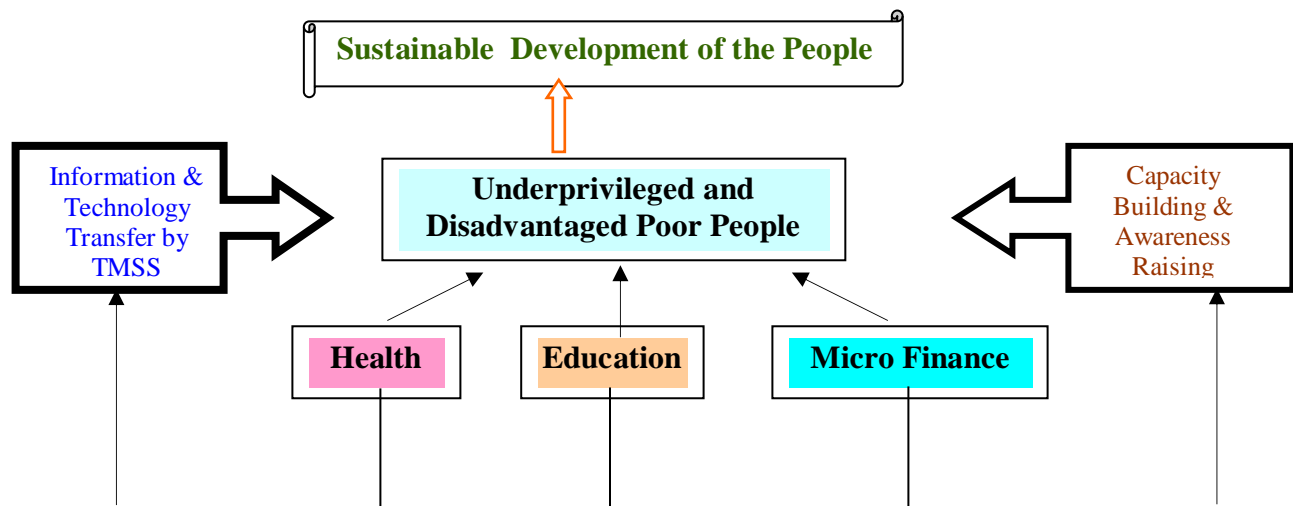


HEM Sector

TMSS Health, Education and Micro Finance (HEM) Model



Strategic Approach : HEM

Based on the experiences of long 31 years of practicing microfinance program, it has been revealed to TMSS that to bring the desired changes in the lives and livelihood of the poor people, micro-credit alone is not sufficient rather there is a direct need of an integrated micro-credit approach. For proper management and utilization of microcredit, the target members should remain healthy/physically sound, and need to have at least basic literacy. To this end, *TMSS developed an approach called "Health, Education & Microfinance (HEM)"*. The HEM approach entails awareness building on primary healthcare issues, promoting basic literacy (reading, writing and numerical) and capabilities on microfinance management, utilization and record keeping among the target participants.

TMSS experiences also reveals justification and effectiveness of the HEM approach. The HEM approach has been successfully implemented in Bangladesh through 855 offices scattered all over Bangladesh covering nearly 0.91 million poor households. The branches act as a center of excellence to provide all support services and program delivery, technical back-up, supervision, monitoring to their target beneficiaries; and to achieve the overall goal and objectives of TMSS and finally contribute towards poverty alleviation in Bangladesh on a sustainable basis.

Goal of TMSS's Microfinance Program

The prime goal of TMSS Microfinance program is to empower poor women by creating, expanding, strengthening and upgrading their abilities and ensuring their direct involvement in income generating activities through demand –driven, multi-dimensional and integrated financial services.

Objectives of TMSS's Microfinance Program

- To empower the pro/ultra poor women through their direct involvement.
- To alleviate or reduce poverty in Bangladesh.
- To build leadership among poor women.

