

# 2016

## Annual Report



## VISION

“To create an enabling environment for vulnerable segments of society where they can utilize their full potential for improvement in their lives and have equal opportunities to safe guard their rights”.

## MISSION

“To optimize the intangible resources of individuals, organizations and institutions to achieve maximum efficiency”.

## Objective

“To provide social services to the marginalized communities in Pakistan especially women and youth through provision of micro-finance, facilities, trainings, linkages, development and networking for all types of lawful economic activities”

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Foreword

# Chief Executive Officer's Foreword



Dear Friends and Stakeholder's

I am pleased to share the first annual report of Agahe Pakistan for the year ended June 2017. Agahe Pakistan a Non-Bank Finance Company incorporated in January 2016 under section 42 of Companies ordinance 1984 having license to carry investment finance services.

The introduction of NBFC rules make it compulsory for microfinance institutions to get NBFC license from SECP. To comply with NBFC rules Association for Gender Awareness & Human Empowerment (AGAHE) spin off its microfinance program by establishing a new company (Agahe Pakistan). Agahe Pakistan was transformed from Association for Gender Awareness & Human Empowerment (AGAHE) in October 2016 and taken control of its microfinance operations, assets, liabilities, equity & staff as well. In December 2016 Agahe Pakistan formally received license to carry investment finance services as Non-Bank Finance Company. The transition phase completed smoothly for which I am very thankful to Board of Directors of both entities.

The entire microfinance sector is being regulated either by central bank (State Bank of Pakistan) or Securities & Exchange Commission of Pakistan. With this new regulatory framework, the sector is entering into a new phase of growth, opportunities and challenges. Pakistan Poverty Alleviation Fund along with DFID & KFW has formed a new company with the name Pakistan Microfinance Investment Company to cater the funding needs of the sector especially NBMFI's. A good number of international investment has also come into country in microfinance sector which has further broaden the scope of the sector. Agahe Pakistan being part of the sector is absolutely ready for this growth phase backed by strong governance system, young & energetic professional team, strong internal

Despite the fact that the management was heavily engaged in smooth institutional transition from AGAHE to Agahe Pakistan, the growth remained very impressive. During the year Agahe Pakistan expanded its commercial microfinance operations in District **Muzaffargarh** by establishing a branch in **Kot Adu** besides enhancing the productivity of its existing branches. During the year Agahe Pakistan served **16,215** households by providing interest free / with interest loans amounting **Rs 428.820** million to enhance their livelihood and bringing them to financial mainstream. The growth in outstanding loan portfolio stood at **104.765 million** along with **4,698** increase in number of active borrowers. The portfolio quality as usual remained very good having zero portfolio at risk. The percentage growth in outstanding loan portfolio remained **68 %** and bring it to **Rs 258.717 million** whereas the growth in active borrowers remained **41 %** for the year ended.

I am very thankful to Almighty Allah and my entire team with whom such achievements were possible. Agahe Pakistan is taking care of social aspects and putting its client at the center of operations. Besides providing loans to beneficiaries Agahe Pakistan is making an attempt to change the lives of financially excluded peoples through capacity building initiatives, linkages development and providing them alternate delivery channels.

The journey towards achievement of Aghae Pakistan's mission will continue to work by providing social services to marginalized communities through provision of microfinance, trainings, linkages development & networking for all types of lawful economic activities in years to come.

May Allah succeed us!  
Mr.Barakullah

# Introduction



## About the AGAHE

Association for Gender Awareness & Human Empowerment (AGAHE) formed as a nonprofit organization and registered in May 2007 under Societies Welfare Registration Act 1860 having registration number RP 3660. The core programs of organization include WASH, Livelihood, Microfinance, disaster management & governance. Being one of core program, the organization started its micro finance operations in April 2010 for marginalized community of district Vehari to increase their income generation, enterprise development, poverty reduction & market linkages with the financial support of Pakistan Poverty Alleviation Fund. The operations was started by establishing a branch in Vehari. The organization had an opportunity to enter into partnership with Pakistan Poverty Alleviation Fund under their “young partner development initiative program” in District Vehari. The purpose of program was to provide formal access to financial services in less penetrated areas of country. The access to finance was provided through Credit and Enterprise Development (CED) product. These loans are extended in the fields of commerce, petty trading, handicrafts/vocational, light engineering, manufacturing, agriculture, livestock and others. With the passage of time the relationship with Pakistan Poverty Alleviation Fund strengthened and the organization was given expansion & growth opportunities to not only in District Vehari but also in District Rajanpur & District Muzaffargah. In April 2013 PPAF provided opportunity to organization to work in District Rajanpur and organization established its branch for provision of microfinance services to marginalized communities.

Currently micro finance program is being operated in 248 villages of 61 UC's of tehsil Vehari, Mailsi & Burewala of (District Vehari) & Tehsil Rajanpur (District Rajanpur) through its seven branches. The organization continued to penetrate in existing districts with focus on growth as there is a substantial population of the target market available within these areas of Punjab



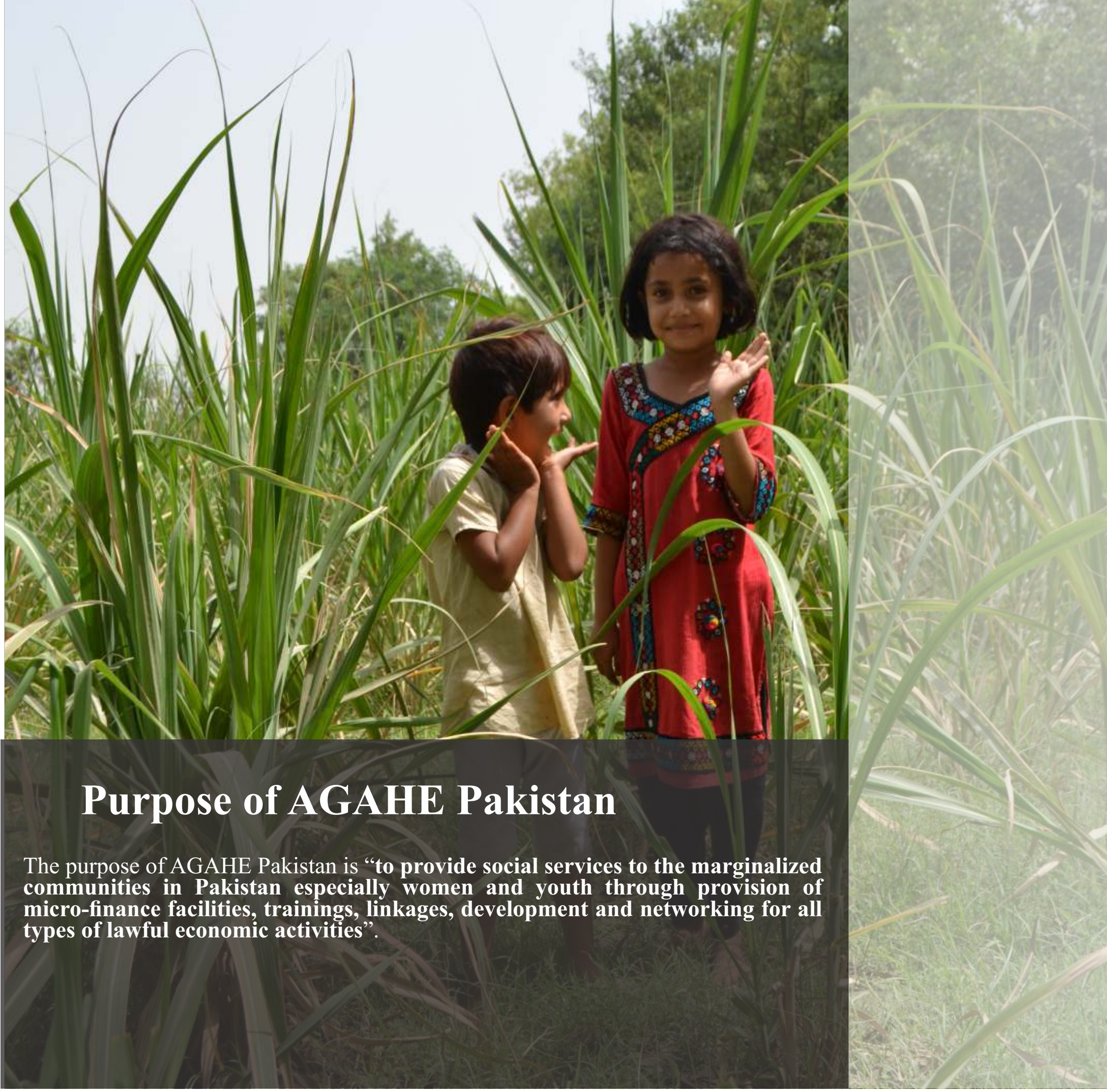
## How AGAHE Pakistan Began



With the introduction of NBFC regulations in 2015 it became mandatory to obtain NBFC license for continuation of microfinance operations. The organization has formed a company with the name of “Agahe Pakistan” under section 42 of the Companies Ordinance 1984 to transfer its microfinance operations. The company was incorporated in January 2016 and formally takeover the microfinance operations of Association for Gender Awareness & Human Empowerment (AGAHE) on October 1, 2016. In December 2016 Agahe Pakistan has been given licenseto carry investment Finance Services as **Non-Banking Finance Company** by Securities & Exchange Commission of Pakistan.

Pakistan is a market of a more than 195.4 million people, with the majority living in rural areas. Over the years, there has been considerable rise in the acknowledgment of microfinance as an imperative tool for policy development, poverty alleviation and socioeconomic empowerment. AGAHE Pakistan started its operations with aim of working for alternative development at grass-root level in Southern Punjab, Pakistan. Since its inception, AGAHE Pakistan has laid strong emphasis to build up as a strong institution for delivering economic and social services to the deprived communities. AGAHE Pakistan believes that microfinance interventions support impecunious household's economic wellbeing, and assisting in empowering women through sustaining women's economic participation and consequently promoting gender equality.

