

# KASHF QUARTERLY REPORT



JULY-SEP 2017

## INSITUTIONAL ACHIEVEMENTS SNAPSHOT (SEPTEMBER 2017)

Active Loans  
329,546

Outstanding Portfolio  
PKR 8.05 Billion

Cumulative loans  
disbursed  
3.35 million

Cumulative Amount  
disbursed  
PKR 68.41 Billion

No. of Low Cost  
Private Schools  
(LCPS) financed  
1,961

Students Impacted  
under LCPS  
686,350

Number of school  
owners trained  
3,474

Number of LCPS  
teachers trained  
9,260

Lives covered under  
health insurance  
1,376,811

Cumulative BIL  
Graduates  
26,710

Cumulative financial  
education participants  
1,485,278

Cumulative Gender  
training participants:  
180,810

Staff Headcount  
2,352

Staff Attrition  
7%

## QUARTERLY HIGHLIGHTS

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

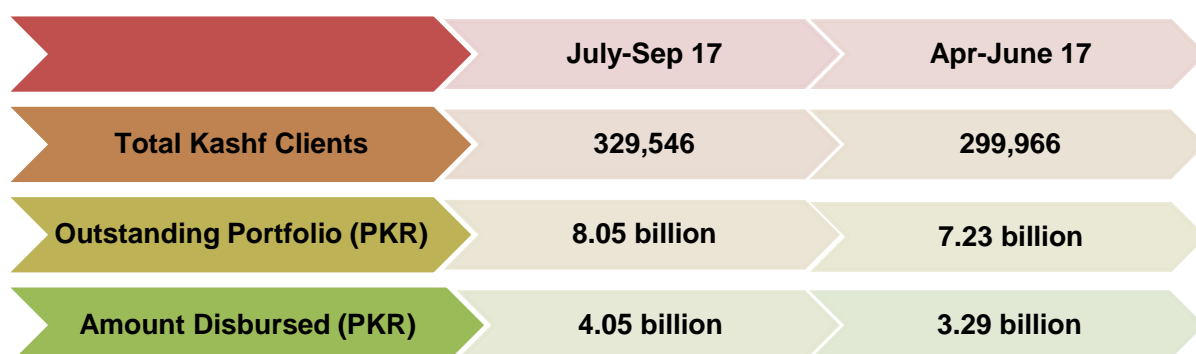
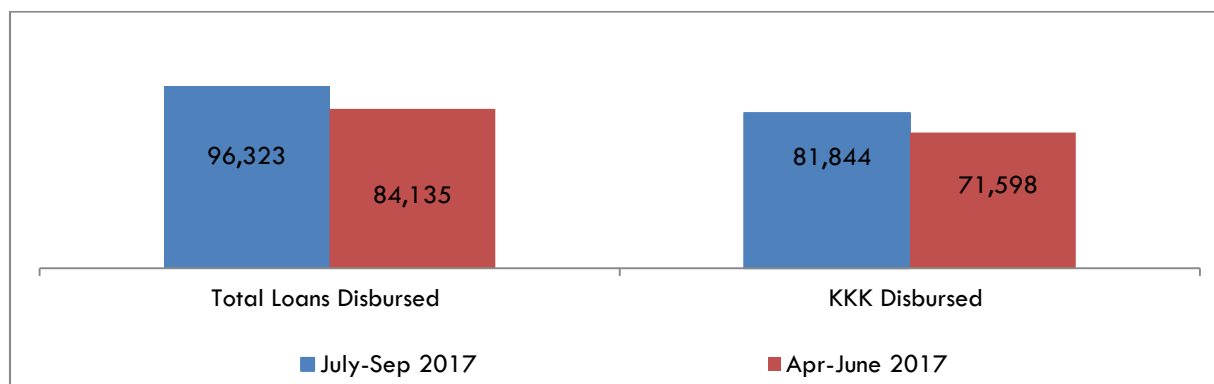
Kashf provided life insurance to 154,434 lives in this quarter

Kashf has 1,376,811 unique individuals actively insured in its micro-health insurance program as of September 2017

Total Loans Disbursed in the Quarter were 96,323

## OPERATIONAL PERFORMANCE: OVERALL GROWTH

Kashf Foundation's active clientele at the end of September 2017 stood at 329,546 clients (compared to 299,966 clients at the previous quarter end). While there has been an increase of 9.86% in the active clients, there has been an increase in the outstanding portfolio from PKR 7.23 billion in June 2017 to PKR 8.05 billion in September 2017.



