



July - September 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

4,799 clients trained on systemized financial education and 4,522 participants on good parenting

Kashf has 1,658,465 unique individuals actively insured in its micro-insurance program as of Sep 2018

Total loans disbursed in the quarter were 129,710

Aakhri Station's dialogue driven 15 episodes radio series successfully completed

INSITUTIONAL ACHIEVEMENTS SNAPSHOT (SEP 2018)

Active Clients
442,792

Outstanding Portfolio
PKR 11.58 Billion

Cumulative loans
disbursed
3.81 million

Cumulative Amount
disbursed
PKR 87.95 Billion

No. of Low Cost Private
Schools (LCPS) financed
2,990

Students Impacted
under LCPS
600,000

Number of school
owners trained
5,602

Number of LCPS
teachers trained
16,416

Lives covered under
health insurance
1,574,556

Cumulative BIL
Graduates
28,228

Cumulative financial
education participants
1,495,893

Cumulative Gender
training participants:
193,883

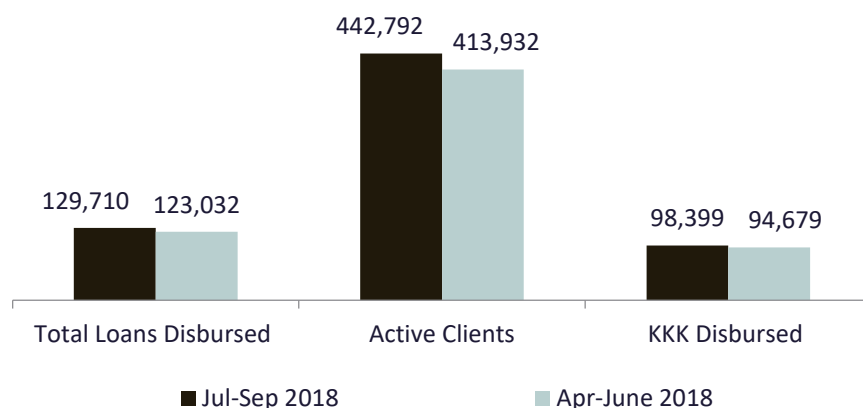
Staff Headcount
2,974

Staff Attrition
4.1%



OPERATIONAL PERFORMANCE

Kashf Foundation's active clientele at the end of September 2018 stood at 442,792 clients (compared to 413,932 clients at the previous quarter end). There has been an increase of 10.20% in the outstanding portfolio from PKR 10.51 billion in August 2018 to PKR 11.58 billion in September 2018. The amount disbursed in this quarter has been PKR 5.67 billion compared to PKR 4.92 billion in the previous quarter.



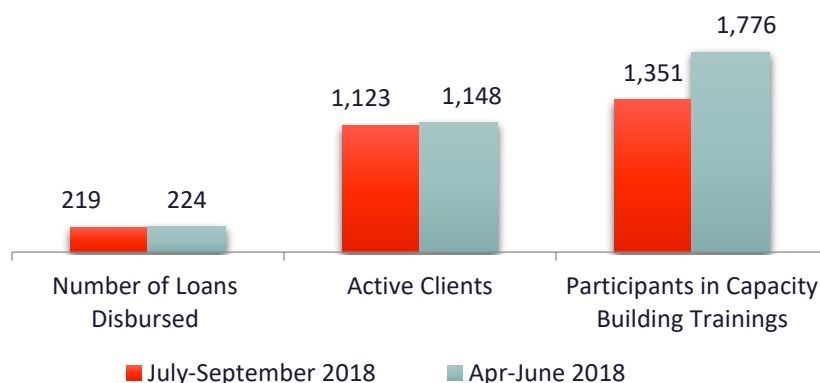
	Target July-Sep 18	Achievement July-Sep 18	Achievement Apr-June 18
Kashf Karobar Karza	97,838	98,399	94,679
Kashf Murabaha	4,042	4,120	3736
Kashf School Sarmaya Loans	238	219	226
Kashf Khudmukhtar Sarmaya	635	632	688
Kashf Easy Loan	20,999	22,693	17,418
Kashf Maweshi Karza	380	381	288
Kashf Sahulat Karza	3,266	3,266	5,997
Total Loans Disbursed	127,398	129,710	123,032

In the current quarter Kashf disbursed 98,399 Kashf Karobar Karza Loans (KKK) and 4,120 Kashf Murabaha loans (KM). KKK continues to be the primary lending product for Kashf with disbursements of over PKR 5.0 billion. Kashf Murabaha loans worth over PKR 182 million were disbursed in Abbottabad, Noshera, Mansehra, Mardan and Haripur districts of KPK. The average disbursement size witnessed an increase from PKR 41,672 to PKR 46,233 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.

