

A QUARTERLY NEWSLETTER OF KHUSHHALI MICROFINANCE BANK

Grassroots

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MICROFINANCE BANK

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MESSAGE FROM CEO

Dear Colleagues,

I am proud to say that KMBL has yet again successfully entered 2020, upholding the title of being the “Best Microfinance Bank” in Pakistan and all credit goes to the tireless efforts made by our talented team at KMBL. The year 2019 has been very challenging for the Industry in terms of rapidly changing state of the economy but nevertheless, KMBL stood strong and pursued its mission with full commitment.

The highlights for the year include the implementation of the latest core banking technology of Temenos T24 where we see ourselves to be a step closer to digital transformation vision. Furthermore, KMBL has increased its capital with Term Finance Certificate (TFC) of Rs. 1.4 billion, hence expanding the overall business capacity and leverage. Along with a strong balance sheet footing KMBL maintains its lead of having the largest network of 226 footprint count across the country, thus reaching even the remotest areas for financial inclusion. Moving beyond business operations, KMBL is committed to its CSR activities where we invest our efforts to promote micro-entrepreneurship, women empowerment, supporting the youth of Pakistan and environmental conservation.

We continue to work on our collective belief that we

have a resilient society & people and if they are provided with appropriate financial support and guidance, they are capable of lifting themselves out of poverty as demonstrated by numerous success stories from Khushhali Microfinance Bank experience of nearly 20 years.

I wish you all best of luck for the year 2020!

Regards,

Ghalib Nishtar

Sixty- Sixth Meeting of the Board of Directors

Major events that took place in the 4th quarter of 2019 with respect to the Corporate and Legal Affairs department (C&LA) include the 4th quarterly board meeting of the year which took place on 14th & 15th November. Being the last meeting of the year several important issues were discussed; BOD reviewed and approved the Budget for the Financial Year 2020. The management presented a business and economic updates for the quarter ending on 30th September, 2019 were also deliberated upon. The matrix of all policies due for review during 2020 have been shared with the BOD for review, BOD reviewed and approved the said matrix. Director’s Remuneration Policy has been approved by the BOD and further resolved that the Board Human Resource & Compensation Committee shall also act as Directors Remuneration Committee.

As for the Litigation wing of the department is concerned a total of 60 cases have been filed by and against the Bank in the 4th quarter of the year 2019, in different areas, namely, Jhelum, Jhang, Jaranwala, Bhakkar. Moreover, 10 previous cases have been disposed of in favor of the Bank during the period.

Quarterly Business Data for Quarter 4, 2019

Data As of December-2019 (Q4)	
Active Borrowers	871,228
YTD Loans Serviced	866,809
YTD Disbursements	58,005,777,196
Active Savers	2,541,064
GLP	53,607,461,191

International Day of Rural Women celebrated by arranging an Awareness Session on Livestock for Rural Women in Gujjar Khan

Khushhali Microfinance Bank is actively working to assist and empower women. Women comprise 41% of the world's agricultural labor force, which rises to 78% in some countries. In Pakistan 67% of the women are involved in this sector.

KMBL celebrated the Rural Women's Day on 15 October by organizing a session on Livestock Management especially for female participants from the Gujjar Khan area.

Dr. Murtaza Hassan Andarabi, Director Animal Sciences, from National Agricultural Research Centre (NARC) shared different types of livestock diseases and emphasized the need to ensure vaccination, treatment & hygiene of animals. He also shared the techniques of dairy farming according to modern mechanism for a profitable dairy/ livestock business.

The topics of this presentation included: Types of Diseases, prevention, treatment, Feed, Vaccination.

According to Dr. Andarabi Rural/ backyard poultry system plays vital role in economy of the villagers. He gave insightful information on costs vs production and a brief overview on backyard poultry system. An interactive session of Q/A was carried out where he answered to all queries of the participants, appreciated their efforts and encouraged them to adopt poultry farming as a business, assuring all possible cooperation/ technical guidance by NARC and financial support by Khushhali Microfinance Bank.



