



# ASA

AT A GLANCE

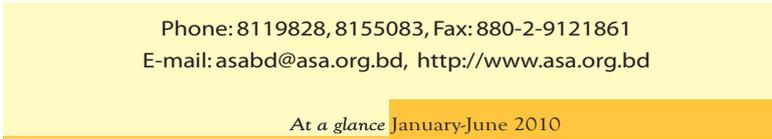
AS OF

January-June *2010*



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*At a glance* January-June 2010



## ASA Facts & Figures During 1st half of 2010

The world has embraced 2010 with a towering hope and an eagerness to see an end of the economic turmoil that engulfed the developed and developing world over the last couple of years. Bangladesh was no exception. ASA, like many organizations in the country, experienced hard time the effects of the worldwide economic recession.

The first half of 2010, however, brought welcome good news for the world and to Bangladesh as well. All economic indices have shown up-turns this year and all sectors have taken a sigh of relief during the period. ASA programs and activities have accomplished noteworthy achievement this year also as many other years. All major features including loan disbursement, repayment and increase in the number of borrowers reveal remarkable improvement compared to the same period of last year. We hope that these positive trends will continue in the second half of 2010 as well.

In 2010 ASA has initiated a scholarship program for the meritorious students of the poor families from underprivileged regions of Bangladesh. Those students who achieved outstanding scores on 2009 Primary School Final Examination of Bangladesh. ASA's associate organization 'Hope for the Poorest' (HP) has shouldered the responsibility of executing the program. In addition, HP has organized an eye camp to treat eye patients in rural area. These philanthropic programs reflect ASA's commitment to the welfare of common people. More programs of this kind will continue and be increased in the backward regions of Bangladesh.

In May 2010 ASA inaugurated a multi-service complex, named ASA Complex at Narapati village in Habiganj district (about 150 Km from Dhaka). The complex contains a health service centre, a computer training centre and two local



branches of ASA which administer scores of services. The ASA Complex has been able to deliver useful services and gain trust of local inhabitants within a very short time. All-out efforts have been taken so that the complex could deliver the best possible services. ASA is planning to set up more complexes like it gradually in different parts of Bangladesh.

ASA took new programs in order to mitigate climate change fallout through using environmentally friendly technology this year. Under these programs the organization is trying to popularize use of solar energy and eco friendly housing throughout the country. About 100 ASA branches have been installed with solar panel to run the electronic devices for dispensing daily activities in the first six months of 2010. We hope these programs will ultimately lead to slower environmental catastrophe.

Above all the first-half of this year heralded better time for economy as well as ASA. We expect and look forward that these will continue in the rest part of 2010.

### **PRODUCTS**

It is an obligation 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 integrated 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 June 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 principal amount is to be repaid in 46 equal weekly installments 52 weeks over of the year.

Disbursement	-	TK.	26,356	million
Realized	-		22,821	million
Outstanding	-		24,207	million
Recovery Rate	-		99.79	%
Cumulative Disbursement	-		294,810	million

#### **SMALL LOAN (Male)**

This is in fact a product which was designed and introduced for the husbands of the female loan account holders. Duration of this product is one year and the rate of service charge is 15% (flat).

Disbursement	-	TK.	14.28	million
Realized	-		77.06	million
Outstanding	-		39.00	million
Recovery Rate	-		99.56	%
Cumulative Disbursement	-		8,819	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.	5,378	million
Realized	-		4,994	million
Outstanding	-		5,310	million
Recovery Rate	-		99.56	%
Cumulative Disbursement	-		44,975	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.	4,799	million
Realized	-	3,742	million
Outstanding	-	4,875	million
Recovery Rate	-	99.12	%
Cumulative Disbursement	-	22,788	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.	8.93	million
Realized	-	8.87	million
Outstanding	-	8.16	million
Recovery Rate	-	99.92	%
Cumulative Disbursement	-	150.36	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.	624	million
Realized	-	543	million
Outstanding	-	680	million
Recovery Rate	-	99.48	%
Cumulative Disbursement	-	2,176	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 January-June of 2010 Tk.8 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 January-June 10	-	TK. 3,944	million
Savings return/withdrawal	-	3,254	million
Savings balance	-	9,358	million

By offering safe and secure savings, ASA clients need not sell assets in 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 January-June, 2010, ASA paid Tk.16.67 million in claim to the families of 4,030 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 January-June, 2010, ASA has paid Tk. 1.52 million to the families of 1,449 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 first-half of this year, ASA made the adjustment or provided payment of Tk. 92.48 million to the families of 12,899 deceased members.