Kashf Easy Loan 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 September 2018, active clients for Kashf's Easy Loan product stood at 65,291 clients. 22,693 loans have been disbursed in the current quarter in comparison to 17,418 loans in the previous quarter.

KASHF EDUCATION FINANCE (KASHF SCHOOL SARMAYA)

In the current quarter, Kashf disbursed 219 loans to low-cost private schools, trained 301 school owners in capacity building trainings, and trained 1,050 teachers in teacher training and pedagogy skills trainings. The active clients in the program are 1,123 till September, 2018. The info-graphic below shows the cumulative numbers and outcomes from the program.



Kashf Education Finance Cumulative Outcomes (September 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 1,574,556 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, 403,037 individuals have been insured (compared to 389,119 in the last quarter).

The number of unique lives insured by Kashf Foundation under its life and health insurance program stood at 1,658,465 at the end of September 2018.



	No. of Health Camps	Participants
Apr-Jun	23	2,885
July - Sept	57	6,542

"I had been diagnosed with chronic kidney disease one year ago and it was an extremely hard time for me and my family both financially and emotionally. It was Kashf's Health Insurance which provided me a safety net during this trying time. I did not have to incur any expense. The panel hospital covered all my treatment and their service was full of respect and humility," recalls Parveen Baji from Bahawalpur.

FINANCIAL SUSTAINABILITY

The overall liquidity has increased during the current quarter, mainly because Kashf has received inflow of USD 5 million from Microvest, PKR 500 million from Askari Bank, PKR 400 million from PakChina and USD 4 million from InsuResilience while Kashf has made debt repayments worth PKR 812 million. Kashf's overall consolidated PAR stood at around 0.38% at the end of this quarter. The weighted average cost of funds for this quarter has been 10.58%.

Currently, there is an available pool of PKR. 1,729 million and an expected inflow of PKR 2.9 billion in the next quarter (PKR 400 million from Silk Bank, USD 5 million from Incofin, USD 7 million from OPIC and USD 7 million from OFID) 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.

		July-Sep-18	April-June-18
Liquidity Ratios	Cash to Total Assets	14.82%	11.38%
	Short Term Investments & Cash to Total Assets	19.28%	16.67%
	Return on Investments	7.78%	7.52%
	Cash to Current Liabilities	50%	40.19%

The table below shows the income level for the organization:

		July-Sep 18	Apr-Jun 18
Income From Financial Services	Service Charge	992,434,564	928,630,844
	Investments	41,135,310	65,719,219
	Other Income	20,041,193	20,495,943
	Total Income	1,053,611,067	1,014,926,006

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 2018	Jun 2018	Sep 2017
Administrative Efficiency	15.68%	18.33%	18.30%
Operational Self Sufficiency (OSS)	133.80%	128.98%	133.0%
Financial Self Sufficiency (FSS)	127.20%	124.00%	128.0%

The administrative efficiency ratio, which maps the resources used to build a quality portfolio, has shown improvement, with the ratio standing at 15.68% at the end of this quarter, mainly pertaining to growth in portfolio by 10.0% in this quarter. The OSS has shown an increasing trend; with the ratio standing at 133.80% in Sep 2018 (compared to 128.98% in Jun 2018); whereas the FSS has increased to 127.20% (compared to 124.00% in Jun 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 Gujranwala, Gujrat, Kasur, Nankana Sahib and Lahore Districts under projects supported by Punjab Skills development Fund. 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.



4,799 clients have been trained under the Systemized Financial Education and 4,522 participants under Good parenting



30 performances with 3,028 participants conducted under Kashf Theatre Programme



468 clients trained in Business Incubation Lab Program trainings



5,327 participants trained in Gender Trainings

GESA Program Updates

Social Theatre

In this quarter 30 theatre performances in the field have been conducted with an outreach of 3,028 participants on the themes of “Udaari” and on “Naseem Gull Ki Kahani” based on child sexual abuse and the importance of skills enhancement for women

Business Incubation Labs

Currently 15 BILs are providing business support services to female clients. In the current quarter 468 women micro-entrepreneurs have been inducted and are under training from the Business Incubation Labs program. These participants are being 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.

Gujranwala & Gujrat

With the support of Punjab Skills development Fund, Kashf has set up 8 centers in Gujranwala and Gujrat Districts, where 737 trainees have graduated from the 4 batches of football stitching. The graduated trainees are currently being linked with the local vendor of 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 500 trainees are currently under training for the trades of Hand Embroidery and Ada Work.