Farmers Awareness Session on Maize Crop in Sahiwal

In October 2019 a session was arranged by KMBL to create awareness about Maize Crop for farmers in Sahiwal area.

Dr. Zubair Ahmed (Scientific Officer, MSM&F, CSI, NARC) talked on the topic of "Climate change & mitigation of environmental stresses, adaptation of efficient production technologies to increase maize yield and Biofortified maize". He gave a brief introduction of maize and explained the current status of maize in the world and Pakistan.



He explained the potential difference between maize hybrids and varieties, nutritive values of maize and its uses, climatic & soil requirements for maize production, complete production technology from land preparation, sowing methods, use of fertilizers, weeds & pest management, diseases of maize and their control to harvesting/post-harvest losses and control.



The concept of climate change was introduced to the audience along with discussion on worldwide losses due to heat & drought stress, flooding, increased incidences of biotic stresses, soil depletion and reduction in cropped area was carried out.

His main focus was on heat stress. Heat stress devastated maize crop in Punjab in the year 2019. He also explained the results of an experiment conducted at NARC on maize to check the pollen viability under heat stress conditions. During the presentation various solutions were suggested to the farmers for heat stress management by careful selection of sowing time and other practices.

The farming community was answered with effective solutions to all their routinely faced problems.

International Day for the Eradication of Poverty was Celebrated with Rural Women of Shah Allah Ditta

On the occasion of Poverty Eradication Day, a session on micro-entrepreneurship was arranged by KMBL at Shah Allah Ditta in the outskirts of Islamabad, as part of our efforts to empower women in the long run by helping them learn skills that can lead towards earning an income.

The aim of the session was to acknowledge the critical role that rural and indigenous women can play to enhance rural development; leading towards eradicating rural poverty by teaching them entrepreneurial skills.

A successful micro-entrepreneur and a famous



YouTube celebrity, Shahid Hussain Joiya was invited to conduct a session on 'how to become a successful entrepreneur in a small setup'. He demonstrated on how to develop products like homemade shampoos, liquid detergents, liquid hand wash, bath soap and house-floor tiles. Main focus was on starting a small scale business using minimum resources at hand. He stressed upon these ladies to work side by side with male figures of their families and become equal financial contributors of their households. Shahid Joiya explained how these products have huge market opportunities and praised KMBL for providing a suitable platform for these women to implement business ideas in a remote area. A complete guidance on costing, product development, packaging, marketing and distribution was shared along with their market feasibility analysis. Shahid Joiya's efforts have also been recognized by BBC and Voice of America. He believes that the only way for rural population to uplift their living standards is through entrepreneurial ventures.

Radio programs for farmers on various Crops & Kitchen Gardening by NARC Experts

Among the mass media, radio and television prove to be valuable sources of informal education. Due to the vast reach and coverage, radio is considered to be the most effective media in promoting agriculture and development in rural areas, particularly as a tool for the delivery of quick information. Agricultural education intervention programs are more fruitful if they are conveyed through radio.

Considering the effective role of radio in improving awareness of farmers; KMBL formulated a series of Radio Programs for farmers in coordination with National Agriculture Research Council whereby eight programs on eight different topics was aired every Thursday via Radio Pakistan. These programs were designed for various areas as per major crop cultivation in that particular area. The Experts talked on the following crops and answered to the queries of the callers.



Very useful crop information was given by the experts including information about new seed varieties, use of fertilizers, crop diseases, prevention, and efficient water saving through drip irrigation and increased crop yield through seed drill mechanism.

Two programs were dedicated to Vegetable / Kitchen Gardening based on the fact that if every person has an organic garden for their daily needs, the problem of food insecurity would be completely eradicated from our country. Also organically grown food is grown in soil that uses natural fertilizer rather than urea, is not sprayed with pesticide or water contaminated with chemicals. Considering the importance of this topic, more programs on Kitchen Gardening will be sponsored by KMBL in 2020.

