



PMIC

Pakistan Microfinance Investment
Company Limited

Connect

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Portfolio Highlights



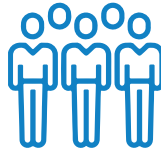
PKR 26.7
(Billion)

LOAN PORTFOLIO



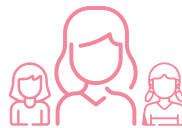
24

TOTAL BORROWERS



638,713

TOTAL CLIENTS



86%

WOMEN CLIENTS



87

NUMBER OF DISTRICTS



35%

YOUTH CLIENTS



66%

RURAL



2000

LIVESTOCK INSURED



PKR 4.22 (Billion)

LOAN PORTFOLIO
DEPLOYMENT IN
EXTREME POVERTY ZONES



1

(Million)+
CUMULATIVE JOBS
SUPPORTED BY MICROFINANCE
LENDING OPERATIONS



34,910

RENEWABLE ENERGY -
UNITS SOLD



PKR 101.7
(Billion)

INCREMENTAL REVENUE
GENERATION BY PMIC'S
FINANCED MICRO ENTERPRISES



Portfolio Management Department Initiatives

PMIC Islamic Financing Operations

In a significant stride towards Islamic financing, Pakistan Microfinance Investment Company (PMIC) has successfully signed its first Islamic financing agreement with Safco Microfinance Company Limited (SMCL) under the Modarabah model. This pioneering partnership establishes SMCL as the inaugural borrower to benefit from PMIC's Shariah-compliant financial offering. It marks a crucial step in expanding financial inclusion through Shariah-based products, reinforcing PMIC's commitment to fostering innovative financing avenues for its partners.

This agreement not only deepens the collaborative relationship between PMIC and SMCL but also sets the stage for building a more inclusive and diverse financial ecosystem in Pakistan. Additionally, agreements with the Kashf Foundation and Damen Support Program are currently under review by their respective legal and Shariah advisors, with further developments expected soon.

Induction of New Borrowers

PMIC is pleased to announce the successful onboarding of two new microfinance institutions, Smart Finance Limited and GoldFin Limited. This strategic partnership is designed to enhance and scale up the provision of sustainable and responsible financial access across Pakistan. By doing so, we aim to empower individuals, micro-entrepreneurs, and micro-enterprises, providing them with essential financial tools to improve employment prospects and income opportunities.

Following the acceptance of the term sheet by the Farmer's Development Organization (FDO) to explore a potential Islamic Financing partnership, PMD has officially initiated its due diligence process. In parallel, negotiations are progressing with other prospective institutions, further broadening our network of partnerships. These collaborations represent a valuable opportunity to extend our impact and reinforce our commitment to driving positive change across Pakistan's financial landscape.

PMD Visits

In Gujranwala, the PMD team conducted a field visit to a key borrower, JWS, and met with senior management to discuss future opportunities and identify areas for improving operations and internal controls.

The team interacted with clients to gather feedback and understand their concerns. The clients expressed overall satisfaction with the products and the professionalism of the field staff, they highlighted challenges related to inflation, rising utility bills, and increasing living costs. Additionally, clients requested larger loan amounts, as many currently depend on multiple providers to meet their financial needs.





SECTOR DEVELOPMENT DEPARTMENT PROJECTS

PRIME

PMIC PRIME team has shared the semi-annual progress report of PRIME with KfW. The tool for calculating CO2 abatement has been developed and shared with KfW for their perusal and approval. PMIC has facilitated the meetings of Program Consultants with MFPs in Punjab And Sindh. The purpose of the meetings is to get a sense of the issues being faced by the MFPs and their recommendations to improve the design of the program. The Consultants also had sessions with the Product development teams of the MFPs to improve their financial products developed for solar financing.

Education Finance Program

Education Quality is a three-year training program that is a collaboration between Opportunity Internationals and PMIC. The program implementing partners are Agahe Pakistan, RCDP, and TFCL. The objective of the Education Quality program is to provide quality education training to 150 Low-Cost Private Schools (LCPS) in Sothern Punjab.

