



2025

MICROVIEW 2.1

A Quarter update on Development Finance
Outreach in Afghanistan



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MICROFINANCE OUTREACH

Afghanistan Microfinance Association (AMA) is the national network of development finance institutions in Afghanistan. AMA aims at promoting a sustainable development finance sector in Afghanistan through sector coordination and networking, knowledge management, lobbying and advocacy, and capacity building.

Overview

Quarter on Quarter Comparison

Microfinance Institutions	Quarter		Change	
Items	Q 1, 2025	Q 2, 2025	Units	%
Number of Clients	28,427	31,215	2,788	9%
Number of Savers	-	-	-	0%
Number of Active Borrowers	28,427	31,215	2,788	9%
Amount of Saving	-	-	-	0%
Gross Islamic Portfolio	1,382,633,991	1,711,735,480	329,101,489	19%
PAR>30 days	1,385,228	3,077,715	1,692,487	55%
Average Loan size	48,638	54,837	6,199	11%
Number of Conventional loan Client	-	-	-	0%
Gross Conventional loan Portfolio	-	-	-	0%
Gross Islamic Financing Portfolio per financing Officer	4,334,276	4,322,564	(11,711)	0%
Number of Borrowers per financing Officer	89	79	(10)	-13%
Number of clients per MF staff	37	33	(4)	-13%
Operationally Self-Sustainable Institution	2	2	-	-

Banks	Quarter		Change	
Items	Q 1, 2025	Q 2, 2025	Units	%
Number of Clients	15,211	17,050	1,839	11%
Number of Savers	74,078	75,965	1,887	2%
Number of Active Borrowers	15,211	17,050	1,839	11%
Amount of Saving	11,091,696,373	11,581,709,573	490,013,200	4%
Gross Loan Portfolio	1,346,977,781	1,567,800,671	220,822,891	14%
PAR>30 days	-	83,280	83,280	100%
Average Loan size	88,553	91,953	3,400	4%
Number of Conventional Clients	3	1	(2)	-200%
Gross Conventional Portfolio	243,825	67,127	(176,698)	-263%
Gross Loan Portfolio per financing Officer	4,581,557	5,639,571	1,058,014	19%
Number of Borrowers per financing Officer	52	61	10	16%
Number of clients per MF staff	13	15	2	14%
Operationally Self-Sustainable Institution	-	-	-	-

Islamic Financing Portfolio Growth Analysis

The report indicates a notable increase in the Islamic financing portfolios of Microfinance Institutions (MFIs), driven primarily by two key factors:

- Expansion of Existing MFIs:**
Existing MFIs (OXUS and Mutahid) have continued to strengthen their presence within current operational areas while also expanding into additional provinces, contributing significantly to portfolio growth.
- Entry of New MFIs into the Market:**
New institutions such as Momin Afghan, Lamien, Hassel, Shahy Khazana, and Aurum have recently commenced operations, further supporting the upward trend.

This positive momentum is expected to continue into the upcoming quarter, with further increases projected in both the overall Islamic portfolio size and the number of clients served.

Additionally, the Islamic financing portfolios of Microfinance bank and commercial bank (FMFB and Ghazanfar Bank) are also on the rise, as these institutions expand their range of financial services across their current areas of operations.

Portfolio Risk Management and Service Quality

AMA member institutions have played a commendable role in maintaining a minimal level of Portfolio at Risk (PAR) within their Islamic financing portfolios. This proactive risk management approach not only strengthens portfolio quality but also positions MFIs to expand outreach and deliver high quality financial services to a larger client base.

Year on Year Comparison

Microfinance Institutions	Quarter		Change	
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Operationally Self-Sustainable Institution	-	-	-	-

Future Reporting and Performance Analysis

A thorough YoY analysis will add significant value to future reports, particularly once the newly established MFIs begin offering full scale financial services and share their performance and achievement data. This will provide a more comprehensive view of sector growth and institutional impact.

