3	OPP	17
4	FMFB	16
5	BoK	12

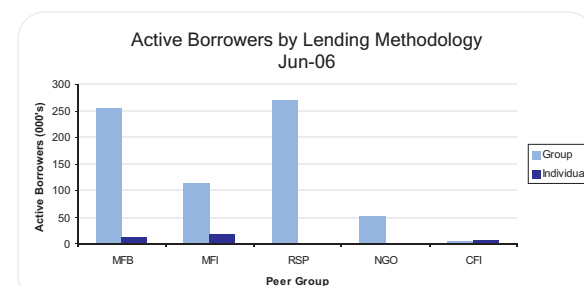
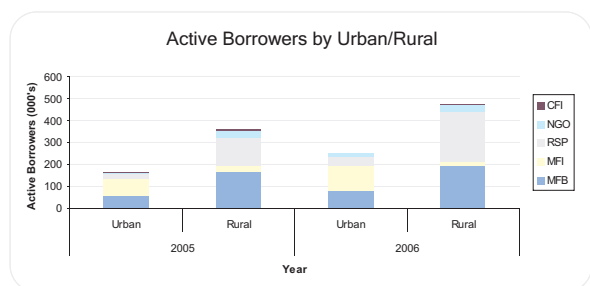
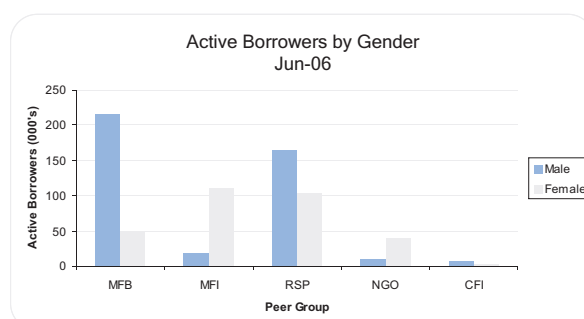
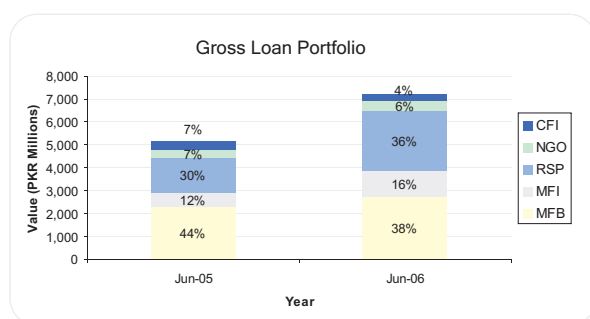
#### TOP THREE DISTRICTS OF EACH PROVINCE

	District	Province	Active Borrowers	Estimated Microcredit Market	Estimated Penetration Rate
1	Quetta	Balochistan	6,026	167,518	3.60%
2	Jaffarabad		2,287	118,452	1.93%
3	Sibi		1,543	N/A	N/A
1	Mardan	NWFP	14,919	344,615	4.33%
2	Malakand		5,643	102,969	5.48%
3	Chitral		4,772	N/A	N/A
1	Lahore	Punjab	89,533	843,573	10.61%
2	Bahawalpur		25,124	473,558	5.31%
3	Rawalpindi*		21,796	70,524	30.91%
1	Karachi	Sindh	21,483	1,363,431	1.58%
2	Tharparkar		17,248	237,609	7.26%
3	Khairpur		12,408	N/A	N/A

\*The District Census Report (DCR) for Rawalpindi district is not available and instead, data from Population and Housing Census 1998 for Rawalpindi City was used to calculate the 'Estimated Microfinance Market'.

