

WIDENING HARMONIZED ACCESS TO MICROFINANCE:

USAID/Pakistan

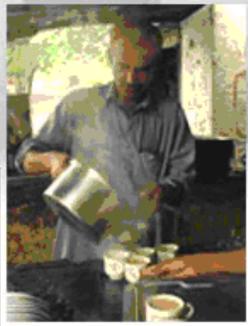
391-A-00-05-01050-00



SHOREBANK INTERNATIONAL



**WIDENING HARMONIZED ACCESS TO MICROFINANCE
(WHAM) - PAKISTAN**



USAID
FROM THE AMERICAN PEOPLE

QUARTERLY REPORT
October to December 2007

List of Acronyms

ADB	Asian Development Bank
AKAM	Aga Khan Agency for Microfinance
BoI	Board of Investment (Govt. of Pakistan)
BoP	Bank of Punjab
CBR	Central Board of Revenue
CGAP	Consultative Group to Assist the Poor
CoP	Chief of Party
DFID	Department for International Development (UK)
DIG	Development Innovations Group
EAD	Economic Affairs Division – Ministry of Finance (Govt. of Pakistan)
FSSP	Financial Sector Strengthening Program–Swiss Development Corporation
FMFB	First MicroFinanceBank Limited–Aga Khan Development Network
GF	Grameen Foundation
GoP	Government of Pakistan
HBL	Habib Bank Limited
HRDI	Human Resource Development Initiative
HSBC	Hongkong Shanghai Banking Corporation Ltd.
IFC	International Finance Corporation–World Bank Group
MIX	Microfinance Information Exchange
MFI	Microfinance Institutions
MFP	Microfinance Providers
MoF	Ministry of Finance
NRSP	National Rural Support Programme
NBP	National Bank of Pakistan
PCB	Prime Commercial Bank
PFSSRP	Pakistan Financial Sector Strengthening Programme - European Commission
PMN	Pakistan Microfinance Network
PPAF	Pakistan Poverty Alleviation Fund
PRSP	Punjab Rural Support Programme
SAS	ShoreBank Advisory Services
SECP	Securities and Exchange Commission (Govt. of Pakistan)
SBI	ShoreBank International (previously known as SAS)
SBP	State Bank of Pakistan

SCB	Standard Chartered Bank
SDC	Swiss Development Corporation
SME	Small and Medium Enterprises
STC	Save the Children (US)
SEL	Small Enterprise Lending
TMFB	Tameer Microfinance Bank Ltd.
UBL	United Bank Limited
UPAP	Urban Poverty Alleviation Programme (of NRSP)
WB	World Bank
WHAM	Widening Harmonized Access to Microfinance (USAID Project)

Table of Contents

LIST OF ACRONYMS	I
I. MICROFINANCE INDUSTRY NEWS AND TRENDS	1
II. SUMMARY OF THE QUARTER & ANTICIPATED ACTIVITIES NEXT QUARTER	2
III. DETAIL OF ACTIVITIES IN THE QUARTER.....	6
V. LIST OF KEY MEETINGS IN THE QUARTER.....	18
VI. PROJECT INDICATORS.....	21

I. Microfinance Industry News and Trends

Country's Political Tension Affects the Sector

The recent unrest in the country following the former Prime Minister's assassination took its toll on all economic activities including those within the Microfinance sector. Various branches of Khushhali Bank and First MicroFinanceBank were attacked, burnt and looted in the chaos. The country still faces political and economic uncertainty, which in turn might slow the pace of microfinance activities. The peaceful and transparent administration of the elections, planned for February, may improve the situation substantially.

II. Summary of the Quarter & Anticipated Activities Next Quarter

Activities	Summary of Quarter October to December 2007	Anticipated Next Quarter January to March 2008
1.Bank Downscaling	<p><u>NBP</u></p> <ul style="list-style-type: none"> • Continued lending operations through original branches • Over-achieved the lending targets by 60% • Presentation to management for countrywide rollout of SME lending <p><u>Standard Chartered Bank (SCB)</u></p> <ul style="list-style-type: none"> • Conducted desk research on profitability and cost structures of commercial banks involved in microfinance 	<p><u>NBP</u></p> <ul style="list-style-type: none"> • Continue lending • Discussions with NBP's senior management for countrywide SME lending <p><u>Standard Chartered Bank (SCB)</u></p> <ul style="list-style-type: none"> • Pending approval by the bank's regional management, proceed with training of Loan Officers
2.Microfinance Upscaling	<p><u>Asasah</u></p> <ul style="list-style-type: none"> • Assisted in financial data collection and analysis for the Board Meeting 	<p><u>Asasah</u></p> <ul style="list-style-type: none"> • Future work with Asasah may not be substantial because of the recent slow-down in their operations

