

ASA



A Brief Report on 2012

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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.

Core Values

Innovative and non-conventional management for achieving cost-effectiveness and sustainability

Overview 2012

2012 had been a very significant year for ASA as the organization obtained international recognition once more as one of the 100 best NGOs of the world by the prestigious Switzerland-based magazine "The Global Journal". By this recognition, ASA added a feather in its cap upholding the country's image in the international arena. Besides, during the year, the organization initiated a number of philanthropic programs for the wellbeing of the poor and the underprivileged.

Microfinance, the core program of ASA maintained its growth in 2012, despite global economic depression and lackluster trends prevailing in the country's economy and development. ASA disbursed about Tk. 95,576 million (USD 1.2 billion) among its five million members during the year marking an enhancement of Tk. 888 crore (USD 112 million) than previous year's disbursement. The repayment rate of loan program had been a steady figure of above 99 percent.

The new programs introduced in 2012 included: Raising awareness on some common but crucial health issues among the group members who were mainly poor and illiterate; Providing Physiotherapy and Yoga treatment to the traumatized patients especially those living on hard labor. Employees involved in credit program steered motivation of group members to change their habits and lifestyle to prevent infectious and communicable diseases. No additional cost was needed to run the program because regular staff of ASA as a part of group motivation implemented the program alongside their normal duties. The Physiotherapy and Yoga treatment, a demand driven program was initiated on a pilot basis during the year.

Hope for the Poorest (HP), an associated organization of ASA, extended its Primary Healthcare and Water, Sanitation and Hygiene (WASH) programs to more backward regions in 2012. Three new Primary Healthcare centres were opened in remote areas of Jamalpur, Netrokona and Kishoreganj districts. WASH program implementation attained considerable progress in two coastal towns of Satkhira and Bagerhat with consequent improvement in the water supply, sanitation and hygiene condition of the poor and slums dwellers during the period.

As a pro-poor organization with innovative work culture ASA will continue to pursue its mission and vision to implement programs and deliver services for helping the poor and the downtrodden. We express once again our firm commitment for fresh initiatives and efforts aiming at reducing poverty and improving socio-economic condition in the coming years.

ASA Financial Services

Loan Product

ASA as a pro-poor and welfare oriented organization modified its programs and activities in response to the demand of time and stakeholders offering small and medium size loan to the poor and low income people on soft and flexible terms. Borrowers can use these loans in various income generating activities which would help them to become self-reliant enabling to integrate in the mainstream economic processes. These supports reduce their poverty providing access to manifold socio-economic opportunities. At present ASA is offering Primary and Special loan under its financial service.

Primary loan:

Loan amounting up to 50 thousand taka is considered as primary loan according to the latest categorization. 27% is charged for this loan as the maximum rate of interest as determined on declining balance method.

Special loan:

Loan amounting above 50 thousand taka is considered as special loan as per the new categorization. 27% interest rate is also being charged for this loan.

ASA disbursed about Tk. 95,576 million under the two categories of loan among its five million members during 2012.

Savings Product

Considering the future uncertainty of the clients, ASA has been providing flexible and accessible saving products which work as the cushion for the poor to absorb any economic shocks. Without savings many borrowers are exposed to uncertainties of life. Even a minor emergency can drive these people to extreme poverty or financial ruin. So the members of ASA are encouraged to save money on a regular basis.

By offering safe and secured savings, ASA clients are not compelled to sell essential assets during their crisis times, but can simply withdraw accumulated savings and use them to meet acute needs. ASA also provides interest to the voluntary, mandatory and long term savings services at a competitive market rate to its clients. During 2012 total amount of savings deposit was BDT 12,159 million and return & withdrawal were BDT 9,051 million.

Insurance Services

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

Mini Life Insurance

Loan account holders of weekly repayment category deposit Tk.10 on weekly basis as savings for insurance. On the other hand loan account holders of monthly repayment category deposit Tk.50 per months as premium. Inheritors receive 6 (six) times of the total deposit if a member dies. Otherwise, the depositors get refund of their savings amount with interest on maturity. During the year 2012, ASA paid Tk. 38 million as claim to the families of 7,817 deceased members.

Loan Insurance

ASA charges a premium of Tk. 10 per 1,000 (one thousand) taka for primary loan and Tk. 5 per 1,000 (one thousand) for special 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 2012, ASA paid Tk. 228 million as claim to the families of 23,658 deceased members.

ASA Remittance Service

ASA has been rendering foreign remittance service since 2008 with the collaboration of National Bank Ltd. and Western Union to provide better, faster and safer money transfer to the doorsteps of the relatives of expatriate Bangladeshis. The organization extended the remittance service coverage to its 1700 branches up to December 2012. The service channeled Tk. 764 crore to the beneficiaries across the country during 2012.