Key Indicator

Quarter on Quarter Comparison

Institution s	No. of Provinc e Covered	No. of Branche s	No. of MF staff	No. of Financi ng Officer	No. of Client	No. of Wome n Client	No. of Active Borrower s	% Women Borrower s
OXUS	14	33	501	241	20,445	11,169	20,445	55%
Mutahid	11	16	312	105	10,452	5,162	10,452	49%
Momin Afghan	3	4	65	23	71	24	71	34%
Shahy Khazana	1	2	19	10	112	52	112	46%
Aurum	0	0	0	0	0	0	0	0%
Hassel	8	5	40	11	129	1	129	1%
Lamen	2	2	16	6	6	0	6	0%
Sub-Total	14	62	953	396	31,215	16408	31,215	53%
FMFB	14	30	943	261	16,980	4,444	16,980	26%
Ghazanfar Bank	8	16	224	17	70	27	70	39%
Sub-Total	16	46	1,167	278	17,050	4,471	17,050	65%
Grand Total	16	108	2,120	674	48,265	20,879	48,265	43%

Institution	Gross Loan Portfolio	No. of Client	OSS %	PAR>30 Days	No. of Client	No. of Women Client	No. of Active Borrowers	% Women Borrowers
OXUS	1,198,134,992	20,445	118%	0.14%	20,445	11,169	20,445	55%
Mutahid	336,904,545	10,452	123%	0.40%	10,452	5,162	10,452	49%
Momin Afghan	17,030,903	71	0%	0.0%	71	24	71	34%
Shahy Khazana	9,007,544	112	0%	0.0%	112	52	112	46%
Aurum	-	-	0%	-	0	0	0	0%
Hassel	147,951,130	129	0%	0.0%	129	1	129	1%
Lamen	2,706,366	6	0%	0.0%	6	0	6	0%
Sub-Total	1,711,735,480	31,215		0.2%	31,215	16408	31,215	53%
FMFB	1,547,195,855	16,980	85%	0.01%	16,980	4,444	16,980	26%
Ghazanfar Bank	20,604,816	70	0%	0.0%	70	27	70	39%
Sub-Total	1,567,800,671	17,050	85%	0.0%	17,050	4,471	17,050	65%
Grand Total	3,279,536,151	48,265	2	0.10%	48,265	20,879	48,265	43%

Financing to women clients and their empowerment: Women constitute 43% of total clients, highlighting their significant participation in microfinance. In rural areas, many women are engaged in income generating activities such as handicrafts, tailoring, and rag weaving. Access to Islamic financing recognized and accepted at the national level not only aligns with their cultural and religious values but also enables these women to expand their microenterprises. As a result, this financial inclusion directly contributes to increased household income, greater economic independence, and improved living standards for their families.

MICRO CREDIT

Summary of Micro Credit (All Afghanistan)

Quarter on Quarter Comparison

Institution		Total	Group	Individual	Male	Female
No. of Active Clients						
MFIs	Q 1, 2025	28,427	4,409	24,018	13,335	15,092
	Q 2, 2025	31,215	4,686	26,529	14,807	16,408
Bank	Q 1, 2025	15,211	-	15,211	11,259	3,952
	Q 2, 2025	17,050	-	17,050	12,579	4,471
Islamic Financing Portfolio						
MFIs	Q 1, 2025	1,382,633,991	79,238,731	1,303,395,260	948,731,853	433,902,138
	Q 2, 2025	1,711,735,480	86,473,857	1,625,261,623	1,197,994,306	513,741,173
Bank	Q 1, 2025	1,346,977,780	-	1,346,977,780	1,074,590,801	272,386,980
	Q 2, 2025	1,567,800,671.1	-	1,567,800,671	1,238,518,061	329,282,610
Portfolio at Risk >30 Days						
MFIs	Q 1, 2025	1,385,228				
	Q 2, 2025	3,077,715				
Bank	Q 1, 2025	-				
	Q 2, 2025	83,280				
Average Financing size						
MFIs	Q 1, 2025	48,638	17,972	54,267	71,146	28,750
	Q 2, 2025	54,837	18,454	61,264	80,907	31,310
Bank	Q 1, 2025	88,553	0	88,553	95,443	68,924
	Q 2, 2025	91,953	0	91,953	98,459	73,649
No. of Financing Disbursed						
MFIs	Q 1, 2025	7,226	1,320	5,906	3,348	3,878
	Q 2, 2025	9,518	1,370	8,148	4,536	4,982
Bank	Q 1, 2025	4,421	-	4,421	3,404	1,017
	Q 2, 2025	4,234	-	4,234	3,049	1,185
Amount of Financing Disbursed						
MFIs	2025-Q1	558,114,780	39,385,000	518,729,780	370,083,108	188,031,672
	2025-Q2	879,893,984	45,129,825	834,764,159	612,380,671	267,513,313
Bank	2025-Q1	581,806,792	-	581,806,792	470,711,826	111,094,967
		573,898,373	-	573,898,373	436,197,707	137,700,667

