

# grassroots

January - March 2012

Volume: VIII – Edition I

## one promise

Our 12<sup>th</sup> year marks the achievement of more than two and a half 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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Annual Sales Conference, 2012

## Annual Sales Conference

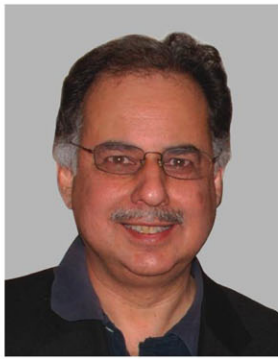
The Annual Sales Conference was held on 10<sup>th</sup> March 2012 in Karachi. The aim of the conference was to review the Retail performance for the year 2011 and share Retail Strategy for the year 2012. The National Sales Manager presented sales strategy for 2011 which was followed by a presentation by Manager Retail Banking on Retail Strategy for 2012. The Conference also provided an opportunity to commend the hard work of the team whereby an award distribution ceremony was held for high achievers in individual, Branch, Area and Regional categories.

The conference was chaired by Ghalib Nishtar, President Khushhalibank and the participants included all Head of Departments, Manager Retail Banking, National Sales Manager, Manager Marketing, Regional Business Managers and Area Managers. The presentations by Regional Business Managers highlighted that there has been a high concentration in Agriculture/Livestock portfolio. They appreciated the introduction of Cash Sahulat product for individual lending, which would help capture the urban markets with greater ease.

The President stressed upon the effectiveness of incentives in staff motivation, which he recognized as essential for the improvement of Staff Morale and Retention. He also highlighted that the Market remained suppressed during the last year, yet the microfinance sector closed at 2.1 million clients with Khushhalibank as number one in terms of area covered with presence in 72 districts and over 400,000 active clients and 21 per cent market share. He expressed satisfaction on the achievement so far and assured all participants of full support to ensure that the momentum of growth and sustainability is maintained.

During the feedback session, the President appreciated the efforts of branches in managing the flood affected portfolio. He advised Regional Business Managers and Area Managers to devise a risk mitigation strategy for the flood affected areas to minimize future risks including product diversification and exit from high risk areas.

## President's Message



The quarter end review witnessed engagements primarily with completion of Corporate Governance requirements of Annual Accounts and its audit and approval by the BOD's which was completed within the stipulated time frame of March 31, 2012. The period was also utilized for reviewing the business strategy for the year at the Annual Sales Conference which was for a change held at Karachi and participated by the Corporate Management team and the Regional and Area Managers from the distribution.

The commitment of the team to achieve the targets set for the year was reinforced at the forum besides getting the opportunity to share experience at the calamity hit regions - Punjab and Sindh.

The Alliance partnership provides us a cost effective channel to support our distribution and sales. It was after a lapse of a considerable time that this meeting was held at Islamabad while providing an opportunity to share challenges and opportunities and was greatly appreciated by the visitors from Alliance Partners.

Khushhalibank continues to execute its responsibilities towards social corporate responsibility by supporting agenda for 'Entrepreneurship, Women and Youth Development'.

The highlight for this year was the initiation of Khushhalibank LADIESFUND Womens Awards which was awarded to the late Arfa Karim at an event at Mohatta Palace Karachi.

We were also privileged to receive at Khushhalibank a delegation of the Micro Finance Network of Afghanistan to understand the initiatives being undertaken for the development of Micro Finance Sector in Pakistan.

## Quarterly Business Update, January - March, 2012

	Microcredit		Savings		Insurance	
	Active Borrowers	Value (PKR Millions)	Active Savers	Value (PKR Millions)	Policy Holders	Sum insured (PKR Millions)
2012-Q1	350,085	4,503.4	294,730	1,129.5	350,085	4,503.4

## All Pakistan Model United Nations Conference 2012

Khushhalibank, in line with its objective of encouraging the youth, sponsored National University of Sciences and Technology's (NUST) All Pakistan Model United Nations Conference (NUMUN 2012). The conference was held in February 2012, over the course of four days. It served as a platform for all those debaters across Pakistan, who wanted to voice their opinions and reveal their rhetorical prowess.