- To create self-employment and scope of wage employment through formation & enhancement of enterprises.
- To create a positive environment that encourages savings among members.
- To reduce dependency on moneylenders
- To increase empowerment and social status of women.
- To enhance individual business competency of entrepreneurs.
- To utilize the local resources at the optimum level
- To ensure gender equity and equality everywhere.
- To increase the income of poor women.
- To develop TMSS as a sustainable development organization.

Key Strategy and Approaches of TMSS's Microfinance Program

- Participatory management approach.
- Special emphasis on sustainability of its beneficiaries.
- Implementing cluster-based development activities through mobilizing all sorts of local level resources and providing need based information and technologies to the beneficiaries and communities.
- Special emphasis on human resource development for ensuring better service delivery.
- Special priority on the hard core poor and growing entrepreneurs.
- Ensuring self-employment and wage employment through proper delivery of different loan products.
- Ensuring information and technology transfer to the beneficiaries level for safety net of the investment
- Establishing and maintaining linkages and partnership with Govt./NGO/Private organizations and national/international donor agencies.
- Special focus on women's empowerment.

The stages of TMSS's Micro Finance Program are -

Supervision Monitoring, Follow-up and Reporting at all stages	<ul style="list-style-type: none"> • Area Selection & Feasibility Study • Identification of target people • Staff orientation and training • Group formation • Loan product fixation • Savings mobilization • Fund arrangement/mobilization • Training on different trade / scheme • Loan disbursement • Loan realization • Year based evaluation • Impact study & introduction of new Product based on the demand of the beneficiaries
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Microfinance Program Coverage (Up to December – 2016)

Districts	51
Upazillas	281
Unions	3708
Villages	22405

Principal Loan Products & Coverage

Lone Products	Disbursement (During F.Y.2016-17)	Present Outstanding (As on December 2016)	Outstanding (%)
Rural Micro Credit (Jagaron)	5610057670	5935797789	35.21%
Ultra Poor Program (Buniad)	8520621160	9417333717	55.86%
Micro Enterprise & SME Program (Agroshar)	586226920	607585490	3.60%
Sufalon & Others	855182500	855669414	5.08%
Disaster Management Program (Sahos)	38153000	38887653	0.23%
Enrich	3836000	3471349	0.02%
Total	15614077250	16858745412	100.00%

Important Issues are Being Addressed

- Feasibility and viability assessment of the proposed scheme of the borrowers
- Proper training and orientation and its follow up to the staff about the management procedure of the program
- Risk factors analysis of the program
- Yearly & 5 years business plan preparation
- Continuous monitoring and supervision on program management
- Continuous communication with the borrowers
- Market linkage of the products of the borrowers
- Integration with other social program support
- Prepare and update operational policies, strategies and guidelines
- Impact assessment
- Sharing of successful borrowers' records with the other borrowers.

Micro Finance Program: Facts & Figures

Particulars	June-14	June-15	June-16	December-16
Total No. of Branches	571	596	634	661
Total No. of Program Staff	4,396	5,005	5,537	5535
Total No. of Field Supervisor	2,268	2,407	2,555	2704
Total No. of Member	9,29,457	8,01,978	8,60,728	901004
Total No. of Borrower	7,98,883	6,89,345	7,36,983	745236
Loan Disbursement for the year	1864,00,64,000	23,174,223,000	2620,73,16,660	29402092910
Loan Outstanding	1056,62,98,108	12,923,805,851	1481,55,72,829	16858745412
Savings Outstanding	363,05,44,492	43,54794,839	499,41,93,243	5276076197
Average Loan Size (Jagaron)	9,165	10,560	11,869	12781
Average Loan Size (Agrashar)	39,693	50,838	42,141	55258
Average Savings Per Member	3,906	5,484	5,802	5856

