

CONNECT

OCTOBER, 2022

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Number of Districts:
90



Women
85%
(June-22)



No. of Borrowers:
24

Portfolio Highlights



Rural
64%
(June-22)



Loan Portfolio
Rs.27.228 Million



Youth Clients
39%
(June-22)

PMIC News Bites

Annual Microfinance Conference (AMC 6)

Pakistan Microfinance Investment Company partnered with Pakistan Microfinance Network (PMN) to organize the Annual Microfinance Conference titled “20 Years of Excellence Creating Resilience & Enabling Rehabilitation” held from 4-6th October 2022.

Mr. Naved A. Khan, Chairman PMIC address in inaugural session of the Annual Microfinance Conference. Chief Guest Dr. Aisha Ghaus Pasha, Minister of State for Finance & Revenue and Mr. Aamir Khan Chairman Security & Exchange Commission of Pakistan also attended the AMC-6 inaugural session along with leaders and opinion makers from the Microfinance sector.

Mr. Yasir Ashfaq, Chief Executive Officer PMIC participated and shared his views at the policy dialogue on “Sustaining Two Decades of an Enabling Policy and Regulatory Environment with Climate as a Major Challenge” session in the Annual Microfinance Conference. The session was chaired by Mr. Aamir Khan President & CEO, HBL Microfinance Bank Ltd.

In the second session, also chaired and moderated by Mr. Yasir Ashfaq on 20 Years of Achievements – The Road Map to 40 million by 2045 of 2030 – at the AMC. Panelists from State Bank of Pakistan, IFC, CEIP, ADB, Tasdeeq and JWP Pakistan participated in the discussion. Mr. Yasir Ashfaq also moderated the session on Transformation of SAFCO into a for Profit Entity at the Annual Microfinance Conference, AMC-6. Ms. Khalida Habib, executive Director/ HOD, security & exchange Commission of Pakistan and Mr. Suleman G. Abro, CEO – SAFCO participated in the dialogue.

Mr. Saqib Siddiqui, Head of Sector Development, Pakistan Microfinance Investment Company participated in the plenary session and discussed “Funding Challenge – Structuring a PKR 2 Trillion Loan Book” at the Annual Microfinance Conference.



Corporate Finance and Investment Banking (CF&IB) Initiatives

Engagement with Commercial Banks

CF&IB organized sessions with commercial banks to provide update on the microfinance sector with special focus on flood and its expected impact. Continual commercial funding to the sector is important so that financing cycle doesn't get affected at microfinance providers and end-client level. Banks are determined to work together with PMIC and extend maximum support possible amid current macro-economic (& flood) situation.

PMIC Impact Bond

One of the largest commercial banks has agreed to act as lead advisor and arranger for issuance of an Impact Bond on PMIC Balance Sheet. Once executed, the said initiative will significantly contribute towards much needed local capital market activity and support PMIC in achieving growth targets.

International Funding for PMIC's Retail Initiative

One of the largest global crowd funding platform is at advanced stage of approval to provide funding to PMIC to support piloting its retail initiative. The funding will support PMIC to target new geographies and business segments and assist in diversification of revenue stream.

Portfolio Management Department Initiatives

Internal Rating System (IRS)

Portfolio Management Department has successfully assigned ratings and completed the process to all PMIC borrowers on the new Institutional Rating System (IRS) model in October 2022. The new model has been developed by PACRA jointly with MicroFinanza Rating (MFR) rating agency. The IRS is the result of extensive testing and comprehensive analytical exercises and involves evaluation of a borrower under broad categories of Ownership, Governance, Management, Operations & Control, Social Impact, Business and Financial Risk.

Sector Development Department Initiatives

PRIME

The inception report shared by Project Implementation Consultant – PIC has been finalized after revisions made in light of suggested made by PMIC and KfW teams. The PIC has also shared a revised workplan and will initiate work on reviewing the quality charter, financial products, development of a due diligence system for vendor financing among other activities in November 2022. SDD team including Mr. Muhammad Faheem Khalid and Mr. Ibrar Hussain Khattak (Technical Consultant) traveled to Kigali (Rwanda) and attended the Global Association for the off-grid solar energy industry forum and expo. The team had met a number of global solar solution suppliers and discussed plans to help them establish their footprint in Pakistan, especially under the PRIME program. The team also met GOGLA subsidy lab representatives including Mr. Patrick and Mr. Pravin Kumar to get their insight about designing of subsidy schemes. The team then met with the World Bank team as well as Microfinance Providers from Yemen where a subsidy based solar home solutions program is being deployed. Meetings with teams from GIZ as well as World Bank had also taken place to get insights about other global interventions where solar solutions are being deployed through MFPs as well as through Pay as you go models. The PRIME continued to make progress in Pakistan.

SDD team visit to Kigali, Rwanda - Global Association for Off-grid Solar Industry (GOGLA) forum.

