



April - June 2018

Kashf Quarterly Report

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Highlights for the Quarter

Kashf is the largest provider of micro-insurance in Pakistan with over 25.5% of the market share

4,170 clients trained on systemized financial education and 3,874 participants on good parenting

Kashf has 1,611,893 unique individuals actively insured in its micro-insurance program as of June 2018

Total loans disbursed in the quarter were 123,032

Kashf's successful woman entrepreneur from Faisalabad was featured on the BBC World Service Stories and received worldwide recognition for her success and resilience

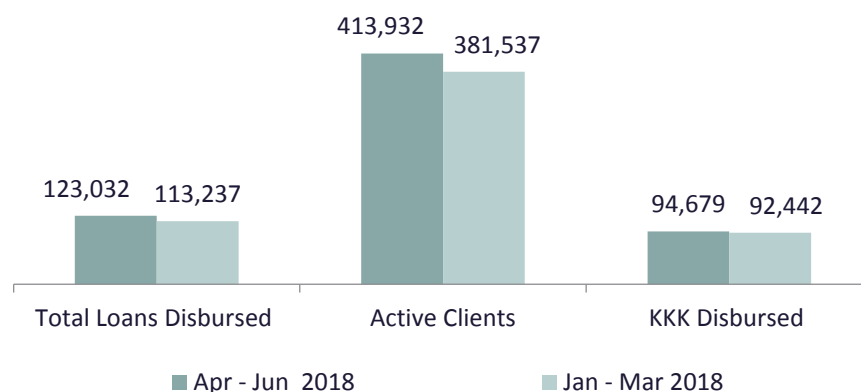
**INSITUTIONAL ACHIEVEMENTS SNAPSHOT
(JUNE 2018)**

Active Clients 413,932	Outstanding Portfolio PKR 10.51 Billion	Cumulative loans disbursed 3.68 million	Cumulative Amount disbursed PKR 82.28 Billion
No. of Low Cost Private Schools (LCPS) financed 2,771	Students Impacted under LCPS 969,850	Number of school owners trained 5,301	Number of LCPS teachers trained 15,366
Lives covered under health insurance 1,538,580	Cumulative BIL Graduates 27,760	Cumulative financial education participants 1,491,094	Cumulative Gender training participants: 188,556
	Staff Headcount 2,872	Staff Attrition 4.5%	



OPERATIONAL PERFORMANCE

Kashf Foundation's active clientele at the end of June 2018 stood at 413,932 clients (compared to 381,537 clients at the previous quarter end). There has been an increase of 7.24% in the outstanding portfolio from PKR 9.80 billion in Mar 2018 to PKR 10.51 billion in June 2018. The amount disbursed in this quarter has been PKR 4.92 billion compared to PKR 4.75 billion in the previous quarter.



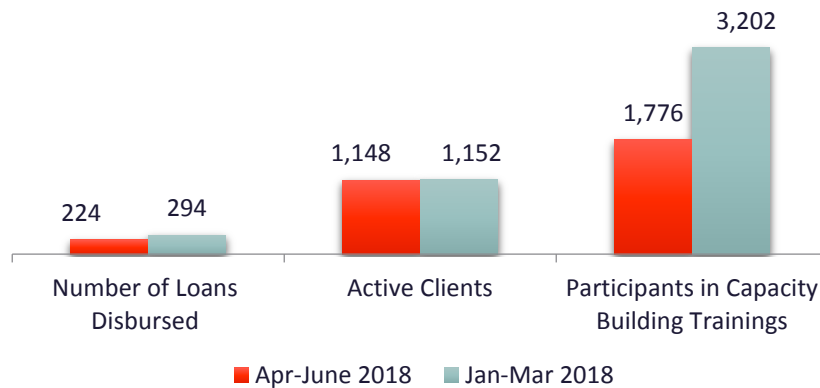
	Target Apr-Jun 18	Achievement Apr-Jun 18	Achievement Jan-Mar 18
Kashf Karobar Karza	93,983	94,679	92,442
Kashf Murabaha	3819	3736	3,548
Kashf School Sarmaya Loans	175	226	294
Kashf Khudmukhtar Sarmaya	686	688	691
Kashf Easy Loan	16,143	17,418	15,958
Kashf Maweshi Karza	285	288	263
Kashf Sahulat Karza	2096	5,997	41
Total Loans Disbursed	117,187	123,032	113,237

