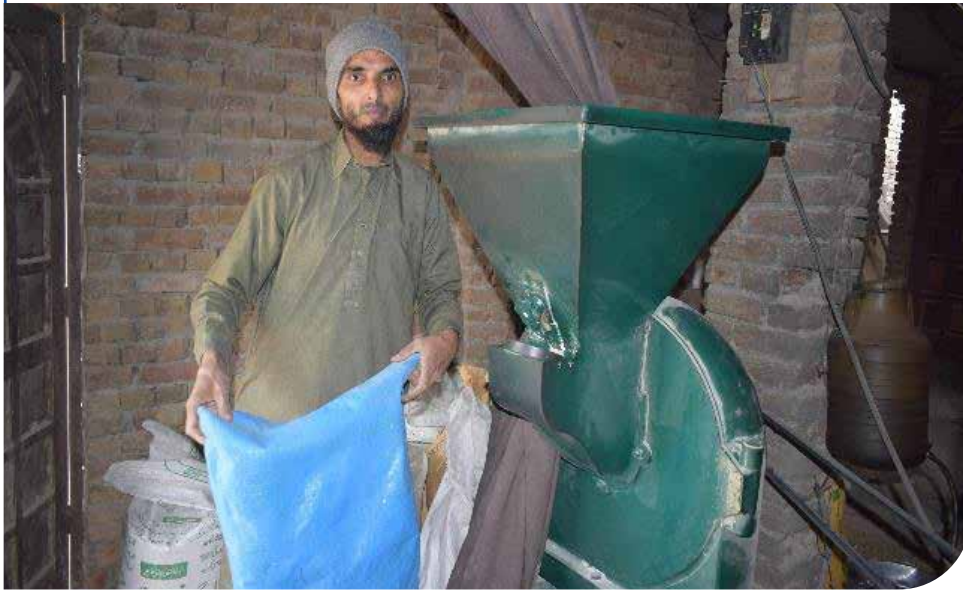




PMIC Connect

April 2024



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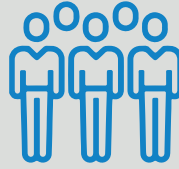


Portfolio Highlights



PKR 27.3
(Billion)

LOAN PORTFOLIO



724,503

TOTAL CLIENTS



85

NUMBER OF DISTRICTS



26

TOTAL BORROWERS



87%

WOMEN CLIENTS



36%

YOUTH CLIENTS



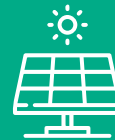
64%

RURAL



PKR 4.59 (Billion)

LOAN PORTFOLIO
DEPLOYMENT IN
EXTREME POVERTY ZONES



33,965

RENEWABLE ENERGY -
UNITS SOLD



900

LIVESTOCK INSURED



1

(Million)+

CUMULATIVE JOBS
SUPPORTED BY MICROINANCE
LENDING OPERATIONS



PKR 112
(Billion)

INCREMENTAL REVENUE
GENERATION BY PMIC
FINANCE MICRO ENTERPRISES

PMIC News Bites



PORTFOLIO MANAGEMENT INITIATIVES

PMIC ISLAMIC FINANCING OPERATIONS

PMIC is gearing up to step into Islamic finance alongside existing and new Microfinance Providers (MFPs). Shariah-compliant products and a Policy Framework has been developed. This includes setting up a Profit & Loss Distribution and Pool Management system. Shariah Advisor has been onboarded. Upon receiving clearance from SECP, the products will be available for borrowers and lenders to utilize.

INDUCTION OF NEW BORROWERS

Meetings with new institutions are currently ongoing, and negotiations with some of them have advanced, potentially designating them as borrowers of PMIC. PMD also conducted meetings with Trukkr Financial Services and Neem Exponential in Karachi. Both institutions have expressed interest in establishing a partnership with PMIC.

FIELD VISIT IN SINDH

The PMD team visited three microfinance providers, namely UMCL, Sindh Microfinance Bank in Karachi, and TMF in Hyderabad. During the field visits, they engaged with end-clients to understand their concerns and identify areas for improvement. Over 40 clients were visited, with most expressing satisfaction with the products, services, and treatment by field staff. However, clients highlighted challenges due to inflation, particularly regarding increasing markup rates. They also requested larger loan sizes, often resorting to multiple providers to meet their needs. The team met with senior management to discuss ongoing operations, expansion plans, and challenges. Discussions focused on liquidity management, enhancing field-level controls, operational efficiency, portfolio quality, and regulatory compliance.