Number of Branches	Quarter	Number
MFIs	2025-Q1	46
	2025-Q2	62
Bank	2025-Q1	46
	2025-Q2	46
	Total 2025-Q2	108

Top 10 Provinces by Number of Active Borrowers

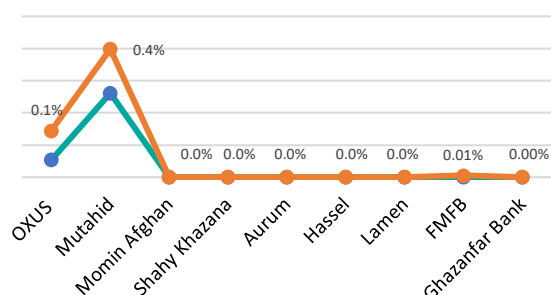
Province	2025-Q2	Growth
Kabul	17,161	7.5%
Balkh	7,591	6.4%
Jowzjan	3,405	6.7%
Badakhshan	2,920	26.4%
Baghlan	2,634	15.9%
Bamyan	2,331	15.1%
Herat	2,209	8.4%
Takhar	1,449	6.0%
Parwan	1,415	13.0%
Nangarhar	358	63.5%
Ghazni	198	280.8%

Top 10 Provinces by gross loan portfolio (AFN)

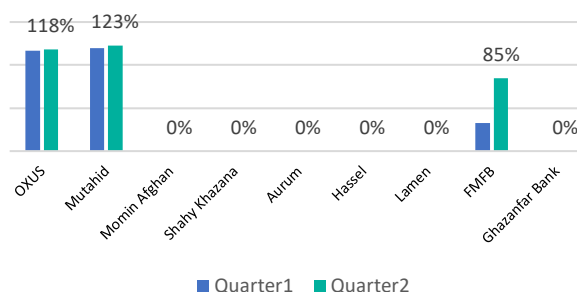
Province	2025-Q2	Growth
Kabul	949,871,236	7.5%
Balkh	499,168,340	15.9%
Bamyan	334,165,914	82.2%
Badakhshan	249,294,503	49.9%
Baghlan	206,805,352	19.7%
Herat	197,892,019	9.3%
Jowzjan	187,134,005	6.9%
Takhar	108,708,369	11.4%
Parwan	59,282,791	15.7%
Nangarhar	37,088,100	82.3%
Ghazni	24,758,424	173.7%

The tables above present the top 10 provinces in terms of Islamic financing portfolio size and number of active clients. This data highlights regional disparities in access to Islamic financial services. In response, the MFI is strategically focusing on expanding its operations into the southern region to promote financial inclusion and ensure equitable access to financing for underserved and marginalized communities. OXUS is the only MFI that has commenced operations in Ghazni province this year. The significant growth observed in the second quarter is primarily due to the institution's expanded outreach and increased client acquisition in the region.