## SUMMARY OF MICROCREDIT PROVISION *(All Pakistan)*

	LENDING METHODOLOGY			PEER GROUP				
	Total	Group	Individual	MFB	MFI	RSP	NGO	CFI
<b>Branches/Units</b>								
Jun-05	488			93	58	277	39	21
Jun-06	965			215	89	584	58	19
<b>Active Borrowers</b>								
Jun-05	527,275			218,519	103,411	155,140	37,600	12,605
Jun-06	730,960	694,717	36,243	267,100	131,532	269,859	52,308	10,161
<b>Gross Loan Portfolio (PKR Millions)</b>								
Jun-05	5,161			2,298	606	1,539	359	357
Jun-06	7,197	6,519	678	2,736	1,142	2,616	422	279
<b>Average Loan Balance (PKR)</b>								
Jun-05	9,789			10,518	5,866	9,921	9,566	28,378
Jun-06	9,846	9,384	18,712	10,244	8,685	9,695	8,085	27,505
<b>No. of Loans Disbursed</b>								
Jun-05								
Jun-06	291,899			105,260	60,226	113,195	11,346	1,872
<b>Disbursements (PKR Millions)</b>								
Jun-05								
Jun-06	3,683			1,337	616	1,555	123	50
<b>Average Loan Size (PKR)</b>								
Jun-05								
Jun-06	12,620			12,707	10,236	13,743	10,919	26,808



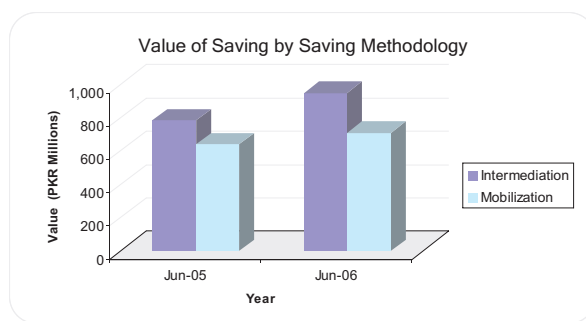
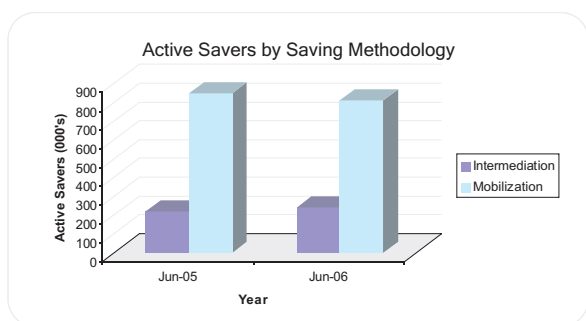
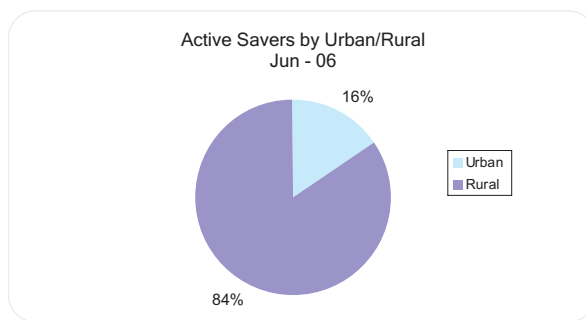
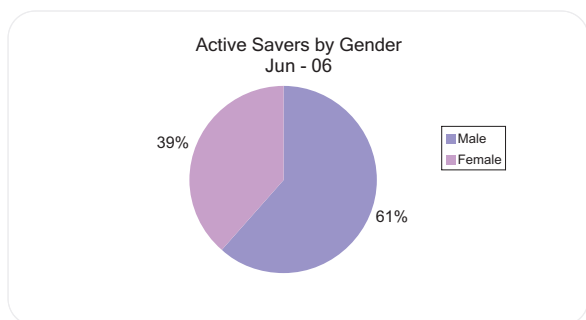
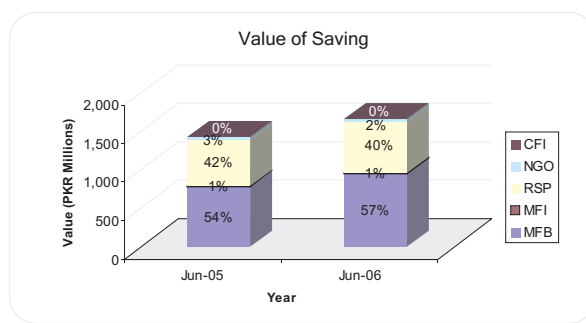
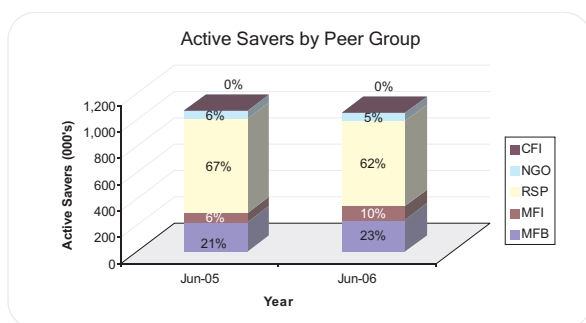
# SUMMARY OF MICRO-SAVINGS PROVISION (All Pakistan)

