

A glimpse of **ASA** (Grant-free organization) in 2013

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.



The year 2013 was not a pleasant period for the domain of small business and economy of the country for political unrest. A turmoil situation prevailed almost round the year. Small traders, vendors and the enterprises of small and medium scale faced troubles as their sales and productions reduced drastically due to volatile situation of 2013. Our microfinance program also was affected as our clients are mostly poor and low income people. And they became soft target with acute vulnerability as a result of political volatility.

During the period we were monitoring carefully the consequences brought in for the clients as well as impacts produced on our programs. To cope with the situation we initiated some reforms in management and field administration of ASA. Despite those barriers our microfinance program could arrange to disburse Tk. 100 billion (USD 1.25 billion) to the borrowers during this period accompanied by an appreciable recovery rate of about 99%.

In 2013, the Non-financial programs of ASA successfully extended respective outreaches to many remote and hard to

reach localities of the country. The Health Awareness Program was implemented for building health consciousness throughout the year among five million people majority of whom were women and illiterate individuals. Under the program a health topic was discussed in six days of a week in each month that emphasized the need for maintaining good health and means for preventing communicable diseases.

ASA offers primary healthcare service to the poor living in the remote areas through opening a number of primary healthcare centers across the country.

Primary Education Strengthening Program was expanded to 58 districts with new 1900 learning centers during 2013. About 50 thousand students of primary level from poor households were provided supplementary education support in the program.

In addition, the sister organizations Hope for the Poorest (HP) and ASA University Bangladesh (ASAUB) achieved considerable progress in their respective functional domain during the year.



Microfinance program

Microfinance program of ASA provides small, medium size loans and other financial products like insurance and savings. These are facilities for self-empowerment to the unbankable poor majority of whom are women to start or expand their businesses often leading to increased income, better nutrition, healthcare, housing and education opportunities for them and their families.

Moreover, savings, insurance and other nonfinancial services of ASA enhance capacity of the poor and protect them from economic shocks. ASA supports help them to reverse their fortunes in a single generation.

The biggest challenge of microfinance program is to respond effectively and timely to meet demand of borrowers

for enjoying maximum benefit out of it. Considering the importance of diverse local need, ASA has been constantly trying to develop user friendly financial products for the target groups so that they can use these according to their ways and expectations.

At present ASA loan products have been segmented in two categories: Primary loan and Special loan. Loan amounting up to Tk. 50 thousand is considered as Primary loan and loan above Tk. 50 thousand is Special loan. In 2013, over 96 percent clients of ASA were primary loan borrowers and the rest enjoyed the special loan. At the end of the year recovery rate of loan program was over 99 percent.

*5 million
people are
getting benefits
from ASA
microfinance,
of them 97%
are women.*



Savings product

ASA offers flexible and accessible saving products to its clients to provide security from the unexpected economic shocks or disasters.

Economic uncertainty haunts the poor posing a big hurdle in the way of getting deeply engaged in income generating activities for attaining self-reliance. And it's also an obligation for the MFIs to support their clients during these challenges.

ASA gives highest priority for assisting its borrowers and encourages them for saving money regularly from their usual income.

With the compost of their savings, clients of ASA are not compelled to sell their essential assets during emergency period, but simply withdraw accumulated savings and use them to meet crying needs.

The organization provides voluntary, mandatory and long term savings services at competitive market rate to the clients. A total amount of saving deposit was BDT 15,061 million while withdrawal along with return was BDT 9,888 million during 2013.



Insurance like Service

ASA provides two types of insurance like facilities to its clients. These are: Capital Savings Fund and Loan Insurance. These services are meant for supporting the borrowers or their family member when they fall in sudden serious financial problem following normal or accidental death of borrowers or their spouses.

Capital Savings Fund (CSF): Its objective is to provide security through financial assistance to the family on normal or accidental death of the group member. Borrowers of ASA with weekly payment category deposit Tk. 10 on weekly basis for this insurance. Monthly repayment category clients deposit Tk. 50 per month as premium for the insurance. Successors of the policy holder will get two times of the deposited amount on his/her death.

