IMPACT REPORT 2025

www.pmic.pk

Prepared by: Zarak Jamal Khan, Manager (Research & Reporting)

Designed by: Griffin Communications

Overview

This report highlights PMIC's social and economic impact and achievements during 2025 and showcases how the institution continues to create value through its commitment to expanding economic opportunity, advancing social inclusion, promoting environmental sustainability, and strengthening responsible governance. It reflects PMIC's efforts to mobilize capital, foster innovation, and build partnerships that enable underserved communities to access opportunities, strengthen resilience, and improve their quality of life.

At its core, this report tells a simple story: when capital is directed with purpose, it can create opportunities, strengthen resilience, and improve lives. Through its investments and partnerships, PMIC remains committed to ensuring that finance serves as a catalyst for inclusive growth and sustainable development for all.

FINANCING INCLUSION, ENABLING GROWTH

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ABOUT US

About Us

Economic growth is most meaningful when it is inclusive and creates opportunities for those who need them the most. Across Pakistan, millions of households continue to face challenges arising from economic uncertainty, climate vulnerability, limited access to productive assets, and unequal opportunities. Yet, within these challenges lie opportunities to build resilience, unlock entrepreneurship, and create pathways toward sustainable prosperity.

Since its establishment in 2016, Pakistan Microfinance Investment Company (PMIC) has worked to expand access to finance for underserved communities by strengthening the microfinance ecosystem and enabling responsible, inclusive, and sustainable financial services. Through partnerships with microfinance providers, development finance institutions, commercial investors, and technical partners, PMIC has mobilized capital and knowledge to create economic, social, and environmental value at scale.

The year 2025 marked another important step in PMIC's journey as Pakistan's national catalyst for inclusive finance. During the year, PMIC continued to deepen its outreach among women, youth, rural households, and low-income entrepreneurs while expanding initiatives focused on renewable energy, climate resilience, financial inclusion, and impact measurement. At the same time, PMIC strengthened its role as an impact investor by mobilizing new sources of capital, supporting innovation within the microfinance sector, and promoting responsible finance practices aligned with international standards.

Today, PMIC's impact extends far beyond the provision of capital. Through financing, technical assistance, risk-sharing mechanisms, knowledge generation, and institutional capacity building, PMIC contributes towards creating jobs, supporting livelihoods, improving access to essential services, climate adaptation through blended finance, strengthening resilience against climate risks, and advancing financial inclusion across Pakistan.

Top Non-Bank/DFI Lender to the Microfinance Industry Award by the Pakistan Microfinance Network (PMN) 2025

Best Performance Award 2024–25 category from the NBFI & Modaraba Association of Pakistan

Remarkable Earning Per Share & Innovation in Financial Inclusion Certificate 2023

NBFI & Modaraba Association of Pakistan Award 2022

Best Contribution by a Non-Bank Entity Award 2021

Apex Wholesale Lender

Largest single lender to MFIs in Pakistan, offering senior and subordinate debt, guarantees, credit enhancement, and risk sharing instruments. Focused on women, youth, rural areas and climate adaptation.

Integrating microfinance institutions with capital markets through advisory and support services.

Access funds and guarantees from commercial banks, IFIs, and DFIs for onward lending to MFPs.

Ecosystem Enabler

Institutional strengthening & capacity building of new and existing MFIs.

Advocacy with government, regulators, IFIs, and commercial banks for the growth of the sector.

Improving sector infrastructure and introducing international best practices.

Product development

Accelerating innovation through challenge fund.

Pakistan Economic Outlook

Pakistan's economy showed signs of stabilization and recovery during 2025, supported by easing inflation, improved macroeconomic fundamentals, stronger external sector performance, and renewed investor confidence. Economic activity strengthened across key sectors, while lower borrowing costs and improving business sentiment supported private-sector growth, particularly among micro, small, and medium enterprises (MSMEs). Higher remittances, stronger exports, improved foreign exchange reserves, and continued engagement with international development partners further reinforced macroeconomic stability and supported the country's reform and growth agenda.

Despite these positive developments, Pakistan continues to face significant socioeconomic challenges. A large proportion of the population remains vulnerable to economic shocks, while income disparities, limited access to productive assets, and uneven development continue to constrain inclusive growth. Access to formal financial services remains limited for many households, particularly women, youth, smallholder farmers, and populations residing in rural and underserved regions.

Climate change continues to represent one of the most significant long-term risks to Pakistan's development trajectory. Recurring floods, droughts, extreme temperatures, and water stress increasingly threaten livelihoods, food security, and economic productivity. Rural communities and smallholder farmers remain particularly vulnerable to climate-related shocks, highlighting the importance of investments in climate adaptation, resilience-building, and sustainable economic development.

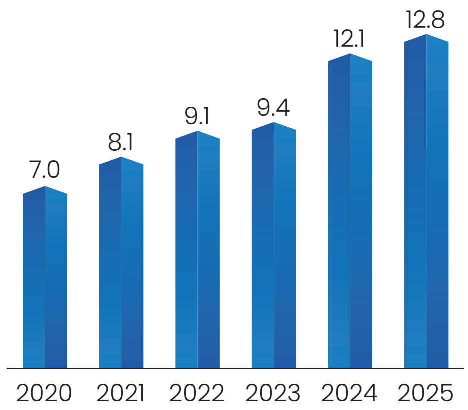
Against this backdrop, the role of the microfinance sector has become increasingly important. By providing access to financial services, microfinance institutions enable households and enterprises to invest in productive activities, smooth consumption during periods of economic stress, build resilience against shocks, and create sustainable livelihood opportunities. As Pakistan continues its journey toward economic recovery and sustainable development, financial inclusion remains a critical enabler of poverty reduction, job creation, and shared prosperity.

Microfinance Sector Overview

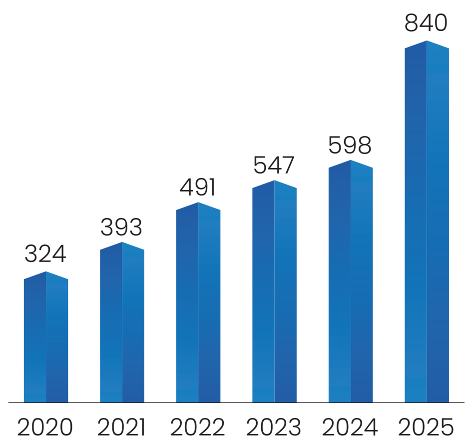
The microfinance industry achieved a significant milestone by reaching PKR 840.7 billion in Gross Loan Portfolio (GLP) in 2025, representing a 40.6% increase from PKR 598.0 billion at the end of the year 2024. Active borrowers reached 12.78 million, reflecting a 5.6% increase from 12.1 million in December 2024. The number of active female borrowers stood at 5.42 million, compared to 5.6 million at the end of the year 2024, indicating a slight moderation in women's outreach over the year.

Deposit mobilization strengthened further, with the number of active depositors increasing to 136.99 million, marking a 15.4% rise from 118.7 million in 2024. The total value of deposits expanded sharply to PKR 874.6 billion, reflecting a 38.9% year-on-year increase from PKR 629.7 billion at end-2024, underscoring growing confidence in microfinance institutions as savings intermediaries.

Number of Active Borrowers (in PKR Millions)

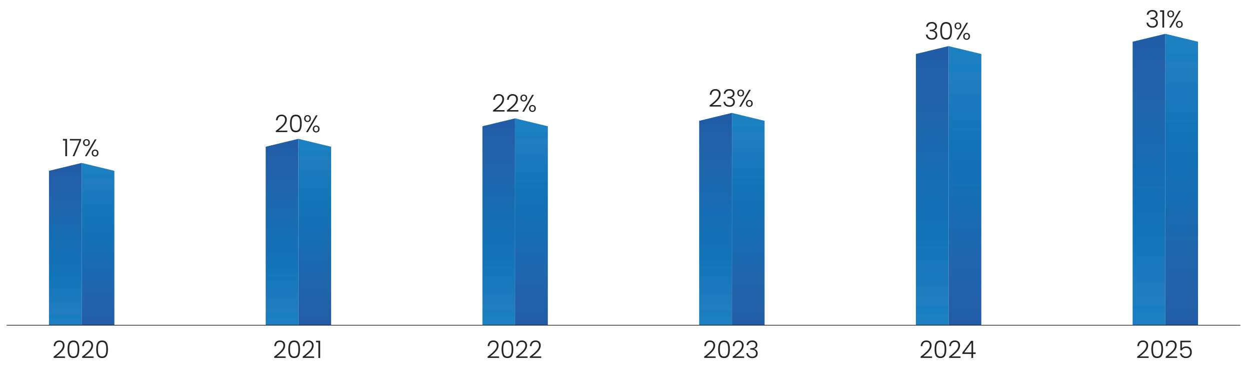


Gross Loan Portfolio (in PKR Billions)



As a result, the microfinance sector reached about 31.3% of the estimated 40.9 million potential market by end-2025.