Activities	Summary of Quarter October to December 2007	Anticipated Next Quarter January to March 2008
	<p><u>Tameer</u></p> <ul style="list-style-type: none"> • Reviewed Tameer's lending operations in Punjab and strengthen the training unit in Lahore. • Training carried out at Tameer's Lahore Training Center <p><u>Kashf</u></p> <ul style="list-style-type: none"> • Kashf Bank transformation assistance: provided strategic level input on Kashf's IT component of the business plan • Risk Management consultancy for Kashf Bank • Reviewed overdue loans and provided recommendations for write-offs • Drafted Bank Policy <p><u>FMFB</u></p> <ul style="list-style-type: none"> • Planned the follow-on work for cash flow analysis of larger loans 	<p><u>Tameer</u></p> <ul style="list-style-type: none"> • Continue providing technical assistance to Tameer focused on strengthening and growing lending operations in Punjab. <p><u>Kashf</u></p> <ul style="list-style-type: none"> • Select IT vendor and provide recommendations on IT workplan, budget and hiring staff • Develop training materials for Loan Officers • Revise loan application template

Activities	Summary of Quarter October to December 2007	Anticipated Next Quarter January to March 2008
	<p><u>NRSP</u></p> <ul style="list-style-type: none"> • Provided technical assistance developing the business plan for the transformation of NRSP's rural operations into a Microfinance Bank 	<p><u>NRSP</u></p> <ul style="list-style-type: none"> • Continue providing assistance in developing an implementation plan for the new bank's business plan
3.Industry Strengthening	<p><u>Coordination and Competition</u></p> <ul style="list-style-type: none"> • Finalized, edited and designed the publication of the savings demand research • Worked with PMN on the latest edition of MicroWatch • Stakeholders' Assessment survey undertaken <p><u>Training</u></p> <ul style="list-style-type: none"> • First round of HRDI trainings delivered at Lahore • Conducted a detailed training follow-up and internal review of the first round • Finalized an agreement with Khushhali Bank (KB) for providing training services to their middle management across the country 	<p><u>Coordination and Competition</u></p> <ul style="list-style-type: none"> • Release report on impact of microfinance upscaling and bank downscaling • Release publication on lessons learned re: microfinance upscaling in Pakistan • Release savings demand report <p><u>Training</u></p> <ul style="list-style-type: none"> • Countrywide training delivery of the first course to the KB staff • Trainings for Branch Managers and Loan Officers at Kashf Training Center

Activities	Summary of Quarter October to December 2007	Anticipated Next Quarter January to March 2008
4. Peshawar Expansion: SME Downscaling and MFI Upscaling	<u>Peshawar Activities</u> <ul style="list-style-type: none"> • Signed MoUs/Terms of Agreement with key stakeholders/service providers of microfinance in NWFP and FATA regions • Initiated conversation with FATA Development Authority (FDA) about cooperation • Drafted MoUs with: <ul style="list-style-type: none"> ○ Zarai Tariqati Bank Limited ○ SME Bank ○ Small and Medium Enterprise Development Authority 	<u>Peshawar Activities</u> <ul style="list-style-type: none"> • Capacity building with some potentially important service providers • Establishment of value chain and links for the SME Bank & NBP to assist the tribal areas SME sector. This will be done working alongside tribal area chamber of commerce. • Thorough assessment of processes, documentation and impact of selected partners after signing MoUs. • Workshop hosted by ShoreBank International to include all stakeholders in the financial industry in the FATA region to discuss potential roadblocks and opportunities for expansion of financial services. • Conduct a market assessment for both demand and supply in the FATA region <p>This will translate to:</p> <ul style="list-style-type: none"> • Completed supply-side industry survey (Micro and SME) • Completed demand-side industry survey (Micro and SME) • Completed initial due diligence of six financial institutions • Deliver “SME Finance Training” to at least 10 loan officers • Deliver “MFI Cash-Flow Lending” to at least 10 loan officers • Deliver “Risk Management” training to at least 20 loan officers

III. Detail of Activities in the Quarter

1. Commercial Bank Downscaling

National Bank of Pakistan

The portfolio of WHAM loans steadily increased during the quarter as WHAM focused on maintaining portfolio quality as well as generating loan volumes to achieve the targets set in the TA Agreement. With extensive onsite as well as off site work by the WHAM consultants, the end of the second TA Agreement witnessed lending results that exceeded the targets.

WHAM also made extensive efforts in gaining buy-in from NBP's top management for a country-wide roll out of an SME lending program. This included high level meetings and a presentation to NBP's top management during the month of November (details given in the Important Meetings section below). NBP and WHAM are likely to enter another agreement for extension of the ongoing work and a countrywide roll out of the SME lending program.

Standard Chartered

The probability of the continuation of the Kissan Card is about 50/50. In November, Standard Chartered's local management submitted its plan for continuation of the Kissan card under new policies and procedures to its regional management, and are awaiting approval or denial of their plan. If approved, they hope to re-start work on Kissan in January, beginning with trainings for Loan Officers.

