

April - June 2020

Edition # 14



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COVID-19 Onslaught

Within two months of its discovery in Wuhan, China, the virus set foot in Pakistan on February 26th, 2020 when a student in Karachi tested positive upon returning from Iran. From that day onwards, life as we know it changed forever. As panic set in, the pandemic hit almost everything in its path, severely impacting the economy, shutting down schools, malls, businesses, general transportation, manufacturing industries, air travel, and not to mention the precious loss of lives. The pandemic also had severe implications on the microfinance sector, caused by the lockdowns and restrictions imposed on field movements. While disbursements ceased, the primary concern centered on recoveries. Barring a few, the clients' ability to earn and support their families was severely impacted, leaving little or no room for repayment of loans. Timely intervention by SBP and SECP led to the restructuring of loans, both for MFIs and their borrowers.

During the months of April and May, Agahe Pakistan came to the rescue of its valued clients by only recovering the service charges and deferring the principal amounts. This initiative was highly appreciated by our borrowers, for whom, survival under extreme circumstances took precedence over and above everything else. Our branchless banking partners namely Easy Paisa and UBL OMNI were utilized for the bulk of recoveries. Further initiatives were taken to educate communities on COVID-19 preventive measures via SMS and telephone calls. A survey was conducted using a random sample of 3,000 borrowers across six districts to understand how the current situation had affected their households, and the results were used to set the operational strategy for the days ahead.

With the easing of the lockdown towards the end of May, business activity gradually picked up and Agahe Pakistan started disbursing loans once again, albeit selectively. During the month of June, complete loan repayments also resumed, reaching almost 98% of the target by the end of the month.

Throughout the crisis, Agahe Pakistan was not only committed to protecting the interest of its borrowers, but its human resource as well. All staff emoluments along with allowances and benefits were paid on time, and no one was laid off. As an institution, we value our human resource as our greatest asset, who have worked tirelessly during the crisis with unwavering dedication and devotion.



Distribution of Ration Packs

During the holy month of Ramadan, Agahe Pakistan reached out to the vulnerable communities in Districts Kasur, Khanewal, Vehari, Rajanpur and Muzaffargarh by providing a total of 2,500 ration packs. The beneficiaries were selected based on their poverty scores and consisted of daily wagers, widows, men/women with disabilities, homes with women as sole earners, and transgenders. To avoid duplication, the beneficiaries were registered on GOP's Ehsaas Portal as well. The ration packs included enough supplies to support the dietary needs of a small family for one month, and the distribution could not have come at a more opportune moment, since the lockdown was enforced and daily wagers were most affected. In compliance with SOPs set by PDMA and district administrations, Agahe Pakistan successfully completed the task in two weeks by utilizing its field offices as distribution centers. We would like to take this opportunity to thank Association for Gender Awareness & Human Empowerment (AGAHE) and PepsiCo for their generous contribution and support towards this noble cause.



Digital Services Platform

In partnership with Pakistan Microfinance Network, Agahe Pakistan will digitize its entire loaning process from client onboarding to disbursement and repayment. The digital services platform will host a "Loan Management System" that will also be integrated with Credit Bureau in real time to check borrower's credit history, and will include standard reconciliation and reporting features. Towards this end, a contract signing ceremony was held at Agahe Pakistan's head office in Lahore on May 12th, 2020 and included Mr. Barak Ullah-CEO Agahe Pakistan and Mr. Syed Mohsin Raza-CEO Pakistan Microfinance Network.



20th BOD's Meeting

The 20th meeting of Agahe Pakistan's Board of Directors was held on June 06, 2020 at the head office in Lahore. The agenda included progress review, key updates on AML/CFT, restructuring of financing facilities, restructuring of board committees, and approval of annual audit for FY 2019-20. The board also deliberated at length on the impact of COVID-19 on Agahe Pakistan, its borrowers, and measures that may be taken to ensure smooth and efficient running of operations.



