



(A Company set up under Section 42 of the Companies Ordinance, 1984)

Kashf Foundation

“Financial Services for All”

Quarterly Report

JULY - SEPTEMBER 2007

Kashf Foundation

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CHANGES THIS QUARTER

- Kashf Foundation has achieved a ranking of #22 on the MIX's report listing the top 100 microfinance institutions in the world.
- The quarter (July-Sep) has closed on 249,442 Clients, over Rs 2 billion in outstanding loan portfolio and 148 branches.
- During the period the organization experienced growth of 20 % in terms of clients and 16% in terms of loan portfolio with PAR remaining under 1%.
- 33 new branches were opened in this quarter bringing the branch network to 13 BSL (Business Sarmaya) and 135 GL (Group Lending) branches.
- The health insurance product was launched in 3 branches of Lahore. The micro insurance product provides in-patient hospitalization to low income clients with the purpose of providing them hitherto un-availed medical facilities and quality treatment.
- The quarter also saw the home improvement loan pilot closure and the outcomes to date have been penned down in an End of Pilot Report. The HIL was successfully tested in two branches and will be rolled out in 2008 in other areas.
- Kashf Foundation issued its first rated and secured Privately Placed Term Finance Certificates for an amount of Rs. 720 million. The MCB Bank and Habib Bank were arrangers and advisors of this issue. It was the first public issue of Kashf Foundation and was over subscribed.
- A pilot was launched successfully to assess the viability of the concept of 'SMS based loan. Four clients were identified from within a single branch. Clients were provided special SIM cards to purchase and upload minutes to successfully pay their loan installments.

JULY - SEPTEMBER 2007: AT A GLANCE

Total Outreach For Program		
	As on Jun '07	As on Sep '07
Active Clients	208,375	249,442
# of Loans (GL) (Cum.)	489,451	563,693
# of Loans (EL) (Cum.)	328,479	368,777
# of Loans (BSL) (Cum.)	8,394	12,168
# of Loans (HIL) (Cum.)	425	500
Total Loans (Cum.)	826,749	945,138
# of lives covered (Insurance) (Cum.)	242,858	323,111
Attrition rate (%) (GL)	3.4%	5%

Source of Income Generation				
Income from Financial Services	Apr-June '07 (In Rs.)	July – Sept '07 (In Rs.)	%age Change	Share (%)
Service Charge	153,815,140	198,56,993	29%	94%
Investments	6,756,160	8,261,882	22%	4%
Other Income	5,365,584	5,293,351	-1%	3%
Total Income	165,936,884	211,712,226	28%	100%

Efficiency Ratios		
Efficiency Ratios	FY-June '07	FY – Sept ,07
Administrative Efficiency	17.63%	16.13%
Operating Efficiency	27.15%	24.93%
Operational Self Sufficiency	144.81%	152.91%
Financial Self Sufficiency	118.10%	117.79%

Portfolio Quality-Recovery & Risk Analysis		
	Apr-June '07	July – Sept '07
Recovery %	100%	100%
PAR (%)	0.10%	0.34%
Overdue amount(Rs.)	1,217,603	2,419,065

Profitability Ratios		
Profit Ratios	FY-June '07	FY – Sept ,07
Return on Assets (Adj.)	4.37%	4.11%
Return on Equity (Adj.)	10.36%	10.43%
Yield on Portfolio	37.02%	35.81%

PROGRAM PERFORMANCE DURING JULY - SEPTEMBER 2007

Total Outreach of the Program

Disbursement – General Loan

Outreach-General Loan					
	As on Jun '07	Jul	Aug	Sep	As on Sep '07
Active Clients (cumulative)	200,951	215,687	226,597	239,550	239,550
Exit Clients (Cumulative)	6,746	1,366	1,845	2,089	12,046
Customers attrition rate (%)	3.4%	1%	1%	1%	5%

This quarter also witnessed an increase in the cumulative active client base, by about 19%. The client attrition rate however grew from 3.4% to 5%. This was largely due to a few branches in Lahore as well as one branch in Kasur that experienced a drop in portfolio due to the earlier haste in order to increase the branch portfolio where client screening was not completed properly and staff did not undertake proper due diligence in selecting clients. This also entailed the opportunist involvement of certain influential women that resulted in the creation of problematic centers. Hence branches such as the one in Kasur underwent a loss of over a thousand clients where as the branches in Lahore saw a drop of about 500 – 600 in their client portfolio. Other branches witnessed about 300 clients each who shifted from the respective areas. The case of them rejoining at another branch however could not be verified and so currently, the Operations department is working on having all of Kashf's clients obtaining national identity cards so that they can be tracked through a unique ID in the future.