Portfolio at Risk > 30 days



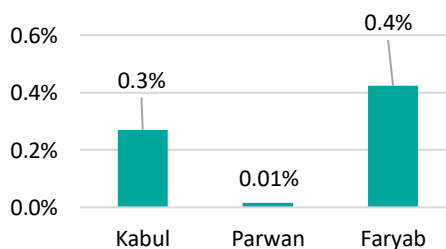
Operational Self-Sufficiency



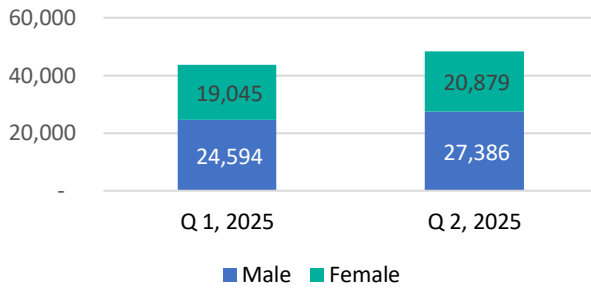
The decrease in Portfolio at Risk (PAR) for OXUS and Mutahid was primarily attributed to defaults on conventional loans disbursed prior to the full implementation of Sharia compliant products. Both MFIs have either written off these non-performing loans or retained them as receivables on their balance sheets. Despite these legacy challenges, OXUS and Mutahid remain the only two institutions among the nine AMA member MFIs including FMFB and Ghazanfar Bank that are currently operating with 100% operational self-sufficiency.

Currently, the MIS of Ghazanfar Bank is not capable of generating microfinance profitability data separately; therefore, the OSS ratio is not reflected in this report.

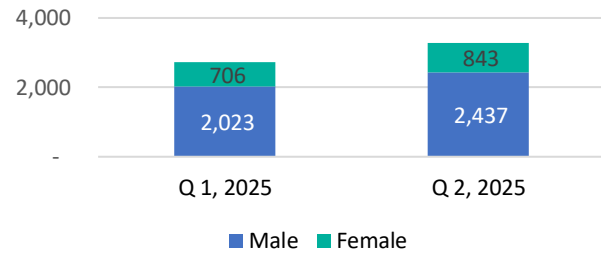
PAR by Province



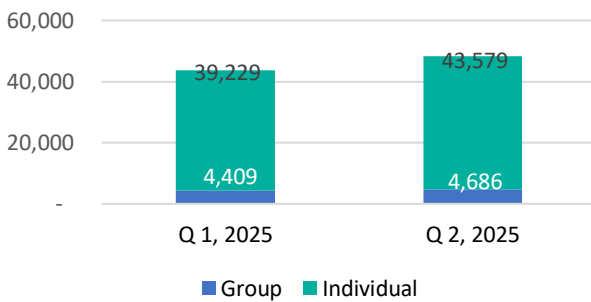
Active Clients by Gender



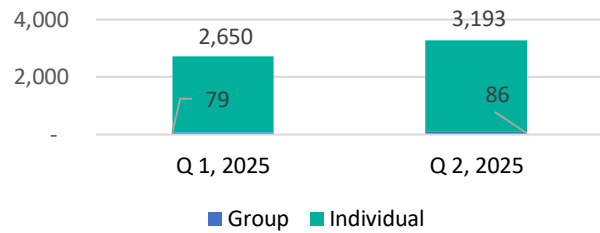
Islamic Financing Portfolio by lending Methodology (AFN Million)



