



PMIC

Pakistan Microfinance Investment
Company Limited

PMIC CONNECT

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PORTFOLIO HIGHLIGHTS



Loan Portfolio
Rs. 22.73 billion
(May-21)



Total Clients:
732,000



Rural
62%
(Mar-21)



Women
84%
(Mar-21)



Youth Clients
34%
(Mar-21)

PMIC NEWS BITES

Webinar on “An Account of Sound Crisis Management in Microfinance during Covid-19”

As part of its Knowledge Management mandate, PMIC compiled a good practice note titled – An Account of Sound Crisis Management in Microfinance during Covid-19. This study captures and shares experiences of JWS Pakistan, a leading MFI in Central Punjab, during the pandemic and how it has been able to maintain portfolio quality and meet client expectations in an effective manner.

PMIC conducted a Webinar on this theme, where-by in addition to sharing of highlights from the study, a panel of distinguished speakers and experts from microfinance shared their views on how the sector has been affected by the COVID19 crisis, how MFIs have responded to the challenge, what has worked and what has not worked for them during last 12 months.

Honorable speakers from the SECP and SBP, the regulatory authorities for the microfinance sector also shared their thoughts on the response to the crisis from a policy and regulatory perspective to stabilize the economy.



PMIC closes its second advisory & arrangement mandate for Khushali Microfinance Bank

PMIC successfully closed its second advisory & arrangement mandate for Khushali Micro Finance Bank Limited (KMBL). KMBL has issued unsecured, subordinated, privately placed, Tier II Term Finance Certificates of PKR 600 Mn, where entire amount is provided by PMIC. This financing facility aims to support growth



in lending operations of KMBL and contribute towards bank's additional Tier II Capital for strengthening Capital Requirement and Capital Adequacy Ratio (CAR) prescribed by SBP for Microfinance Banks. The investor agreement was signed by Mr. Yasir Ashfaq, Chief Executive Officer PMIC and Mr. Ghalib Nishtar, President & Chief Executive Officer KMBL.

Social Impact Fund

PMIC along with Bank Al Falah and Arif Habib Ltd. closed first ever "Social Impact Bond " of Rs. 3.5 bn. for U Microfinance Bank.

The proceeds of the Bond will be deployed for empowering small and medium enterprises across Pakistan with a strategic focus towards women borrowers in rural and peri-urban markets.

The Bond will offer KIBOR based financial returns along with Social Impact outcome to its investors. The Bond is rated "AA-" by PACRA.

Prime

SDD has developed a proposal for rolling out the PRIME project for year 2021, as Covid-19 related situation has improved over the course of last few months. The project will be deployed through 10 borrowers and will help end clients to purchase microfinance based solar home solutions in off-grid and semi-grid areas of Pakistan. Further, KfW is in process of hiring the implementation consultant and the procurement procedures are being worked upon by KfW in collaboration with PMIC. PMIC is also working with KfW and solar vendors for devising a mechanism as per which certified inverters could be deployed in the PRIME project for use of larger systems.

Education through Microfinance

As the COVID-19 3rd wave is slowly subsiding, so SDD is in discussions with multiple of PMIC borrowers to design and implement a LCPS project. In this regard, SDD is also collaborating with Opportunity International - OI and is collecting demand for the number of schools interested MFIs will be financing for a LCPS project. The project will involve trainings for school owners, teachers and provision of larger sized microcredit loans.

Collaboration with DFC

US International Development Finance Corporation (DFC) had approached PMIC for a possible collaboration, whereby both entities collaborate through different financing instruments to benefit the microfinance providers of Pakistan. DFC is the United States governments' development bank, and offers various financing tools including, equity, debt, political risk insurance, and partial credit guaranty. Discussions are being carried out to explore areas of interest and possible means of collaboration.

