

A QUARTERLY NEWSLETTER OF KHUSHHALI MICROFINANCE BANK

Grassroots

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Table of Contents

Message from CEO	01
Sixty-Eighth Board of Directors Meeting	01
Quarterly Business Data for Quarter 2, 2020	02
One Step Further to Digital Transformation - Introduction of Khushhali Internet Banking for Android Devices	02
Distribution of Self Protection Kits to the Entire KMBL Network Across Pakistan	03
Awareness Campaigns Carried Out to Educate on How to Fight Against Corona	03
KMBL Donated PKR 1 Million to PM's COVID Relief Fund	04
Khushhali Microfinance Bank Limited and MicroEnsure Offer Free Healthcare Service to all KMBL Customers	04
Shah Muhammad Khabar – Expanding the Scope of Dreams	05



CEO'S MESSAGE

Dear Colleagues,

I hope that you and your families are safe and in good health. I am aware that we are passing through unusual times with the ongoing pandemic outbreak that has affected our business dynamics and hence now more than ever, we must be more diligent and be prepared to take the necessary steps to cater the changing needs of the market.

The health and safety of our employees and customers is paramount and necessary steps were ensured through special consideration on cleanliness, social distancing and business continuity in times of crisis which was carefully monitored by our crisis management group.

I am pleased to state that our operations are back to normal & we continue to offer full range of services to our clients and in instances where their business is affected we do provide them the necessary facilitation as permitted by the State Bank of Pakistan.

The role of our frontline staff is truly commendable which provided uninterrupted services to all our clients while ensuring all SOPs in order to keep themselves safe from Corona outbreak.

The efforts of our digital, operations & technology team are worth mentioning in enabling the launch of Khushhali Internet Banking for Android devices to give

seamless banking access to all our clients. In this way, now they can carry out their daily transactions through their phones without having to leave the safety of their homes.

Thank you all for the resilience & determination that you have shown. With such a dedicated team of Khushhali, I am convinced that we will overcome these challenges successfully and rise above all odds.

Best of luck.

Regards,

Ghalib Nishtar

Sixty-Eighth Board of Directors Meeting

Major events that took place in the 2nd quarter of 2020 with respect to the Corporate and Legal Affairs department (C&LA) include 2nd quarterly board & board committee meetings which took place on 10th & 11th of June 2020. In addition to 2nd quarterly meetings, urgent BOD meeting was also convened to discuss the operational, financial, liquidity situation, in wake of the current COVID-19 pandemic and scenarios for the rest of the year. In the said urgent BOD meeting, the Board formally welcomed Mr. Eelco Mol as a Director on the Board of KMBL subsequent to his approval for fit and proper criteria received from the SBP.

In the 70th BOD meeting held on 11th of June 2020, BOD reviewed the economic update, operating results and Business Update for 1st Quarter Ended 31st March 2020; BOD also discussed the compliance status update on SBP Inspection Report and deliberated on the casual vacancy of Independent Director. Concluding the meeting, BOD reposed confidence in the management and appreciated their commitment and support towards supplementing KMBL's growth in this difficult time.

As for the Litigation wing of the department is concerned, a total of 28 cases have been filed by and against the Bank in the 2nd quarter of the year 2020, in different areas, mainly in Bhakkar, Bahawalpur, Sahiwal, Dunyapur, Vehari, Dera Ghazi Khan and Multan Areas. Moreover, 1 previous case has been disposed off in favor of the Bank during the period.

Quarterly Business Data for Quarter 2, 2020

Quarterly Business Data for Quarter 2, 2020	
Active Borrows	878,155
Ytd Loan Service	373,378
Ytd Disbursement	26,516,201,317
Active Savers	2,668,544
GLP	56,098,618,224

One Step Further to Digital Transformation - Introduction of Khushhali Internet Banking for Android Devices

Taking one step further in the race of digital transformation, Khushhali Microfinance Bank Limited acted upon the need of time and launched Khushhali Internet Banking for Android devices.

During these uncertain times of ongoing pandemic, whether or not in a lockdown situation, people can now access seamless banking services through Khushhali Internet Banking on their personal Android phones.

Khushhali Mobile Banking app came with a number of valuable features including real-time access to deposit and loan account, transaction details and statement download facility, payment of credit card bills, utility bills, mobile top-up, post-paid bills, government payments, Loan repayments etc. It also allows funds transfer between own accounts, to another Khushhali account or any other bank's account. SMS alerts for log-in, log-out and financial transactions, access to Branch Locator, requests for cheque-book and bankers cheque are also available on the app.

Customers can search for the app on Play Store with the name KHUSHHALI and download the app on their mobiles or tablets. Earlier this year, Khushhali Microfinance Bank Limited has introduced Khushhali Internet Banking for customer's safe and convenient access to financial facilities.

Distribution of Self Protection Kits to the Entire KMBL Network Across Pakistan

With the pandemic outbreak, Khushhali Microfinance Bank took necessary actions to ensure business continuity along with safety of its customers and employees.

In order to provide uninterrupted financial services to the customers, all branches have been operational without major delays and only critical staff was informed to provide onsite customer services while following maximum SOPs. In order to ensure safety of customers and employees, personal safety kits were distributed across the entire network of branches as well as in the head office, which included sanitizers, facemasks, gloves and other protective items.