However, local management is insisting that they be allowed to write-off loans 365 days past due, rather than continuing to be held accountable for loans that are more than a year past due. This appears on the face of it to be a reasonable request, however, local management is unsure of whether it will be granted.

In the interim, SBI consultants conducted some light desk research into the profitability and structure of microfinance activities within standard commercial banks, in order to maintain the relationship with Standard Chartered without devoting excessive resources to a program which may be cancelled. Depending on the bank management's decision on continuing Kissan card product, work may begin with training of loan officers.

2. Microfinance Institution Upscaling

The fourth quarter was an unusual one for the WHAM project in that certain relationships continue to ramp up even as the end of the project nears. Even though work with Asasah slowed, First MicroFinance Bank and Tameer requested extensive assistance with their upscaling products, and WHAM consultants also expanded their work with Kashf. WHAM has also become deeply involved in the transformation of NRSP to create a rural and agriculturally focused microfinance bank out of its core credit operations.

Asasah

WHAM substantially scaled back its technical assistance support to Asasah during the quarter as Asasah has encountered substantial slowdowns due to a lack of funding. WHAM believes that Asasah has achieved a certain level of success as an organization and with the SBF product developed under WHAM. However, the organization is reaching a point where it will be difficult to grow unless it substantially increases management capacity and improves overall financial performance. Recognizing these fundamental issues, WHAM has focused on supporting Asasah's Board in preparing a sustainability strategy for 2008 and by conducting a salary survey from which to derive the compensation and bonus structure of Asasah's CEO. In the meantime, larger scale lending from Asasah awaits further funding from credit sources and is particularly dependent on a new stage of funding from PPAF.

Work with Asasah will either end up at this stage or remain very limited. This depends on the institution's success in generating enough funds to continue operations. Work on more strategic level such as board meeting facilitation will continue.

Tameer Microfinance Bank

During the month of November, Paula Tjossem, Asima Awan and Hina Ghaffar conducted a nine day on-site consultancy to Tameer to support modifications and roll out of the Karobar lending product. The consultancy included meetings with Tameer's Punjab Regional staff and training unit, meetings with staff members of four Punjab branches and client visits at those branches. The purpose of this work was to build on the work initiated in Karachi and to work closely with the regional management in the Punjab region to support the roll out of the Karobar lending product. The focus was on process efficiency and proactive delinquency management across five main branches of Tameer in Punjab. WHAM consultants also developed an "as-is" and an "optimized" process map for the Punjab region.

Part of this assignment included an analysis of Tameer's human resource management capabilities in the Punjab region and provided recommendations for its improvement. The WHAM team studied Tameer's recruitment, compensation and benefits, training, promotions and retention policies and processes.

The consultants also recommended some external local and international training providers to Tameer management as part of the assignment's deliverables along with brief descriptions of their offerings. Additionally, SBI provided feedback regarding the implementation of recommended enhancements from SBI's June 2007 visit. WHAM is looking to do some more work on the Karobar lending product with Tameer in the coming quarter which may be an extension to the earlier assignments.

Kashf & Kashf Microfinance Bank

WHAM consultants conducted a risk management assessment of Kashf's operations and provided technical assistance based on the recommendations made during the assessment. This work is being done in anticipation of the Kashf small business loan portfolio

(Business Sarmaya Loan) being transferred from the non-profit Kashf Foundation into the forthcoming Kashf Microfinance Bank.

To carry out this assessment, WHAM consultants reviewed individual loan files and visited Kashf's clients. This technical assistance included developing new loan forms for the Kashf individual lending product and translating those forms into Urdu. WHAM consultants also developed two questionnaires for Kashf staff and clients interviews, and devised a plan for reviewing loans which are more than 90 days overdue. Finally, WHAM consultants began developing case studies for a training for Kashf's Branch Managers and Loan Officers.

WHAM consultants provided Kashf's management with a grounding in the theory and practice of risk management for small, privately owned financial institutions, as well as specific discussions of the most critical risks Kashf must address in its bank's pre-opening phase. Practical guidance was provided on the formation of a Risk Management Committee, including its duties, membership, schedule and agendas. Guidance included thorough discussions of both the generic risks that all banks face and the many specific risks that Kashf should address early in the bank's existence. The work product was a 25-page report that included sample risk management templates, metrics and a risk management framework. The project was led by David Oser, Senior Vice President of ShoreBank, who has extensive experience in leading and participating in risk management committees and practices. SBI also drafted a bank policy for Kashf's which will help them in securing a license for the new microfinance bank.

In the following quarter, WHAM plans to develop course material (mostly case studies from existing clients) for the training of 90 Kashf loan officers and up to 20 branch managers. WHAM consultants will also develop a new loan application template for use in the bank and advise on new lending procedures which will mitigate the risk of Kashf's individual lending portfolio.

And finally in the area of IT advisory, WHAM consultants also plan on providing further assistance to Kashf's IT department in the form of vetting IT vendors, providing input to the IT budget and workplan and advising on the hiring of new IT staff.

