

grassroots

July - September 2013

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One promise

Our 13th year marks the achievement of more than 3.4 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.

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President's Message

The quarter under review witnessed Khushhalibank's 13th anniversary celebrations with the usual festive spirit. The bank continues on its growth trajectory with expanding business, employees and network.

The amazing Khushhali team remains focused as always on achieving their business & operational goals taking the bank to new heights with each passing year.

Branch visits and area sales conferences are being held on

regular basis to keep our channels of communication with the frontline staff, successes of clients are being celebrated at entrepreneurial forums and Women Entrepreneurs recognized by the bank at an ever increasing frequency. In short, we are living our core mission and values and proud to be part of Khushhali.

Another successful quarter has ended and our team have performed beyond expectations to achieve the targets and Khushhali retains its market leadership.

I trust we will continue to leverage the momentum of earlier achievements to attain even higher levels of performance, bringing a great year to a resounding close. As always, I wish you well in your endeavors.



Quarterly Business Update, July - September, 2013

	Microcredit		Micro Savings		Micro-insurance	
	Active Borrowers	Value (PKR Millions)	Active Savers	Value (PKR Millions)	Policy Holders	Sum insured (PKR Millions)
2013-Q1	369,171	6,748.0	511,227	4,013.0	369,171	6,748.0
2013-Q2	373,750	7,557.5	571,406	5,446.1	373,750	7,557.5
2013-Q3	409,450	8,514.2	618,172	5,658.7	409,450	8,514.2

Visit by Laurie Spengler, CEO-Enclude

ShoreBank International Ltd. (Washington, DC) and Triodos Facet (Zeist, NL) joined forces to form an expanded international advisory firm and announced its new name and brand identity. The firm is now called Enclude.



The visiting CEO of Enclude, Laurie Spengler met Ghalib Nishtar, President Khushhalibank at KBL Head office on 8 July 2013 during one of her visits to clients and partners.

“Our new identity affirms our commitment to helping clients, investors and partners achieve greater reach, bottom-line profitability and sustained social value and we look forward to strengthen our partnership with Khushhalibank” said Laurie Spengler.

SBI is a US-based consulting and advisory firm that specializes in supporting financial institutions in emerging markets to reach the underserved and unbanked population and has had a permanent presence in Pakistan since 2005. The Bill & Melinda Gates Foundation supports financial inclusion initiatives in many developing countries around the world.

In August 2012, Khushhalibank extended its partnership with ShoreBank International Ltd (SBI), to develop and roll-out KBL branchless banking services in partnership with a national payment platform provider (OMNI). SBI received a \$1.19million funding extension from the Bill & Melinda Gates Foundation to support this partnership initiative with Khushhalibank.

This initiative was an extension of the South Asia Micro Savings Initiative (SAMI) which was implemented by SBI with partners across South Asia, with support from the Bill & Melinda Gates Foundation. Since the initiation of SAMI in 2009, KBL has been able to develop and offer deposit accounts to approximately 350,000 un-served and low-income clients in Pakistan.

Khushhalibank to Launch Pilot of Value Chain Finance

An agreement signing ceremony was held on 30 August 2013 at Khushhalibank Corporate Office for the pilot launch of Sarsabz Karobar, Khushhalibank's first Value Chain Finance product in collaboration with its partner 'Connecting Agro Value Chains Pvt. Limited'.

Asim Mushtaq, CEO of CAVCL (Connecting Agro Value Chains Pvt. Limited) and Ghalib Nishtar, President Khushhalibank signed the agreement.

VCF is any financial service flowing to and/or through a value chain to address the needs and constraints of those involved in that chain, be it a need to access finance, secure sales, procure products, reduce risk and/ or improve efficiency within the chain.

The 90-day pilot will commence from Swabi in October 2013. The proposed value chain for piloting is producer-driven targeted at small scale potato farmers who wish to access new markets and obtain higher market price. Any changes in the product features and procedures will be made on the basis of pilot results.



More of these value chains will be explored in the near future.

Khushhalibank supports Women Entrepreneur Economic Empowerment at US-Pakistan Women's Council

The US-Pakistan Women's Council organized a symposium on 22nd July 2013 at Islamabad Chamber of Commerce and Industry's (ICCI) head office to highlight business opportunities for women entrepreneurs in fashion and textile industry in order to help them promote their businesses by knowing the latest trends in the market. The event was attended by large number of women entrepreneurs from all parts of the country.

US-Pakistan Women's council was launched in 2012 with an aim to support women entrepreneurs in Pakistan to promote their businesses at national and international level. "If we helped the women entrepreneur succeed, we believe the future of Pakistan will be brighter" said Sarah Peck executive director of US-Pakistan Women's council. Zafar Bakhtawri President Islamabad Chamber of Commerce and Industries (ICCI) hailed the performance of US-Pakistan women council in promoting the women entrepreneurs in Pakistan.