A total of 50 schools have been visited by OI education specialists during September. It includes 30 schools from Multan districts and 20 schools from Lahore districts. Teacher mentorship professional development, third cohort (TMPD3) is conducted in a few districts of Lahore. These trainings are conducted by education specialists hired by OI.



Electronic Warehouse

In collaboration with Naymat Collateral, GrowTech, and key stakeholders in the agricultural sector, PMIC (Pakistan Microfinance Investment Company) has successfully executed a pilot program for Electronic Warehouse Receipt (EWR) financing. This initiative was launched in the Okara and Hafizabad regions, targeting the financing needs of small and medium-sized landholders cultivating maize and rice/paddy crops.

The primary objective of the pilot was to provide accessible financing to farmers who held valid EWRs accredited by Naymat Collateral, ensuring secure and transparent lending processes. Through this collaboration, PMIC facilitated financing worth PKR 56 million, helping to empower landholders to optimize their production and manage post-harvest needs effectively.

One of the key successes of this initiative is the complete recovery of all EWRs financed by PMIC, with no outstanding balances to date. This achievement not only reflects the strength of the partnership with Naymat and GrowTech but also highlights the growing trust in EWR financing as a sustainable model for advancing the agricultural economy in Pakistan.

As PMIC continues to pioneer innovative financing solutions in the agricultural sector, this pilot sets the stage for broader implementation across other regions and crops, contributing to the financial inclusion of smallholder farmers and fostering a more resilient agri-finance ecosystem.



Challenge Fund II – Digital Credit Scoring Model

Pakistan Microfinance Investment Company (PMIC), in collaboration with Qarar, a subsidiary of the Saudi Credit Bureau Simah, has introduced a cutting-edge Digital Credit Scoring Model designed specifically for the microfinance sector. Developed with the support of international experts, this model is a game-changer, leveraging data-driven insights and advanced risk modeling techniques to empower Microfinance Providers (MFPs) in making informed, efficient lending decisions.

The Digital Credit Scoring Model provides a host of benefits to MFPs, including:

- Data-Driven Decision Making
- Cost Efficiency
- Risk Minimization
- Digitized Client Journey

The Digital Credit Scoring Model is now available to the microfinance sector for adoption, marking a significant step towards the creation of a more robust, resilient, and inclusive financial ecosystem. Qarar has also introduced a dedicated dashboard for partnering with Microfinance Providers (MFPs) to evaluate potential new clients. This user-friendly dashboard allows MFPs to input application details and instantly receive a credit score along with an associated risk category. The tool offers full back-end integration with DataCheck, enabling MFPs to actively populate client-level data across various loan categories with ease.

With this new solution, MFPs can accelerate their lending processes while ensuring data accuracy and risk assessment, empowering them to broaden financial access and make responsible lending decisions. The introduction of this model will undoubtedly reshape the microfinance landscape in Pakistan, paving the way for a more inclusive and digitally-driven financial ecosystem.

Meeting Organized for Understanding Climate Risk

Recognizing the increasing impact of climate change on vulnerable communities, PMIC recently hosted an engaging and highly informative session with Mr. Hamid Sarfraz, a renowned expert on climate risk and resilience. The session highlighted the critical need for adaptation and the development of innovative solutions to mitigate climate-related challenges.

As climate change continues to disproportionately affect underserved populations, the discussion centered around the role that Microfinance Providers (MFPs) can play in helping communities build resilience. The conversation covered practical approaches that MFPs can take to address climate risks and create a sustainable financial ecosystem.

Key Takeaways from the Session

- **Proactive Adaptation:** How MFPs can stay ahead of climate risks by adopting forward-thinking strategies that protect their clients and institutions from environmental challenges.
- **Embedding Climate Resilience in Lending Models:** The importance of integrating climate resilience into microfinance lending frameworks, ensuring that financial products are aligned with the evolving needs of vulnerable communities.
- **Supporting Community Resilience:** Practical ways to empower communities to adopt climate-resilient practices in agriculture, infrastructure, and resource management.

