

# ASA

## AT A GLANCE

AS OF

2010



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## Facts and Figures of ASA during 2010

The year 2010 marked many positive trends on ASA's activities. Our microfinance program has been recovered from the adverse effects of natural calamities, prolonged economic meltdown of the last couple of years. We have successfully reached more beneficiaries during the year. We could have reached about six million people with multifaceted outreach overcoming the economic mess of the previous years. Loan disbursement target had achieved over 99% and progress of others index were encouraging.

2010 was a landmark year for us as ASA microfinance program has been sustained two decades for combating poverty. We witnessed an unprecedented rise of ASA microfinance program at home and abroad over the years. The organization has proven its capability to absorb several shocks by maintaining steady growth. This could be possible due to the innovative model which caters on the cost effective and optimum use of resources policy. ASA becomes a renowned MFI all over the world for its unparalleled accomplishment. World's prestigious institutions hailed ASA as the most efficient and sustainable MFI in the globe. Thirty countries so far have been replicating the ASA model for alleviating poverty of the people. Presently, ASA is providing technical assistance to seven countries for implementing microcredit program in a cost-effective and sustainable way.

Apart from microfinance, ASA initiated a number of new programs on scholarship, health and sanitation for the poor, perennial poor and underprivileged. ASA's associate organization Hope for the Poorest (HP) goes on full functioning with these programs in 2010. HP has organized several eye camps for free eye treatment of the underprivileged in the backward areas of Bangladesh including coastal belt that are badly affected by climate change. Our stipend program provides a large number of meritorious students of poor families of the six economically backward districts.

A health care centre has been started working in Habiganj district 150 kilometers away from Dhaka with various health services. Initiatives have been taken for extending these programs throughout the country gradually. We took a program to popularize the use of solar power as an alternative source of energy in Bangladesh. Fifty branches of ASA have been installed with solar power in 2010.

ASA University Bangladesh another associated organization of ASA has attained tremendous success on the year touching the impressive figure of 5000 students' enrollment. The university starts three fresh courses Master of Public Health (MPH), Pharmacy (Honours) and Applied Sociology (Honours) also.

Visitors from around the globe every year come to ASA in a large number with great enthusiasm. The flow also continued in 2010. The visitors included NGO activists, microfinance practitioners, researchers, teachers and students of renowned universities and institutions. Lot of local students of various universities also did internships at ASA in the year.

## **PRODUCTS**

It is a mission for the MFIs to make the poor and downtrodden people creditworthy as they are denied by the scheduled banks and financial institutions historically. ASA's philosophy as an MFI is to provide small and medium size loan to the poor and lower income people with soft and friendly obligations for them so that they can use it in various income generating activities and would integrate with mainstream economic process of the country. However, by providing small collateral-free loans, ASA is enabling the poor and the underprivileged to obtain capital so that they may engage themselves in income generating activities. This helps reduce their poverty, and provides them access to opportunities and markets.

ASA has been offering various types of loan products, of which Small Loan (male & female), Small Business Loan, Small Entrepreneurs Lending (SEL), Education Loan, Rehabilitation Loan and IT Loan are significant. Product-wise statistics as on December 2010 are given below:

### **SMALL LOAN (Female)**

It may be mentioned here that about 80% of the total ASA borrowers are women. This product has been designed considering the overall socio-economic condition of the women folk in Bangladesh. Duration of this loan is one year and the rate of service charge is 15% (flat). The loan amount is to be repaid in 46 equal weekly installments 52 weeks over of the year.

Disbursement	- Tk.	45,122	million
Realized	-	44,204	million
Outstanding	-	23,211	million
Recovery Rate	-	99.85	%
Cumulative Disbursement	-	313,557	million

### **SMALL BUSINESS LOAN**

This loan product has been designed considering the socio-economic condition of those who have got small businesses, but are in difficulty to run the business for lack of required capital. They are provided with this loan for investment and smooth running of their small businesses. Duration of this product is one year and the rate of service charge is 15% (flat).