The institution is not only extending their financial services to the clients but also taking a proactive role in the provision of education, training/capacity building and health facilities to the people of



# Purpose of AGAHE Pakistan

The purpose of AGAHE Pakistan is “to provide social services to the marginalized communities in Pakistan especially women and youth through provision of micro-finance facilities, trainings, linkages, development and networking for all types of lawful economic activities”.

## Objectives of AGAHE Pakistan



To facilitate the poor communities to start income generation activities to reduce poverty through provision of micro credit in the target area.



To provide loans to the low-income groups appropriate to their needs, on easy terms.



To facilitate the poor and marginalized people to initiate their own productive employment.



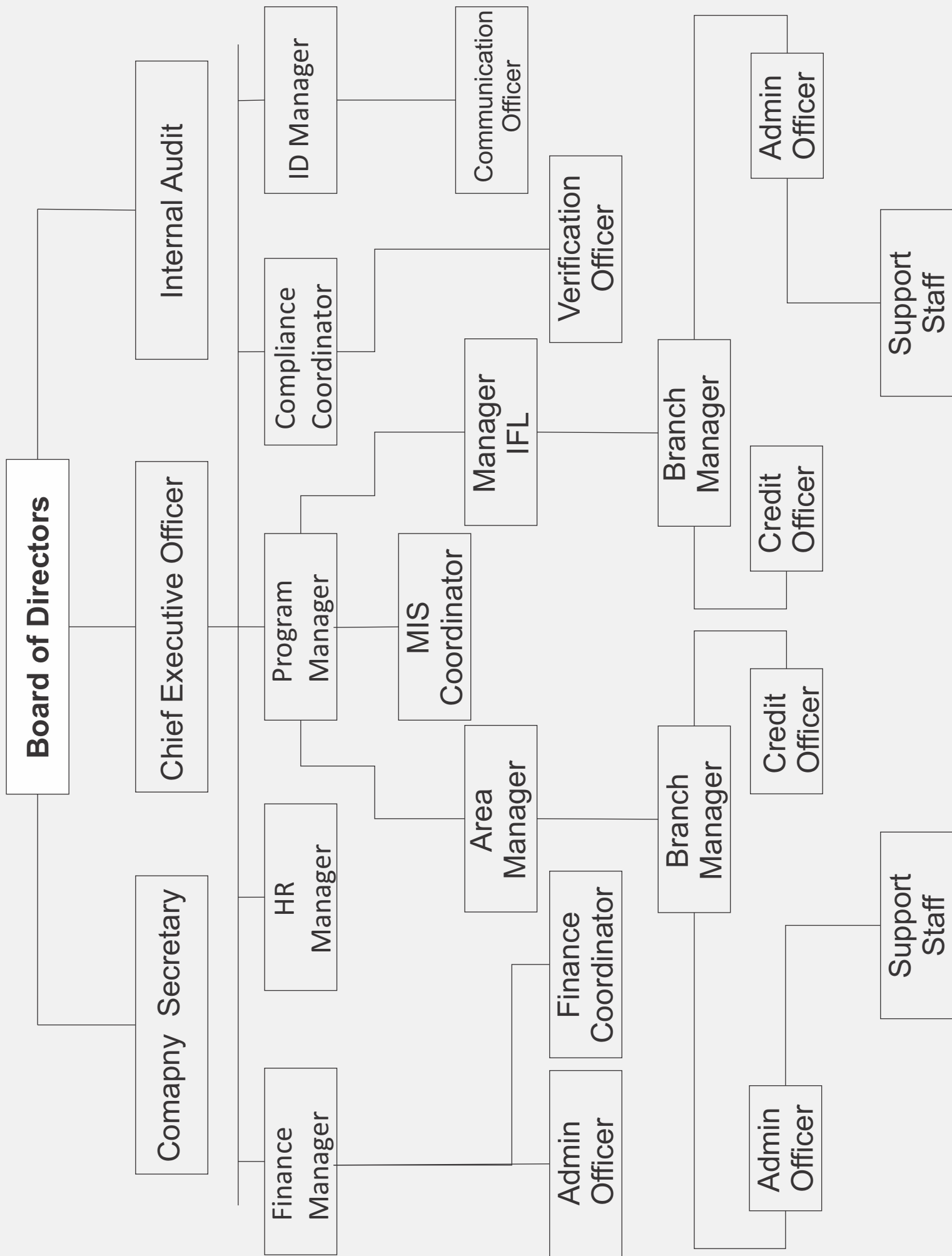
To increase the productivity of the poor involved in micro enterprises;



To empower the poor women through involving them into income generation activities.



Organize people into small groups to organize the poor and subsequently enhancing the social cohesion.



# Governing Body of Agahe Pakistan

## GOVERNING BODY

The seven members of Agahe Pakistan's governing body comprise distinguished professionals, activists and entrepreneurs of excellent repute who bring their diverse skills and experience to the governance of Agahe Pakistan .

**Mr. Tasadduq Rasul**  
Director



Master in Social Work and Rural Development, Head of Organizational Effectiveness at ActionAid Pakistan, having thirteen years of experience in organizational and program effectiveness while using human rights based approach to development. Significant areas of expertise are strategic and operational planning; development and management of accountability, learning and planning systems; programs, projects designs and management; results based monitoring, reporting and knowledge management; facilitating participatory reflection and action processes, context mapping, evaluations and impact assessments; capacity development of staff and organizations on mentioned processes. Mr. Tasadduq has received one year training on Social Enterprise Management from Lahore University of Management Sciences (LUMS) with five key modules on Leadership, Team building and Human Resource Management, Strategic Issues in the Social Sector, Operations Management and Program Planning, Financial Management and Budgets, Fundraising, Marketing and Advocacy. During recent years, Mr. Tasadduq has been engaged at national and international levels for facilitation of global trainings on Reflection-Action & Human Rights Based Approach to Development in Thailand, Uganda and Nepal, and has been a member of technical groups and task-forces.

**Ms. Sabahat Batool**  
Chairperson



**Ms. Sabahat** is an experienced Chartered Accountant with more than five years of experience in the field of Accounts, Finance and Auditing. Ms. Sabahat has done Chartered Accountancy from Institute of Chartered Accountants of Pakistan (ICAP). She is associated with NRS International. Being the Team Lead of Cash, Banking & Receivables), she has been involved in implementation of ERP by acting as a power user and thus gained a grip on almost all the processes of the organization. In most recent past, she has been working with Pyramid Gas (Pvt.) Ltd. as Manager Accounts and Business Relations, intensifying not only in an accounting expertise but also played a vital role in international business relations and local affairs of the organization. Of late, she was given an opportunity to be a part of Deloitte Pakistan and has been involved in various assignments including full scope audits to internal audits and risk advisory services, limited compliance reviews, agreed upon procedures assignments, and special certifications in accordance with the regulatory or contractual requirements. She has attended trainings and courses not only on Audit, Finances & Accounts but has also attended a training on Corporate Governance for Microfinance Institutions organized by Pakistan Microfinance Network (PMN).

**Ms. Burara Qasim**  
Director



Ms. Burara has been affiliated with Corporate Banking for more than 12 years. She had originally joined Bank Alfalah Limited as a Retainership Officer in 2005, then associated with Royal Bank of Scotland Limited in Credit Administration Department. She further pursued her career with NIB Bank Limited and now in The Bank of Punjab in same department and now oversee numerous banking functions. She has served with major corporate entities in areas of general management, corporate planning, and compliance. She holds a degree of MSC in Economics.

Mr. Muhammad Akram  
Director



Mr. Akram holds an MBA in Finance from University of the Punjab, Lahore. He has extensive experience of over 35 years in commercial banking. Mr. Akram began his career from Karachi in September 1978 with Habib Bank Limited and attended comprehensive training course on banking & finance for two years before joining Bank of Credit & Commerce International (BCCI) in 1980 in Trade Finance Department to provide high standards of services to a large portfolio of individual and corporates. During 1991, he moved to Habib Credit & Exchange Bank and served there for 6 years starting from Credit Department to make loans and completion of post sanction formalities. Then he became an in-charge Special Asset Management Department to deal with law firms and courts in connection with recovery suits filed by the bank for bad and stuck up loans. Further, he took a charge of Team Leader in marketing and sales department for strategic planning to develop business and generate new accounts. The scope of responsibilities were diverse and involved strategic direction, human resource affair, new business development and managing day-to-day operations of branch during his service as Manager Operations in Bank Alfalah for 3 years. Throughout his career, he expedite in almost all areas of commercial banking including Trade Financing, Credits, Marketing and Sales. He got retired from Askari Bank Limited in 2014 when he was managing the entire portfolio of foreign trade and financing as Manager Foreign Trade and Finance.

Mr. Muhammad Yaqoob  
Director



Mr. Yaqoob has obtained a Master's degree of Social Work in 1995 from University of the Punjab, Lahore and started his career as Assistant Professor teaching Social Work to the student of Bachelors at Government F.M.F Degree College, Gujranwala. He has a widespread experience of more than 20 years in social development and to excel in understanding financing for rural development, he obtained a degree of MBA in Finance in 2012.

Mr. Arshad Mahmood  
Director



Mr. Arshad holds a degree of Bachelor in Engineering (Civil) from National University of Sciences & Technology (NUST) Islamabad. He started his career with Ghazi Brotha Contractors as Senior Quantity Surveyor in the contract department in 2001 and moved on to Pakistan Poverty Alleviation Fund (PPAF) as Management Executive in the Procurement Unit in 2005. Afterwards, he joined AlanDick Pakistan (Pvt) Ltd as Quantity Surveyor to make the best use of his engineering skills. Then, he ventured into a business when he started a mechanical and engineering firm MA Engineering at Lahore and is being responsible for growing into one of the leading engineering firms at Lahore in future years. Being an entrepreneurship, he has a great interest in business development activities in social sector and is a hub of ideas that are helpful for people in need to start generating their income with the support of micro-credit scheme. He also attended trainings on Corporate Governance and Human Resource Management.