Primary Education Strengthening Program (PESP)

Primary Education Strengthening Program (PESP) of ASA played a significant role in improving quality of education of the children of poor families leveraging enrollment and retention at primary schools in 2012. The program is focusing less privileged students of the society with guardians lacking affluence to provide their kids with additional tuition support. As most of the poor parents are not literate and adequately conscious about learning aptitude they can hardly assist their children in coping and overcoming regular study and homework related problems in schools.

Under such a reality over 23 thousand students out of which 12 thousand girls and 11 thousand boys were provided with supplementary education under the Primary Education Strengthening Program of ASA through 876 learning centres throughout the country in 2012. Each centre has a teacher to assist about 25-30 students in learning.

In a brief impact assessment study it was revealed that students receiving tuition from the ASA learning centers had significant improvement in their studies and attendance in classes. Guardians of the students in the learning evaluation meetings praised the program for enhancing learning interest of their kids.

Plan has been made to assist 50 thousand students under this program in 2013. It requires 975 new learning centres throughout the country equipped with equal number of teachers.



Health Awareness Program

Health Awareness Program (AWP) of ASA has been developing consciousness among its group members and clients for healthy habits and pursuing hygienic habits in daily-life. ASA started the Health Awareness Program in January 2012 with an aim to sensitize the people who are illiterate and unaware of maintaining good health. Considering the problem as a big threat to public health ASA designs its health awareness program to educate the illiterate people specially women with basic health tips. The theme of the discussion in weekly meetings covers water borne, communicable and common diseases, by which people are generally infected as well as ways to prevent them.

ASA employees responsible for implementing microfinance program are given additional duties to raise awareness among its members and clients. The discussion emphasizes using safe water, personal cleanliness, care of pregnant mother, diarrhoea and its prevention, tuberculosis and its prevention and remedies, sanitation and hygiene, cleanliness of households and protecting food safety with adequate cover, prevention of arsenic contamination, etc.

A massive campaign is regularly being conducted on the above mentioned issues under about 3,000 branches of ASA. An estimated one million people were provided with relevant health information in 2012. Steps have been taken to intensify Health Awareness Program to cover common citizens of the country along with ASA members.



Associated Organization

ASA University Bangladesh

The mission of ASA University Bangladesh is to provide access to higher education opportunities that enable students to develop knowledge and skills necessary to achieve their professional goals, improve productivity of their organizations, and provide leadership and service to their communities. The missionary zeal of the university for its educational program has enabled it to receive two international awards-the ESQR Award of Italy and World Commitment Award of Fance in 2012 for its contribution in quality research and education.

With due accountability and transparency throughout the entire teaching learning process, ASA University Bangladesh is committed to pursue the trend of continuous improvement. It gives priority to the needs of coming generation of students, who are different from those of earlier generation. As a university, its role is to explore how best to serve the growing contingent of talented, hard working people who want to excel themselves and build a tradition of excellence for tomorrow's leadership.

The University admits students in three different semesters in a year providing them an opportunity to join suitable programs at their convenience.

At present, about 4,000 students are enrolled. Following programs are offered under four faculties:

Faculty of Business Administration-
BBA, MBA (Regular & Executive);

Faculty of Science & Engineering-
MPH, B. Pharm;

Faculty of Arts and Social Science-
BA (Hons) in English, MA in
English, BSS in Applied Sociology;
and

Faculty of Law-
LLB (Hons), LL.M.



Hope for the Poorest (HP)

In 2012 HP extended its service to the remote areas of Bangladesh. Primary Healthcare Program of the organization was initiated in three districts of the country in September 2012. These are Jamalpur, Netrokona and Kishoreganj. A total of 7 Primary Healthcare centres of HP provided services to about 10 thousand patients during the year. Besides, necessary medicines were supplied for the patients at subsidized prices from these HP healthcare centres.

Elderly people and children are predominant among the HP's healthcare service receivers. Some diagnostic test facilities including diabetic test, pregnancy test are available in the centres at an affordable cost. Cares of pregnant mothers and children have been given topmost priority under primary healthcare service. The WASH (Water, Sanitation and Hygiene) program of HP also attained a considerable progress in two coastal municipalities at Satkhira and Bagerhat in 2012. Under this program new toilets were constructed and some old toilets renovated for use in different primary schools and slums.

To create awareness on healthy habits and hygiene practices among students and adolescents series of awareness raising sessions were conducted as part of this program. In addition, Community Based Organizations (CBOs) were formed with the participation of men, women and adolescent boys and girls living in slums to raise voice for asserting their rights. Meetings were held with participation from the local govt. representatives, administration, elite for making the program more effective.

Moreover, promoting sustainable WASH technology with soft loans to the local entrepreneurs was started as a part the program. The WASH program has a target for improving water, sanitation and hygiene facilities meant for about 50 thousand people during its five-year tenure.