Otherwise, the deposited amount will be refunded to the borrowers with due interest on maturity. During 2013, the organization provided the families of 6,804 deceased clients with Tk. 28.71 million as CSF benefit.

Loan Insurance: It aims to cover death risk of borrowers and their spouses. Under this program Tk.7 for female and Tk.3 for male borrowers are being charged per one thousand taka for the primary loan and for the special loan Tk.3 is charged from each borrower against disbursed loan amount of one thousand taka as premium. If a borrower dies with outstanding loan then it is adjusted or written off as a benefit of the insurance. This releases the successors of the deceased member from the liabilities of unrealized loan.

Health Insurance like Support Service: ASA provides small amount of grant to the borrowers across the country to help them in meeting treatment cost. The organization also provides big amount such as Tk. 50,000 or more as grant to its clients who suffer from fatal diseases that are potentially threatening for their lives. In this regard ASA allocates to each branch to meet local requirement in the form of an annual budget. For availing the support borrowers do not require any premium or service charge.



Remittance service

In recent years, foreign remittance has become a formidable input for revitalizing Bangladesh economy. The rural economy of the country gets a boost because of pumping in huge foreign currencies by the wage earners mostly workers to their relatives living in rural areas of Bangladesh.

For lack of reliability many expatriates are reluctant to send their hard-earned money through the usual banking channel. Instead, they tend to use Hundi or other informal/unallthorised channels. For this reason, Bangladesh is deprived of a huge amount of valuable foreign currencies each year. On the other hand, relatives of foreign wage-earners face difficulties to receive

remitted money safely.

Under this reality, ASA initiated foreign remittance service in 2008 with a mission for offering a safer and faster money transfer service to the families of Bangladeshi expatriates. ASA has a collaboration with National Bank Ltd. and Western Union Money Transfer for quick channeling of remittance from different countries.

So far ASA equipped its 1700 branches mostly located in rural areas with necessary facilities for quick and secured transfer of foreign remittance. During 2013, ASA Remittance Service channeled an amount of Tk. 7078 million throughout the country.



Primary Education Strengthening Program

Changing society through education

ASA envisions a society of equal opportunity for all. For transforming this vision into reality ASA has designed an education program to deliver quality education to students of poor households. Primary Education Strengthening Program of ASA has been extending support to these households so that their wards could be educated like those of the privileged ones. The program has been assisting the students in coping with studies that results in reducing drop-out in primary school.

Under this program, pre-primary, grade 1 and grade 2 students that are children of marginalized families are provided with supplementary

tuition. This service is very useful for the targeted students as their parents are mostly not as accomplished and educated as to assist them in preparing homework and daily lessons.

During 2013, PESP supported 50 thousand underprivileged learners through 1800 learning centers across the country. Each PESP learning centre with a mentor conducts a two-hour class at a convenient time in six days of a week. A plan has been prepared to bring in additional 60 thousand students under this program in 2014 by opening 2400 more learning centers throughout Bangladesh.

Non-financial Services from own resource

The non-financial services of ASA got a remarkable extension during 2013. Primary Education Strengthening Program (PESP), Health Program and Health Awareness Program (HAP) had extended outreach to cover more localities mostly inhabited by the poor and the underprivileged. And the number of beneficiaries of these services increased considerably during this year.

Health Awareness Program

Making people health-conscious

Repeated ailment and ill-health are the dominating problems for the poor and less-privileged people causing a serious hinderance to their working ability. Lack of proper knowledge and information prevent many people of poor and illiterate households to take adequate measures against common diseases. This hampers their life as well as earning. Additionally recurrent illness pushes them into chronic sickness that ends up in everlasting ill-health. Health problem of the poor is considered as a major challenge for poverty alleviation and achieving self-reliance throughout the world.

The condition of public health in Bangladesh is not different from the above prevailing scenario ASA

having a pledge for a poverty-free society pursues a consciousness raising program with the aim of reducing health hazard and keeping good health among its clients who are dominantly bracketed in low income and uneducated segment of the society. Health Awareness Program of ASA adopts measures to provide basic knowledge to the people about general and communicable diseases, keeping households aware of nutritious food, maintaining personal cleanliness, taking care of pregnant mother and kids etc.