Speaking at the occasion Ghalib Nishtar President Khushhalibank explained various forms of financing available through Khushhalibank that will help the women entrepreneur in Pakistan to have easy access to affordable finance in order to promote their business. Khushhalibank is the pioneer bank in the market that started the initiative of microfinance banking in Pakistan to promote the entrepreneurs in the country.



Khushhalibank sponsors 4th Ladies Fund Entrepreneurship Conference



Khushhalibank and Dawood Global Foundation jointly sponsored 4th Ladies fund Entrepreneurship Conference (LEC 2013) on 21st September 2013 held in Karachi to train women entrepreneurs and raise funds for women empowerment in Pakistan.

"Game changers" was the theme selected for this year's LEC 2013 in which speakers from various countries highlighted the significance of this event. The main purpose of the event was to raise funds for generating opportunities to empower women in Pakistan and to award vocational scholarships to girls at the grassroots level for media studies at the Institute of Journalism as part of the Ladies fund 'Educate a 1,000 girls' Program. The LEC initiative is a great success for Pakistan as it attracted well over 600 attendees over the course of the day including women entrepreneurs, foreign dignitaries, celebrities, students and a large gathering of media personnel who were interested in hearing theories and stories of entrepreneurial success from those who have innovated and brought remarkable change to their industries.

Sherry Rehman gave the keynote address while former UK first lady Cherie Blair participated in the event via video message in which she shared fond memories of her visit to Pakistan and expressed her desire to visit again. The event also hosted cutting-edge panels, interactive workshops, educational presentations, and Yoga Stretch Break by Jeanette Faruque and Indonesian cultural dance. Particularly appreciated was the interactive workshop on Case Study: Franchises and the panel on How to Start!

10 vocational scholarships were presented to girls at the grassroots level on stage at the event.

Always supportive of such initiatives, Khushhalibank, the pioneer Microfinance bank of Pakistan, is a key supporter of Women empowerment in Pakistan. LEC 2013 is a platform where women are supported and celebrated as the nucleus of change and betterment in the family unit, a vision that is a mainstay at Khushhalibank.

Product Training for Frontline Staff

A training session was conducted on July 1, 2013 at NIBAF, Islamabad for all branch staff at 9 Area Locations on Sub-Product under Individual Secured Loan (Cash Sahulat) i.e. - Agriculture Land (Passbook) collateral / Security option by Risk Management & Retail Banking Department.

The purpose of training was to bridge the gap between strategy and execution of the product and to provide a broad and clear view on the different aspects of the product features and operational challenges.



Training for Relationship Managers on their Promotion

As an initiative to promote and develop staff, a five days extensive training was conducted for Relationship Managers on August 19-22, 2013.

This training was attended by newly promoted Relationship Managers from all regions.

Some of the main areas covered in this training included Delinquency & Default Management, Customer Care & Complaint Handling, Fraud & Forgery, Sales, Branch Finance/Budgeting,

Khushhalibank Products and Service Quality. The main idea behind this training was to augment knowledge and skills of Relationship Managers and prepare them for career progression.

Orientation Training for New employees

New employee orientation effectively integrates the new employee into any organization and assists with retention, motivation, job satisfaction, and quickly enabling each individual to become contributing members of the work team.

In order to prepare our newly hired frontline staff to gear up for challenges, the practice of orientation trainings has been revived and new sales & operations staff has been provided structured orientation trainings at NIBAF, Islamabad.



Khushhalibank 13th Anniversary



Khushhalibank's thirteenth anniversary celebration was held in Islamabad. All cadres of Khushhalibank employees in Islamabad attended the ceremony.

The ceremony commenced with the recitation of verses from the Holy Quran followed by cake cutting by the President and departmental heads. The President in his address acknowledged the commitment and performance of the bank's team over the last thirteen years. He attributed the success of Khushhalibank to the focus on business goals by the business teams. "I trust we will continue to maintain the positive pace to achieve even better results". He wished the Khushhalibank management and team well in their endeavors.



During the ceremony, service recognition awards were presented to the staff members who had completed a span of five and ten years with dedication and commitment. Exceptional performance by employees was also acknowledged with special awards. Miss Amina Hassan was awarded the Khushhali "Leadership Award" owing to her progress with the bank over the past 13 years to become the first woman to make it to the senior management team and her ability to establish effective retail distribution and client service platform across branch, area, region and the national level.

The ceremony concluded with Iftar/ dinner.