National Rural Support Programme (NRSP)

During 2007, NRSP and ShoreBank International developed a deeper relationship supported by the resources under the WHAM project. NRSP has through the year become committed to creating a new Microfinance Bank which will absorb the credit operations of some of its existing regions. The task of transformation and creating a new bank is enormously complex and requires a long-term engagement over a number of years in order to succeed. WHAM support in this first stage has been to assist NRSP in planning the transformation and developing financial projections and a business plan for the Bank's initial operations. These inputs have been provided to the Senior Management of NRSP and will be included as part of an overall licensing application to the State Bank of Pakistan in the first quarter of 2008.

The plans for NRSP will first entail the transformation of a single region – Bahawalpur in Southern Punjab. It is currently the largest and best run portion of the NRSP microcredit portfolio. This will transfer nearly Rs. 2 billion in loan portfolio assets and approximately 130,000 borrowers into the bank and provide a sound basis for initial banking operations which can expand to the rest of the country over time.

WHAM staff and consultants will continue to provide assistance with finalization of the business plan and financial projections and with the possible development of an implementation plan in the first quarter of 2008.

First Microfinance Bank

SBI worked with FMFB to develop a detailed plan for follow-on work to roll out the cash flow analysis component of the larger-sized group loans. However, FMFB does not have the institutional capacity to further carry out the project in the next quarter.

3. Industry Strengthening

WHAM focused on finalizing the report on the research findings on savings mobilization from the urban poor in Pakistan and on editing reports on the impact of microfinance upscaling and bank downscaling as well as lessons learned from microfinance upscaling in Pakistan. Open-enrolment trainings under HRDI were delivered, the feedback of the participants was collected and follow-ups were done to ensure the impact of the trainings. A contract for customized training delivery for Khushhali Bank (KB) was signed between KB and SBI. *MicroWatch*, the PMN based quarterly microfinance outreach bulletin for quarter July – Sept 2008 was released and disseminated.

Research on savings mobilization from the urban poor

In the previous quarter, WHAM launched the execution of demand side research to assess saving behaviour and attitudes of targeted low income potential savers. This research was conducted in urban, low income settlements within Karachi and Lahore. This quarter saw the finalization of the report, which is now ready to be taken to publication. SBI refined and edited the draft, using the services of a professional editor and graphic designer. The report is expected to be published and disseminated in the next quarter.

Human Resource Development and Training Initiative for Pakistan's Microfinance Sector

The first round of three open-enrolment, three-day courses for MFI middle managers on Financial Analysis and Management, Credit Risk Management and Staff Management was delivered. The training was followed by a multi-pronged follow-up and impact assessment including:

- Collection of training participants' feedback immediately after course completion;

- Follow-up with participants on the applicability of class room learning, and on the implementation of the action plans proposed by the participants during the training;
- Following up with the line managers of training participants by sharing the respective participant staffs' action plans for the latter's personnel record, and sharing the participant's feedback on barriers to implementation of the learnings; and
- Internal review by SBI team to discuss areas and means of improvement in training execution in the future.

Under WHAM, SBI also signed a contract with Khushhali Bank to deliver customized trainings on Sales-force Management and Financial Analysis and Management for Credit and Branch Supervisors. WHAM has agreed to fund 50% of the training costs, while Khushhali Bank has agreed to pay the remaining 50%.

Communication and Awareness Raising: Round Two of Stakeholder Attitude and Awareness Assessment Survey

In the last quarter, WHAM conducted the second Attitude and Awareness Survey amongst different stakeholders in the sector. SBI received the results of the latest survey this quarter. One of the troubling findings is that 36% of respondents stated that effective interest rates above 25% are unfair to clients – even though it is probably necessary to have rates closer to 30% for the sector to become sustainable in today's environment. One major reason for this negative trend might be the sample selection because the survey targeted a much wider audience, including the academic circles of the country. At the same time, some factors under the categories of Specialization, Costs and Gender were quite positive. For example, the majority of respondents agreed that microfinance is an effective tool against poverty alleviation and that the ability of MFPs to recover all costs of microfinance services through non-grant revenues was essential.

Quarterly Microfinance Bulletin: MicroWatch V

WHAM continued to provide its support to the PMN on data collection, publication content and design for this quarter's *MicroWatch*.

4. Peshawar Expansion: SME Downscaling and MFI Upscaling

WHAM began an offshoot of its relationship building efforts, in the financial sector of the northwestern part of the country. The main objective of this initiative was to introduce SBI's agenda to the main players the FATA and NWFP province in order to gain their buy-in for future support and partnerships. The main goals are to have a more focused regional effort to support the broader goals of upscaling and downscaling which have been pursued elsewhere in the country by WHAM in previous quarters.

Peshawar Office Setup

To establish a presence in the region, SBI set up an office in Peshawar, the capital city of the NWFP province. The office was made completely functional during the early part of November 2007.