In the current quarter Kashf disbursed 94,679 Kashf Karobar Karza Loans (KKK) and 3,736 Kashf Murabaha loans (KM). KKK continues to be the primary lending product for Kashf with disbursements of over PKR 4.43 billion. Kashf Murabaha loans worth over PKR 152 million were disbursed in Abbottabad, Noshera, Mansehra, Mardan and Haripur districts of KPK. The average disbursement size witnessed a decrease from PKR 41,874 to PKR 41,672 at the end of the quarter. 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.

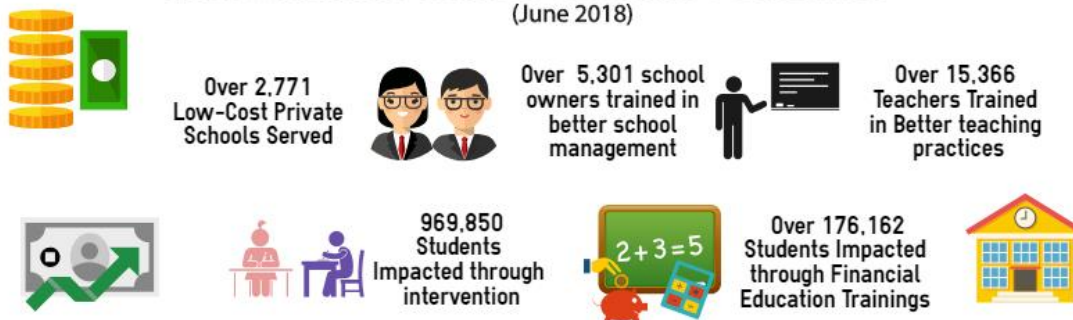
In October 2016, Kashf introduced the Kashf Easy Loan, which is essentially a loan product specially designed to cater to urgent capital needs of low-income households. The loan amount is PKR 15,000 and is currently being offered in the province of Punjab and Sindh. At the end of June 2018, active clients for Kashf's Easy Loan product stood at 54,072 clients. 17,418 loans have been disbursed in the current quarter in comparison to 15,958 loans in the previous quarter.

KASHF EDUCATION FINANCE (KASHF SCHOOL SARMAYA)

In the current quarter, Kashf disbursed 224 loans to low-cost private schools, trained 379 school owners in capacity building trainings, and trained 1,397 teachers in teacher training and pedagogy skills trainings. Moreover, the specialized Financial Education for Youth program, which is implemented in all Kashf supported schools, was undertaken with 5,141 students. The active clients in the program are 1,148 till June, 2018. The info-graphic below shows the cumulative numbers and outcomes from the program.



Kashf Education Finance Cumulative Outcomes (June 2018)



These numbers represent outcomes from schools that have completed their loan cycle with Kashf



Impact on Enrollments



Impact on Learning Environment



Impact on School Environment



KASHF MICRO-HEALTH INSURANCE

Kashf’s unique pro-women family health insurance product is covering a total of 1,538,580 individuals. Kashf’s health insurance product provides coverage to the entire family with hospitalization coverage for up to PKR 30,000 per family member. As mentioned earlier, Kashf is the largest provider of micro-insurance in the sector, and has been one of the fastest growing providers in terms of outreach. In the current quarter, under the health insurance program, 389,119 individuals have been insured (compared to 398,959 in the last quarter).

The number of unique lives insured by Kashf Foundation under its life and health insurance program stood at 1,611,893 at the end of June 2018.



