

A QUARTERLY NEWSLETTER OF KHUSHHALI MICROFINANCE BANK

GRASSROOTS

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MESSAGE FROM CEO

Dear Colleagues,

This quarter successfully concludes the year 2020 with **Khushhali Microfinance Bank Limited** achieving all its business targets despite having to face a series of unpredictable events due to the biggest challenge of global pandemic of 2020. Amidst this continued uncertainty, **KMBL** was able to retain its position as the Best Microfinance Bank of Pakistan. This is the third consecutive year that **KMBL** is being awarded by the Institute of Bankers Pakistan.

With such an exceptional performance, it is my privilege to lead a team of talented people that made it possible for Khushhali to achieve a prestigious standing within the entire microfinance industry.

Major highlight of this quarter includes the record breaking deposit mobilization, outstanding recovery efforts by the frontline teams besides the launch of Khushhali acquiring set up & ATMs in various urban and rural areas across Pakistan. I would like to appreciate the collective efforts of all the teams involved in achieving these outstanding results. Earlier this year, in order to facilitate our customers with the most convenient and safe banking, **KMBL** had also launched two more digital platforms, i.e., **Khushhali Internet and Mobile banking**. The year 2020 has indeed accelerated our drive towards digital transformation; to equip our customers for latest technologies in microfinance banking.

Efforts of all our staff are appreciated here as we continued to provide our services even through most critical times, ensuring all **SOP's**.



I would sincerely like to thank my entire team for their tireless efforts to achieve greater impact where it mattered the most. I am therefore quite hopeful for the next year as we strategize our way towards providing the best customer experience in the microfinance sector.

I wish you all the best for the year 2021. Let's start our new year with good hopes and spirits.

Regards,

Ghalib Nishtar

SEVENTY-SECOND MEETING OF THE BOARD OF DIRECTORS

Fourth quarterly board & board committee meetings took place on 25th & 26th of November 2020. In addition to 4th quarterly meetings, urgent BOD meeting was also convened to discuss and approve the Budget for the year 2021 & review and approve the proposal for enhancement of Microenterprises lending limit to PKR 3 million.

In the 72nd BOD meeting held on 26th of November 2020, Board formally welcomed Mr. Eelco Mol as a Director on the Board of **KMBL** subsequent to her approval for fit and proper criteria received from the SBP. BOD also reviewed the economic update, operating results and Business Update for 3rd Quarter Ended 30th September 2020; BOD reviewed Business Update for the Third Quarter ended on 30th September, 2020, BOD also reviewed the Budget for the financial year 2021; BOD reposed confidence in the management and appreciated their commitment and support towards supplementing **KMBL's** growth in this difficult time.

BUSINESS OVERVIEW

QUARTERLY BUSINESS DATA FOR QUARTER 3, 2020	
ACTIVE BORROWS	878,609
YTD LOAN SERVICE	818,315
YTD DISBURSEMENT	62,904,660,526
ACTIVE SAVERS	2,790,198
GLP	60,581,605,808

KHUSHHALI MICROFINANCE BANK LIMITED LAUNCHES ATMS NATIONWIDE

With much anticipation, **Khushhali Microfinance Bank Limited** introduced a new gateway towards digital financial accessibility, i.e., by installing **KMBL** ATMs across Pakistan to provide its customers with seamless and 24/7 banking experience. **KMBL** is now at the forefront of Digital technology innovation; EMV compliant cards, Mobile banking and Internet banking, IBFT at OTC and bill collection.

NOW YOU CAN BANK ON US

KMBL brings yet another payment solution for its customers. We have launched **Khushhali ATMs nationwide.** Now all schemes and proprietary cards will be accepted on **Khushhali ATMs** at your nearest branch.

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Customers will now have the convenience of performing various banking transactions like, balance inquiry, cash withdrawal, fund transfer, interbank fund transfer, cheque book request, bill payments and much more by accessing their nearby **KMBL** ATMs.

Khushhali ATMs were launched with a vision to be most efficient ATM network with respect to uptimes, transaction processing & migrate transactions; maintain customer service. The strategic launch not only included urban areas but also the rural areas of Pakistan, hence further enhancing the banking experience of customers who have limited access to digital financial services. This project will not only be

a step forward towards expanding **KMBL's** reach for financial inclusion to far flung areas of Pakistan but will also empower the customers from semi-urban and rural areas with a more digital banking experience.

KMBL AWARDED THE BEST MICROFINANCE BANK BY CFA SOCIETY PAKISTAN

Khushhali Microfinance Bank has been awarded “Best Microfinance Bank of the Year” by CFA Society Pakistan at the “17th Annual Excellence Awards” ceremony held at a local hotel on Friday. This is the first time that the microfinance industry has ever been given prominence through the recognition of best performing market leaders at these events.



Dr. Reza Baqir, Governor, State Bank of Pakistan graced the event as the chief guest at the 17th year of the flagship event. A committee of senior members of the CFA Society with vast analytical experience in evaluating sector fundamentals, decided the recipients of the awards. The awards were distributed on the basis of being the greatest contributing banks towards economic development and poverty elevation initiatives in the country.

