



a quarterly newsletter of Khushhalibank

# grassroots

April - June 2015 | Volume: XI – Edition II

Our 14<sup>th</sup> 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 April - June 2015
02	Khushhalibank Branch Network Expanded
03	Khushhalibank Launched ATM Card
03	Entity Ratings of Khushhalibank upgraded by JCR-VIS
04	KBL Board Meeting
04	ETDB Signed a Micro SME Loan Agreement with KBL
04	KBL and Pakistan Post sign MoU
05	KBL Participated & Exhibited at Conference
06	Area Sales Conference - Rawalpindi
06	MSME Update
06	KBL Annual Sports and Awards Gala 2015
07	Agriculture & MSME Loans Promoted
07	KBL Supports Young Entrepreneurs at Startup Expo 2015
08	Khushhalibank Participated in Islamabad Expo 2015
08	Sponsorship for NCDR
08	Success Story
09	Training Sessions



## President's Message

KBL is making outstanding progress and continues to move on a sharp trajectory of growth while improving its service offerings to a large and committed client base which has crossed a million threshold. The launch of the Call Center & ATM card service and opening up of 10 new branches, the quarter has witnessed phenomenal growth of the Bank. The new branches are opened in areas with lower access to financial service since we are committed to serve those segments of the population that are either excluded or under served in terms of access to formal financial services. A total of 15 branches have now commenced MSME lending operation and will cater to micro and small entrepreneurs predominantly in the rural as well as urban regions of the country thereby contributing towards employment and promotion of economic activity at the grass roots level.



KBL's entity ratings were upgraded to 'A+/A-1' with a stable outlook, which reflects it is one of the best rated microfinance institutions of Pakistan.

In our fifteenth year, we continue to grow and prosper towards greater success with a team of dedicated and committed staff who consider the success of Khushhali as their own success.

My best wishes to all of you.

## Quarterly Business Update April - June 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

## Khushhalibank Branch Network Expanded

Khushhalibank has opened 10 additional branches in various regions of Pakistan. The new branches are opened in areas with lower access to financial services, such as Shah Kot, Kot Mithan, Kot Sultan, Shorkot City, Shahdad Kot, Jhuddo, Buner, Shakargarh, Sahiwal (district Sargodha), and Darya Khan.

On this occasion, President KBL, Ghalib Nishtar expressed his views, "We are committed to serve those segments of the population that are excluded from access to formal financial services. The clients represent micro and small entrepreneurs predominantly in the rural as well as urban regions of the country thereby contributing towards employment and promotion of economic activities at the grass roots level."





## Khushhalibank Launched ATM Card

رقم تک رسائی -  
اباور بھی آسان

Shop at over 4,000 ORIX merchants

24/7 helpline service available

Daily cash withdrawal limit of Rs. 40,000

Free transactions at all UBL ATMs

INTRODUCING  
**Khushhali ATM Card**

ATM 24h

www.khushhalibank.com.pk | Helpline: (021) 111-222-525

khushhalibanklimited

Khushhalibank launched its “Khushhali ATM card” on Friday 15th May 2015. Currently as part of KBL’s liability product offering, the bank will issue ATM cards to customers which can be used at any ATM connected to 1 Link/MNET and UBL/ORIX operated POS machines in Pakistan.

In December 2014, SBP granted permission to Khushhalibank to get into a strategic partnership with UBL for outsourcing card management, call center services & 1-Link facilities. Khushhalibank chose UBL because of their unmatched setup for payment products & extensive network that will allow Khushhalibank’s customers to access their money conveniently.

With the launch of ATM cards, KBL unlocks the opportunity to free-up their branch staff, thereby reducing the cost of servicing clients. For customers, ATM cards offer transactional convenience and reduced costs through time savings and less travel expenses. Cards will also level the playing field between KBL and other banks that have ATM offerings and will provide KBL with the ability to attract increased deposits due to the added convenience from an ATM card. These cards will be accepted at nationwide ATMs and POS devices, enabling KBL customers not only to withdraw cash, but also to pay bills, transfer funds, manage their PINs, and check their balance and bank statement.