Microfinance Sector Penetration (in %)



Growth in outreach and portfolio volumes during 2025 was largely driven by the continued expansion of nano loans. Nano lending, primarily undertaken by Microfinance Banks (MFBs), accounted for approximately 53% of the active borrower base, reaching around 6.81 million borrowers.

Climate risk remained one of the most important challenges for the sector. Agriculture and livestock portfolios remain highly exposed to erratic rainfall, floods, heat stress, and rising input costs. These pressures directly affect repayment capacity and household resilience. As a result, climate-resilient finance, green lending, microinsurance, and disaster-responsive credit products are becoming increasingly important for the future of microfinance in Pakistan.

The regulatory environment also became more robust in 2025. Revised prudential regulations for Microfinance Banks introduced stronger requirements for capital, liquidity, governance, and risk management. SECP reforms for NBMFCs strengthened consumer protection, transparency, gender-disaggregated reporting, and responsible finance practices. The Women's Equality in Finance Policy and the National Financial Inclusion Strategy further reinforced the sector’s direction toward gender inclusion, digitization, and institutional resilience.

Impact Across Pakistan

96,000
people graduated from poverty

138.6 billion PKR
in incremental revenues generated

1.1 million+
jobs supported nationwide

Enabled access to finance for over **4.1 million clients**

Impacting **27 million lives**

4.8 million
loans disbursed since inception

89%
of Portfolio deployed with Women

650,500
women-led businesses financed

213,000+
students accessed quality education (150,000 girls)

278,000+
people accessed clean, affordable energy

163,062
tCO_2e of greenhouse gases (GHGs) emissions avoided

$30M
DFC Guarantee Facility enabled impact investments

Catalyzing Inclusive and Sustainable Development

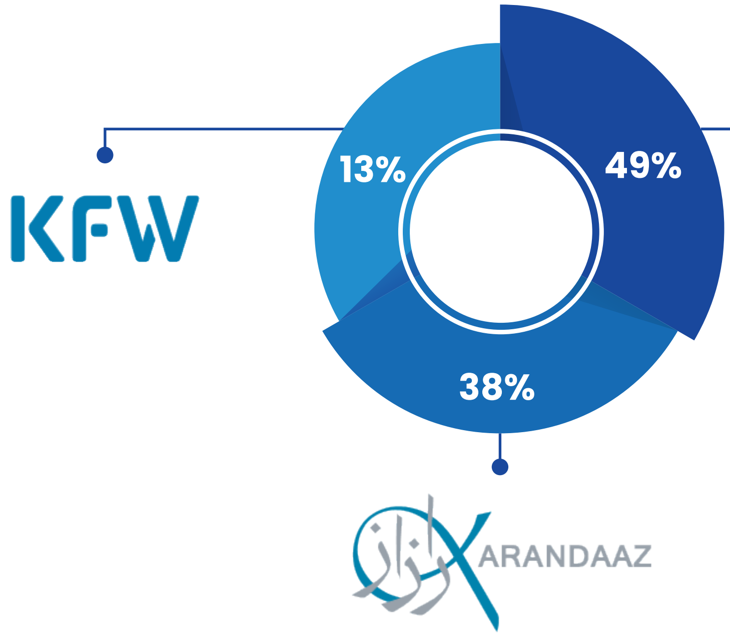
PMIC's mission extends beyond financing. The institution works to enable underserved households, entrepreneurs, farmers, women, youth, and rural communities to access financial services that improve livelihoods, create economic opportunities, and build resilience. Through its network of partner institutions, PMIC channels capitalize segments that are often excluded from traditional financial systems, helping to bridge financing gaps and promote inclusive economic growth.

PMIC's work is guided by a triple-bottom-line approach that seeks to generate financial sustainability, social inclusion, and environmental resilience. This approach recognizes that sustainable development requires not only access to finance but also investments that create jobs, empower communities, support women-led economic participation, and strengthen resilience against economic and climate-related shocks.

Through targeted initiatives in renewable energy, climate-smart agriculture, education finance, women-focused financial inclusion, and rural enterprise development, PMIC continues to expand the developmental impact of microfinance beyond traditional credit delivery. These interventions demonstrate how financial services can serve as powerful tools for improving the quality of life while supporting broader national development priorities.

Our Visionary Shareholders

PMIC is a unique partnership, conceived and supported by institutions committed to inclusive development:



Pakistan Poverty Alleviation Fund (PPAF)
A flagship public sector initiative with a mandate to empower communities and eradicate poverty at the grassroots.

Karandaaz Pakistan (KRN)
A development finance platform driving innovation in digital finance and SME growth.

KfW Development Bank
Germany's leading development institution, promoting sustainable economic growth, social equity, and environmental stewardship across emerging markets.

Together, the shareholders bring a powerful blend of catalytic capital, insight, international standards, and developmental ambition, enabling PMIC to operate with credibility, independence, and high impact. Shareholders' continued support reinforces PMIC's commitment to building a financially viable, inclusive, and forward-looking microfinance sector for Pakistan.

Our Impact Approach

PMIC measures success through the outcomes generated for people, communities, institutions, and the environment.

The organization's impact framework is anchored around three interconnected dimensions:

Productive:
Supporting entrepreneurship, employment generation, enterprise growth, agricultural productivity, and economic opportunity.

Inclusive:
Expanding access to financial services for women, youth, rural populations, and other underserved communities while strengthening household resilience.

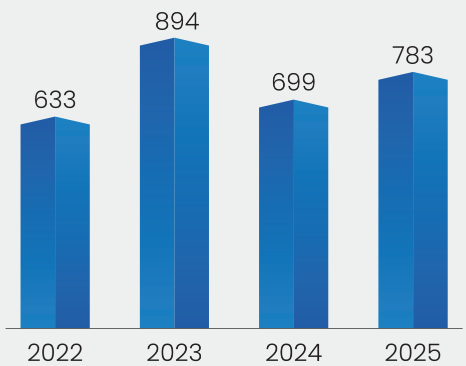
Sustainable:
Promoting climate resilience, renewable energy adoption, environmental stewardship, and sustainable development practices.

Together, these dimensions provide a comprehensive lens through which PMIC evaluates and manages its contribution to Pakistan's development journey.

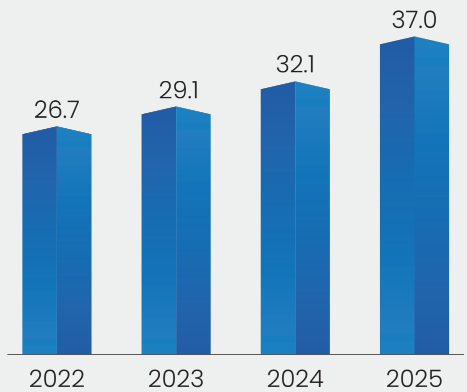
Key Highlights 2025

Financial

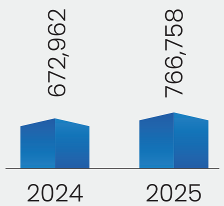
Net Profit (in PKR millions)



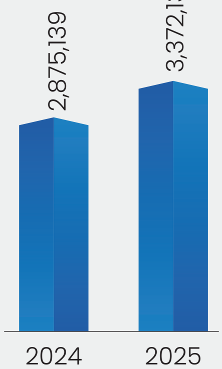
Portfolio (in PKR billions)