#### **COUNTRY COVERAGE**

ASA has been providing assistance to all the districts of the country through 3,222 branches. At present, a number of 23,212 staffs are working to assist almost 5.70 million members. Up to June 2010, the cumulative disbursement (principal) stands at Tk. 379,706 million and the outstanding (principal) is Tk. 35,122 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 26 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	-	26
Borrowers	-	76,001
Outstanding Loan	- (million)	516
Savings balance	- (million)	130
Staff deployed from ASA	-	38

#### **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, SARALA, VSL 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 visit 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 January-June, 2010, seventy-five visitors from 15 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. Over 4,000 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	June-2010 (half year)	2009	2008	2007
<b>Information</b>				
No. of branches	3,222	3,236	3,303	3,333
Total no. of groups	272,260	271,059	271,976	239,695
No. of members (in million)	5.70	5.50	7.28	6.66
No. of active borrowers (in million)	4.34	4.00	5.88	5.42
No. of loan officers (end of year)	12,938	13,266	14,266	14,788
Average no. of members per LO	440	407	504	451
Avg. no. of borrowers per LO	335	302	412	367
Avg. no. of members per branch	1,768	1,699	2,177	2,002
<b>Loan portfolio</b>				
Yearly total loan disbursed (in million)	37,192	61,495	61,108	48,365
No. of loans disbursed (in million)	2.74	5.04	6.73	6.10
Average loan size	13,177	12,203	9,039	7,868
Total loan outstanding (in million)	35,122	31,323	32,022	24,704
Current	34,174	30,195	31,222	24,240
Overdue (past due)	948	1,128	800	464
Avg. outstanding balance by clients	8,096	7,830	5,193	4,501
Portfolio per Loan Officer (in million)	2.72	2.36	2.24	1.67
Portfolio per staff (in million)	1.51	1.30	1.24	0.98
Total amount written off (in million)	146.70	306.39	146.84	69.48
Total loan loss reserve (in million)	1,098	1,089	1,092	769.06
<b>Savings</b>				
Total savings (in million)	9,358	8,145	6,433	4,604

## FINANCIAL ANALYSIS OF ASA Financial Statistics

(Amount in BD Taka)

Particulars	June-2010 (half year)	2009	2008	2007
<b>Productivity/quantitative indicator</b>				
Cost per money lent	0.054	0.068	0.069	0.053
Cost per loan made	722	839	632	424
Portfolio in arrears	2.70%	3.60%	2.50%	1.85%
Portfolio at risk	3.30%	4.67%	5.00%	3.36%
Loan loss ratio	0.87%	0.97%	0.45%	0.27%
Reserve ratio	3.13%	3.86%	3.41%	3.11%
Effective yield on avg. portfolio	12.41%	22.72%	24.35%	26.00%
Effective yield on avg. assets	9.88%	19.66%	23.38%	24.89%
ROE (Return on Equity)	2.10%	3.57%	3.80%	8.88%
ROA (Return on Assets)	1.15%	1.94%	2.29%	5.70%
Operating self-sufficiency (OSS)	188.81%	140.27%	136.75%	187.13%
Financial self-sufficiency (FSS)	112.06%	110.63%	110.40%	127.77%
Total expenses/Total average assets	9.57%	18.24%	22.44%	20.52%
Financial cost/Total average assets	0.86%	1.68%	2.09%	2.17%
Adjustment cost/Total average assets	3.89%	3.85%	4.32%	6.51%
Loan loss cost/Total average assets	0.1%	1.15%	1.59%	1.01%
Operating cost/Total average assets	4.73%	11.56%	14.41%	10.82%
Total equity (own fund)/assets	57.29%	57.28%	63.79%	70.36%
Total equity (own fund)/liability	138.08%	130.60%	130.66%	155.44%
<b>USD1=Taka</b>	<b>70.93</b>	<b>68.45</b>	<b>68.50</b>	<b>68.56</b>

Note: 2010 figures are provisional

## ASA AT A GLANCE Up to June 2010

(Amount in BD Taka)

1. Year of Starting the Microcredit Program			1992
2. Total No. of Branch Offices (Rural-2,904, Urban-318)			3,222
3. Total No. of Staff (Central office- 243, Field- 22,969)			23,212
4. Total No. of Thanas (sub-districts)			511
5. Total No. of Districts			64
6. Total No. of Groups	Small	225,329	
	Small Business	46,931	272,260
7. Total No. of Active Members	Small	4,550,530	
	Small (male)	638,692	
	Small Business	390,999	
	SEL	99,682	
	Agri Business	15,918	5,695,821
8. Total No. of Borrowers with Loan	Small	3,859,927	
	Small (male)	23,732	
	Small Business	330,489	
	SEL	99,682	
	Agri Business	15,918	
	Education	4,934	
	Rehabilitation	3,503	4,338,185
9. Savings Balance (Taka in Million)	Small	4,598	
	Small Business	1,005	
	SEL & Agri Business	543	
	LTS	3,212	9,358
10. Total No. of Security Fund (Policy holders)	Member	4,962,930	
	Husband/Guardian	638,692	5,601,622
11. Security Fund (Taka in Million) (end balance)	Member	3,511	
	Husband/Guardian	299	3810
12. Loan outstanding (Taka in Million)			40,526
13. Rate of Recovery			99.72%
14. Operational Self-Sufficiency (OSS) 2010 (Six months)			188.81%
15. Financial Self-Sufficiency (FSS) 2010 (Six months)			112.06%

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