The initial weeks were spent establishing contacts and creating relationships with potential partners in the region and the direct and indirect stake holders in the financial industry. This relationship building has been a critical part of the overall WHAM project elsewhere and getting this started in FATA/NWFP has been the major focal point. The following partners represent a mix of microfinance, SME, agricultural and support organizations that SBI has made significant progress with in regard to providing technical assistance:

Sarhad Rural Support Programme (SRSP)

A final MoU has been agreed upon and should be signed within the second week of January.

Fata Development Authority (FDA)

FDA may potentially act as a close partner in the expansion of financial services in the FATA region with a keen interest in working closely with our potential and existing partners.

Zarai Taraqiati Bank Limited (ZTBL)

A draft MoU has been presented to ZTBL for work in FATA and the NWFP. The final terms of the MoU are being discussed between the senior management of ZTBL, which has expressed a keen interest on expediting the review process so that SBI can initiate work as soon as possible.

Tribal Chamber of Commerce and Industry

TCOC is a key partner in the FATA region and will provide SBI with necessary links to facilitate the expansion of financial services from the borrowers' perspective. An MoU has already been signed with the TCOC and SBI and work has already begun to facilitate SME players in acquiring loans in the region. Information gathered during the work with TCOC will also contribute towards the market sizing exercise being conducted by SBI for FATA.



Vice President Shore Bank International Mr. Jess Fripp and Secretary TACCI Syed Taimur Binori
Exchanging Documents after signing MoU.

Table of Trainings Delivered during the Quarter

Topic	Credit Issues	Tameer Gold Products	Securities For Loan	Liquidation / Insurance Issues
Description	Scrutiny of Loan Application Login Problem Verification Problem Documentation Problem	Gharelu Ghana Kistwar Ghana Karobari Ghana	Hypothecation Pledge Lien Charge	Loan Documents Form Filling Collateral Liquidation Credit Life & Gold Insurance
Attendees:	12	8	8	8
Male	11	8	8	8
Female	1	-	-	-
Location	Chah Miran	Gujranwala	Gujranwala	Gujranwala
Duration and Dates	4 Days	2 Days	1Day	1 Day
Trainers names:	Nadeem Sarwar Farakh Mahmood	Farakh Mahmood Kashif Ahmed	Farakh Mahmood Kashif Ahmed	Farakh Mahmood Kashif Ahmed

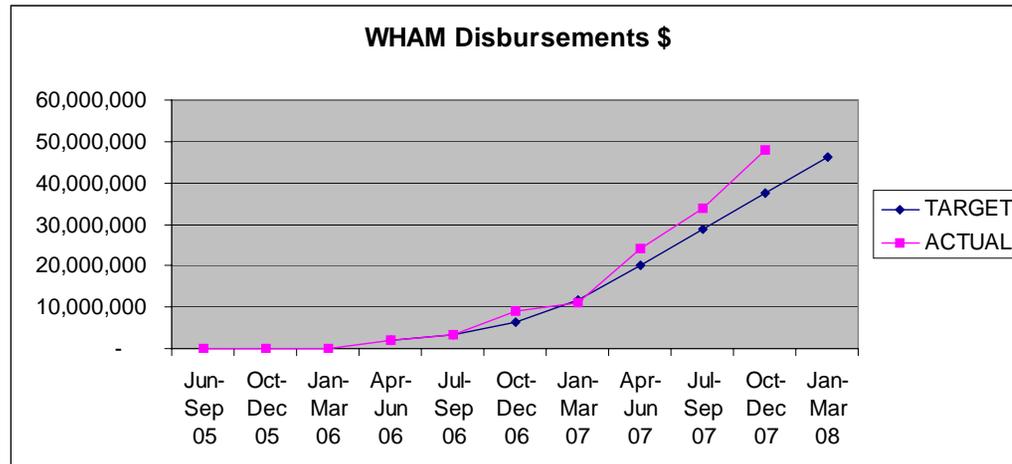
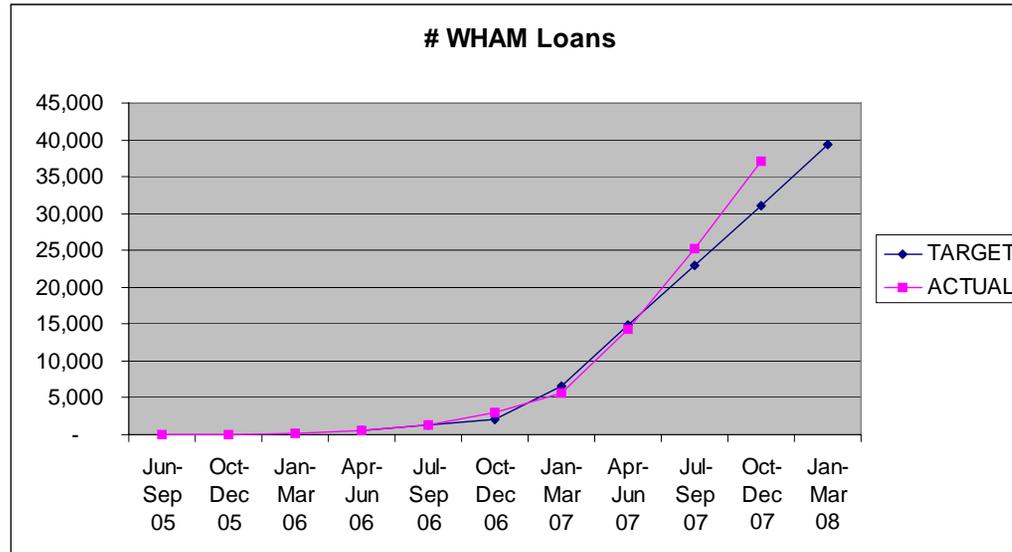
Topic	Financial Analysis & Management	Credit Risk Analysis & Management	Staff Management
Description	Microfinance-specific sector-wide training aimed at the middle managers of the sector. The main focus was financial statements analysis in branch-context	Microfinance-specific sector-wide training aimed at the middle managers of the sector. The main focus was on Portfolio Management issues at the branch level	Microfinance-specific sector-wide training aimed at the middle managers of the sector. The main focus was on HR Management issues at branch level
Attendees:	8	10	12
Male	6	9	2
Female	2	1	10
Location	Avari Hotel, Lahore	Avari Hotel, Lahore	Avari Hotel, Lahore
Duration and Dates	3 Days (4 th -6 th Oct 2007)	3 Days (25 th -27 th Oct 2007)	3 Days (1 st -3 rd Nov 2007)
Trainers names:	Afsheen Shakoor Malik Mirza	Aqeel Zeeshan Malik Hina Ghaffar	Perveen Sheikh Asima Awan