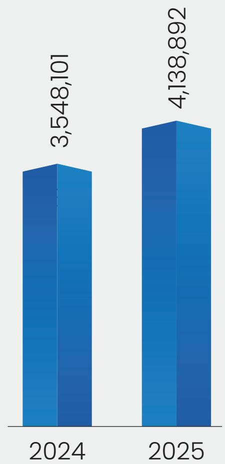
Portfolio



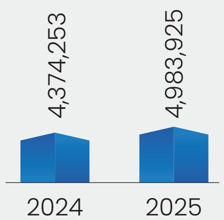
Clients Funded by PMIC



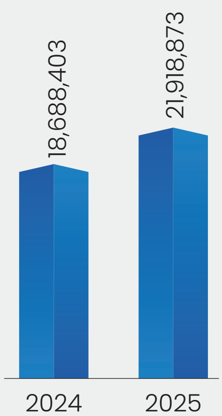
Clients Funded Through Other Funds



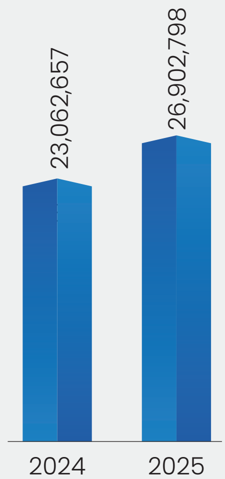
Total Number of Clients Served by PMIC Borrowers