The GL amount disbursed in the July – September period was significantly higher than that given out in the previous quarter, resulting in a 17.4% over all increase in the cumulative amount. This is corroborated by the 15% jump

Disbursement-General Loan	As on Jun '07	Jul	Aug	Sep	As on Sep '07
Loan Amount Disbursed (Cum.)	6,258,057,166	308,138,000	381,343,000	400,992,000	7,348,530,166
Number of Loans (Cum.)	489,451	22,964	26,284	24,994	563,693
Average Loan Size (Rs.)	12,786	13,418	14,509	16,044	13,036

in the cumulative number of GL loans. Such positive trends are attributed to the opening of the 33 new branches, as well as the increase in the portfolio of existing branches. As those branches which have achieved their caseload of around 3,600 advance their clients into the second loan cycle, the loans disbursed undergo a jump of around Rs.10,000, thus augmenting the average loan size.

The loan amount disbursed for GL in this quarter crossed the Rs. 1 billion mark by registering a 26% increase over the amount of the previous quarter. This is also bolstered by the 21% increase in the number of loans, as well as the 4% increase in ALS that is attributed to a larger portion of active clients progressing into higher loan cycles this quarter, as well as the increase in the starting loan range amount from Rs.10,000 to Rs.15,000 for the Lahore market.

Disbursement-General Loan	Apr-Jun'07	Jul-Sep'07	% change
Loan Amount Disbursed (RS.)	867,401,000	1,090,473,000	26%
Number of Loans	61,405	74,242	21%
Average Loan Size (Rs.)	14,126	14,688	4%

Disbursement- Emergency Loan

As can be seen from the table below, the disbursements of EL on a monthly basis for this quarter remained consistent, resulting in a 16% increase in the cumulative loan amount disbursed as on the end of the July - September quarter. The cumulative number of loans disbursed for EL also underwent an increase of 13% over those of the previous quarter, as did the EL ALS that increased slightly by 2.7%.

Disbursement-Emergency Loan	As on Jun '07	Jul	Aug	Sep	As on Sep '07
Loan Amount Disbursed (Cum.) (Rs.)	1,000,322,069	49,910,000	54,096,000	56,292,000	1,160,620,069
Number of Loans	326,479	13,294	14,432	14,572	368,777
Average Loan Size (Rs.)	3,064	3,754	3,748	3,863	3,147

Disbursement – Business Surmaya Loan

The increasing trend of the cumulative BSL amount disbursed as seen over the course of the year, continued through the July – September quarter with

Disbursement-BSL	As on Jun '07	Jul	Aug	Sep	As on Sep '07
Loan Amount Disbursed (Cum.) (Rs.)	313,728,000	45,710,000	45,230,000	47,535,000	452,203,000
Number of Loans	8,394	1,302	1,240	1,232	12,168
Average Loan Size (Rs.)	37,375	35,108	36,476	38,584	37,163

the BSL growing at 44% over the previous quarter. The cumulative number of loans underwent a similar jump with a 45% increase over the last quarter. The ALS stayed more or less constant over this period, since most of the loans provided in this period were to entry point clients.

The PAR for BSL went up to 1.8% as of September '07 as compared to 0.5% as of June '07. This was directly due to the PAR of about three to four branches going up due to various reasons. For instance, one branch experienced a number of internal inconsistency problems throughout this quarter due to noncompliance of loan appraisal policies on part of an earlier branch manager. With regards to the other branches, seasonal lows in the businesses of the respective clients had a domino effect which led to reduced repayment capacity and subsequent overdue installments, hence rendering the outstanding amounts at risk.

Home Improvement Loan

Research was done on a housing product conceptualized in the summer of 2004 with an initial inquiry into client preferences and property rights. Surveys and focus group discussions were held with clients in order to get feedback on client's current housing conditions and future needs. This initial investigation fueled a full-fledged research in June of 2005. A base-line survey in 2005 was conducted in order to determine the demand for a housing product, the target market's capacity to carry additional debt, and any risks posed by a lack of property rights and/or mobility patterns. The results of this survey indicated that housing is a top priority for the communities we serve. Households consistently dedicate a reasonable chunk of their savings to this end.

With demand for the product firmly established, Kashf proceeded to design and price a product that satisfied the needs of its clients while covering its own costs. A product prototype was designed and taken to the field and clients' opinions were taken based on which a final feature set was chalked.

