

INSTITUTIONAL ACHIEVEMENTS



SOCIAL PERFORMANCE DASHBOARD



OPERATIONAL PERFORMANCE

Overall Growth

Kashf Foundation's active clientele at the end of the period April – June 2014 has been 342,390 clients (compared with 336,243 clients in the previous quarter). 54,684 loans have been disbursed in the current quarter compared to 64,853 loans in the previous quarter, which represents a decrease of approximately 16%. This decrease has been due to the reduction of targets for the month of June due to liquidity constraints being faced by Kashf owing to a liquidity gap caused by delays in getting MCGF approvals and PPAF's transformation into a new entity.

Despite the lower number of loans disbursed in the quarter, Kashf's active outreach has increased since the impact of the decline in disbursements will be felt in the coming quarter. Overall, there has been a marginal reduction in the outstanding portfolio from Rs 4.4 billion in March to Rs. 4.35 billion currently. The reduction in the size of the portfolio has been due to a decrease in the average loan size owing to:

- A higher focus on women led businesses which are generally more comfortable with lower loan sizes
- Reduced liquidity as a result of decline in funding flows.

General Loan and Outreach

Active Clients and Portfolio

	Apr-June 2014	Jan-March 2014
Total Kashf Clients	342,390	336,243
Outstanding Portfolio	4,353,615,398	4,396,227,976

Cumulative Loans in Quarter

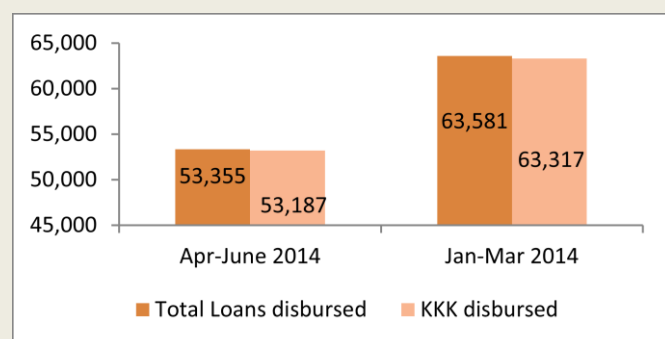
	Apr-June 2014	Jan-March 2014
Amount Disbursed (KKK+KAK)	1,524,631,000	1,823,854,000
Loans Disbursed (KKK + KAK)	53,355 (53,187 + 168)	63,581 (63,317 + 264)
Average Loan Size	Rs. 27,881	Rs. 28,123

KASHF FOUNDATION

QUARTERLY REPORT

APR-JUNE 2014

The average loan size for this quarter has stood at Rs. 27,881 which is lower than the last quarter due to reasons stated earlier. The average loan size for Kashf is still higher than the average loan size for the sector which is Rs. 24,566. Kashf's loan size is determined by an extensive business and household appraisal of clients under Kashf's lending methodology which means that the loan is approved based on the cash-flows and business needs of the client.



Kashf Murabaha - (Shariah Compliant Product)

In the current quarter Kashf has disbursed 1,258 Murabaha loans worth Rs. 32.5 million in Abbottabad, Noshera, Mansehra and Haripur districts of KPK compared to last quarter's disbursement of 1,173 Murabaha loans worth Rs. 29.9 million. Overall, the outstanding portfolio stands at Rs. 69 million as of June 2014 with 3,420 active Murabaha clients.

Kashf Sehatmand Zindagi Bima - (Kashf Micro Health Insurance)

The Kashf Health Insurance is a unique pro-women family health insurance product provided to Kashf Foundation clients to address health related costs and to manage the adverse impact of funneling business savings into unplanned expenditures. Kashf is currently piloting health insurance in 4 operational areas, and has covered a total of 66,259 lives to date.

In the current quarter, under the health insurance program, 30,346 lives have been insured (compared to 35,913 in the last quarter).

FINANCIAL SUSTAINABILITY

Overall Performance

The overall liquidity situation has improved slightly in June 2014; however, it has not been in time to enhance disbursement outlays. Overall there have been inflows of Rs 1,000 million (Rs. 400 million from JS Bank, Rs. 300 million from Silk Bank and Rs. 300 million from UBL under MCGF) and total outflows of Rs. 633 million against the repayment of loans.

	Apr – June 14	Jan – Mar 14
Cash to Total Assets (%)	7.96%	5.82%
Short Term Investments and Cash to Total Assets (%)	13.51%	10.07%
Return on Investments	9.61%	9.48%
Cash to Current Liabilities	16.46%	11.0%

The major source of funding during the current period has been from JS Bank, Silk Bank and UBL Bank, which as mentioned earlier have provided Rs. 400 million, 300 million and 300 million respectively. The weighted average cost of funds for this quarter has been 10.66%, with COF for commercial loans at 11.20% and PPAF loans at 10.11%. Currently, there is an available pool of Rs. 816 million and an expected inflow of Rs. 310 million is expected from PPAF and Rs. 400 million from MCB in the next quarter; to support on-going cash-flow needs.