Election of BODs on PMN's Board

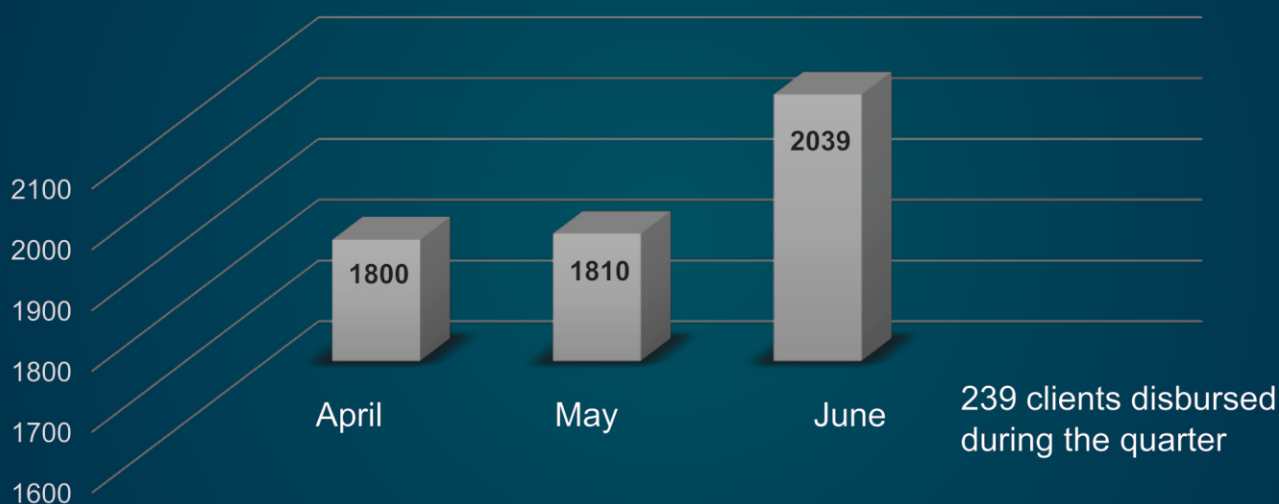
We are pleased to announce that Agahe Pakistan has been elected unopposed as a Director on Pakistan Microfinance Network's Board in elections held on June 25, 2020. Mr. Barak Ullah-CEO Agahe Pakistan will represent small and medium NBMFIs on the PMN Board. We are grateful to PMN affiliates and members for this honor, and especially Mr. Mubarak Ali Sarwar-Founding Member Agahe Pakistan for his continuous guidance and support.