Number of Loans Disbursed by Category		
	Jul-Sep 17	Apr-Jun 17
Kashf Karobar Karza	81,844	71,598
Kashf Murabaha	2,860	2,129
Kashf School Sarmaya Loans	222	254
Kashf Khudmukhtar Sarmaya	612	589
Kashf Easy Loan	10,759	9,565
Kashf Maweshi Karza	26	0
<b>Total Loans Disbursed</b>	<b>96,323</b>	<b>84,135</b>

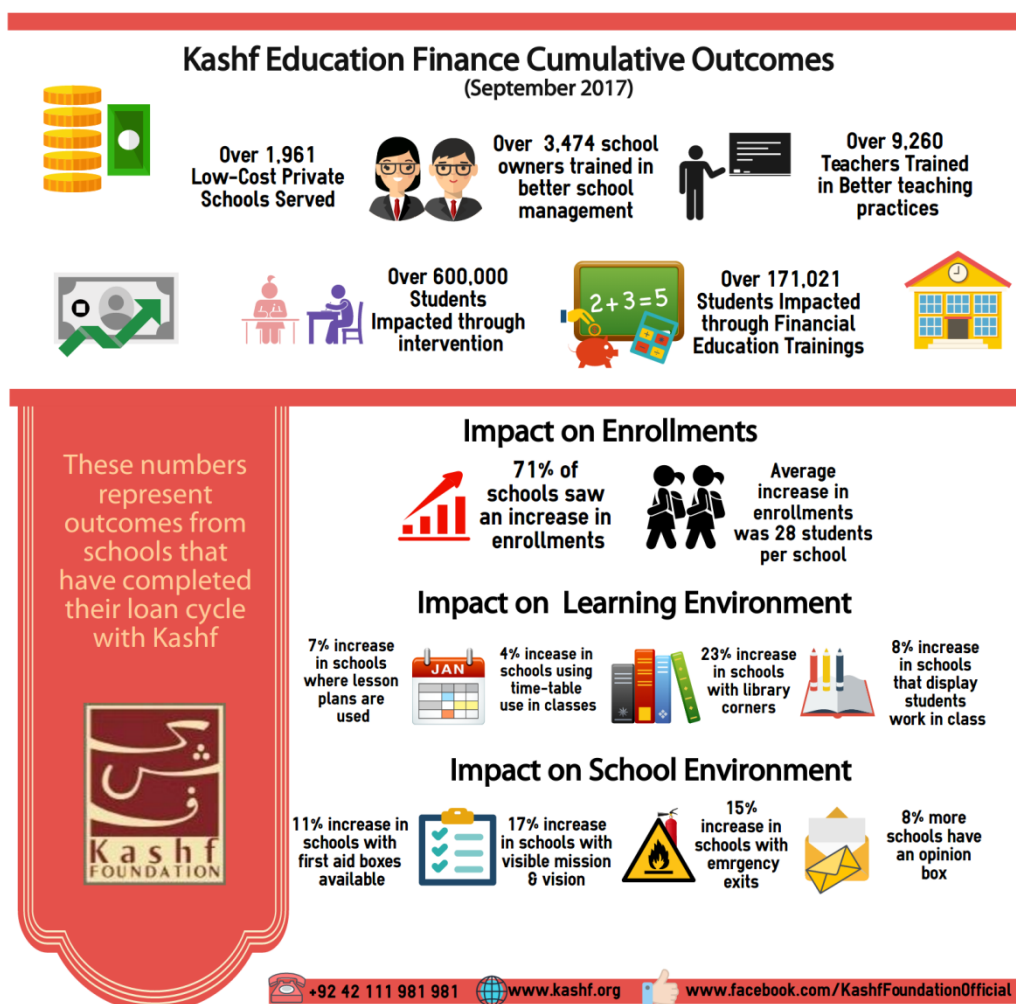
In the current quarter Kashf disbursed 81,844 Kashf Karobar Karza Loans (KKK) and 2860 Kashf Murabaha loans (KM). KKK continues to be the primary lending product for Kashf with disbursements of over PKR 3.02 billion. Kashf Murabaha loans worth over PKR 79 million were disbursed in Abbottabad, Noshera, Mansehra, Mardan and Haripur districts of KPK. The average disbursement size witnessed an