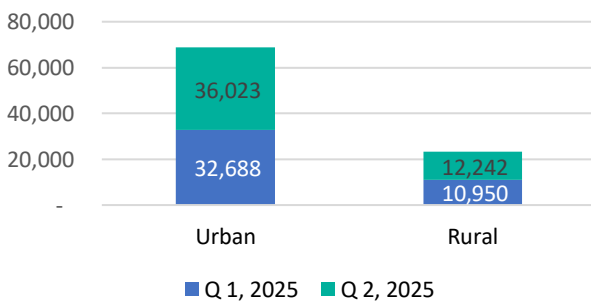
Active Clients by Lending Methodology



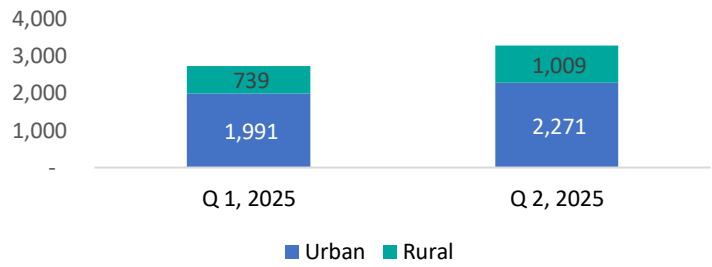
Gross Islamic Portfolio by Lending Methodology (AFN Million)



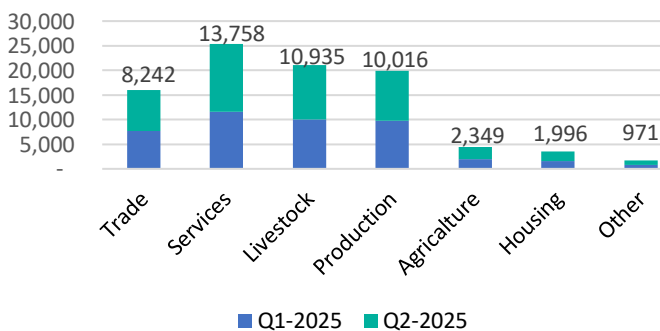
Number of Active Clients by Urban/ Rural



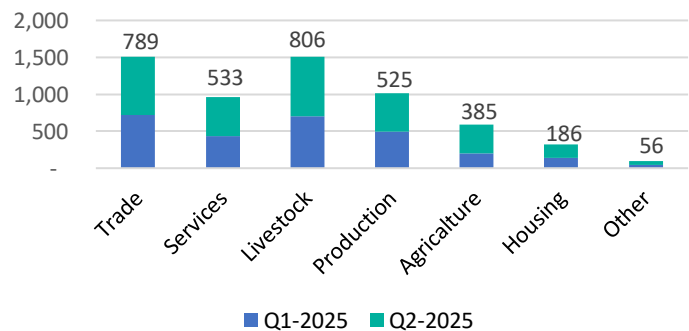
Gross Islamic Portfolio by Urban/ Rural (AFN Million)



Number of Active Clients by Sector



Gross Islamic Portfolio by Sector (AFN, Million)



MFIs provide financial services to clients across various sectors to promote economic resilience and support sustainable livelihoods. MFIs continue to diversify their Islamic financing services to meet growing client demand at the national level.