## Entity Ratings of Khushhalibank upgraded by JCR-VIS

JCR-VIS Credit Rating Company Ltd. has assigned stable outlook to the entity ratings of Khushhalibank. Following a recent review, JCR-VIS has upgraded the entity ratings of KBL from ‘A/A-1’ (Single A/A-One) to ‘A+/A-1’ (single A Plus/A-One).

The assigned rating reflects KBL as the best rated microfinance institution of Pakistan. This is also a consideration of reputable domestic and international investors which has marked advancement in governance of infrastructure and strategy formulation as reflected by the improvement marked by the bank in recent years.

**JCR-VIS**  
Credit Rating



## KBL Board Meeting:

Quarterly Board meeting of KBL was held in Chicago, USA on 20 May 2015. KBL presented first quarter financials of 2015, business review to the Board with particular emphasis of its roll out and expansion plan of MSME and initiated discussions on next five year business strategy. KBL also presented its operating results comparison with its peer group for the last financial year. The Board was also provided an update on the improved credit rating of KBL which was upgraded by JCR - VIS credit rating agency A/A-1' (Single A/A-One) to 'A+/A-1' (Single A Plus/A-One). The improved credit rating take into consideration the presence of strong shareholding, marked improvement in governance structure and strategy formulation post KBL divestment in 2012 which is reflected in the growth achieved by the bank in recent years.



## ECO Trade and Development Bank (ETDB) Signed a Micro SME Loan Agreement with Khushhalibank



At the signing ceremony held in Istanbul, ETDB signed the second Micro SME loan agreement with Khushhalibank in order to facilitate Micro Small and Medium Sized Enterprises (MSME) financing provided by Khushhalibank in Pakistan.

The signing ceremony held in June 2015 was attended by Ghalib Nishtar, President KBL and Saleem Akhtar Bhatti, Chief Financial Officer.

## Khushhalibank and Pakistan Post sign MoU to facilitate state employees

Khushhalibank signed a Memorandum of Understanding (MoU) with Pakistan Post. Under this offer, KBL will offer a financing scheme to Pakistan Post for purchase of Motorbikes for its employees on easy installments without down payment and immediate transfer of the ownership of motorbikes to the employees.

The Motorcycle Loan Scheme will not only augment the quality of life of Pakistan Post employees but also encompass free of cost insurance coverage in case of death and/or permanent disability.

Speaking at the occasion, Ghalib Nishtar, President KBL said: "Khushhalibank is pleased to announce its relationship with Pakistan Post and hope that this will be the first of many constructive partnerships to be signed under the auspices of the newly agreed memorandum of understanding between KBL and Pakistan Post."

He also thanked Pakistan Post for their understanding, support and commitment to assist the people of Pakistan, especially the employees who belong to the lower strata of the society, and stated that "with the enhanced assistance from





Khushhalibank, Pakistan Post would be able to further extend its activities and reach out to more employees in the future.”

Later in the quarter, the first ceremony was held on June 18, 2015 at ECO Postal Life College Islamabad for distribution of cheques for motorbikes financed by Khushhalibank under the MoU amongst the first batch of Pakistan Post employees. Mr. Fakir Syed Shaharyar-ud-din, Additional Director General Pakistan Post, appreciated Khushhalibank for fast and smooth processing of the cases and congratulated the recipients of the motorbikes. Amina Hassan, Head Retail Banking, represented Khushhalibank on the occasion and assured Pakistan Post of KBL's continued support with exemplary services.

## Khushhalibank Participated & Exhibited at Conference on Agriculture and Value Chain Finance by SBP



The State Bank of Pakistan (SBP) and the Food and Agriculture Organization of the United Nations (FAO) jointly organized an International Conference on Innovative Agricultural Financing in Pakistan on April 28-29, 2015 at Islamabad. The organizers also provided an opportunity to different stakeholders to showcase their innovative products, ideas, and services to a wide range of audience from around the world. The two-day conference aimed to discuss innovative strategies and solutions to increase outreach of Agri-credit to small farmers, and also highlight opportunities at the high-end of market focusing corporate farming and Agri-food enterprises.