	SAVING METHODOLOGY*			PEER GROUP				
	Total	Intermediation	Mobilization	MFB	MFI	RSP	NGO	CFI
<b>Savers</b>								
Jun-05	1,073,390	221,683	851,707	221,683	69,131	714,328	68,248	0
Jun-06	1,052,368	241,846	810,522	241,846	101,728	651,747	57,047	0
<b>Value of Saving (PKR Millions)</b>								
Jun-05	1,426	784	642	784	8	596	38	0
Jun-06	1,659	949	709	949	8	666	34	0
<b>Average Saving Balance (PKR)</b>								
Jun-05	1,329	3,538	754	3,538	116	835	558	0
Jun-06	1,577	3,927	876	3,927	85	1,023	603	0

**\*Savings Methodology Definitions**

**1. Intermediation:** Regulated banks including both CFIs and MFBs are able to mobilize deposits and intermediate these deposits i.e., use these funds to finance their loan portfolios.

**2. Mobilization:** MFIs, NGOs and RSPs are not licensed to intermediate savings. However, they do mobilize savings from their members which are placed with commercial banks. These mobilized savings are not intermediated i.e., they are not used for the purpose of on-lending.



# PROVINCIAL SUMMARY (All Pakistan)\*

## PUNJAB

\*Not all MFIs made data available by district and therefore this table is incomplete and does not tally with more complete data provided elsewhere in this issue of MicroWatch.

District	MFP	Offices	Active Borrowers	Active Savers	Savings Balance (PKR)	Population (1998)	Density (persons/km <sup>2</sup> )
Attock	POMFB	36	9,259	38,896	73,100,000	1,274,935	186
	NRSP						
Bahawalpur	NRSP	31	25,124	34,687	76,220,000	2,433,091	98
Bahawalnagar	NRSP	14	12,441	19,381	41,480,000	2,061,447	232
Bhakkar	NRSP	23	8,647	20,375	24,480,000	1,051,456	129
Chakwal	NRSP	26	4,541	24,416	60,080,000	1,083,725	166
D.G. Khan	NRSP	3	5,050	15,039	30,450,000	1,643,118	138
Faisalabad	NRSP	35	16,095	3,369	39,250	5,429,547	927
	Kashf						
Gujranwala	JWS	9	19,674	16,051	345,100	3,400,940	939
	OPP						
	Kashf						
Gujrat		0	0	0	0	2,048,008	642
Hafizabad		0	0	0	0	832,980	352
Jhang		0	0	0	0	2,834,545	322
Jhelum	NRSP	17	4,110	12,711	15,320,000	936,957	261
Kasur	CSC	13	20,913	19,808	2,792,922	2,375,875	595
	DAMEN						
	ORIX						
	Asasah						
	Kashf						
Khanewal		0	0	0	0	2,068,490	476
Khushab	NRSP	22	9,041	31,847	47,110,000	905,711	139
	OPP						
Lahore	ORIX	66	89,533	61,692	11,105,161	6,318,745	3,566
	CSC						
	DAMEN						
	NRSP						
	Asasah						
	Akuwat						
	Kashf						
	OPP						
FMFBL							
Layyah		0	0	0	0	1,120,951	178
Lodhran	NRSP	8	9,045	19,334	27,760,000	1,171,800	422
M. Bahauddin		0	0	0	0	1,160,552	434
Mianwali	NRSP	20	3,104	2,237	570,000	1,056,620	181
Multan	NRSP	19	4,623	548	125,270	3,116,851	838
	Asasah						
Muzaffargarh		0	0	0	0	2,635,903	320
Nankana Sahib	RCDS	4	3126	0	0	683,963	-
Narowal		0	0	0	0	1,265,097	541
Okara	Asasah	7	4,067	3,987	302,590	2,232,992	510
	Kashf						
Pakpattan	Asasah	1	45	0	0	1,286,680	472
Rahimyar Khan	NRSP	13	15,368	18,608	44,030,000	3,141,053	264
Rajanpur	NRSP	4	6,698	10178	39,080,000	1,103,618	90
Rawalpindi	Akuwat	49	21,796	43,720	55,671,000	3,363,911	636
	OPP						
	POMFB						
	FMFBL						
	NRSP						
Sahiwal	Kashf	4	528	405	84,070	1,843,194	576
	Asasah						
Sialkot		0	0	0	0	2,723,481	903
Sargodha	Kashf	1	105	105	0	2,665,979	455
Sheikhupura	ORIX	12	13,171	7,867	880,955	3,321,029	557
	Kashf						
	DAMEN						
	RCDS						
Toba Tek Singh		0	0	0	0	1,621,593	499
Vihari	NRSP	5	5,750	20,571	13,835,610	2,090,416	479
	ORIX						
	Asasah						
<b>Province Total</b>		<b>442</b>	<b>311,854</b>	<b>425,832</b>	<b>564,861,928</b>	<b>74,305,253</b>	<b>359</b>

