

grassroots

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one promise

Our 10th anniversary marks the achievement of two million loans to Pakistanis across the country. We strive to support and rebuild ordinary lives by creating the right combination of circumstances through skills and infrastructure development, community empowerment, independence and enterprise. More proof that we're giving common people an uncommon advantage to realize their full potential. Which is why, Khushhalibank is more than a bank. It's a promise.

Inside this Issue

- Khushhalibank Recognizes Excellence 01
- President's Message 02
- ADFIMI Conference on Microfinance 02
- Quarterly Business Update, April - June, 2010 02
- Launch of an Exclusive Microfinance Credit Information Bureau 02
- Information Technology Infrastructure Library Training June 2010 03
- President Khushhalibank Speaks at Industry Linkages Program 03
- Khushhalibank's Ratings Reaffirmed with 'Stable' Outlook 03
- Khushhalibank Participates in a Seminar on Public-Private Partnerships 03
- State Bank of Pakistan Seminar in Muzaffarabad 04
- Khushhalibank Bids Farewell to its First Retiring Employee 04
- A Glance into Khushhalibank's Promise of "Changing Lives" 05



Annual Retail Conference 2010

Khushhalibank Recognizes Excellence

The Annual Sales Conference was held on April 19, 2010 at PC Bhurban to review the performance for the year 2009 and to present a strategic direction for the year 2010 and beyond. Ghalib Nishtar, President, Khushhalibank chaired the Conference which was attended by Heads of all Departments, the Retail Unit from the Corporate Office, and Regional Business Managers and Territory Portfolio Managers from their respective regions. The performance of 2009 was lauded and appreciated and an award ceremony was organized to mark the occasion, during which President, Khushhalibank presented awards in different categories.

During the conference the performance of various sales teams was gauged and recorded against the quantifiable targets and qualitative objectives set forth at the beginning of the year.

Ghalib Nishtar while felicitating the employees at the occasion said, "Khushhalibank believes in recognizing and rewarding high achievers that make valuable contributions towards the organizational goals. We encourage them for their ability to translate targets into the tangible achievements and qualities of leadership that lead to success. These are attributes that truly distinguish them amongst their peers and set them apart from others and therefore must be duly acknowledged and recognized. We feel proud to have natured a healthy work environment which enables you to be competitive. Your success is our success. Keep up the good work."

The Sales Conference 2010 ended with a resolve to pursue the set targets diligently and make 2010 another successful year for the bank.

President's Message



The quarter in review provided an opportunity to engage with external audience to share our experience of nearly ten years. These seminars and conferences are a useful forum to disseminate information about the bank which has emerged as a successful model of public-private partnership for achievement of larger national development goal of financial inclusion.

We continue with our effort to strengthen our institutional capacity in terms of back office operations and front end Retail delivery mechanism for achieving business growth and profitability.

We have under the Shorebank/Gates Awards completed our strategic market assessment as well as survey for liability products across Pakistan and based on the feedback are positioning ourselves for launching new initiative for operational consolidation, technology up-gradation and expanding our retail faculties.

The quarter witnessed an important milestone in terms of the launch of an exclusive Credit Information Bureau for microfinance sector by the Pakistan Microfinance Network that will go a long way in improving the Risk management capabilities of member Institutions.

New Induction and promotion continue with the organizational expansion but as we approach our tenth anniversary we witnessed our first employee retirement as we bid farewell to one of our senior colleague by wishing him the best for the future.

Let us focus our efforts on our ongoing tasks while we embark on new Initiatives in the coming quarter to make our Institution stronger and prosperous for the future.

ADFIMI Conference on Microfinance

ADFIMI, Association of National Development Finance Institutions in Member Countries of Islamic Development Bank established in 1986, is an international association serving 54 members in 15 countries with headquarters in Istanbul. The main field of activity of ADFIMI is capacity building of its member

institutions some of which come from the least developed countries.

ADFIMI hosted a Conference titled "Microfinance Experiences of South and South East Asia" in collaboration with Agrobank in Kuala Lumpur Malaysia from March 29-31, 2010.

During the conference, the President Khushhalibank made a presentation on the microfinance sector in Pakistan and the role of Khushhalibank in the development of regulated framework for Microfinance in Pakistan. The conference was participated by some of the leading microfinance institutions of Asia.

Quarterly Business Update April - June, 2010

	Microcredit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value (PKR Millions)	Active Savers	Value (PKR Millions)	Policy Holders	Sum Insured (PKR Millions)
2010-Q1	317,080	3,631.6	105,869	1,302.5	317,080	3,631.6
2010-Q2	324,444	3,779.8	154,280	2,318.4	324,444	3,779.8
Increase (Net)	7,364	148.2	48,411	1,015.9	7,364	148.2
Increase (%)	2.3%	4.1%	45.7%	78.0%	2.3%	4.1%

Launch of an Exclusive Microfinance Credit Information Bureau

An exclusive Microfinance Credit Information Bureau (MF-CIB) was launched on May 21, 2010 to strengthen and expand the microfinance sector and create a healthier credit culture by identifying credit worthy borrowers and reducing instances of over-borrowing and fraud.

