

# Kashf Foundation, Pakistan

## SOCIAL RATING

**<sup>s</sup> A-**

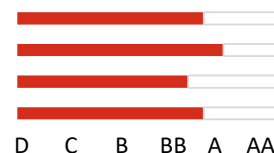
Good social performance management and client protection systems. Social mission likely to be achieved.

Social Performance Management

Client protection, responsibility

Outreach

Quality of the services



Social Rating Committee

Aug-19

Previous SR: N/A

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## SOCIAL RATING RATIONALE

**SOCIAL PERFORMANCE MANAGEMENT SYSTEM** Social mission complete with a good level of commitment at all levels (governance, management and staff). The social strategy defines some social goals although the definition of targets related to the mission could be more specific and the system to monitor change in clients' lives improved. The institution collects reliable and qualitative information (including poverty related data), enabling a good internal and external reporting.

**CLIENT PROTECTION AND SOCIAL RESPONSIBILITY** Social responsibility towards staff is excellent, thanks to comprehensive HR policies, performance appraisals, trainings and additional services (daycare, paternity leave). The environmental strategy is yet to be implemented. Overall alignment to client protection is good, especially for treatment of clients. Adequate measures to prevent over-indebtedness and ensure transparency. Pricing in line with national benchmark.

**OUTREACH** Level of outreach to women is excellent, while to areas poorer than the national average is good. Coverage of rural areas is moderate, in part because Kashf began as an urban programme. Alignment between targeted and serviced clients is good, considering client poverty, financial inclusion and other sociodemographic factors.

**QUALITY OF THE SERVICES** Variety of financial services is adequate, whilst accessibility and flexibility of credit products are good. Client drop-out is monitored well and regularly. Health insurance covering a large range of events is provided for the majority of clients. Unique variety and scale of non-financial services for clients and their families, on health, education and social issues.

Institutional data		Mar-19	Social indicators		Mar-19
Active borrowers		492,828	Rural coverage, loans		34%
Active savers		-	Female clients		100%
Gross portfolio, USD		98,214,956	Female staff		50%
Total active savings, USD		-	Female staff in management		25%
Branches		300	Average disbursed loan amount, USD		332
Total staff		2,712	Portfolio for income generating activities		67%
			Productive portfolio to microenterprises		100%
Legal form		NBFI	Average loan balance / GNI pc		13%
		Foundation	Individual methodology, clients		100.0%
Inception 1996		Network PMN	Client drop-out ratio		33%
Area		Urban-rural	PAR30		0.3%
Credit methodology		Individual	Staff turn-over ratio		20%
Financial services		Credit, insurance	Average annual percentage rate (APR)		39%
Non fin. services		Education (financial, other)	Average transparency index		52
Coverage		Punjab, Sindh, KP, Balochistan	Growth in active borrowers		29%

See annex 2 and 4 for more details.

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## Social Rating Scale

Grade	Definition
<sup>s</sup> AA	Excellent social performance management and client protection systems. High likelihood of achieving the social mission.
<sup>s</sup> A	Good social performance management and client protection systems. Social mission likely to be achieved.
<sup>s</sup> BB	Adequate social performance management and client protection systems. Satisfactory alignment to the social mission.
<sup>s</sup> B	Moderate social performance management and client protection systems. Partial alignment to the social mission
<sup>s</sup> C	Weak social performance management and client protection systems. Medium risk of mission drift
<sup>s</sup> D	Poor social performance management and client protection systems. Risk of mission drift.

The modifiers “+” and “-” which can be added to the rating grade indicate small relative differences within each rating category.

More information: [www.mf-rating.com](http://www.mf-rating.com)

The information used in the social rating has been partly provided by the evaluated institution and partly collected during the meetings with the head executives, the staff and the clients of the institution. The analysis is based on internal MIS data and other official sources. MFR cannot guarantee the reliability and integrity of the information, as it does not conduct auditing exercises, and therefore does not bear responsibility for any mistake or omission coming from the use of such information. The social rating has to be considered as an external and independent opinion and it has not to be considered as a recommendation to realize investments in a specific institution.