The insights and knowledge shared during the session have been instrumental in shaping PMIC's ongoing efforts to build a financial ecosystem that not only empowers poor and underserved communities but also equips them with the tools to navigate the growing impacts of climate change.

This session is part of PMIC's broader commitment to advancing climate-resilient microfinance solutions, ensuring



that marginalized communities are not only financially included but also better prepared to face the uncertainties of a changing environment.

Challenge Fund III

PMIC's Challenge Fund Round III, titled "Informal to International," is currently in the design phase. This initiative aims to empower skilled home-based women by facilitating their transition from the informal sector to national and international markets through digital marketing and e-commerce platforms. MG Apparel and Chottani are identified as design partners.

SDD Field Visit

The Sector Development team conducted field visits to Multan, Muzaffargarh, and Bahawalpur in mid-September to meet with representatives of RCDP, FFOSP, Agahe Pakistan, and design partner MG Apparel, where they met 15 women-based artisans. The focus of these visits was to help the design partners engage with women home-based workers in the embroidery and textile sectors to understand the skill set and work the women home-based artisans are doing.



PMIC New Strategy (2024-27)

PMIC is currently developing new strategy for 2024-27, guided by a dedicated team that has engaged in extensive research and brainstorming sessions with management to generate initial strategic ideas. The process involved soliciting input from key stakeholders, including borrowers, regulators, lenders, shareholders, and commercial funders, ensuring a comprehensive perspective.

To enrich this strategy, PMIC has also engaged an external consultant Mr. Sakib Sherani, who has provided valuable policy recommendations aimed at promoting sustainable growth and enhancing the developmental impact of Pakistan's microfinance sector. The overarching goal is to create a strategy that not only meets the evolving needs of the sector but also aligns with stakeholder expectations.

The finalized strategy will be presented at the upcoming board meeting in the second week of October 2024, marking a significant step in PMIC's commitment to advancing the microfinance sector in Pakistan.



Client Success Story



Farzana's Journey of Resilience and Determination

Farzana Kausar's inspiring story is a testament to the power of perseverance and entrepreneurship. A 38-year-old mother of three daughters from Vehari, Farzana transformed her passion for beauty into a thriving home-based salon business. With her husband earning just PKR 25,000 a month as a laborer in a flour mill, Farzana sought to supplement their income and create better opportunities for her daughters.



Utilizing her existing skills as a beautician, she approached AGAHE Pakistan, a borrower of PMIC, for support. Securing an initial loan of PKR 40,000, she set up her salon at home, purchasing essential supplies to start her journey. As demand for her services grew, Farzana reinvested in her business, taking subsequent loans of PKR 50,000 and PKR 100,000 to expand her offerings.

Today, through hard work and determination, Farzana earns between PKR 25,000 to PKR 30,000 per month. Her entrepreneurial spirit and ambition are now driving her to teach her daughters the same skills, empowering them to become financially independent. With her husband's full support, she continues to balance family life while growing her business—a true example of resilience and self-empowerment.

Farzana Kausar is not just a success story; she is a role model for many, demonstrating that dreams can be achieved through dedication and vision.



People and Culture



PMIC Leadership - Career Guidance and Mentorship Session

Mr. Yasir Ashfaq and Ms. Zainab Kakar visited FAST University for an interactive session on career guidance, industry trends, and mentorship. The discussion highlighted career growth, skill development, and the importance of mentorship in shaping future leaders. This engagement reflects PMIC's commitment to supporting the next generation of industry leaders.



Farewell

Marya Ahmed (Assistant Manager Corporate finance & investment banking) resigned from PMIC. The team bid farewell to the beloved colleague for her contribution and hard work put in for PMIC.

Birthdays



Saqib Siddiqui



Nizwa Naem



Bilal Abdul Razzaq



Rimsha Taj



Faizan Siddiqui



Hassan Sheikh



Roffin Masih



Employee Contribution

Marzia

Assistant Manager Project, SDD

The Importance of a Centralized Database and Real-Time Data in Wholesale Microfinance

In today's fast-paced financial environment, wholesale microfinance companies are increasingly recognizing the importance of having a centralized database and real-time data management. These tools are not just facilitators of operational efficiency but are vital for strategic decision-making, risk management, and transparency.

