

A QUALITY NEWSLETTER OF KHUSHHALI MICROFINANCE BANK

Grassroots

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CEO'S MESSAGE

Dear Colleagues,

I hope you all are well and your families safe. This quarter marks the 20th anniversary of Khushhali Microfinance Bank Limited (KMBL) while we successfully retained the title as the Best Microfinance Bank of Pakistan for the second consecutive year. It is indeed my honor to be leading a team of such talented individuals whose commitment, hard work and innovation has not only resulted in setting our brand apart from the rest of the competition, but also made KMBL the market leader of the microfinance industry.

Given the current dynamic condition of the market, our teams have diligently worked on improvising products to innovate them according to the evolving needs as per the prevailing economic dynamics of the 3rd quarter. These have not been easy times for any of us and hence, additional efforts had to be put in to innovate new products, improve the old ones as well as working on providing additional delivery channels to cater to the needs of time. In this quarter a lot of work has been done on devising the alternate delivery channels (ADCs) in addition to the previously introduced Khushhali Internet and Mobile Banking to the ADC portfolio.

Despite all the challenges, I'm proud of the entire Khushhali Family for showing passion for success and resilience towards unanticipated obstacles in order to lift the bank's standards and quality that resulted in maintaining our status as being market leaders of the microfinance industry.

I wish you all the best. Let's stay positive about future endeavors and be prepared for any challenge in the times to come. We do and shall continue to work towards the best for all stakeholders, no matter the weather.

Regards,

Ghalib Nishtar

Seventy-First Meeting of the Board of Directors

In the 71st Board of Directors (BOD) meeting held on 11th of August 2020, BOD reviewed the economic update, operating results and Business Update for 2nd Quarter Ended 30th June 2020; BOD also discussed the compliance status update on SBP Inspection Report and deliberated on the casual vacancy of Independent Director and approved the appointment of Ms. Simi Sadaf Kamal for the position of an Independent Director subject to the Approval of Fit and Proper Clearance from the State Bank of Pakistan. BOD further reviewed and approved the half year Audited financial statements of the Bank as recommended by the Board Audit Committee.

BOD also reviewed and approved the Environmental and Social Management Framework as recommended by the Board Social and Environmental Committee. Concluding the meeting, BOD reposed confidence in the management and appreciated their commitment and support towards supplementing KMBL's growth in this difficult time.

Business Overview

Quarterly Business Data for Quarter 3, 2020	
Active Borrowers	870,418
YTD Loans Services	518,367
YTD Disbursements	38,869,289,657
Active Savers	2,723,337
GLP	57,392,016,444

Khushhali Microfinance Bank limited (KMBL) Celebrates its 20 Years of Excellence in Microfinance Industry

Being Pakistan's largest and best microfinance bank, KMBL celebrated its 20th anniversary in a rather fun and unique manner this year. This anniversary was unique in its nature as 5,000+ employees across the entire network of Khushhali Microfinance Bank, participated in the celebrations digitally, through a zoom meeting.



Khushhali Microfinance Bank was founded in 2000, with the vision to become the leading microfinance bank of Pakistan providing the most innovative financial services to micro, small and medium enterprises and low-income groups of Pakistan. The event marked two decades of its foundation, working successfully towards its vision and mission while setting up a network of 195+ branches and 30+ service centers across Pakistan. Having serviced more than 5 million customers to date, Khushhali bank takes pride in its legacy of providing easy access to financial tools to marginalized segment of the population, males and females alike, to invest in microenterprises for a better future and realize their economic potential.

President Khushhali Microfinance Bank, Ghalib Nishtar acknowledged the hard work that the entire team has put into making Khushhali the number one microfinance bank in Pakistan. An Award distribution ceremony followed to recognize the best performing employees.

A Nation-Wide Tree Plantation Drive Launched by KMBL Employees

In celebration of completing two decades of successful years for Khushhali Microfinance Bank, a nation-wide tree plantation drive entitled "Plant Khushhali" was launched to facilitate environmental conservation initiatives and work towards curbing climate change.