## PROVINCIAL SUMMARY *(All Pakistan)*

### NWFP

District	MFP	Offices	Active Borrowers	Active Savers	Savings Balance (PKR)	Population (1998)	Density (persons/km <sup>2</sup> )
Abbottabad	Sungi	3	1,483	30,289	8,170,000	880,666	448
	BOK						
	SRSP						
Batgram	Sungi	1	5	201	335,000	307,278	236
Bannu		0	0	0	0	675,667	551
Buner (Daggar)		0	0	0	0	506,048	271
Charsadda	BOK	9	2,979	3,568	520,000	1,022,364	1,026
	NRSP						
Chitral	BOK	6	4,772	4,819	118,254,000	318,689	21
	FMFBL						
D.I. Khan	BOK	1	411	0	0	852,995	116
Hangu	BOK	2	300	8,333	3,850,000	314,529	287
	SRSP						
Haripur	BOK	3	1,066	23,415	12,855,000	692,228	401
	Sungi						
	SRSP						
Karak		0	0	0	0	430,796	128
Kohat	BOK	5	3130	13,138	6,070,000	562,644	221
	SRSP						
	LPRP						
Kohistan		0	0	0	0	472,570	63
Lakki		0	0	0	0	490,025	155
Lower DIR		0	0	0	0	717,649	454
Malakand	NRSP	19	5,643	12,145	1,080,000	452,291	475
Mansehra	BOK	3	848	15,130	21,071,000	1,152,839	252
	POMFB						
	Sungi						
Mardan	BOK	36	14,919	16,789	3,250,000	1,460,100	895
	NRSP						
Nowshera	SRSP	1	1,147	7,751	820,000	874,373	500
Peshwar	BOK	7	2,881	6,300	770,000	2,019,118	1,606
	SRSP						
Shangla		0	0	0	0	434,563	274
Swabi	NRSP	12	1,977	3,970	510,000	1,026,804	665
Swat	BOK	3	3,064	3,114	560,000	1,257,602	236
	NRSP						
Tank	BOK	1	3	0	0	238,216	142
Upper Dir		0	0	0	0	575,858	156
FATA		0	0	0	0	3,176,331	117
<b>Province Total</b>		<b>112</b>	<b>44,628</b>	<b>171,543</b>	<b>201,965,000</b>	<b>20,912,243</b>	<b>238</b>

