

2015 ROUND-UP



ASA



2015: A Prolific Year for ASA

For ASA 2015 was marked highly prolific as its leading program microfinance could generate impressive achievement in delivering services comprising loan disbursement amounting to BDT 17600 crore to about seven million people. This year the overall growth of microfinance loan outstanding was calculated at about 52 percent and that was a landmark feat of its operation in 25 years of financial inclusion.

ASA, as a specialized MFI, has been putting the best of effort to reach maximum number of excluded population providing them opportunity of financial support to become self-reliant. This initiative dates back to 1991, when the organization turned itself into a specialized MFI from a traditional NGO. Offering the highest possible flexibility to the clients while serving them is a key policy of ASA and in furtherance of its views, it has reduced one percent interest rate of its disbursed loan in 2015 and decided for further reduction of one percent from the beginning of 2016. As a result, the rate of interest will be 12.5% and perhaps it would be one of the low lending rates of microfinance in the country as well as in the world. ASA also waived the fees of Pass Book, admission etc. of the borrowers and provides highest interest on the savings to the clients. About seven million clients of ASA will be benefited from the reduced interest rate amounting to several crore taka in a year.

Undeniably, in any consideration, this is a big amount for a self-run NGO that doesn't receive donation or grants from local or international donors. But ASA could be able overcome this big deficit incurred by interest cut through efficient management of resources and applying cost effective approach from top to bottom of the organization. In spite of that the non-financial

welfare programs of ASA were not decreased rather increased significantly. During the 2015, the expenditure for non-financial programs was accounted to BDT 300 million and the fund was provided from the surplus of microfinance operation.

The non-financial programs experienced a remarkable enhancement during 2015 in providing service to cover a large number of underprivileged and remote areas. The newly introduced non-financial programs are: Dairy Farms, Mushroom Cultivation, Fish farming, Supporting Orange Farmers, etc. The remaining social welfare programs like Healthcare, Education, Physiotherapy, Sanitation etc, were widened in their respective coverage to include greater number of beneficiaries across the country. Apart from these, ASA donated 8,000 pieces of blankets to the people affected by the cold-spell in 26 districts.

There are yet other reasons for which 2015 would be memorable in ASA endeavor. The organization has successfully commenced two vital departments in the year and those are: Grievance Mitigation Department and Clients Protection Unit. Since the very first day of introducing these two new departments have been taking all out efforts to establish good governance through investigating complaints of misconduct and wrongdoing lodged by the field staff and clients suggesting corrective and punitive measures against the responsible personnel on the basis findings.

For years, ASA has been appreciated as an institution dedicated to the cause of humanity, and for its cost-effective policy in attaining self-sustainability. But reputation just cannot restrain ASA with a sense of complacency to continue its course of hardworking and deviate it from its committed service to the underprivileged humanity.

Microfinance Program During 2015

ASA has been recognized throughout the world for delivering cost-effective microfinance services to a vast number of under-privileged people. Although, it was founded in 1978 but the microfinance program of ASA began in 1991. It gained self-reliant status within a decade. Since 2000, as a self-run organization without receiving donation or grants of any kind from home and abroad, ASA has been implementing a range of projects and undertaking initiatives for poverty alleviation and overall welfare of the society. ASA emerged as the best managed and sustainable MFI of the world for keeping up cost-efficient strategy and optimum use of own resources. Being motivated by ASA model many NGOs from different parts of the world are currently engaged in poverty alleviation mission through financial inclusion.

The year 2015 was a meaningful year for ASA as its leading program microfinance gained a remarkable accomplishment. The organizational growth in terms of increasing number of beneficiaries, loan disbursement, accumulating members' savings, meeting up insurance claims of the borrowers etc. was appreciable. During 2015, the number of clients of ASA reached 6.3 million, loans amounting to BDT 17600 crore were disbursed, accumulated savings of the members grew to BDT 3293 crore and payments of insurance claims amounted to BDT 414 crore.