Disbursement	- Tk.	10,046	million
Realized	-	9,822	million
Outstanding	-	5,482	million
Recovery Rate	-	99.67	%
Cumulative Disbursement	-	49,607	million

### **SMALL ENTREPRENEURS LENDING (SEL)**

Those who are small and emerging entrepreneurs are offered this sort of loan. Period of this loan product is flexible, which is 1 year, 1.5 years and 2 years respectively and the rate of service charge is 15% (flat).

Disbursement	- Tk.	11,993	million
Realized	-	8,421	million
Outstanding	-	6,787	million
Recovery Rate	-	99.26	%
Cumulative Disbursement	-	36,065	million

### EDUCATION LOAN

This loan is offered to the members for assisting their children to obtain higher education. Duration of this product is one year and the rate of service charge is 15% (flat).

Disbursement	- Tk.	21	million
Realized	-	20	million
Outstanding	-	12	million
Recovery Rate	-	99.97	%
Cumulative Disbursement	-	163	million

### AGRIBUSINESS LOAN

ASA has been implementing Agribusiness loan in cooperation with the Government of Bangladesh and Asian Development Bank (ADB) in order to assist the people maintaining their life and livelihoods either in part or full round the year on agricultural products and marketing. Duration of this loan ranges from 6 months to 24 months. The rate of service charge per year is 15% (flat).

Disbursement	- Tk.	1,490	million
Realized	-	1,204	million
Outstanding	-	913	million
Recovery Rate	-	99.56	%
Cumulative Disbursement	-	2,976	million

### HEALTH ASSISTANCE

ASA has been providing cash grant to the ailing clients for treatment of their major/critical diseases. This is a self-funded service of ASA. Clients don't have to pay any premium for enjoying this service. During the year 2010 Tk. 20 million was distributed among the ailing members as health grant.

## SAVINGS

ASA also provides flexible and accessible savings products, which provide a cushion for the poor to absorb economic shocks. Without savings many poor people live a rather precarious life. Even a minor event can send these people to extreme poverty or financial ruin. So the members of ASA have been practicing saving on a regular basis.

Savings deposit	- Tk. 8,768	million
Savings return/withdrawal	- 7,110	million
Savings balance	- 10,553	million

By offering safe and secure savings, ASA clients need not sell assets at times of crisis, but can simply draw on their accumulated savings, and use them to meet their pressing needs. ASA provides voluntary, mandatory and long term savings services with interest to its clients.

## SECURITY FUND CALLED MINI INSURANCE

ASA has introduced two types of insurance policies for its customers. One is mini life insurance and other one is loan insurance. These services facilitate the clients to shield themselves to mitigate emergencies and sudden economic shocks.

### MEMBER SECURITY FUND (Mini life insurance)

Small Female loan and Small business loan account holders deposit Tk. 10 on weekly basis as the premium of insurance. The size of deposit for the SEL account holders is Tk. 50 per month. Inheritors receive 6 (six) times of the total deposit if a member dies. Otherwise, the depositors are refunded the saved amount with interest on maturity. During the year 2010, ASA paid Tk. 32.96 million in claim to the families of 8,010 deceased members.

### MALE MEMBER SECURITY FUND (Mini life insurance)

Female group members are also allowed to introduce insurance for their husbands or guardians and the size of weekly premium is Tk.10 for the program. If the male member dies, respective inheritors are provided three times of their total deposits.

Otherwise, total deposited amount is refunded along with interest. During the year 2010, ASA has paid Tk. 2.95 million to the families of 2,733 deceased members.

### **LOAN INSURANCE**

ASA charges a premium of only Tk. 10 per 1,000 (One Thousand) taka loan to provide this insurance. The outstanding loan is adjusted in full as insurance benefit if a member or her husband/guardian dies with outstanding loan. During the year, ASA made the adjustment or provided payment of Tk. 182.65 million to the families of 25,701 deceased members.

### **COUNTRY COVERAGE**

ASA has been providing assistance to all the districts of the country through 3,194 branches. At present, a number of 22,458 staffs are working to assist almost 5.66 million members. Up to December 2010, the cumulative disbursement (principal) stands at Tk. 411,000 million and the outstanding (principal) is Tk. 37,525 million.

