



# PMIC

Pakistan Microfinance Investment  
Company Limited

## PMIC CONNECT

MARCH 2021 | ISSUE 21

### IN THIS ISSUE

1. Portfolio Highlights
2. PMIC News Bites
3. People & Culture
4. Client Success Story
5. Read of the Month

### PORTFOLIO HIGHLIGHTS



**Loan Portfolio**  
Rs. 23.20 billion  
(Feb-21)



**Total Clients:**  
763,000



**Rural**  
65%  
(Dec-20)



**Women**  
83%  
(Dec-20)



**Youth Clients**  
36%  
(Dec-20)

## **PRIME**

After detailed deliberation, PMIC finalized the TA budget utilization plan with KfW. Interim quality Assurance Framework has also been prepared by the PMIC RE team to ensure quality control for selection of Solar companies, solar system installers, component based solar home systems, after sales service standards and grievance redressal. The same has also been shared with KfW's Technical Expert for review and finalization.

### **Meeting with PMIC Borrowers**

PMIC organized a meeting with its borrowers (Microfinance Providers) in Lahore on March 3<sup>rd</sup>, 2021. This meeting was led by Sector Development team, detailed discussion was done on PMIC's 7 product verticals under Microfinance plus initiatives and upcoming Challenge Fund.

Mr. Saqib Siddiqui briefed the meeting participants about PMIC's new policy, based on which all of its borrowers will be required to bundle micro insurance for their respective livestock pertinent portfolio from July 2021.

The meeting also included detailed discussion on PMIC-KfW Renewable Energy Initiative through Microfinance - PRIME and the new modifications, which have been brought to the initiative design for benefitting both PMIC borrowers as well as end clients.

The PMIC-Opportunity International funded Education through microfinance project was also discussed briefly, where some borrowers showed interest for becoming part of the initiative, especially considering the demand for capital from schools due to Covid-19.

Prior to these meetings, PMIC team met with CEO of Asia Insurance and discussed different aspects of their livestock insurance technology, which PMIC aims to pilot through its borrowers in 2021.

Meetings were also held with Renewable Energy vendors that are offering solar home solutions under PRIME. Discussions focused on the component-based systems which would part of the product offering and the demand for Vendor financing under PRIME.

Discussion have also been carried by the Sector Development Department on extending microfinance to the clients in Gawadar and Ormara regions of Balochistan. In this regards, two virtual meetings have been held with the team of "Sahil Welfare Association", to explore the possibility of cooperation and support to be extended to any MFPs willing to offer financial services to the fishermen and entrepreneurs in the district. Officials from Pakistan Navy bases in the Gawadar and Ormara were also part of the discussion and briefed about the security situation and concerns about the mobility of MFP staff. Fresh rounds of discussion would be carried out in the next couple of months to develop a comprehensive approach to extending financial services in underserved areas and communities of Balochistan.





## **Institution Development Fund**

PMIC has setup an 'Institution Development Fund' to support institutions which do not meet PMIC's normal financing criteria. This fund through a more relaxed approach will encourage lending for new players and institutions focusing on women financial inclusion, provision of financial services in KPK and Baluchistan, deploy digital financial services and develop mechanisms and technologies that reduces cost of delivery for financial services.

## **Portfolio Department - Highlights**

### **Development of Shariah Compliant Product:**

In order to catalyze growth in microfinance sector and diversify its product base, PMD has started to engage consultant for developing parallel financing products based on Islamic Shariah principles. In this regard TORs for hiring a consultant/consulting firm for development of Islamic finance products and pool management have been developed. Evaluation process of the consultant has been completed while onboarding of the consultants is in process. The main objective is to support the microfinance industry players to strengthen and scale-up provision of sustainable and responsible access to finance in Pakistan.

### **Borrowers' Strategy Session (Phase - I):**

PMIC management has arranged a strategy session for borrowers on 17<sup>th</sup> March 2021, internally to discuss the growth plans of possible PMIC borrowers. PMD presented the past performance of the borrowers, their future projections and liquidity requirements. Key strengths and weaknesses of each institution was also discussed. The members highlighted PMIC's role in providing guidance and support to the organizations.