Non-financial Program

ASA as an MFI, without getting restricted to only financial activities has initiated a number of non-financial Programs providing services such as primary healthcare, supplementary education to the underprivileged children, improved sanitation to the poor households, physiotherapy treatment to the traumatized patients, and agriculture support to peasants etc, across the country. ASA believes in holistic approach for development as this policy enables addressing multifaceted demands of the target people.

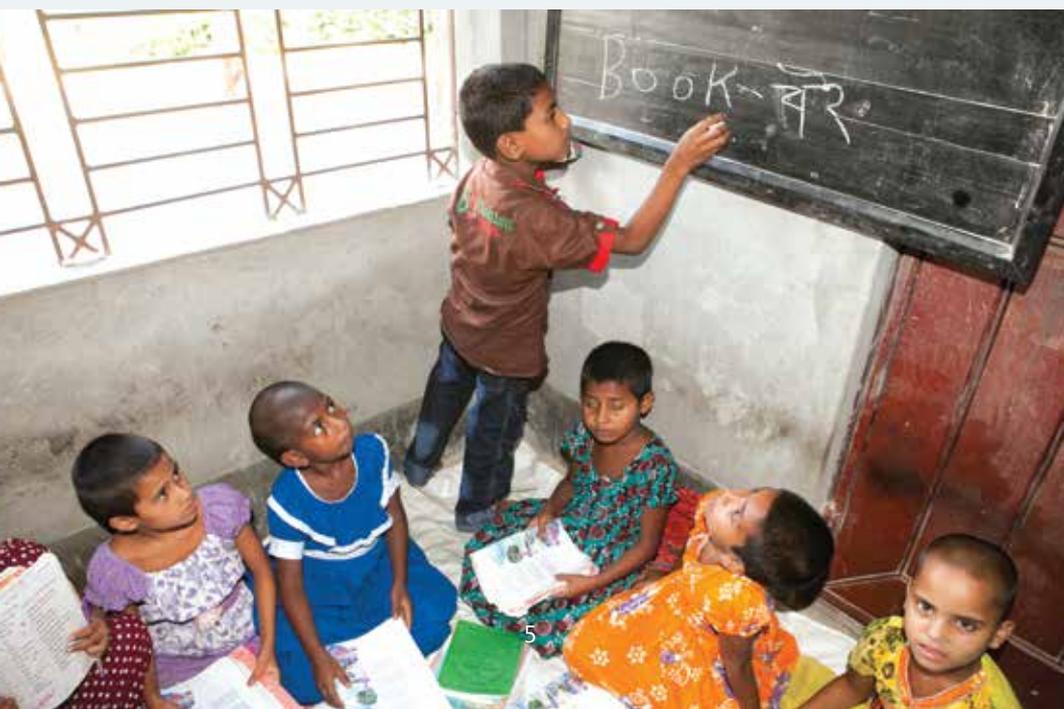
Alongside income generating activities the poor require assistance in healthcare, education, sanitation etc. to improve their capacity for facing vulnerability. From its decade long grass-roots experience, ASA introduced non-financial programs: for aiding the target groups. For these initiatives of ASA, each year, millions of people, predominantly poor can avail the said services at their doorsteps. During 2015, about six million people were benefited and the organization spent an amount of BDT 300 million for implementing non-financial programs.



Primary Education Strengthening Program

The program was introduced in 2011 aiming at slashing dropout from primary schools with learning assistance to the underprivileged children mostly belonging to the backward areas of the country. At the end of 2015, the number of beneficiaries of this program stood at 2,00,000.

Mainly, kids of preschool, grade-one and grade-two are being provided tuition assistance for coping up lessons thus helping them meaningfully for better performance in daily classes and in examinations of school. The guardians of these children who are commonly unaware about childrens education or helpless to assist them in learning process express satisfaction over the improvement of their kids by the program. PESP provided its service 61 districts of the country by establishing 7271 Learning Centers during 2015.





