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The Microfinance Investment Support Facility for Afghanistan (MISFA) was set up in 2003 at the invitation of the Afghan government — to get donor coordination right from the start and avoid the counter-productive efforts that have emerged from conflicting donor objectives in other post-conflict situations. It was established as a vehicle through which the Afghan Government and international donors could channel technical assistance and funding to build microfinance in Afghanistan.

In March 2006, MISFA was registered as a limited liability non-profit company whose sole shareholder is the Ministry of Finance of the Islamic Republic of Afghanistan. MISFA Ltd is an independent apex organization with a select group of implementing partners on the ground.

A Microfinance Client Story

Business growth credited to FMFB's support

Story of Mohammad Hussain

The story of Mohammad Hussain, aged 30, exemplifies how important access to finance is to small businesses like his family's. Hussain provides for a household of six, including two school-aged children, through his tailoring business.

A long-time client of First Microfinance Bank (FMFB) Afghanistan, Hussain has benefited from the range of products and services FMFB offers to clients with changing needs.

His very first loan worth AFN 50,000 was spent on building a tailoring shop from scratch for him and his brother.



The First MicroFinanceBank Afghanistan (FMFB-A) has been a MISFA partner since 2007. It is currently the largest microfinance institution in Afghanistan in terms of scope and outstanding portfolio size. The bank has a network of 45 branches, 17 of which are in rural areas, covering 14 provinces. Being a bank, FMFB-A is able to offer not only microfinance loans, but also deposit/savings services, SME loans as well as other commercial banking services. FMFB-A has also proven to be innovative, introducing client-demanded products: Housing Improvement Loan and an agricultural-based

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After repayment, he applied and got approved for a second loan of AFN 75,000, which he used to expand his business by purchasing additional machinery, fabric, and other raw materials. For his third and fourth cycle loans, Hussain borrowed AFN 150,000 to buy two modern stitching machines, but also in part to avail of FMFB's housing loan facility, which allowed him to build a home for his family.

"I studied until 12th grade and I wanted to continue but father passed away and I had to step in as the breadwinner" said Hussain, who is able to send both his children to school. "I was able to make a living and provide for my family because of the very first loan I took from FMFB.

That made me work even harder, knowing that if I did, I have a chance to expand my business."

Nowadays, Hussain, his brother and a cousin are sewing and stitching together to fulfill a steady stream of bulk orders from regular clients. With the help of some junior, part-time workers, they are able to take orders from shopping malls, as well as sew between 3,000 and 4,000 uniforms every winter season.

If the market improves, Hussain is confident that once he finishes repaying his last loan that he will no longer need to borrow because his business will be able to support the needs of his family.