

We stepped into the second decade of the 21st millennium with a breakthrough in poverty alleviation movement of the country. The year 2011 reveals an extraordinary fact that poverty level has decreased about 8 percent from 40 percent to 31.5 percent in 2010 of the country compared to the year 2005. Bangladesh Govt. and the World Bank in a joint proclamation unveiled this statistics recently. This is a remarkable achievement for the poverty alleviation movement of Bangladesh. Dropping of 8 percent poverty only within five years is a huge success in poverty alleviation history so far. As an MFI ASA is highly motivated with this accomplishment as the organization dedicates all of its activities for the cause of the poor. It's a milestone progress to reach the millennium development goal that has targeted to halve the poor population of the globe by 2015. When the NGOs/MFIs have started microcredit program at late seventies about 80 percent people of the country lived under the poverty demarcation. Now it has been dropped to 31.5 percent. Which means about 50 percent population has successfully lifted up themselves above poverty line in last thirty years. Bangladesh, as a densely populated country has been constantly facing

Vision

The vision of ASA is to establish a poverty free society.

Mission

The institutional mission of ASA is to support and strengthen the economy at the bottom of the socio-economic pyramid by facilitating access to financial services for the poor, marginalized and disadvantaged.

numeric odds like cyclone, flood, draught, river erosion etc. In spite of the facts, we are marching forward to a bright future which latest survey indicates.

ASA has brought some changes in its microcredit program this year. The loan products of the organization have been categorized into two segments, one is Primary Loan and other is Special Loan. The amount of loan up to TK. 50 Thousands has been categorized as Primary Loan and above Tk. 50 thousands has been classified as Special Loan. The main rationale of this segmentation was reducing unnecessary hazard of credit program and gear up activities for better productivity. The organization took new strategies for consolidating its field level structure as well as to avoid needless cost and to the best use of manpower during the period.

ASA initiated a Primary Education Strengthening Program for the students of poor families from February 2011. The main objective of the program is to reduce the number of drop out through facilitating quality education for the ward of underprivileged families and increase student's enrollment rate at primary schools.

Products

ASA's philosophy as an MFI is to provide small and medium size loan to the poor and low income earning people with soft and friendly obligations so that they can use such loans in various income generating activities which would integrate them in the mainstream economic processes 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 manifold socio-economic opportunities and markets.

ASA has been categorized its products in two segments in 2011. The products are primary loan and special loan. The main rationale of this categorized was to reduce unnecessary hazard of loan program and speed up productivity of the organization.

Primary loan: Loan amount up to 50 thousands taka is considered as primary loan according to the latest categorized. 27% declining interest rate will be effective for this loan from 1st July 2011.

Special loan: Loan amount above 50 thousands taka has been considered as special loan from the new classification. Also 27% declining interest rate will be effective for this loan from 1st July 2011.

ASA's associate organization HP has opened four Health Centers in the backward areas of the country in February and March 2011. HP Health Centers have been providing quality medical services to the poor of the localities. The health centres are also involve on awareness creation about maternity, child care, family planning and cleanliness in daily life. Necessary and emergency medicines are being sold from the centers at price discount. HP will commence more programs in health and sanitation soon.

ASA's technical assistance (TA) program is going on for the development and spreading of micro credit activities. A notable number of officials of ASA are working in various countries of Asia, Africa and Latin America in the corresponding period. On the other hand, a large number visitor from around the world visited ASA during this time to learn its innovative and sustainable model. The visitors included teachers and students of reputed universities of Europe and USA, researchers, microcredit practitioners, NGO delegates and many others.

Financial Services

SAVINGS

ASA provides services on flexible and accessible savings products which work as cushion for the poor to absorb any economic shocks. Without savings many poor live a rather precarious life. Even a minor emergency can send these people to extreme poverty or financial ruin. So the members of ASA save money on a regular basis. With this view in mind that only danger could be faced in need.

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

SECURITY FUND/MINI INSURANCE

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

Technical Assistance

ASA engaged its microfinance experts to develop and expand microcredit activities throughout the world during the last two decades. Over the years, ASA model has been replicated in Asia, Africa and Latin America rapidly for its unique feature and specialties in poverty alleviation. Besides, ASA was recognized internationally as a best managed and sustainable MFI of the world. ASA's innovative policy led the organization attaining this grand success. For these accomplishments more and more countries have adopted ASA model to combat poverty with full enthusiasm. At present a large number of ASA officials are staying in different countries of Asia and Africa for this purpose.

The experts are providing technical assistance (TA) to replicate ASA microfinance model in India, Pakistan, Afghanistan, Sri Lanka, The Philippines, Cambodia, Mexico, Ghana and Nigeria. Between January to June 2011 period 20 officials of ASA went to these countries in this regard.

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 their savings amount with interest on maturity. During the first half of 2011, ASA paid Tk. 18.16 million as claim to the families of 4,381 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 receive three times of their total deposits.

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.

Hope for the Poorest (HP)

Hope for the poorest (HP) a sister concern of ASA has inaugurated four health centres in the different backward areas of the country during the first half of 2011. The health centres are Aruail health centre at Sarail upazila, Brahmanbaria, Nakaihat health centre at Gavindaganj upazila, Gaibandha, Shamnagar Health Centre at Satkhira and Sarankhola Health Centre at Bagerhat district. Poor patients of the localities are getting quality health services from those HP centres at a token price. HP health centres are working to create awareness among the pregnant women about maternity period, child care, family planning and cleanliness in daily life. Some necessary diagnosis and tests are being done and the necessary medicines and drugs are being sold at 10% - 15% cheaper price from the centres than the open market.