increase from PKR 39,105 to PKR 42,021 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 of low-income households. The loan amount is PKR 15,000 and is currently being offered in the province of Punjab. At the end of September 2017, active clients for Kashf's Easy Loan product stood at 35,497 clients. 10,759 loans have been disbursed in the current quarter in comparison to 9,565 loans in the previous quarter.

## KASHF EDUCATION FINANCE (SCHOOL SARMAYA)

In the current quarter, Kashf disbursed 222 loans to low-cost private schools, trained 221 school owners in capacity building trainings, and trained 729 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 11,632 students. The active clients in the program are 1,961 till September, 2017. The info-graphic below shows the cumulative numbers and outcomes from the program.



## KASHF MICRO-HEALTH INSURANCE

Kashf's unique pro-women family health insurance product is covering a total of 1,376,811 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, 363,756 individuals have been insured (compared to 321,327 in the last quarter).

The number of unique lives insured by Kashf Foundation under its life and health insurance program stood at 1,776,388 at the end of September 2017.



	No. of Health Camps	Participants
<b>April-June</b>	27	2,557
<b>July-Sep</b>	22	1171

## FINANCIAL SUSTAINABILITY

The overall liquidity has increased during the current quarter, mainly because Kashf has received inflow of PKR 2,144 million during the quarter which includes PKR 1 billion from NBP, PKR 300 million from UBL, PKR 316 million from Symbiotics and PKR 528 million from PMIC. Kashf has also made debt repayments worth PKR 476 million. Kashf's overall consolidated PAR stood at around 0.34% at the end of this quarter. The weighted average cost of funds for this quarter has been 9.01%, with COF for commercial loans at 9.27% and PPAF loans at 8%.



Currently, there is an available pool of PKR 2.93 billion and an expected inflow of PKR 3.3 billion in the next quarter (PKR 2.3 billion from PMIC, PKR 500 million from Bank Alfalah Ltd, and PKR 500 million from FMO) to support on-going cash-flow needs. Kashf expects to raise PKR 5.9 billion from local and foreign commercial sources over the year 2017, 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.

		July-Sep 17	Apr-June 17
<b>Liquidity Ratios</b>	Cash to Total Assets	20.61%	17.25%
	Short Term Investments & Cash to Total Assets	22.77%	19.38%
	Return on Investments	6.82%	7.17%
	Cash to Current Liabilities	58.41%	44.0%

The table below shows the income level for the organization:

		July-Sep 17	Apr-June 17
<b>Income From Financial Services</b>	Service Charge	744,111,685	767,621,110
	Investments	50,524,027	41,832,757
	Other Income	8,963,220	41,444,375
	Total Income	803,598,932	850,898,242

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.

	Sep 2017	June 2017
Administrative Efficiency	18.01%	19.52%
Operational Self Sufficiency (OSS)	133.0%	129.0%
Financial Self Sufficiency (FSS)	128.0%	124.0%

The administrative efficiency ratio, which maps the resources used to build a quality portfolio, has shown improvement, with the ratio standing at 18.01% at the end of this quarter, mainly pertaining to growth in portfolio by 11.34% in this quarter. The OSS has shown an increasing trend; with the ratio standing at

133.0% in September 2017 (compared to 129.0% in June 2017); whereas the FSS has increased to 128.0% (compared to 124.0% in June 2017).