Individuals Impacted by PMIC

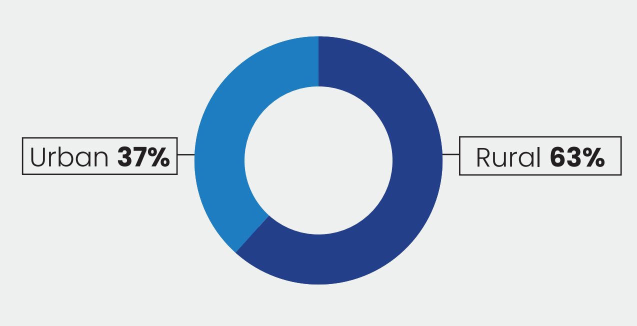


Individuals Impacted Through Other Funds

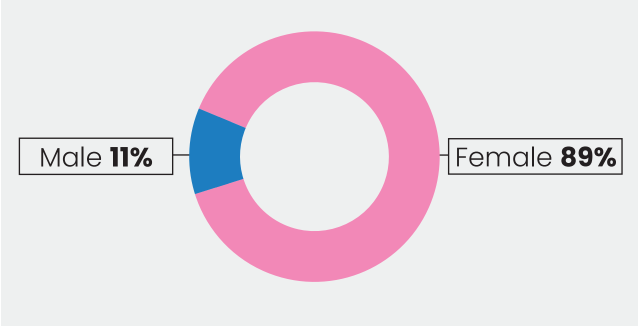


Total Number of Individuals Impacted by PMIC Borrowers

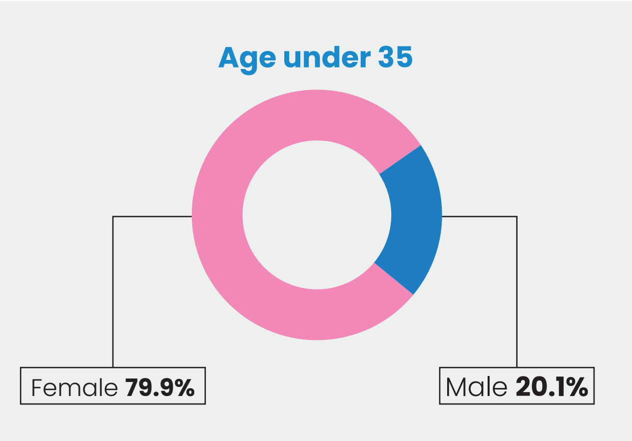
Geographic Break up

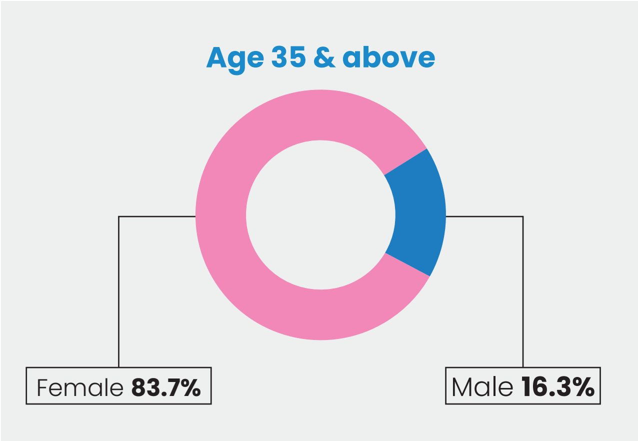


Gender Breakup

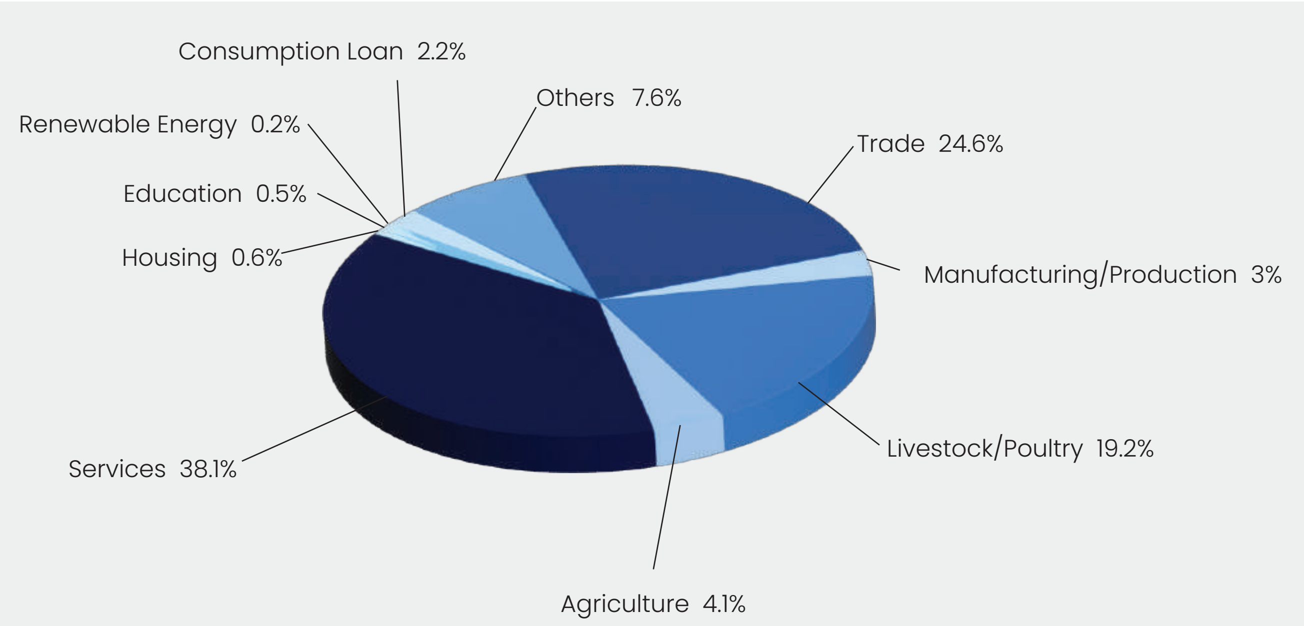


Age Break up





Sectoral Distribution

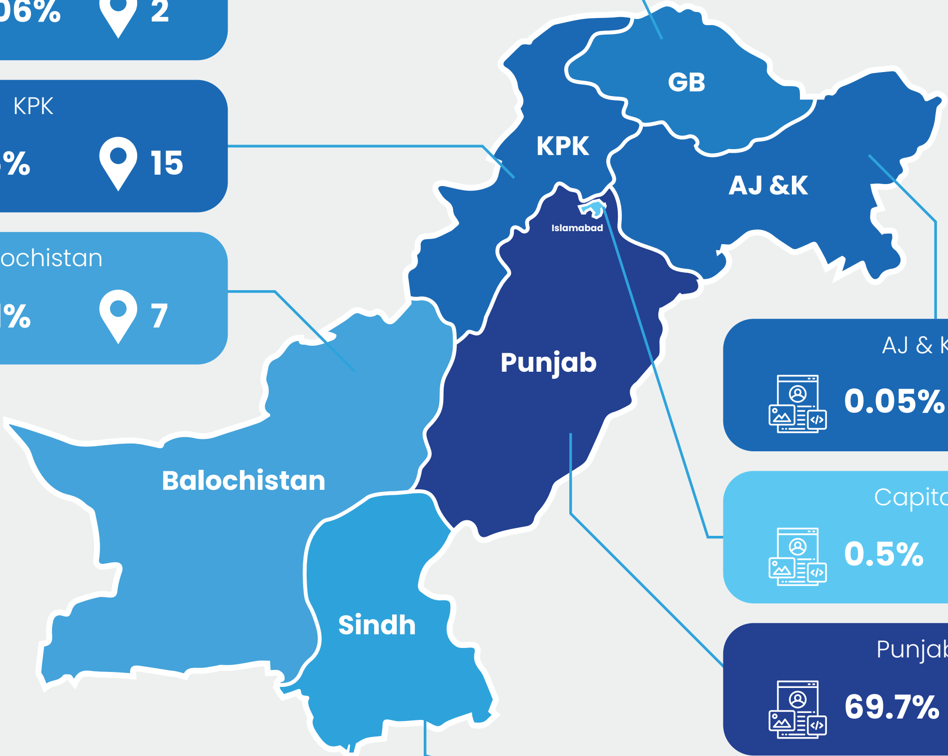


Outreach – Province-Wise Breakup

Gilgit Baltistan
0.06% | 2

KPK
1.6% | 15

Balochistan
0.1% | 7



AJ & K
0.05% | 5

Capital
0.5% | 1

Punjab
69.7% | 38

Sindh
28% | 27

Total
PKR 37 billion | 95

Portfolio Percentage per province | Total Districts per province

Extreme Poverty Zones (EPZs)[1]

EPZ - 1

2,383
Portfolio Deployed (In PKR millions)

5
Numbers of Districts

EPZ - 2

1,557
Portfolio Deployed (In PKR millions)

13
Numbers of Districts

[1] *EPZ-I and EPZ-II (Extreme Poverty Zones) are classifications developed by the Pakistan Poverty Alleviation Fund (PPAF) based on the geography of multidimensional poverty. These zones identify districts with the highest concentrations of poverty (poverty headcount ratio) and are used to target development interventions in underserved and vulnerable areas.*

Cultivating Prosperity in Baltistan

Farzana Batool's journey from hardship to entrepreneurship reflects the transformative potential of inclusive finance. Raised in Skardu after losing her father during the Kargil conflict, she faced significant financial constraints and limited access to formal credit. Through a PKR 50,000 loan and capacity-building support provided by a PMIC borrower, Farzana expanded her farming operations from a small plot into a thriving agricultural enterprise.

Today, she cultivates over 10 acres of land and produces approximately 50 tons of vegetables annually, supplying markets across Gilgit and Skardu. Her adoption of improved farming practices, including drip irrigation, has enhanced productivity while strengthening climate resilience. Beyond improving her household income, Farzana now provides seasonal employment to 25 local workers, most of them women, contributing to economic opportunities within her community.

CREATING IMPACT AT SCALE

CREATING IMPACT AT SCALE

Expanding Opportunity, Strengthening Resilience

At PMIC, impact is measured not only by the amount of capital deployed but by the opportunities created, livelihoods strengthened, and resilience built through that capital. By working through a network of partner institutions, PMIC extends financial services to underserved populations across Pakistan, enabling households and enterprises to invest in productive activities, withstand economic shocks, and improve their quality of life.

The impact of PMIC's investments extends across multiple dimensions of development. Financing supports entrepreneurs in expanding businesses, farmers in improving productivity, women in strengthening economic participation, youth in accessing employment opportunities, and households in adopting sustainable energy solutions. Through targeted interventions and strategic partnerships, PMIC continues to create lasting value for people, communities, and the broader economy.

Economic Impact

SDG Alignment

Supporting Entrepreneurship and Job Creation

Microenterprises remain one of the most important drivers of economic activity in Pakistan. They generate income, create employment opportunities, and contribute to local economic development, particularly in underserved communities where formal employment opportunities are limited.

Through its financing activities, PMIC supported thousands of micro and small enterprises operating across trade, services, agriculture, manufacturing, livestock, and other productive sectors. Access to finance enabled entrepreneurs to invest in working capital, purchase productive assets, expand operations, and improve business resilience.

As enterprises grow, they create opportunities not only for business owners but also for workers, suppliers, and local communities. PMIC's financing, therefore, contributes to broader economic multipliers that strengthen local economies and support inclusive growth.

Economic Impact Highlights

Economic Impact Across Sector

Access to Finance	**847,782** clients (**89%** women, **36%** youth)
Financial Services for Rural Economic Activity	**63%** of portfolio; **11.9%** deployed in Extreme Poverty Zones (EPZs)
Job Creation & Economic Multiplier	Over 1.19 million jobs supported ▪ Over **697,000** Female jobs supported. ▪ **648,000** youth jobs supported. PKR **138.6 billion** in incremental revenues generated Financed **650,500** women-led enterprises with cumulative financing of **PKR 27.7 billion**.

Financial Performance & Institutional Strength

Financial Growth	Net Profit: **PKR 783 million** (+12% YoY) Assets: **PKR 49 billion**
Capital Mobilization	• **PKR 27 billion** in commercial borrowings • **PKR 2.5 billion** commercial paper raised • **USD 30 million** Loan Portfolio Guarantee from U.S. Development Finance Corporation (DFC) • **PKR 2 billion** domestic guarantee from National Credit Guarantee Company Limited (NCGCL) • Women-centric Syndicate Term Finance Facility “Azm-e-Nisa” amounting to **PKR 3 billion** raised for ASA Microfinance Bank.

Creating Jobs Through Enterprise

Recognizing a market opportunity during the COVID-19 pandemic, Saira Naz sought to establish a small-scale face mask manufacturing unit but lacked the capital required to purchase machinery and raw materials. Through a PKR 80,000 loan from a PMIC borrower, she was able to set up a production facility and launch her business.

Today, Saira operates a successful manufacturing enterprise that provides employment opportunities for local women while generating a stable source of income for her household. Her business has strengthened her financial resilience and contributed to increased economic participation among women in her community.

Social Impact

SDG Alignment

Expanding Inclusion and Empowering Communities

Financial inclusion serves as a foundation for social and economic empowerment. Access to responsible financial services enables households to smooth consumption, manage risks, invest in education, improve living conditions, and pursue livelihood opportunities

PMIC remains committed to ensuring that underserved populations, particularly women, youth, rural households, and low-income communities, are not left behind in Pakistan's development journey.

Women continue to represent the majority of PMIC-supported clients, reflecting the institution's commitment to advancing women's economic participation and strengthening their role within households, businesses, and communities. Similarly, PMIC's outreach to rural populations helps bridge geographic disparities in access to finance and economic opportunity.

Beyond financing, PMIC supports programs that improve the quality of education, strengthen institutional capacity, and promote inclusive development outcomes.

Social Impact Highlights

Inclusive Outreach and Poverty Targeting

PMIC maintained a strong focus on deepening outreach to marginalized geographies and populations:

- **63%** of the portfolio remained focused on rural populations.
- **11.9%** of the portfolio was deployed in Extreme Poverty Zones (EPZs), totaling **PKR 3.94 billion.**
- PMIC enabled access to finance for over **4.1 million clients**, with an estimated **27 million lives impacted.**
- **4.8 million** loans disbursed since PMIC inception, out of which **86%** of loans were disbursed to women and 13% of men. Average loan size of **43,710.**
- Graduated **96,000** clients out of poverty through partnerships with social safety net programs.

Gender Equity and Youth Inclusion

Advancing women's economic participation remained central to PMIC's portfolio:

- **89%** of PMIC's portfolio catered to female active clients
- Financed **650,500** women-led enterprises with cumulative financing of **PKR 27.7 billion**, helping women invest in businesses, create livelihoods, and build financial resilience
- PMIC supported over **697,000 female jobs** and **648,136 youth jobs** up till 2025.
- Internally, **29% of senior management** and **30% of total staff** were women.

Livelihood Development and Capacity Building

Targeted training and product innovation enabled the expansion of income-generating opportunities:

- **175,000 beneficiaries** were reached through MF Plus Projects.
- PMIC directly supported the capacity building of **116,212 individuals** through structured training initiatives, reflecting a strategic transition to focused, outcome-driven engagements.