Financial Analysis

Financial Statistics

Particulars	2012	2011	2010	2009
Information				
No. of branches	3,025	3,154	3,194	3,236
Total no. of groups	205,713	271,697	273,317	271,059
No. of members (in million)	4.74	4.94	5.66	5.50
No. of active borrowers (in million)	4.18	4.36	4.47	4.00
No. of loan officers (end of year)	11,810	11,897	12,498	13,266
Average no. of members per LO	401	410	453	407
Avg. no. of borrowers per LO	354	362	357	302
Avg. no. of members per branch	1,565	1,565	1,771	1,699
Loan portfolio				
Yearly total loan disbursed (in million)	95,576	86,702	68,486	61,495
No. of loans disbursed (in million)	4.54	4.64	4.83	5.04
Average loan size	21,052	18,675	14,183	12,203
Total loan outstanding (in million)	50,903	47,414	37,547	31,323
Current	49,873	46,716	36,780	30,195
Overdue (past due)	1,030	698	767	1,128
Avg. outstanding balance by clients	12,173	10,877	8,404	7,830
Portfolio per Loan Officer (in million)	4.31	3.99	3.00	2.36
Portfolio per staff (in million)	2.42	2.22	1.67	1.30
Total amount written off (in million)	240	329	343	306
Total loan loss reserve (in million)	1,338	1,146	1,048	1,089
Savings				
Total savings (in million)	16,636	13,378	10,551	8,145

Note: 2012 figures are provisional, Financial analysis based on 2012 provisional financing report.

*Amount in BD Taka

Financial Analysis

Financial Statistics

Particulars	2012	2011	2010	2009
Productivity/quantitative indicator				
Cost per money lent	0.059	0.054	0.066	0.068
Cost per loan made	1,256	1,076	938	839
Portfolio in arrears	2.02%	1.47%	2.04%	3.60%
Portfolio at risk	2.64%	2.28%	2.55%	4.67%
Loan loss ratio	0.47%	0.69%	0.91%	0.97%
Reserve ratio	2.63%	2.41%	2.79%	3.86%
Effective yield on avg. portfolio (Annualized)	30.57%	28.65%	25.84%	22.72%
Effective yield on avg. assets (Annualized)	24.20%	24.40%	20.06%	19.66%
ROE (Adjusted Return on Equity)	12.12%	9.42%	6.74%	3.57%
ROA (Adjusted Return on Assets)	7.23%	5.52%	3.67%	1.94%
Operating self-sufficiency (OSS)	214.88%	188.40%	184.02%	140.27%
Financial self-sufficiency (FSS)	136.56%	125.84%	119.48%	110.63%
Total expenses/Total average assets (Annualized)	19.78%	21.34%	18.83%	18.24%
Financial cost/Total average assets	2.69%	4.00%	1.62%	1.68%
Adjustment cost/Total average assets (Annualized)	7.21%	7.09%	6.60%	3.85%
Loan loss cost/Total average assets (Annualized)	0.70%	0.85%	0.41%	1.15%
Operating cost/Total average assets (Annualized)	9.18%	9.40%	10.19%	11.56%
Total equity (own fund)/assets	55.66%	64.09%	59.55%	57.28%
Total equity (own fund)/liability	151.83%	135.90%	132.71%	130.60%
USD1= Taka	79.58	80.22	70.75	68.45

*Amount in BD Taka

ASA

At a Glance

Up to December 2012

1	Year of establishment				1978
2	Total number of branch offices				3,025
3	Total number of villages				65,885
4	Total number of Upazila / Thana				511
5	Total number of districts (All districts in Bangladesh)				64
6	Total number of active groups (Function as a collection centre)				205,713
7	Total number of active members (end of the month)	: Primary	95.55%	4,524,757	4,735,545
		: Special	4.45%	210,788	
8	Number of longterm savings A/C (54.87 % on active borrowers)				2,294,341
9	Savings (end balance)	: Primary	48.05%	7,998	16,635
		: Special	7.57%	1,258	
		: LTS	44.39%	7,379	
10	Total number of security fund policy holders				4,701,946
11	Security fund (end balance)				4,360
12	Total number of active borrowers (end of the month)	: Primary	95.22%	3,981,705	4,181,690
		: Special	4.77%	199,309	
		: Solar	0.02%	676	
13	Loan outstanding (with service charge)	: Taka			55,832
	Disbursed (cumulative)	Taka	675,762		
	Realized (cumulative)	Taka	619,930		
14	Loan outstanding (principal)	:			50,903
15	Rate of recovery				99.65%
16	PAR over 30 days				2.91%
17	Total number of staff	:			20,969

*Amount in BD Taka * Taka in million

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