

A QUARTERLY NEWSLETTER OF KHUSHHALI MICROFINANCE BANK

# Grassroots

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President's Message

02

Quarterly Business Update  
July - September 2016

02

54th Meeting of the Board of Directors of  
Khushhali Microfinance Bank

02

Poverty Eradication Day Event  
Sponsored by Khushhali

03

Financial Market Development (FMD)  
Project in Partnership with USAID

03

Khushhali Microfinance Bank pledges to continue its support  
for Women Entrepreneurs of Pakistan

04

Promoting Women Entrepreneurship on  
Women Entrepreneurs Day!

04

Opening of a New Service Center  
in Matotli near Multan

04

Area Sales Conference - Oct 2016

05

Farmer Trainings in Remote Rural Areas of Pakistan -  
A Commitment to Promote Agriculture

05

Agriculture Mela arranged by the  
State Bank of Pakistan in Multan

06

From disability to prosperity -  
the story of Wazeeran bibi

06

Khushhali Microfinance  
Bank Trainings

07

## President's Message

The year 2016 was challenging on a number of fronts requiring a more proactive response from all of us.

I wish to recount some of the achievements of the year:

- A record year in terms of business
- Deepening the reach by opening 11 new branches and 2 service centers
- Expanding the micro enterprise product to 39 branches
- Approval of offshore funding from major global debt funds -OPIC and ADB
- Consolidation of our corporate office at the new premises
- Rebranding and refurbishing of branches
- Launch of an Independent marketing function
- Approval of RTGS membership by SBP

It is you, your work and commitment that has contributed to this success.

I am glad that this was forthcoming enabling us to achieve our goals.

The market is competitive but our resolve to pursue the transformation program over the past four years has strengthened the institution and enabled us to maintain our market leadership.

Wishing you all a prosperous new year.

Ghalib Nishtar



## Quarterly Business Update July – September 2016

Period	Microcredit		Micro Savings		Micro-Insurance	
	Active Borrowers	Value (PKR)	Active Savers	Value (PKR)	Policy Holders	Value (PKR)
2016-Q1	536,913	18,194,076,938	1,161,385	16,955,720,797	592,933	20,021,756,938
2016-Q2	519,942	18,798,982,390	1,224,566	17,791,671,849	578,313	20,651,907,390
2016-Q3	545,954	19,993,040,255	1,278,355	18,588,208,687	612,035	20,031,043,305
2016-Q4	556,787	27,377,582,629	1,369,007	21,147,187,575	623,025	25,173,908,945

## 54<sup>th</sup> Meeting of the Board of Directors of Khushhali Microfinance Bank



The 54th meeting of the Board of Directors of Khushhali Microfinance Bank was held on the 15th of December, 2016 at the Bank's Corporate Office Islamabad. The directors exhibited confidence in the management and assurance of their commitment and support towards augmenting Khushhali's growth.

Being the last meeting of the year several issues were discussed such as the proposed budget for the next calendar year 2017, annual self-assessment of the Board and findings of the task force on key audit findings. Economic update and operating results for the 3rd Quarter of 2016 ending on 30th September 2016 as well as the business update were also deliberated upon. Moreover, for smooth operations of the Bank, the Board also approved a revised "Capitalization Policy" and a "Service Quality Policy" of the Bank.

The matter of newly promulgated Companies Ordinance 2016 was also thoroughly discussed and management was instructed on ways



to improve the corporate structure of the Bank to bring it in line with the new law. The Board appreciated the President and his team for their efforts and showed overall satisfaction with their performance.

## Poverty Eradication Day Event Sponsored by Khushhali

An event on the occasion of International Poverty Eradication Day was arranged by Pakistan Microfinance Network on 17th October 2016 at Lok Virsa in Islamabad. The event aimed to bring relevant stakeholders including microfinance & financial service providers, regulators, policy-makers, donors, development agencies and government authorities to discuss the progress on the Millennium Development Goal that focus on reducing poverty.

The event discussed the various challenges that lie ahead in the achievement of Sustainable Development Goals (SDGs) to combat poverty and achieve inclusive economic growth while highlighting roles of various stakeholders in changing the lives of the poor. This event was a great opportunity to initiate dialogue for concerted efforts among all relevant stakeholders, especially in the context of launch of the SDGs globally and National Financial Inclusion Strategies nationally. Sessions discussed how to break free low-income households and vulnerable population from the chains of poverty through the provision of financial services.