Support to Agriculture and Climate-Smart Practices

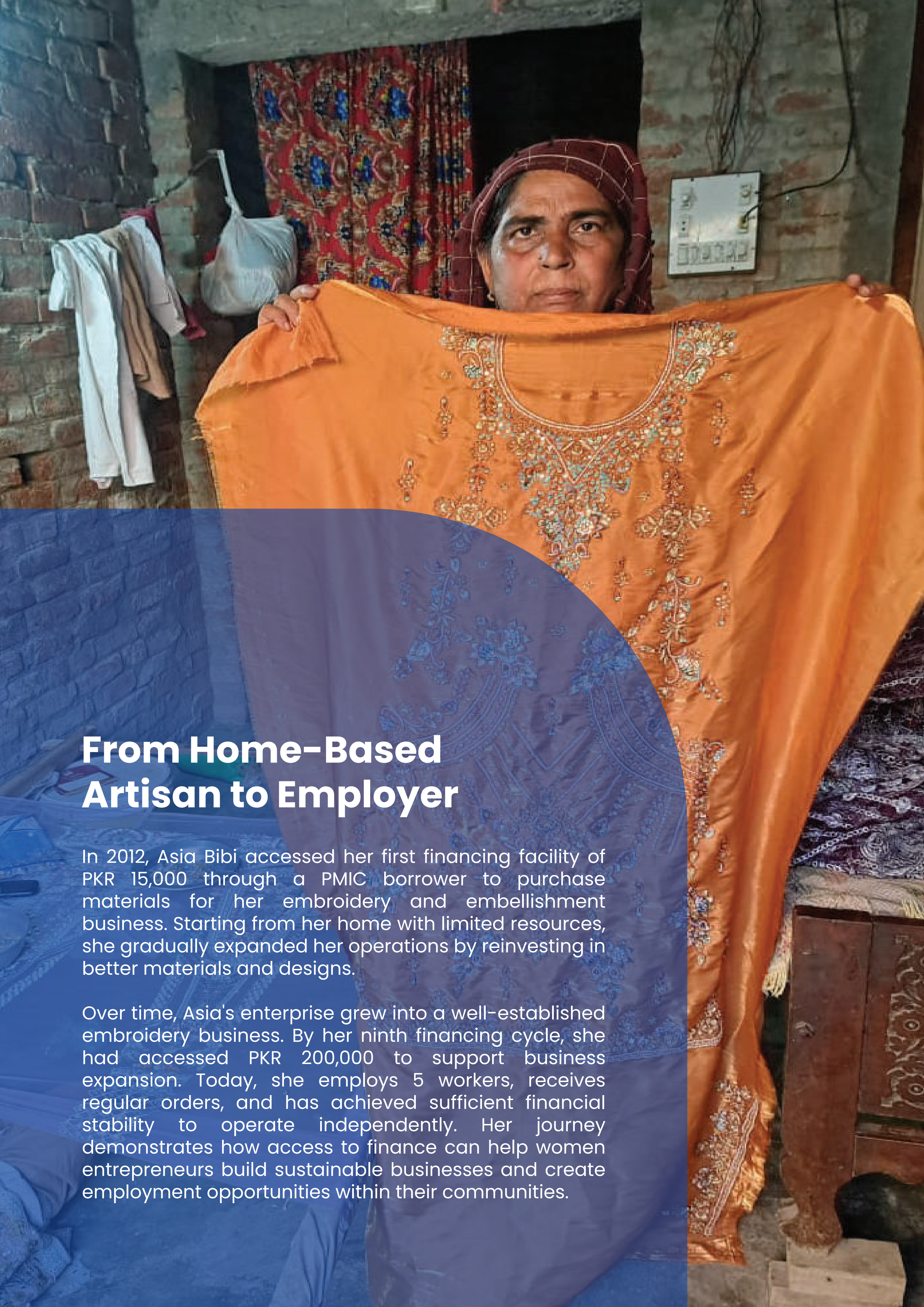
PMIC continued to strengthen financial access and resilience in the agriculture sector:

- **46,680 agriculture loans** disbursed, with **47,625 micro enterprises** supported
- Uptake of climate resilience tools increased, with **29,406 farmers** covered through microinsurance and **93,700 farmers** trained in climate-resilient practices and technologies.
- **27,400 livestock** were insured during the year, bringing the cumulative number of livestock covered since inception to over **230,000.**

Access to Education through School Financing

PMIC's financing for low-cost schools contributed to improved learning outcomes:

- **1,059 schools** benefited in 2025
- These schools served **213,693 students,** including **150,000 female students.**



From Home-Based Artisan to Employer

In 2012, Asia Bibi accessed her first financing facility of PKR 15,000 through a PMIC borrower to purchase materials for her embroidery and embellishment business. Starting from her home with limited resources, she gradually expanded her operations by reinvesting in better materials and designs.

Over time, Asia's enterprise grew into a well-established embroidery business. By her ninth financing cycle, she had accessed PKR 200,000 to support business expansion. Today, she employs 5 workers, receives regular orders, and has achieved sufficient financial stability to operate independently. Her journey demonstrates how access to finance can help women entrepreneurs build sustainable businesses and create employment opportunities within their communities.

Environmental Impact

SDG Alignment

- **7** AFFORDABLE AND CLEAN ENERGY
- **10** REDUCED INEQUALITIES
- **13** CLIMATE ACTION

Financing Climate Resilience and Sustainable Development

Climate change presents one of the most significant development challenges facing Pakistan. Extreme weather events, water scarcity, changing rainfall patterns, and rising temperatures continue to affect livelihoods, agricultural productivity, and economic stability.

Recognizing these challenges, PMIC has increasingly integrated environmental sustainability into its financing strategy. Through renewable energy financing, climate-smart agriculture initiatives, environmental and social risk management systems, and resilience-building programs, PMIC supports the transition toward a more sustainable and climate-resilient future.

Environmental Impact Highlights

- Over **42,800** solar solutions financed
- **278,493** individuals gained access to clean energy
- **163,062** tCO_2e of greenhouse gases (GHGs) emissions avoided
- **93,729** farmers supported through climate-smart agriculture initiatives
- **PKR 390 million** invested in green and climate-related financing

Empowering Women-Led Enterprise through Renewable Energy

Maryam Batool, a pioneering entrepreneur from Skardu, has spent over two decades creating opportunities for women through business development and skills training initiatives. As the founder of multiple enterprises and a champion of women-led businesses, she has helped build pathways for economic participation in one of Pakistan's most remote regions.

To address persistent power shortages affecting her operations, Maryam accessed solar financing of PKR 468,780 through a PMIC borrower. The installation of a solar energy system enabled uninterrupted business operations, improved service delivery, and reduced reliance on costly and unreliable electricity sources. The solution has strengthened the sustainability of her enterprises while supporting training and employment opportunities for hundreds of women entrepreneurs across Baltistan.

STRATEGIC MILESTONE OF 2025

STRATEGIC MILESTONES OF 2025

The year 2025 marked an important step in PMIC's evolution as a capital mobilizer, ecosystem builder, and catalyst for inclusive finance. Alongside continued growth in outreach and impact, PMIC strengthened its funding base, expanded product offerings, deepened partnerships, and laid the groundwork for future innovation. These milestones reflect PMIC's commitment to building a more resilient and sustainable microfinance ecosystem capable of serving the evolving needs of underserved communities across Pakistan.

Opening New Frontiers for Microfinance Funding

Mobilizing Capital Through New Funding Channels

PMIC strengthened its position as a bridge between capital markets and financial inclusion through the successful issuance of its first unsecured, rated, privately placed Commercial Paper. The transaction mobilized PKR 2.5 billion from capital markets and represented a significant step towards diversifying funding sources for the microfinance sector. During the year, PMIC also expanded its partnerships with commercial banks, development finance institutions, and multilateral lenders, ensuring a stable flow of liquidity for onward lending to partner institutions.

Strengthening Risk-Sharing Mechanisms

To enhance the resilience of the microfinance ecosystem and support sustainable growth, PMIC continued to expand the use of risk-sharing instruments and portfolio guarantee facilities. These arrangements strengthened lending capacity, reduced concentration risks, and enhanced investor confidence in the sector. The initiatives also contributed to expanding access to finance for underserved segments while safeguarding institutional sustainability.

Unlocking Opportunities for Women Entrepreneurs

Women's financial inclusion remained a strategic priority during 2025. PMIC launched the Azm-e-Nisa Syndicate Facility for PKR 3 billion, a dedicated financing initiative designed to expand access to capital for women entrepreneurs and women-owned enterprises. The facility represents an important step toward addressing gender financing gaps and supporting greater economic participation among women across Pakistan.

Milestone at Glance:

PKR 10.3 billion
was mobilized through commercial and development funding sources in the year 2025.