As part of the drive, KMBL employees across the country planted trees in their respective localities with saplings of guavas, jamun, and lokath fruits. A tree sapling was provided to all employees to plant in their homes or neighborhood parks to ensure their development into fully grown fruit-bearing trees.



This constituted to over 5,000 trees planted across Pakistan by KMBL volunteers themselves. Being a huge environment-preservation enthusiast, KMBL has engaged in a series of initiatives over a period of years including tree plantation drives, initiatives in wildlife park, awareness-raising programs and the sponsorship of children campsite at Trail 5 in Islamabad. Around the same time last year, KMBL also partnered with Punjab Forest Department to plant and maintain 6,000 plants at Changa Manga, near Lahore.

The aim is to help reduce pollution, improve air quality and alleviate the gradual ecosystem degradation in line with PM's vision for a clean and green Pakistan.



Khushhali Microfinance Bank Limited and United Auto Industries Limited Partnered Together for Vehicle Financing for Customers

Khushhali Microfinance Bank Limited (KMBL) has signed an MOU with United Auto Industries (Pvt) Limited to facilitate Khushhali Microfinance Bank customers with 2-wheeled and 3-wheeled vehicles.

Under the partnership, Khushhali Microfinance Bank customers will be able to get bikes and loaders on easy finance via Khushhali Sarsabz Karobar and Khushhali Sarmaya product lines. Bikes or two-wheeler financing will be offered to employees of existing partners with whom KMBL already has an agreement, via Sarsabz Karobar.

Whereas, loader or 3-wheeler financing will be offered in the open market, via Khushhali Sarmaya.

Financing of United Auto Industries 3-wheeled loaders will be done under the category of commercial vehicle financing against each sale. Commercial vehicle finance is a cost-effective option for micro-entrepreneurs who don't want to be left in a pile of debt to acquire a vehicle they wouldn't otherwise afford.

The purpose was to enable easy access to transport for grass root level participation in economic activities. The success of the two products is reflected by the fact that many successful micro-entrepreneurs have availed Khushhali Sarmaya through which they were able to access necessary transportation assets to support their businesses. This aided in long-term cost reduction and profit growth.

Khushhali Micro-Entrepreneur of Bagh Rises Through COVID-19 Crisis Better than Before

Muhammad Arif, a chicken and vegetable shop owner in a small town of Bagh, Kashmir, was in for a rude awakening when the government imposed lockdown in the country in late March. Being a Khushhali customer with monthly sale of 80,000 to 90,000 PKR pre-COVID, Arif was suddenly struggling to make ends meet when his customers began taking pandemic precautions and restrained from coming to his shop during the peak days of the virus spread. During this time, he had a complete family to feed along with business costs to earn a minor income.

Instead of waiting for better times to surface themselves, Arif took a leap of faith where he used his savings to invest in his business further and deducted on daily household costs. Analyzing the prevailing situation, where business hours got decreased and consumer behavior also changed; people were more reluctant on leaving the safety of their houses and approach to small shops for their daily needs. To combat the situation, Arif came up with a smart home delivery service of chicken, fruits and vegetables on daily basis. He printed flyers to advertise his new service, and then arranged for the logistics of his business operations. Lo and behold, his service became a success in little time since it provided customers with both convenience and safety. In situations like these, Khushhali Microfinance Bank Limited (KMBL) extends its services for further financing to all its customers in order to sustain their businesses better.



It was also particularly beneficial for women who had mobility issues or didn't wish to leave home for purchase of groceries. Such that, Arif not only regained his previous earnings but also identified a niche market of women who require fruits and vegetables at homes on regular basis. Arif's shop is now running operations both from store and through delivery where his household income has increased more than before. A small amount of capital can go a long way to change somebody's life and Arif's case is an example of that.

Businesses like Arif's are a part of "US-Pakistan Partnership for Access to Credit" under the partnership of USAID and Khushhali Microfinance Bank Limited who proved himself to be a successful micro-entrepreneur who fought adversity smartly and maintained his good credit history despite the prevailing crisis.



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