During 2013, this program provided service to 4.8 million members motivating them with essential health awareness enhancing measures for maintaining good health.



Physiotherapy Program

It is evident that a huge number of people in Bangladesh lose their working ability fully or partly before reaching middle age. The main causes of the problem are malnutrition, lack of quality food intake, excess physical labour and hard work etc. As treatment facilities of physiotherapy are inadequate and costly in the country, the poor are normally unable to afford the service. In consequence, they often fall into permanent illness.

These ailing people are becoming the burden to their families and

they can't get out of poverty trap. Considering the plight of the low-income people, ASA initiated Physiotherapy Program for extending the service to the poor patients' doorstep through arranging physiotherapy camps on regular basis.

During 2013, about one thousand patients, of whom two-third were women, had been provided with physiotherapy service in different backward areas of the country. Diseases treated in physiotherapy camps are arthritis, back pain, neck pain, rheumatoid arthritis etc.



Organizing Eye Treatment Camp

Providing sight to the sightless

Presently, Bangladesh has a large number of blind people. Various health complications and malnutrition cause many people to suffer from eye-sight related complications turning many of them to fall into permanent blindness each year. A considerable number of them may get back their eye sight through proper treatment and care. But eye treatment facilities are neither available nor cheap for these ill-fated patients for which they can't get rid of scourge of blindness.

This unpleasant side of our public health should not be allowed further in adding extra burden to

the socio-economic life of the people. Considering the severity of this problem ASA and its sister concern HP arranged in the last couple of years eye treatment camps in remote areas.

In 2013, ASA and HP arranged two eye camps at Chunarughat of Habiganj and Aruail of Bramhmanbaria where 4000 eye patients were provided with treatment facilities including cataract surgeries.



Hope for the Poorest (HP)

Caring for the uncared

With a motto of “Caring for the uncared” HP has increased its service delivery to many locality where the inhabitants are truly left uncared by the relevant authority. Places that are vulnerable to natural disasters such as flooding, river erosion, salinity etc deserve adequate support and attention for protecting poor households.

People of those areas normally reside in an unhygienic living condition without minimum healthcare, pure drinking water, and sanitation facilities. HP has arranged to serve some of those localities with healthcare and WASH facilities in 2013. HP opened four new Primary Health-

care Centers in the remote localities. About 13,000 patients are offered healthcare services through eleven Primary Healthcare centers during 2013.

Water, Sanitation and Hygiene program of HP offers various WASH facilities to slum dwellers of Bagerhat and Satkhira towns. About fifty thousand slum dwellers of the two municipalities are benefited from the WASH program.

Besides, the organization arranged eye treatment camps and immunization camps for the children across the country during 2013.