### SINDH

District	MFP	Offices	Active Borrowers	Active Savers	Savings Balance (PKR)	Population (1998)	Density (persons/km <sup>2</sup> )
Badin	NRSP	27	6,503	41,459	24,430,000	1,136,044	169
	POMFB						
Dadu	TRDP	16	12,382	0	0	1,688,811	89
	OPP						
Ghotki		0	0	0	0	970,549	160
Hyderabad	NRSP	38	9,648	21,658	26,927,000	2,891,488	524
	OPP						
	POMFB						
	FMFBL						
Jacobabad	TF	1	687	1766	957180	1,425,572	270
Karachi	ORIX	49	21,483	16,004	359,355,771	9,856,318	2,795
	NRSP						
	TMFB						
	OPP						
	POMFB						
	NMFB						
	RMFB						
FMFBL							
Khairpur	TRDP	10	12,408	0	0	1,546,587	97
	OPP						
	FMFBL						
Larkana	TF	1	217	1,093	631,880	1,927,066	260

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## PROVINCIAL SUMMARY (All Pakistan)

### SINDH (continues from previous page)

District	MFP	Offices	Active Borrowers	Active Savers	Savings Balance (PKR)	Population (1998)	Density (persons/km <sup>2</sup> )
Matyari	SAFWCO	2	2187	0	0	-	-
	OPP						
Mirpur Khas	NRSP	14	5,836	30,899	5,080,000	1,569,030	536
	OPP						
	POMFB						
	FMFBL						
Nawabshah	SRSP (Sindh)	3	2,831	700	162,540	1,087,571	369
	OPP						
	SAFWCO						
Naushahro Firoz	OPP	0	429	0	0	1,071,533	238
Sanghar	SRSP (Sindh)	7	10,321	3,218	698,015	1,453,028	135
	ORIX						
	OPP						
	SAFWCO						
Shehdad Kot	TF	1	210	300	130,400		
Shikarpur	TF	1	291	1210	729,900	880,438	350
Sukkur	OPP	0	298	0	0	908,373	176
Tando Allahyar	FMFBL	1	1,061	0	0	-	-
Thatta	NRSP	13	3,374	11,914	9,080,000	1,113,194	64
Thar	TRDP	28	17,248	0	0	914,291	47
Umar Kot	TRDP	10	8,428	0	0	663095	-
	OPP						
<b>Province Total</b>		<b>222</b>	<b>115,842</b>	<b>130,221</b>	<b>428,182,686</b>	<b>31,102,988</b>	<b>225</b>

### BALUCHISTAN

District	MFP	Offices	Active Borrowers	Active Savers	Savings Balance (PKR)	Population (1998)	Density (persons/km <sup>2</sup> )
Awaran		0	0	0	0	118,173	4
Barkhan		0	0	0	0	103,545	29
Bolan	TF	1	202	202	129,774	288,056	38
Chagai		0	0	0	0	202,564	4
Dera Bugti		0	0	0	0	181,310	18
Gwadar	NRSP	4	511	6,186	1,220,000	185,498	15
	POMFB						
	FMFBL						
Jafarabad	TF	4	2,287	20,204	6,221,561	432,817	177
Jhal Magsi	TF	1	581	642	376,758	109,941	30
Kalat		0	0	0	0	237,834	36
Kech (Turbat)	NRSP	3	1,022	27,925	6,420,000	413,204	18
Kharan		0	0	0	0	206,909	4
Khuzdar		0	0	0	0	417,466	12
Kohlu		0	0	0	0	99,846	13
Lasbela		0	0	0	0	312,695	21
Loralai		0	0	0	0	297,555	30
Mastung		0	0	0	0	179,784	30
Musakhel		0	0	0	0	134,056	23
Nasirabad	TF	1	1,329	4,851	898,015	245,894	73
Nushki		0	0	0	0	98,030	-
Panjgur		0	0	0	0	234,051	14
Pishin		0	0	0	0	367,183	47
Qila Abdullah		0	0	0	0	370,269	112
Qila Saifullah		0	0	0	0	193,553	28
Quetta	STP	3	6,026	8,870	8,052,766	744,802	281
	FMFBL						
	OPP						
	TF						
Sibi	TF	1	1,543	1,775	593,226	180,398	23
Washuk		0	0	0	0	-	-
Zhob		0	0	0	0	275,142	14
Ziarat		0	0	0	0	33,340	22
<b>Province Total</b>		<b>18</b>	<b>13,501</b>	<b>70,655</b>	<b>23,912,100</b>	<b>6,663,915</b>	<b>19</b>