V. List of Key Meetings in the Quarter

Organization	Key Contacts	Date and Location	Key Issues
Khushhali Bank	Mr. Yawar Khan Afridi	31 st Oct 07 Khushhali Bank – Head Office	- Discussion of situation in FATA relating to lending <i>Follow up visit included a visit to the Peshawar Branch as well as the Khyber Agency branch in FATA</i>
South FATA Development Project	Mr. Muhammad Tariq Orakzai	31 st Oct 07 South FATA Development Office - Peshawar	- Background of SFDP activities in FATA - Discussion of situation in FATA as related to lending
National Bank of Pakistan	Muhammad Hanif Khan	1 st Nov 07 National Bank of Pakistan	- Background of NBP in FATA - Discussion of opportunities for SME, Micro and Commercial lending in FATA
Tribal Chamber of Commerce and Industry	Taimoor Banuri	1 st Nov 07	- Discussion and overview of the role of the TCOC - Discussion about the security situation in FATA - Discussion about SME sector in FATA and PATA
Centre of Microfinance Excellence	Saeed Yousafzai	1 st Nov 07 IM Science Hayatabad, Peshawar	- Background and achievements of CMF - Discussion on current trainings/teaching programs at CMF - Future Plans of CMF
SME Bank	Mr. Naseem Durrani	13 th Nov 07 SME Bank Head office - Islamabad	- SME plans for future growth in Peshawar - Business Plan for expansion in the future for SME Bank <i>This was followed up with a visit to the SME Bank branch office in Peshawar, where a survey was conducted to assess products and services including overview of lending operations in Peshawar</i>
Zarai Tariqati Bank Limited	Mr. Nadeem Chohan	14 th Nov 07 ZTBL Head Office - Islamabad	- Background of ZTBL activities in FATA - Discussion of opportunities in FATA - ZTBL presence in FATA and the security situation there (Mingora, Abbottabad, D.I. Khan & Peshawar.) - Presentation of draft MoU <i>The visit was followed up with an extensive visit to the Peshawar Regional office and an assessment of the Lending Operations in the region.</i>
FATA	Mr. Saleem Khan	11 Dec 07	- Discussion about the FATA Situation

Organization	Key Contacts	Date and Location	Key Issues
Development Authority		FDA Office Peshawar	<ul style="list-style-type: none"> - Discussion about the role of FDA in the region - Discussion about the NBP & FDA proposal - Discussion about ways in which SBI can assist
Tribal Chamber of Commerce and Industry		11 th Dec 07 Tribal Chamber of Commerce and Industry Head office	<ul style="list-style-type: none"> - Signing of MoU between Secretary of the Tribal Chamber of Commerce and Industry and Vice President of ShoreBank International (Picture Attached)
ORIX Networks	Giasuddin Khan, Dr. Warren Wiensten	27 th Dec 07 ORIX Networks Main Office, Karachi	<ul style="list-style-type: none"> - Discussion about current outreach in FATA of ORIX Networks - Overview of past experience in MF and Agricultural Lending - Overview of Leasing activities of ORIX - Discussion about Mobile Banking and the support that ORIX can provide to it
National Bank of Pakistan	Ali Raza-President, Amer Siddiqui-Group Chief Commercial & Retail Banking Group, Group Chiefs of Operation, Credit Management etc and SME divisional heads, IT etc Greg Chen, Aqeel Zeeshan	November 29, 2007 NBP Head Office, Karachi	Presentation for nation wide roll out of SME lending to NBP's top management including the President, Amer Siddique-Group Chief of Retail and Commercial Banking Group and Group Chiefs of Operations, Credit Management and departmental head of I.T, SME Division etc.
NRSP	Dr. Bajwa	November 07	Introduction of NRSP and SBI's transformation team
NRSP	Bahawalpur Regional Manager and Staff	November 15 and 16 in Bahawalpur	Review of branches to be transformed into the bank in Bahawalpur region.
NRSP	Dr. Bajwa, Agha Ali Javad	December 6	Presentation of 5 years financial projections and business plan.