A poor patient is being treated at HP health centre seen in the above picture

Exposure & Internship Program

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 visiting ASA 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 American universities visits ASA each year as these universities have adopted microfinance study in their curriculum considering its importance in poverty alleviation. It is an academic recognition for microfinance as well for ASA. During the year 2011, 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, B.Pharm., Applied Sociology and BBA. The post graduations (2 years) are LLM, MA in English, Master of Public Health, 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 6,000 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.



FINANCIAL ANALYSIS

Financial Statistics

(Amount in BD Taka)

Particulars	June'11	2010	2009	2008
Information				
No. of branches	3,177	3,194	3,236	3,303
Total no. of groups	300,516	273,317	271,059	271,976
No. of members (in million)	5.10	5.66	5.50	7.28
No. of active borrowers (in million)	4.52	4.47	4.00	5.88
No. of loan officers (end of year)	12043	12,498	13,266	14,266
Average no. of members per LO	423	453	407	504
Avg. no. of borrowers per LO	376	357	302	412
Avg. no. of members per branch	1,604	1,771	1,699	2,177
Loan portfolio				
Yearly total loan disbursed (in million)	44,835	68,486	61,495	61,108
No. of loans disbursed (in million)	2.67	4.83	5.04	6.73
Average loan size	16,796	14,183	12,203	9,039
Total loan outstanding (in million)	45,057	37,525	31,323	32,022
Current	44,370	36,758	30,195	31,222
Overdue (past due)	687	767	1,128	800
Avg. outstanding balance by clients	9,963	8,400	7,830	5,193
Portfolio per Loan Officer (in million)	3.74	3.00	2.36	2.24
Portfolio per staff (in million)	2.00	1.67	1.30	1.24
Total amount written off (in million)	159	343.41	306.39	146.84
Total loan loss reserve (in million)	1086	1,209	1,089	1,092
Savings				
Total savings (in million)	11,978	10,553	8,145	6,433

Note: 2011 figures are provisional

FINANCIAL ANALYSIS

Financial Statistics

(Amount in BD Taka)

Particulars	June'11	2010	2009	2008
Productivity/quantitative indicator				
Cost per money lent	0.045	0.066	0.068	0.069
Cost per loan made	759	935	839	632
Portfolio in arrears	1.53%	2.04%	3.60%	2.50%
Portfolio at risk	3.43%	2.55%	4.67%	5.00%
Loan loss ratio	0.35%	0.91%	0.97%	0.45%
Reserve ratio	2.41%	3.22%	3.86%	3.41%
Effective yield on avg. portfolio (Annualized)	25.10%	25.79%	22.72%	24.35%
Effective yield on avg. assets (Annualized)	20.36%	20.13%	19.66%	23.38%
ROE (Adjusted Return on Equity)	6.36%	5.49%	3.57%	3.80%
ROA (Adjusted Return on Assets)	3.52%	2.98%	1.94%	2.29%
Operating self-sufficiency (OSS)	182.48%	176.20%	140.27%	136.75%
Financial self-sufficiency (FSS)	118.32%	115.56%	110.63%	110.40%
Total expenses/Total average assets (Annualized)	19.16%	19.17%	18.24%	22.44%
Financial cost/Total average assets	1.85%	1.58%	1.68%	2.09%
Adjustment cost/Total average assets (Annualized)	6.74%	6.60%	3.85%	4.32%
Loan loss cost/Total average assets (Annualized)	0.78%	0.78%	1.15%	1.59%
Operating cost/Total average assets (Annualized)	9.82%	10.22%	11.56%	14.41%
Total equity (own fund)/assets	58.38%	59.14%	57.28%	63.79%
Total equity (own fund)/liability	145.96%	134.20%	130.60%	130.66%
USD1= Taka	74.10	70.75	68.45	68.50

ASA AT A GLANCE

Up to June 2011

(Amount in BD Taka)

1. Year of Starting the Microcredit Program			1992
2. Total number of Branch Offices			3,177
3. Total number of Staff			21,795
4. Total number of Upazila / Thanas (sub-districts)			511
5. Total number of Districts			64
6. Total number of active Groups (Function as a collection center)			300,516
7. Total number of Active Members	Primary	4,953,035	
	Special	141,253	
	Solar	2,968	5,097,256
8. Total number of longterm savings A/C			1,461,694
9. Savings (end balance)	Primary	6,590,136,383	
	Special	746,564,816	
	LTS	4,601,010,656	11,937,711,855
10. Total number of Security Fund (Policy holders)			5,073,105
11. Security Fund (Taka in Million) (end balance)			4,014,150,196
12. Total number of active borrowers (end of the month)	Primary	4,378,070	
	Special	141,253	
	Solar	2,968	4,522,291
13. Loan outstanding (Taka in Million)			51,423,157,513
	Disbursed (cumulative) Taka	516,932,693,018	
	Realized (cumulative) Taka	465,509,535,505	
14. Rate of Recovery (cumulative)			99.83 %
15. Operational Self-Sufficiency (OSS) June'11			182.48 %
16. Financial Self-Sufficiency (FSS) June'11			118.32 %

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