Dr. Suhail Saleem  
Director



Dr. Suhail owns more than 20 years' experience in Dairy Sector after receiving a degree of Doctor of Veterinary Medicine in 1991. He is serving as a Director at Punjab Board of Investment & Trade (PBIT). Before that, as a dairy consultant, he provided services to the milk processing companies, rural communities and commercial livestock farms mostly from the platform of NGOs throughout the country right from the beginning position of 'Social Organizer' up to 'Deputy Regional General Manager'. In that capacity, his input in the dairy sector was to develop and implement economically viable plans along with capacity building activities related to best farm practices for the poor farming community and Commercial Livestock farms. He has also served as Project Manager for USAID funded program on 'Pakistan Safe Drinking Water and Hygiene'. In addition to that, he has obtained a degree of M.Phil in Rural Development and trained hundreds of village leaders to establish CBOs on self-help basis. He has also been a Member BOD for Oxfam GB during 2011-12.

FINANCE AND  
AUDIT COMMITTEE

The governing body of Agahe Pakistan constitutes the Finance and Audit Committee with the following members:

Audit Committee
<ul style="list-style-type: none"><li>Sabahat Batool (Chairperson)</li><li>Burara Qasim (Member)</li><li>Muhammad Yaqoob (Member)</li></ul>
HR Committee
<ul style="list-style-type: none"><li>Arshad Mehmood (Chairman)</li><li>Suhail Saleem (Member)</li><li>Tasadduq Rasool (Member)</li></ul>

Each member is free of any relationship that would interfere with the exercise of his or her independent judgment as a member of the committee. Members of the committee have professional experience and expertise in different sectors.

Role and purpose

The primary function of the finance and audit committee (the committee) is to assist the governing body (the board) in fulfilling its responsibilities for:	
✓	Financial reporting and budgeting processes
✓	System of internal controls and risk assessment
✓	Compliance with legal and regulatory requirements
✓	Qualifications, independence, and performance of the external and internal auditors

# FIVE - YEAR STRATEGIC PLAN 2016-2020



In the next five years, Agahe Pakistan aims to reach to a million underprivilege women and men to improve the outreach and improve the access to and have more control over resources and decision making and maximize the opportunities and expand services for the unmet needs of the people we already reach in Southern Punjab, Pakistan.

## To achieve this goal, we will make the following changes: Programming:

### Graduate our client:

Graduate our clients from asset transfer to interest free loans and from interest free loan to commercial microfinance to graduate households out of extreme poverty.

### Skills and decent work for underprivileged women and men:

Expansion in the number of clients is critical in achieving the status of leading microfinance institution in Pakistan. The expectation by Agahe Pakistan management, projects the achievement of a customer base of 22,400 clients by the year 2018, which is approximately 5 times of clients existing at the end of 2016.

### Clientele Outreach:

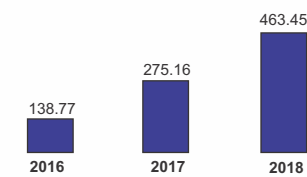
Equip young people (50% women, 10% person with disabilities and minority groups) with skills training and link them to decent jobs or entrepreneurship.

### Financially empower people living in poverty:

Strengthen client protection mechanisms and expand financial education services to all clients.

### Net Loan Portfolio Outstanding:

At the end of second half projected FY 2016, net outstanding loan portfolio will be Rs. 123 million, which will be increased to Rs. 402 million in FY 2020. The continuous upward trend in the net outstanding loan portfolio in the is indicative of growth in loan disbursement made in each year mainly due to opening of new branches in targeted areas.



Net Loan Portfolio (Rs.Million)

## Financing:

One of the key challenges faced by most of the micro finance institutions is accessibility to required capital at a reasonable price. The financing of Agahe Pakistan is assumed to flow in through the following sources:

- ◆Pakistan Micro Finance Investment Company
- ◆Commercial funding obtained from Banks.
- ◆Commercial funding obtained from ORIX leasing

We will improve our organizational efficiency, cost effectiveness and cost of delivery, through streamlining our key business processes (eg, procurement, recruitment), and though cutting down avoidable costs.

## Human Resource:

Employment of effective and efficient human resource is a key to success for any organization. However, in MF sector, the importance of trained staff at branches and AO is manifold. It is envisaged that staff strength will increase from sixty-six (66) staff members to two hundred and thirty five (235) by the end of FY 2018, owing to the fact that new areas will be explored and new branches will be established to meet the needs of clients.

## Organizational focus:

### Develop management and business thinking capacity:

Change leadership style to encourage risk taking, promote innovation and ensure a continuous succession of leaders. Attract staff with business/social skills that can implement social enterprise models and give them competitive salary packages. Strengthen staff capacity especially senior management team on innovation and communication with the support of ID department.

### Increase efficiency of structures/models with the help of pilot projects:

Implement pilot projects with support of ID department and scale them up with respect to their success to bring innovation in the organization and sector.

### Increase influence through knowledge and evidence-driven advocacy and strategic partnership:

Increase our value as a knowledge partner and attract innovation, implementation and knowledge dissemination partners with the help of ID department.

### Increase the use of technology at organizational level:

Incorporate more technology, particularly around MIS, HR and Program and adopt hi-tech models to improve their efficiency.

**Strengthen and align support programmes:** Increase accountability within support units through streamlining processes and introducing feedback loops and strengthening internal audit department.

# Senior management Team

**Syeda Anum Faitma**

**Company Secretary**



**Mr. Sajid Ali**

**Finance  
Manager**



**Ms. Zainab Sohail**

**ID Manager**



**Mr. Imran Akbar**

**Program Manager**



**Mr. Mubeen Shahzad**

**HR Manager**



**Mr. Ihsan Nazir**

**Assistant Internal  
Audit Manager**





**“Small loans can transform lives, especially the lives of women and children. The poor can become empowered instead of disenfranchised. Homes can be built, jobs can be created, businesses can be launched, and individuals can feel a sense of worth again.”  
—Natalie Portman**

# LOAN PRODUCTS

## General Loan CED (Credit Enterprise Development)

Since start of Micro Finance Operations AGAHE Pakistan is operating with single product i.e General Loan that ranges from Rs 15,000-75,000. AGAHE Pakistan is in process of expanding its Micro Finance Operations and to maintain the sustainable growth, there was a need to improve our operations by diversifying products. Present product which was being offered by AGAHE Pakistan can only meet requirements of specific segment. As the Micro Finance Market has become more competitive, we need to pay much more attention to consumer preferences & priorities in defining what and how financial services should be delivered to clients.

## Micro Enterprise Loan

## Agriculture Loan

To bring diversity in products we conducted a comprehensive market research in Southern Punjab Based on market research following need based products were developed in agriculture Enterprise sectors. With the development of new products AGAHE Pakistan is now offering following products under its Micro Finance Product including; livestock, commerce, manufacturing, handicraft & embroidery, services, general loan CED (credit enterprise development), micro enterprise loan and agriculture loan.

## Livestock Loan

### General Loan CED

The objective of microcredit loans is to improve small scaled businesses of the low income & disadvantaged segments of society. These loans are provided for productive purposes to people in rural, urban and semi urban areas of the target area. This loan is extended in the fields of commerce, petty trading, handicraft, engineering, manufacturing, livestock and other small scale businesses. The organization encourages participation of community in the process of loaning through formation of Community Organizations of potential clients for loans.

### Agriculture Loan

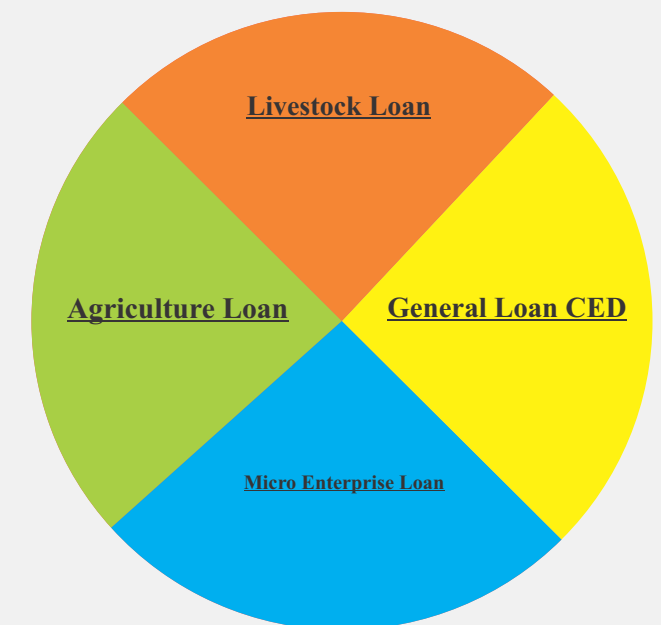
Agriculture Loans aims to strengthen the economic base of the low-income farmers, through their increased access to easy and cost-effective financial services. Organization also provides capacity building trainings to the poor farmers and development of market linkages. Agriculture loans are extended to purchase agricultural inputs i.e. seeds, fertilizer, pesticides, herbicides etc.

### Livestock Loan

The objective of livestock loan is to improve livelihood of low income small farmer through increased livestock, replacement of existing livestock with improved breed & through provision of milking animals.

### Micro Enterprise Loan

Micro Enterprise Loan is designed for potential and capacitates clients who already have taken loan facility under CED and completed three loan cycles successfully. The objective of this program is to expand and increase the volume of business of its target entrepreneurs and for their productive self-employment. This loan is extended in the fields of commerce, petty trading, handicraft, manufacturing and livestock etc.



# TARGETING THE ULTRA POOR

Lifting  
MILLIONS of  
LIVES out of  
ultra poverty



# Graduate Model

Our programme is specifically designed to support the underprivileged households who are unable to access the financial market and conventional development interventions. We are committed to achieve the SDG goal 1: To eradicate poverty and developed a 'graduation' model to contribute in poverty alleviation. We aim to improve the livelihood of the poor through our economic model in which we first provide Interest Free Loan to the poor to improve the livelihood and after the improvement we graduate our client and provide financial and capacity building services through commercial microfinance program to further strengthen the business of the client.

