



# PMIC Connect

*July 2023*



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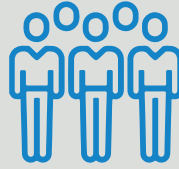


# Portfolio Highlights



**PKR 30.62**  
(Billion)

LOAN PORTFOLIO



**798,878**

TOTAL CLIENTS



**90**

NUMBER OF DISTRICTS



**26**

TOTAL BORROWERS



**85%**

WOMEN CLIENTS



**36%**

YOUTH CLIENTS



**66%**

RURAL



**PKR 3.6** (Billion)

LOAN PORTFOLIO  
DEPLOYMENT IN  
EXTREME POVERTY ZONES



**123**  
(Million)

RENEWABLE ENERGY -  
UNITS SOLD



**500**

LIVESTOCK INSURED



**1,027,475**

CUMULATIVE JOBS  
SUPPORTED BY MICROINANCE  
LENDING OPERATIONS



**PKR 111.03**  
(Billion)

INCREMENTAL REVENUE  
GENERATION BY PMIC  
FINANCE MICRO ENTERPRISES



# PMIC News Bites



## PORTFOLIO MANAGEMENT DEPARTMENT

### CREDIT ENSURE FACILITY

After the first successful transaction of PMIC conducted under a credit guarantee program to Agahe-Pk. PMIC currently is in the process of arranging guarantee facilities for RCDP and SMCL in collaboration with The Bank of Punjab.

### ISLAMIC FINANCE PRODUCT

The development of Islamic Microfinance Operations by PMIC has reached to finalization stage, with the Shariah-compliant products & Policy Framework finalized. As we proceed, the next steps involve seeking the necessary approvals and ensuring legal compliance before submitting the regulatory application. Additionally, we are in the process of onboarding a qualified Shariah advisor to ensure adherence to Islamic financial principles throughout our operations. Through this initiative, PMIC would be able to enhance financial inclusivity, promote ethical financial practices, and make a substantial contribution to the growth of Islamic microfinance in Pakistan. PMIC has also started parallel meeting with potential MFIs, offering Islamic microfinance have also been started. In this regard a meeting was held with FDO.

### FIELD VISIT TO CENTRAL PUNJAB

A field visit to Central Punjab was paid during July 2023. The purpose of the visit was to gain firsthand knowledge and insights into the local market, understand the needs and preferences of the customers through their valuable feedback, and identify potential areas of growth. The team paid visits to Sheikhpura and Lahore and adjacent areas of two borrowers i.e., DSP and KMBL. A total of 58 clients were visited comprising various sectors i.e., livestock, trade, handicraft, and agriculture etc. Upon their feedback, it was examined that most clients visited expressed satisfaction with the products and services provided by the borrowers. However, some clients faced challenges in their income patterns and cash flows, primarily due to high inflation. Additionally, concerns were raised by a few clients regarding the rising markup rates. Furthermore, clients who have availed salary loans and enterprise loans encountered difficulties in repaying their loans. Moreover, a decline in sales had an impact on the cash flow of certain other clients. The discussion with senior management of DSP emphasized the significance of diversification of financing, effective liquidity management, and strengthening field level control to ensure portfolio quality.



## SECTOR DEVELOPMENT DEPARTMENT PROJECTS

### LIVESTOCK INSURANCE

The livestock micro insurance initiative continued in the field where around 500 animals have been insured. A total of 6 MFIs have been onboarded and training is being conducted by Asia Insurance Company's (AIC) team for the credit staff of borrowers. AIC is also developing an insurance product for smaller animals, which is expected to be launched during the ongoing 3rd quarter through PMIC borrowers. More MFIs are also being engaged to become part of the LMI initiative.

### PRIME

PMIC completed the pre-qualification process of new suppliers in the prime program. A total of 23 new suppliers have become part of the prime program. In this regard pmic organized 2 workshops in Lahore and Hyderabad on Prime program which were attended by representatives of all the newly added companies as well as MFIs from Punjab and Sindh. PMIC PRIME team provided a detailed briefing to the workshop participants on the Program structure, newly added products (including 3 and 5 kilowatt systems along with solar tube wells). The first solar tube well was also installed under the initiative by Safco in Dadu District. Further, the first 5-kilowatt system has also been installed during July under the prime program. Financing under the initiative has reached 126 million while loans have been extended to 31,300 clients.