## 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 is focusing its interventions in 5 priority districts including Attock, Abbottabad, Sargodha, Bahawalpur, and Badin Districts where Systemized Financial Education, Gender Trainings, and Business Incubation Lab Program trainings are being delivered. Moreover, Vocational Trainings are being provided in Sialkot (Pasrur), Khairpur and Lahore Districts under projects supported by Coca-Cola, OMV and Punjab Skills development Fund respectively. Whereas, Kashf has established 4 centers for Adolescent & Adult Literacy and Training in Thatta, Badin and Sujawal districts with the support of Sindh Education Foundation. Currently, 785 students are enrolled in this program.



520 clients have been trained under the Systemized Financial Education



40 performances with 4,100 participants conducted under Kashf Theatre Programme



210 clients trained in Business Incubation Lab Program trainings



1782 participants trained in Gender Trainings

### Program Updates

#### Staff Capacity Building Trainings by GESA

GESA has conducted 34 field level trainings with 753 staff members on "Change in behavior and Dignity at Workplace"

#### Social Theatre

In this quarter 40 theatre performances in the field have been conducted with an outreach of 4,100 participants. The theme "shadi meri guriya ki" is based on the story of a 12 years old girl whose parents plan her marriage with an old man. The whole story of the play focuses on the emotions of the girl who is at a young age of playing with dolls.

#### Business Incubation Labs

Currently 5 BILs are providing business support services to participating female clients. In the current quarter 210 women micro-entrepreneurs have graduated from the Business Incubation Lab program. These participants have been trained on business management, marketing and networking and product innovation techniques. These entrepreneurs have also been 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, 15 students undergoing Beautician training have graduated from the Kashf Vocational Training School in Lahore. 36 students are currently enrolled in the program. Moreover, 50 students have been enrolled for the 3 months course of “Fashion Wear” in Lahore, which is being supported by the Punjab Skills Development Fund.

#### **Sialkot**

With support from the Coca-Cola Company, Kashf Foundation has been able to set up 3 training centers in Pasrur for stitching and beautician trainings. 170 students have graduated in July 2017.

#### **Khairpur**

With OMV’s support, Kashf Foundation has set up 3 training centers in Khairpur, Ranipur, and Chundiko for stitching and beautician trades. Currently, 114 students are enrolled in these trainings. Through these trainings, participants learnt marketing skills which helped them improve their employability and enhanced their ability to set/run small businesses.

#### **Pasrur**

With the support of Coca Cola, Kashf is setting up 3 more vocational training schools in Pasrur through which 300 students will be trained on football stitching in a year.

### **Child Sexual Abuse Training Program**

GESA has developed a training manual on “Child Safeguard Trainings” with the help of a consultant.

A pilot session has been conducted with 20 Teachers of low cost private schools under the KSS program.

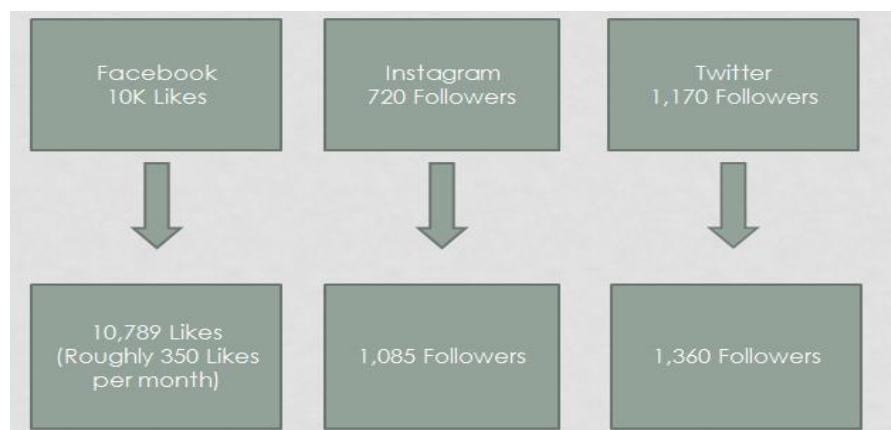
10 schools with 73 teachers have been provided capacity building training in Kasur and Lahore areas.

GESA has finalized the script for the “Puppet Show” through which 250 performances will be conducted in the next six months.