## REGULAR MICROFINANCE & MICROFINANCE PLUS

UPTO 100

- Transitory poor, transitory vulnerable
- Pro poor value chains
- Micro insurance products
- Creating entrepreneurs
- Access to need based financial services
- Access to savings and banking services
- business expansion

## ASSET TRANSFERS & LIVELIHOOD INTERVENTIONS

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- Livelihood interventions (asset transfers + skill trainings)
- Provision of skill/ vocational training
- Production centres

## INTEREST FREE LOAN SCHEMES & COCESSIONAL LOANS

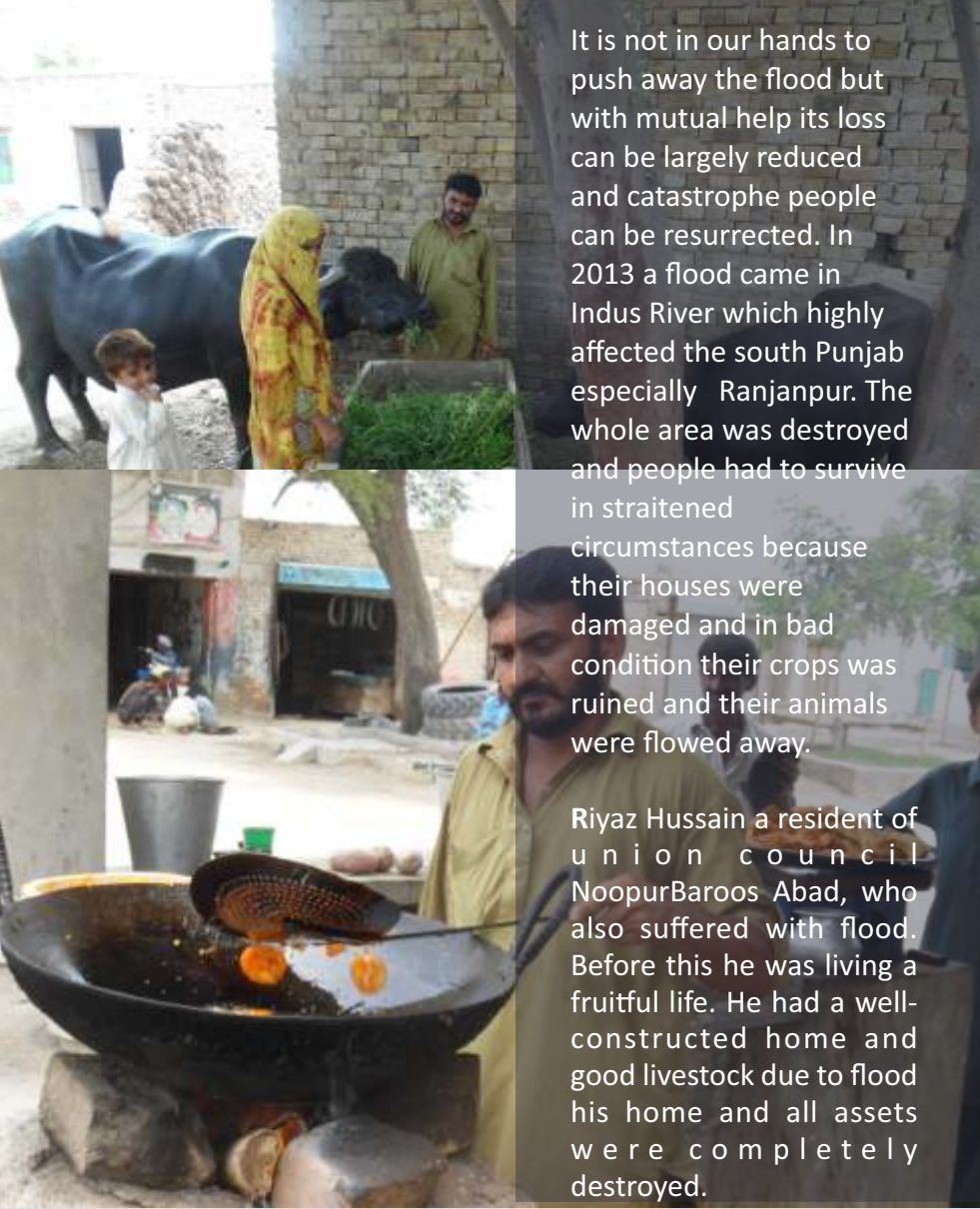
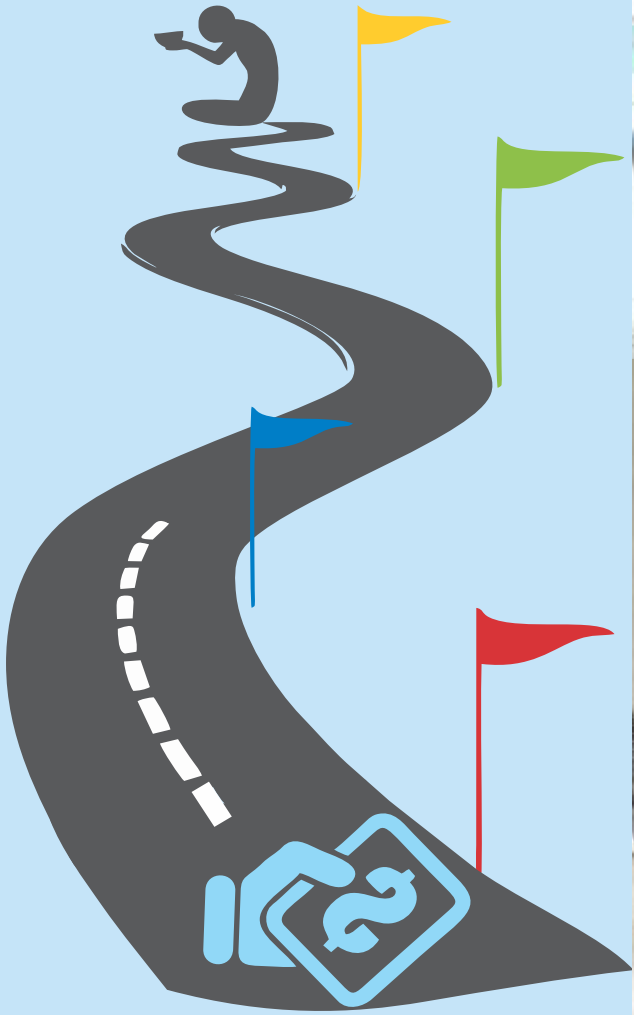
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- Asset(s) strengthening
- Employment generation
- Production centres
- Market linkages
- Value and chain

## SOCIAL PROTECTION SAFETY NETS

0 - 16.17

- Cash transfer through GOP, Social Protection Program



It is not in our hands to push away the flood but with mutual help its loss can be largely reduced and catastrophe people can be resurrected. In 2013 a flood came in Indus River which highly affected the south Punjab especially Ranjanpur. The whole area was destroyed and people had to survive in straitened circumstances because their houses were damaged and in bad condition their crops was ruined and their animals were flowed away.

Riyaz Hussain a resident of union council NoopurBaroos Abad, who also suffered with flood. Before this he was living a fruitful life. He had a well-constructed home and good livestock due to flood his home and all assets were completely destroyed.

