



PMIC Connect

March 2023



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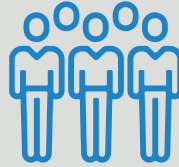


Portfolio Highlights



PKR 27.6
(Billion)

LOAN PORTFOLIO



PKR 767,650

TOTAL CLIENTS



90

NUMBER OF DISTRICTS



20 (ACTIVE)
26 (SERVED)

TOTAL BORROWERS



85%

WOMEN CLIENTS



39%

YOUTH CLIENTS



62%

RURAL



3.4 (Billion)

LOAN PORTFOLIO
DEPLOYMENT IN
EXTREME POVERTY ZONES



29,424

RENEWABLE ENERGY -
UNITS SOLD



3500

(ANIMALS INSURED)

LIVESTOCK INSURED



946,421

CUMULATIVE JOBS
SUPPORTED BY MICROINANCE
LENDING OPERATIONS



104 (Billion)

INCREMENTAL REVENUE
GENERATION BY PMIC
FINANCE MICRO ENTERPRISES

PMIC News Bites



PORTFOLIO MANAGEMENT DEPARTMENT

Field Visit

The PMD team paid visits to four microfinance institutions Agahe, RCDP, ASA and MSP based in Vehari, Lahore, and Narowal. The team had meetings with the senior management of the organizations and discussions were carried out regarding their ongoing operations, prevalent external challenges including volatile economic situation, key developments, and business expansion plan. The team also interacted with the end-clients of the organizations to discuss their pattern of loan utilization; concerns related to economic situation on their cashflows resultingly their livelihood and asked for their feedback to improve the ongoing program. Upon meeting the end-clients of the organizations, it was observed that most of the clients showed afflicted concern about affected cashflows due to rise in inflation and current economic condition. Clients have opted for additional sources of income to counter the effect. Furthermore, the devaluation of Pakistani Rupee has stimulated clients to request for increase in loan sizes for improvement in their profit margins. The clients ensured satisfaction regarding the financial products and services being offered by the borrowers as it has helped them in improving their livelihood.



Agaha Regional Office Inauguration

Agaha Pakistan held an inauguration ceremony of its new regional office in Vehari on March 07, 2023. Mr. Barak Ullah (CEO Agaha Pakistan) welcomed Mr. Yasir Ashfaq (CEO PMIC) as Chief Guest accompanied with Mr. Asghar Ali Memon (Head of Portfolio Management Department).

The inauguration ceremony marks a very important milestone for Agaha Pakistan and is a testament to their selfless commitment, dedication, and hard work. All this while, the beneficiaries have been the driving force behind Agaha's success, as they continue to serve both women and youth through a wide range of financial and non-financial products and services.



RCDP Women's Day Celebration

Mr. Yasir Ashfaq and Mr. Asghar Ali Memon paid a visit to Rural Community Development Programme (RCDP). Mr. Muhammad Murtaza Khokhar (CEO RCDP) and Mr. Yasir Ashfaq shared industry situations and best strategies for future growth and success. Mr. Murtaza appreciated the role of PMIC in the microfinance sector and emphasized to continue the support through different methods and modules. Mr. Yasir also shared possible opportunities and options for the growth of the industry. In line with PMIC's core focus towards women empowerment, International Women's Day was also celebrated to acknowledge the achievements and role of women in making a progressive society.



SECTOR DEVELOPMENT DEPARTMENT PROJECTS

PRIME

KfW approved the Quality Assurance Framework - QAF and end user subsidy note during March 2023. Both documents were prepared by PMIC PRIME team in collaboration with Project Implementation Consultants. With regards to the End user subsidy note, KfW is now preparing a concept note on the subsidy scheme, which will be submitted to Federal Ministry of Economic Cooperation and Development BMZ for approval. The approval of revised QAF allows Microfinance Providers – MFPs to finance larger solar home systems up-to 5 KilloWatts. Based on the revised QAF, the vendor qualification criteria has been made less stringent, allowing PMIC and MFPs to qualify local vendors to operate in smaller cities of the country under the PRIME Program. This move will increase competition among vendors, address supply related issues of solar systems and reduce prices to a certain extent. Further, PMIC PRIME team is working on the Solar Water Pumping concept note, which has been submitted to KfW for review and approval. The document is expected to be finalized during April 2023, followed by which the MFPs will be able to finance solar water pumping for irrigation purposes.