4 new
funding partnerships were established during the year, bringing the total to 17.

PKR 17.3 billion
financing was made available to partner institutions.

USD 30 million
risk-sharing arrangements operationalized

Broadening Inclusion Through Shariah-Compliant Finance

Expanding Access Through Shariah-Compliant Finance

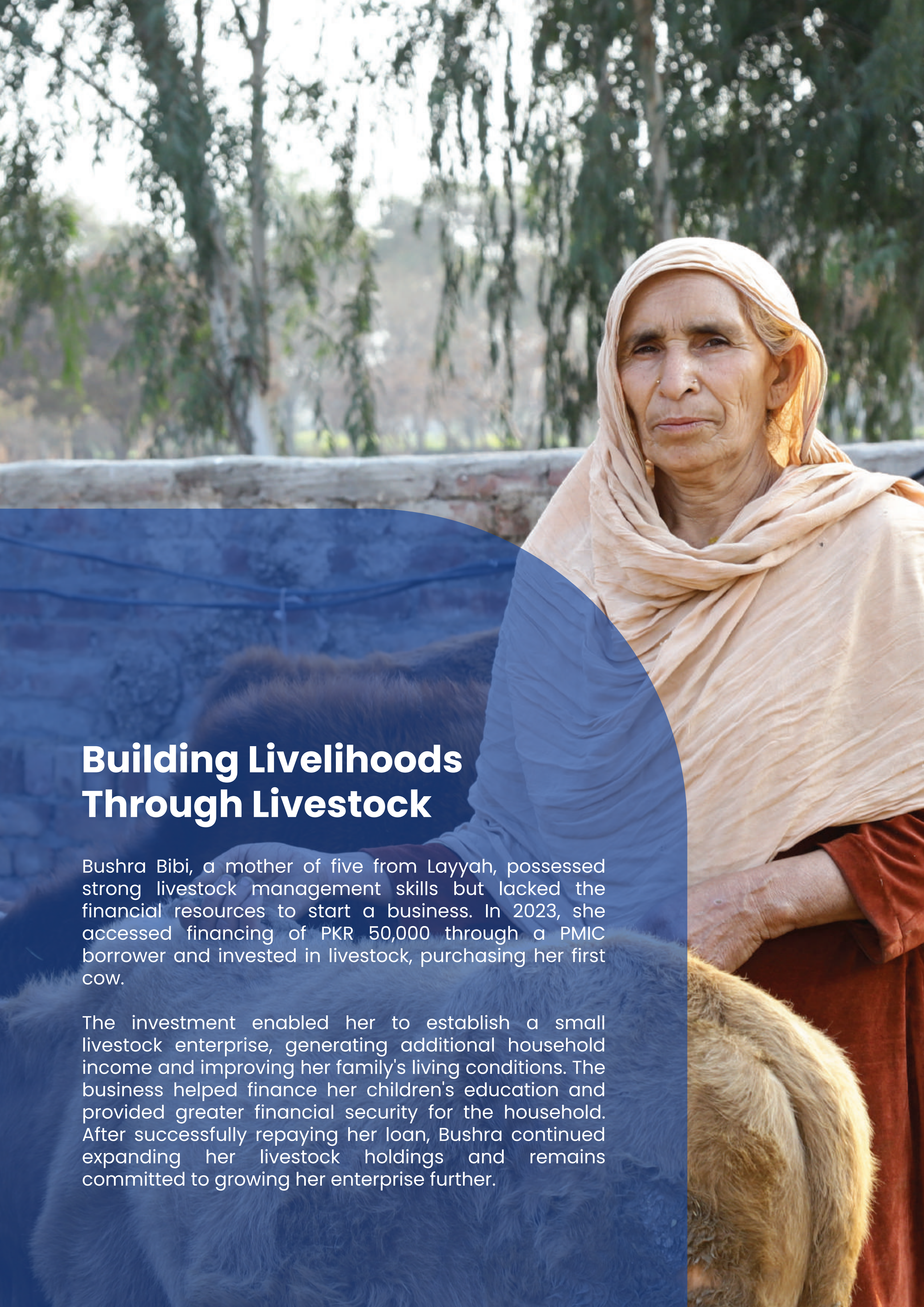
Building on the successful launch of its Islamic finance window, PMIC expanded Shariah-compliant financing to additional partner institutions during the year. Dedicated governance arrangements, standardized product structures, and technical support enabled participating institutions to respond to growing demand for Islamic financial solutions. This initiative broadened financial inclusion while ensuring access to financing options aligned with client preferences and values.

As of December 2025, PMIC has an Islamic portfolio of **PKR 515 million** with eight borrowing institutions.

Advancing Climate-Resilient Agriculture

Preparing Agriculture for a Changing Climate

Recognizing the growing impact of climate change on rural livelihoods, PMIC initiated the development of climate-smart crop and livestock value chains as part of its new business strategy. The initiative focuses on improving productivity, strengthening resilience, reducing emissions, and increasing income opportunities for smallholder farmers through the adoption of improved agricultural practices and innovative financing solutions.



Building Livelihoods Through Livestock

Bushra Bibi, a mother of five from Layyah, possessed strong livestock management skills but lacked the financial resources to start a business. In 2023, she accessed financing of PKR 50,000 through a PMIC borrower and invested in livestock, purchasing her first cow.

The investment enabled her to establish a small livestock enterprise, generating additional household income and improving her family's living conditions. The business helped finance her children's education and provided greater financial security for the household. After successfully repaying her loan, Bushra continued expanding her livestock holdings and remains committed to growing her enterprise further.

Investing in Human Capital Through Education Finance

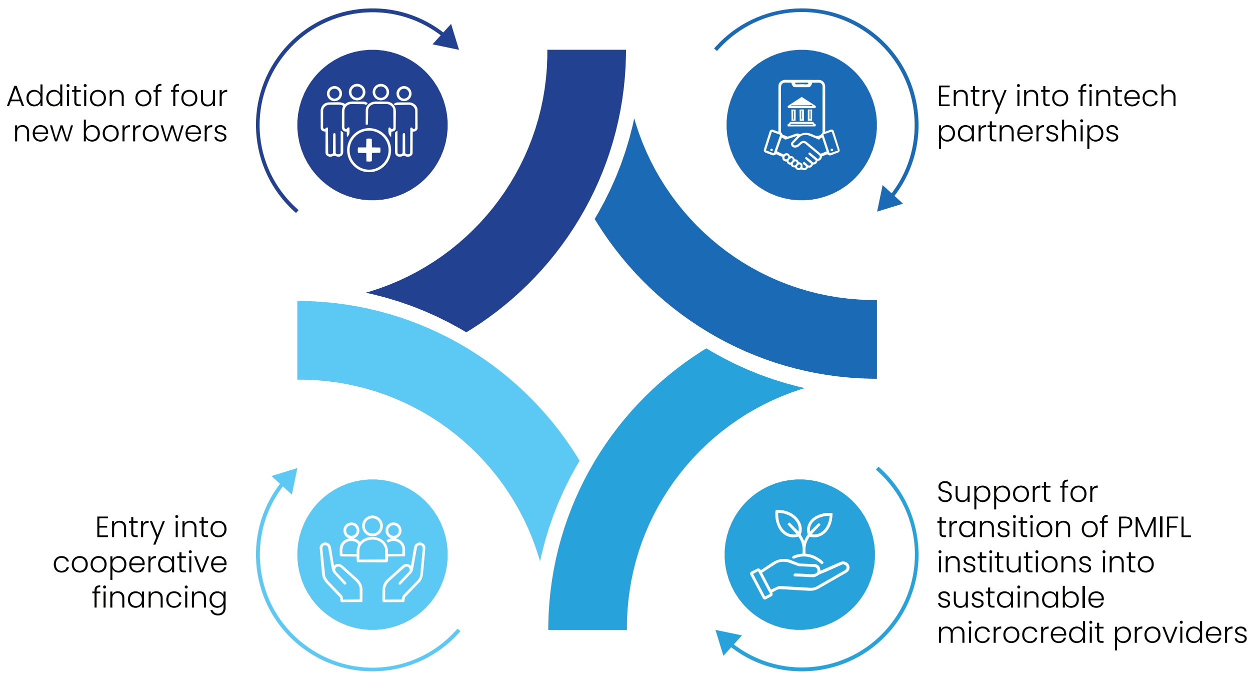
Strengthening Foundations for Future Generations