As a major sponsor of the event, Khushhali Microfinance Bank strongly believes in eradicating poverty and creating financial inclusion in Pakistan. The Bank's core values include empowering low-income households across the country through Microfinance. These values are in line with the SDG's and the idea behind International Poverty Eradication Day.

The event also featured a discussion on the global experience of financial inclusion in addressing sustainable development goals. This was followed by a session where successful clients came and represented different microfinance providers with diversified products and services. Among other sessions at the event were sessions on penetrating rural and hinterlands through digitalization and donor interventions in microfinance and financial inclusion.

The event was attended by important stakeholders of the microfinance industry and government officials.

Ghalib Nishtar, President Khushhali Microfinance Bank said, "The world has witnessed the impact of microfinance on poverty eradication in the recent years. Microfinance has the potential to enable individuals and households to improve incomes, increase employability while reducing vulnerability to social and economic crises. Microfinance has also enabled women to become active members of economic activity. It is due to microfinance that women own businesses, assets and play a greater role in the decision-making in their societies taking up leadership roles in their communities. A developing country like Pakistan cannot undermine the role microfinance plays in poverty eradication and on this International Poverty Eradication Day, we must vow to use microfinance as a tool to fight poverty in a sustainable manner."

## Financial Market Development (FMD) Project in Partnership with USAID



Financial Market Development (FMD) Project, a five year technical and training collaboration program funded by USAID has been designed to promote the development of competitive, deepened and diversified debt capital markets in Pakistan. One of the components of the FMD project is to provide technical assistance to the Development Credit Authority's (DCA) partner banks to increase outreach of Small, Medium Enterprise (SME) finance and increase utilization of the DCA partial guarantee extended to its partner banks. Khushhali Microfinance Bank (KMBL) is one of the DCA partner banks, which has subscribed to the credit guarantee facility of amount US\$ 5million.

The three key areas of focus for collaboration between Khushhali Microfinance Bank and FMD team for MSME outreach expansion were capacity building of MSME staff, new product development, pilot design and roll-out. The project has progressed and till now both the teams have shortlisted two potential products targeting the rural market. The agriculture equipment financing under the ambit of MSME is planned to be launched in 2017 first quarter.

To gain market insights and a sense of customer needs, six focus group sessions were conducted in Bahawalpur, Sahiwal and



Vehari areas in November 2016. Insights gained during this market research activity will help design the final product along with operating procedures.

## Khushhali Microfinance Bank pledges to continue its support for Women Entrepreneurs of Pakistan

Celebrated every year on 19th November, World Women Entrepreneurs Day commemorates women who continue to defy the daunting circumstances and excel as professionals and home-makers in developing economies around the world. On the occasion, Khushhali Microfinance Bank pledged to continue its support for women-owned businesses.

The Bank has a network of over 139 branches with 2 service centers primarily in the rural areas of Pakistan and caters to over 556,787 active borrowers. With a portfolio that boasts of 26% women inclusion (146,602), the microfinance bank caters to women across all provinces with 3.39% of the portfolio hailing from AJK, 0.01% to Baluchistan, 4.53% to KPK, 80.70% to Punjab and 11.37% to Sindh.



Khushhali's vision over the past 15 years of its legacy is to lead by example when it comes to identifying women empowerment opportunities and optimizing on them. Keen to invest wisely, women have not shied away from availing loans and experimenting with new business in all economic fields. Out of our total current female borrowers, 25% of have invested in enterprises, 15% in agricultural industry whereas 60% have invested in livestock putting their families back to their feet.

Speaking about the various financial assistance programs available, Ghalib Nishtar, President Khushhali Microfinance Bank said, "Women remain an untapped economic potential in the developing economies where, according to the International Labor Organization, there are 812 million women living with the potential to contribute more actively to their economies. The need of the hour is to proliferate policies to support women inclusion in the workforce in order to enhance opportunities available to them, this will directly impact women's success in business which, as a majority gender in the population, ensures national economic progress and success."

## Promoting Women Entrepreneurship on Women Entrepreneurs Day!



On the occasion of International Women Entrepreneurs Day-18 November, Khushhali celebrated success and efforts of women in Pakistan. A radio program on FM 101, in Islamabad highlighted Khushhali's contribution in empowering women through financial inclusion and access to finance. At this occasion our clients Rehana bibi, having her poultry business and Sameena Naz, running a boutique, participated in the program, and shared the challenges and experiences of their journey to success. Muhammad Hassan Warriach, Manager MSME briefed the audience about Khushhali, MSME, School and other loans being offered to women entrepreneurs. The program was aired live across 35 cities of Pakistan.

