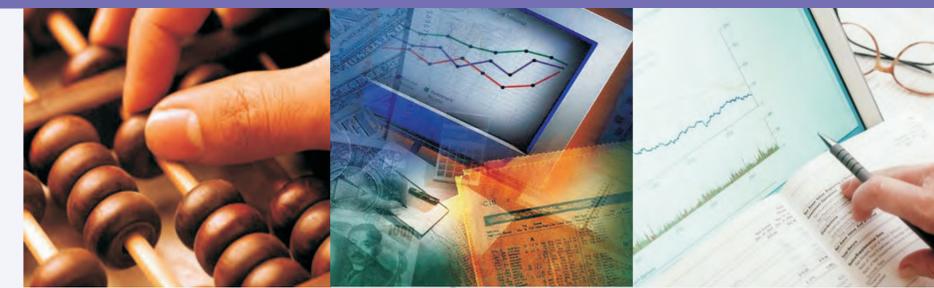




USAID
FROM THE AMERICAN PEOPLE

A DECADE OF MICROFINANCE IN PAKISTAN

1996-2006



PPAF disburses US\$200 million for on-lending & development of sector's retail capacity (2000-2006)

TARGET MARKET SIZE
10 million borrowers
(Low End Estimate)

40,000 Borrowers
113,000 Savers

51,000 Borrowers
126,000 Savers

65,000 Borrowers
134,000 Savers

64,000 Borrowers
240,000 Savers

67,000 Borrowers
280,000 Savers

100,000 Borrowers
622,000 Savers

210,000 Borrowers
915,000 Savers

315,000 Borrowers
880,000 Savers

450,000 Borrowers
1,000,000 Savers

609,000 Borrowers
1,200,000 Savers

Pre 96

1996

1997

1998

1999

2000

2001

2002

2003

2004

2005

2006

EARLIEST MICROFINANCE EXPERIMENTS
Dr. Akhtar Hameed Khan's Comilla Project (1960s, East Pakistan)

Orangi Pilot Project (1982, Karachi)

RURAL SUPPORT PROGRAMMES (RSPs) ENTER THE SECTOR
Early experiments with Credit and Savings in rural areas by the Aga Khan Rural Support Programme (AKRSP) 1983, Northern Areas and Chitral)

CREDIT SCHEMES FOR SMALL FARMERS
Trouble with recovery and sustainability

AN RSP FORMS FIRST URBAN MICROFINANCE PROGRAM
The National Rural Support Programme (NRSP) initiates the Urban Poverty Alleviation Programme (UPAP); a microcredit scheme for women by UNDP

Surpasses 30,000 borrowers by 2006

FIRST SPECIALIZED MICROFINANCE NGO
Kashf starts a Grameen replication pilot project in Punjab

Surpasses 80,000 borrowers by 2006

FIRST RSP TO SEPARATE MICROFINANCE INTO A DISCRETE UNIT
AKRSP starts phased separation of microfinance operations

Begins to measure and track financial sustainability

A COMMERCIAL BANK ESTABLISHES A MICROFINANCE DIVISION
Bank of Khyber forms a division focused exclusively on microfinance

NATIONAL ASSOCIATION OF MICROFINANCE PROVIDERS FORMED
Following the Microcredit Summit (1997), a group of practitioners forms Microfinance Group Pakistan (MFG-P)

MFG-P LATER BECOMES PAKISTAN MICROFINANCE NETWORK (PMN)
Focuses on transparency, advocacy and capacity building

ANOTHER RSP LAUNCHED
Punjab Rural Support Programme (PRSP)

Attains a sizeable microcredit portfolio

PERFORMANCE TRACKING BEGINS
Performance Indicators Report (PIR) of the PMN begins to provide transparent financial reporting on microfinance

PERFORMANCE TRACKING GAINS INTERNATIONAL CREDIBILITY
PMN enters agreement with the Microfinance Information Exchange (MIX) for transparency in 2004

The MIX's approach to data collection and verification strengthens the PIR

APEX BODY MAKES FIRST DISBURSEMENT
Pakistan Poverty Alleviation Fund (PPAF) begins funding Partner Organizations for microfinance

Government of Pakistan and World Bank initiative modeled on PKSF Bangladesh

MICROFINANCE UNIT AT THE CENTRAL BANK
State Bank of Pakistan establishes a separate Microfinance Unit

MICROFINANCE ORDINANCE 2001
Establishes a new class of regulated banks focused on microfinance

By 2006 five banks licensed under this law

PUBLIC-PRIVATE PARTNERSHIP LAUNCHES MICROFINANCE BANK
Khushhali Bank begins operations with \$68 million in debt from the Government of Pakistan and the Asian Development Bank and \$30 million share capital from commercial banks

NEW PRUDENTIAL REGULATIONS
New prudential regulations for microfinance banks

AN NGO TRANSFORMS INTO MICROFINANCE BANK
Microfinance operations of AKRSP transform into First MicroFinanceBank Limited (FMFBL)

FMFBL is the first to offer savings and insurance directly to microfinance markets

FMFBL wins CGAP transparency award in 2005 (one of five globally)

SECOND SPECIALIZED MICROFINANCE NGO ENTERS THE MARKET
ASASAH enters the sector starting exclusively with commercial capital

Attracts \$1 million by 2005 in private capital from Deutsche Bank

CREDIT RATINGS OF MICROFINANCE INSTITUTIONS
JCR-VIS rates:
First Microfinance Bank (2003, 2005)

Kashf Foundation (2004)

Khushhali Bank (2005)

M-CRIL rates:
UPAP (2004)

Development Action for Mobilization and Emancipation (DAMEN, 2006)

Thardeep Rural Development Programme (TRDP, 2006)

FIRST RURAL SUPPORT PROGRAMME TO SURPASS 100,000 BORROWERS
NRSP surpasses 100,000 active borrowers

NEWLY LICENSED MICROFINANCE BANKS (MFBs) ENTER THE SECTOR
Network MFB
Rozgar MFB
Tameer MFB

ANOTHER NEW MICROFINANCE BANK
PAK OMAN Microfinance Bank

\$5.6 million equity from Government of Oman



SHOREBANK INTERNATIONAL