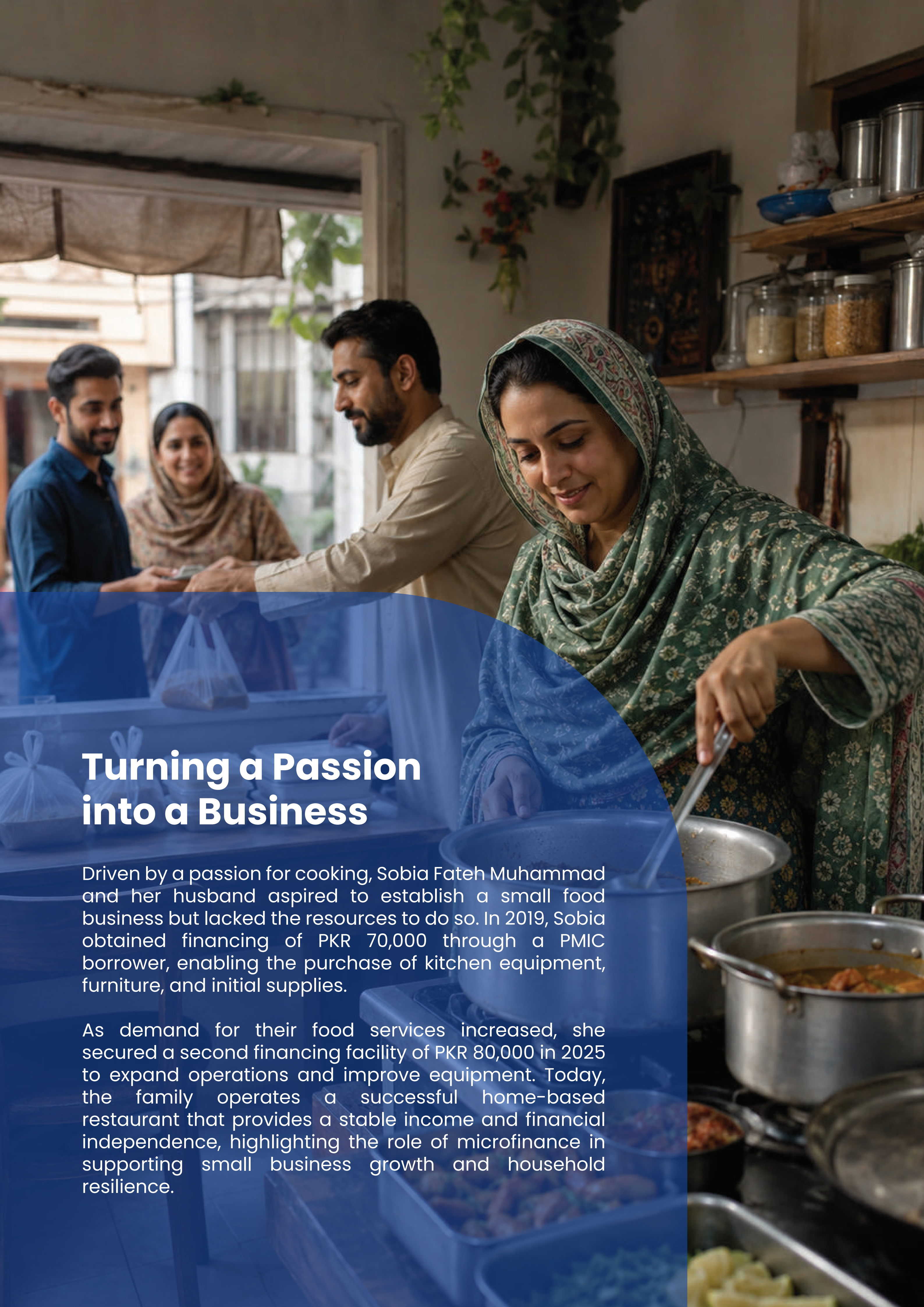
PMIC continued to strengthen its commitment to education finance by expanding partnerships and increasing outreach under its education initiatives. By the end of 2025, the program had reached nearly 1,100 schools, supporting improved educational outcomes through school improvement initiatives, leadership development, and capacity-building interventions.

Expanding the Inclusive Finance Ecosystem

Reaching New Markets, New Models, New Communities

During the year, PMIC broadened its partner network through the addition of new borrowers, including a fintech and a cooperative institution. These partnerships expanded PMIC's reach into new market segments and delivery channels while supporting innovation in digital finance, community-based finance, and responsible consumer lending. PMIC also continued supporting the transition of institutions participating in the Prime Minister's Interest-Free Loan Programme towards sustainable microfinance operations, helping strengthen the long-term foundations of financial inclusion in Pakistan.





Turning a Passion into a Business

Driven by a passion for cooking, Sobia Fateh Muhammad and her husband aspired to establish a small food business but lacked the resources to do so. In 2019, Sobia obtained financing of PKR 70,000 through a PMIC borrower, enabling the purchase of kitchen equipment, furniture, and initial supplies.

As demand for their food services increased, she secured a second financing facility of PKR 80,000 in 2025 to expand operations and improve equipment. Today, the family operates a successful home-based restaurant that provides a stable income and financial independence, highlighting the role of microfinance in supporting small business growth and household resilience.

PROJECT HIGHLIGHTS

POWERING HOUSEHOLDS, STRENGTHENING RESILIENCE

german cooperation
DEUTSCHE ZUSAMMENARBEIT

KFW

PMIC
Pakistan Microfinance Investment Company Limited

Expanding Access to Clean Energy Through PRIME

Access to reliable and affordable energy remains a significant challenge for millions of households across Pakistan, particularly in rural and underserved communities where electricity shortages, rising energy costs, and limited access to modern energy solutions continue to affect livelihoods and quality of life. These challenges are particularly acute for low-income households and microenterprises that rely on energy for income generation, education, and daily living.

To address this gap, PMIC launched the Pakistan Rural Infrastructure and Market Electrification (PRIME) Program with the support of KfW Development Bank. The programme seeks to expand access to clean and affordable energy through microfinance, enabling low-income households and small businesses to acquire high-quality solar solutions without facing the burden of significant upfront costs. Since its launch, PRIME has evolved into one of Pakistan's leading renewable energy financing initiatives, creating an ecosystem that connects microfinance providers, solar vendors, technical experts, and development partners to deliver quality-assured solar solutions to underserved communities. By combining financing with quality standards, consumer protection measures, and market development activities, the programme has helped strengthen confidence in solar technologies while promoting greater adoption of renewable energy solutions.

Beyond improving access to energy, PRIME contributes to broader economic and social outcomes. Reliable electricity allows households to reduce energy expenditures, improve living conditions, and strengthen resilience against rising energy costs. For microentrepreneurs and home-based businesses, access to uninterrupted power supports productivity, business continuity, and income generation. The programme also enables students to study in the evening and supports greater comfort and security for families.

PRIME has also played an important role in strengthening Pakistan's renewable energy market. Through partnerships with manufacturers, vendors, and sector stakeholders, the programme has contributed to improving product quality, expanding the availability of energy-efficient appliances, and encouraging the adoption of international standards within the local solar industry. In addition, PMIC continues to invest in awareness building, quality assurance, and digital monitoring systems to ensure long-term programme sustainability and consumer confidence.

As Pakistan seeks to address energy challenges while advancing climate goals, PRIME demonstrates how innovative financing solutions can simultaneously expand access to clean energy, strengthen household resilience, and contribute to environmental sustainability.

Project at a Glance

PKR 390 million deployed in renewable energy financing through PMIC's partner network.

42,800 clients gained access to renewable energy solutions through microfinance.

278,493 individuals experienced an improved quality of life through access to affordable and reliable energy.

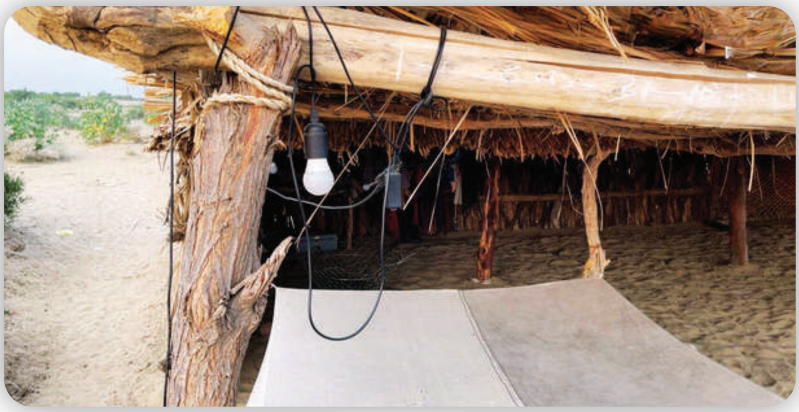
33,000 women benefited, representing **77%** of all PRIME beneficiaries.