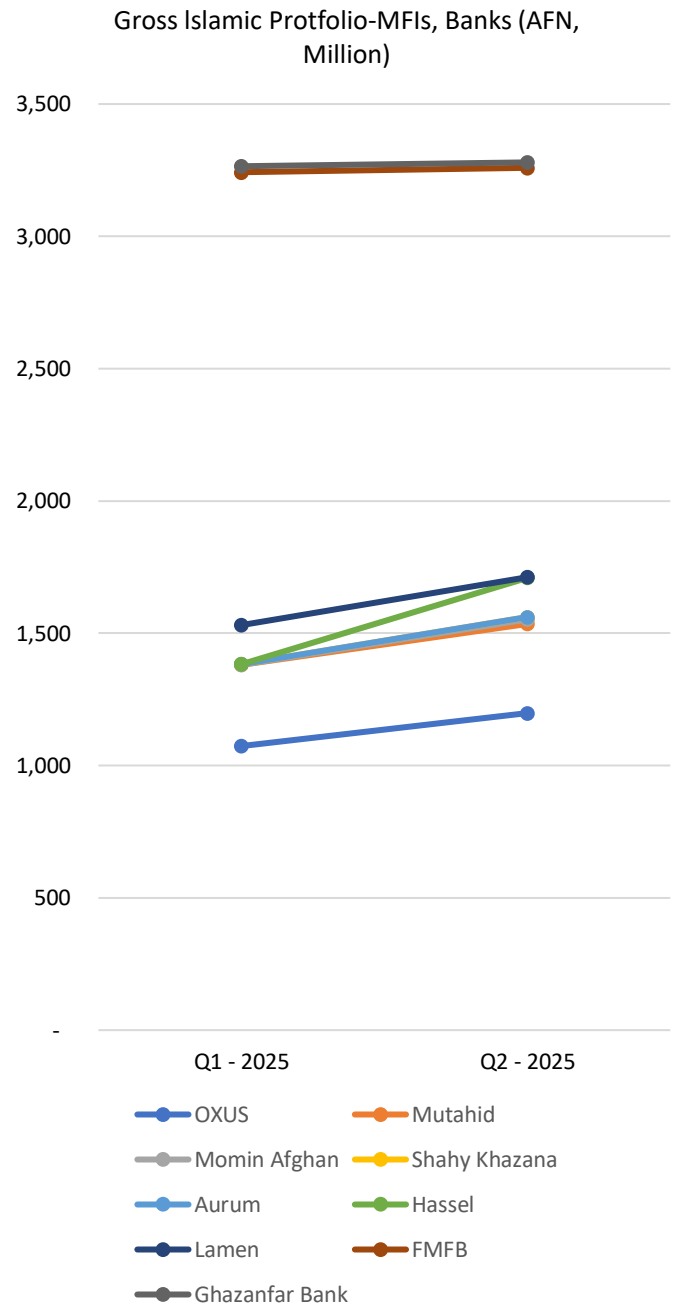
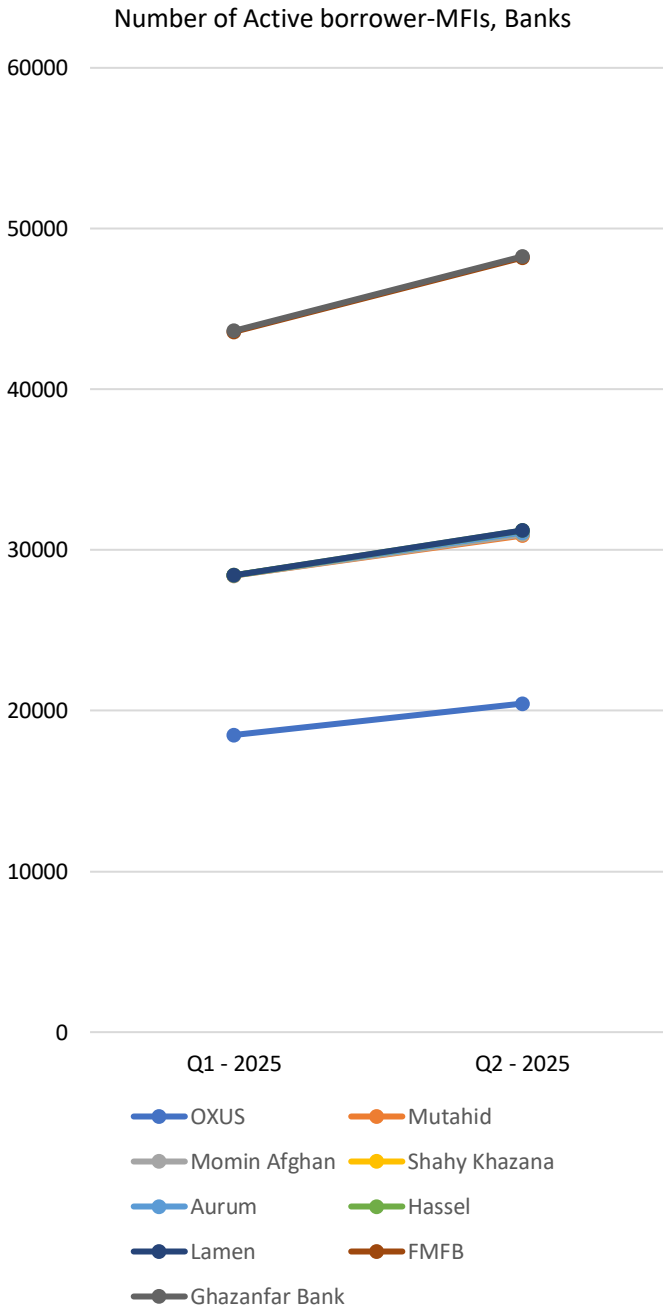
According to the Microfinance Regulation issued by the Central Bank of Afghanistan (Da Afghanistan Bank), the maximum amount MFIs can offer in Islamic financing is AFN 1.5 million per client. However, the demand for larger financing is increasing particularly as clients complete their first financing cycle and move into subsequent cycles with the intention to grow and expand their businesses. As a result, the need for higher financing limits is becoming more evident.