The pilot began in July 2006 with the introduction of the HIL to two branches, one urban one rural to have a more holistic idea of property rights and performance of the product in both branches. The process of the HIL ended with a final End of Pilot report being delivered to the operations which shall now manage growth, add more branches and regularly monitor the product. The Research Department at Kashf Foundation shall continue to monitor the progress and suggest suitable policy changes in conjunction with the views of other players mainly operations.

Disbursement- Home Improvement Loan

The performance of the Home Improvement Loan slowed down when compared to the previous quarter, resulting in a 37% decrease in the cumulative loan amount disbursed in the July-September 2007 session. The cumulative number of loans increased taking the total number of HIL loans disbursed to 500 from 425 in the previous quarter. The Average Loan Size decreased slightly by 2 %, as a greater number of loans of Rs.50,000 and Rs.60,000 amounts were disbursed.

Disbursement-Home Improvement Loan					
	As on Jun '07	Jul	Aug	Sep	As on Sep '07
Loan Amount Disbursed (Cum.) (Rs.)	28,781,000	14,90,000	21,00,000	12,70,000	33,641,000
Number of Loans	425	22	33	20	500
Average Loan Size (Rs.)	67,720	67,727	63,636	63,500	67,282

The table below shows the percentage change in the two quarters (i.e. current and previous). The loan amount disbursed actually declined compared to previous quarters as growth of portfolio has been relatively sluggish. This trend can be seen as both HIL branches underperformed vis-à-vis targets leading to a drop in disbursements. This is reflective in lesser number of loans disbursed in the July to September 2007 quarter. This drop can be attributed to changes in the branch management, disturbances due to portfolio transfers and switching to monthly meetings leading to a decline in the marketing of the HIL loans.

Disbursement-Home Improvement Loan			
	Apr-Jun'07	Jul-Sep'07	% change
Loan Amount Disbursed (Rs.)	4,630,000	3,370,000	37%
Number of Loans	69	51	30%
Average Loan Size (Rs.)	67,101	66,078	2%

Insurance - Enrollment

		Apr-June 2007	July-Sep 2007	Total
Premium Received	Lives Covered	65,076	80,253	145,329
	Amount (In Rs.)	18,735,249	23,536,919	42,272,168
Cumulative Lives Insured		242,858	323,111	565,969
Death Claims received from branches	No. of Claims	399	484	883
	Amount (In Rs.)	6,389,300	7,639,516	14,028,816

The table above shows the number of life insurance clients during the two quarters. Since insurance is mandatory on all clients between the ages of 18 to 60 and who are accessing the GL loan, it follows the trend of disbursements. Also, as new branches have been accessed with a greater number of targets being over achieved, it would also reflect in the performance of the insurance product. Furthermore, a reasonable number of disbursements took place in the second half of the year with the repeat clients progressing to higher loan amounts. Hence, the health insurance showed a positive increase as compared to the previous quarter. The number of claims increased by 21.3% compared to a rise of nearly 26% increase in the premium collected. However, due to proper checks and balances and a procedure in place for follow-ups, the claims are monitored to avoid fraudulent use of the insurance.

FINANCIAL SUSTAINABILITY

Overall performance

The quarter (July-Sep) has closed with 249,442 clients, over Rs.2 billion outstanding loan portfolio and 148 branches. During the period the organization experienced growth of 20 % in terms of clients and 16% in terms of loan portfolio. Kashf opened 33 new branches with PAR <1%.

The total assets base grew to Rs.3.1 billion [June 07: Rs.2.8 billion]. The asset mix by weight displayed improvement in general, mostly in the areas of loan portfolio and short term investments, thus enhancing the ability of the entity i.e. Kashf Foundation to generate its income at a higher rate. The sources of finances did not change during the quarter and the on-lending funds (the funds acquired for the purpose of disbursing new loans) were met through PPAF funding. The average Cost-Of-Funds (COF) has increased during this quarter. However Kashf will still be able to maintain its sustainability as the efficiency ratios display an improving trend (See below). However, there will be a greater reliance on market sources of capital in the coming months.

The total amount outstanding as on September 2007 is Rs.2.3 billion [June 2007: Rs.2.08 billion].

The GL Average Loan Size (ALS) disbursed during the July – September quarter was Rs.14,688 which increased by 4% over the ALS of the previous quarter i.e.