Healthcare Program

The Healthcare Program of ASA renders health services to the people mostly from poor and underprivileged segments of the society. Currently the program is in operation at 216 Upazillas throughout the country. During 2015, under the program more than 5,00,000 people were provided healthcare services and were advised on maintaining good health. Fourteen (14) new Primary Health Centers were opened during 2015 in the comparatively underserved areas of the country. About fresh personnel including physicians, nurses were recruited during 2015 to provide health services to the target people.

ASA has a plan to reach one million people with primary health-care services by 2016. Besides, providing of health awareness, physiotherapy treatment and health assistance are also being rendered to the clients.

Health Awareness Program

Under the program clients of ASA as well as common people are being sensitized about maintaining healthy life-style preventing communicable diseases. A health topic is discussed with 2,65,000 groups of ASA each month. In a year people are being made conscious on twelve important issues regarding health and diseases. During 2015, six million people were provided with health education by this program.

Health Grants

ASA always gives priority in healthcare as the organization considers good health as one of the precondition for development. Taking this into account the organization has been operating a charitable program to provide financial aid to its clients, employees and their family members suffering from chronic diseases and recurrent illness for defraying treatment expenditure. Under the program, full grants are given to the deserving individuals. During 2015, an amount of BDT 50 million was provided as full grant by the organization to the ailing persons.

Physiotherapy Program

The program was initiated a few years back under the health program of ASA to provide physiotherapy treatment and counseling to the physically traumatized and paralyzed patients mostly living in the rural areas. Poor people have no option but to live on hardworking which often leads to their premature physical disability. Physiotherapy Program of ASA offers treatment and counseling to the patients by arranging camps in areas enabling easy access of the target people. Physiotherapy Program provided services to 32 thousand patients, mostly women during 2015.



Sanitation Program

Although status of sanitation of our country has improved significantly over the years, still 40 percent people of Bangladesh don't have proper sanitation facilities. The people deprived of proper sanitation are commonly poor mostly living in rural areas. Either, those people use unhygienic latrines or defecate in the open spaces. Both categories pose serious threats to health for themselves as well as for others. Under this harsh reality, ASA launches its Sanitation Program to improve the sanitation facilities of the people living without suitable sanitary latrines.

Under the program soft loan, technical knowhow to build sanitary latrines are being provided to sanitary entrepreneurs, traders, masons and users etc. During 2015 a total of BDT 17 crore was disbursed as soft loan and 774 people involved in sanitary business were provided with necessary training.

Agriculture Support Program

Over the years, for overall development of the agriculture sector of the country ASA has been implementing a number of programs. Ongoing projects and schemes on agriculture are: Vermicompost, Dairy farms, Mushroom cultivation, Power tiller loan, Training for the orange cultivators etc. These schemes were able to provide very useful services and assistance to the target groups in improving agricultural produces so far.

During 2015, Vermicompost Project produced 5,000 Kilogram compost manure and distributed them among growers at a token price, the Dairy Farm Project provided soft loan to 3,243 dairy entrepreneurs across the country, Mushroom Project provided soft loan and counsels to a considerable number of mushroom cultivators and 100 orange growers were imparted with training on the knowhow for better output.



Three new departments and units: Grievance Mitigation Department, Clients Protection unit and Information Unit were established by the organization during 2015.

Rationale of commencing these departments is to make the overall activities and services offered by the organization more transparent, responsive, and helpful to the target people and in consequence establish good governance. In the very first year of introduction these departments could attract the attention of service seekers meeting their long-awaited demands.

Clients Protection Unit

With a mission to take care the rights and privileges of the clients, the Clients Protection Unit commenced in 2015. The unit works for protecting clients from the unjust, unlawful actions, behaviours and exploitation. Any client or a group of borrowers when feels that some staff of ASA do not behave properly and deprive them from their due rights, can take the help of Clients Protection Unit for a remedy. Deprived clients have the opportunity to register complains through written petition or email to the unit against the delinquents. Every branch office of ASA has been furnished with a complain box to be kept in their front side within easy access of the maltreated individuals. A significant number of complaints were settled following due process by the unit during 2015.