Livestock Micro Insurance - LMI

The Livestock Micro Insurance – LMI initiative continued in the field, where over 3,500 animals have been insured. PMIC and Asia Insurance Company – AIC also designed a Revenue Sharing Model, by which Microfinance Providers will be able to earn commission income to cover their operational expenses for providing insurance coverage for animals of clients. During March 2023 CEIP and Mojaz have been onboarded for the revenue sharing model and agreement signed. PMIC has also linked TMF, FFOSP and AGAHE Pakistan with AIC for discussion on the arrangement, followed by which agreement will be finalized and signed between AIC and Borrowers, while PMIC will be a signatory as a witness to the arrangement.

LCPS Initiative

A launch date for May,2023 has been finalized for the launch of the Education quality program teacher and owner training. After successful verification of over 300 LCPS, we are currently in the process of hiring a team of specialists that will carry out the training of both teacher mentors and school owners. The paper-based module booklets for teacher mentor professional development (TMPD) and school leadership professional development (SLPD) have been designed and are ready for printing. The bilingual booklets contain information on a range of domains that will equip and enable the participants to enhance their pedagogical and management skills further.

PMIC Challenge Fund

Round I: “Accelerating access to finance and increasing income of small farmers”

The PMIC team arranged meetings with GrowTech management team and farmers on ground to assess the project progress. GrowTech Services has shown significant progress on the agreed KPI's under the CF round 1 initiative. In February 2023 a farmer convention was arranged in Hafizabad, more the 400 farmers from Hafizabad and adjacent areas attended the session. Representatives from BOP, HBL, PMX and Naymat Collateral were also part of the event.

Farmers were guided and educated of the available opportunities and how they can increase their income utilizing services from GrowTech and collaborations with PMX and Naymat collateral to earn better returns on their yield directly. GrowTech has fully developed its in-house LMS and has disbursed loans to farmers under the CF initiative using their Credit Scoring Model.

Project KPI's:

- Reduce farmers' cost of input by 10% - 25% reduction in input of fertilizers and water usage as a result of better farm management and agri services.
- Increase farmer's crop yield by 10% - Increase of 15% in yield has been reported by farmers for rice crop, data for wheat will be available in May after harvest.
- Increase farmers' income by 25% through lending and non-financial inputs - 35 % Achieved per Crop Cycle, this is combination of input reduction and yield enhancement.
- Test the agri-lending model with at least 100 subsistence farmers - Against a target of 25 farmers by Q3, 32 farmers have been provided with loans amounting to PKR 5.8 million.

Round II: "Digital Credit Scoring Model"

PMIC launched its Challenge fund round II initiative under the thematic area : "Digital Credit Scoring Model" Five entities presented their proposed intervention. All entities presented their ideas and interventions to an evaluation committee comprising of industry and sector experts. The evaluation committee jointly recommended Qarar as the winner of the Challenge Fund round II.

Qarar is an advanced data sciences and credit decisioning provider based out of UAE. The company is wholly owned by SIMAH the Saudi Credit Bureau and has been providing credit risk related analytics and technology offerings in Pakistan and the broader GCC region for over a decade.

Qarar Offers credit risk consulting, decision analytics and technology to deliver tailor-made risk management and process automation solutions for credit scoring. Qarar has developed over 200 scoring models, has over 55 clients in 13 countries and has fully developed and implemented 5 in-house proprietary software's. Qarar is operating in Pakistan since 2008 and has 20+ credit scoring models in Agri, SME and Retail sectors for well-known Pakistani financial institutions like HBL, Bank Alfalah and UBL.

Electronic Warehouse Receipt

Electronic Warehouse Receipt financing is a collateralized commodity transaction where the goods themselves provide security for the loan. In a typical warehouse receipt financing approach, a farmer, rather than making a stress sale, stores commodities at a licensed warehouse. The commodity is graded and checked for quality and a receipt is issued by the warehouse operator to the farmer, specifying the quantity and quality of the commodity. The farmer can use the receipt as collateral to access loans from financial institutions and can take advantage of selling these commodities in the market when prices are higher. For financial institutions, warehouse receipt financing helps reduce the credit risk in lending to farmers for pre harvest activities. This type of financing allows lenders to immediately sell off the commodities if a farmer defaults on its payments.

