

## Abstract

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This research has been undertaken to learn from the successful practices of microfinance institutions operating in South Asia such as Grameen Bank and Khushhali bank Pakistan. The purpose is to make comparison and analysis of Pakistani microfinance institution namely Khushhali Bank ltd with it in terms of lending to female entrepreneurs in particular. For this purpose certain factors adopted by Grameen bank are identified in catering female entrepreneurs and factors and strategies adopted by Khushhali bank of Pakistan are analyzed.

The original purpose of this work was to determine whether women entrepreneurs have access to, and are using, microfinance loans as a source of finance for their businesses. However, the findings of the report go beyond the narrow objective of understanding whether microfinance institutions (MFIs) are reaching Pakistan's businesswomen.

The report raises and addresses two distinct issues. First the strategies and practices of Grameen bank model as a bench mark, which is the pioneer and successful micro finance model and with similar conditions and economic problems to Pakistan. Also the report focuses on products, services, policies, and lending procedures of the Khushhali bank. Secondly the findings of the report based on in-depth interviews with office and field staff of Khushhali bank, as well as survey from female entrepreneurs, both clients and non clients of Khushhali bank for these factors is taken in order to know which is the most influential factor amongst all hindering the access to finance for them.

The results shows most of the female entrepreneurs that is 60% favor the individual lending programs and only 18% favor the group lending methodology.

Things that matter in individual lending programs are the need of collateral, high interest rate and other tough requirements. These factors are analyzed through regression model to find out which are the most influential factors that hamper the female borrowings through micro financial institutions.

The research concludes the collateral to be the most influential factor followed by interest rates, literacy and loan processing timings which haunts the female entrepreneurs to access finance from a micro financial institution.