PMIC team comprising of Mr. Muhammad Faheem Khalid and Mr. Ibrar Hussain Khattak (Technical Consultant) had traveled to Kigali, Rwanda to attend the Global Association for Off-grid Solar industry (GOGLA) forum and expo. The expo is held every 2 years and is attended by all the major solar solution suppliers in the world, practitioners, representatives of Microfinance providers, the World Bank and Government officials. The PMIC team had the opportunity of meeting a number of global solar solution providers, teams from the World Bank, representatives from Microfinance Providers in Bangladesh and Yemen and representatives from GIZ. PMIC had also organized a small introductory seminar at the conference, which was attended by vendors and other event attendees. The PMIC team provided a detailed insight about Renewable Energy programs being run in Pakistan the opportunity available for global solar vendors with regards to the PRIME program as well as World Bank's Sindh Solar Energy Program - SSEP. Mr. Mahfooz Qazi (Project Lead of SSEP) was also attending the GOGLA event.



LCPS Projects

PMIC is streamlining all the activities to kickstart technical trainings and product development with AGAHEE, RCDP and Taleem Finance as part of the first phase of the EdQ Program. PMIC and OI are working together to procure tablets to avoid any delays in the program launch due to recent import ban. MOU has been signed successfully and partner institutions successfully aligned to start the trainings. Offer letters have been sent to each of the three MFIs. Product development will enable partner institutions to cater to the demand of education financing more effectively.

Meeting with BMZ, Germany Embassy & KfW

Mr. Florian Karner, Senior Policy Officer - Central Asia, Afghanistan and Pakistan, Federal Ministry for Economic Cooperation & Development – Germany (BMZ), Mr. Sebastian Jacobi, Director KfW Office, Islamabad, Dr. Sebastian Paust, Head of Development Cooperation and Mrs. Helena Pausta, Secretary Development Cooperation, Embassy of Germany visited PMIC and RCDP this week.

The visiting team interacted with senior management of PMIC & RCDP and discussed the impact of microfinance on the lives of the underserved communities of Pakistan.

The group also interacted with the microfinance clients served by RCDP involved with agriculture, livestock, small enterprise, trading & services. They appreciated the zeal and entrepreneurial capabilities of these clients in expanding their livelihoods, improving quality of life of their families and creating employment opportunities for others in the community.



Meeting with the World Bank

PMIC team had a meeting with World Bank on the prevalent flood situation in Pakistan. PMIC team discussed the aftermath of floods for the microfinance sector, damages incurred, and the challenges being faced by Microfinance Providers as well as the end clients. PMIC also discussed different avenues with World Bank team, which could be explored to support rehabilitation of end clients and help them get back on their feet. PMIC is in discussions with World Bank as well as other donor agencies to garner support for providing liquidity support to clients for revival of their businesses and other income streams.

Research Department Activities

During the past month, the Research Unit has spearheaded the collection of data on the effects the recent floods have had on microfinance clients across Pakistan. The team provided senior management with district-level information on flood affectees and estimated the potential impact of the floods on the portfolios of MFPs and PMIC. Furthermore, the team carried out desk research on international best practices for the microfinance sector in disaster-stricken areas. Using this information, a recommendation letter was developed and shared with the SECP on how the regulators could support the sector in providing relief and ultimately rehabilitating the flood victims.

Corporate Secretarial, Legal, and Procurement Department Initiatives

- In line with best practices of being an environment friendly organization and for the Digitization of PMICs Board, Corporate Secretariat department procures services of a software firm to provide the services for Board Papers which will offer a Board Portal with the highest standards of confidentiality and security combined with a comprehensive set of user-friendly functionalities. The Software/portal is an interface, via which Board related agenda items and meeting packs gets assembled in a SharePoint based dashboard, while meeting participants can review and mark up documents using a book alike app.
- PMIC for further diversifying its portfolio, aimed to launch a Shariah Compliant Product for existing as well as new MFPs. For this PMIC onboards the services of a consultancy firm to establish Profit & Loss Distribution and Pool Management system and offer Shariah Compliant products catering the needs of microfinance institutions and other Islamic finance institutions. The broad objective is to expand the financial inclusion and provide access to finance under Islamic mode of finance.

Client Success Story

Saima Bibi

Saima Bibi is an extremely hardworking lady who has proved her strength during the most difficult of times. A resident of an underdeveloped area of Khanpur, Saima was a mother of 3 kids whose husband, a daily wage labourer was sick and unable to work. The family were struggling so much so to arrange a one team meal everyday for all.

At this difficult time Saima, took the initiative and risk to do something and contacted FFO Support Program, a borrower of Pakistan Microfinance Investment Company for a loan to start a business of bangles. Her first loan was of PKR 20,000 from which she purchased bangles and antique items and sold them at a profit. When this started working out, she decided to take another loan of PKR 25,000 to purchase a bangle making machine and make bangles at home. This enabled her to restart her livelihood and provide for her family. She took a 3rd loan of PKR. 70,000 and purchased 1 more machine and variety of antique goods from Sindh. She hired 2 employees on daily wage and provided them with machines. With the successful completion of the 3rd loan, she applied for another loan of PKR. 100, 000. Foreseeing her financial ability FFOSP provided her this handsome amount to enhance her enterprise and make ways for others as well. Currently she is paying installments of 4th loan cycle. She is a well reputed personality in the local market, her business transactions are increasing day by day. Saima is running the enterprise successfully and has now employed 4 women and 1 man (for orders delivery) of local area.