1



Grievance Mitigation Department (GMD)

Establishing GMD is a milestone development that was taken by ASA to transform its administration making it more transparent and ensure accountability. Furthermore, safeguarding the junior staff from the irrational actions and behaviors of the seniors. The GMD is headed by a Board Member of ASA Governing Body. Staff irrespective of their positions and levels now find it an opportunity for lodging complaints with the GMD if he or she feels that his or her dignity or rights were disregarded by any action or behavior of their superiors. The Grievance Mitigation Department resolves the complaints with independent and impartial inquiries by its own personnel in every single case. About 200 complaints were settled by it following due process during 2015.

2

Compliance of *Right to Information Act*

To fulfil prerequisite of the Information Commission, Bangladesh for implementing the Right to Information Act 2009, ASA appointed Information Officers and Appeal Authorities at all level of the organization. Branch Managers and District Managers have been assigned as Information Officers for the Upazila and district levels respectively. On the other hand, an officer has been appointed as Central Information Officer to discharge responsibilities at ASA Head Office in this respect. Any citizen of the country can seek information regarding operation, activities, programs and so on about ASA and he or she shall be provided with the information if it is not restricted by this Act. Under the Right to Information Act, a number of 111 individuals were provided with their desired information by the different offices of ASA located throughout the country during 2015.

3

ASA Prepares to Introduce Mobile Tab Application

Digitalization of Grassroots Operation

A pilot program on Mobile Tab Application was initiated in 2015 to digitalize the overall transaction of ASA branches with the help of latest information technology. The aim of the initiative was to make transaction with the clients through digital gadget making it fast, hassle-free and more transparent. Mobile Tab Application pilot Program involves ten branches of ASA to examine intricately technical capability of the organization for wide coverage of the digitalization program. On successful completion of pilot phase ASA plans initially to implement the program in branches of Metropolitan areas before going for under coverage across the country.



ASA manages ASAIHC, a for profit company operating microfinance across Asian and African countries

ASA has been managing ASA International Holding Company, a for profit entity that operates microfinance in a number of countries across Asia and Africa. The countries are: India, Pakistan, Sri Lanka, Myanmar, Philippines, Cambodia, Ghana, Nigeria, Kenya, Rwanda, Uganda, Tanzania, Sierra Leone etc. Under an agreement with ASA International Holding Company registered in Mauritius and the Netherlands ASA provides the aforesaid service for developing capacity of the entities of those countries. It can be mentioned here that poverty alleviation is the main motto of ASA technical assistance to ASA International. Under this joint program, about one million people mostly poor of the above mentioned countries were provided the opportunity to reap the benefits of microfinance service during 2015.

INDIA <ul style="list-style-type: none"> • Clients - 132,582 • Loan outstanding - 15.4 M(US\$) • Total staff - 494 • ASA staff - 5 	NIGERIA <ul style="list-style-type: none"> • Clients - 189,023 • Loan outstanding - 25.9 M(US\$) • Total staff - 1,182 • ASA staff - 15
PAKISTAN <ul style="list-style-type: none"> • Clients - 262,720 • Loan outstanding - 36.4 M(US\$) • Total staff - 1,318 • ASA staff - 13 	KENYA <ul style="list-style-type: none"> • Clients - 22,676 • Loan outstanding - 2.9 M(US\$) • Total staff - 180 • ASA staff - 7
GHANA <ul style="list-style-type: none"> • Clients - 99,724 • Loan outstanding - 16.4 M(US\$) • Total staff - 609 • ASA staff - 16 	UGANDA <ul style="list-style-type: none"> • Clients - 26,562 • Loan outstanding - 2.6 M(US\$) • Total staff - 181 • ASA staff - 14
PHILIPPINES <ul style="list-style-type: none"> • Clients - 219,021 • Loan outstanding - 25.9 M(US\$) • Total staff - 1,321 • ASA staff - 16 	TANZANIA <ul style="list-style-type: none"> • Clients - 15,134 • Loan outstanding - 1.8 M(US\$) • Total staff - 148 • ASA staff - 13
MYANMAR <ul style="list-style-type: none"> • Clients - 27,837 • Loan outstanding - 2.1 M(US\$) • Total staff - 165 • ASA staff - 16 	CAMBODIA <ul style="list-style-type: none"> • Clients - 19,387 • Loan outstanding - 14.0 M(US\$) • Total staff - 236 • ASA staff - 00
SRI LANKA <ul style="list-style-type: none"> • Clients - 38,552 • Loan outstanding - 5.3 M(US\$) • Total staff - 246 • ASA staff - 00 	