The NUMUN 2012 revolved around the concept, 'Listen, Speak, Resolve', where problems of supreme importance were resolved in the form of unanimous resolutions. The event started with an opening ceremony graced by the chief guest, Rector NUST, Lt. General Muhammad Asghar.

The opening was followed by the Global Village experience which invited more than 56 teams, each representing a different country, in order to socialize and exchange opinions about the topics to be discussed the next day.

The second day ended with a Carnival after a full day of deliberations, while the third day along with intense discussions gave the delegates a chance to dress up in white to the theme of Polar Night., The winning team of NUMUN 2012 was The City School, which was given an award of Rs.80,000 on the final day of the event. This was followed by a surprise event after the closing ceremony which revealed to be a scavenger hunt. This competition aimed at instilling a sense of confidence and team work amongst the youth. For this contest a grand prize of Rs. 50,000 was awarded to the winning team, while the first and second runner ups were awarded Rs. 20,000 and Rs. 10,000 respectively.



NUST Model United Nations Conference 2012

While addressing the participants, Fareed Ashraf Chaudhry, Manager Marketing, Khushhalibank congratulated all the winners and participants for putting in so much thought and effort and appreciated their hard work and determination. He expressed his confidence in the talent and intellect of our youth which would take Pakistan to new heights of success in various fields.

Speaking on the occasion, Rear Admiral M. Mushtaq, Pro-Rector NUST, highlighted that the NUMUN 2012 has been very successful, with a variety of effective solutions portraying the importance of global crisis pertaining to the world conflicts. He also thanked Khushhalibank for its support in realizing the potential of Pakistan's youth, and hoped to foster this relationship to further their contribution and support for Pakistan's instructive landscape.

## Pakistan and Afghanistan Commit to Strengthen Microfinance Sector

To strengthen cooperation between Pakistan and Afghanistan for development and promotion of financial Infrastructure and to support microfinance through continuous knowledge and skill sharing experiences of the respective markets, the officials from the microfinance sector of Afghanistan visited Khushhalibank in March 2012.

The visiting officials from Afghanistan representing the microfinance sector included, Bahram Barzin, Director Technical Support, Monitoring and Supervision, Microsoft Investment Support Facility for Afghanistan (MISFA), and Najibullah Samim, Executive Director, Afghanistan Microfinance Association (AMA), and Patmana Rafiq Kunary, Member Services Specialist, Financial Access for Investing in the Development of Afghanistan (FAIDA).

During their meeting with Ghalib Nishtar, President, Khushhalibank, it was agreed that both countries have immense potential to benefit from wide and rapid promotion of microfinance services in their rural and urban areas to tackle poverty and unemployment. Both Afghanistan and Pakistan can learn a lot from each other, and the cooperation and collaboration among their microfinance Institutions and experts could ultimately help overcome their deep-seated socioeconomic challenges through access to sustainable financial services in both countries.



Officials from Microfinance Network of Afghanistan visiting Khushhalibank

## Arfa Karim Honored with Idol Award

Late Arfa Karim Randhawa, the world's youngest Microsoft Certified Professional from Pakistan, was honored with LADIESFUND® Khushhalibank Idol Award in 4th Ladies Fund Awards ceremony held in Karachi. Khushhalibank joined hands with Dawood Global Foundation to recognize and celebrate the success of Pakistani women by sponsoring these awards, which are given each year to those Pakistani women who perform outstandingly in their respective fields.

Arfa Karim, who sadly left us earlier this year, was one of the many talented individuals honored at the grand award ceremony. It was the unanimous decision of the judges' panel to posthumously dedicate the LADIESFUND® Khushhalibank Idol Award in Arfa's memory, which was received by her parents. It was an acknowledgement of her courage and commitment in pursuit of excellence and her contribution in creating a positive image of Pakistan.



Parents of Arfa Karim Receiving her Award

By supporting such initiatives, Khushhalibank intends to contribute, acknowledge and celebrate the top female role models of the country, particularly those women who are determined to succeed against all odds.