### **ASA-NGO PARTNERSHIP BUILD-UP PROGRAM**

ASA has a policy to assist the local small and emerging NGOs so that they can play supportive role in poverty alleviation and can be sustainable within the shortest possible time. ASA has been providing skilled manpower, technical support and loan funds to the partner NGOs. ASA is facilitating 22 partner NGOs in the country as a mentor organization.

ASA cordially tries to ensure its assistance to poor people of the remote and uncovered areas. All of the partner NGOs are also building their capability to get access to other commercial/PKSF funds.

No. of partners	-	22	
Borrowers	-	63,372	
Outstanding Loan	- Tk.	459	(million)
Savings balance	- Tk.	116	(million)
Staff deployed from ASA	-	39	

### **AUTOMATION OVERVIEW**

ASA IT department has successfully completed branch automation in the mean time which facilitated consolidating branch information into district and central office as well. This has reduced the burden of preparing monthly reports at district office and so they can concentrate more on supervising branches.

### **ASA INTERNATIONAL (ASAI)**

ASA International (ASAI) ([www.asa-international.com](http://www.asa-international.com)) has been established to play a vital role in global poverty alleviation through providing technical assistance from ASA globally. The organization is currently working in India, Pakistan, Afghanistan, Sri Lanka, Ghana, Nigeria, Cambodia and the Philippines in this regard and some other countries like China, Indonesia, etc. are in the pipeline. ASA is also providing TA to CARD in the Philippines, PARWAZ in Afghanistan, Seilanithih in Cambodia, SARALA, VFL in India.

### **FOREIGN VISITORS TO ASA**

ASA has been witnessing a surge of foreign visitors over the years as its exclusive microfinance model received huge international accolades in recent years. The curious visitors of different countries have been gathering round ASA as well as Bangladesh to learn about its unique microfinance model practically. These visitors are comprised of researchers, university teachers, students, NGO officials, social activists, microfinance experts, Govt. officials etc.





A large number of students from European and North American universities visited ASA as these universities have adopted microfinance study in their curriculum considering its importance in poverty alleviation. This is an academic recognition for microfinance as well for ASA. During the year 2010, seventy-five visitors from 14 countries across the world visited ASA.

### **ASA UNIVERSITY BANGLADESH (ASAUB)**

ASA University Bangladesh has been administering academic activities since 2007. Presently the University offers different programs and courses at graduate and post graduate level. The graduation (4 years) programs are English, LLB and BBA and post graduations (2 years) are LLM, MA in English, MBA (Regular) and MBA (Executive). Also there is microfinance course in MBA. The University is planning to start some new courses at the end of this year. About 5700 students are enrolled presently with the university under different disciplines. ASA University Bangladesh is working hard to make it a centre of academic excellence, so that it could disseminate the best education and knowledge among students at affordable fees.

The prime objective of ASA is to reduce poverty and mitigate its curse from the society. Materializing this mission into reality the organization is operating programs that the poor people would get optimum benefit. ASA's endeavor has been succeeding for three decades which has successfully changed living standard of a large number of people. But a huge number of people are still struggling with poverty. About one third of Bangladesh's population is trapped in the vicious circle of extreme poverty. This is a chronic problem which needs intensive attention and assistance. Taking this into account, ASA has deployed all resources and made necessary initiatives to bring out the poor from this vicious circle.

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## FINANCIAL ANALYSIS OF ASA Financial Statistics

(Amount in BD Taka)

Particulars	2010	2009	2008	2007
<b>Information</b>				
No. of branches	3,194	3,236	3,303	3,333
Total no. of groups	273,317	271,059	271,976	239,695
No. of members (in million)	5.66	5.50	7.28	6.66
No. of active borrowers (in million)	4.47	4.00	5.88	5.42
No. of loan officers (end of year)	12,498	13,266	14,266	14,788
Average no. of members per LO	453	407	504	451
Avg. no. of borrowers per LO	357	302	412	367
Avg. no. of members per branch	1,771	1,699	2,177	2,002
<b>Loan Portfolio</b>				
Yearly total loan disbursed (in million)	68,486	61,495	61,108	48,365
No. of loans disbursed (in million)	4.83	5.04	6.73	6.10
Average loan size	14,183	12,203	9,039	7,868
Total loan outstanding (in million)	37,525	31,323	32,022	24,704
Current	36,758	30,195	31,222	24,240
Overdue (past due)	767	1,128	800	464
Avg. outstanding balance by clients	8,400	7,830	5,193	4,501
Portfolio per loan officer (in million)	3.00	2.36	2.24	1.67
Portfolio per staff (in million)	1.67	1.30	1.24	0.98
Total amount written off (in million)	343.41	306.39	146.84	69.48
Total loan loss reserve (in million)	1,209	1,089	1,092	769.06
<b>Savings</b>				
Total savings (in million)	10,553	8,145	6,433	4,604

