

“Microfinancing critical for Pakistan financial stability”

Flare panel talks to Jahanzeb Khan, CEO, FINCA Microfinance Bank Ltd. who says that in my professional career, I have learned tremendously from working in one of the largest financial institutions globally to working with the top fintech provider in emerging Asia and now more recently working in Pakistan with the target to enable the underserved masses. Change has been a constant and I embody that. Journey to transform and change is a challenge for us as humans and taking along an organization through that journey is always a challenge I enjoy. There are plenty of failures one comes across and that is the beauty of life where I have gained resiliency via experiencing change throughout my career



Jahanzeb Khan,
CEO



FINCA® Microfinance Bank Limited

Flare: Please share a few words about yourself, education and professional life?

Jahanzeb Khan: I've worked in the global and local financial services for 23 years, from leading global financial services institutions such as JPMorgan Chase & Co., Deloitte Consulting to Telenor Microfinance Bank (Easypaisa). I've spent my career evaluating and applying emerging solutions to transform businesses. At Easypaisa, I created products and strategies to enhance financial inclusion, and we got global recognition for many of our programs. At JPMorgan, I got the opportunity to lead multiple areas in the Fintech space. I earned my Bachelors from the University of Texas at Austin, Masters from the University of Delaware, and completed multiple executive leadership programs at the Wharton School of Business and Harvard Business School.

Flare: Tell us a little about your experiences in the Banking sector, what drove you to pursue a career in Banking?

Jahanzeb Khan: I came to Pakistan with the passion to enable financial empowerment to millions who lack access to banking services. More than 70 percent of the adult population in Pakistan is not using the formal banking sector for their saving or borrowing needs. The microfinance sector is critical for Pakistan's financial stability and security. MFBS further financial inclusion, as the majority of microfinance clients, are in rural areas and have been left out of the financial system.

To help their clients be successful, MFBS build financial literacy and, in the case of FINCA Microfinance Bank Ltd., digital literacy. According to McKinsey Consulting, widespread use of digital payments can improve GDP by seven percent, creating millions of jobs in the process. Digital banking is a means to securing many ends: reducing poverty and hunger, improving health, creating good jobs, increasing inclusive economic growth, and reducing inequalities.

Flare: Have you had to face any challenges in your career to get to where you are today?

Jahanzeb Khan: Every industry has its challenges and obstacles, but we grow personally and professionally by overcoming those hurdles. Traditionally, microfinance has faced a lack of available information about how microenterprises run their businesses. Digitization of cash flows, selling patterns, and inventory turnaround can catalyze lending by

allowing us to provide more appropriate and flexible services. Over time, digitization can enhance microfinance penetration. But in the short term, our customers need personalized support to complement digital tools. The right combination of 'touch' and 'tech' is necessary for the efficient delivery of financial services.

In my professional career, I have learned tremendously from working in one of the largest financial institutions globally to working with the top fintech provider in emerging Asia and now more recently working in Pakistan with the target to enable the underserved masses. Change has been a constant and I embody that. The journey to transform and change is a challenge for us as humans and taking along an organization through that journey is always a challenge I enjoy. There are plenty of failures one comes across and that is the beauty of life where I have gained resiliency via experiencing change throughout my career.

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Flare: What hopes and aspirations do you have for FINCA Microfinance Bank Ltd?

Jahanzeb Khan: I am excited to be a part global network of nineteen institutions on five continents. Currently, FINCA Microfinance Bank Ltd. in Pakistan serves more than one million loan clients with a gross loan portfolio of PKR 21.6 billion. As each loan creates approximately three jobs according to our surveys, FINCA Pakistan has positively impacted the livelihood of more than 3 million households. The bank also holds deposits worth over PKR 25 billion through 1.6 million trusting customers online and at 130 branches in 120 cities across Pakistan.

My top priority at FINCA is to follow respon-

sible lending guidelines and help meet the financial needs of microenterprises—a tough challenge when COVID-19 is still having significant negative impacts on people near the poverty line. This means not only providing customers with loans, but also with savings accounts and other services that help them build their financial health. I also aim to prioritize enhanced customer experience and take measures to promote diversity and inclusion within and outside the organization.

Flare: How does FINCA Microfinance Bank keep its competitive edge in the country?

Jahanzeb Khan: FINCA is present in 19 other countries around the world, which gives us the unique ability to apply global insights to Pakistan. We are able to introduce products and services that have been tested successfully elsewhere.

FINCA Pakistan has made massive strides in delivering services quickly, processing loan requests in as little as a day. By collecting customer data and processing loans on digital tablets, we are able to reach more customers more efficiently. But we are digitizing our services not to maximize profit but to enable our customers to meet their business aspirations, which means we proceed at a pace where customers feel supported. Most customers develop a long relationship with the bank, returning for more financial services again and again. In an independent service level study conducted by Startex Marketing services, FINCA Pakistan was rated at the top in terms of customer service amongst the top Microfinance Banks.

Flare: What is the biggest achievement of FINCA Microfinance for the last few years?

Jahanzeb Khan: FINCA Pakistan is meeting digital transformation goals by strengthening and testing back-end operations. These measures include restructuring our operations to reduce loan processing time, disbursing loans through mobile wallets, and centralizing loan applications through call centers. We are also now providing digital payroll solutions for more than 500 small and medium-sized enterprises and corporations, serving more than 80,000 employees.

All these measures are targeted to ultimately delight our customers and fulfill their needs cheaper, faster, and more securely. Digital enablement and automation are critical for us so we could be more efficient and over time pass on those advantages to our customers. ■



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