## **MEDIA & COMMUNICATIONS**

Kashf’s media policy to increase brand visibility on social media was effectively implemented from July 2017. From July to September 2017, increased brand visibility can be seen from the increase in followers on different social mediums, as shown below:





Kashf's TV drama serial Rehail was launched on Radio Pakistan, FM 101 on August 21<sup>st</sup>. This dialogue driven drama airs on radio in 5 cities across Pakistan including Lahore, Faisalabad, Sialkot, Multan and Islamabad every Monday and Friday at 11:35AM. To date 10 episodes have been aired on the radio. Moreover, after the trail blazing success of Udaari, Kashf is producing another mini-series, titled Aakhri Station, exploring social issues of mental health, HIV, forced prostitution and more. The series shooting finished in August and the drama is currently under its editing phase. It will be launched by early next year.

## HUMAN RESOURCE MANAGEMENT & DEVELOPMENT

### Key HR Trends

- Total staff at the organizational level: 2,352
- Female Staff ratio at the organizational level: 50%.
- Total Hiring in Quarter: 235 out of which 113 are female.
- Overall Employee Turnover: 7% (98 resignations & 44 terminations)
- 48% of Kashf staff report to a female boss.

### HR Activities and Initiatives

#### Internal Trainings:

- Branch management and culture training and assessment have been conducted with 51 new BMs of 1<sup>st</sup> & 2<sup>nd</sup> expansion phase at the HO
- In-house 5-day session on departmental policies and team management has been conducted with 20 newly promoted BMs.
- 7 six monthly BM performance meetings have been conducted with 201 BMs at HO
- 2 women in leadership trainings with 53 females have been conducted by Head of Research and Senior Manager GESA (including female AMs and female HO associates)
- 27 sessions on Gender sensitivity with 764 field staff have been undertaken by HR Trainers.
- Tablet training with 654 participants has been conducted for Faisalabad, Sahiwal, Multan and Lahore areas.
- 2 cashless training sessions with 59 participants has been undertaken for Sahiwal and Faisalabad areas.

- **Orientations for New Joiners:** 5 orientation sessions have been conducted in the month of July – Sept with 154 staff members.
- **Employee Engagement Initiatives:** Monthly initiatives including Employee of the Month (for all tiers and functions), Peer Recognition Program, HR Newsletter, Exit Interviews, Late Closing Survey, Area Level Tea with newly married staff, Engagement calls to staff on maternity and paternity leaves, Engagement calls to staff in new branches, Tea with Star Performers' Region-05 and Star Performers' Lunch with the Managing Director have been undertaken. The HR helpline received 182 queries in total. The maximum number of queries has been regarding benefits (like health claims & final settlement).
- **WOW-Women on Wheels Policy:** The WOW drive continues under the revised policy from June 2017. The loan policy is now only applicable for scooty purchase by the females. It is still interest free but the applicant must have a permanent driving license.
- **Day Care Facility in the field:** Day care facilities have been set up in 10 branches by the end of September. These branches are located in Lahore, Faisalabad, Sahiwal, Sargodha, Bahawalpur and Karachi regions.
- **HR Field Visits:** 41 field visits have been done with the major objective of Expansion Hiring, Day care facility visits and WOW Training programs.

	July-Sep 2017		April-June 2017	
Total Permanent Staff	1978		1914	
Total HO Staff	87		93	
Total Field Staff	1891		1821	
Gender	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
Number	1004	974	955	959
Total Staff (Trainee + Permanent)	2352		2247	
Total Staff (HO)	98		93	
Total Staff (Field)	2254		2154	
Gender (Trainee + Permanent)	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
Ratio	51%	49%	50%	50%
Number	1189	1163	1125	1117
Total Staff Recruited	235		378	
Total Staff Recruited – HO	5		2	
Total Staff Recruited – Field	230		376	
Gender Recruited Staff	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
Number	122	113	193	183
Turnover (Quarterly)	<b>Voluntary</b>	<b>Involuntary</b>	<b>Voluntary</b>	<b>Involuntary</b>
Number	98	44	57	15
Overall Turnover	7%		4%	
Number	142		72	