### **Meeting with Taleem Finance Company Limited (TFCL):**

PMIC and TFCL teams held their preliminary meeting on 17<sup>th</sup> March 2021, to understand the business model of TFCL and discuss the avenues of possible future collaboration. TFCL is one of a kind institute in Pakistan that is a catalyst for financing schools and allied business in the education eco-system across the county. Mr. Yasir Ashfaq appreciated the efforts of TFCL in offering this unique proposition in MF sector. During the meeting, Mr. Asghar Memon highlighted the role of PMIC in upbringing the nascent institutions that aim towards financial

inclusion and women empowerment. CEO, Taleem Finance, Mr. Kamran Azim was also present at the meeting. PMIC team is currently working on the desk due diligence of the company.

### **PMIC Office Cleaning**

The Admin team conducted thorough cleaning and disinfecting of the office to contain the spread of COVID 19.



## **PEOPLE & CULTURE**

### **Board Meeting**

31<sup>st</sup> meeting of the Board of Directors of Pakistan Microfinance Investment Company Limited – PMIC was held at PMIC registered Office ,21st floor Ufone tower, Jinnah Avenue Blue Area Islamabad on 11<sup>th</sup> March, 2021, the Board and Committee meetings were held on the 10th March 2021.



- Share update on timelines on ERP with Board Members:
- Update on ASA and BRAC-Pakistan:
- Detailed Working Paper regarding PMIC-Parwaaz Financial Services (PFS) Non-Compete Agreement:
- Resolution regarding PMIC Authorized Representatives for Financial Services obtained from the Banks (Post CFO Exit)

Mr. Naved Abid Khan, Mr. Qazi Azmat Isa and Mr. Yasir Ashfaq joined the meeting at the PMIC registered office whereas, remaining board members joined the meeting online via ZOOM.

## Women's Day celebration

In line with this year's theme – Choose to Challenge, PMIC celebrated Women's day to recognize the entrepreneurial spirit and accomplishments of women in the country. It was a twofold celebration, where PMIC appreciated the women at the workplace and the women beneficiaries from PMIC funded Microfinance institutions as well. The beneficiaries were resilient examples who have used their microfinance loans to challenge stereotypes and adopted non-conventional roles such as hailing a service as driver, operating a pickup service or setting up a vocational training center. PMIC sent them tokens of appreciation for their commitment and resolve.



At the event, our CEO along with the Head of HR, expressed their views on the importance of the female inclusion in the organization and handed token of their gratitude to them. Being an active member of the Male Champions of Change initiative, PMIC has committed to retention, succession, addressing the skills gap and inclusion so to challenge the status quo.





## Rewards and Recognition

Recognizing the hard work and contribution of PMIC team, let's join to congratulate our star performers and wish them best of luck for their new roles.



**Aliya Zaidi**  
AVP  
Risk Department



**Hajra Habib**  
Manager  
Finance & Accounts



**Tufail Ahmed**  
AVP  
Portfolio Management  
Department



**Syed Ahsan Abbas**  
Manager  
Risk Department

## Birthday Celebrations



**Muhammad Shuja**



**Muhammad Ayub Khan**



**Tufail Ahmed**



**Kiran Yousaf**



**Ahmed Jamal Saleh**



## CLIENT SUCCESS STORY

PMIC aims is to uplift the social and economic conditions of its clients by promoting financial inclusion in Pakistan to alleviate poverty and contribute to broad based development.

Saqib khan a transgender a B.Sc. (Hons) in Economics is a true example of PMIC's vision and mission.

Saqib Khan decided to start his own tailoring work after being turned down for employment multiple time. He offers services to locals and jobs for transgender. Saqib received motorbike on installments through Apni Sawari Loan under CEIP's Transition project funded by PMIC, which empowers transgenders.

Saqib feels privileged that despite being a transgender, PMIC's vision of inclusiveness has helped him own a bike. He says: "I am independent and self-sufficient now and can manage my daily chores myself for running my tailoring shop. I encourage all transgenders around to get educated and start a livelihood for their own with PMIC's support like myself, for their self-respect, dignity and inclusiveness in society."



## READ FOR THE MONTH

Managers make six common mistakes when confronting risk: They try to anticipate extreme events, they study the past for guidance, they disregard advice about what not to do, they use standard deviations to measure risk, they fail to recognize that mathematical equivalents can be psychologically different, and they believe there's no room for redundancy when it comes to efficiency.

Companies that ignore Black Swan (low-probability, high-impact) events will go under. But instead of trying to anticipate them, managers should reduce their companies' overall vulnerability.

<https://hbr.org/2009/10/the-six-mistakes-executives-make-in-risk-management>