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brighter tomorrow

فوشہ الی بینک لمیٹڈ
khushhalibanklimited

a quarterly newsletter of Khushhalibank

grassroots

October - December 2015 | Volume: XI – Edition IV

Our 15th year marks the achievement of more than 4 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, a promise to opportunity.

INSIDE THIS ISSUE

02	President's Message
02	Quarterly Business Update October - December 2015
02	Management and Leadership Development Program (MLDP) NIBAF
03	Meeting with Overseas Private Investment Corporation
03	15th Meeting of the Board of Directors of Khushhalibank
03	IFC Strategy Session
04	Khushhalibank Expands its Branch Network in Punjab in a Bid to Enhance Support for Small Businesses
04	Area Managers Conference-Multan
05	Khushhalibank celebrated Women Entrepreneurs Day
05	Microfinance Forum 2015
06	Awareness Program about KBL products
06	Stories that Matter Hina Mohsin
07	Picture Gallery (KBL Trainings)

Khushhalibank, the largest microfinance bank in Pakistan offers opportunities for investment in our deposit products featuring convenience and competitive returns.

khushhali
Aamdani
Certificate

khushhali
Izafa
Certificate

Behtrereen
Bachat
ACCOUNT

PROFIT UP TO
12%

Features

- Online banking facility
- Free life / disability insurance*
- ATM facility
- Profit paid monthly / annually

Network: 128 branches across Pakistan

Rating: Short term A-1 and Long Term A+

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President's Message

Dear Colleagues,

It gives me pleasure to share that the transformation process of the bank post divestment was successfully executed over the period 2013-15 achieving all key milestones. With team work and focused approach we have closed the Year 2015 successfully, retaining our market leadership and exceeding 1 million clients.

With the record level of business & profits, full membership of Clearing House, Contact center/Debit cards along with addition of 10 branches and 1 Permanent booth, mark the highlights of the year 2015 by a committed Khushhali Team.

The ability to tap the underserved segment of the market and facilitating customer conveniences and pursuing new avenues of business we will ensure continuity on the path of progress and prosperity for Khushhalibank.

We are continuously revisiting our Institutional structures, processes and technology for greater customer convenience & improved turnaround times along with strengthening our brand equity to retain our market position amongst the top Microfinance banks in Pakistan.

I would like to acknowledge the dedication of the team and look forward to achieving new milestone in the year 2016.

My best wishes to all of you.



Quarterly Business Update October - December 2015

	Microcredit		Micro Savings		Micro-insurance	
	Active Borrowers	Value (PKR)	Active Savers	Value (PKR)	Policy Holders	Sum Insured (PKR)
2015-Q1	489,230	13,417,145,449	947,255	8,533,089,006	503,275	13,426,215,699
2015-Q2	492,950	14,882,050,424	1,015,043	11,060,091,369	539,854	16,467,040,424
2015-Q3	508,317	15,824,116,719	1,036,124	11,224,622,693	554,397	17,379,281,719
2015-Q3	508,317	15,824,116,719	1,036,124	11,224,622,693	554,397	17,379,281,719

Management and Leadership Development Program (MLDP) NIBAF

NIBAF organized a two-week Management and Leadership Development Program (MLDP) with the closing session on the 5th November 2015.

It was aimed to inculcate leadership skills in Senior/ Middle Management of SBP-BSC in various functional and managerial areas enabling them to assume leadership roles effectively.

The program also encompassed group interaction with Leaders of Banking Industry who have played a key role in the development of banking sector at large.

Keeping in view 30 years of banking experience of Ghalib Nishtar with International/National Financial Institutions in different capacities, Director Academic – NIBAF invited Mr. Nishtar on the closing session as the guest speaker to share his thoughts with the course participant on the theme "Leadership by Example".

Ghalib Nishtar during his presentation highlighted the trait theories that help distinguish leaders in a given time frame. He emphasized on developing leadership skills that eventually reflect from team work and help achieving the common goal for

an organization. He added that effective team leaders avoid conflicts rather coach their team members in a subtle manner which have long term benefits.

NIBAF management appreciated Mr. Nishtar's presence as very beneficial that certainly added value to capacity building in particular for senior Management of SBP-BSC.

The event was followed by Executive Dinner at NIBAF.

Meeting with Overseas Private Investment Corporation

A meeting was held in Dubai on 18,19 October between the Overseas Private Investment Corporation (OPIC) USA & Khushhalibank to explore the possibility of OPIC support to Khushhalibank for medium term funding of up to USD 20 million for expansion of the Micro Small and Medium Enterprise loan portfolio. The process with OPIC was initiated earlier in the year and the purpose of the meeting was to conclude the process of due diligence. Khushhalibank is a market leader in the microfinance sector of Pakistan and continues to pursue an aggressive strategy for growth and expansion funded by deposits as well as tapping into on-offshore commercial sources. Khushhalibank was represented by the President & the Head of Retail Banking while OPIC was represented by the Vice President Small and Medium Enterprise Finance and his team.