VI. Project Indicators



	(Constant 2005 USD \$ = Rs. 60)	Year 1 (Mar-06)	Year 2 (Mar-07)	Apr-Jun 07	Jul-Sep 07	Oct-Dec 07	Total To Date	End of Project TARGETS (March 2008)
WHAM LENDING OPERATIONS								
<i>Summary Indicators</i>								
# WHAM Loans Disbursed/Borrowers		124	5,532	8,691	10,865	11,824	37,036	39,333
\$ WHAM Credit Disbursement (COST SHARE)		123,883	10,772,722	13,113,719	9,923,199	13,913,836	47,847,359	46,232,576
\$ WHAM Portfolio At Risk (over 90 days)		0	0	301,358	850,248	1,589,901	2,741,508	-
# WHAM Loans Disbursed/Borrowers - Female		123	509	450	547	550	2,179	5,174
# WHAM Repeat Borrowers		0	697	2,207	3,249	3,678	9,831	1,228
\$ Annualized Revenue Generated by WHAM Loans		10,424	879,134	1,577,405	1,056,928	1,516,266	5,040,156	3,428,010
# Lenders Trained Under WHAM		70	167	90	162	66	555	722

	(Constant 2005 USD \$ = Rs. 60)	Year 1 (Mar-06)	Year 2 (Mar-07)	Apr-Jun 07	Jul-Sep 07	Oct-Dec 07	Total To Date
<u>Loan Size Breakdown</u>							
\$166,666 +	# WHAM Loans Disbursed/Borrowers: COMMERCIAL BANKS	0	0	0	0	0	0
	# WHAM Loans Disbursed/Borrowers: MICROFINANCE INSTITUTIONS	0	0	0	0	0	0
	\$ WHAM Credit Disbursement (COST SHARE): COMMERCIAL BANKS	0	0	0	0	0	0
	\$ WHAM Credit Disbursement (COST SHARE): MICROFINANCE INSTITUTIONS	0	0	0	0	0	0
\$50,000 - \$166,666	# WHAM Loans Disbursed/Borrowers: COMMERCIAL BANKS	0	48	44	25	54	171

	<i>(Constant 2005 USD \$ = Rs. 60)</i>	Year 1 (Mar-06)	Year 2 (Mar-07)	Apr-Jun 07	Jul-Sep 07	Oct-Dec 07	Total To Date
	# WHAM Loans Disbursed/Borrowers: MICROFINANCE INSTITUTIONS	0	0	0	0	0	0
	\$ WHAM Credit Disbursement (COST SHARE): COMMERCIAL BANKS	0	4,568,333	4,169,167	2,100,000	4,777,833	15,615,333
	\$ WHAM Credit Disbursement (COST SHARE): MICROFINANCE INSTITUTIONS	0	0	0	0	0	0
\$5,000 - \$50,000	# WHAM Loans Disbursed/Borrowers: COMMERCIAL BANKS	1	233	185	73	156	648
	# WHAM Loans Disbursed/Borrowers: MICROFINANCE INSTITUTIONS	0	0	0	0	0	0
	\$ WHAM Credit Disbursement (COST SHARE): COMMERCIAL BANKS	50,000	2,949,083	3,779,283	1,324,000	2,912,433	11,014,800

	<i>(Constant 2005 USD \$ = Rs. 60)</i>	Year 1 (Mar-06)	Year 2 (Mar-07)	Apr-Jun 07	Jul-Sep 07	Oct-Dec 07	Total To Date
\$500 - \$1,666	# WHAM Loans Disbursed/Borrowers: COMMERCIAL BANKS	0	0	0	0	1	1
	# WHAM Loans Disbursed/Borrowers: MICROFINANCE INSTITUTIONS	123	5,229	5,458	5,938	5,242	21,990
	\$ WHAM Credit Disbursement (COST SHARE): COMMERCIAL BANKS	0	0	0	0	833	833
	\$ WHAM Credit Disbursement (COST SHARE): MICROFINANCE INSTITUTIONS	73,883	3,173,638	3,978,611	4,191,731	3,888,157	15,306,020
		0	0				
0 - \$500	# WHAM Loans Disbursed/Borrowers: COMMERCIAL BANKS	0	0	0	0	0	0
	# WHAM Loans Disbursed/Borrowers: MICROFINANCE INSTITUTIONS	0	0	2,973	4,800	6,358	14,131