	No. of Health Camps	Participants
Jan-Mar	48	6,998
Apr-Jun	23	2,885

“I was expecting my first baby but was extremely worried about the expenses we were about to incur. My husband’s income was not sufficient enough and we did not even have any savings to bear the costs. Had it not been for the Kashf Health Insurance I would have had to sell some of my assets to pay for my delivery. But the panel hospital provided me a very respectable and comfortable service and I’m gladly a mother of a beautiful baby girl now,” gleams Rabiha Bajji from Mandi Bahauddin.

FINANCIAL SUSTAINABILITY

The overall liquidity has increased during the current quarter, mainly because Kashf has received inflow of USD 5 million from BIB, USD 5 million from FMO, PKR 300 million from BOP and PKR 400 million from Bank Alfalah Ltd while Kashf has made debt repayments worth PKR 1.2 billion. Kashf's overall consolidated PAR stood at around 0.29% at the end of this quarter. The weighted average cost of funds for this quarter has been 10.16%.

Currently, there is an available pool of PKR. 1,713 million and an expected inflow of PKR 2.3 billion in the next quarter (PKR 500 million from Silk Bank, PKR 400 million from PakChina, PKR 500 million from Askari Bank, PKR 500 Million from Microvest and PKR 400 million from Insu Resillience Fund) to support on-going cash-flow needs. Kashf expects to raise PKR 2.0 billion from local and foreign commercial sources in the next quarter, along with expanding the outreach to several first and second tier banks. This will be particularly contingent on being able to provide assets to back up these commercial loans, and to improving the debt to equity ratios.

		April-June-18	Jan-Mar 18
Liquidity Ratios	Cash to Total Assets	11.38%	9.30%
	Short Term Investments & Cash to Total Assets	16.67%	13.90%
	Return on Investments	7.52%	6.86%
	Cash to Current Liabilities	40.19%	28.00%

The table below shows the income level for the organization:

		Apr-Jun 18	Jan-Mar 18
Income From Financial Services	Service Charge	928,630,844	866,772,348
	Investments	65,719,219	35,228,515
	Other Income	20,495,943	20,550,219
	Total Income	1,014,926,006	922,551,082

There are several aspects that impact the overall financial performance of the organization including inflation, pricing, cost of funds, portfolio quality, BDO productivity and average loan size disbursed. These indicators have always played a very strategic role in strengthening Kashf's financial performance.

EFFICIENCY RATIOS

Kashf has been continuously working towards ensuring greater efficiency; the organization has been extensively focusing on timely liquidity management and access to capital through a focus on building the organization's equity. The table below shows the key efficiency ratios for Kashf.

	June 2018	Mar 2018
Administrative Efficiency	18.48%	18.93%
Operational Self Sufficiency (OSS)	129.62%	128.60%
Financial Self Sufficiency (FSS)	124.80%	124.90%

The administrative efficiency ratio, which maps the resources used to build a quality portfolio, has shown improvement, with the ratio standing at 18.48% at the end of this quarter, mainly pertaining to growth in portfolio by 7.24% in this quarter. The OSS has shown an increasing trend; with the ratio standing at 129.62% in June 2018 (compared to 128.60% in March 2018); whereas the FSS has decreased to 124.80% (compared to 124.90% in March 2018).

GENDER EMPOWERMENT AND SOCIAL ADVOCACY (GESA)

After the successful culmination of the Government of Canada funded project in November 2016, the Mini GESA Programme was initiated in January 2017 under which GESA was focusing its interventions in 5 priority districts. From March 2018 the GESA programme activities have once again begun implementation all across the network where Systemized Financial Education, Good parenting, Gender Trainings, and Business Incubation Lab Program trainings are being delivered. Moreover, Vocational Trainings are being provided in Sialkot (Pasrur), Khairpur, Gujranwala, Gujrat, Kasur, Nankana Sahib and Lahore Districts under projects supported by Coca-Cola, OMV and Punjab Skills development Fund respectively. Kashf is also providing educational services through 4 centers for Adolescent & Adult Literacy and Training in Thatta, Badin and Sajawal districts with the support of Sindh Education Foundation. Currently, 785 students are enrolled in this program.