These programs also disseminated information about KMBL Agri products and how the interested farmers can reach out to the Bank using the 24/7 Helpline number.

Month	Week	Crop/Topic	Expert Name
Nov. 2019	1	Wheat	Dr. Sikandar Khan Tanvir
	2	Citrus (Kinow, Orange)	Mr. Muhammad Imran
	3	Oilseed Crops	Mr. Nazakat Nawaz
	4	Vegetables-1	Mr. Sultan Mahmood
Dec. 2019	1	Kitchen Gardening/ Vegetables-2	Dr. M. Mazhar Hussain
	2	Crop Diseases	Dr. Faisal Sohail Fateh
	3	Soil & Fertilizer	Dr. Raza Ullah Khan
	4	Tunnel Farming	Dr. Ghulam Jellani

World Women Entrepreneurs Day - Event at Bahawalpur

Worldover, 19 November is celebrated as 'Women Entrepreneurs Day'. On this occasion, KMBL organized an event in Bahawalpur to mark this International Day.

With the goal of facilitating female micro-entrepreneurs in Pakistan, a motivational session was held for the women of Bahawalpur to teach them important skills for starting up a business using minimum resources at hand.

Once again the renowned and successful micro-entrepreneur and famous YouTube celebrity, Shahid Hussain Joiya was invited as the presenter who demonstrated how to make sellable products at home with a huge sale potential. Over 200 women took part in the



session where they learnt how to make household commodities such as soap, detergent, shampoos, hand washes etc.

The speaker instructed the audience on business strategies along with a complete guidance on costing, product development, packaging, marketing and distribution with market feasibility analysis. An interactive session was held where women were invited to provide a hands-on experience with product development. Samples were also distributed among all participants. The session was concluded with interactive Q/A session, which saw active participation from all women attendants.

Moving beyond the provision of loans, KMBL aims to empower the next generation of women entrepreneurs by imparting skills that can help women earn their own money.

KMBL to Attend Annual Microfinance Conference – Rethinking Microfinance: Developing a New Inclusive Finance Compass

The annual microfinance conference was organized by Pakistan Microfinance Network (PMN) on the theme of "Rethinking Microfinance: Developing a New Inclusive Finance Compass" where KMBL was also invited as a major microfinance service provider of the industry. The purpose of the conference was to create a platform for all microfinance and other financial service providers, policy making agencies, regulatory bodies, development agencies and government authorities, etc. to discuss different ways to accelerate the financial inclusion process and to find solutions to various bottlenecks of the process.

Mr Ghalib Nishtar, president and CEO KMBL, also chaired



a session on “The RSP Journey: Mapping the Future with a Rearview Mirror” where he shared his valuable insights to the many ways that can uplift the micro-level economy with respect to the overall economic shifts as well as the industry trends. Financial inclusion for every race, gender, cast or any type of economic background requires strategic and innovative approach taken up by all the players in the microfinance industry to drive social inclusion in economic activities; hence, generating micro-entrepreneurs in the country. Mr. Ghalib Nishtar represented Khushhali Microfinance Bank Limited (KMBL) as a strong player of the industry that is steadily taking impactful steps towards financially empowered micro-economy.



Donation of Interactive/ Smart Board equipment for School in Gulmit



With a vision to help achieve digital learning experience for students of under privileged areas, KMBL sponsored a smart board for a community school in Gulmit, near Hunza.

The Bank has sponsored an interactive Smart Board that is aimed to enhance students’ learning experience where they will have easy access to limitless Online Resources. Smart Boards are environmentally friendly & low maintenance. It will help increase in interactive instructional tools, create more interest and motivation among students, display attractive graphics, improve lectures with audio-visual tools, provide better instructional materials, and will cater to all learning styles.