38,520 solar systems installed in on-grid and poor-grid communities, with a further **4,280 systems** deployed in off-grid areas, expanding access to reliable clean energy.

183,000 individuals reached through awareness and outreach activities, promoting the adoption of renewable energy solutions.

Over **2500 KW** of solar energy generation capacity is supported through financed solar solutions.

Estimated avoidance of **163,062 tCO_2e** in greenhouse gas emissions through clean energy adoption.



Bringing Clean Energy to Remote Communities

Damin Ali, a resident of Village Haji Banko Chaniho in Khipro, Sindh, spent years living without reliable access to electricity. Like many households in the remote Achro Thar region, his family relied on lanterns, candles, and firewood for lighting, making everyday activities and children's education difficult after sunset.

Through the PRIME Program, Damin accessed an affordable solar energy solution financed by a PMIC borrower. The installation of a portable solar system transformed his household by providing a reliable source of clean energy, reducing dependence on traditional lighting sources, and improving living conditions.

Today, access to solar power enables Damin's family to carry out household activities safely after dark while creating a more conducive environment for his children's education. For families living in remote and underserved areas, the PRIME Program is helping bridge the energy access gap, improving quality of life while promoting the adoption of clean and sustainable energy solutions.

FROM INFORMAL TO INTERNATIONAL

AGAHE PAKISTAN | PMIC Pakistan Microfinance Investment Company Limited | MG apparel | TCS

CIRCLE | Daraz | Jazz

Empowering Women Entrepreneurs Through Digital and Financial Inclusion

Across Pakistan, thousands of women operate home-based businesses that contribute to household income and local economic activity. Despite their entrepreneurial potential, many remain excluded from formal financial systems, digital marketplaces, and growth opportunities due to limited access to finance, business skills, and digital capabilities. As a result, their businesses often remain informal, restricting their ability to expand, access new markets, and increase earnings.

To address these barriers, PMIC partnered with **Agahe Pakistan, Circle Women, Daraz, Jazz Cash**, and other ecosystem partners under the Informal to International (I2I) initiative. The project was designed to support women entrepreneurs in transitioning from informal economic activities to more structured and market-oriented enterprises by strengthening their financial literacy, business management skills, digital capabilities, and access to formal financial services

The project adopted an integrated approach that combined training, mentorship, digital skills development, market access, and microfinance. Participants received support in areas such as financial management, business planning, digital marketing, mobile wallet usage, and e-commerce, enabling them to build the confidence and capabilities required to expand their businesses and engage with new customers.

The initiative demonstrated that when women entrepreneurs are provided with the right combination of knowledge, financing, and market linkages, they are able to improve business performance and create meaningful economic opportunities. Participating women reported improvements in financial literacy, business acumen, and digital proficiency, while many successfully adopted social media and digital platforms to market their products and engage with customers.
Beyond individual business growth, the project generated broader economic benefits. Increased business activity translated into higher incomes, greater financial inclusion, and the creation of new employment opportunities within participating communities. The project also highlighted the potential of public-private partnerships in supporting women-led enterprises and demonstrated how digital tools can serve as a powerful enabler of economic empowerment.

Importantly, the initiative generated valuable insights into the barriers that women entrepreneurs face in adopting digital technologies and accessing formal markets. These learnings will help inform future interventions aimed at strengthening women's participation in the digital economy and creating more inclusive pathways to entrepreneurship and business growth.

As Pakistan continues to embrace digital transformation, the I2I initiative demonstrates how targeted investments in skills, finance, and market access can help women entrepreneurs unlock new opportunities, strengthen livelihoods, and contribute to inclusive economic development.

Project at a Glance

- Project aimed to strengthen women beneficiaries' financial literacy, business management, and digital skills, enhancing their capacity to grow and sustain their enterprises as evidenced by 28% increase in income generation.
- More than one-third of participants accessed formal financing for business growth, including many first-time borrowers entering the formal financial system.
- The project contributed to the creation of new employment opportunities, with women accounting for the majority of jobs generated.
- Over one-third of participants secured business orders through digital channels such as social media and WhatsApp Business, demonstrating the growing role of digital platforms in expanding market access.
- Demonstrated the potential of ecosystem partnerships to accelerate women's entrepreneurship, strengthen livelihoods, and promote inclusive economic growth.
- Provided a blueprint for advancing women's economic empowerment by combining skills development, digital inclusion, market access, and financial services to support the transition from informal enterprises to sustainable business growth.

Expanding Market Access through Digital Skills

As an experienced entrepreneur engaged in embroidery, handicrafts, and online retail, Saira Khan joined the Informal to International project to strengthen her digital marketing and e-commerce capabilities. Through Daraz's specialized training, including exposure to online marketplaces and direct engagement with industry experts and designers, Saira gained valuable insights into product presentation, pricing strategies, and digital marketing. The experience enabled her to better position her products in competitive online markets and identify new opportunities for business growth.

Reflecting on the initiative, Saira highlighted that the project's practical approach and industry exposure were particularly valuable for women entrepreneurs at different stages of their business journey. By connecting participants with market knowledge, professional networks, and digital tools, the Informal to International project is helping women-led enterprises strengthen their competitiveness and expand their economic opportunities.

LOOKING AHEAD

A Decade of Impact, A Future of Possibilities

Over the past decade, PMIC has demonstrated that inclusive finance can be a powerful tool for reducing poverty, strengthening livelihoods, empowering women, and building resilience. What began as an effort to strengthen Pakistan's microfinance sector has evolved into a broader mission of connecting underserved communities with opportunities for economic participation and growth.

Looking ahead, PMIC's focus is not only on expanding access to finance but also on shaping a more inclusive and resilient financial ecosystem. Through innovative financing structures, new delivery models, strategic partnerships, and impact-focused investments, the institution aims to unlock greater opportunities for individuals, businesses, and communities across Pakistan.

As PMIC enters its next decade, it remains committed to its vision of a financially inclusive Pakistan where access to finance enables people to improve their lives, strengthen their resilience, and realize their full potential. Through innovation, partnership, and responsible finance, PMIC will continue to serve as a catalyst for sustainable and inclusive development.

OUR PARTNERS

ABHI microfinance bank | ADB ASIAN DEVELOPMENT BANK | ADG Business School | AEDB | AGAHE PAKISTAN | AlliedBank | ASA | ASIA INSURANCE

askaribank | Bank Alfalah | BFMCS | bkk | BOP THE BANK OF PUNJAB | British International Investment | CIRCLE | concave AGRI

CSC Empowerment & Inclusion Programme | DRDF Dairy and Rural Development Foundation | DFC U.S. International Development Finance Corporation | Daraz | FDO | FFO SUPPORT PROGRAM | GIIN

GOLDFIN "Mera Sona, Mera Sarmaya" | GROWTECH | HBL | IFC International Finance Corporation | Jazz | JS BANK | JWS PAKISTAN

Kashf FOUNDATION | khushhali MICROFINANCE BANK | MALE CHAMPIONS OF CHANGE | MCB | Meezan Bank The Premier Islamic Bank | MG apparel | MG | MOJAZ SUPPORT PROGRAM

NAYMAT | NBP | NBFI & Modaraba Association of Pakistan | NRSP National Rural Support Programme | OPPORTUNITY International | Pak Kuwait Investment Company (Private) Ltd. | PakLibya | PAKOMAN

PAKCHINA | PSA | Pakistan Microfinance Network | Pakistan Fintech Network | pakbrunei | PROPARCO | ricult | RURAL COMMUNITY DEVELOPMENT PROGRAMMES

SAUDI PAK | samba bank | SAFCO | Sindh Microfinance Bank Ltd | smartfinance | SMEDA | Soneri Bank

TCS | THARDEEP | TECH VALLEY | UN WOMEN | waseela | WORLD BANK GROUP | WWF

21st Floor, Ufone Tower,
55-C, Main Jinnah Avenue, Blue Area
Islamabad 44000, Pakistan

+92 51 8487820 - 45
info@pmic.pk
www.pmic.pk