50th Meeting of the Board of Directors of Khushhalibank

The 50th meeting of the Board of Directors of KBL, held on November 10 & 11, 2015, reiterated Board's confidence in the Management and assurance of their commitment and support towards augmenting KBL's growth.

While reviewing 5 year strategic plan 2016-2020, the Board observed that a robust deposit strategy was critical for developing sustainable funding base to support the growth aspiration of the Bank. Moreover, KBL can increase its market share using branchless banking and development of innovative products for its niche market.



Other significant matters discussed during the meeting included review of IT updates and prevalent IT challenges, update on Technical Assistance Program/progress update on Capacity Building Program (CBP), Legal Policy, AML/KYC Policy, operating results of the bank for the third quarter ended September 30, 2015, latest SBP onsite inspection report for period 01.01.2013 to 31.12.2014.

The Management was appreciated for aligning the business with Board's expectations and the Board congratulated the team for all the good work and commitment to achieving results.

IFC Strategy Session

Since its inception, Khushhalibank has sustained its market leadership position within the microfinance sector in Pakistan and today has the Institutional strength, confidence and ability to explore new customer segment & territories and extend innovative products and services to its clients.



In order to pursue new avenues of business and explore more opportunities each year the senior management team hosted a business strategy session by inviting a team from IFC middle east region.

The presentation and discussion focused on the Digital Finance Space, Housing Finance and Islamic Finance. Digital Finance allows banks to use technology infrastructure to deliver banking services to mass market customers efficiently and at a lower cost while Housing and Islamic Finance provide attractive investment opportunities to banks in emerging markets. The conclusion of the deliberations will be included as recommendation for the strategic plan 2016-20.

Khushhalibank Expands its Branch Network in Punjab in a Bid to Enhance Support for Small Businesses

Expanding its geographic spread as the pioneer microfinance bank of Pakistan, Khushhalibank opened two new MSME offices in Punjab. A branch in Faisalabad and a booth in Lahore were inaugurated by the President.

While addressing the media, President Khushhalibank Ghalib Nishtar said: "In the last 15 years a large number of people have benefited from microfinance and it is estimated that more than 4 million individuals have taken advantage of the microfinance services, and the number is fast growing. Today, Khushhalibank has taken another step towards its goal to provide quality banking



services to all underserved segments of Pakistan. Our priority is and will remain development of society of Pakistan through expanding the outreach of micro, small, medium enterprise financing services in urban, semi-urban and rural regions."

The Bank intends to further increase and deepen its presence and outreach by opening more branches, to benefit more people by its services. Access by small business owners to financial services is an integral part of the national developmental agenda. KBL has the largest branch network spread across the country with an ever deepening market penetration of rural and urban markets through Micro, Small &



Medium Enterprise (MSME) services.

Area Managers Conference-Multan



Area managers' conference was held on 5-6 October 2015 in Multan. Ghalib Nishtar, President KBL along with the entire retail team from corporate office attended this conference. The main aim was to interact with business teams at grass root level focusing on newly established MSME branches. President & Head Retail visited Multan, Khanewal, Lodhran & Bahawalpur branches and interacted with branch staff, discussed branch performance and MSME progress. In each branch, the teams discussed market potential, staff capacity building & the progress to intervene in the MSME sector in these cities. During the conference challenges to business growth,

disbursement, managing assets & liabilities were discussed. Over all, this conference had many benefits by observing business closely at branch level, interaction of President & Retail team with business team & the customers. It also helped to observe closely the challenges being faced in business growth, the nature of guidance/ support needed and the way forward to prepare business plan for 2016. It also boosted retail staff morals to conclude asset & liability business for last quarter of the year 2015.

Khushhalibank celebrated Women Entrepreneurs Day

Khushhalibank celebrated the Women Entrepreneurs Day today and pledged to continue its support for women owned businesses. Celebrated every year on 19th November, World Women Entrepreneurs Day commemorates women who continue to defy the challenging circumstances and preserve as professionals and home makers in developing economies around the world.



With a portfolio that comprises 24% women (124,297), Khushhalibank caters to women across all provinces with 5.23% of the portfolio hailing from AJK, 0.005% to Baluchistan, 5.52% to KPK, 76.55% to Punjab and 12.70% to Sindh.

Khushhalibank's strategy over the past 15 years 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, 33% of have invested in enterprises, 12 % in agricultural industry whereas 55% have invested in livestock putting their families back to their feet.

Speaking about the various financial assistance programs available, Ghalib Nishtar, President Khushhalibank 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."

Microfinance Forum 2015



The 9th Annual Assembly of Microfinance Stakeholders was organized by SHAMROCK. The annual assembly of the microfinance sector attracted a large number of microfinance experts, social entrepreneurs, regulatory institutions, valuable contributors, banking professionals, stakeholders and other prominent personalities in the social developmental sector.

Speakers at the 'Microfinance Forum 2015' stressed the need for a cohesive effort to move from regulations to actions over microfinance. They urged the microfinance sector to generate fresh opportunities and lead the growth for micro enterprises.