To address this, DAB is currently working on the development of a Small and Medium Enterprise (SME) regulation, which will enable MFIs to offer larger financing options in order to better meet client needs and support business growth.

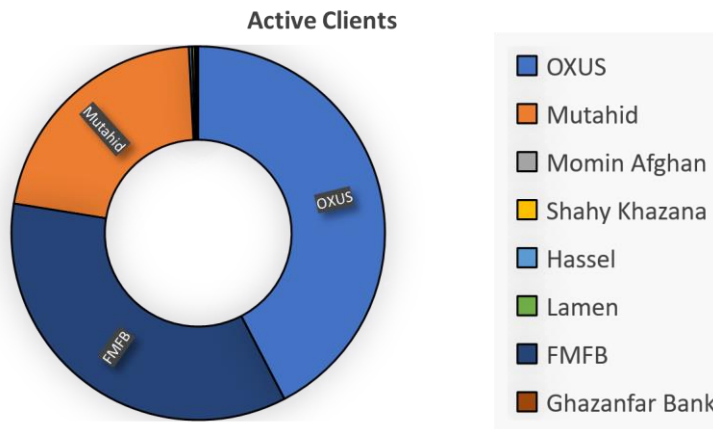
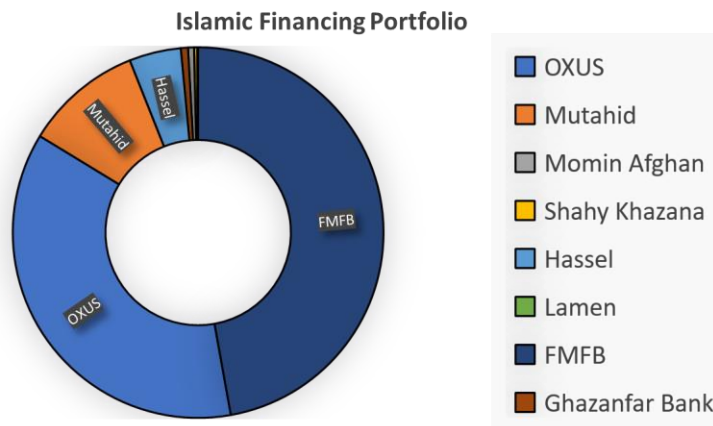
Quarter on Quarter Comparison



Indicator / Micro Credits



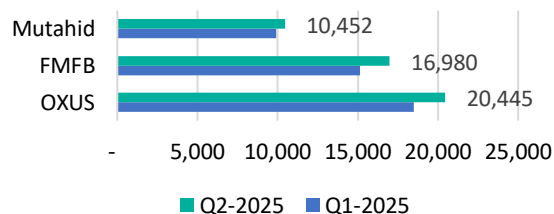
Market Share



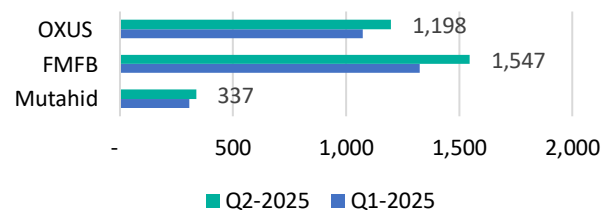
FMFB, OXUS, and Mutahid have been operating in the country since 2004, 2005, and 2011 respectively. Over the years, these institutions have established a strong presence in the microfinance sector and currently hold a significant share of the market.