A workshop on PRIME program with newly added suppliers concluded organized in Hyderabad along with Sindh based MFIs.

### EDUCATION FINANCE PROGRAM

Education Finance Program is a partnership between Opportunity Internationals and PMIC. The program is aimed to provide financing to 150 low-cost private schools to improve the education quality, increase number of student enrolment, and to support improvement in school management, instructional leadership and teaching and learning through training programs. The schools are client of RCDP, Agahee Pakistan and Taleem Finance Company. Under the education finance program, the three-year education quality program started in June 2023. The introductory seminars have been completed and teacher clusters are made for the cluster trainings. A total of 120 schools have been onboarded, the other schools missed the intro due to some climatic challenge; however, are looking forward to the cluster training. The training was conducted in Multan, Sahiwal, Rajanpur, Nankana and Sheikhpura. Training is offered to school owners and at least one schoolteacher from each school to improve the school management capacity of school owners and improve teaching methods of schoolteachers for quality education. The teacher cluster training will be completed in the third quarter. The education specialists are hired by OI that provide the training in line with international standards.



## CHALLENGE FUND – DIGITAL CREDIT SCORING MODEL

Qarar Pakistan team is designing a credit scoring model for the microfinance sector under PMIC's Challenge Fund-Round II. The main objective for quarter 1 was to establish linkages with MFI's and evaluate their client level data.

Key project updates are as below:

- 5 MFIs are engaged and NDA is signed for data collection and development of credit scoring model for microfinance sector.
- Onsite Workshops with Agahe, Mojaz & CEIP's completed, sessions for SAFCO and TMF are planned for August 2023.
- Qarar and Datacheck integration is in final stage. Servers and software will be placed on independent server by end of August 2023.

## ELECTRONIC WAREHOUSE RECEIPT

A pilot under EWRP is deployed in district Okara for maize crop in collaboration with Naymat Collateral Management Company-NCMC, and GrowTech. PMIC has undertaken access to NCMC's dashboard for accessing the electronic warehouse receipts issued and financing the same once farmer tags the EWR to PMIC's financing terms on NCMC's portal. PMIC has successfully financed 3 electronic warehouse receipts in July 2023.

Commercial banks are discounting EWRs @ 7% and provide 65-70% of EWR value, while PMIC will charge K+6% but will provide financing up-to 80% of EWR value.

## BOARD STRATEGY SESSION

PMIC board and management held a two-day discussion on PMIC strategy at Frankfurt. The presentation outlined PMIC's achievements as well as future course of action in line with the evolving needs of the sector as well as a course of action to diversify PMIC's operations beyond wholesale microfinance lending and focusing on ecosystem development for agriculture, setting up an equity fund for accelerating financial inclusion and retail operations for PMIC.

Presentations were also made by Aavishkar, Northern arc, Brac and agriculture expert reinforcing PMIC's suggested course of action.

A second round of discussion was also held in the board meeting held in June 2023.





## PMIC ANNUAL IMPACT REPORT 2022

PMIC Annual Impact Report 2022 is a comprehensive report that reflects the collective efforts and meticulous analysis conducted by the research team to showcase the transformative outcomes and far-reaching effects of our initiatives. Through rigorous research and data-driven insights, the report highlights the positive change PMIC has catalyzed in communities, reaffirming our commitment to empowering lives and fostering sustainable development.



## PMIC AWARDED BY NBF AND MODARABA ASSOCIATION OF PAKISTAN

PMIC has been recognized for its contribution towards "Financial Inclusion and Profitability" by the NBF and Modaraba Association of Pakistan. The SECP Commissioner Mr. Mujtaba Ahmad Lodhi, handed over the award to Mr. Yasir Ashfaq, CEO, PMIC in a ceremony organized in Karachi on July 24, 2023.

The award is a testament to the vision and leadership provided by the Shareholders and Board members to the organization and the commitment of the management and the entire PMIC team towards our mission of serving underserved communities and increasing financial inclusion in the country.



## SOUTH ASIA MICRO-ENTREPRENEURS NETWORK (SAMN) CONFERENCE - LONDON

Mr. Yasir Ashfaq participated and actively contributed to the South Asia Micro-Entrepreneurs Network (SAMN) conference held in London – July 13th and 14th 2023.