Khushhalibank being the significant contributor to the agriculture financing sector participated and presented the innovative strategies and solutions to increase outreach of agri-credit to small farmers, highlight the opportunities at the high-end of market focusing corporate farming, agri-food enterprises through the KB Value Chain Financing Initiative. In order to spur growth from relatively low-risk lending, Khushhalibank has been exploring avenues in value chain financing (VCF) which may allow the bank to not only expand its customer base and build a healthy loan portfolio but also drive growth in areas which have been remained untapped.

The main idea behind value chain financing is to bridge the gap between unexplored markets and financial institutions. In order to tap the untapped market, KBL commenced its 1st value chain financing pilot by partnering with CAVC – a registered firm which supplied 'Lady Rosita' potatoes to PepsiCo International for the manufacture of 'Lays' potato chips.

The pilot was kicked-off at Swabi branch and was later replicated at 11 locations with CAVC for different crops. Loan Ticket ranges from Rs. 10, 000 to Rs. 150,000. Loan Tenure is from 3 to 12 months (Crop Cycle). Pilot run was arranged during the last week of August 2013 at Swabi for potato crop with 148 growers.

Crop wise Beneficiaries:

Potato		Peas		Onion		Maize		Peach		Total	
Number	Disbursement in PKR	Number	Disbursement in PKR	Number	Disbursement in PKR	Number	Disbursement in PKR	Number	Disbursement in PKR	Number	Disbursement in PKR
1,225	137,640,000	96	6,578,000	26	2,300,000	171	16,350,000	90	13,500,000	1,608	176,368,000



## Area Sales Conference - Rawalpindi

A two days Annual Sales Conference for all sixteen areas were held in the second quarter of 2015. The purpose of holding all area conferences during the first half of the year was to give ample time to frontline staff for implementation of strategies shared during the conference. A full day session was allocated for each area to have a detailed interaction & discussion with the staff. The conferences were chaired by Ghalib Nishtar, President Khushhalibank and the participants included Head Retail Banking, National Distribution Manager, Manager Retail Lending, Manager Liability Sales, the respective Area Manager, Branch Manager, Relationship Manager & Operations Manager.



The objective of the conference was to review business performance during 2014 and share the Retail strategy for 2015 onwards. Each participant was encouraged to share his / her feedback & suggestions regarding policies, procedures, issues and challenges faced in regards to Business retention, growth and client servicing. Subsequently the National Distribution Manager presented the retail strategy for 2015, followed by a presentation by Manager Retail Lending on asset sales and Manager Liability Sales on Liability sales.

The President shared the key milestones achieved by the Bank since its establishment and the strategy for the future. He expressed his satisfaction on the achievement so far and assured all participants of full support to maintain the momentum of growth. He encouraged staff to have full confidence in their abilities and be proud to be part of the best and fastest growing MFB in the region."

## MSME Update

After a successful roll out of MSME in 10 branches during second quarter, five new branches were selected for MSME launch for the third quarter of the year 2015.

Multan, Bahawalpur, Lodhran, Shujabad and Khanewal in central region were selected to cater to the massive demand of a larger market segment. To sustain the success of the program, more than eighty new Loan Officers were deployed & five new promoted trainers were selected to train new MSME Loan Officers. The second quarter has shown exceptional results with the previous 10 branches exhibiting exceptional performance and exceeding expectations whereas the five new branches have also shown promising initial results.



Overall, 568 loans worth 129.6 million have been disbursed till second quarter of 2015. KBL senior management team continued their periodic visits to newly rolled out branches to ensure two way communication & better interaction between Head Office with branch staff. The plan of renovation & up gradation of nine MSME branches is finalized & will be completed in the next quarter.

## Khushhalibank Annual Sports and Awards Gala 2015

KBL Annual sports gala 2015 commenced at the start of February 2015. This year the events included both badminton and cricket tournaments across the KBL network to promote the spirit of sportsmanship and team spirit among KBL staff.