Comparative Financial Performance

Particulars	2014-15	2013-14	2012-13
1. Portfolio at Risk (PAR) 0 day	2.87%	3.66%	2.96%
2. Portfolio at Risk (PAR) 30 days	2.54%	3.41%	2.66%
3. Portfolio at Risk (PAR) 90 days	1.99%	3.08%	2.26%
4. Write-off Ratio	0.19%	0.23%	0.45%
5. Rescheduled loan amount (% of average portfolio)	0%	0%	0%
6. Debt to equity ratio	0.58:1%	0.55:1%	0.55:1%
7. Return on Assets	9.63%	9.60%	11.22%
8. Operational self sufficiency	195.13%	194.07%	206.16%
9. Yield on Gross Loan Portfolio (nominal)	23.68%	25.22%	25.34%
10. Operating expense ratio (% of average Gross loan portfolio)	9.40%	10.64%	9.63%
11. Provision expense ratio (% of average Gross loan portfolio)	0.92%	1.20%	1.12%
12. Financial expense ratio (% of average Gross loan portfolio)	3.88%	3.72%	3.30%
Asset (US\$)	1,519,400,811	1,266,356,299	1,037,348,162
Borrowers per Loan Officer	395	374	368
Average Gross Loan Portfolio (US\$)	956,491,825	753,169,750	719,683,625
Average Gross Loan per Borrowers (US\$)	234	192	188
Average Gross Loan per Loan Officer (US\$)	82572	66576	69297
Deposits (US\$)	484,557,457	371,636,014	248,632,521