ASA International

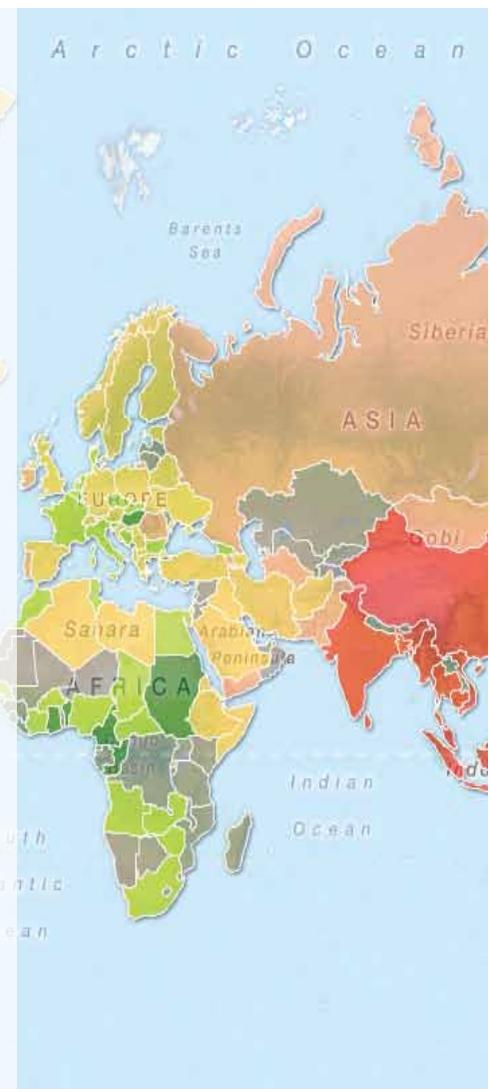
A commitment for social transformation

ASA International was incorporated on 6 April 2007 with a view to establishing green-field microfinance institutions (MFIs) in the underserved countries in Asia and Africa. The mission of ASA International is to provide financial services: credit, savings and insurance etc, to low-income households enabling them with a means to escape poverty.

ASA International is a holding company that finances, and invests, directly and indirectly, in MFIs for providing affordable financial services to low income individuals. ASA, Bangladesh manages the company registered in Mauritius by providing experts, supervision and monitoring in its day to day activities. ASA International strongly believes that sustainable and profitable business models can be created by focusing

on the very poor making it functional in challenging operating environments. ASA International has been operating on a highly efficient and scalable model of microfinance. Ultimately, the growth of these MFIs are likely to generate better access to microfinance for low-income customers and bringing in greater efficiency and competition in the sector and thereby reducing the cost of financial services substantially.

ASA International established microfinance operation in the Philippines, India, Pakistan, Sri Lanka, Nigeria, Ghana, Kenya and Uganda. It is also going to start operation in Myanmar and Tanzania by 2014. During 2013, the company extended its services to 6,29,056 clients of those countries through 626 branches manned by 3,888 staff.



Financial Attainment in key figures

| Particulars | 2013 | 2012 | 2011 | 2010 |
|--|---------|---------|---------|---------|
| General Information | | | | |
| No. of branches | 2,933 | 3,025 | 3,154 | 3,194 |
| Total no. of groups | 227,919 | 205,713 | 271,697 | 273,317 |
| No. of members (in million) | 4.86 | 4.74 | 4.94 | 5.66 |
| No. of active borrowers (in million) | 4.34 | 4.18 | 4.36 | 4.47 |
| No. of loan officers (end of year) | 11,088 | 11,810 | 11,897 | 12,498 |
| Average no. of members per LO | 438 | 401 | 410 | 453 |
| Avg. no. of borrowers per LO | 351 | 354 | 362 | 357 |
| Avg. no. of members per branch | 1,657 | 1,565 | 1,565 | 1,771 |
| Loan portfolio | | | | |
| Yearly total loan disbursed (Tk. in million) | 99,964 | 95,576 | 86,702 | 68,486 |
| No. of loans disbursed (Tk. in million) | 4.69 | 4.54 | 4.64 | 4.83 |
| Average loan size | 21,325 | 21,052 | 18,675 | 14,183 |
| Total loan outstanding (Tk. in million) | 54,075 | 50,903 | 47,414 | 37,547 |
| Current | 52,666 | 49,873 | 46,716 | 36,780 |
| Overdue (past due) | 1,409 | 1,030 | 698 | 767 |
| Avg. outstanding balance by clients | 12,460 | 12,173 | 10,877 | 8,404 |
| Portfolio per Loan Officer (Tk. in million) | 4.88 | 4.31 | 3.99 | 3.00 |
| Portfolio per staff (Tk. in million) | 2.67 | 2.42 | 2.22 | 1.67 |
| Total amount written off (Tk. in million) | 277 | 240 | 329 | 343 |
| Total loan loss reserve (Tk. in million) | 1,729 | 1,338 | 1,146 | 1,048 |
| Savings | | | | |
| Total savings (Tk. in million) (Excluding CBS) | 21,809 | 16,636 | 13,378 | 10,551 |

Note: Financial analysis is based on provisional financing report of 2013.