Top 3 Fast Growing Institutions

Top 3 MFIs, bank by total number of active clients



Top 3 MFIs, bank by total Gross Islamic Portfolio (AFN Million)



Microfinance Outreach

Region	Number of Branches	Islamic-Financing Portfolio		PAR >30 Days
	No	No	Amount	Amount
Badakhshan	10	2,920	249,294,503	-
City District - Badakhshan	3	1,159	102,249,261	-
Baharak - Badakhshan	2	387	31,276,143	-
Other Districts	5	1,374	115,769,100	-
Baghlan	5	2,634	206,805,352	-
City District - Baghlan	4	1,712	128,777,830	-
Other Districts	1	922	78,027,522	-
Balkh	11	7,591	498,965,840	-
City Districts - Balkh	8	5,123	391,743,472	-
Balkh District	1	1261	53,150,813	-
Nahrishahi	2	1,207	54,071,555	-
Bamyan	5	2,331	334,165,914	-
City District Bamyan	3	1,637	267,040,794	-
Yakawlang	1	474	47,774,003	-
Panjab	1	219	18,353,117	-
Other Districts	-	1	998,000	-
Faryab	4	2,672	137,818,697	583,328
City District - Faryab	2	1,429	88,107,130	583,328
Andkhoi	2	1,243	49,711,568	-
Ghazni	1	198	24,758,424	-
City District - Ghazni	1	198	24,758,424	-
Herat	5	2,209	197,892,019	-
City District - Herat	5	2,160	195,916,679	-
Other Districts	-	49	1,975,340	-
Jowzjan	5	3,405	187,134,005	-
City District - Jowzjan	3	2,832	151,491,364	-
Aqcha	2	573	35,642,640	-
Other Districts	-	-	-	-
Kabul	37	17,161	949,871,236	2,568,827
City District - Kabul	37	16,841	939,219,766	2,568,827
Other Districts	-	320	10,651,470	-
Kunduz	5	1,321	110,756,593	-
City District - Kunduz	5	1,313	104,883,593	-
Other Districts	-	8	5,873,000	-
Nangarhar	5	358	37,088,100	-
City District Nangarhar	5	354	34,164,100	-
Other Districts	-	4	2,924,000	-
Parwan	3	1,415	59,282,791	8,840
City District - Parwan	3	1,377	57,989,137	8,840
Other Districts	-	38	1,293,654	-
Samangan	3	958	75,080,588	-
Samangan	3	915	72,059,967	-
Other Districts	-	43	3,020,621	-

Saripul	3	1,632	95,258,487	-
City District - Saripul	3	1,626	95,114,036	-
Other Districts	-	6	144,451	-
Takhar	4	1,449	108,708,369	-
City District - Takhar	4	1,364	106,071,996	-
Other Districts	-	85	2,636,373	-
Kandahar	2	11	6,655,233	-
City District - Kandahar	2	10	5,284,733	-
Other Districts	-	1	1,370,500	-
Grand Total	108	48,265	3,279,536,151	3,160,995

End Note

Microfinance Institutions Under the Association

Institutions	Q1 - 2025	Q2 - 2025
FMFB	Yes	Yes
OXUS	Yes	Yes
Mutahid	Yes	Yes
Ghazanfar Bank	Yes	Yes
Shahy Khazan	Yes	Yes
Momin Afghan	No	Yes
Lamen	No	Yes
Hassel	No	Yes
Aurum	No	No

Most of the newly established MFIs began their financing activities in the second quarter.



Afghanistan Microfinance Association (AMA)



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