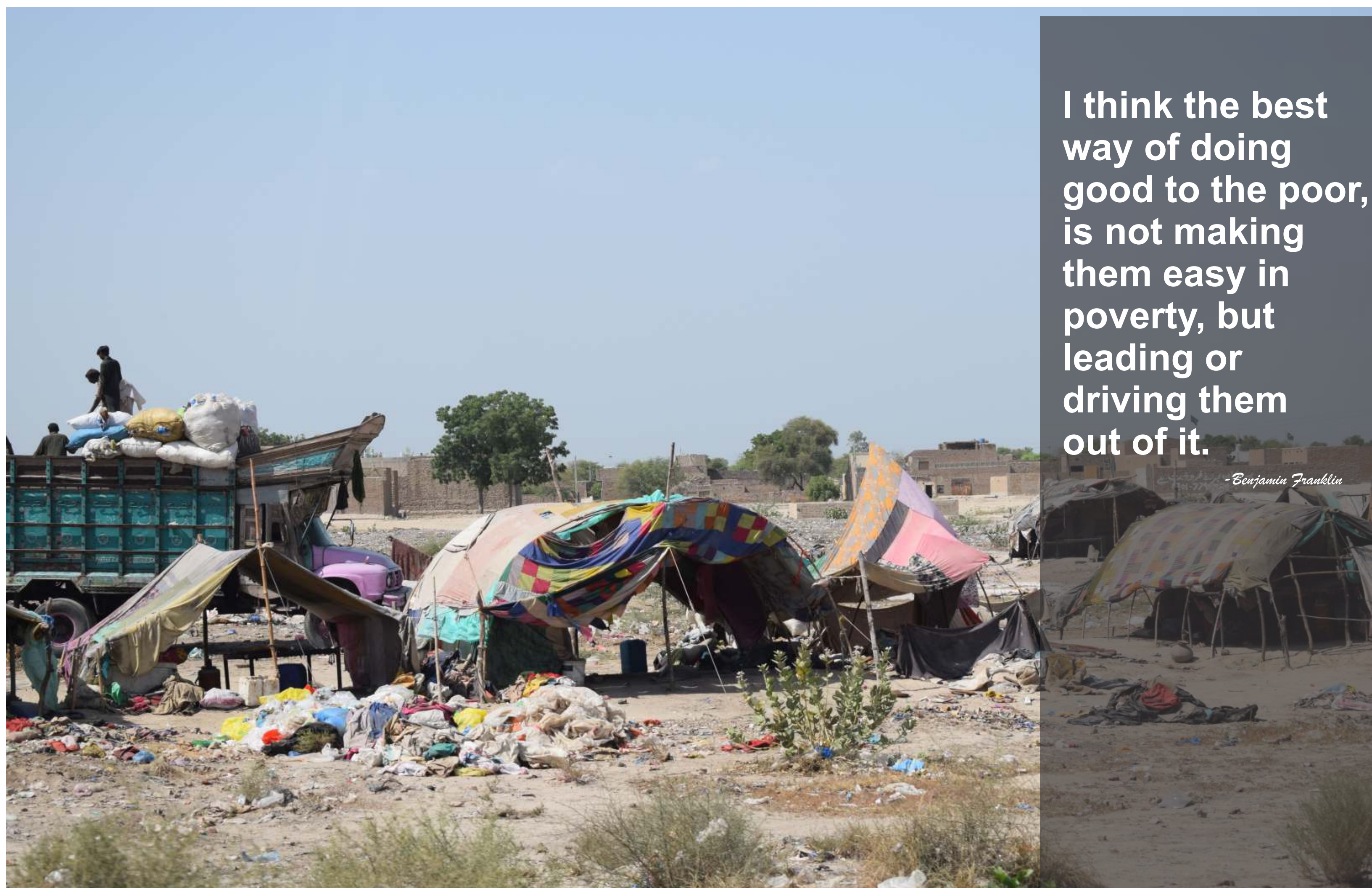
AGAHE took initiative to reestablish the community by starting the social development. AGAHE under its project **Livelihood, Employment and Enterprise Development** funded by **PPAF** has ensured skills enhancement of poor and vulnerable communities for their social and economic empowerment. This led the establishment of social enterprises and **Riyaz Hussain** one of them that get training from AGAHE under the LEEP LEED project in which AGAHE provided different kinds of Free Assets to needy peoples whose PSC are below 18. AGAHE provided the LIVESTOCK Enterprise vocational agriculture CIG, trainings to the Community of Noorpur Union Council for tackle their financial problems. AGAHE Village committee decided and gave the asset of 50 thousand to **Riyaz Hussain**. AGAHE delivered Raw material of sweets and bakery shop items to him and he started his business. In few months he worked hard sustained his business as he started to earn a handsome amount for his household but he wanted to expand his business to increase his household income as he would be able to save the money to rebuild and reconstruct his house which had been damage with the flood. For the expansion of his business he needed the capital so he contacted to AGAHE Pakistan to acquire a interest free loan. AGAHE Pakistan provided him 35,000 PKR loan amount under the Prime Minister Interest Free Loan Program. with this amount he expanded and diversified his business and increased his shop's items and purchased some machines. This expansion increased his income as he became able to save some money form his income. With machines his production quality became better and his costumer increased because of his good taste and quality.

This bring a great change in his life he renovated his house and purchased some goats and a cow. By the time he completed his loan cycles and acquired more loan. Now he is graduated in Commercial Micro Finance loan. He has a plan to make a proper bakery store along with his own production house.

Has to say following for AGAHE Pakistan "I cannot forget how AGAHE Pakistan Helped me and hold my hand in difficult time and made me able to complete my household expender with dignity and respect."

I think the best way of doing good to the poor, is not making them easy in poverty, but leading or driving them out of it.

*- Benjamin Franklin*



# Innovation



We explore the solutions for challenges what people face or what people may face in the future. by empowering the people living in poverty. South Punjab's position in the national economy is rapidly changing, and development needs are becoming more complex and diverse.

One of AGAHE Pakistan's strategic objectives is to expand its development portfolio in Pakistan. A cornerstone of these efforts is the promotion of renewable and clean energy. AGAHE Pakistan sees itself as an important actor in this area by providing community solutions which are easy to use and can be maintained at a low cost as AGAHE Pakistan has already strong roots in microfinance. The following initiatives have been implemented and are introduced in Rajhanpur;

## 1.Promoting skills related to solar energy

## 2.Solar Based Supply Schemes

As part of its commitment to renewable and clean energy, AGAHE Pakistan is looking for partners in order to roll out a programme that would provide access to solar energy to off-grid communities. The aim of this partnership would be the electrification of off-grid communities through the provision of low-cost home-based solutions and by creating local capacity for the maintenance of these solutions.

### 1.1D. Light

D.light is a global leader in delivering affordable solar-powered solutions designed for the two billion people in the developing world without access to reliable energy. A social enterprise, d.light provides distributed solar energy solutions for households and small businesses that are transforming the way people all over the world use and pay for energy. Through four hubs in Africa, China, South Asia and the United States, d.light has sold more than twelve million solar light and power products in 62 countries, improving the lives of over 65 million people. d.light is dedicated to providing the most reliable, affordable and accessible solar lighting and power systems for the developing world and reaching 100 million people by 2020.

### 1.2Cooperation on Renewable Energies

International Finance Corporation (IFC) is a group of World Bank and works with the private sector to encourage entrepreneurship and build sustainable businesses. AGAHE Pakistan has initiated a pilot project. AGAHE Pakistan has partnered with d.light and IFC to endorse a pilot project with the objective of providing renewable solutions in rural households of Punjab. In the first phase of the project, AGAHE Pakistan would provide renewable energy solutions including solar lights to 300 households in Rajhanpur. For this purpose, D.light has participated in the training of AGAHE Pakistan's staff and advised on useful skills the staff could learn about solar lights.

AGAHE Pakistan strongly believes that IFC and D.light could play an essential role in offering home-based solar solutions would be one of the more feasible products help the clients. By working with IFC and d.light on this pilot project in Pakistan, AGAHE Pakistan would not only experiment innovation in Punjab but also strengthen livelihoods opportunities and diversify career options for the clients in Pakistan.



Applying innovations in microfinance sector to help the marginalised community to achieve financial freedom. We organized events in various places of South Punjab and observed that there are distinctive opportunities and dynamism for cooperation between the microfinance sector and society, AGAHE Pakistan is actively looking to avail these opportunities.

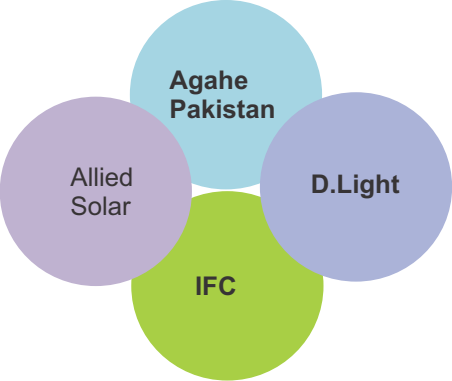


Staff at all levels can better contribute innovation if they are encouraged by an organization to develop an innovative mindset. A key part of this attitude is to encourage innovative behaviours and build the capacity of staff. To implement this way of thinking, we arranged many trainings and workshops for field staff.



The best innovations take into account the realities of client's lives. Solutions are designed around available resources, and then change ecosystems are created to take the solutions to scale. This ensures continuous improvement and full adoption of the new initiatives.

Agahe Pakistan have signed an MOU with D.light for Solar Economic SolarProducts for Rajanpur under Lighting Pakistan in collaboration with International Finance Corporation (IFC)



Products we provided

A1	S2	S20	S100	S300
				
2X brighter than kerosene lanterns	3X brighter than kerosene lanterns	5X brighter than kerosene lanterns	6X brighter than kerosene lanterns	10X brighter than kerosene lanterns
Solar Charging	Dual Charging (Solar & AC)	Dual Charging (Solar & AC)	Dual Charging (Solar & AC)	Dual Charging (Solar & AC)



Provided Solar Lighting Products to Household

Units (on Cash)	630
Units (Credit)	38
<b>Total units</b>	<b>668</b>

Life seems burden especially when you haven't approach on basic resources of life. Light has become a basic need of life without the energy and lights, survival become a challenge. There are a huge number of areas in south Punjab where people are forced to live without the lights and this issue affects their lives badly.

Qasim Ali, a household of 3 family members belongs to Shikarpur which is highly suffering from energy crises sometimes there are fourteen hours loadshedding. Qasim Ali's life was afflicted with this problem and his business was getting ruined because with this issue. He was used to sell the rice with black chickpeas and breakfast. He had to cock his dishes in the night and made them ready before the morning but with loadshedding he was unable to prepare his material in darkness. His household income was also affected because his material was not ready at the time of breakfast and the taste was also changed because of the cocking in the darkness as the result customers started to go to another shop. Moreover his children education was also suffering and the house environment was disturbed.

AGAHE Pakistan addressed the community issue and took initiative to provide a reasonable solution for this problem. AGAHE Pakistan piloted a solar lighting project with the collaboration of International Finance Corporation (IFC) in Ranjapur and provided 300 solar lights to the community.

Qasaim Ali also received the solar lights from AGAHE Pakistan. This became the first step towards a bright and better future. The Solar Lights bring a positive change in Qasim Ali's life and helped him in his cocking in the night as the result the number of his costumers was increased because of his developed food taste. This also increased his household income and gave relief his family in their house works and as well as children in their studies.

Now he is living a fruitful life and he has a plan to expand his business by running his selling the food till night and add some items for the dinner, before he wasn't unable to keep run his business in the night but now with the solar lights he is able to do so.

While Thanking AGAHE Pakistan Qasim Ali Said “ It was a difficult time for me when AGAHE Pakistan approached me and helped me. I appreciate the AGAHE Pakistan works and the quality to understand the basic and grass route difficulties of community and provide them a reasonable and easy Solution. I am really thankful to AGAHE Pakistan on providing me the solar lights.”

# Dairy Value Chain & Micro Insurance Project

Agahe Pakistan with collaboration of Pakistan Poverty Alleviation Fund implemented a pilot project on Dairy Value Chain & Micro Insurance. The purpose was to double the monthly income of the targeted small-scale producers and create more sustainable livelihoods for the beneficiaries especially women by incorporating them into a strengthen dairy value chain. The core objective of the program was to transform lives of our farmer beneficiaries for betterment. This project was a proper composition of such activities those have immediate & long term positive effects on our farmer beneficiaries’ lives as it started from social mobilization & includes famers capacity building on modern techniques to manage their livestock, vaccination & insurance of their animals, to create their linkage with market, providing them customized loans for enchantment of their livestock business & etc.