4,170 clients have been trained under the Systemized Financial Education and 3,874 participants under Good parenting



25 performances with 2697 participants conducted under Kashf Theatre Programme



250 clients trained in Business Incubation Lab Program trainings



4,392 participants trained in Gender Trainings

GESA Program Updates

Social Theatre

In this quarter 25 theatre performances in the field have been conducted with an outreach of 2697 participants on the theme of “Udaari”.

Business Incubation Labs

Currently 15 BILs are providing business support services to participating female clients. In the current quarter 460 women micro-entrepreneurs have been inducted and are under training from the Business Incubation Lab program. These participants will be trained on business management, marketing and networking and product innovation techniques. These entrepreneurs will also be taken on market visits to local market places to help them understand various marketing techniques employed by vendors.

Vocational Skills Training Program

Lahore

In this quarter, 35 students undergoing Beautician training have graduated from the Kashf Vocational Training School in Lahore. 50 students are currently enrolled in the program.

Sialkot

With support from the Coca-Cola Company, Kashf Foundation had been running 5 training centers in Pasrur for football stitching trainings. 300 women have graduated successfully from this program. These trainees have also been linked with the football industry for employability prospects.

Khairpur

With OMV's support, Kashf Foundation set up 3 training centers in Khairpur, Ranipur, and Chundiko for the trades of stitching and beautician work. The project has successfully completed, graduating a total of 672 women from both the trades. Through these trainings, participants have also learnt marketing skills which helped them improve their employability and enhance their ability to set/run small businesses. A successful graduation ceremony for the graduated trainees has been conducted in Ranipur.

Gujranwala & Gujrat

With the support of Punjab Skills development Fund, Kashf has set up 8 centers in Gujranwala and Gujrat Districts, where 254 trainees have graduated from the 2nd batch of football stitching. The graduated trainees are being linked with the football industry for employability.

Kasur & Nankana

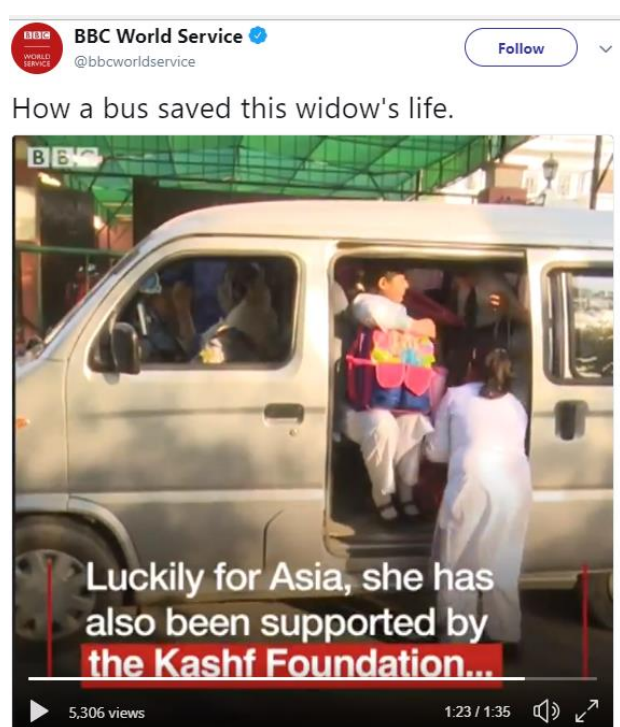
With the support of Punjab Skills development Fund, Kashf has set up 8 centers in Kasur and Nankana Districts, where 532 trainees are currently under training for the trades of Hand Embroidery and Ada Work.

MEDIA & COMMUNICATIONS

After the successful completion of Kashf's first ever mini-series titled Aakhri Station on ARY Digital, Kashf is adapting it for radio now. The mini-series will be a dialogue driven 15 episodes drama with each episode lasting 20 minutes on radio. The production will be complete by July 2018 and it will be aired on national radio by August. Exploring issues of mental health, HIV, forced prostitution, marital abuse and more, Aakhri Station's message will reach wider audiences via radio medium, especially in deep rural areas which may not have access to a television. It is also a way of penetrating in areas where these issues exist most and challenge patriarchal norms.