Overall, the total income in the current quarter has increased by 4.5% as compared to the previous quarter due to the following:

- Increase in income from service charge due to the increase in the size of the portfolio in first two months, i.e. April and May however, the income from service charge has reduced in

June and will continue to reduce in the coming months due to the reduction in targets based on an expected liquidity constraint as mentioned earlier.

Income From Financial Services			
	Apr-June 14	Jan-Mar 14	Weighted average
Service Charge	365,922,965	343,579,797	92.2%
Investments	13,463,607	16,703,969	3.4%
Other Income	17,562,106	19,634,799	4.4%
Total Income	396,948,678	379,918,565	100%

Efficiency Ratios

There has been a slight change in the administrative efficiency ratio, which is 20.53% by the end of this quarter (compared to 21.14% by the end of previous quarter). The Sustainability ratios have showed an improving trend; in June 2014 the OSS has increased to 118.2% (compared to 116.8% in Mar 2014) and the FSS has increased to 107.6% (compared to 106.8% in March 2014). An increase in sustainability ratios can be attributed to the increase in income from service charge due to higher number of disbursements in the current quarter.

Efficiency Ratios		
	June 2014	Mar 2014
Administrative Efficiency	20.53%	21.14%
Operational Self Sufficiency (OSS)	118.2%	116.8%
Financial Self Sufficiency (FSS)	107.6%	106.8%

GENDER EMPOWERMENT AND SOCIAL ADVOCACY (GESA)

Kashf Foundation Holistic Financial Inclusion Program

GESA Programs have been effectively contributing towards improving the conditions and capacities for women's participation in informal and formal economic activities by providing them with financial literacy trainings and access to business development services. In the current quarter 48,600 participants have been trained in Basic Financial Literacy and 20,977 participants have been trained under the Systemized Financial Education Program.

Business Incubations Labs

In this quarter, the 4th batch of 1,592 women entrepreneurs has graduated under the Business Incubation Lab program. These clients have been trained on business management, marketing and networking, and product innovation techniques. In addition, 979 women entrepreneurs have also been inducted for the 5th batch in this quarter. 203 entrepreneurs from the 4th batch have been taken on market visits to local market places to help them understand various marketing techniques employed by vendors. During this period, 57 market linkages have been developed with vendors. Trained entrepreneurs have also developed linkages with other entrepreneurs, which will help them get support in the form of labor, selling products, identifying markets etc.

Women Entrepreneurs Council (WEC)

In this quarter, 2 Quarterly meetings and 10 Area level meetings with Women Entrepreneurs Council members of Sindh and Punjab were held to collect suggestions on Kashf policies and feedback on products and services from the council members.

Some of the recommendations from the Women Entrepreneurs Council (WEC) are as follows:

- Expansion of health insurance product to all regions;
- Establishment of vocational skill training centers for clients and their daughters;

- Establishment of schools to provide free education to children.

in response to these suggestions, Kashf is exploring various partnerships and collaborations with existing skills development funds and vocational services providers like PSDF and TEVTA to help women and girls from Kashf communities access vocational skills trainings.

Kashf has successfully attained the Punjab Skills Development Fund (PSDF)'s project: Skills for Market 2014-15. The project aims to train 500 low-income women to high quality vocational trainings in rural areas of Lahore on the following trades: Domestic Tailoring, Ada Work and Beautician.

Additionally, while the health insurance product is currently in the pilot phase after its successful completion Kashf plans to expand it to all areas in a phased approach. Moreover, Kashf is also currently scaling up its support to low-cost private schools through the "Kashf School Sarmaya Program."

Media Campaign

Owing to the widespread popularity and extensive appreciation from all segments of society for the drama serial "Rehaii" and to expand its audience base a re-telecast of the drama was undertaken on ATV which is a terrestrial channel, i.e. it is available via a simple television antenna. This has greatly expanded the viewership of the program and helped expand the message of the project.

The 90 minutes film that Kashf has developed from this drama serial has been screened at various events in USA and Pakistan during this quarter. Screenings of excerpts in USA have been undertaken at the University of Boston, TUFTS University, Harvard University, Oxfam, Accion, The Coolidge Street Theatre Boston, Motion Picture Association of America, the American University, the Atlantic Council, New York University, The Council for Foreign Relations and The Manhattan Anthology Archives. The screenings have been accompanied by panel discussions as well as question and answer sessions with the audience to engage students on broader gender topics and raise awareness regarding the role of media in portraying gender stereotypes.

Moreover, in Lahore the film has been screened at the Lahore College for Women University (LCWU) and Kinnaird College for Women (KCW) with the above mentioned objectives.