Khushhalibank Family Gala & Retail Awards Events



Retail Annual performance awards event was held in Islamabad on July 05, 2013 to hail the performance of the employees who have contributed towards increasing the profit of the organization and making it a leader in the Microfinance sector. The event was attended by a large number of employees from all regions of Khushhalibank.

Addressing the event Syed Zahid Raza, former Head HR department highlighted the importance of the Microfinance sectors and the efforts made by KBL in reducing poverty by giving Microfinance loans to its customers on easy installments.

"Khushhalibank is now transforming into an MSME bank and is expected as a role model for the entire region due to its performance in the microfinance sector, International investors are taking keen interest in investing that shows the trust of the international community on

Khushhalibank" said Ghalib Nishtar.

Different types of sports and entertainments events were organized to entertain the employees and their families. Khushhalibank cricket event was won by the Sheikhpura regional team that defeated the Hyderabad region in the final. Female badminton championship was won by the previous year champions Mahrukh Niha and Uzma who successfully retained their champion status for the Bahawalpur region.

Later in the evening an awards ceremony was organized in which Ghalib Nishtar and the Chief Guest of the event Syed Zahid Raza handed over the awards to winners of sports events and the best performance awards to employees from different regions for giving excellent results in their respective regions. Annual leadership award was announced for Amina Hassan for her prodigious leadership skills.

Area Sales Conference Bahawalpur Region

Sales Conference of Bahawalpur & Multan region was held on 9th & 10th of July, 2013 at Rahim Yar Khan and Multan. President, Khushhalibank chaired the conference and the participants included Head Retail, Manager Distribution, Manager Retail compliance, Area Manager, BM's, BIs and RM's.

The conference commenced with recitation from the Holy Quran followed by welcome remarks & presentation of the area. AMs presented snapshot of all branches, achievements, challenges and opportunities in the area. AM Presentation was followed by BMs/RMs presentations. They shared numbers and performance of Dec-12, June-13, growth comparison of June-13 and June-12, branch achievements, financials, challenges, issues and future strategy.

Head Retail concluded the session and appreciated area / branch performance and contribution in Khushhalibank outreach and profitability. She shared new challenges and also gave valuable suggestions and inputs for improvement in business, service quality, internal controls, staff development, delegation of authority and monitoring.

Head Retail's address was followed by feedback session in which each BM/BI/RM gave suggestions for improvement in different functions/departments and shared challenges being faced. All questions were responded by the President, Head Retail, MD and MRC.

The President concluded the conference appreciating overall performance of area/branch staff. He stressed the need for strengthening & improving branch culture, management and relationship with customers while not compromising on internal controls.

He informed the staff that induction of new products both on asset and liability aspect will be an ongoing process. "The bank has transformed from a government owned bank to a multinational organization with a new ownership of international investors who are the best in microfinance business world. Hence Khushhalibank is now a strong bank with a strong balance sheet. I encourage staff to have full confidence in the bank and its management who is determined to beat competition through service quality and innovation." he said.

President along with Head Retail also visited Rahim Yar Khan and Bahawalpur branch on 9th July and Muzafargar branch on 10th July. They interacted with branch staff to share Khushhalibank's new initiatives, achievements, ongoing projects and future plans while getting valuable feedback from the branch staff.



Our Clients

Shakeela Bibi wife of Taj Hussain lives in Mohallah Morie Havellin, Abbottabad. She grew up in a household sustained by the livestock business and caring for animals remains to date a passion for her. Her other passion since childhood was to study at a school which could not materialize due to the financial instability of her family.

Married at 16 and wife of a daily wage worker her otherwise uneventful life was thrown into turmoil in the aftermath of the devastating earthquakes of October 2005. The only source of sustenance the family relied upon perished in the natural catastrophe, leaving the family of 4 children and two non-earning adults in the depths of helpless despair.

In this moment of despair, Shakeela discovered Khushhalibank's offer to help get the affectees of the Earthquake get back on their feet. It seemed like the positive break she could only dream of. Bracing herself she ventured forth and did what seemed impossible to her in order to help her family survive with their dignity intact

A little financial advice and expertise was required to help salvage the situation. Availing the first loan, and still lacking confidence in her own abilities, Shakeela purchased a single Buffalo and some fodder. She started out small but like all labors of love, this too flourished.

Eventually settling the first tranche with impeccable regularity she ventured forth to avail the second loan, this time her experience gave her the confidence to solicit a larger sum. The business has flourished over time and the income increased to where now she is the proud earner of PKR 25000 a month, with all four children attending school.

The first loan turned to a second and then a third and fourth all paid back regularly and perfectly on time, bearing testimony to the power of a determined woman's resolve and constructive influence of micro financing projects in Pakistan.

