

# CONNECT

DECEMBER, 2021

HAPPY  
NEW  
YEAR **20  
22**

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Number of Districts:  
90



Youth Percentage:  
35%



No. of Borrowers:  
23



Women  
82%  
(Sep-21)

## Portfolio Highlights



Loan Portfolio  
Rs.24,288 Million



Rural  
65%  
(Sep-21)



Youth Clients  
35%  
(Sep-21)

**Dear Team,**

I would like to start by thanking you all for your commitment and perseverance shown during these tough times. The Covid pandemic continued to restrict normal course of business and life. The last two years have been tough globally for countries, institutions, and individuals. Some of us have lost their loved ones, especially from the older generation. Working from home was also not easy for the parents who had younger kids as with the closure of schools they had to manage work along with the keeping their children happy. However, we as a team held our heads high and tried to perform as best as we could. The fear and constraint imposed by the disease has resulted in adoption of the “new normal”. Although, I see that the threat of Covid would lessen as more and more people are vaccinated and our capability to counter the new variants is improved, but I am also aware that one should be careful while predicting nature.



The year 2021 also marked the completion of 5 years of our operations. During this period, we have been able to make substantial progress as a wholesale microfinance lender. Our achievements in financial inclusion have been recognized by The Institute of Bankers Pakistan at the Annual Pakistan Banking Awards by choosing us for the category of “Best Contribution by a Non-Bank Entity 2021”.

We might slightly miss our budgeted targets; however, we have been lucky enough to maintain the quality of the portfolio. With the limited number of Microfinance Institution, one of our challenges is to look at the growth prospects of PMIC. We have also launched our first “Challenge Fund” which would promote innovation in the area of agriculture productivity by using technology. This would also help the farmers in improving productivity yields ultimately resulting in higher incomes. We also rolled out new “Institutions Development Fund” and provided financing to two institutions in order to increase the number of borrowers. Overall, we introduced three new borrowers to our clientele.

It's also heartening to see that in the last quarter of 2021, our borrowers especially MFIs are again showing signs of growth. The last year hasn't been easy for the Microfinance sector and its clients. Nevertheless, we are aware that our task has not been completed and we have to go many miles before we rest.

Going forward we would be working on our next 5 years strategy, for which we will require assistance from every team member. The objective is to look at those opportunities which would result in meeting our dream of providing financial services to all the underserved segments of the society and at the same time earn decent profits for the sustainability of PMIC. We would be exploring many options and especially those that are assisted and driven by technology to achieve that objective. However, we will choose those that will meet our twin objectives of financial inclusion and financial sustainability.

During COVID even vaccination globally has tilted in favour of those with financial resources. The next year seems economically tough due to expected high rate of inflation and rising interest rates. This would require serious efforts on our part in maintaining the quality of portfolio and providing financial services to those who are suffering during the last two years. To achieve this objective, innovative thinking and product development would be required. This would entail hard work and continuous effort. We would not be able to achieve it individually hence teamwork and collaborative effort would be required.

For the year 2022, I wish you all the best and hope that you would be able to utilize your full potential and improve yourself both at personal and professional level. Senior management team of PMIC and myself are committed to help you achieve this goal.

**All the best for The New Year.**

## PMIC News Bites

### PRIME

PMIC conducted 2 training workshops in Lahore and Hyderabad for RE Experts and RE Mobilizers of Microfinance Providers – MFPs. The trainings included sessions on program descriptions, solar product features, vendor orientation, installation guidelines and quality control methodology. The trainings were attended by staff of 6 MFPs including AGAHE Pakistan, FFOSP, CEIP, TMF, Safco and SSSF. The borrowers continued to organize community awareness sessions in their project areas, in collaboration with solar vendors to create awareness about solar home solutions, product features and after sale services offered by end solar vendors.

### Livestock Micro Insurance

The LMI project is being deployed in field by PMIC borrowers, in collaboration with Asia Insurance Company. Community awareness sessions are being organized to create awareness about insurance among rural communities and also about the way digital insurance application could be used to insure animals. Training workshops were also conducted by Asia Insurance company representatives to educate the staff of implementing partners about the digital application and the process of insuring animals.

### LCPS Projects

PMIC and Opportunity International (OI) are moving forward with an extensive education quality program for the coming year, where the entities aim to target approximately 200 schools. The program involves trainings for school owners and teachers, with a focus on imparting quality education to students. Budget approval has been acquired and the teams are currently finalizing timelines for the project, which is due to kick start in the first quarter of 2022.

The SDD team submitted a joint funding proposal with Opportunity International to DFAT to increase scale of education finance project in Pakistan.

