

AGA KHAN DEVELOPMENT NETWORK

Press Release

For Immediate Release

The First MicroFinanceBank Ltd and Pakistan Post Office Agree to Expand Microfinance Services for the Poor



Islamabad, 28 January 2010 - The First MicroFinanceBank Ltd - Pakistan (FMFB-P) and the Pakistan Post Office (PPO) will further expand operations to provide microfinance services through post offices. Ghulam Panjtan Rizvi, Additional Director General Financial Services, Pakistan Post and Hussain Tejany, President of The First MicroFinanceBank, signed the agreement.

Muhammad Ahmed Mian, Director General of Pakistan Post was also present at the occasion.

Originally created in 2008, the unique public-private partnership has allowed rapid scaling up of quality microfinance services to very poor populations residing in both remote rural areas and urban areas of Pakistan. The agreement is particularly important for reaching rural areas of Sind and Punjab where there are no banking services for the poor. Over 88,000 loans amounting to PKR 1.3 billion were disbursed in 2009. Over 20 percent of the loans were made to women entrepreneurs.

“Our partnership with the Pakistan Post, which has an extensive network of Sub Offices (SO) across Pakistan, has enabled FMFB to reach out to the remote and vulnerable poor by providing microfinance services through 68 PPO Sub Offices,” said Hussain Tejany, President of FMFB. “We now have the confidence to take this partnership forward and expand our operations through the PPO network in the next three years. We will continue to focus on impoverished areas of Sindh and Punjab.”

The First MicroFinanceBank Ltd, a part of the Aga Khan Agency for Microfinance (AKAM), is a non-commercial, private sector microfinance bank licensed by the State Bank of Pakistan. FMFB strives to alleviate poverty through sustainable economic development by offering credit, savings and life insurance services along with efficient, low cost funds-transfer services. It operates in 157 locations, including 89 automated branches all over Pakistan, as well as through 68 Pakistan Post outlets. As of December 2009, FMFB had disbursed over PKR 12 billion (US\$ 142 million) in the form of 677,000 loans while generating a deposit base of PKR 5.2 billion (US\$ 61.9 million). FMFB has been ranked as seventh among the top 100 Micro-finance Institutions of the world by the World Bank affiliate, CGAP.

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Since its establishment in 2005, the *Aga Khan Agency for Microfinance* (AKAM) has brought together over 25 years of microfinance activities, programmes and banks that were administered by sister agencies within the Aga Khan Development Network. The underlying objectives of AKAM are to reduce poverty, diminish the vulnerability of poor populations and alleviate economic and social exclusion. AKAM is a not-for-profit, non-denominational, international development agency created under Swiss law. Its headquarters are in Geneva, Switzerland. It is governed by an independent Board of Directors. The Chairman of the Board is His Highness the Aga Khan.

The *Aga Khan Development Network* (AKDN) is a group of non-denominational development agencies, created by His Highness the Aga Khan, with complementary mandates ranging from health and education to architecture, culture, microfinance, rural development, disaster reduction, the promotion of private-sector enterprise and the revitalisation of historic cities. The AKDN agencies work to improve living conditions and opportunities for the poor, without regard to their faith, origin or gender. Working in the fields of economic, cultural and social development, AKDN aims to provide choices and opportunities to communities so that they can realise and determine their own development.

Read online: <https://www.akdn.org/press-release/first-microfinancebank-ltd-and-pakistan-post-office-agree-expand-microfinance-services>