The best microfinance bank award was presented to **Khushhali Microfinance Bank** owing to the highest market share, consistent growth, profitability, and other high-performance factors for the past 3 years. These awards aim to encourage higher standards of

performance and professionalism by recognizing industry leaders showing outstanding performance under various categories.

Khushhali Microfinance Bank President Ghalib Nishtar, “It is a tremendous honor to win this prestigious award. It is a testament to our consistently high performance in the microfinance sector of Pakistan”.

Khushhali Microfinance Bank, with its two-decade history of serving the underprivileged segment of society through microfinance, has been central in poverty alleviation in Pakistan. A forerunner in the microfinance sector, it has financially empowered individuals from both urban and rural communities.

CONFERENCE HELD ON MICROFINANCE IN POST-PANDEMIC ERA UNDER THE LEADERSHIP OF GHALIB NISHTAR

A 2-day conference titled Sustaining Resilience: Microfinance in a Post Pandemic Era, was held at Serena Hotel in Islamabad on 25th and 26th November. The conference participants included Policy makers, regulators, bilateral & multilateral donors, representatives from Microfinance banks, Non-bank financial Institutions, commercial banks, the Insurance Industry and related stakeholders.



The guest of honor for the event, Advisor to the Prime Minister on Finance and Revenue, **Dr. Abdul Hafeez Shaikh** shared his insights on the economy, the role of the Government in supporting micro, Small & medium enterprises, youth & women. He highlighted the importance of the Microfinance sector in achieving Inclusive growth for the country.

President & CEO **Khushhali Microfinance Bank Limited (KMBL)** and Chairman PMN, **Ghalib Nishtar** in his address stated the aims and objectives of the conference. He highlighted the contribution of the sector to micro enterprise growth and employment in Pakistan.

Since the release of the Policy statement by the Ministry of Finance in June 2000 the sector has developed over the years with 42 institutions that include 11 banks & 31 NBFIs with combined assets of the sector close to Rs 500 billion and 7.3 million borrowers, 50 million deposit accounts & 9 million insurance clients from low-income segments of the market across the country.

Given the significance of microfinance it is even more crucial for microfinance institutions to continue supporting its clients during crisis times, he added that "The microfinance industry of Pakistan has certainly faced the fallout of COVID19 crisis but a marginal decrease in percentage of the loans given out shows that we managed to make it through a national health emergency with resilience. At this conference, we've talked about ways to tackle the challenges imposed on microfinance by a pandemic and the opportunities & the structural support that the Industry requires from the policy makers and the regulators".

While chairing the session on 'Making Microfinance Resilient: Putting in Place a Disaster Risk Fund'. he highlighted ways in which the microfinance sector can remain sustainable in response to the socioeconomic consequences triggered by climatic hazards and natural disasters.

RUTH BINYAMIN – JOURNEY TOWARDS A SUSTAINABLE GROWTH

The story of Ruth Binyamin takes us through a journey of a prolonged struggle in the hope to build a strong and sustainable business for a comfortable family living. A simple family with lack of needed resources to support the continuity of their business emerged as a successful microentrepreneur in a competitive environment against all odds.

Ruth Binyamin, despite her belonging to a minority community, made her way from struggling through a slow and steady growth into a path of rapid progression. The Christian family, currently residing in a small village of Martinpur, Nankana Sahib, had many members with very little to support their daily expenditures and family needs. Struggling from making the ends meet, Ruth with her husband finally took the initiative to start a business of producing knitted garments and leather products like jackets and track suits on a small scale at home. With the support

of his husband and family, she worked day and night to gain the required experience and establish market contacts necessary for their business.

With strong commitment and resilience, consistent cash flows started to appear. Their standard of living got better where children started to receive quality education and comfortable lifestyle. However, as soon as the business started to take roots in the market, many challenges emerged in the way to success. The business required funds to scale up in order to manage operational costs and establish sustainable supply chain. Instead of focusing on their incremental growth, they had to face fierce competition in the market that laid out even more challenges to sustain their present business and supply chain system.



It was then she finally visited **Khushhali Microfinance Bank Limited (KMBL)** and availed a micro loan facility to inject the much needed funds to her business. With this fresh investment in shape of **KMBL** loan, she was able to fulfill the growing demand of her customers. This loan facility turned out to be a game changer for her business. Ruth Binyamin was now able to expand the supply chain where her son established a distribution network, supplying her manufactured good in Murree and Islamabad. He is now running a successful business of his own in these areas, strengthening Ruth's business to expand outside her small village. As the demand

increased, Ruth had to scale up her business back home to be able to produce more than she had to before. More resources were hired from the village and skills were taught to produce leather related products to the locals. The success of this business had a very positive impact on her community and locality where many of them even started initiatives on their own. Currently, she has six employees working at her manufacturing unit. She aimed to provide employment opportunities in her minority group, empowering her people in their locality. She also provides her products at very low prices on occasion of Christmas and Easter to her Christian community residing in the area.

As the supply chain got stronger, Ruth now has to purchase more machines and hire further employees to cater the growing demand of her products. Along with enhancing her current product lines, she is also planning on adding new business lines like producing seasonal daily-wear t-shirts & trousers.

Ruth Binyamin is one example in many who knew when to scale up her business in order to reach sustainability and **KMBL** expedited her vision. She only needed resources to push through adversities while her resilience and commitment was enough to shape up her dream.



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