Livestock Loan Insurance Initiative

SDD has designed a comprehensive proposal on Livestock Loan Insurance initiative, which will be deployed in multiple districts of Sindh and Punjab. The project will involve deployment of technology enabled insurance solution for larger animals. Another important element of the project is the imparting of Livestock management and dairy best practice trainings for subsistence farmers to equip them with latest knowledge on animal management. These will

ultimately benefit them in increasing their revenues from livestock pertinent livelihood means. The proposal is shared with MRC for approval.

FIELD VISIT

PMD client visits to Sindh



PMIC firmly believes in crafting and fostering its relationships with on ground clients along with their borrowers. In light of the same recent borrower and client visits were made in Sindh. Client operations and businesses are reopening, however due to the time restrictions on business hours, the sales are yet to reach the pre - COVID business volume. Borrowing institutions and clients were found to be optimistic regarding the current situation of market and their businesses.

PMD field visit to Taleem Finance



PMD team visited Taleem Finance Company Limited (TFCL), an Education Finance company with Investment Finance Services License. The team held a detailed meeting with the key personnel of the company and school clients to understand its operations and identify potential partnership opportunities. TFCL focuses on improving the quality of education by catering to the financial needs of middle and low-cost private

institutions and the education Eco System of Pakistan.

TFCL offers higher loans to institutions/clients i.e., upto Rs. 10 million, therefore serving the missing middle of the sector. Currently operating in the Punjab province, however, the company intends to expand its operations into other provinces as well.

CEO field visit

CEO visited Karachi during this month, where he met 5 commercial banks, 2 borrowers including TMF and ASA along with officials from IFC. He also participated in the launch ceremony of Infrazamin, where he interacted with the senior officials of our regulators, SBP and SECP along with the heads of commercial banks, NIT and DFIs. During these interactions future funding sources for PMIC and raising funds through the capital markets for Microfinance sector came under discussion.

CLIENT SUCCESS STORY



Naseem Bibi a widower belongs from Narowal. Financial crisis struck her household after her husband's death. Initially she relied on her husband's pension and support from her family members to get through this difficult time. Despite facing challenging

conditions, Naseem Bibi did not lose hope and took a loan from her family member to sell various items. Two years later, she found about PMIC's borrowers - Kashf Foundation and took a loan. She used the loan amount to set up a store to go generate a livelihood and enhance her living standard. Her business faced strong challenges during the pandemic, however, through hard work, commitment, and resilience she was able to keep afloat.

PEOPLE & CULTURE

HR and Admin Activities

1. HR arranged an Eid Team Dinner at Malot farmhouse as a team building exercise, keeping COVID SOPs intact.
2. SAP HCM was launched, and a detailed session was held to train team members to input various forms.
3. A comprehensive orientation session was held by IGI General Insurance to inform employees about IGI IPD/OPD services, processes and procedures.
4. Travelling/ Field visits have resumed with strict SOPs after a drop in covid cases throughout the country.



Sneak Peek on New Hires

Komal Arshad

Assistant Manager Projects
Sector Development Department.

What is your favorite food?

A good pizza is all I need.

Someone you would like to meet?

Captain America

What is on your bucket list?

Scuba diving!



Bilal Tahir

Lead Risk Management
Risk and Compliance Department.

1. What is your favorite food?

"Chicken Karahi of Famous Butt
Restaurant of Lahore"

2. Someone you would like to meet.

"Quaid e Azam"

3. What is on your bucket list?

"Travelling to northern areas of Pakistan especially Kashmir,"



BIRTHDAY CELEBRATIONS

We wish you a very
Happy Birthday.



MUHAMMAD AHMAD



Read for the Month

Not every development funder can engage with fintechs at all stages or support all aspects of a thriving fintech ecosystem. Large organizations may have a more diversified approach, while others may be better off focusing on one type of investment, such as early-stage impact investing. However, every development funder can have a meaningful impact by funding strategically, sharing lessons learned, and working toward standard impact metrics.

https://www.cgap.org/sites/default/files/publications/2021_06_Focus_Note_Fintech_and_Financial_Inclusion_Funders_Guide.pdf