He chaired the Plenary Session III: Lessons from India & Bangladesh – Countries with high growth, how did this happen?? on Thursday, July 13, 2023 and A Conversation with the Experts: Three Decades in The Rear-View Mirror - 1990 to 2020: What's Next for Microfinance in South Asia on Friday, July 14, 2023. He spoke about the challenges faced by Microfinance Sector in Pakistan and opportunities it offers due to limited financial inclusion numbers.

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- CCGAP

**MODERATOR**

- Mr. Bob Annibale, Senior Fellow, SOAS University of London

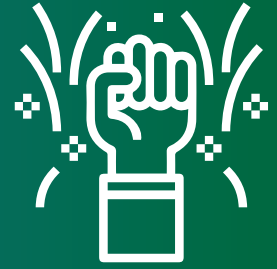
**PANELISTS**

- Dr. Alok Mishra, CEO & Director, MFIN
- Md. Abdul Awal, Executive Director, CDF
- Mr. Yasir Ashfaq, CEO, PMIC

**SAMN MEMBERS**

- mfin
- CDF
- Lanka Microfinance
- AMA





## Client Success Story

### Bachoo Mai

Belonging to the small village of Karam Daad Qureshi in Muzaffargarh district, Bachoo Mai supports her husband by selling the milk from two buffalos. However, she has always harbored a bigger dream of establishing a proper dairy business. Her husband works as a kiln worker and earns a modest sum of Rs. 10,000 per month. Her desire is to send all four of her children to school and provide them with a better standard of living.

To turn her aspirations into reality, Bachoo Mai made the decision to seek a livestock loan from Agahe Pakistan to acquire a buffalo. By combining the loan with her personal savings, she managed to purchase one. With her new buffalo, Bachoo Mai began selling its milk within her community.

Encouraged by her initial success, the following year she took another entrepreneurial step by borrowing a second loan to buy yet another buffalo. This move led to a significant increase in her earnings, allowing her to fulfill her dream of sending her children to school.

Presently, Bachoo Mai's monthly revenue has reached Rs. 25,000, and she actively contributes to the family's well-being alongside her husband. She has also availed livestock insurance to cover the animal in case of natural death, thereby securing her sources of income.

Today, Bachoo Mai stands as a testament to determination and hard work, transforming her life and her family's future through her enterprising spirit.





# People & Culture



## HR AND ADMIN ACTIVITIES

### QUARTERLY MEETING

- 1. 1st Quarterly Meeting:** First Quarterly Meeting Held on 4th July 2023. All departments presented their updates till date to the organization.



- 2. Onsite Training:** On 25th July 2023, AML/CFT Training Program for Directors and Compliance Managers (AML) was held on PMIC office premises for all staff members. Mr. Shahzad Afzal Khan- Director at the Securities and Exchange Commission of Pakistan (SECP) and Head of Adjudication Division conducted the training for PMIC employees.



## Sneak Peek on New Hires



1. What is your favorite food?  
**Desi & Italian Food.**
2. Someone you would like to meet?  
**Abdul Sattar Edhi Sab.**
3. What is on your bucket list?  
**World Tour.**

## FAREWELL

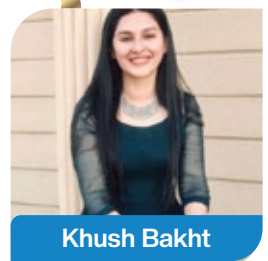
PMIC bid farewell to two of our esteemed colleagues, **Mr. Shuja Ali – Head of Corporate Finance and Investment Banking and Ms. Sarah Hassan- Vice President, Financial Reporting.**

PMIC management and team wished them luck for their future endeavors.



## BIRTHDAY

We wish you a very Happy Birthday!







## Read of the Month

### **BOLSTERING WOMEN'S CLIMATE RESILIENCE AND ADAPTATION THROUGH FINANCIAL SERVICES**

Financial services help people to reduce the impact of and to adapt to climate-related risks. Yet women have less access to such tools. This working paper illustrates how women are differently impacted by climate change and how financial services can play a better role in strengthening their autonomous adaptive capacities to climate change.

<http://bitly.ws/PhWW>