### Enterprise

PMIC is in negotiations with CARE international to support enterprise financing and capacity building through skill enhancement trainings and providing access to finance as part of the IGNITE project. The proposed program will target approximately 3,000 beneficiaries through trainings and financial product adaptation.

### Challenge Fund (CF)

PMIC published an advertisement in newspapers as well as on its website and social media sites, inviting proposals from organizations under the challenge fund. The theme of the challenge fund is to benefit small farmers get access to finance and improve their crop cultivation practices through trainings and adoption of latest technologies through Ag-tech/microfinance providers. The financial and non-financial services offered by applicant should focus on ease in access to credit, trainings and capacity building that help them impart good crop cultivation practices.

Technology and good agriculture practices are to be at the heart of the business models proposed using, but not limited to, trainings of farmers, satellite imagery, soil testing, efficient water, fertilizer and pesticide usage, linkages with input providers and facilitating farmers in crop sales. These interventions would ultimately result in lower input costs, increased crop yield and higher incomes of the farmers.

The goal of the challenge fund is to provide relevant market players an opportunity to pilot or scale interventions on the thematic area “Accelerating access to finance and increasing income of small farmers” for financial inclusion, sector development and benefiting end clients. For more details on the thematic areas and proposal related guidelines, please visit PMIC website

<https://pmic.pk/challengefund/>

## Challenge Fund Press Releases:

### Business recorder:

<https://www.brecorder.com/news/40140703>

### Daily Times:

<https://dailytimes.com.pk/855442/pakistan-microfinance-investment-company-pmic-launches-challenge-fund/>

### Pakistan Observer:

<https://pakobserver.net/pakistan-microfinance-investment-company-pmic-launches-challenge-fund/>

## Field visit

1. PMD team conducted a visit to Thardeep Microfinance Foundation (TMF) in Dadu region, situated in Sindh province. They met different clients, checked the loan utilization pattern, client's livelihood and asked suggestions as to how they can further improve the ongoing program. They met a group of female clients generating income with handmade embroidery. They used this loan to buy input material for embroidery and sewing machine. Post Covid demand for their product is increasing, which has improved their livelihood.



2. PMD visited Khushhali Bank branch in Rawalpindi city. The team met different clients, one of them was Ms. Farhana Liaquat (client of KMBL) and her husband at her business place, situated on Qadeer Road, Muslim Town. Our team discussed about the loan availing process, utilization pattern, client livelihood and asked for recommendations to further improve the ongoing program. Ms. Farhana shared that, initially she started the cloth business in her house. Later on she moved her business in a small shop near her house. As the business grew, she took loan from Khushhali Bank to expand this business. Looking at the growth in business, her credit history and higher demand for financing, the bank graduated her for enhanced loan amounting to Rs.500k, which is used by the client for further business expansion by taking another shop adjacent to the existing one.



**3.** PMD conducted a visit to Kashf Foundation (KF) in Kasur district situated in Punjab province. The team met Kf's clients, checked the loan utilization pattern, client livelihood and asked for suggestions to further improve the ongoing program. One of the female clients visited by PMIC team, had started generating income by stitching shoes. She had dedicated a small place in her home for this work where she has employed more labor to meet the order demand. It is improving their livelihood and creating employment opportunities.



**4.** SDD team conducted 2 training workshops in Lahore and Hyderabad. The trainings were conducted for staff working under PRIME program. The trainings included sessions on program descriptions, solar product features, vendor orientation, installation guidelines and quality control methodology. The trainings would greatly help staff under PRIME program to effectively deploy the initiative.



## Client Success Story

### Bushra Bibi

#### Navigating in a Man's World

Focus on women is one of the overarching themes of all Pakistan Microfinance Investment Company (PMIC)'s interventions. As the apex institution and sector developer, PMIC advocates for gender equality with the central objective of improving the socioeconomic status of the women. The beneficiaries were resilient examples who have used their microfinance loans to challenge stereotypes and have adopted non-conventional roles such as joining a ride hailing service as a driver, operating a pick and drop transport service and setting up a vocational training center. These diverse and accomplished women shared their life journey, role of microfinance in helping them overcome challenges, lessons learnt and their future plans. Through their commitment and resolve, they have inspired many more women to become drivers, trainers, beauticians and businesswomen among others. Moreover, these women have been able to educate their children, manage daily household activities and purchase household utilities.