## Opening of a New Service Center in Matotli near Multan

In order to increase Khushhali's outreach and facilitation to existing and potential customers in Multan area, a new Service Center was inaugurated in Matotali near Shujabad in December.

The new Service Center aims to increase KMBL's outreach and facilitation to customers and potential customers in the area. With debit credit facility, access to formal financial services including micro credit, savings/deposits and local remittances and for payments, group loans and all kinds of customer support, this new branch is well-equipped to cater to the financial needs of people in Shujabad, specially Matotali and its surrounding areas.

The new Service Center will allow residents of Multan to gain information about microfinance and how to utilize this powerful



tool to expand income generating opportunities; empower women; and create a more stable and prosperous society. The Center will provide services in compliance with State Bank of Pakistan's policies. Staff at the Center has been trained to provide information regarding the Bank's various saving and loan services to existing and potential / walk-in customers. Through this Service Center, main branch Shujabad, will also give potential customers access to formal financial services, including microcredit savings and deposits, as well as local remittances for payments. The Service Center will ensure that group loan customers have access to all relevant support, such as facilitation, guidance, and the lodging of loan requests, disbursements and collections under one roof.



## Area Sales Conference – Oct 2016



Area Managers Conference was held at Karachi in October. The Conference started with opening remarks by Amina Hassan, Head Retail Banking who highlighted the key achievements of Khushhali in the year 2016 and the market challenges & opportunities to boost the business. She also highlighted the business initiatives in terms of Digital Finance Services and launch of service centers for client mobilization. Participants were advised to focus on portfolio quality, client graduation to higher ticket loans and exploring untapped market potential. Aftab Alam, National Distribution Manager highlighted the business performance during the year and proposed a business plan for 2017. He explained in detail the Khushhali's positioning comparisons while emphasizing the importance of robust growth and portfolio quality to retain the position of

market leader for Khushhali. In his feedback session, Ghalib Nishtar, President Khushhali Microfinance Bank, appreciated the efforts by frontline staff especially high performing areas to boost business and emphasized on improving the productivity of low performing areas. He also focused on low cost delivery channels for rapid growth with minimum cost.

The President along with Head Retail, National Distribution Manager, Manager Distribution and Area team formally inaugurated the Karachi-Korangi branch and held feedback session with branch staff. With launch of Korangi branch Khushhali's network strength has increased to a network of 139 branches in 2016.

## Farmer Trainings in Remote Rural Areas of Pakistan – A Commitment to Promote Agriculture

Khushhali Microfinance Bank (KMBL) organized a farmer training at the remote area of Chah Bhabhay Wali near Kot Chutta in December. The training was attended by around 150 farmers from around the area. Dr. Sikander Khan Tanveer, an agronomist and senior scientific officer at National Coordinated Wheat Program of National Agriculture Research Council (NARC) highlighted that wheat is one of Pakistan's main crops cultivated on an area of about 9.0 million hectares with the production of about 25 million tons. Farmers were trained regarding the use of latest wheat varieties, proper use of seed rate, soil preparation methods, efficient use of fertilizers, weedicides, and application of water at the proper crop growth stages. Farmers were also given information regarding better use of water which can be helpful in saving water on large scale and regarding the adaptation of such management practices which can be helpful in increasing the soil fertility which would also decrease the emission of Green House Gases (GHG) and ultimately can be helpful in environmental protection.



He further mentioned that help pertaining to farming and wheat varieties is available at National Agricultural Research Center Islamabad, Punjab Seed Corporation & other research centers like Ayub Agricultural Research Center Faisalabad and Regional Agricultural Research Centre Bahawalpur etc.



KMBL Area Manager D.G Khan Mansoor Mirza mentioned that agriculture accounts for a major contribution to Pakistan's GDP as well as around 40% of Pakistan's labor force. "It is for this reason that Khushhali Microfinance Bank wants to use the powerful tool of microfinance to help farmers increase their businesses, GDP and working labor force of the country. At KMBL we welcome farmers to come and obtain funds from us for their agricultural businesses and our easy instalments and flexible plans make it easier for small business owners like farmers to benefit from micro loans", he said.