Moreover, Kashf has begun work on a new media project which explores the grave issues of Human Trafficking and Domestic Servitude in Pakistan. The screenplay along with character sketches for the new drama serial has been finalized and the script is in process.

Furthermore, an inspiring story of Asia Baji, a Kashf entrepreneur residing in Faisalabad was published on BBC World Service Stories on International Widows Day in June 2018. The story received wide-spread popularity on BBC News and social media reaching 2 million views worldwide along with 5000 shares on Facebook. The video was also published on BBC Urdu, World Service TV, BBC Radio, Dawn News and clipped as the Top 10 most viewed social video on BBC in June/July.



HUMAN RESOURCE MANAGEMENT & DEVELOPMENT

Key HR Trends

- Total staff at the organizational level: 2,361
- Female Staff ratio at the organizational level: 49%.
- Total Hiring in Quarter: 166 out of which 76 are female.
- Overall Employee Turnover: 4.7% (87 resignations & 22 terminations)
- 48% of Kashf staff report to a female boss.

New HR Initiatives in the quarter	Kashf Internal and External Trainings	Employee Engagement Activities
<p>New Recognition Programs: Lunch Vouchers for Policy Champions – Recognition to reward outstanding employees from all across the organization</p>	Orientation with 116 New Joiners	<p>Ongoing Initiatives:</p> <p>a)Recognition: Peer recognition for AMs, Employee of the month(HO, Field , Support functions), 5 star letters to 4 & 5 star branches.</p> <p>b)Motivation: HR Newsletters(2), Star performers ,Tea with HR(13 staff)</p> <p>c)Staff feedback: Exit interviews, HR Helpline report(187 cases),Late closing survey(90 branches)</p> <p>d)Staff Engagement: Telephonic Engagement with staff(Chunian, Narowal, Chakwal, Multan 02, Multan 04, Multan 07) Maternity calls(11 females) ,Paternity calls (11 males)</p>
<p>AM Lunch out with HO Management: 3 Lunches in 3 months with AMs of the month.</p>	Orientation with 21 Newly Promoted Branch Managers	<p>WOW-Women on Wheels Policy: The WOW drive continues under the revised policy from June 2017. There are currently 6 in field scooty users (Lahore Reg- 5,Jhang-1).</p>
<p>Celebration for implementation of the cashless project: Celebration with the recognized staff who have played a major role in implementation of the cashless project.</p>	Women Leadership Training with 137 Female Branch Managers	<p>Day Care Facility in the field: Day care facilities set up in 22 branches by the end of June-18.</p>
<p>Lunch with MD: Lunch with MD with staff having covered the highest tenure and the star performers of GESA.</p>	Cashless Training with 41 KPK staff members	<p>HR Field Visits: 38 field visits done with the major objective of Expansion Hiring, Day care facility visits and WOW Training programs.</p>
	Quarterly Review Meetings for Sindh, Karachi and KPK Region	<p>Climate Survey 2017: The staff feedback on management, work environment, HR dimensions and employee engagement levels gauged through the survey. 80 HO staff and 1329 field staff covered</p>

Kashf Quarterly Report

Apr-June 2018

	Apr-Jun 2018		Jan-Mar-2018	
Total Permanent Staff	2171		2133	
Total HO Staff	97		92	
Total Field Staff	2074		2039	
Gender	Male	Female	Male	Female
Number	1100	1071	1078	1055
Total Staff (Trainee + Permanent)	2361		2359	
Total Staff (HO)	98		96	
Total Staff (Field)	2263		2263	
Gender (Trainee + Permanent)	Male	Female	Female	Female
Ratio	51%	49%	50%	50%
Number	1200	1161	1194	1165
Total Staff Recruited	166		222	
Total Staff Recruited – HO	1		4	
Total Staff Recruited – Field	165		218	
Gender Recruited Staff	Male	Female	Female	Female
Number	90	76	96	126
Turnover (Quarterly)	Voluntary	Involuntary	Voluntary	Involuntary
Number	87	22	88	6
Overall Turnover	4.7%		4.5%	
Number	109		94	