Bushra Bibi, a client of PMIC borrower, KASHF, always tried to find opportunities even when faced by the most insurmountable challenges. Compelled by financial constraints, while her husband was alive, Bushra Bibi contributed to her household income through multiple small avenues such as a small-time matchmaking services and by tailoring clothes for neighbors and family. However, after her husband passed away from a sudden heart attack; Bushra Bibi decided to break away from gender segregated businesses with low-returns and start something innovative and big. Her idea was to start something that would not only help her earn a higher income, but also enable other women from her community to fulfill their aspirations. Bushra Bibi came across an advertisement in the newspaper announcing a subsidized rickshaw scheme for women, which could only be deemed as a sign from God. Some women from her community had taken loans from one of KASHF for their businesses, so she enquired about their experience, upon receiving positive feedback from existing clients, she was able to quickly secure a loan of PKR 40,000, which she used to make the down payment and first installment for the rickshaw.

Within a few months Bushra Bibi was able to sign on some 'regulars' including school children, women professionals and school teachers that she transported back and forth. All these riders preferred a female rickshaw driver because they felt safer with a woman. One of the teachers she used to provide conveyance to shared that her husband had been telling her to quit teaching because he was not happy about the long journey she was making with an unknown male rickshaw driver but changed his stance after she started using Bushra Bibi's rickshaw.

The appreciation she received from women customers also helped her to remain steadfast in the face of any social criticism and in the light of her additional responsibilities. She was convinced that her hard work would pay off and soon enough, the naysayers also stopped their opposition, and she was able to gain everyone's support.

Bushra Bibi started earning around PKR 40,000 from her regular rides. After a year, she also secured another loan from KASHF to buy a motorcycle for her elder son who wanted to become a rider with a popular ride hailing service in Lahore. She was also able to acquire small household items that made her role as a homemaker easier – these included a refrigerator, a microwave and a room cooler. Things were looking up for Bushra Bibi and her family, but then the Covid 19 pandemic emerged, and the government responded with a nation-wide lockdown. Bushra Bibi had to quickly cope with the evolving situation and started offering shorter routes on her rickshaw and resumed her earlier businesses of stitching and match making. The variability in income meant that there were days they ate two meals instead of three, but she continued to work hard in order to make ends meet. Despite schools being closed, Bushra Bibi was able to earn around 75% of her pre-Covid income.



## People & Culture

### HR and Admin Activities

#### Townhall meeting

Town hall was held after BoD meeting to bring employees to par regarding decisions taken during the BoD meeting. Employees were praised for the past year's performance and hard work. CEO encouraged employees to bring in ideas for future and discussed that PMIC holds a strong culture where employees are encouraged to bring in ideas for business growth.





## Team Outing & Breakfast

Employee engagement activity was held in F-9 park. Employees had a morning walk followed by a scrumptious breakfast at Chatta's. It was held to encourage team building and team motivation for upcoming year.



## HR Policy Awareness Session

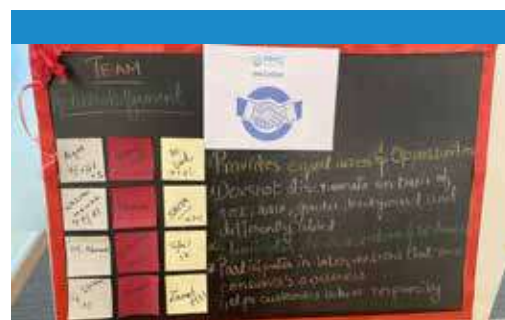
HR held a policy awareness session with senior team members to answer queries regarding the recently approved Grading structure policy. It was held to clarify and answer queries that the introduced policy was built for easing career progression and develop growth opportunities for employees.



## CEO Club initiative

**Inclusion Value:** In continuation to CEO Club initiative of PMIC Value of the month, next value was introduced, **INCLUSION**. It will help inculcate related behavior in PMIC employees. This value focuses on promoting inclusion in PMIC and with our borrowers. Thus, help build sound & sustainable institutions that try to meet the needs of underserved. It promotes the following behaviors:

- Works towards providing equal access and opportunities to people of different sect, race, gender, background and differently abled.
- Actively works towards, within the organization, for inclusion of all by eliminating discrimination and intolerance in any form.
- Participates in interventions that raise consumers' awareness and strengthen their financial capability, helps customers behave responsibly and protect themselves from harm.





## Farewell

Neelum Aamir, Head of Internal Audit, resigned from PMIC. Team bid farewell to their beloved colleague for her contribution and hard work put in for PMIC. PMIC management and team wished her luck for future endeavors.



## Birthday Celebrations

Birthday Celebrations: Birthday celebrations were held for employees whose birthdays have passed in last few months. It was an engagement activity to help appreciate employees for their hard work and support for PMIC and build a strong bridge between management and employees.

**We wish you a very Happy Birthday.**



## Watch of the month

<https://youtu.be/Tuw8hxrFBH8>