Bilal Bhabha, a farmer in the area mentioned that the training has been very helpful for him and other farmers. "We have learnt a lot of new things to increase wheat production. In our area, no one really guides us and therefore trainings like these are highly beneficial", he said.

Khushhali Microfinance Bank believes in educating farmers to enable them to benefit the most from the funds they invest in agriculture. As part of its corporate social responsibility, KMBL plans to host similar training sessions in areas with agricultural potential. KMBL also provides microfinance loans to farmers regularly so they can invest in the agricultural business not only to benefit individually but also help Pakistan, a country where agriculture contributes around 20 percent of the overall GDP.

## Agriculture Mela arranged by the State Bank of Pakistan in Multan



Khushhali Microfinance Bank actively participated in the annual Agriculture Mela arranged by the State Bank of Pakistan in Multan attended by around 500 participants, majority of which were farmers, students of agriculture and bankers. Purpose of the event was to promote Development Finance of Non-Farm sector.

## From disability to prosperity – the story of Wazeeran bibi

Standing in a farm, the 45-year-old Wazeeran bibi tosses corn kernels in the air. As the chickens circle around her she sighs but a smile inevitably appears on her lined face. The sigh does not even begin to reflect her difficult journey, yet the smile is a testament to Wazeeran bibi's confidence in her future.

A strong-headed woman belonging to a poor family in Shuja Abad Town, a small town in Punjab, she lost her right hand in a fire accident as a child. Ever since childhood, Wazeeran bibi had experienced poverty. Getting married to a man who cultivated crops on leased lands, did not change her prospects either. Her husband's work had limited scope and the income was nominal, barely enough for bread and milk.

With four daughters and two sons, making ends meet was always a challenge. Sick of financial restraints, Wazeeran bibi stood up one day and decided to venture forth and avail assistance from Khushhali Microfinance Bank, following suggestions from people in her community. "The reason I took this step is because I never wanted my children to have a similar life. A mother can struggle throughout her life but she would never want her kids to go through the same struggle", said Wazeeran bibi.

She utilized her first loan installment of Rs 8,500 to purchase a goat and sell its milk for a living. With the sudden income from the milk her life started becoming easier a day at a time. Soon, she saved enough to purchase a cow and a buffalo, which enabled her to generate a reasonable income to sustain her family.

With months of saving, she opened a poultry farm that helped her sustain her income during times when her cattle stops yielding milk. Saving Rs. 10,000 – 12,000 every month, Wazeeran bibi hopes to reinvest and learn from her experience to expand her business. The businesswoman that she has become, Wazeeran bibi now believes in maintaining a healthy credit history so she can avail financial resources to expand in the future.

Even though her living conditions improved, her difficulties and challenges continued but her will power to face them renews everyday. People around her taunted her, she faced societal pressure due to the stigmas attached with women stepping out and her family was ridiculed. Nevertheless, Wazeeran bibi remained dedicated to her work and never allowed her disability to come between her and her work. Beautifully balancing work, her children and her home, Wazeeran bibi pulled her family out of a life of poverty. Not only has this experience changed their lives but it has also instilled a confidence in Wazeeran bibi and her children. Today, they are hopeful for happiness, success and a better future.





# Khushhali Microfinance Bank Trainings



Assessment Training LOGL & OPS Dec 5-8



Assessment Training LOGL & OPS Dec 5-8



Distribution Supervisor Training Nov 28-30



Emerging Managers for BMs



Emerging Managers for RMs



Emerging Managers for RMs



Orientation Training LO-GL Oct 17-20



Service Quality Training Batch 1



Service Quality Training Batch 2



Service Quality Training Batch 3



Service Quality Training Batch 4



TLT Training Oct 4-6



## Savings Accounts

SWITCH TO **13%\*** PROFIT



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Future is unpredictable, but here at Khushhali, we care about your needs and help you plan a prosperous future with our special Savings Schemes for Senior Citizens, Pensioners, Juniors and Widows with profits up to 13%\*.

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55-C, 4th, 5th & 6th Floor, Ufone Tower, Jinnah Avenue, Blue Area, Islamabad.  
Tel: +92 (51) 111 092 092, Fax: + 92 (51) 9245120  
Help Line: 021-111 222 525, [www.khushhalibank.com.pk](http://www.khushhalibank.com.pk)

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