PMIC
Pakistan Microfinance Investment Company Limited

PMIC CONNECT
Issue # 01-22

CONNECT

JANUARY, 2022

- Portfolio Highlights
- PMIC News Bites
- Client Success Story
- People & Culture
- Read of The Month

Portfolio Highlights

Number of Districts: 90

No. of Borrowers: 23

Loan Portfolio Rs.25,384 Million

Youth Clients 35% (Sep-21)

Rural 65% (Sep-21)

Women 82% (Sep-21)

Youth Percentage: 35%

PMIC News Bites

PRIME

The Government of Pakistan had recently passed a finance bill, as per which taxes have been levied on solar equipment as well. These taxes will have a bearing on price of solar equipment, financed under the PRIME program. The Alternate Energy Delivery Board is carrying out negotiations with the GoP for getting relief in these taxes, however the matter has still not been resolved. Due to these additional taxes, a number of challenges are being faced in supply of solar equipment and it has impacted the PRIME program. Further, PMIC borrowers continued to organize community awareness sessions under PRIME program to create awareness among masses about solar home solutions and to generate demand from clients for purchase of systems.

Livestock Micro Insurance

Training of Trainers were organized by Asia Insurance Company for the staff of MFIs to educate them about the TAGMU insurance product and the entire process of insuring animals. Further, MFPs and the insurance company deliberated on system integration, to ensure that once an animal is insured, then all insurance related information automatically gets transferred to insurance company and policy is issued online for the client's animal. Animal insurance will initiate in February, 2022.

LCPS Projects

PMIC and Opportunity International (OI) are moving forward with an extensive education quality program for 2022, targeting 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 timelines shared across the board.
Various key parameters of the initiative were thoroughly analyzed such as, scale of the program, financing required, project scalability and its impact on beneficiaries including teachers, owners and students. The project is due to launch in the second quarter of 2022. The teams are currently in the process of preparing for a formal launch after internal approvals have been acquired.

MANCOM Visit to Lahore – January 2022

PMIC's management team recently paid a visit to Lahore and met the management of 8 Microfinance Providers including MSP, RCDP, Taleem Finance, CEIP, KF, Finja, AGAHE and Damen. The meeting discussions revolved around MFP's portfolio quality, prevalent challenges (including Covid-19) and different aspects of PMIC's new strategy. The MFP's management appreciated PMIC's support for strengthening their institutions and the role it had played during the challenging period of covid-19. The PMIC team also conducted field visits and met with 25 clients of RCDP and KF. The team asked the clients about their microcredit loans, business health, impact of covid on their livelihood means and respective incomes.

Field visit

Recently, PMD team visited borrowers in the vicinity of Lahore and Sheikhupura to ascertain the field level situation of the end-clients. In the wake of the COVID pandemic, half of the MFI's portfolio was deferred. However, through establishing a dedicated task force and timely follow-ups, the deferred portfolio has been reduced to 1% as of Dec-21. Institutions are envisaging that the remaining deferred portfolio will be reduced to zero by Jun-22. In the regions that were visited the MFI was facing difficulty in recovery, yet it is good to note that there is willingness to repay by the clients, but economic circumstances are a major concern. Borrowers that work in the FinTech space have also shown growth in the past few months while maintaining their non-performing loans. PMD team continues to closely monitor the borrower's performance via desk monitoring and expects to see a stable financial position of the borrowers in the coming months.

Client Success Story

Saira Bano Bibi

Peering through the Kaleidoscope

PMIC stands with and provides continuous support and assistance to woman micro-entrepreneur who has been instrumental in turning around the financial fate of their household.

Saira's husband had to shut down his thriving grocery store because of health issues, consequently Saira began to cut back on essential expenses, which meant immense suffering for her and her two children. They looked towards her husband's family for support, but they did not facilitate them at all, despite the fact that her husband had helped them financially in the past. Saira started stitching clothes for some of her family members, but the income was barely enough to meet food expenses. To assist Saira with her stitching business, her husband would help by purchasing basic materials that she required such as thread for stitching, laces and buttons etc from the market. This made her realize that there was a potential for setting up a small shop in her house to sell basic items needed for tailoring by women, as most women in her community had to rely on men to purchase things from the market.