US\$ exchange rate with BDT

76.85

76.37

76.93

ASA

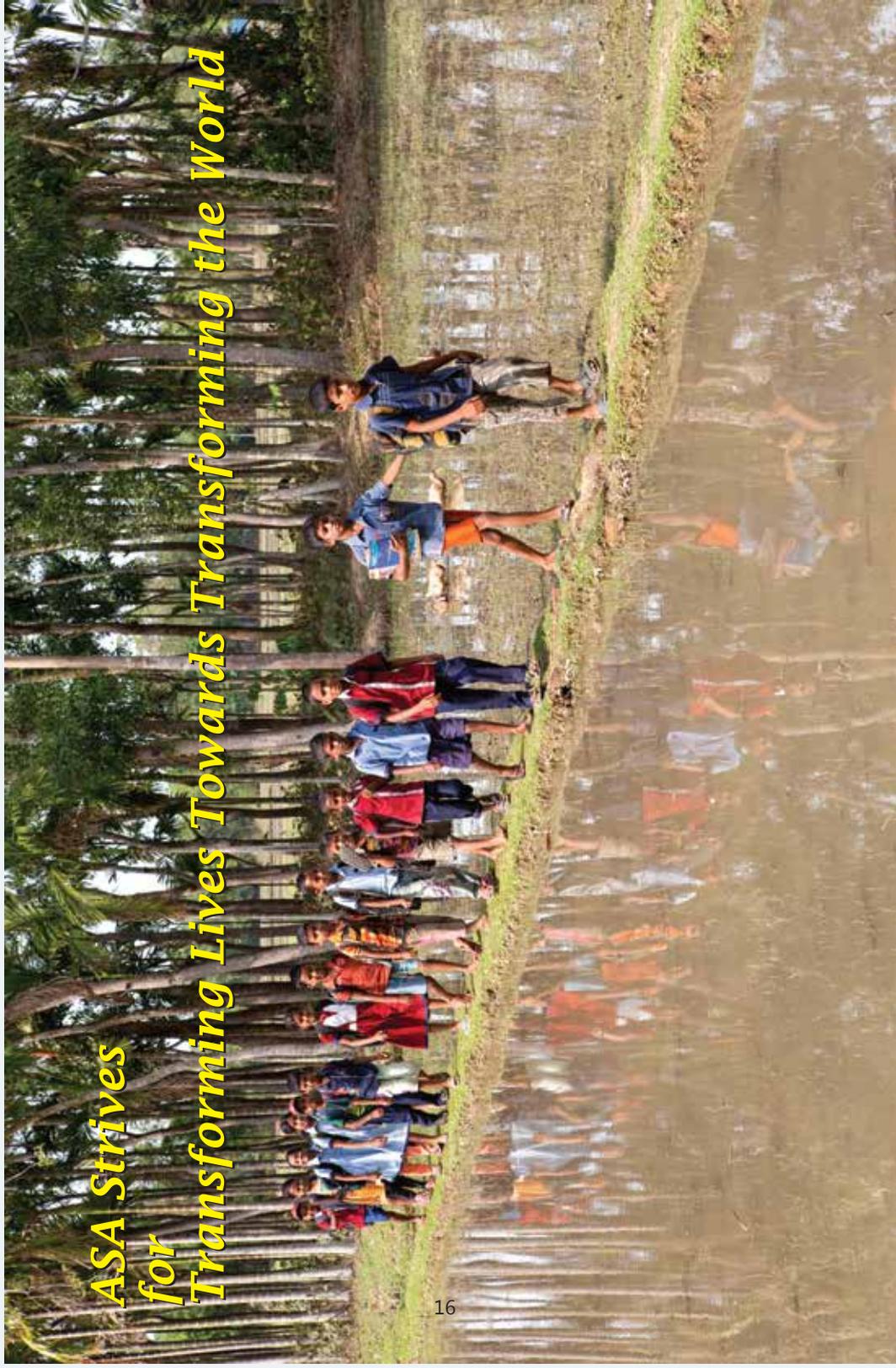
At a Glance

Up to December 2015

1	Total number of Branch Offices			2,932	
2	Total number of Villages			63,859	
3	Total number of Upazila/Thana			511	
4	Total number of Districts (All Districts in Bangladesh)			64	
5	Total number of active groups (Function as a collection center) – Primary			264,936	
6	Total number of Active Members (end of the month)	Primary	97.25%	6,712,146	
		Special	2.74%	189,070	
		Sanitation	0.01%	808	6,902,024
7	Number of Longterm Savings A/C (94.53% on active borrowers)			5,575,744	
8	Total number of Capital Buildup Savings A/C			6,827,574	
9	Savings (end balance)	Primary	43.56%	19,338,949,795	
		Special	6.26%	2,778,229,815	
		Sanitation	0.01%	4,588,915	
		LTS	38.07%	16,899,547,158	
		CBS	12.10%	5,370,511,527	44,391,827,210
10	Total number of Active Borrowers (end of the month)	Primary	97.09%	5,726,981	
		Special	2.88%	169,786	
		Sanitation	0.03%	1,651	
		Solar	0.00%	48	5,898,466
11	Loan Outstanding (with service charge)	Disbursed (cumulative)		1,124,499,577,654	
		Realized (cumulative)		1,014,846,720,017	109,652,857,637
12	Loan Outstanding (Principal)			100,290,619,723	
13	Rate of Recovery (%)	Cumulative		99.67%	
		On-going loan		97.43%	
14	PAR (%) – 1 day			2.76%	
15	Total Number of Staff			24,469	

*Amount in BDT * Taka in million

**ASA Strives
for
Transforming Lives Towards Transforming the World**



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