



K O P E R A S I
KASIH
I N D O N E S I A

KKI Quarterly Report

Q4 2019 (Oct – Dec)

empowering
millions of poor Indonesian
to exit poverty permanently



1a KKI could not reach 10,000 members yet in 2019. And we believe it's all by (HIS) design...

Context

- For a microfinance institution, reaching 10,000 clients are the common 1st major psychological milestone
- 2019 was KKI's 9th year and rationally, we were 'desperate' to reach this 1st milestone
- The gap to be reached within 2019 was 'only' 629 members

What Happened

- We did lots of extra things to ensure we achieve 10,000 members, including:
 - Increasing salary & support for Ops team
 - Making clearer path to become Branch Manager
 - Gathering leaders to encourage them
- On October 18th, member had reached 9,946
- However, in the end of 2019, we 'only' reached 9,898 members

Learnings & Takeaways

- This whole process frustrated, then forced us to reflect deeper
- We then learned that the goal being placed in our heart since the beginning was never about numbers, but to channel HIS love (KASIH) for the poor
- This led to rediscovery of our vision, mission, & approach (*shared in previous report*) & new targets (*in next page*)

1b ... Which led us to define following targets for 2020

Aspects	Weight	Sep 2019	2020 Goal
A. Team Development	25%		
1. Regarding effort to rely on GOD	10%	N/A	7.5
2. Regarding attitude at work	8%	7.4	7.6
3. Regarding work-related performance	7%	7.1	7.4
B. Member Development (aspects would change in 2020)	18%		
1. % of Members' dream recorded & monitoring system preparation	6%	5%	100%
2. Development of progress indicators & monitoring system preparation	6%	42%	100%
3. % of members who save regularly (min. 2x voluntary saving per month)	6%	42%	52%
C. Sustainability	28%		
1. Number of leaders (Area & Branch Managers)	13%	0 & 4	3 & 12
2. % OSS (Operational Self-Sufficiency)	8%	128%	120%
3. New product launch to cater members' needs	7%	0	2
D. Process Quality	17%		
1. % completeness of SOPs	10%	58%	100%
2. % fulfilment of deadline	7%	82%	95%
E. Specific Focus for the Year	12%		
1. New MIS Implementation	12%	N/A	100%

2 On other side, 2019 saw lots of things that had never been done or been awaited for many years were finally done

A screenshot of a financial statement or ledger, showing columns for various financial metrics and data points.

- 1. KKI finally have 2 independent branches (after 4 years) & automatic production of 5 regular forms (after 5 years).** Both resulted in significant efficiency (50-65% time reduction to do the same tasks), which allows us to serve our members and groom our team better.
- 2. KKI finally re-launched the long-awaited Fasting Month Loan (after 6 years) & upgraded savings withdrawal process (6 years).** 820 eligible members received the Fasting Month Loan, while all members who withdrew their savings experienced time reduction from 21 to 8 minutes.
- 3. Many 1st-time initiative were done, including Project Management function, asset management, Talent Pool, and “comfortable office” initiatives.** Those are additions to improvement projects started in 2018, like restructuring and automation in accounting-finance.

3 On numbers: Most grew slightly in 2019, bad debt steady at 0%, Branch Manager decreased and profits leaped

Key Variables	2018	2019
1. Member	9,371	9,898
2. Average Loan Size <i>(in million IDR)</i>	2.17	2.36
3. Bad Debts	0%	0%
4. Outstanding Portfolio <i>(in billion IDR)</i>	11.8	13.1
5. Branch Manager	6	4
6. Assets* <i>(in billion IDR)</i>	13.4	14.7
7. Profits* <i>(in billion IDR)</i>	0.3	1.8

Summary

- **Bad debts** well-kept at 0%
- **All operational figures grew only slightly** due to 4 Branch Managers (50%) leaving. This is the main challenge we need to solve
- **Profits leaped**, as costs grew by only 12% (driven by efficiency in overhead) while revenues grew by 35%. It will be invested on new MIS and potentially land acquisition for HO

*Numbers are not final as Financial Statements are still being finalized

APPENDIX: Quarterly progress statistics

Quarterly progress statistics

Last quarter

This quarter

Variables

Sep 2019

Oct 2019

Nov 2019

Dec 2019

In number, unless stated otherwise; All figures except for active members (A.1) are rounded numbers

A. Member (for weekly loan only)

1. Active member	9,864	9,892	9,850	9,898
2. % of discontinued borrower (cumulative)	60%	61%	61%	61%

B. Loan (for weekly loan only)

3. Outstanding portfolio (in billion IDR)	11.9	12.1	13.0	13.1
4. Average loan size (in million IDR)	2.32	2.35	2.36	2.36
5. % of member with ≥ 1 unpaid installment	1.3%	1.6%	1.7%	1.3%
6. % of PAR >30d & NPL (unpaid >90d)	0% & 0%	0% & 0%	0% & 0%	0% & 0%

C. Other Variables (figure 9 shown below is not final and may change slightly)

7. Full-time personnel	57	56	53	52
8. Branch	5	5	5	5
9. Assets & Liabilities (unaudited, in billion IDR)	15.6 & 12.3	15.7 & 12.0	15.6 & 11.8	14.7 & 10.6
10. Received donations (in million IDR) & donors	6.5 & 3	6.5 & 3	6.5 & 3	7.0 & 3