To curtail the spread of COVID-19, all branches were regularly disinfected while employees and customers visiting the branches were made to follow safety protocols including having their hands sanitized before and after touching any surfaces. Similarly, with the aim to encourage social distancing during banking hours, customers were asked to maintain physical distances with each other and follow discipline. Biometric verification also got discontinued. Temperature checks of customers and employees was also regularly taken before entering the bank's facility.

This is an ongoing activity that will continue till the pandemic situation prevails.

Awareness Campaigns Carried Out to Educate on How to Fight Against Corona



Along with regular internal awareness sessions to all employees, various awareness campaigns were also carried out to educate external stakeholders on how to fight against COVID-19. These campaigns included the use of static visual posts along with informational videos to give a better clarity to all people. The topics of awareness campaigns included, personal safety, basic hygiene and social distancing. People were also instructed on how they can avail financial services while staying at home without having to leave the safety of their homes.



KMBL Donated PKR 1 Million to PM's COVID Relief Fund

COVID 19 marked its impact in various countries of the world at different levels. Countries like Pakistan, who already had limited healthcare providers at hand, had to experience an extreme strain on capacity to serve massive incoming patients at the hospitals. At such adverse times, KMBL took a step forward to support necessary organizations to fight against the prevailing pandemic.

KMBL, as being a responsible organization, then contributed PKR 1 Million to Prime Minister's COVID-19 relief fund. In an effort to curb the spread of novel Corona virus, KMBL took a stand to support the government of Pakistan and remained in complete compliance with SBP and government's directed SOPs.

Keeping in view the hardships faced by infected individuals from the low-income households and communities, the donation by Khushhali Microfinance Bank reflects the philosophy of sustainable development and growth.



Khushhali Microfinance Bank Limited and MicroEnsure Offer Free Healthcare Service to all KMBL Customers



To play its part to help contain the spread of Corona Virus in Pakistan, Khushhali Microfinance Bank and MicroEnsure Pakistan joined hands to provide professional medical advice through a mobile health service called smsDoc to all Khushhali customers.

The service is an extension of its existing partnership and aims to both spread awareness of the virus and provide easy access to medical help online. This was an important step in view of the social distancing that is being enforced in the wake of an escalating health emergency.

smsDoc is a free-of-cost mobile health facility through which customers can seek answers to their medical queries via SMS. Professional doctors receive these messages and then call back the customers to answer their queries and provide medical consultation. The service is particularly useful for customers in rural areas with less developed health care infrastructure, as it allows quick and affordable access to professional doctors. The initiative will also help to combat disinformation about Covid-19.

Shah Muhammad Khabar – Expanding the Scope of Dreams

One of the biggest challenges faced by the vulnerable populations in Pakistan is the struggle to rise out of material poverty. The structural injustices of the society are such that individuals alone are not able to break the vicious cycle and families remain impoverished for over generations. Those born poor often end up dying poor. However, with little resources given to them, hard-working individuals are able to leverage those resources to change their financial circumstances. In Pakistan, microfinance has been essential to helping men and women build themselves.



To that end, KMBL has played an indispensable role in the last several decades. By giving people access to the capital to help them stand on their own feet, KMBL has to its record many stories of men and women who have been able to break the intergenerational poverty cycle through loan cycles.

One such story is that of a farmer Shah Muhammad Khabar, hailing from Larkana in interior Sindh, who started off with a very insignificant loan of PKR 10,000 and was able to activate it into a decent profit generating business. Farmers constitute one of the most financially vulnerable segments of the population with their fates often sealed in the hands of powerful landlords for whom they work. The feudal system, therefore, is another contributor of the intergenerational poverty cycle. KMBL has been doing its part to strengthen the farming community of Pakistan over the years.

Shah Muhammad began with a small agricultural business that was difficult to sustain. Living from one day to the next, he aspired to have a stable income for his family of seven. But for that, he needed funds to cultivate crops efficiently.

After being rejected for a loan from multiple commercial banks, his life took a turn when he was approached by a KMBL officer in 2005 during door-to-door services in the area. It was then Shah Muhammad obtained the funds to invest to his business in order to scale it efficiently. Starting from 2005, Shah obtained five loans over a period of five years, each of which he repaid in a period of 11-12 months. The last loan he availed was in 2009. Between then and now, he has been able to generate more income than anticipated. With additional revenue in hand, Shah Muhammad did not lose track but invested that amount in his next cultivation cycle. As the cultivation succeeded, he was also able to set up a grocery store for one of his children to run their own business. In this way, the family had more than one breadwinner, which led to improvement in their standard of living. The family was also able to pay off all the debts they had from other people and institutes.

Shah Muhammad remains a loyal client of KMBL who not only made appropriate use of funds to stabilize his prevailing business but is continuously engaged in expanding it for his family as well. His family is now living the life of comfort he imagined for them.

By giving him loans expanding over a period of years, KMBL invested in individual choice and control, which ultimately turned around the man's circumstances.

KMBL operates on the belief that the poor, when given the meaningful resources can and do work hard, and will do more than anyone or anything to change their own circumstances. And that has been proved by the numerous success stories.



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