Rs.14,126. This is due to the greater weight of the maturing portfolio of existing branches as compared to the developing portfolio of new branches, which would otherwise have brought the ALS down. A point to keep in mind here is that the loan amount range offered in the first loan cycle is Rs.6,000 – Rs.10,000 (with the exception of the Lahore region where it has been increased to Rs.15,000). The PAR has gone up to Rs.7.9 million [June 2007: Rs.2.1 million] representing 0.34%, and hence staying below 1%. The increase from last quarter's 0.10% was mainly due to the PAR for the Business Surmaya Loan going up due to a drop in portfolio quality of the said product.

Portfolio Quality-Recovery & Risk Analysis		
	Apr-June '07	July – Sept '07
Recovery %	100%	100%
PAR (%)	0.10%	0.34%
Overdue amount (In Rs.)	1,217,603	2,419,065

Source of Income Generation				
Income from Financial Services	Apr-June '07 (Rs.)	July – Sept '07 (Rs.)	%age Change	Share (%)
Service Charge	153,815,140	198,156,993	29%	94%
Investments	6,756,160	8,261,882	22%	4%
Other Income	5,365,584	5,293,351	-1%	3%
Total Income	165,936,884	211,712,226	28%	100%

Income from loans has shown an increase of 29% as compared to the previous quarter, primarily due to an increase in portfolio size. For this quarter, the total income posted a 28% increase over the previous one and was primarily boosted by the income from the service-charge as well as that from investments (on receipt basis). Income from other sources decreased only slightly by 1%, whereby maintaining overall consistency.

Efficiency Ratios

Efficiency Ratios		
Efficiency Ratios	FY-June '07	FY – Sept '07
Administrative Efficiency	17.63%	16.13%
Operating Efficiency	27.15%	24.93%
Operational Self Sufficiency	144.81%	152.91%
Financial Self Sufficiency	118.10%	117.79%

Administrative Efficiency is defined as the cost required in maintaining Rs.1 in the market. Compared to previous quarter there has been a downward trend implying that the cost has gone down. This can be attributed to cost controls being put in place to monitor and keep expenses in check, thus implying that the same Rs.1 can be maintained in the market at a lower cost.

Operating Efficiency highlights the efficiency of the loan disbursement system. The operating efficiency ratio has gone down to 24.93% [June 2007: 27.13%], as the average total portfolio has gone up and budgetary controls have been comparatively tightened. The sustainability ratios show an increasing trend, though another 33 new branches were opened during the quarter.

Operational Self-Sufficiency (OSS) measures whether the revenue generated by the program is sufficient to cover its overheads, whereas **Financial Self-Sufficiency** estimates whether the program would still be sustainable if it is compelled to borrow at market rates. For FY – September'07, the OSS stood at 152.91% [FY – June'07: 144.81%]. Repeat centers in mature branches plus the fact that most branches have a majority of their disbursements skewed towards the second half of the year has resulted in the OSS jumping up from the previous quarter. Financial Self-Sufficiency decreased slightly to 117.79% [FY – June'07: 118.10%]. This relates back to the increase in the interest rate of PPAF funds.

HUMAN RESOURCES

Kashf is constantly undergoing expansion, both in terms of numbers and coverage. Hence, the network of branches is being perpetually increased besides furthering penetration in mature branches, and so extensive hiring was done at the field level in this quarter as well.

Staff Recruitment and Gender Balance

- A 19% increase in staff strength was registered this quarter taking the total staff count to 1096. The recruitment team continued to identify and employ talented and committed staff as 284 employees were inducted during the second quarter.
- Kashf Foundation aspires to be a trendsetter in promoting opportunities for women’s development and leadership at all levels in the organization. This focus is reflected in our HR polices and we are aiming for at least 50% female representation at every tier within the organization. Special attention is being given to personal development of female staff and they are being encouraged to pursue their education in order to make

themselves eligible for internal promotions.