Khushhalibank President, Ghalib Nishtar highlighted that Pakistan's policy and regulatory framework helped in the growth of the industry. He reiterated the need for focus on MSME as investors have come to support this segment, however the funding challenge continues to overshadow the industry. He said, "The microfinance institutions should lead the growth into the unbanked and small business market segments, supporting the national agenda for job creation."

The general consensus of panelists was to address the critical issue of reaching out to the poorest of the poor, measuring social performance indicators and reducing poverty.

The well-attended conference was sponsored by Khushhalibank, Waseela Bank Limited, Meezan Bank and Tameer Microfinance Bank, and supported by the Pakistan Microfinance Network, with Pakistan Observer as the Media Partner.

Awareness Program about KBL products

An awareness program was organized by Khushhalibank / FMFB after a Microfinance Focus Group (MFG) Meeting with SBP-BSC Multan on 11th December, 2015 at Mimra Chowk in Basti Gujran near Tatay Pur. All Area Managers from Microfinance banks were also invited. The purpose of this session was to provide awareness about products and services of MFBs to the rural people, queries raised by the participants were actively answered regarding products/ services of these Banks. Moreover, the session fulfilled the purpose of interaction of MFBs with the people to get access to financial services being offered.

While addressing the gathering, Malik Ashraf Khokhar, Chief Manager SBP, BSC Multan informed the audience that the Micro finance Banks are licensed & regulated by SBP in the same way as the conventional banks. So there is no threat to open accounts with these banks to benefit from products & services of these banks. These MFBs are designed specially to provide financial access to underserved population who has no access to the conventional banking system in general.

This was a unique session where SBP officials encouraged & promoted MFBs as conventional Banks & helped raise the image & confidence on working of these banks. This session highlighted all MFBs for the understanding of the general masses and a strong message was delivered that all MFBs are endeavoring to provide financial access to the masses with multiple products & services while giving an open choice to select whichever service suits them. It is expected that KBL branches will benefit from the event in terms of client awareness and cause a positive impact on business in future.

Stories that Matter

Hina Mohsin

Hina Mohsin is more than just a beautician. She is a success story that inspires every woman to break the shackles of societal stereotypes and be independent. After struggling at first, she now runs a beauty salon that has only progressed in last three fiscal cycles. Once just another mouth for her father to feed, she now lives and provides a decent, comfortable and secure life to her family.



Coming from a very humble background, Hina wanted to be more than just a daughter. She wanted to be another wheel to support the vehicle of life. A trained beautician, two obstacles stood as intangible giants between her and her dream. First, she didn't have enough funds to own or rent a place for her salon. Next, she lacked any capital

to invest in quality brands as all good ranges of cosmetics demanded quite some fortune. Looking at her undeterred resolution, her family offered her a room in the house to work in but that was the extent of their support.

They say when there is a will, there is a way; and Hina's fate had her come across Khushhalibank loan Scheme. Believing it to be her moment, she opted for the loan and upon approval, she brought home the finest quality cosmetic supplies and soon she shattered the glass ceiling.

A successful micro entrepreneur now, Hina's beauty salon is a budding business where loyal customers come to meet with their aesthetic needs. Her biggest marketers are her strong skill set and her unshakable commitment. She stays abreast of the latest trends and styles to deliver her clients with the finest quality of work. But she still remembers her days of struggle. "I plan to introduce formal training classes for other women who show interest in this field so they can stand up for themselves and earn a decent livelihood" says Hina.

She believes that her unconditional commitment to work, provision of better service to her customers, and timely financial assistance from Khushhalibank have played a major role in her success. "I want to open a new branch of the beauty salon at a prime location like Gulberg or M.M. Alam Road with all modern equipment and skin friendly range of cosmetics" shares Hina.

Today, Hina Mohsin enjoys a respectable position in her community & people admire her greatly for her hard work and fortitude. She has become a source of inspiration for many people to work their way out of poverty. She has motivated many others to empower through microfinance, and contributes greatly by creating employment opportunities for the community.

Picture Gallery (KBL Trainings)



1- Branch Banking Operation (1st batch)- Oct 13-16



2-LO GL (159)- Oct 13-15



3-LO GL (160)- Oct 28-30



4-LO IL (Batch 9) - Oct 28-30



5-MSME- Inter Region Meeting - Nov 6



6-MSME- LWB - Nov 10-11



7-MSME- LWB- Nov 12-13



8-LO GL 160- LO IL -(batch 10) Nov 18-20



9-MSME LO Assessment - (Batch 11)- 30 Nov - Dec 4



10-Branch Banking Operation- Dec 8-11 (2nd batch)



11-LO GL (163)- LO- IL - Ops (164) (Batch 10) Dec 9-11



12-MSME- Batch 10- Dec 10-11



13-LO GL (165)- LO IL (Batch 12) Dec 15-17



14-MSME - LO (Batch 11)- Dec 28- Jan 1