A pilot under EWRP was approved in the last board meeting. Under the initiative a pilot is proposed in District Okara and Districts Hafizabad for two crops i.e., Maize and Rice respectively in collaboration with Naymat, MFIs, GrowTech and other stakeholders in the agri sector. Naymat has accredited 3 warehouses in the districts of Okara and Hafizabad.

The two warehouses in Okara (Tehsil Dipalpur) are used for Maize, which remained largely unutilized. Maize is harvested in May and Oct. The warehouse in Hafizabad, managed by NRSP Agri Processing Company, manages the storage and processing of Rice, and still has the capacity to manage more produce. The rice crop is cultivated in Jul/Aug.

PMIC team is collaborating with stake holders and deliberating on the execution strategy – the first transaction of EWR financing is expected to be in last week of May 2023 for maize.

MICROFINANCE EVENT

18th Annual Global Microfinance Forum; March 16-17, 2023; Prague, Czech Republic

Mr. Saqib Siddiqui Head of Sector development and Mr. Shuja Ali Head of CF&IB represented in the 18th annual Global Microfinance Forum.

The forum covered range of topics that making the forum appealing to MFIs, investors, and other industry players from all over the world. This forum is a solid network of professionals and senior-level experts who share their experiences and views on the current sector challenges and opportunities, as well as expectations and predictions about future trends in microfinance. During multiple sessions, the participants discussed how MFIs adapt to and run in the new reality, current complications for microclients, the specificity of moratoriums on debt repayments, the rising importance of digital transformation and many other important topics.

Male Champions of Change (MCC)

Yasir Ashfaq attended the Male Champions of Change (MCC) Quarterly meeting at the National Incubation Center in Islamabad. The diverse group of CEOs were there to catalyze and aggregate the progress on gender equality, advancing more and diverse women into leadership, cross-pollinating best practices, knowledge sharing to accelerate momentum on actionable initiatives and building respectful and inclusive working environments for all employees. During the meeting the CEOs collectively took a quick review of the ongoing actions especially on the themes “Gender Pay Equity” and “Sexual Harassment”, followed by a strategic review of the upcoming opportunities and areas to focus on in FY 23-24 for creating equitable and progressive organizations with a strong focus on women leadership, gender equality targets, informal economy and other priority areas.



Client Success Story



DETERMINATION LEADS TO SUCCESS

About 45 years old Gulzarai Mai engaged in bangle-selling profession about 07 years ago due to financial problems. Gulzarai Mai w/o M.Aleem is a strong and determined lady who lives in Basti Chandran Karam Daad Qureshi, District Muzaffargarh. She is a courageous lady who broke the barriers of society by earning income to support her family. Gulzarai belongs to a family where women do not work to earn their bread. In spite of all barriers of society, she did not lose courage and supported her family. Gulzarai has 6 children. Her husband is a laborer by profession and earned 200 to 300 on daily basis. Gulzarai was hardly managing the expenses of her household.

Gulzarai heard about the AgahePakistan who is providing the interest free loan under the Prime Minister Interest free loan scheme under Ehsaas programme. She approached the AgahePakistan and applied interest free loan via the 12 easy installments. She applied loan of Rs.30, 000, and after meeting the criteria she got the loan and started the business of Bangles because it is a traditional and evergreen culture for her society. Gulzarai's business was criticised by her relatives and she faced a lot of difficulties but she did not lose courage.

After completing the 1st loan cycle successfully, she again applied the loan of Rs.40, 000 to extend her business to add some general store material things and today she is in 4th loan cycle and successfully running her small bangles shop. She said that she is earning 20,000 per month and helping her husband to support her family. Her husband and she both are struggling day and night to support their family. She said that she is very thankful to AgahePakistan & PPAF who became the source to enable her to do a business and support them at their crucial time.



People & Culture



Promotion Celebration

PMIC's hardworking team has been dedicatedly working towards achieving company's goals and objectives. Promotion celebration was held in company's premises, to recognize the hard work and dedication of our employees.