The pilot Microfinance Credit Information Bureau is a joint venture of Pakistan Microfinance Network, UK's Department for International Development (DFID), Citi Foundation and State Bank of Pakistan. The MF-CIB will assist policy instruments by providing accurate

insolvency and delinquency information.

MF-CIB will contain the data of each client of every microfinance institution to restrict the overlapping of loans and to enable the microfinance institutions to analyze the debt capacity of their respective clients.

Information Technology Infrastructure Library Training - June 2010

In this era, use of Information Technology is pervasive in every sphere of life and no organization can hope to flourish without sound IT systems. With a view to remain competitive and provide better customer service, Khushhalibank is fully geared to constantly upgrade its systems and provide development opportunities to its staff to stay updated with latest IT solutions in the market.

The bank therefore organized an exclusive and collective Information Technology Infrastructure Library (ITIL) training for the whole IT staff through external service provider. The training not only provided opportunity to promote concept of service level agreements with the IT users but also an opportunity for staff to prepare



A group picture of trainees with President, Khushhalibank and the Management

for professional certification in ITIL.

President Khushhalibank Speaks at Industry Linkages Program

A seminar titled 'Striving towards a more equitable Pakistan' was organized at Quaid-i-Azam University (QAU) by its Alumni Association and Department of Economics on April 29, 2010. The seminar was held as part of series of activities the QAU Alumni Association has planned for the year 2010. The title of this series is "Quaidian Speaker at Campus" and the motivation behind this initiative is to bring the Alumni closer to the University and share their experience and expertise with the current students. Ghalib Nishtar, President Khushhalibank,

being alumni of the university, while sharing his insights said that given the current industrial scenario, there is a need to promote university industry linkages with an aim to boost up national economy.

In his keynote address, Ghalib Nishtar highlighted the background, scope and impact of microfinance in Pakistan. He said that in a globally connected world, we should be ready to face up new realities and come up with appropriate solutions. Public and private sector should undertake

such programs which are more effective in targeting the vulnerable and have the necessary accountability and transparency. He further added that through microfinance initiatives, financial service access has been enhanced and great support has been provided to low income segments of the society especially in rural and far flung areas of Pakistan. This service delivery initiative to the less privileged families at such large scale would be a great help in strengthening economy, poverty alleviation, promoting equality and social justice in Pakistan.

Khushhalibank's Ratings Reaffirmed with 'Stable' Outlook

JCR – VIS Credit Rating Company Limited has reaffirmed the entity ratings of Khushhalibank at 'A-' (Single A Minus) for the medium to long-term with stable outlook and A-2 (A two) for the short term.

The ratings reflect Khushhalibank's position as one of the largest microfinance banks operating in the local Micro Finance Banking Sector, with 111 branches set up in 86 districts of the country. The

Bank's ratings draw strength from its improved financial performance, sound portfolio indicators and experienced management team.

Khushhalibank Participates in a Seminar on Public - Private Partnerships

National University of Computer & Emerging Sciences (FAST-NU) established its Mahbub-ul-Haq Executive Development Centre (MEDC) at Islamabad Campus, designed to host conferences and provide training to senior managers in the private and public sectors. It intends to provide an independent and neutral platform for promoting dialogue

between the public and private sectors with the objective of minimizing mistrust between the two sectors.

The opening ceremony held on June 17, 2010, was followed by a seminar on Public-Private Relationships: "The Way Forward" in which Ghalib Nishtar, President, Khushhalibank presented the

paper on "Public-Private Partnerships for Sustainable Development". During the seminar several distinguished speakers discussed various aspects of public and private sector relationships and the participants lauded the productive deliberations at the seminar.

State Bank of Pakistan Seminar in Muzaffarabad

State Bank of Pakistan (SBP) organized a seminar in Muzaffarabad on 'Expanding Outreach of Development Finance' in Azad Jammu Kashmir (AJK). The seminar was chaired by Farooq Haider, the Prime Minister of AJK and the Deputy Governor of SBP. The seminar witnessed participation from prominent commercial banks and microfinance institutions.

Khushhalibank's Territory Portfolio Manager, Manzoor Karim represented the Bank at the seminar and appraised the audience about the issues faced by financial institutions in AJK and presented recommendations to tackle these problems. The Prime Minister of AJK lauded the efforts made by Khushhalibank in fighting poverty in the region and

presented an award to the Bank in recognition of its contribution in the region.

During the seminar the stalls were also set up for the clients of different financial institutions to display their products and brief the participants about the business they have started with the help of these financial institutions.



Khushhalibank's Territory Portfolio Manager receiving an award by the Prime Minister of AJK



A client of Khushhalibank exhibiting her products during the Seminar

Khushhalibank Bids Farewell to its First Retiring Employee



Corporate Office staff bidding farewell to Mr. Tahir Aziz in a ceremony held to mark the occasion



Mr. Tahir Aziz retired from Khushhalibank on 30th May, 2010 as Manager Retail Projects. He was one of the pioneering members of the Khushhalibank who saw the institution grow over the last 10 years to its present status as the market leader in Microfinance at the national level. As a valuable member of the Khushhalibank's family, he served the Bank across different

territories & regions in far flung areas of Pakistan with utmost dedication & commitment. Before joining Corporate Office as Manager Retail Projects, he served as Regional Business Manager, Rawalpindi Region and Regional Business Manager, Multan Region.