	<i>(Constant 2005 USD \$ = Rs. 60)</i>	Year 1 (Mar-06)	Year 2 (Mar-07)	Apr-Jun 07	Jul-Sep 07	Oct-Dec 07	Total To Date
	\$ WHAM Credit Disbursement (COST SHARE): COMMERCIAL BANKS	0	0	0	0	0	0
	\$ WHAM Credit Disbursement (COST SHARE): MICROFINANCE INSTITUTIONS	0	0	1,062,841	1,716,551	2,290,663	5,070,055
TOTAL	# WHAM Loans Disbursed/Borrowers: COMMERCIAL BANKS	1	303	260	127	224	915
	# WHAM Loans Disbursed/Borrowers: MICROFINANCE INSTITUTIONS	123	5,229	8,431	10,738	11,600	36,121
	\$ WHAM Credit Disbursement (COST SHARE): COMMERCIAL BANKS	50,000	7,599,083	8,072,267	4,014,917	7,735,017	27,471,283
	\$ WHAM Credit Disbursement (COST SHARE): MICROFINANCE INSTITUTIONS	73,883	3,173,638	5,041,452	5,908,283	6,178,820	20,376,076

	<i>(Constant 2005 USD \$ = Rs. 60)</i>	Year 1 (Mar-06)	Year 2 (Mar-07)	Apr-Jun 07	Jul-Sep 07	Oct-Dec 07	Total To Date
# Female Borrowers COMMERCIAL BANKS		0	6	0	0	0	6
# Female Borrowers MICROFINANCE INSTITUTIONS		123	503	450	547	550	2,173
# WHAM Repeat Borrowers COMMERCIAL BANKS		0	0	60	12	14	86
# WHAM Repeat Borrowers MICROFINANCE INSTITUTIONS		0	697	2,147	3,237	3,664	9,745
\$ WHAM Portfolio at Risk (over 90 days) COMMERCIAL BANKS		0	0	0	0	0	0
\$ WHAM Portfolio at Risk (over 90 days) MICROFINANCE INSTITUTIONS		0	0	301,358	850,248	1,589,901	2,741,508
\$ Annualized Revenue Generated by WHAM Loans COMMERCIAL BANKS		6,000	825,190	968,672	481,790	928,202	3,209,854

	<i>(Constant 2005 USD \$ = Rs. 60)</i>	Year 1 (Mar-06)	Year 2 (Mar-07)	Apr-Jun 07	Jul-Sep 07	Oct-Dec 07	Total To Date
\$ Annualized Revenue Generated by WHAM Loans MICROFINANCE INSTITUTIONS		4,424	53,944	608,733	575,138	588,064	1,830,302
# WHAM Trained Lenders COMMERCIAL BANKS		46	110	17	29	0	202
# WHAM Trained Lenders MICROFINANCE INSTITUTIONS		24	57	73	133	66	353

	<i>(Constant 2005 USD \$ = Rs. 60)</i>	Year 1 (Mar-06)	Year 2 (Mar-07)	Apr-Jun 07	Jul-Sep 07	Oct-Dec 07	Total To Date	End of Project TARGETS (March 2008)
MICROFINANCE INDUSTRY STRENGTHENING INDICATORS								
(a) Output Indicators - WHAM Project								
Trained Professionals - Total		156	250	90	162	66	724	500
Trained Professionals - Female		27	33	8	32	14	114	
Trainings Delivered		9	12	5	9	7	42	30
Training Unit Cost Recovery		0	0.5	0.0	0.0	0.0	0.0	0.5
Industry Seminars and Events		1	4	0	0	0	5	6
New Publications Produced and Disseminated		0	3	2	1	1	7	5

	<i>(Constant 2005 USD \$ = Rs. 60)</i>	Year 1 (Mar-06)	Year 2 (Mar-07)	Apr-Jun 07	Jul-Sep 07	Oct-Dec 07	Total To Date	End of Project TARGETS (March 2008)
(b) Outcome Indicators - All Pakistan		0	0				0	0
% Coverage of Microfinance Market by PMN's PIR Report (Annual)		95%	95%	95%	95%	95%	95%	95%
Average Portfolio Yield Microfinance Providers (Annual)		18%	21%	-	-	-	21%	20%
Financial Self-Sufficiency of Microfinance Providers (Annual)		62%	67%	-	-	-	Increasing	Increasing
Number of Active Microfinance Loans		730,960	1,130,035	1,273,666	1,371,004		1,371,004	1,300,000
Number of Active Microfinance Upscaling Loans		36,243	75,158	85,537	91,594		65,002	100,000
Surveyed Increase in Awareness and Change in Attitude		-	-	-	Increasing	Increasing		Increasing