## FINANCIAL ANALYSIS OF ASA Financial Statistics

(Amount in BD Taka)

Particulars	2010	2009	2008	2007
<b>Productivity/quantitative indicator</b>				
Cost per money lent	0.066	0.068	0.069	0.053
Cost per loan made	935	839	632	424
Portfolio in arrears	2.04%	3.60%	2.50%	1.85%
Portfolio at risk	2.55%	4.67%	5.00%	3.36%
Loan loss ratio	0.91%	0.97%	0.45%	0.27%
Reserve ratio	3.22%	3.86%	3.41%	3.11%
Effective yield on avg. portfolio	25.79%	22.72%	24.35%	26.00%
Effective yield on avg. assets	20.13%	19.66%	23.38%	24.89%
ROE (Return on Equity)	5.49%	3.57%	3.80%	8.88%
ROA (Return on Assets)	2.98%	1.94%	2.29%	5.70%
Operating self-sufficiency (OSS)	176.20%	140.27%	136.75%	187.13%
Financial self-sufficiency (FSS)	115.56%	110.63%	110.40%	127.77%
Total expenses/Total average assets	19.17%	18.24%	22.44%	20.52%
Financial cost/Total average assets	1.58%	1.68%	2.09%	2.17%
Adjustment cost/Total average assets	6.60%	3.85%	4.32%	6.51%
Loan loss cost/Total average assets	0.78%	1.15%	1.59%	1.01%
Operating cost/Total average assets	10.22%	11.56%	14.41%	10.82%
Total equity (own fund)/Assets	59.14%	57.28%	63.79%	70.36%
Total equity (own fund)/Liability	134.20%	130.60%	130.66%	155.44%
<b>USD1= Taka</b>	<b>70.75</b>	<b>68.45</b>	<b>68.50</b>	<b>68.56</b>

Note: 2010 figures are provisional

## ASA AT A GLANCE Up to December 2010

(Amount in BD Taka)

1. Year of Starting the Microcredit Program			1992
2. Total No. of Branch Offices (Rural-2,878, Urban-316)			3,194
3. Total No. of Staff (Central office- 235, Field- 22,223)			22,458
4. Total No. of Thanas (sub-districts)			511
5. Total No. of Districts			64
6. Total No. of Groups	Small	225,303	
	Small Business	48,014	273,317
7. Total No. of Active Members	Small	4,531,002	
	Small (male)	571,646	
	Small Business	398,864	
	SEL	134,773	
	Agri Business	19,972	5,656,257
8. Total No. of Borrowers	Small	3,954,447	
	Small (male)	8,401	
	Small Business	342,530	
	SEL	134,773	
	Agri Business	19,972	
	Education	6,269	
	Rehabilitation	1,075	4,467,497
9. Savings Balance (Taka in Million)	Small	4,876	
	Small Business	1,055	
	SEL & Agri Business	707	
	LTS	3,887	10,525
10. Total No. of Security Fund (Policy holders)	Member	5,018,419	
	Husband/Guardian	571,646	5,590,065
11. Security Fund (Taka in Million) (End balance)	Member	3,761	
	Husband/Guardian	299	4,060
12. Loan Outstanding (Taka in Million)			37,525
13. Rate of Recovery			99.80%
14. Operational Self-Sufficiency (OSS)-2010			176.20%
15. Financial Self-Sufficiency (FSS)-2010			115.56%

\* Note: Figures are provisional

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