- The overall female staff ratio increased from 45% in June to 47% in September. Female staff ratio varies by tier and the ratio of permanent female CO/Cashiers is currently 43%. This ratio has gone up by 23% since March 2007, which is a significant achievement. The focus on the recruitment of female CO/Cashiers is being maintained as well as the identification of potential CO/Cashiers from existing loan officers who meet the requisite

	Apr-Jun 2007		June - Sep-07	
Total Permanent Staff	922		1096	
Total HO Staff	69		74	
Total Field Staff	853		1022	
Gender	Male	Female	Male	Female
Number	504	418	582	514
Total Staff (Trainee + Perm)	1199		1335	
Total Staff (HO)	72		79	
Total Staff(Field)	1127		1256	
Gender (Trainee + Perm)	Male	Female	Male	Female
Ratio	55%	45%	53%	47%
Number	625	574	709	626
Total Staff Recruited	311		148	
Total Staff Recruited(HO)	4		6	
Total Staff Recruited(Field)	307		142	
Gender Recruited Staff	Male	Female	Male	Female
Number	132	179	76	72
Turn Over (quarterly)	Voluntary	Involuntary	Voluntary	Involuntary
Number	43	5	61	15
Overall Turn Over	5%		7%	
Number	48		76	

requirements and are willing.

New HR Initiatives

Several functional initiatives were taken in HR department during the third quarter of 2007.

- HR teams conducted orientations for all newly hired staff, in order to orient them with the Kashf culture, our vision and our mission. It is very important to connect with the new staff as soon as they join so that they are aware of their job responsibilities, as well the compensation and benefits offered by Kashf.
- All newly recruited staff is briefed about the core Kashf values of *service, integrity, innovation, reciprocity, responsibility, respect, commitment* and *productivity*. Special importance is placed on ensuring that they understand the importance of customer care and being 100% honest at all times.
- Payroll process has been streamlined and it is being ensured that the entire staff receives their salaries by the 30th of each month. The HR department receives all attendance data from field and head office by the 21st of each month and payroll is processed by the 25th of each month.
- All employee accounts will be converted to online accounts for this purpose. HR department has successfully conducted a pilot run of online salary transfer and 16-digit account numbers are being collected from all Kashf staff for this purpose.
- Issuance of confirmation letters to all confirmed staff members during each payroll month, and distribution of salary slips are very essential procedures that have been initiated by the HR department.
- Exit interview formats have been standardized and placed in all Kashf branches. Feedback is being received from all staff members that are in the process of leaving Kashf.
- This information will enable us to understand turnover trends and to identify the root causes of turnover. Classification of high turnover positions and the most common reasons for turnover will help HR in ensuring better staff screening in the future.

Kashf Learning Center

Internal Trainings: July – September 2007

In the last quarter, the learning center has revised a new orientation package for Loan officers and has also run five testing sessions, besides revising a new branch manager orientation package. A training guide book was also sent to area managers for pilot testing in their areas.

Two Kashf staff members, who had earlier attended a workshop on “Delinquency Management” organized by PPAF, conducted the same training with 78 branch managers that was spread over three phases.

Trainings	No of Trainings	No of Participants
Orientation training For GL Los	05	107
IL Staff orientation	01	16
WWB 4 day training of IL	01	34
Orientation of External BMs	01	05
Internal TBM orientation	01	12
Customer Care & Fraud Management IL Staff	01	11
Values and Ethics session With IL staff	01	23
Financial training For COs	3	44
Refresher on Ethics, Fraud mgt & customer care	01	40
Development Course For Los	02	40
Financial analyses training For BMs	03	44
Delinquency Mgmt for BMs	03	78
Fraud Management & Customer care for B Ms	02	55
Refresher on Culture & risk Mgt for TAM	01	09
Customer care & Fraud mgt for AMs, RM	01	25
Total	27	543

External trainings: July – September 2007

Sr #	Month	Training	Department	Pax	Training institute	Training Objective	Training outcomes
	July/Aug	Boulder/Turin course	Finance- CFO	01	Italy		
	July	EDA-Course on Human Resource Management	Ops/AMS	04	EDA-India	To improve and enhance Knowledge of HR	More emphasis to be laid on interim performance appraisal of staff and making goals more realistic through better understanding of feedback from employees. Motivating the staff, especially the low performers to enhance their functionality through various interactive exercises.
	“	Women in Leadership	Ops/RM	01	Women worlds banking- New York	To learn about Leadership, Gender, Negotiation & Leadership templates & action steps	Focus shall be on developing strong women leaders in Kashf and making the workplace attractive for other young females. Gender specific leadership training modules shall be developed.
	July	Personal Effectiveness Tool	Ops/BMs	30	External consultant KASHF LC	To improve positive behavior, time management & people Management	
	Aug	Personal Effectiveness Tool	Ops/BMs	30	External consultant KASHF LC	To improve positive behavior, time management & people Management	
	“	Making microfinance work (Phase II)	OPS/ LC	02	PMN-ISB	Practical presentation on phase 1 as a trainer	