## Alliance Partners Strategic Meeting, 2012

A meeting was held between Khushhalibank and its Alliance Partners/Service Providers (SP's) in Islamabad on February 20, 2012. The meeting was attended by representatives from Family Planning Association Of Pakistan (FPAP), Human Development Foundation (HDF), Sind Graduates Association (SGA), Health & Nutrition Development Society (HANDS), and Society for Human Development (SHD). Khushhalibank was represented by Manager Retail Banking (MRB), National Sales Manager (NSM), Regional Business Managers, Manager Asset Sales and Alliance Operations Supervisor.

The objective of this meeting, which is held annually, was to review the performance of the alliance partners, identify any gaps that may exist in terms of policies, procedures, communication, trainings, services and products. The session commenced with MRB welcoming the participants followed by a presentation on Khushhalibank's mission/vision, objective of alliance operations, alliance partners' performance since inception and a brief on the existing and upcoming products and services offered by the bank. MRB's session was followed by presentations by the alliance partners on their performance to date with recommendations and suggestions in areas for improvement. NSM appreciated the contribution made by the alliance partners and opened the session for all participants for an open discussion on strategy for improvement in sales, product knowledge, trainings and any other matter that required deliberation.

The meeting's concluding session was attended by Ghalib Nishtar President, Khushhalibank. The President was given a brief presentation by NSM on the proceedings and discussions held and recommendations obtained for improvement in the alliance partnership. The President closed the session by congratulating the alliance partners for their efforts in promoting microfinance for the unbanked population of Pakistan and apprised the forum on development made in the industry as a whole and specific changes made in the alliance agreements in terms of pricing and the critical role being played by alliance partners in mobilizing and managing micro credit clients. President Khushhalibank distributed shields to all participants in recognition of their outstanding services provided in increasing access of the poor to financial services.



Alliance Partners Strategy Meeting 2012

## First Ever Model United Nations held in Peshawar

Khushhalibank, being committed to its pledge of advocating leaders and entrepreneurs of tomorrow, partnered with the Beacon-house Frontier Campus, Peshawar, for "Model United Nations 2012" held in February with approximately 500 delegates from schools and universities across the country. The essential aim of this collaboration was to enhance the creativity of hardworking students and bring out their best potential to contribute in nation building.

Model United Nations (MUN) is an academic simulation of the United Nations that aims to educate participants about current affairs, international relations, diplomacy and the United Nations agenda. The Frontier Campus Beacon-house Model United Nation (FC-BMUN) was the first ever MUN conference held in Peshawar. Hosted by a hardworking group, this conference aimed to strengthen and develop the network of young students of Peshawar, using the MUN as a platform to unite a diverse range of ideas and intellectual backgrounds. Here, they not only learn about the world and its problems but also get to know the students from different social and cultural backgrounds. The platforms such as MUN give our youth the best opportunity to comprehend situations from across the world and understand their effect on others.



First Ever Model United Nations held in Peshawar

## Winners of the 'ISERVE 2012'

Khushhalibank and IBA Entrepreneurship Society (IBAES) recently announced winners at the finale of ISERVE 2012 - a unique social enterprise competition aimed at providing students a platform to contribute significantly towards the community in the form of sustainable social ideas and creating a new generation of viable social ventures. The finale was held in February, 2012, at IBA Main Campus, where top 6 shortlisted teams, from a pool of 28 entries, presented their ideas.

ISERVE'12 was initiated in mid December last year and comprised of three stages. All participants were provided with extensive workshops and mentoring sessions by experts having relevant expertise at every stage, so that they are able to come up with ideas which are financially sustainable and have a significant social impact. The winning team was awarded Rs. 500,000 with the first runner-up and second runner-up gaining Rs. 300,000 and Rs. 200,000 respectively.

The winning idea "Green Paper Bag Manufacturers" aimed at eliminating the problems created by the use of non-biodegradable plastic bags. The social mission of this project was two-folded; to eliminate environmental pollution by promoting the use of paper over plastic, and to recycle paper waste into usable bags.