Al-Amyn Model Higher Secondary School Gulmit was initiated by a community organization that has 15 spacious classrooms, a highly equipped science lab, computer lab, library, and an environmental room. The school building is ideally situated at the heart of Gulmit, Gojal (Hunza) surrounded with traced fields and has a peaceful environment.

Their lab is equipped with 20 latest hi-tech computers for students where computer classes are provided to the lot. Apart from providing valuable knowledge to the ones living nearby, this lab also serves as a Distant Learning Center for students outside the premises.

Mangrove Plantation & Beach Cleaning in Karachi

To mitigate the impact of climate change and increase tree cover, KMBL in collaboration with World Wide Fund (WWF)-Pakistan planted mangrove saplings along the beach in Karachi. Staff from Karachi branch actively participated in the activity.

Mangroves were chosen for plantation in the area due to their feature of protecting shorelines from damaging





storms and hurricane winds, waves, and floods. They also have the feature to maintain water quality and clarity, filtering pollutants and trapping sediments originating from land which is highly needed on Karachi beach.

Trash in water causes damage to the marine life, humans, and also impacts the livelihood of those who work on the ocean.

On this occasion, a cleanup drive was also carried out at the beach by the KMBL staff with the objective of clearing beach wastage in three categories: Plastic, Paper and Other. The WWF Climate Team communicated a veritable environmental education to the participants.

Climate Change Day Celebrated with School Children

On the occasion of International Day of Climate Action, the KMBL Green Office Team volunteered to create environment awareness among the school children of a public school. The school located in the suburbs of Islamabad caters to the children of employees of the GOP.



The focus of the session was to promote awareness of the impacts of climate change and encourage personal commitment to conservation. The students were briefed about nature conservation and how they can play their role in preserving the environment through small steps like washing their hands, not littering in public places, saving resources like water, paper and electricity, recycling, reusing, planting more trees and spreading awareness among their family and friends to resist the effects environmental pollution. The students took keen interest in the discussion and responded to queries regarding their understanding of climate change.



Potted plants were distributed to inculcate a sense of ownership and care among the students for the sapling planted by them at a place of their choice.

KMBL in a signing ceremony with PMIC for arranging Tier II privately placed term finance certificate of PKR 1,400 million

Khushhali Microfinance Bank Limited has been granted a Tier II privately placed Term Finance Certificate (TFC) of Rs. 1,400 million from Pakistan Microfinance Investment Company (PMIC) in which KMBL has opted Rs. 500 million for green shoe option for 8 years.

The TFC is intended to expand the overall business volume, i.e. to increase its overall market share, both in terms of loans and deposits portfolio. Focus will be on the growth of microcredit volume where gradual enhancement of enterprise lending shall be taken into concentration with increased focus on individual and MSME products with larger loan size, mostly it involves agricultural related loans. KMBL is the leading provider of microcredit services in the microfinance industry where it plans on remaining with lower profitability, hereby, improving the overall markup spreads. The main purpose of this financing is to increase the lending operations of the bank and maintaining its legacy of being the best microfinance bank of Pakistan.

With this lending plan, not only will the local standing increase but it will also allow KMBL to attract international investors to become a part of a bigger project to accelerate financial inclusion in microfinance industry.



Green Office Measures

Environment / Green Office Initiatives Oct – Dec 2019	
GO Initiatives	Status
Paper Saving	PaperCut reports are shared with the HODs on monthly basis to analyze and monitor the printing trend by department staff.
Employee Awareness Campaign	<p>Awareness tips were circulated regularly to employees via email:</p> <p>Green Office Tips (Water, paper and electricity saving tips)</p> <p>International Environment related Days</p> <ul style="list-style-type: none"> • International E-Waste Day • International Day of Climate Action • World Soil Day <p>Monthly ECO Tips shared by WWF</p>
Tree Plantation	Karachi branch staff was involved in beach cleaning and mangrove tree plantation activity arranged in partnership with WWF Pakistan.



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