MFP Projects

PRIME-Solar Home Solutions

Clients Disbursed Q2

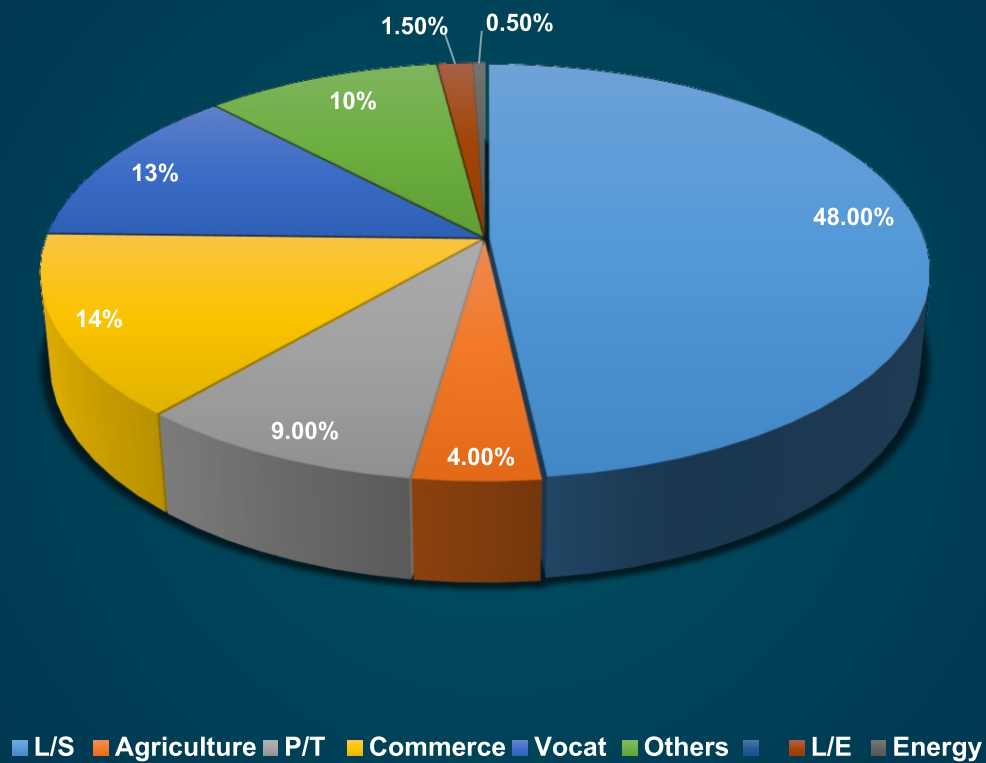


Portfolio Snapshot

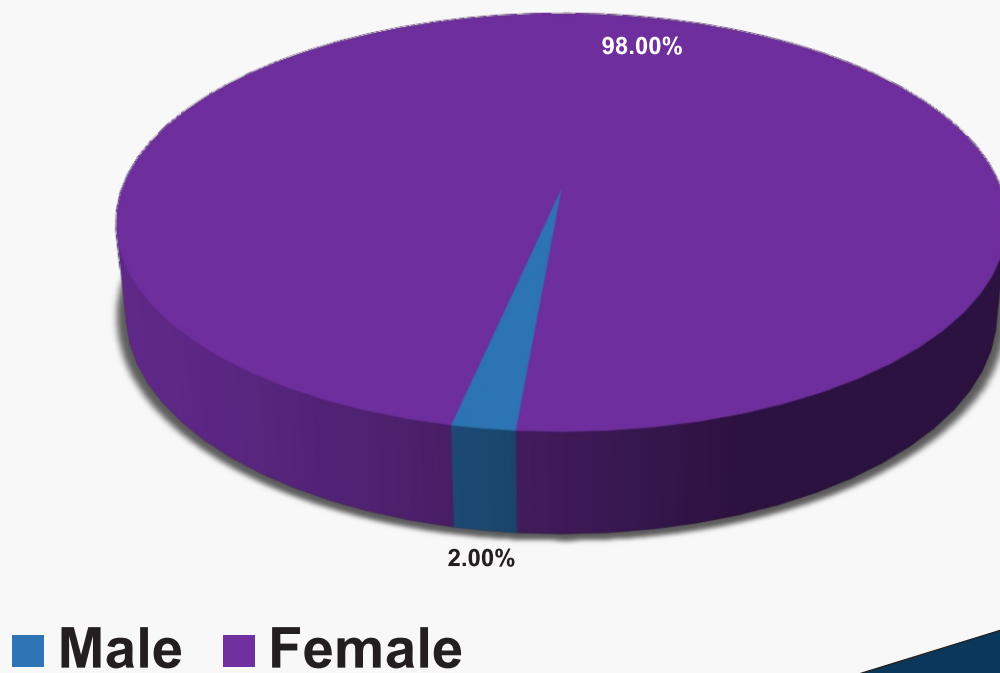
Commercial & IFL Progress for Q2 - 2020

Particulars	Commercial Program	IFL Scheme	Cumulative
No. of districts covered	06	01	06
No. of branches	24	01	25
Active loans	28,689	1,231	29,920
Male active loans	466	0	466
Female active loans	28,223	1,231	29,454
OLP	599.31 M	16.87 M	616.18 M
Loans disbursed for the quarter	1,892	114	2,006
Loans disbursed since inception	107,770	16,735	124,505
Amount disbursed for the quarter	63.80 M	2.56 M	66.36 M
Amount disbursed since inception	3.25 B	410.41 M	3.66 B

Sectorial Distribution



Gender Wise Distribution



Success Story of Sadia Kanwal

Sadia is a talented entrepreneur with a vocational diploma that she had acquired back in 2001. She is currently running a successful stitching and embroidery business that she had set up after taking a microfinance loan from Agahe Pakistan a few years ago. She is a proud mother who has single handedly taken care of her daughter while continuing to expand her business and customer outreach.

Sadia has had her share of ups and downs in life, but remained steadfast and refused to give up. Her greatest strength was her daughter, who was abandoned soon after birth. After successfully availing a loan from Agahe Pakistan, she started her own stitching business, working on her own and taking care of her daughter at the same time. She is an expert in embroidery and designing of bridal wear, cushions, pillows, shawls and headscarves to mention a few, taking orders from within her community in Vehari. Over the years, Sadia has managed to incorporate latest designs into her work, and is also training three girls who help her out with large orders. Sadia has been a tremendous source of strength and motivation for her family members, especially her daughter, who really looks up to her and is also an avid learner of arts and crafts, with a teacher that is none other than her mother.



COVID 19 Safety Measures

How is it spread?



Contact with an infected person with COVID-19 virus through coughing or sneezing

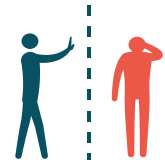


Contact with contaminated surfaces or articles with the COVID-19 virus

How can I protect myself and others?



Regularly wash hands with soap and water, or use an alcohol based hand sanitizer



Avoid close contact with people who have COVID-19



Cover your nose and mouth with tissue or cough and sneeze into your elbow



Avoid hugging people who have COVID-19

Signs and symptoms



Fever



Cough



Shortness of breath



Body ache



Headache



Stay home and avoid travelling when you have COVID-19