He has many feats to his credit. During

his service he opened up 11 new branches and under his leadership Multan Region became profitable for the first time in 2003. He also conducted a number of surveys in Multan on the basis of which several new branches were opened later. His contribution in establishing Khushhalibank's brand value will always be cherished and remembered.

A Glance into Khushhalibank's Promise of "Changing Lives"

Ghulam Zaitoon-Entrepreneur from Rawalpindi whose Loan Officer (Khushhalibank) is Sabiha Khanum

Entrant Information

Full Name	Ghulam Zaitoon
Gender	Female
Marital Status	Married
Dependents	05
No. of Loan Cycles	07

Business Information

Location of Business	Ammar Poora, Rawalpindi
Type of Business	Furniture Shop
Monthly Sales	PKR 35,000
Total Employees	04



What have been some of the micro entrepreneur's greatest challenges and how they have been overcome?

Ghulam Zaitoon, is one of those courageous women who become a source of inspiration for the entire women folk due to sheer hard work and determination. Having to support four children with a husband suffering from cancer, Ghulam Zaitoon, a 61 year old woman fought hard for survival yet she couldn't provide even a single decent meal to her family. However, she was determined to take her family out of these failing circumstances and hence decided to take the bull by the horns and find a way around these problems without depending on anyone except herself. Zaitoon knew she had the furniture-making skill which she could use to her advantage, but, the real challenge was how to put this skill in use and generate a respectable income which could enable her to support her family. Her idea of starting the furniture business presented a solution to all her problems and she decided to make it happen. Now, the

only impediment in her way was lack of funds to start the business. But as it's said 'Where there is a will , there is a way', hence, she came to know about the micro-credit schemes which turned her dream into a reality and paved way for a flourishing business which has truly transformed her life.

What has been the key to this micro entrepreneur's success?

Zaitoon had the skill to earn a decent living, but lack of funds was a major hurdle in her way. Nevertheless, she was a woman of great courage and didn't give up on her dream of providing a secure and prosperous future to her family. She kept on looking for ways and means to set her own furniture business till she found access to financial resources which played a pivotal role in her success and helped her establish a profitable business.

Once she was able to arrange the finances, she began by purchasing the supplies needed to manufacture quality furniture that would give her a competitive edge. With everything set-up, she headed out to develop contacts with furniture dealers within and out of the city. It took her some time to earn their confidence but at the end of the day she returned home victorious with some good contracts in her hand. Her hard work and the business she got from her clientele allowed her to purchase supplies from Chiniot and Faisalabad at lower prices as compared to what she used to buy from Rawalpindi. As time progressed, the amount of work she received grew steadily, reaching to the point where she could hire four workers to assist her and earn higher revenues by taking more orders and further expanding her business.

How has Khushhalibank contributed towards the economic uplift of the micro-entrepreneur?

Ghulam Zaitoon was in need of capital when she decided to put her furniture making skills to use. Upon asking around she came to know of Khushhalibank's micro-credit facility for which she applied immediately. Within no time her loan was sanctioned and Zaitoon straight away got to work and began to weave her business plans. Driven to support her family but being unable to stay away from her ailing husband for long, she converted a room in her house into a work shop from where she started churning out fine pieces of furniture. By the time she




was able to pay her first loan back her business was already flourishing. She then took another loan from the bank and reinvested it in the business. This cycle kept going and she has now availed a loan for the 7th time. With every new loan she further invested in the business which increased her revenues substantially. Today, life seems to have taken a drastic turn for Zaitoon and her family, as the once highly dependant stay-at-home mom, is now earning a good livelihood and providing for all expenses of her children including their education and marriages.

What future plans does the micro entrepreneur have for the business?

Ghulam Zaitoon has worked hard for securing a better future for her family. She continues to weave more plans for her business and aspires to further expand it by opening another shop for her son, which would increase the inflow of orders and would enable her to reach out to a wider market. She has already come a long way but thinks there is a lot more to achieve by reaching out to the bigger markets and continuously improving the designs and quality of her products. She is determined to tap every opportunity that comes her way and make the best of it.

How has this business and/or micro entrepreneur had a positive impact on his or his family and community?

Ghulam Zaitoon is an inspiration for everyone around her. She is a self made woman who had no means to earn and sustain her family but emerged as a strong contender against adversity. Ghulam Zaitoon has worked really hard and has been successful in providing a secure life to her children. In addition to earning a decent living she has bought her own residential plot as well as a bike for her son. She now not only earns for herself, but also provides employment opportunities to others by employing them in her business. Her circumstances rather than breaking her down have made her a confident and self-reliant person who knows she too can contribute to the world. Thus a little determination, empowerment and support can go a long way as is evident from Ghulam Zaitoon's life altering journey.



it's our tenth anniversary; but for countless customers it's their first opportunity

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A body corporate established under the Microfinance Institutions Ordinance, 2001

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