SZABIST INTERNATIONAL CONFERENCE (SIC) - ROLE OF MICROFINANCE AT SIC 2024

SZABIST Karachi hosted the SZABIST International Conference 2024 (SIC 2024) under the theme 'Disruption to Innovation: Empowered Change via Sustainability' on 19-20 April 2024 at SZABIST Karachi. Mr. Asghar Memon, Head of Portfolio Management at PMIC, participated as a panelist in a session titled "Driving Sustainable and Inclusive Growth: Can Microfinance Bridge the Economic Empowerment Gap". Joining Mr. Memon were fellow panelists Mr. Tasawar Hussain, Deputy CEO ASA MFB, Dr. Sono Khangharani, CEO of TMF, Mr. Muhammad Murtaza Khokhar, CEO of RCDP, and Mr. Shoaib Ahmed, CEO of Sindh MFB. Dr. Jameel Ahmed, Adjunct Faculty at SZABIST, moderated the session. The conference attracted students from diverse disciplines, along with senior officials from academia, research, and the financial sector, including Prof. Dr. Mujeebuddin Memon, Mr. Saeed Uddin Khan, Prof. Dr. Macario G. Gayeta, and Chief Guest Dr. Ishrat Hussain, former Governor of the State Bank of Pakistan.



Sector Development Department Projects

PRIME PROGRAM

PMIC team continued deployment of the PRIME program, where activity has picked up after the launch of the Euro 5 Million subsidy scheme in March 2024. PMIC had also continued discussions with 4 new borrowers who aim to become part of the PRIME including NRSP, JWS Pakistan, Taleem Finance Company Limited, and the Damen Support Program. In this regard, a proposal was prepared and sent to the PMIC Board of Directors for approval. PMIC team also finalized addendums – to be signed to existing financing agreements with all MFPs, which are part of the PRIME subsidy scheme.

To provide support to MFPs for increasing financing under the PRIME program, a proposal for technical assistance was developed and approved by the Management Risk Committee. The TA support shall be provided

to MFPs for hiring dedicated PRIME staff (Renewable Energy experts) and for marketing and organizing community awareness sessions targeting communities residing in off-grid and poor-grid areas of the country. The communication material was designed and finalized for the PRIME program.

EDUCATION FINANCE PROGRAM

Education Finance is a collaboration between PMIC and Opportunity Internationals. This program is aimed to finance and give education quality training to 150 Low-Cost Private Schools (LCPSs) in Southern Punjab. The Education Quality Program implementing partners are Agahe Pakistan, RCDP, and TFCL.

The education quality program is a three-year training program designed to improve school leadership, school management, and quality teaching methods. The Teacher Mentorship Professional Development has been conducted in the Lahore region and is ongoing in the Multan region. The training is conducted by education specialists hired by OI.



ELECTRONIC WAREHOUSE RECEIPT (EWR) FINANCING

PMIC is moving ahead with its strategic plan to support the agriculture ecosystem, particularly focusing on post-harvest financing through Electronic Warehouse Receipts (EWRs) for small-scale farmers. With a successful pilot phase, involving 40 million in the financing of EWRs for maize and rice, PMIC is now actively engaging farmers for the upcoming harvest.

The recent outreach efforts by the SDD team indicate a proactive approach toward understanding the needs of farmers and offering them practical financial solutions. By directly involving farmers in discussions about EWR financing, PMIC is ensuring that its services align closely with the realities and challenges faced by those in the agriculture sector.

The positive outcomes of the pilot project underscore the potential benefits of EWR financing for small-scale farmers. It not only provides them with crucial financial support but also helps in mitigating risks associated with post-harvest activities. As PMIC continues to expand its outreach and support for EWR financing, it stands to make a meaningful impact on the agricultural landscape, ultimately contributing to the welfare and prosperity of farming communities.

CHALLENGE FUND ROUND II – DIGITAL CREDIT SCORING MODEL

The initial dataset has been obtained from the Microfinance Providers (MFPs) after a series of meetings and exchanges of documentation. Meanwhile, the data scientist team at Qarar is in the process of finalizing an

expert model and conducting back-testing on the MFI data to assess the performance of the model.

Qarar has introduced a dashboard for MFIs to evaluate the newly developed "expert-based" scoring model for potential new acquisitions. This dashboard enables MFIs to input application details and receive a score along with a risk category. Results from the testing and implementation of the initial Expert Scorecard are being closely monitored and adjusted to improve the dashboard by incorporating additional fields.

MEETING AT PASS

Pakistan Microfinance Investment Company – PMIC engaged with the Ministry of Poverty Alleviation and Social Safety - PASS. The meeting was attended by Mr. Yosuf Khan, Secretary PASS, and their entire leadership. Chairman PMIC Mr. Naved A. Khan and CEO PMIC Mr. Yasir Ashfaq gave a presentation on PMIC's role in financial inclusion, poverty evaluation, and strengthening financial institutions in the country.