Round-up of GESA Activities

- 48,600 participants have been trained through the **Basic Financial Literacy** trainings in the current quarter. These trainings have aimed to enhance financial literacy skills of participants and to familiarize them with basic knowledge on borrowing, debt management, savings and basic numeracy.
- 20,977 clients have been trained under the **Systemized Financial Education** program in the current quarter. These clients have completed their certification in four subject areas; Savings, Budgeting, Debt Management and Financial Transactions.
- 482 **Gender Trainings** sessions have been undertaken in the period April-June with 5,244 participants. These participants have included 1,526 clients, 2,166 males, and 1,552 young boys from the communities. These trainings have aimed to create awareness about gender discrimination and help change the mindsets of participants about gender norms in relation to women's participation in the economy and their access to financial services.
- 34 **Social Theater performances** have been staged in the areas of Rawalpindi, Abbotabad, Kot Adu, and Lahore with an audience of 3,525. The play has been based around the story-line of "Rehaii". The clients and their families have extensively appreciated the stage play and look forward to watching more theatre performances in the future.

HUMAN RESOURCES

HR Trends at a Glance

- The total staff count at the end of June 2014 has stood at 1,788 and the female gender ratio at the organizational level at 50%.
- The recruitment team has continued to identify and employ talented and committed staff; 65 employees have been inducted during the current quarter.
- A total of 61 employees have been recruited for the field and 4 employees have been hired for Head Office positions. Out of the total recruited staff, 43 employees have been females.
- Overall Employee Turnover has been 3% owing to the resignation of 48 staff members and termination of 10 members.

HR Initiatives

- The “Success at Workplace” trainings have been conducted throughout Kashf with the main purpose of celebrating the success of staff members who have been working on the same position for the past 4-5 years. The core objective of the training has been to communicate the importance of Horizontal Growth to the staff members and deliver the message that learning on the same position is as important and worthwhile as Vertical Growth.
- A Trainer Certification session has been undertaken with Area Managers to train participants on understanding the role of a facilitator.
- Pipeline Trainings Sessions for Area Managers and Branch Managers have been conducted to help them develop the soft skills needed for their growth. The training has covered various topics including effective management, sound leadership, importance of team building, conflict resolution, and effective communication.
- Kashf’s Regional Manager for Region 4 and IT Manager have attended The 7 Habits program by Franklin Covey Pakistan. This has been an intensive application-oriented learning experience that has focused on the fundamentals of great leadership. This workshop has given the participants a set of tools that will help them meet various management challenges. An essential tool has been “Valuing Diversity in Teams and Handling Difficult People”.
- Kashf’s Assistant Manager for Learning & Development has attended the “Train the trainer Certification” program by IMS knowledge –Franklin Covey Pakistan.
- The HR department has also undertaken the 5 Star Branch Ranking Program for Kashf Foundation’s branches. Overall the initiative has been taken very positively and a sense of competition has been created amongst the branches to earn more stars. The number of branches that has earned each star can be seen below:
 - Commitment to Sustainability – 151
 - Commitment to Gender Equity – 28
 - Commitment to Outreach – 128
 - Commitment to Customer Loyalty- 134
 - Commitment to Accuracy - 17

- Monthly ongoing initiatives have included Employee of the Month (for all tiers and functions), HR Newsletter, Gender Champion Program, Exit Interviews, Tier wise engagement calls and Star Performers Lunch with the Managing Director. The HR Helpline has received 198 queries in the current quarter related to payrolls and compensation & benefits especially health insurance.
- 360 Degree Feedback of new Area Managers has been undertaken in March and April to get feedback from their supervisors, peers and subordinates regarding operational grip, CPC, communication, HR Management, personality, compliance with the core values and gender sensitivity. Moreover, 360 Degree Feedback of HO Senior Management has been conducted in May to get feedback from their peers and sub-ordinates regarding their team management, personality, feedback, efficiency, employee training and motivation etc.

Learning & Development Activities At a Glance

In the current quarter, the learning and development team were involved in the following trainings:

	# of Trainings	# of Participants
New Staff Orientations	2	55
Success at workplace	1	1391
AM Certification	1	27
Team Management training	1	16
BM/AM pipeline training	2	32
External Trainings	2	3

Human Resources Trend Analysis

	April – June 2014		Jan – March 2014	
Total Permanent Staff	1788		1696	
Total HO Staff	112		111	
Total Field Staff	1676		1585	
Gender	Male	Female	Male	Female
Number	899	889	850	846
Total Staff (Trainee + Permanent)	1852		1895	
Total Staff (HO)	116		113	
Total Staff (Field)	1736		1782	
Gender (Trainee + Permanent)	Male	Female	Male	Female
Ratio	50%	50%	50%	50%
Number	919	933	946	949
Total Staff Recruited	65		208	
Total Staff Recruited – HO	4		4	
Total Staff Recruited - Field	61		204	
Gender Recruited Staff	Male	Female	Male	Female
Number	22	43	99	109
Turnover (Quarterly)	Voluntary	Involuntary	Voluntary	Involuntary
Number	48	10	60	14
Overall Turnover	3%		4%	
Number	58		74	