This year, 16 cricket teams from each of KBL's respective areas competed against each other for the Champion trophy. The Semi-finalists, Bhakkar & Rawalpindi played the final match on the 10th of April 2015. Team Bhakkar was the final winner after a close match with Team Rawalpindi.

At corporate office there were 8 teams competing for the title of Cricket Champions. After close competition, team Operations beat Team Finance and Team BTU to reach the Finals and played against team Audit, Risk & Compliance for the championship. Team Audit, Risk & Compliance won the Final and became the Champion for this year.





The badminton tournament was also competed enthusiastically with 16 teams competing from each respective area. The semi-final and finals were held in Islamabad on the 10th of April, 2015.

At corporate office, in the course of 2-Days the Men Doubles Tournament was won by the pair, Saleem Bhatti & Kaleem Raza and the Women Doubles Tournament won by the pair, Amina Hassan & Tayyaba Yamin. Mixed Doubles Tournament was won by Saima Parveen & Yahya Khan.

The Annual Awards Gala 2015 event was followed by dinner and musical night in Islamabad which was actively participated by the staff and their families.

Awards were distributed to Retail staff and branches in different categories of performance. Sports shields were received by winners and runner ups of Badminton and Cricket tournaments.

## Agriculture & MSME Loans Promoted in a Radio Talk Show on FM 101

Khushhalibank participated in a radio talk show arranged by its MSME partner, USAID. The Program named "Hum Aap Aur Behtar Zindagi" was aired on June 25, 2015 at FM 101 Radio Station at 11:00 AM and was hosted by RJ Sadaf.

The program discussed the joint efforts of USAID and KBL in Supporting and promoting agriculture and MSME financing in Pakistan. Muhammad Hassan Warraich, Manager MSME participated in the program along with two of the KBL loan beneficiaries and discussed KBL Products in detail.

**DON'T FORGET TO  
TUNE IN**

- Date: 25th June (Thursday)
- Time: 11:00 AM
- Radio Channel: FM 101

- Program Title: Hum Aap Aur Behtar Zindagi
- Duration: 30 minutes



Participants will discuss the joint efforts by USAID and Khushhalibank insupporting and promoting Agriculture and MSME financing in Pakistan.

## Khushhalibank Supports Young Entrepreneurs at Startup Expo 2015



All Pakistan Startup Expo & Awards 2015, organized Startup-Pakistan's 1st entrepreneurship exhibition at Pak-China Friendship Center on Saturday 09 May 2015. The event was a joint collaboration of Startup Magazine and Entrepreneurial Development Institute (EDI). As many as 100 best startups (shortlisted by Startup magazine) from all over Pakistan put up stalls from different categories and industries.

Khushhalibank Participated in the Startup Expo 2015 as a sponsor of the event. While addressing the concluding ceremony, President

Khushhalibank, Ghalib Nishtar remarked that the bank's commitment towards encouraging entrepreneurship is evident by the fact that this is the only bank participating in the event as a sponsor. He said there is a huge potential in our youth who can surely uplift and benefit the economy of the country through innovative entrepreneurial abilities.

They not only showcased their products but also competed with each other for 10 exclusive awards. The entrepreneurs had been evaluated on the basis of their business model, originality, sustainability, positive cash flows and impact on their local community.

The award categories were: Young Entrepreneur of the Year; Social Entrepreneur of the Year; Female Entrepreneur of the Year; Technopreneur of the Year; Home-based Business of the Year; Service Business of the Year; Venture Funded Business of the Year; Innovative Entrepreneur of the Year, and Best Startup of the Year.



## Khushhalibank Participated in Islamabad Expo 2015

The Islamabad Women Chamber of Commerce & Industry (IWCCI) organized 'Islamabad Expo 2015 on 18 – 19 April, 2015 at Jinnah Convention Center Islamabad. Being the main sponsor, Khushhalibank participated by co-sponsoring the event and setting up a stall at the Expo.

The two-day Expo included a variety of stalls including women apparel, jewelry, ceramic pots, and furniture and Cooking accessories. Apart from women entrepreneurs and buyers, the Expo also witnessed participation from various financial institutions and entrepreneurs. The exhibition aimed at facilitating women entrepreneurs by providing them linkages as well as an opportunity to promote their business in local, national and international markets.