Discussions were held on possible collaborations between PMIC and the Ministry of PASS in graduating beneficiaries of government programs like BISP, National Poverty Graduation Program, PGEP, and others out of poverty through the provision of training and access to market-based loans through microfinance institutions.



INTERACTION WITH FINTECHS AND DIGITAL PLATFORMS

In the quest of accelerating financial inclusion and increasing the number of institutions in the country supporting the cause, PMIC has identified several Fintechs and digital platforms providing financial services to various customers with distinct products and services tailored for the underserved market. The sector development team has identified and shortlisted potential borrowers/digital partners with the MRC, which has further shortlisted the names and assigned responsibilities to the SDD and PMD to continue discussions.

In this regard, meetings were scheduled with Kal Pay, Haball, Zood Pay, and GrowTech. The PMIC team will further interact to gain insight into their products and lending methodologies.

Client Success Story



Eco-Innovation Driving Success

Tanzeela and Nadeem, committed and passionate entrepreneurs, faced environmental and community challenges with their diesel-powered wheat grinding business. Seeking a sustainable solution, they turned to Agahe Pakistan (PMIC's client) for a loan of Rs. 500,000 to invest in a solar system. With their loan approved, they swiftly transitioned to clean energy, thanks to PMIC's support.

The installation of the solar system revolutionized their business, eliminating harmful emissions and reducing operational costs. The community rejoiced as air quality improved, showcasing the tangible impact of their decision. Tanzeela and Nadeem's commitment to sustainability not only boosted their income but also inspired other businesses to explore eco-friendly options.

Inspired by passion, Tanzeela and Nadeem's journey exemplifies the transformative power of clean energy. Their thriving business and harmonious community serve as a testament to the positive change enabled by PMIC's initiatives.



People & Culture



HR and Admin Activities

QUARTERLY MEETING

On April 30th, the HR department hosted its first Quarterly Meeting, bringing together representatives from all departments to share their progress and achievements so far this year. The meeting provided a platform for teams to discuss their accomplishments, challenges, and goals for the upcoming quarter. Following the meeting, a lunch was served, allowing colleagues to connect and network across departments. The meeting served as a valuable opportunity for the organization to align its efforts, celebrate successes, and look forward to the next quarter's targets and initiatives, ensuring everyone is informed and working together towards common objectives.



SNEAK PEEK ON NEW HIRES

- **Hassan Sheikh**
AM - Finance and Accounts Department



Favorite food?
Pasta and lasagna

Someone you would like to meet?
Elon Musk

What is on your bucket list?
A trip across Europe



• **Dur-e-Najaf**

AM - Finance and Accounts Department



Favorite food?

Alfredo Pasta

Someone you would like to meet?

Babar Azam

What is on your bucket list?

Traveling to Greece and Turkey

• **Mohjah Mehmood**

MTO - Sector Development Department



Favorite food?

It's hard to choose just one, I like parmesan chicken and tacos. I also enjoy Pakistani cuisine.

Someone you would like to meet?

If I had a chance, I would love to meet the famous chef Gordon Ramsay. He is known for his culinary expertise and amazing personality. It would be nice to have a friendly cook-off with him.

What is on your bucket list?

Travel to Turkiye and immerse myself in the rich history and culture. I would also like to explore the historical sites of Turkiye.

BIRTHDAY CELEBRATIONS

We wish you a very Happy Birthday!



Dur-e-Najaf

EMPLOYEE CONTRIBUTION

HOW AI IS POISED TO RESHAPE THE DIGITAL WORLD

Artificial Intelligence (AI) is rapidly transforming the digital landscape, impacting everything from the way we interact with technology to the very fabric of our online experiences. Its influence is already felt in various sectors, and its future potential seems boundless. Let's explore how AI is poised to reshape the digital world in the years to come.

Personalized Experiences

AI is revolutionizing the way we interact with digital platforms. Recommendation engines powered by AI algorithms are becoming increasingly sophisticated, offering personalized content and experiences tailored to individual preferences. This personalization extends beyond entertainment, influencing everything from shopping recommendations to educational resources, creating a more engaging and relevant digital environment.



Zeeshan Khan Shahid
Chief Technology Officer

Enhanced Automation

AI is automating tasks across various industries, streamlining processes, and boosting efficiency. From customer service chatbots to automated financial analysis, AI is taking over repetitive and time-consuming tasks, freeing up human resources for more creative and strategic endeavors. This automation will not only improve productivity but also create new opportunities for human-AI collaboration.

Improved Decision-Making

AI's ability to analyze vast amounts of data and identify patterns allows for data-driven decision-making. Businesses can leverage AI-powered analytics to gain insights into customer behavior, market trends, and operational inefficiencies, enabling them to make informed decisions and optimize their strategies. This data-driven approach will lead to more effective business operations and a competitive edge in the digital marketplace.