At first glance Saira Bano's small but well stocked shop feels like peering into a kaleidoscope full of myriad shapes, colors and designs. The shelves are well-stocked with inventory; some items are sorted by color, while others are sorted by size or category. She saw this as an opportunity and discussed the idea with her husband, who was very supportive but told her that they needed capital for buying merchandize as having a well-stocked store was an important requisite for the venture's success. Saira found out about PMIC's borrower- Kashf Foundation and decided to visit the Kashf branch with her husband and was pleasantly surprised to find out about the minimal requirements for accessing a loan. Within a week she was able to get her first loan, which enabled her to start off with some essential inventory comprising of boxes of different colored thread and other raw materials required for stitching, all of which sold quickly. Encouraged by the response and seeing the demand for other products, she was able to quickly add more items, which she bought from wholesale markets in order to increase her profit margins.

She has taken incremental loans to add several new ranges of products such as laces, buttons, bangles, costume jewelry, cosmetics, and even undergarments. procurement options by purchasing high quality and yet affordable items from Haripur and Rawalpindi. A major USP for Saira Bano's business has been her ability to provide a wide array of products to her mostly women clientele since she has expanded the business from a basic shop to a one stop store for women in the area.

The impact of Covid 19 and lockdowns on her business, left her income largely unaffected. In fact, while big retailers suffered losses due to forced closures by the government to control the spread of Covid 19, Saira was able to run her community-based shop on a daily basis and continued to provide essential items to women. With a keen foresight into inventory management, Saira's shop was always well stocked and catered fully to customer demands.

Today, as a result of her business Saira has been able to send all her children to school, while her husband has been able to get back on his feet as well by establishing an electrician business. Together, they earn a significant amount per month, which is not only sufficient to cover basic household expenses but also allows her to save and reinvest in the growth of her business as well. Saira's success highlights the fact that women entrepreneurs not only lead to greater employment opportunities within their communities but can also become avenues of change for other women by carving out new business spaces.

People & Culture

HR and Admin Activities

Employee Engagement Survey: Employee Engagement Survey was conducted and completed. Our CEO understands the level of passion PMIC's workforce has for serving the underserved hence PMIC is always step ahead of its competition. This is one of the key factors for PMIC's success. 100% response rate was received from the employees for the employee engagement survey. PMIC's HR department strives to create an organizational culture that will be sought after by everyone who meets PMIC, and it will be a place where employees are proud to work. Defining this vision and achieving it takes time and effort that we as a team are committed to do.

Renewal of IPD coverage: PMIC has renewed its contract with IGI for its IPD services for year 2022.

Renewal of OPD coverage: New OPD coverage of PKR 145,000 for year 2022 was launched for employees effective 1st January 2022.

Performance Appraisal Exercise 2021 and Objectives Setting Exercise 2022: In year 2021, we saw Covid-19 continuing to impact human life globally. PMIC faced challenges and stood up to solve the difficult situations together. Moving forward PMIC hopes to see a better year ahead that shows opportunities and reduced trials. It is also now time to look back at the year and assess individual and team performance in the annual Performance Appraisal Exercise 2021. Learning from our experiences of 2021, PMIC team will set their Objectives for the year 2022. The Performance Appraisal Exercise is a tool that encourages a dialogue between Line Managers and Employees, to discuss contributions of team members, recognize their accomplishments, create a track record of transparent feedback and measure performance as aligned with the Company's objectives. Similar to last year, departmental performance will also be taken into account.

Exposure visits for Head of HR: Head of HR visited Kashf and RCDP branches in Sheikhupura and held meetings with their Senior Management in Lahore. This visit was specifically planned to help finalize PMIC strategy preparation which needed input from the Institutions regarding PMIC's new business ideas. Branch visit included meetings with the Senior Management, Credit officers and clients/borrowers. Head of HR had a detailed discussion with branch managers in both organizations and understood the grading, salary, and administrative structures. was observed that both organizations have many differences while working on same business model within the same vicinity. The administrative aspect was very interesting as most branches offered a residential facility for Credit Officers who were working in that branch and belonged to far flung areas.