After starting her own setup of antique bangle making, she took the first step towards prosperity, where she not only generated income for her family but also provided a platform for other females to earn income for their families. She created jobs which made an impact on society. A wonderful example of women empowerment of our society. She has bright future plans including expansion of her enterprise with the support of PMIC's borrower, FFOSP.

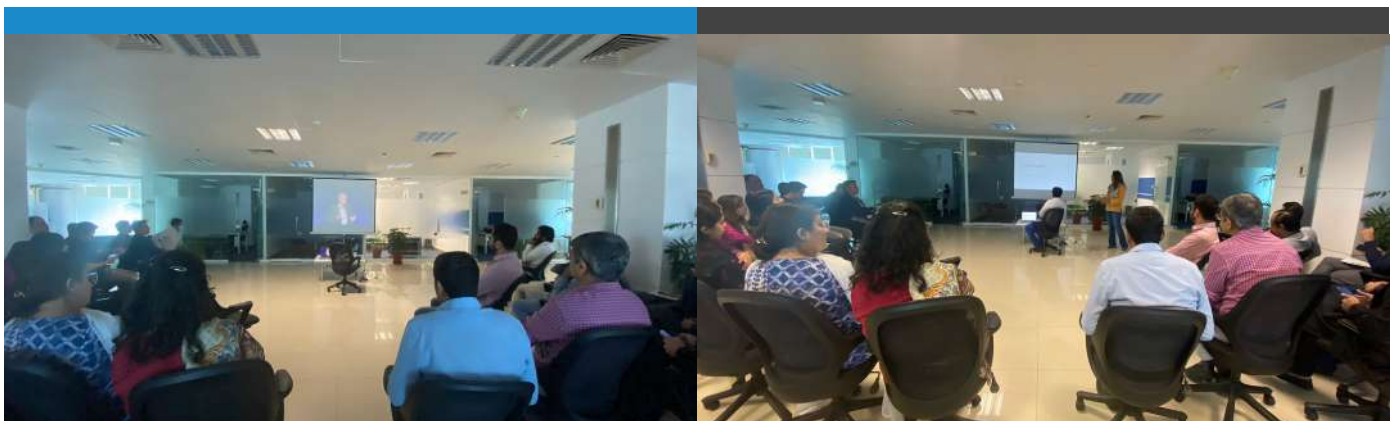


People & Culture

HR and Admin Activities

Ted Talk on PMIC Value - Passion, Innovation and Creativity

HR in collaboration with CEO Club played Ted Talk on Passion, Innovation and Creativity. This is CEO Club's initiatives to raise awareness among employees regarding PMIC Values and help employees develop associated behaviors.



CEO Club - Shark Tank Activity

CEO Club initiated a Shark Tank activity whereby PMIC team members will come forward with ideas that can be utilized by PMIC for providing help and support to community affected by floods. This companywide activity was launched forming four (4) groups ensuring interdepartmental representation. Each group will produce an idea with details of financial impact, people it will help, risks involved and its implementation etc. in a presentation.

The ideas that can be utilized by PMIC for providing help and support to community affected by floods was presented by the groups on the 26th of October 2022 to a panel of MANCOM members. These will then be assessed based on their feasibility and further presented to the CEO and the Board.



Pinktober Awareness Session

PMIC held an awareness session on Breast Cancer, its causes and early detection. Female employees of PMIC attended the session and shared their health concerns and cancer scares. Many team members shared stories of cancer survivors, they also shared that their health sometimes takes a back seat due to busy daily routines and thus they end-up not prioritizing their own health.



Birthday Celebrations

We wish you a very Happy Birthday

Irfan Shah



Muhammad Faheem Khalid



Rashid Imran



Farewell

The team bid farewell to their beloved colleague, Zoobia Nadeem, Assistant Manager-Portfolio Management Department, as she resigned to pursue other opportunities. PMIC management and team wished her luck in future endeavors.



Read of the Month

Agent Networks at the Last Mile Implications for Financial Service Providers
Rural agent networks are critical to “last mile” financial inclusion. This reading deck for Financial Services Providers (FSPs) shows: (i) how rural Cash-in/Cash-Out (CICO) agent network expansion leads to increased customer value and sustained market growth; (ii) the barriers FSPs face to expand rural CICO networks; and (iii) successful new practices carried out in different markets that address barriers and result in improved rural CICO reach and quality.

<https://www.cgap.org/research>

<https://www.cgap.org/research/reading-deck/agent-networks-last-mile-implications-policy-makers>