Shahriz Khan, Product Manager, Khushhalibank, congratulated the winners and commended the mentors, teachers, schools, and parents who contributed to their success. He said, Khushhalibank



Winners of the 'ISERVE 2012'

recognizes the importance of critical thinking as the main ingredient for tomorrow's success and is proud to be the main sponsor of this dynamic challenge.

Dr. Shahid Qureshi, Associate Director-Centre for Entrepreneurial Development (CED) IBA and the Patron of IBA Entrepreneurship Society (IBAES) said, "ISERVE 2012 grants students the opportunity to present ideas targeted towards a positive change in Pakistan. The competition encourages students to think outside the box. Each idea presented is valuable, and the winners are granted money to further develop the idea and bring about the social change. We are indebted to Khushhalibank for their support to help our students embrace and explore these ideas".

## Performance Review by MSDF Committee

The recent meeting of Microfinance Sector Development Fund (MSDF) was held in Islamabad to review the performance of Non-Governmental Organizations/Service Providers (NGOs/SPs) engaged for the mobilization of clients over the past two years. The committee observed that nearly 35 % of Khushhalibank's clients were generated by the NGO's/SPs which posted a growth of nearly 21 % per annum.

The Committee also reviewed the latest industry outreach indicators whereby Khushhalibank was a market leader with 440 thousand clients and a market share of 21%. It was highlighted that the support of MSDF has been instrumental in expanding Khushhalibank's outreach to some of the most marginalized areas of the country either through its own branch network or leveraging partnership with NGO's/SPs that better serve the poorest of the lot, thus complementing the overall objective of the MSDF.

In view of the above considerations, the Committee reviewed the unit cost rate for NGOs/SP and unanimously approved the revision of unit cost rate of per client mobilized by NGO's/SPs and Khushhalibank from Rs. 1,000 per client to Rs. 1,300 per client effective January 01, 2012.

The Fund Committee also approved the audited accounts and annual report of MSDF for the year ended 31 December 2010.

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

### Fouzia Hameed - The bags that brought fortune



Fouzia Hameed is an emblem of courage and strength for all those women who are determined to succeed against all odds. She comes

from a humble background and is disabled from both her feet. Her father died sometime back and she is living with her brothers of whom only one is employed. It was very difficult for her brother to bear the family expenses within his meager income without the support of others in the family. Fouzia who has always been a determined woman gauged that there was ample demand for hand bags in the market and accordingly decided to enter the business to help her family come out of the financial crisis. Having an excess of seven dependants herself and assessing the purchasing power of her community, she realized that for her to make any real impact in the market she would have to rely on low profit margins, while increasing the trade volumes. As a result she ventured out in the field, saving up money to start her own embroidery and hand bag business.



Initially for two years she worked at a small scale. High inflation and increasing cost of raw material meant that she could save up very little for herself and her family. But things changed when someone from her area told her about Khushhalibank and she applied for the loan which she acquired soon after. She got a loan of Rs.12,000 for expanding her business which is now growing considerably on a regular basis. She has a very good credit history to date. Before Khushhalibank's Microfinance facility she was earning a profit of Rs. 2000-2500 per month, but with the bank's support her profit has now increased to Rs. 10,000-12,000 per month. With her commitment and hard work along with the support of Khushhalibank her business is flourishing and she is now able to support her family very well.

Fouzia plans on establishing a training center where she would be able to provide the training to other women like her to start their own business and improve the efficiency of their existing business. Not only will she be able to enhance her income through this training center, but will also contribute to her community by enabling the women to stand on their own feet and earn a living for themselves and their families.

Interestingly, without ever going to a business school, she understands the importance of retained earnings and makes sure to reinvest a major part of her profits in the business. Thus, she foresees continued growth for her business and dreams of making it big one day.

**For Feedback & Comments** e-mail: [editorgrassroots@kb.com.pk](mailto:editorgrassroots@kb.com.pk) or Contact  
Khushhalibank, 94 West, 4<sup>th</sup> Floor, Jinnah Avenue, Blue Area, Islamabad.  
Telephone: 051-111-092-092 Fax: 051-9245120 [www.khushhalibank.com.pk](http://www.khushhalibank.com.pk)