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Sneak Peek on New Hires

1. Zoobia Nadeem

Assistant Manager in Portfolio Management Department

Questions:

1. What is your favorite food?
It has to be Pasta.
2. Someone you would like to meet?
Elon Musk and Wentworth Miller from the entertainment Industry.
3. What is on your bucket list?
Reading more books, scuba diving and cruise to the middle-east

2. Muhammad Asghar

Manager Compliance and Credit Administration in Risk and Compliance Department

Questions:

1. What is your favorite food?
Among the number of foods, Pizza and Steaks are my favourite. No matter how much I have eaten, I never fail to make myself feel hungry when I have my favourite pizzas in front of me.
2. Someone you would like to meet?
Elon Musk – Due to my love for the science and technology. He is a great entrepreneurial innovator of our time.
3. What is on your bucket list?

- Visit Schengen countries
- Skydive over the mount Everest
- Trekking to K2 Base camp
- Adopt a Siberian Husky
- Join some sports club
- Start exercise on regular basis

3. Zeeshan Khan Shahid

Chief Technology Officer in Finance and Accounts Department

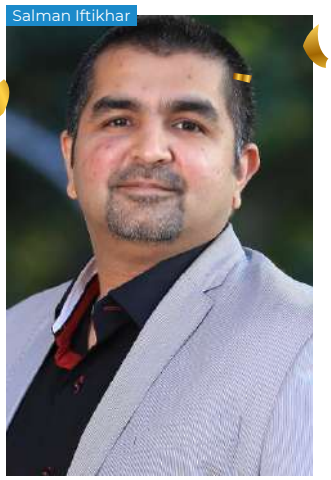
Questions:

1. What is your favorite food?
Am a foodie I love all sorts of foods especially Continental, Chinese, and my all-time favorite Dam-Pukht from my hometown
2. Someone you would like to meet?
Since I love reading, I would love to meet my favorite writers Noam Chomsky, Robert Toru Kiyosaki, Robin Sharma
3. What is on your bucket list?
In my bucket list, a certification CGEIT. I love travelling, so this time around Trip to Turkey or Egypt

Birthday Celebrations

We wish you a very Happy Birthday.

Afia Khan


Salman Iftikhar

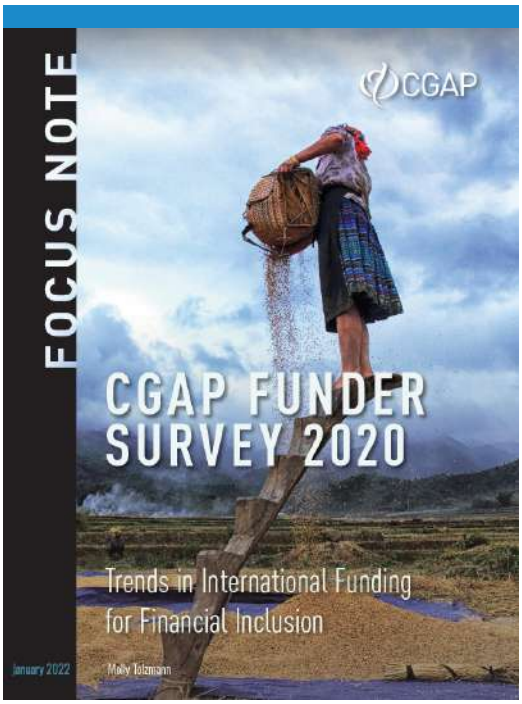
Abid Mehmood

Umair Masih

Read of the month

Building Your Company's Vision

We shall not cease from exploration / And the end of all our exploring / Will be to arrive where we started / And know the place for the first time. T.S. Eliot, Four Quartets Companies that enjoy enduring success have core values and a core purpose that remain fixed while their business strategies and [...] by Jim Collins and Jerry I. Porras



https://www.cgap.org/sites/default/files/publications/2022_01_Focus_Note_2020_Funder_Survey.pdf