## Sponsorship for NCDR (National Center for Dispute Resolution)



Under the Bank's CSR program, Khushhalibank sponsored the National Center for Dispute Resolution for its launch ceremony to be held in Karachi. NCDR has carried out numerous projects which involves providing free of cost mediation services for those who cannot afford litigation, in particular women. Under various mediation weeks, NCDR has offered Free of cost services amounting over Rs. 2.5 Million. Khushhalibank has always supported initiatives meant to bring positive change in the lives of the under privileged especially women.

## Success Story:

Standing in front of his shop in the bustle of the bazaar and the energy of a typical day in a Rawalpindi market, Mohammad Asif feels a sense of pride and gratitude. Asif is running a successful business of unstitched clothes in a famous shopping center in Rawalpindi.

"Unstitched clothes business is the business of our fore fathers and the only source of bread and butter for my family" he says. "I purchase stocks from factories in Faisalabad and Lahore. The past season was not a good one for business due to weak sales and I suffered huge losses. This was a testing phase of my life as I was running short of capital to purchase new stock for the coming season. I contacted many relatives and various financial institutions to arrange the finances to keep my head above the water but all in vain. The complex criteria and high markup rates scare me and I felt a fear of applying for a bank loan."



The prime sales season was at the door step and Asif was running short of finance to purchase new stock. He came to know about Khushhalibank loan scheme through pamphlets a friend shared when Asif went over to his shop for a visit. He contacted Khushhalibank for the financial assistance and got a positive response. The Microfinance institution not only provided him the capital to purchase new stock for the coming season but also provided him great insight on business strategies that would help him get self-sufficient in the shortest possible time.

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Today Mohammad Asif is having another successful season with unprecedented sales. "My monthly sale income is at an all-time high which is about three hundred thousand". Despite being a successful businessman, he is a role model for the society for not losing hope and courage during challenging times. Asif dedicates the success of his business to Khushhalibank, the premier microfinance bank of Pakistan, for the timely financial assistance they extended him.

Based on the new regulations by the central bank allowing to venture into small business finance, Khushhalibank is poised to transform from microfinance to MSME bank. Necessary framework, policies and procedures have been developed and encouraged by the results of a pilot last year the Bank is scaling up its operations to the first 15 branches across the country with a target of reaching out to 3,000 small businesses in 2015. This segment of the market holds great promise for the country.



# Picture Gallery (KBL Trainings)



Assessment Center for  
LO -MSME  
March 30 - April 3, 2015



Orientation Training – LO-IL  
Batch -5  
April 7-10, 2015



Orientation Training  
LO - MSME  
April 13-14, 2015



Orientation Training – LO-GL  
Batch (KB-147)  
April 14-16, 2015



MSME- Training of Trainers  
April 17, 2015



ATM Launch - Adoption &  
Communication  
April 22, 2015



Orientaion Training OPS  
Officers (KB-148)  
April 22, 2015



Orientation Training – LO-GL  
Batch (KB-149)  
April 27-29, 2015



MSME- Monitoring Seminar  
May 4, 2015



Orientation Training – LO-IL  
Batch-6  
May 11-14, 2015



MSME- Regional  
Meeting -Lahore  
May 27, 2015



Orientation Training  
LO - MSME  
May 28-29, 2015



Orientation  
Training – LO-IL  
Batch-7  
June 1-4, 2015



TTT for MSME Trainers  
June 9, 2015



Orientation Training – LO-GL  
Batch (KB-150)  
June 10-12, 2015



Orientation Training – LO-GL  
Batch (KB-151)  
June 15-17, 2015



# Save today for a brighter tomorrow

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

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**Aamdani**  
Certificate

khushhali  
**Izafa**  
Certificate

Behtrien  
**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<sup>+</sup>

For more information visit your nearest Khushhalibank Branch or our Website: [www.khushhalibank.com.pk](http://www.khushhalibank.com.pk)

فوشمالی بینک لمیٹڈ  
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<https://twitter.com/KblLtd>