## PROVINCIAL SUMMARY *(All Pakistan)*

### AJK

District	MFP	Offices	Active Borrowers	Active Savers	Savings Balance (PKR)	Population (1998)	Density (persons/km <sup>2</sup> )
Bhimber		0	0	0	0	N/A	
Kotli	NRSP	9	3,071	14,840	1,920,000		
Mirpur		0	0	0	0		
Bagh	NRSP	2	2,428	5,378	1,370,000		
Muzaffarabad	Sungi	1	80	994	1,678,000		
Neelum		0	0	0	0		
Poonch	NRSP	3	2,284	19,108	1,470,000		
Sudhnati		0	0	0	0		
<b>Sub Total</b>		<b>15</b>	<b>7,863</b>	<b>40,320</b>	<b>6,438,000</b>		

### FANA

District	MFP	Offices	Active Borrowers	Active Savers	Savings Balance (PKR)	Population (1998)	Density (persons/km <sup>2</sup> )
Gilgit	FMFBL	3	4,733	6,757	61,445,000	N/A	
Ghizer	FMFBL	2	2,440	2,653	16,563,000		
Diamer		0	0	0	0		
Astore	FMFBL	1	1048	0	0		
Skardu	FMFBL	3	2,700	2,822	47,694,000		
Ghanche	FMFBL	1	650	2,240	50,194,000		
<b>Sub Total</b>		<b>10</b>	<b>11,571</b>	<b>14,472</b>	<b>175,896,000</b>		

### ICT

District	MFP	Offices	Active Borrowers	Active Savers	Savings Balance (PKR)	Population (1998)	Density (persons/km <sup>2</sup> )
Islamabad	FMFBL	1	106	475	58,165,000	805,235	889
	POMFB						
<b>Sub Total</b>		<b>2</b>	<b>149</b>	<b>475</b>	<b>58,165,000</b>	<b>805,235</b>	<b>889</b>

<b>GRAND TOTAL (All Pakistan)</b>	<b>821</b>	<b>505,408</b>	<b>853,518</b>	<b>1,459,420,714</b>	<b>133,789,634</b>	<b>166</b>
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### Reporting Organizations

Provider	Reporting Period	
	Jun-05	Jun-06
<b>Microfinance Bank (MFB)</b>		
Khushhali Bank (KB)	*	*
Network MicroFinance Bank Ltd. (NMFBL)		*
Pak-Oman Microfinance Bank Ltd. (POMFB)		*
Rozgar Microfinance Bank Ltd. (RMFB)	*	*
Tameer Microfinance Bank Ltd. (TMFB)		*
The First MicroFinanceBank Ltd. (FMFB)	*	*
<b>Microfinance Institution (MFI)</b>		
Akhuwat	*	*
Asasah	*	*
Kashf Foundation	*	*
Orangi Pilot Project (OPP)	*	*
Sindh Agricultural and Forestry Workers Cooperative Organization (SAFWCO)	*	*
<b>Rural Support Programme (RSP)</b>		
National Rural Support Programme (NRSP)	*	*
Thardeep Rural Support Programme (TRDP)	*	*
Sarhad Rural Support Programme (SRSP)	*	*
Sindh Rural Support Programme (SRSP)		*
<b>Non-Governmental Organization (NGO)</b>		
Sungi Development Foundation		*
Development Action for Mobilization and Emancipation (DAMEN)	*	*
Save the Poor (STP)		*
Taraqee Foundation	*	*
Community Support Concern (CSC)		*
Jinnah Welfare Society (JWS)		*
Lachi Poverty Reduction Project (LPRP)	*	*
Rural Community Development Society (RCDS)	*	*
<b>Commercial Financial Institution (CFI)</b>		
ORIX Leasing Pakistan Ltd.	*	*
Bank of Khyber (BOK)	*	*

For improvements in subsequent issues of MicroWatch, we request that you send your suggestions by e-mail or post to the Pakistan Microfinance Network:

PMN Secretariat  
2nd Floor, Block 14  
Civic Centre, G 6  
Islamabad, 44000

Email: [info@pmn.org.pk](mailto:info@pmn.org.pk)  
Tel: +92 51 2824788, 2279015  
Fax: +92 51 2824945

Authors: Mehr Shah, Gregory Chen  
Design: Sumaira Sagheer

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