Below are several key reasons that highlight the importance of having a centralized database and real-time data management for wholesale microfinance companies:

1. Streamlined Operations

A centralized database consolidates all critical financial information into one platform, providing a single source of truth for all departments. This reduces data duplication, minimizes errors, and ensures consistency across the organization. In a wholesale microfinance setting, where multiple microfinance institutions (MFIs) are being funded and tracked, a centralized system can drastically improve operational efficiency.

Research by McKinsey & Company shows that organizations leveraging centralized systems experience up to a 25% improvement in operational efficiency through reduced redundancy and faster data access.

2. Real-Time Data for Informed Decision-Making

Having access to real-time data allows wholesale microfinance companies to make timely and informed decisions. This is crucial in microfinance, where market conditions can change rapidly, and being able to respond to those changes swiftly can be the difference between success and failure. Real-time data also allows for continuous monitoring of credit risks, helping prevent potential losses.

According to a report by Accenture, companies using real-time data analytics are 5 times more likely to make faster decisions than their competitors. This is especially important for wholesale microfinance, where credit disbursements and repayments need to be closely monitored.

3. Enhanced Risk Management

A centralized database coupled with real-time data provides a clear picture of the financial health of MFIs in real-time. This helps identify potential risks before they escalate into larger issues. A centralized system can provide insights into delinquency rates, portfolio at risk (PAR), and repayment trends, allowing wholesale lenders to mitigate risks proactively.

Data from the World Bank highlights that financial institutions using real-time risk monitoring systems see a reduction in non-performing loans (NPLs) by up to 20%.

4. Increased Transparency and Accountability

For wholesale microfinance institutions, transparency is key, particularly when dealing with investors, regulators, and other stakeholders. A centralized database ensures that all transactions, reports, and financial activities are accessible and traceable, increasing accountability. This transparency builds trust with stakeholders and ensures regulatory compliance. In fact, a survey by Deloitte reveals that 92% of financial institutions consider data transparency a critical factor in building long-term stakeholder relationships.

Conclusion

For wholesale microfinance companies, having a centralized database and real-time data capabilities is no longer optional but essential. It provides a robust framework for streamlined operations, informed decision-making, enhanced risk management, and increased transparency. As the microfinance sector continues to evolve, those institutions that invest in these technologies will be better equipped to adapt, scale, and thrive in an increasingly competitive environment.

¹The data-driven enterprise of 2025 | McKinsey

¹"Future-Ready" Organizations Leveraging Digital to Operate Faster and Smarter Could Help Unlock \$5 Trillion in Economic Growth, Says Accenture Study

¹Global Financial Development Database (worldbank.org)

¹Alternative data and financial inclusion | Deloitte Insights



Unlocking High-Status Networks: The Secret Pathways for Women in the Workplace

In the competitive world of career advancement, the age-old adage "It's not what you know, but who you know" rings especially true—but for many women, this can feel like an uphill battle. Recent research published in the *Academy of Management Journal* sheds light on the barriers women face in establishing high-status connections within organizations. Despite having comparable academic qualifications, women often lack the professional networks that can propel their careers forward. Surprisingly, face-to-face interactions with senior leaders, often touted as vital for building networks, may benefit men disproportionately; women are 40% less likely to form ties with leaders in these situations. However, there's a silver lining: women excel at forming connections through third-party endorsements, which can serve as bridges to high-status networks. Organizations can further empower women by implementing robust network sponsor programs that facilitate trust-based relationships with influential leaders. By embracing these strategies, women can navigate the complexities of workplace networking and achieve the recognition they deserve.

Find the HBR "Research: How Women Can Build High-Status Networks" full blog here: [Research: How Women Can Build High-Status Networks https://bitly.cx/2gvp](https://bitly.cx/2gvp)

Happy Read!

Marzia