Congratulations on Promotions!



Shuja Ali



Sarah Hassan



Afia Khan



Ahmed Saleh



Zainab Ali



Sulman Tariq

International Women's Day

At PMIC, we hold in high esteem the remarkable contributions that women have made to our company and society at large. We acknowledge the ongoing efforts of women to overcome obstacles and defy conventional gender roles, thereby creating a more inclusive environment for future generations to fulfill their potential.

Team PMIC observed International Women's Day by acknowledging and expressing gratitude for the contributions of our female workforce. A cake-cutting ceremony was also held to mark the occasion.



Employee Contribution

Let's Ponder:

Men can be more 'Gender Sensitive' at Work!

Gender sensitivity is an essential aspect of any workplace that aims to foster an inclusive and equitable environment for all employees. However, gender biases and discrimination are still prevalent in many workplaces and men, in particular, can play a crucial role in promoting gender sensitivity. Let us explore some of the ways in which men can be more gender-sensitive at work. Firstly, men can educate themselves on gender biases and discrimination that exist in the workplace. This can be done by reading articles,



attending training programs, or seeking guidance from female colleagues. By learning about these issues, men can become more aware of their impact on female colleagues and the importance of promoting gender sensitivity in the workplace.

Secondly, men can reflect on their behavior and attitudes towards women. They can ask themselves if they have ever interrupted a female colleague or dismissed her ideas. They can also think about their use of language and whether it is inclusive of all genders. Reflecting on their behavior can help men identify areas where they can improve and become more gender sensitive.

Thirdly, men can challenge gender stereotypes by supporting female colleagues and breaking down stereotypes. For example, they can advocate for women to be included in various meetings at different career levels, encourage them to speak up, and challenge sexist comments made by others. By doing so, they can create a more inclusive and equitable workplace culture that values diversity and promotes gender sensitivity.

Fourthly, men can be an ally to female colleagues by offering support and help. This can include mentoring and promoting women. By doing so, they can help to create opportunities for women to network and advance their careers. Men can also create opportunities for women to participate in decision-making processes and actively listen to their perspectives and ideas.

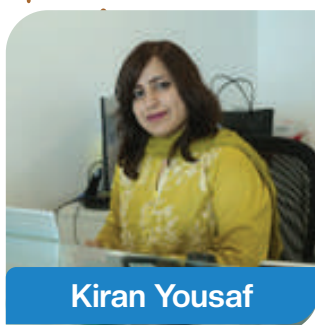
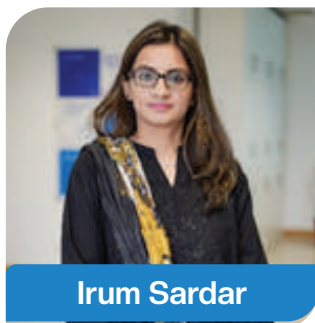
Lastly, men can hold other men accountable for their behavior. They can call out sexist behavior or language when they see it and create a culture of accountability and support for women. By holding other men accountable, men can help to change workplace culture and create a more inclusive and equitable environment for all employees.

In conclusion, men can be more gender-sensitive at work by educating themselves, reflecting on their behavior, challenging gender stereotypes, being an ally to women, and holding other men accountable. These actions can contribute to a more inclusive and equitable workplace culture that values diversity and promotes gender sensitivity. By working together, men and women can create a workplace that is respectful, safe, and welcoming for all employees.

Yasir Masood

Birthdays

We wish you a very Happy Birthday!



Read of The Month



Emerging Trends in National Financial Inclusion Strategies that Support Women's Entrepreneurship

Women entrepreneurs continue to face persistent gender-based barriers that impede their success – such as unequal access to financial accounts, constrained credit, and normative roles that keep women in the role of primary caregivers. Improved financial inclusion can help reduce some of these barriers. This WBL-CGAP Brief presents data collected by the World Bank's Women, Business and the Law (WBL) project on how National Financial Inclusion Strategies can spur policy and regulatory reforms in support of women's entrepreneurship.

<https://www.cgap.org/research/publication/emerging-trends-in-national-financial-inclusion-strategies-support-womens>