MEDIA & COMMUNICATIONS

Kashf began work on Aakhri Station radio series in July 2018 and successfully completed its production. The mini-series on radio is a dialogue driven 15 episodes drama with each episode lasting approximately 20 minutes. The radio drama explores issues of mental health, HIV, forced prostitution, marital abuse, women's disempowerment and more. Airing on national radio, the message of Aakhri Station will reach areas and households which may not have access to a television. Radio medium is an essential platform in developing areas which has the potential to penetrate in deep rural pockets where these social issues exist most.

Furthermore, Kashf's work on its new media project titled, Dil Na Umeed toh Nahi, is under works and the scripting is in process. Through the process, Kashf is also liaising with potential TV channels as the buy in of a TV channel is extremely important.

On social media, Kashf's posts on Facebook, Instagram and Twitter are all showing an upward trajectory with quite a few number of likes, comments, new subscribers and followers coming in each week. The posts with highest engagement on Facebook and Twitter in this quarter can be seen below:



Top media Tweet earned 438 impressions

So proud of our free health camps that are an essential component of Kashf's micro-health insurance program. In collaboration with @JubileeLifeSays over 1200 individuals were provided access to free medical consultations by specialized doctors, medicines and other health services pic.twitter.com/GTHCvNO19m



HUMAN RESOURCE MANAGEMENT & DEVELOPMENT

Key HR Trends

- Total staff at the organizational level: 2,505
- Female Staff ratio at the organizational level: 49%.
- Total Hiring in Quarter: 301 out of which 139 are female.
- Overall Employee Turnover: 4.1% (82 resignations & 9 terminations)
- 48% of Kashf staff report to a female boss.

New HR Initiatives in the quarter	Kashf Internal and External Trainings	Employee Engagement Activities
New Recognition Programs: Lunch Vouchers for Policy Champions – 4 branches were provided these Lunch vouchers who were declared policy champions twice in last 6 months.	Orientation with 242 New Joiners	Ongoing Initiatives: a)Recognition: Peer recognition for AMs, Employee of the month(HO, Field , Support functions), 5 star letters to 4 & 5 star branches. b)Motivation: HR Newsletters(2), Star performers Lunch with MD ,Tea with HR, AM Lunch out with Senior Management c)Staff feedback: Exit interviews, HR Helpline report(184 cases),Late closing survey(90 branches) d)Staff Engagement: Telephonic Engagement with trainee staff(Hassan Abdal), Maternity calls(37 females) ,Paternity calls (6 males)
14th August celebrated across the network with great enthusiasm	Orientation with 10 Newly Promoted Branch Managers and 3 Area Managers	WOW-Women on Wheels Policy: The WOW drive continues under the revised policy from June 2017. There are currently 10 in field scooty users and 12 staff are in the training process
Stay interviews: Stay interviews were initiated with the objective to engage staff, listen to their queries and also see the strong areas of the organization. The SOP was made and stay interviews have been started in Sahiwal region. Reports will be shared on quarterly basis.	Branch Managers' Review Meeting with 267 BMs	Day Care Facility in the field: Day care facilities have been set up and are active in 21 branches by the end of September 2018.
	TOT of Trainee Branch Managers and Area Managers	HR Field Visits: 41 field visits have been conducted with the major objective of Expansion Hiring, Day care facility visits and WOW Training programs.
	Needs Improvement session with KPK/Pindi and Sindh /KHI Branch Managers	
	Arranged five external trainings for Audit, Operations, Accounts and HR department	

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		July-Sep 2018		Apr-Jun-2018	
Total Permanent Staff		2195		2171	
Total HO Staff		96		97	
Total Field Staff		2099		2074	
Gender		Male	Female	Male	Female
Number		1116	1079	1100	1071
Total Staff (Trainee + Permanent)		2505		2361	
Total Staff (HO)		100		98	
Total Staff (Field)		2405		2263	
Gender (Trainee + Permanent)		Male	Female	Female	Female
Ratio		51%	49%	50%	50%
Number		1283	1222	1200	1161
Total Staff Recruited		301		166	
Total Staff Recruited – HO		10		1	
Total Staff Recruited – Field		291		165	
Gender Recruited Staff		Male	Female	Female	Female
Number		162	139	90	76
Turnover (Quarterly)		Voluntary	Involuntary	Voluntary	Involuntary
Number		82	9	87	22
Overall Turnover		4.1%		4.7%	
Number		91		109	