## Project Flow Chart



Mureed Hussain is a resident of Union council Noor Pur, Basti Habibiullah Tehsil & district Rajanpur. He has nine dependents including two wives and seven children. Basti Habibullah is a deprived from the facilities like local markets and electricity lies several kilometers away from the mainstream areas. It had experienced numerous floods over the years due to its geographical location which has caused massive destruction in the area. Mureed Hussain is a farmer but due to lack of irrigation and other facilities in the area, Mureed is unable to harvest and cultivate crops. To fulfill the household needs and expenses, Mureed has kept one buffalo and few goats. The quantity of milk from his buffalo hardly fulfill the domestic needs. When Mureed heard about Agahe Pakistan’s Prime Minister Interest Free loan Scheme, he decided to obtain loan from the Agahe Pakistan and invest in livestock business. He received the first installment of PKR 25,000 and bought goats to set up a business. Along with the loan, Mureed also received training for livestock management and dairy farming best practices from veterinary doctors under AGAHE Farmer Development Initiative. This further built his capacity and boost his confidence to run his business efficiently and increase his income. Due to Mureed’s endeavors, his family income and standard of living has raised significantly. He and his family started to avail better health facilities and started to send their children to school which seemed impossible previously. However, Mureed’s journey to become a successful entrepreneur was never so easy. He faced various challenges to fulfill his dreams. He explained that “ I faced issues in managing its livestock, underground water was not drinkable for the livestock. I had to travel to nearby village to fetch water for my family and village. Then I decided to overcome this challenge and discussed this with other community people. With their support, we developed a water pound within our community to fulfill the needs of people and its running well now”. Mureed Husain is also a member of one of our Farmer Development Group of Dairy Value Chain & Micro Insurance Project and received various capacity building trainings. He doesn’t only look-after his own livestock but also support other farmers by providing first-aid & curing some diseases with homemade remedies.



# Women Empowerment

By empowering a woman, we empower a child. By educating a girl child, we make it possible for her to grow up to become an empowered woman

— Winnie Byanyima —



## Agahe Pakistan's Role in Promoting Women's Empowerment

Agahe Pakistan believes that increasing women's financial inclusion is especially important as women disproportionately experience poverty, resulting from unequal divisions of labor and a lack of control over economic resources. Since the inception, Agahe Pakistan has worked tremendously to organize women, to provide a platform to come together, access to financial services and improve their livelihood by connecting them to the mainstream development. It has been noticed from Agahe Pakistan's operations that women in particular stand to gain a lot from micro-finance. It gives them an independent means of generating wealth and becoming self-reliant in a society.



38 year old Kausar Parveen is living in Vehari. Kausar Parveen is living a happy life but this was not always the same in past, once she faced an inflexible time. In earlier age she was forcefully got married. Her husband didn't work for family income and pressurized her self. she started work in people's house. After several years she got divorced. At that time she had four daughters from him. Then she married again with a person who had one son from his first wife. He was running a small business of hotel at rented place and scarcely earning the Rs.500 daily. His income was not abundant to effectuate his family necessities. Her living standard was not enough good such as she is having in the current situation. Her child was not receiving quality education and growing up in underprivileged atmosphere.

Kausar Parveen was helping her husband already but she realized that they couldn't run their business because of increasing expenses. She had planned to shift their hotel at her home but she had not the enough capital to maintain their house and purchase the furniture and other material.

She heard from her community about the AGAHE Pakistan's Micro-Finance Loan Program. She visited the AGAHE Branch Office and enquired about the loan and its mechanism. She manifested her business plan of hotel as the result she obtained the loan Rs.20,000.

She deployed this capital to purchase the furniture for hotel and other required equipments. She also collected some loan for the maintenance of a room from her house to convert it in hotel. Then she started her hotel and with a great taste and cheap rates the hotel became a favorite place especially for the labors and for other community members as well as.

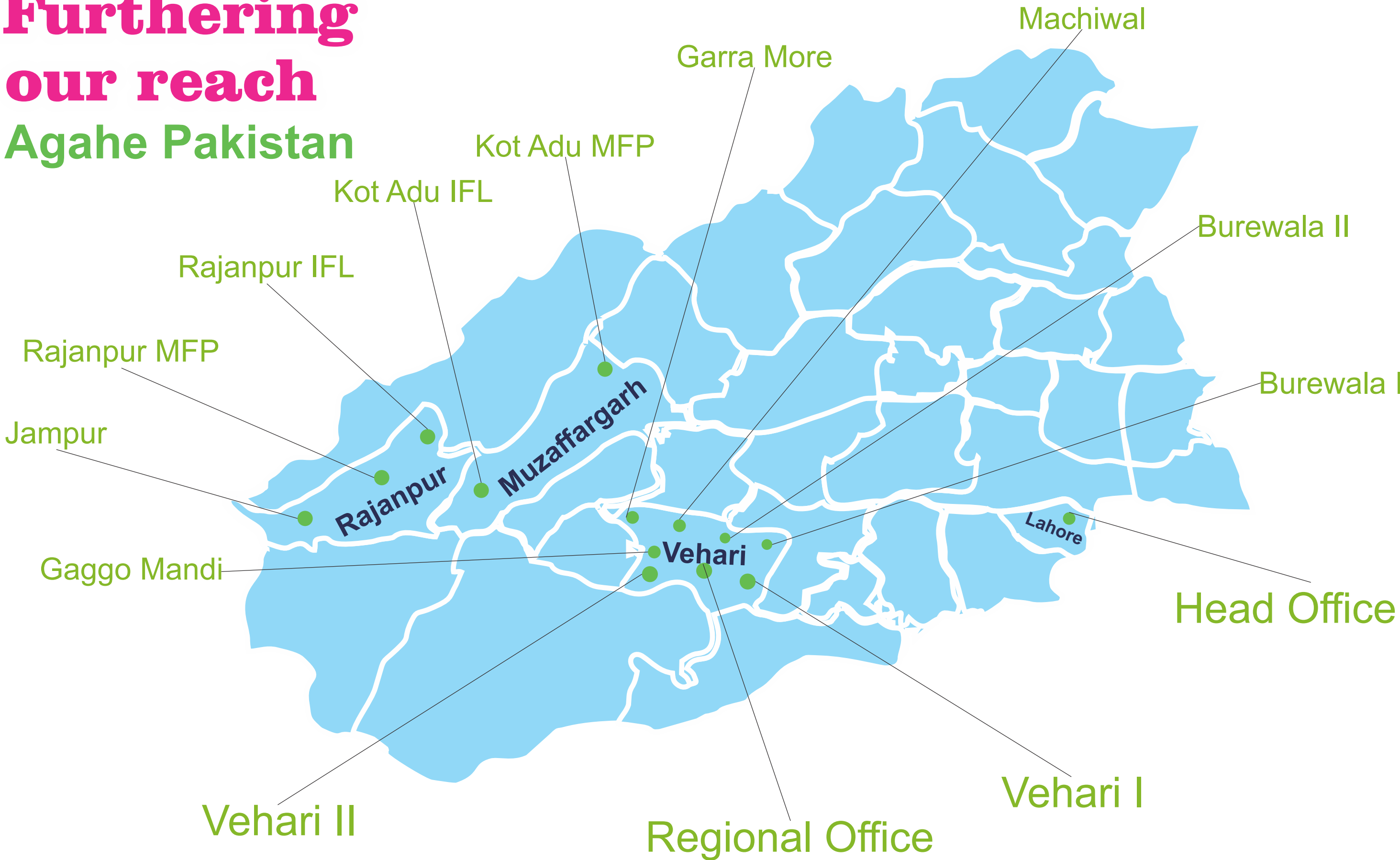
Now she is running a hotel with her husband and daughters in her own house and earning sufficient amount for family income. She feels happier because of the improvement in her living standards, increased happiness of amongst her household and her children are receiving quality education.

In Future she wants to expand her business and have dream to employ there oppressed women of the society.



**The world's 1.1 billion girls are a source of power, energy, and creativity – and the millions of girls in emergencies are no exception.**

**Furthering  
our reach  
Agahe Pakistan**





Poverty is not an accident like slavery and apartheid, it is manmade and can be removed by the actions of human beings.

## Furthering outreach

We continued our drive to promote full financial inclusion, by increasing the number of households provided with financial services, and building the suite of products available to them. We continued to expand our reach among poor women, farmers, salaried workers and small entrepreneurs. We also disbursed loans to households affected by disability, through specific targeting, recognizing that households with disabled income-earners face additional barriers to accessing financial services.



## Putting clients front and center

Promoting financial inclusion means more than increasing our numbers reached, but how effectively we are reaching them. This means ensuring that clients can access a range of financial services tailored to specific needs, that they clearly understand and can use easily.

We continued to strengthen measures for client protection, by diagnosing over-indebtedness, promoting transparency, making products as fair and useful as possible and ensuring clients are consistently well treated.



This all-woman cadre conducts financial awareness trainings and offers advice to clients that have questions and concerns. More clients now have access to a set of complementary services that secure families against financial shocks. **46,380** loans disbursed in enterprise development to support them for their household expenses, while **1,999** loans disbursed in agriculture and **499** in livestock, giving the household financial security in the event that a client or their spouse passes away.