Sept	Market Risk Management	Finance	01	ACE-Consultant: KHI	To understand important risk and application of market research analyses & solutions	
Total			69			

GENDER EMPOWERMENT & SOCIAL ADVOCACY

In this Quarter, Kashf Foundation undertook a review of the Gender Empowerment and Social Advocacy (GESA) strategy and advice on future direction to enhance the impact of its initiatives. The team held a series of discussions with senior management, the GESA team, and the representatives from different Departments, Area Managers, Branch Managers, Loan Officers and clients. This reviewed and conceptualized how GESA can improve the gender/social impact of MF. This also reviewed how impact can be deepened to lead to greater confidence, decision making at the client level and enhancement in synergies between GESA and the MF program.

Initiative	OUTCOME
Strategic review exercise	2 days consultation with Ms. Shazreh and Maliha Key outcomes of consultation and planning for implementation
Theater	On the basis of consultation outcomes, GESA conducted focus groups with clients and initiated theatre program in remote areas with expansion. The performance is usually based on a true story depicting the socio-economic plight of women in the patriarchal set-up of our society. In the interactive session, true stories of the clients who voluntarily climb up the stage and share their experiences are recorded. <ul style="list-style-type: none"> • 9 Focus Groups conducted; 90 clients interviewed to map impact and scaling up theatre in remote areas • Remote areas identified for theater & report • Theatre expansion strategy for remote areas designed • Theatre planning for (Sep – Dec 07) • Theatre rehearsals & TORs reviewed for theatre groups • Theatre plan forwarded to RMs, AMs; coordination with branches and theatre groups • Theatre budget approval and adjustments • 32 theater performances delivered in Area 2, 3, 5, 6, 11 • 8153 clients outreach covered (255 clients per performance) • Monitoring theatre: 8 performances monitored
Gender Client Council	Exit strategy designed for gender client council and executed in field <ul style="list-style-type: none"> • Exit meetings with GCCs conducted • List of NGOs / service providers compiled and sent to RMs
¹ID card project	ID card project pilot started at Kahna: <ul style="list-style-type: none"> • List down clients and their spouse having no ID cards

¹ Computerized National Identity Card project has been initiated since the August, 07. GESA is facing challenges in carrying out this project like GESA staff running in short of time for other activities, lack of Branch staff coordination.

	<ul style="list-style-type: none"> • Develop plan and coordinate with NADRA and Nazim to initiate Project • Implementation of project and daily basis coordination with NADRA mobile team, UC Nazim and Kahna branch • Outreach: 1000 client +spouse covered
5 promises for center meetings	<ul style="list-style-type: none"> ➤ 3 focus group conducted with client age wise 18to30- 30to40 and 40-60 ➤ Report documented and 5 proposed promises designed
LO orientation Session	<ul style="list-style-type: none"> ➤ GESA orientation sessions conducted for new joiners in LO orientation package ➤ 2 Sessions on “effective communication” with new Los conducted

ANNEXURE:

Performance Indicators & Ratio Analysis				
Indicators	Target for the quarter Sep 07	Actual for the quarter Sep 07	Actual for previous quarter 07	
Institutional characteristic:				
1	Number of offices	186	172	135
Outreach indicators:				
2	Number of branches	142	148	115
3	Number of active clients	279,325	249,442	208,375
4	Number of active clients per branch	1,967	1,692	1,816
5	Number of loan officers	1,094	701	606
Portfolio and credit quality				
6	Total loan outstanding (gross) (in Millions of Rs.)	2,321	2,379	2,046
7	Portfolio at risk ratio (PAR)	<1%	0.34%	0.10%
8	Overdue loans (In millions of Rs.)	0	2.50	1.22
Sustainability/Profitability ratios:				
9	Return on equity (ROE)	20%	24%	21%
11	Operating self sufficiency (OSS)	136%	153%	145%
12	Financial self sufficiency (FSS)	114%	118%	118%
Asset / Liability management ratios:				
13	Yield on gross portfolio	36%	36%	37%
14	Financial Cost Ratio	6%	7%	8%
15	Average Cost of debt	12%	10%	12%
Efficiency and productivity ratios:				
15	active Clients per LO	255	357	345
16	Administrative Efficiency	12%	16%	18%
17	Staff Turnover	11%	9%	5%
18	Exit Rate	3%	3%	3%
19	Portfolio per loan officer (In Millions of Rs.)	3	3	3
Financing structure:				
20	Debt/equity ratio	1.4x	1.6x	1.5x