Enhanced Security and Privacy

AI is playing a crucial role in enhancing online security and privacy. AI-powered systems can detect and prevent cyberattacks, identify fraudulent activities, and protect sensitive data. This increased security will foster trust in the digital world, encouraging more users to participate in online activities and transactions.

Democratization of Technology

AI has the potential to democratize technology, making it accessible to a wider audience. AI-powered tools and services can assist individuals with disabilities, provide language translation, and offer educational resources to underserved communities. This increased accessibility will bridge the digital divide and empower individuals to participate in the digital world.

Challenges and Considerations

While AI offers immense potential, it also presents challenges that need to be addressed. Ethical considerations regarding data privacy, algorithmic bias, and job displacement need careful attention. Additionally, ensuring responsible development and deployment of AI is crucial to mitigate potential risks and ensure its benefits reach everyone.

Conclusion

AI is poised to reshape the digital world in profound ways, offering personalized experiences, enhanced automation, improved decision-making, increased security, and democratization of technology. By addressing the challenges and ensuring responsible development, AI can unlock a future where technology empowers individuals and drives positive change in the digital landscape. The future of the digital world is undoubtedly intertwined with AI, and its impact will continue to unfold in exciting and transformative ways.

THE ROLE OF MICROFINANCE IN GENDER EQUALITY AND WOMEN EMPOWERMENT

Introduction

Microfinance plays a powerful role in promoting gender equality and women empowerment. It challenges gender stereotypes by demonstrating that women can become successful entrepreneurs. Microfinance not only challenges gender norms and stereotypes but also helps create an inclusive society for all. With the financial and technical assistance provided by Microfinance institutions (MFIs), women can start their new businesses while the existing businesses can expand to gain financial independence and to support their families. Microfinance in women empowerment brings sustainability and resilience by creating economic opportunities, challenging social norms, and fostering community development.



Mohjah Mahmood
Management Trainee Officer
Sector Development Department

Access to Financial Services

Microfinance institutions (MFIs) provide women access to financial services by offering them small loans. This helps them to set up new businesses and expand the existing ones as well as to improve their livelihoods and economic well-being. By participating in economic activities women can gain power in the decision-making process, financial independence, gain self-confidence, self-esteem, and satisfaction. MFIs understand the potential and the positive impact women can have in their families and communities.

Economic Empowerment

Economic empowerment plays a significant role in transforming the lives of women. Economic empowerment enables women to have control over their own finances, stand up for themselves, make their voices heard, make decisions, and participate in economic activities. It aims to offer women with resources and opportunities to achieve financial stability. It provides them with the means to be independent. By supporting the economic empowerment of women, microfinance contributes to gender equality and economic development. To specially tailor the needs of women, MFIs provide both financial and training support to enhance their skills and opportunities. This economic empowerment allows women of small towns to develop resilience and the ability to overcome challenges.

Education and Health

With the help of financial resources, women can invest in vital aspects of life including education and health. They can have better access to healthcare services, and support education for themselves and their family members. Women can collectively form networks to come together and address challenges faced by them, so they can better advocate their rights and interests in respect to health and education facilities.

Policy Activism

Policy activism helps empower women economically and promotes gender inclusion. By advocating policies through microfinance services that create an environment where women can access financial services to improve their economic well-being. Advocating policies for women empowerment is a powerful approach that can address challenges women face in accessing financial services, these policy changes can strive to ensure that women can get equal opportunities and resources to grow their businesses.

Conclusion

The positive role MFIs are playing in women empowerment and gender equality is far-reaching. Empowered women invest in themselves and their families that have a positive impact on their future generations. Microfinance has helped alleviate the social status of women and developed means to overcome the financial barriers they face in society. Continued efforts and advocacy can help bridge the gender gap in empowering women. By supporting women entrepreneurship and financial inclusion, we can build more inclusive and resilient societies for a better future.

Watch of the Month



In this month's feature, we shift our focus from traditional reads to an inspiring video interview titled "**Empowering Communities**" presented by the **Institute for New Economic Thinking**. This compelling video interview features - **Jo-Anne Rolle**, a dedicated economist whose work centers around equity and community empowerment. With a deep-rooted belief in the power of economic initiatives to create jobs and foster wealth within communities, Rolle emphasizes the critical role of listening to and integrating diverse perspectives to spur meaningful change.

Her advocacy extends beyond theory into practical, actionable strategies that leverage technology and entrepreneurship. These approaches aim to bridge existing economic gaps and provide substantial support to underserved populations. Through her insightful dialogue in the interview, Rolle illustrates how innovative solutions, coupled with personal commitment, can transform communities and create sustainable growth.

Follow the link given below to explore how Rolle's insights and experiences inspire a collaborative path forward in economic development.

Read the full report here:

<http://bit.ly/4aSUYxJ>