**Total disbursed**  
**1,083.53 Million PKR**



**Total Active Borrowers**

**15,312**

## Product Wise Disbursement



### General Loan

No. of Loans	Amounts in Millions
46,380	1,011.38 M



### Agriculture Loan

No. of Loans	Amounts in Millions
1,999	51 M



### MEL loan

No. of Loans	Amounts in Millions
148	7.43 M



### Livestock loan

No. of Loans	Amounts in Millions
499	13.72 M

### Total

## No. of Loans

49,026

## Amounts in Millions

1,083.53 M

## Sector Wise Disbursement



### Livestock

No. of Loans	19,255
Amounts in Millions	429.7 M



### Agriculture

No. of Loans	4,369
Amounts in Millions	103.1 M



### Commerce

No. of Loans	14,304
Amounts in Millions	316.26 M



### Handicraft

No. of Loans	5,387
Amounts in Millions	112.18 M



### Light Engineering

No. of Loans	825
Amounts in Millions	16.43 M



### Others

No. of Loans	4,886
Amounts in Millions	105.85 M

## Baseline Survey

We expanded our customer service assistants to two branches; Kot Addu and Jampur district Rajanpur. Our program team carried out an assessment which was based on quantitative data (household survey) as the nature of the study demands specific information, especially at the household level.



The findings were enriched by qualitative data (focus group discussion and key informant interviews) to capture the broader picture of the Kot Addu and Jampur situation and needs.

## New Branch Opening

AGAHE Pakistan inaugurated a new commercial Micro Finance Branch in Kot Addu on the 14<sup>th</sup> of June, 2017. The establishment of Kot Addu branch compliments and deepens the presence of AGAHE Pakistan in South Punjab, which is an increasingly important region for the economy of Pakistan. Mr. Rai Zafer Iqbal, Chief Officer Municipal Committee had participated as chief guest of ceremony.



# Trainings

During this year, various trainings were initiated from AGAHE Pakistan's platform. The brief description of the internal and external trainings in which AGAHE Pakistan participated is mentioned.

## Financial Literacy of Client

A training on Financial literacy was held Vehari on 22 February, 2017. The training conducted by a Branch manager Vehari 1 and supported by Pakistan Microfinance Network (PMN) and ECI. The purpose of the training was to raise the awareness of clients on Credit Information Bureau (CIB) about their loan, recoveries and record keeping. Total 22 female of AGAHE Pakistan participated in the training and IEC material was provided including a booklet and calender.

## Staff Capacity Building Training

Three days training sessions were held at AGAHE Pakistan's regional office Vehari from 30th January to 1st February 2017. The object of training was to build the capacity of the Branch manager's of AGAHE Pakistan on Appraisal Techniques, portfolio management, Credit Risk & Financial Management, MIS/FIS and Effective report writing. 9 BMs and all the department heads.



## Training on Solar Products

AGAHE Pakistan has taken an initiative to provide solar products to the community members on credit with support of Allied solar in order to improve the living standards of community members. For this purpose, ECI conducted a 2 days training for AGAHE Pakistan's staff on 17th - 18th February, 2017. The training aimed to equip the participants with appropriate knowledge and skills in order to provide solar products to the community members on credit.



## Credit Officer's Training

Two days CRO/ new hired staff training conducted on MFP policies procedures in regional office Vehari 13-14 March, 2017. Total 18 Co's orientation session was conducted to familiarize the new staff and credit officers regarding the micro finance policies and procedures of AGAHE Pakistan



## Islamic Micro Finance Network (IMFN)

AGAHE Pakistan participated in the leadership in Micro-finance sector training which was held by Islamic Micro Finance Network on March 4, 2017.



## ECI Credit Appraisal Training

A two days training session was held on 25<sup>th</sup> - 26<sup>th</sup> of May, 2017 at Hotel City Top in Vehari. Training was organized by AGAHE Pakistan jointly with Empowerment Thru Creative Integration (ECI). The purpose was to build the capacity of AP staff on credit appraisal. The training explained the importance of credit appraisal system in microfinance, its different perspectives, methods and techniques.



By delivering a comprehensive view of the credit appraisal mechanism and inculcate the participants with proper knowledge and skills in order to conduct an effective credit appraisal of borrowers.

## Consultative Workshop

A workshop was adhered on 20<sup>th</sup> of April, 2017 at AGAHE Pakistan Regional Office Vehari with the purpose to review and revise operations manual of AGAHE Pakistan through participantly approach. The operational manual was reviewed in detail and discussed by the all relevant staff member.



In addition, a case study tool was developed and shared by the Institutional Development Unit with all branch managers and to build their capacity for collecting case studies from the field.

## Executive Development Program

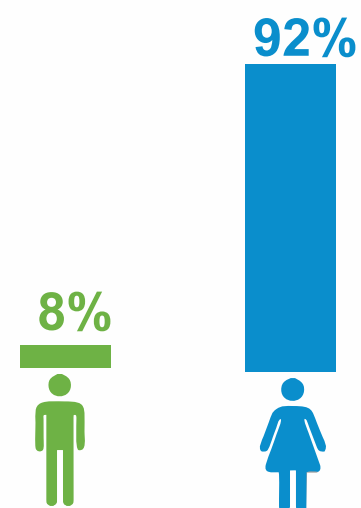
Senior Managers of AGAHE Pakistan including; Assistant Manager Internal Audit Mr. Ihasn Nazir, Program Manager Mr. Imran Akber and Institutional Development Manager Ms. Zainab Zohail attended the Executive Development Program organized by National Institute of Banking and Finance (NIBAF) jointly with State Bank of Pakistan from 17 to 19 May, 2017 at Lahore. This was a capacity building initiative for senior managers to manage with Microfinance sector growth in sustainable manner.

# Financial Highlights of the Year 2017

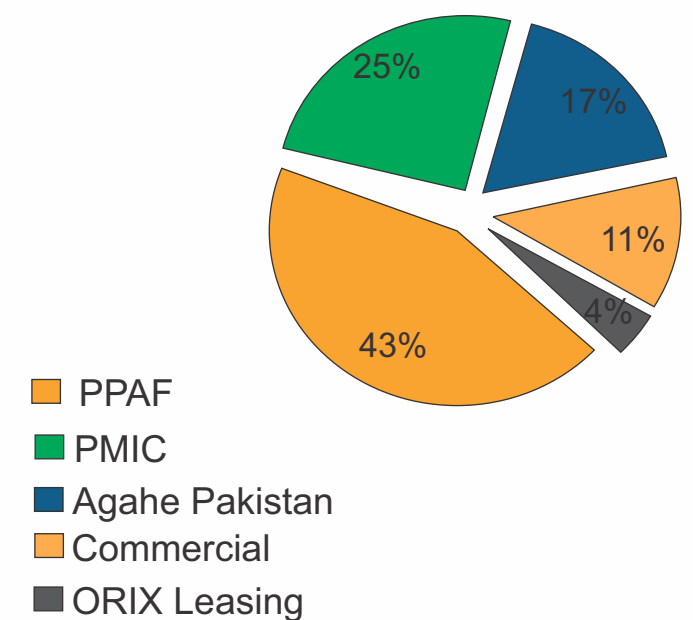
## Progress of commercial MFP

Particulars	As on June-2017
No. of Districts Covered	03
No. of Tehsils Covered	05
No. of Branches Covered	08
No. of Union Councils Covered	78
No.of Areas/ Villages Covered	300
No. of Active Loans	11,472
Active Clients Male	861
Active Clients Females	10,611
No. of Total Loan	39,639
Amount Disbursed	871.9 Million
Gross Loan Portfolio	203.69 Million
No. of Active Groups	1,773
Recovery Rate	100%
Average Loan Size of the Year	27,059