Financial Attainment in key figures

| Particulars | 2013 | 2012 | 2011 | 2010 |
|---|---------|---------|---------|---------|
| Productivity/quantitative indicators | | | | |
| Cost per money lent | 0.057 | 0.059 | 0.054 | 0.066 |
| Cost per loan made | 1,225 | 1,256 | 1,076 | 938 |
| Portfolio in arrears | 2.61% | 2.02% | 1.47% | 2.04% |
| Portfolio at risk | 3.67% | 2.64% | 2.28% | 2.55% |
| Loan loss ratio | 0.51% | 0.47% | 0.69% | 0.91% |
| Reserve ratio | 3.20% | 2.63% | 2.41% | 2.79% |
| Effective yield on avg. portfolio (Annualized) | 27.20% | 30.57% | 28.65% | 25.84% |
| Effective yield on avg. assets (Annualized) | 16.59% | 24.20% | 24.40% | 20.06% |
| ROE (Adjusted Return on Equity) | 19.04% | 12.12% | 9.42% | 6.74% |
| ROA (Adjusted Return on Assets) | 10.04% | 7.23% | 5.52% | 3.67% |
| Operating self-sufficiency (OSS) | 202.72% | 214.88% | 188.40% | 184.02% |
| Financial self-sufficiency (FSS) | 127.03% | 136.56% | 125.84% | 119.48% |
| Total expenses/Total average assets (Annualized) | 10.58% | 19.78% | 21.34% | 18.83% |
| Financial cost/Total average assets | 2.39% | 2.69% | 4.00% | 1.62% |
| Adjustment cost/Total average assets (Annualized) | 5.74% | 7.21% | 7.09% | 6.60% |
| Loan loss cost/Total average assets (Annualized) | 0.87% | 0.70% | 0.85% | 0.41% |
| Operating cost/Total average assets (Annualized) | 7.22% | 9.18% | 9.40% | 10.19% |
| Total equity (own fund)/assets | 57.08% | 55.66% | 64.09% | 59.55% |
| Total equity (own fund)/liability | 167.12% | 151.83% | 135.90% | 132.71% |
| USD1 = Taka | 77.68 | 79.58 | 80.22 | 70.75 |

*Amount in BD Taka

A glimpse of ASA in 2013

ASA
At a Glance
Up to December 2013

| | | | | |
|----|---|-----------|-----------------|-----------|
| 1 | Year of establishment | | | 1978 |
| 2 | Starting of microfinance program | | | 1991 |
| 3 | Total number of branch offices | | | 2,933 |
| 4 | Total number of villages | | | 63,881 |
| 5 | Total number of Upazila / Thana | | | 511 |
| 6 | Total number of districts (All districts in Bangladesh) | | | 64 |
| 7 | Total number of active groups (Function as a collection centre) | | | 227,919 |
| 8 | Total number of active members | : Primary | 96.42% | 4,685,857 |
| | | : Special | 3.58% | 173,731 |
| | | | | 4,859,588 |
| 9 | Number of longterm savings A/C (74.48 % on active borrowers) | | | 3,232,221 |
| 10 | Total number of Capital Buildup Savings Account | | | 4,835,413 |
| 11 | Savings (end balance) | : Primary | 39.82% | 10,419 |
| | | : Special | 7.36% | 1,927 |
| | | : LTS | 36.17% | 9,463 |
| | | : CBS | 16.67% | 4,353 |
| | | | | 26,162 |
| 12 | Total number of active borrowers | : Primary | 96.40% | 4,183,656 |
| | | : Special | 3.59% | 155,941 |
| | | : Solar | 0.01% | 280 |
| | | | | 4,339,877 |
| 13 | Loan outstanding (with service charge) | : | Taka in million | 59,215 |
| | Disbursed (cumulative) | : | Taka in million | 787,269 |
| | Realized (cumulative) | : | Taka in million | 728,054 |
| 14 | Loan outstanding (principal) | : | | 54,075 |
| 15 | Rate of recovery (cumulative) | | | 99.63% |
| 16 | PAR over 1 day | | | 3.67% |
| 17 | Total number of staff (Male- 17,877 & Female- 2,382) | : | | 20,259 |

*Amount in BD Taka * Taka in million

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