

PMIC Launch Ceremony held



Senator Mohammad Ishaq Dar, Federal Minister for Finance addressing at the launching ceremony of Pakistan Microfinance Investment Company at the Prime Minister Office in Islamabad.

The launch ceremony for the Pakistan Microfinance Investment Company Limited (PMIC) was held at the Prime Minister Office. A specialized, for-profit wholesale investment finance company, PMIC was established to fund the expansion of microfinance in Pakistan. It is the first publically funded, privately managed, commercial development finance institution dedicated to accelerate the development of microfinance in Pakistan. PMIC will build on the strong platform developed by the Pakistan Poverty Alleviation Fund over the last 15 years and establish a well-capitalized for-profit wholesale finance business that will provide sustainable funding to retail MFIs through links with commercial credit and capital markets.

PMIC's role is to finance retail microfinance banks and nonbank for-profit and nonprofit microfinance providers (MFIs) to support broad-based economic and employment growth in Pakistan. The Company is mandated to provide a broad range of financial services, including senior and subordinated credit lines, other investment services and to make equity-linked investments in retail MFIs. PMIC will also offer technical assistance to support the institutional strengthening of retail MFIs to build and manage greater operating scale.

PMIC is incorporated as a public limited company under the Companies Ordinance and regulated by the Securities and Exchange Commission of Pakistan. PMIC is also a cornerstone

of the Government of Pakistan's National Financial Inclusion Strategy (NFIS) launched in May 2015, which is a national-level policy framework designed to promote financial inclusion by deepening access to finance for micro entrepreneurs and micro enterprises.

PMIC has been created by the Pakistan Poverty Alleviation Fund, the leading non-profit apex funder for microfinance, Karandaaz Pakistan, a nonprofit company setup to promote small business lending and digital financial services with funding from the United Kingdom Department for International Development (DFID), and KfW (the international German Development Bank).

Mr. Thomas Drew, High Commissioner of United Kingdom, Ms. Ina Lepel, Ambassador of Germany, Ms. Joanna Reid, Head of Office DFID Pakistan, Mr. Wolfgang Mollers, KfW, and Mr. Zubyr Soomro, Chairman, PMIC Board of Directors also addressed the audience.

Mr. Qazi Azmat Isa, CEO of PPAF, said, "The PMIC is a game changer for financial inclusion in Pakistan. PPAF was an integral part of the development of the microfinance sector and the PMIC is going to move the sector to the next level. Financial inclusion is critical to achieve inclusive growth and it is a pre requisite for sustainable economic growth and development, reducing inequality and mitigating poverty. PMIC will build upon the foundations PPAF laid fifteen years ago by providing responsible financial services to the millions of poor and financially excluded individuals of Pakistan."

The ceremony was chaired by the Honourable Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization, Mr. Muhammad Ishaq Dar. He emphasized the importance of accelerating microfinance in the country and called the inception of PMIC a vital step in advancing towards financial inclusion in Pakistan.

He said, "In Pakistan the microfinance sector has spread throughout the country on the back of an enabling policy framework provided by the State Bank of Pakistan and SECP, and the creation of PPAF in 1997 by the PML (N) government. With years of hard work, the microfinance sector now serves 4.2 million borrowers, 15.8 million savers and 5.5 million policy holders. Today the microfinance industry in Pakistan has been rated as one of the best in the world by the Economist's Intelligence Unit. The PMIC is an important milestone in the National Financial Inclusion Strategy approved in 2015 and will serve the needs of an even larger group of people."

The event was closed with remarks from Mr. Shahid Mustafa, CEO PMIC, who thanked all the participants and expressed the hope that PMIC would make a positive mark in the microfinance domain in the near future.