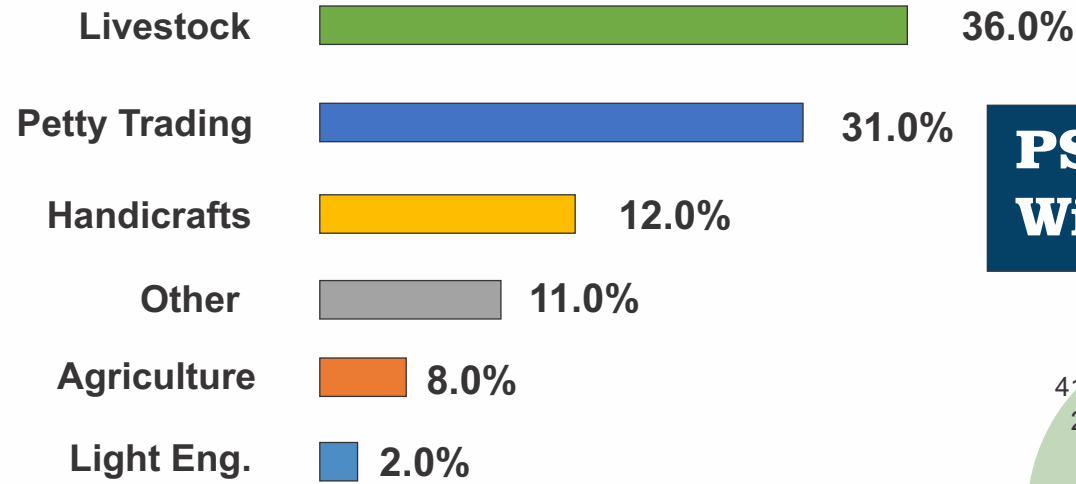
### Gender Wise



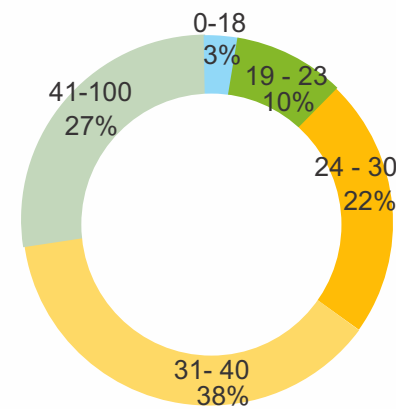
### Source of Fund wise OLP



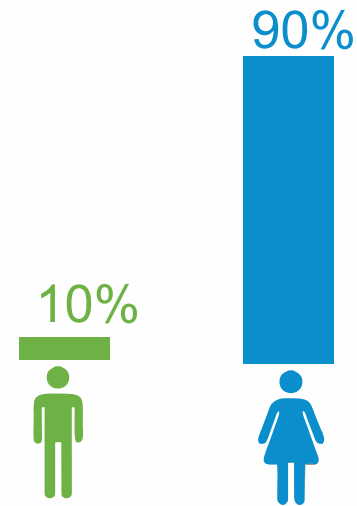
## Sectorial Distribution



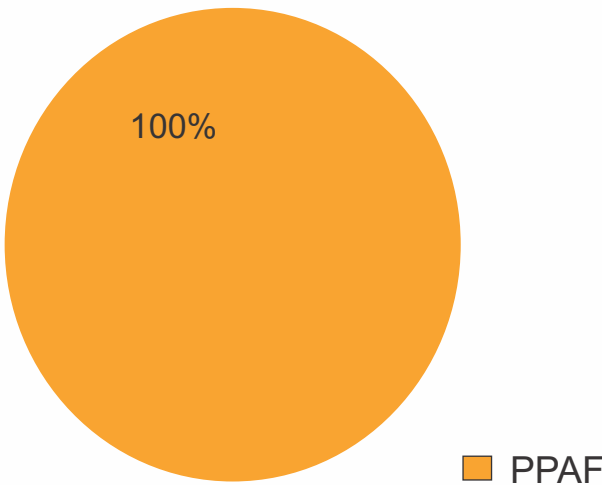
## PSC Score Wise Portfolio



## Gender Wise



## Source of Fund wise OLP



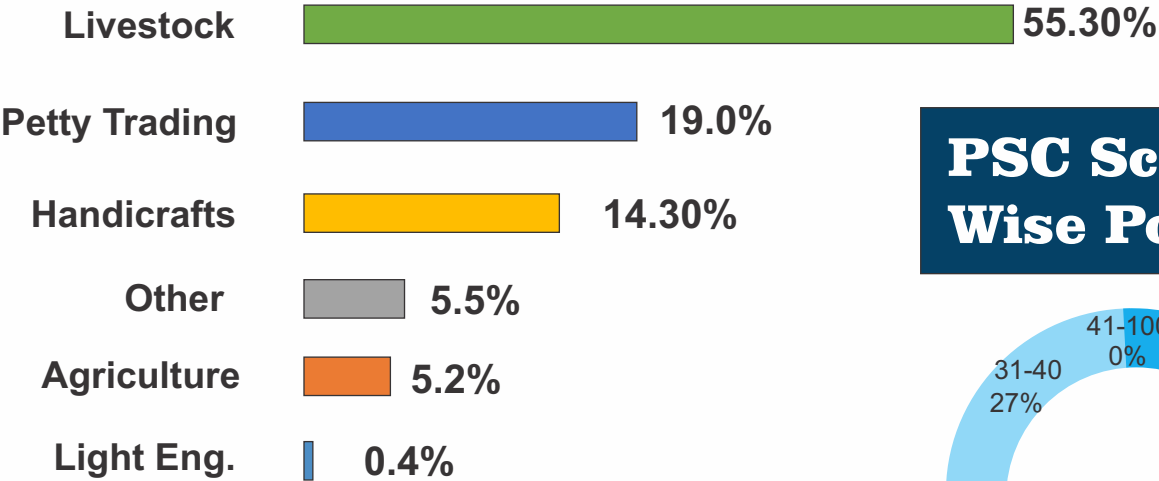
## Progress of PMIFL scheme

### Particulars

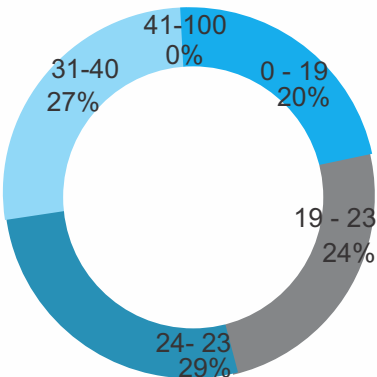
As on June-2017

No. of Districts Covered	02
No. of Tehsils Covered	02
No. of Branches Covered	02
No. of Union Councils Covered	07
No.of Areas/ Villages Covered	102
No. of Active Loans	3,840
Active Clients Male	387
Active Clients Females	3,453
No. of Total Loan	9,387
Amount Disbursed	211.6 Million
Gross Loan Portfolio	55.1 Million
No. of Active Groups	783
Recovery Rate	100%
Average Loan Size of the Year	22,542

## Sectorial Distribution



## PSC Score Wise Portfolio



# Outstanding Loan Portfolio

## 200 OLP



### Launch of Campaign

On 14th May 2017, AGAHE Pakistan initiated a campaign to achieve the Outstanding Loan Portfolio (OLP) by June 30, 2017 which was 141.67 million at the time of campaign.



### Celebrations



By June 30th 2017, with the blessings of Allah Almighty and efforts of the AGAHE Pakistan staff not only achieved the target but also surpassed by 203 million OLP with the highest disbursement since ever in the month of June 2017.

# Inside Agahe Pakistan

## A Proud Moment For AGAHE Pakistan

Citi Foundation and the Pakistan Poverty Alleviation Fund (PPAF) Hosted the 11th annual Citi Micro entrepreneurship (CMA) at Islamabad on April 2017, highlighting the achievements of some of the most innovative micro entrepreneurs in Pakistan. One of the beneficiary of AGAHE Pakistan's Prime Minister Interest Free Loan (PMIFL) Scheme Rajanpur, Mr. Mureed Hussain who engaged in the business of livestock has won the award as 1st Runner-up under the category "Novice Entrepreneurship - PMIFL" Mr. Mureed Hussain was awarded a cash prize of PKR 100,000/ along with a shield. The concerned load officer also received prize of PKR 10,000 along with a Shield



Board of Directors (BOD) meeting of PMFN



Session on Trends & Scope in Microfinance sector by CEO of AGAHE at IMFN forum.



IMFN Board of Directors (BOD) meeting.



## Senior Management Meetings



Annual General Meeting (AGM) of IMFN



**AGAHE Pakistan distributed vehicles to the senior managers.**

**Congratulations**

**Mr. Mubeen Shahzad  
(HR Manager)**

**Mr. Sajid Ali  
(Finance Manager)**



**Staff  
Incentives**



**AGAHE Pakistan distributed Smart Phones and laptops to its Senior Management Team.**



**A Meeting with PMIC was Conducted on 16th May, 2017 at Head Office AGAHE Pakistan.**



**Iftar & Dinner for Microfinance Stakeholders at Defense Services Officer's Mess Lahore Cant.**



**Iftar & Dinner for Head Office Staff at Lahore**



**Iftar & Dinner for Microfinance Stakeholders at Defense Services Officer's Mess Lahore Cant.**



**Iftar & Dinner for Microfinance Stakeholders at Defense Services Officer's Mess Lahore Cant.**

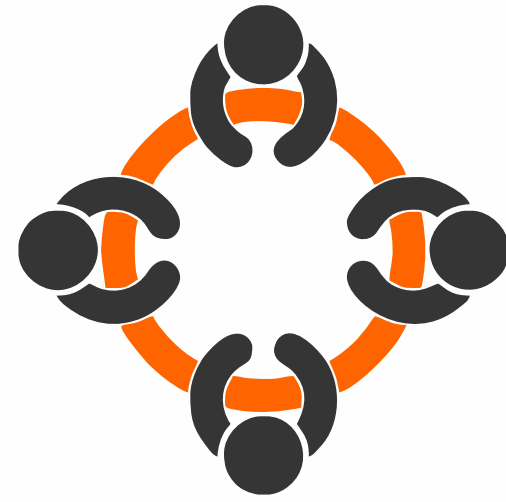


**Iftar & Dinner for Ranjanpur Staff**



**Iftar & Dinner for Regional Office Staff at Vehari**

# Agahe Pakistan Developing Partners



## Pakistan Poverty Alleviation Fund (PPAF)

Established in 2000, Pakistan Poverty Alleviation Fund (PPAF) is the largest source of wholesale funds for the microfinance sector in Pakistan and lead apex institution for community-driven development in the country. Set up by the Government of Pakistan as an autonomous not-for-profit organization, PPAF enjoys facilitation and support from the Government of Pakistan, The World Bank, International Fund for Agricultural Development (IFAD), KfW Entwicklungsbank (Development Bank of Germany) and other statutory and corporate donors.

[www.ppaf.org.pk](http://www.ppaf.org.pk)

## Pakistan Microfinance Investment Company (PMIC)

Pakistan Microfinance Investment Company Limited (PMIC) is registered as an Investment Finance Company under NBFCs regulations with Securities and Exchange Commission of Pakistan. It is setup jointly by, Pakistan Poverty Alleviation Fund (PPAF), Department for International Development (DFID) through Karandaaz Pakistan and the German Development Bank (KfW) to catalyze and lead the next phase of growth in the microfinance sector of Pakistan.

[www.pmic.org.pk](http://www.pmic.org.pk)

## International Finance Corporation (IFC)

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector in developing countries. IFC utilizes and leverages the products and services—as well as products and services of other institutions in the World Bank Group—to provide development solutions customized to meet clients' needs. IFC apply financial resources, technical expertise, global experience, and innovative thinking to help our partners overcome financial, operational, and political challenges.

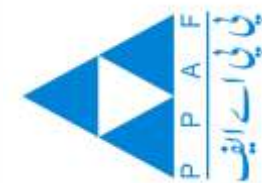
[www.ifc.org](http://www.ifc.org)

## ORIX Leasing Pakistan Limited (OLP)

ORIX Leasing Pakistan Limited ("OLP") was established in July 1986 as a joint venture between ORIX Corporation, Japan and local investors. OLP commenced commercial operations in January 1987 and is listed on all three stock exchanges in Pakistan. OLP is headquartered in Karachi and has 31 branches situated in 30 towns and cities. OLP offers cost effective value-added financial products and innovative customized services to a wide array of customers throughout the Country.

[www.orixpakistan.com](http://www.orixpakistan.com)

# Alliances Memberships & Partnerships



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Phone: 042-35291211,

**Regional Office**

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Lalazar Colony, Vehari.

Phone: 067-3366860, 3602107,