Average Outstanding Per Borrower	13,226	19,046	20,103	2262
<u>Productivity</u>				
Field Worker : Member	410	333	337	333
Field Worker : Borrower	352	286	288	276
Field Worker : Loan Outstanding	46,58,862	54,54,570	57,98,659	6234743
Net Surplus for the year	77,11,53,948	751,531,644	115,06,32,138	75,97,68
OTR	98.86 %	98.58%	97.78%	98.18%
CRR	99.60 %	99.60%	99.60%	99.60%
OSS	147.97 %	134.65%	146%	166.20
FSS	137.90 %	126.52%	135.45%	164.04

3-year Performance of Micro Finance Program

Segment	Indicators	June-2014	June-2015	June-2016	December-16
Asset-Liabilities Indicators	Debt to equity ratio	2.98 : 1	3.03 : 1	2.56:1	2.24:1
	Savings to outstanding ratio	39.22 %	37.24%	35.90%	33.31%
	Loan outstanding as % of total asset	86.46 %	84.33%	78.95%	85.84%
Efficiency Indicator	Net return on asset	7.05 %	5.08%	6.28%	3.87%
	Total expenditure as % of outstanding	13.75 %	16.16%	15.45%	6.73%
	Total expenditure as % of total income	64.82 %	72.82%	66.03%	59.89%
	Financial expenditure as % of total expenses	31.52 %	30.04%	28.91%	18.25%
	Salary as % of total expenses	48.56 %	52.41%	50.86%	61.75%
	Loan Loss Provision expenses as % of total expenses	4.36 %	3.88%	5.65%	7.32%
	Administrative expenses as % of total expenses	64.12 %	66.11%	65.45%	74.43%
	Equity as % of total income (for the year)	35.18 %	27.18%	33.97%	40.11%
Liquidity Indicator	Liquidity to Savings	27.85 %	25.62%	27.37%	27.33%
Saver's Benefit Indicator	Rate on Interest on Savings	6 %	6% & 8%-8.50%	6% & 8%-8.50%	6% & 7%-7.5%
	Net growth in savings per member	680	1580	662	313
Portfolio Quality Indicators	Portfolio at risk	3.96 %	3.97%	4.34%	4.09%
	Delinquency rate	3.17 %	3.24%	3.52%	3.35%
	OTR	98.86 %	98.58%	97.78%	98.18%
	CRR	99.60 %	99.60%	99.60%	99.60%

Outreach	No. of borrower as % of total member	85.95 %	85.92%	85.56%	82.71%
	Ultra poor (UP member) as % of total member	10.45 %	9.40%	9.54%	8.93%
	Progressive/Graduated member (ME member) as % of total member	13.40 %	15.32%	23.75%	27.26%
	Agriculture sector & Seasonal loan member as % of total member	17.63 %	15.39%	10.18%	7.25%
Growth in Portfolio	Growth in average outstanding per borrower	3281	5764	2130	2742
	OSS		134.02%	146.63%	166.20%
	FSS		123.04%	136.28%	164.04%
	Net Surplus For the year		777,823,427	1,150,632,138	759,768,840

Savings Program

TMSS was initiated through savings activities. Savings is always encouraged for accumulation of fund and to get rid of poverty. In fact, savings activities (accumulation of tiny amount from individual beneficiary) are being operated in TMSS in order to mitigate Group Members' crisis situation and promote their livelihood through door-step service. To create and increase own fund into the IGA of the beneficiaries, it is not possible without the habit of savings. For this reason, TMSS used to adopt some steps to make the beneficiaries savings oriented. The members have passbook and they get interest in time on their savings as per bank rate.

Objectives of TMSS's Savings Program

- To minimize financial crisis & poverty elimination of group members.
- To change beneficiary's attitude and make them savings minded.
- To ensure future protection of group members.
- To ensure and increase participatory investment in the IGA.
- To reduce dependency on lending.
- To increase the financial confidence of the beneficiaries.

Type of Savings Services

- General Savings
- Special Savings
- Monthly Savings

Risk Fund

TMSS introduced Risk Fund provision for its beneficiaries. The cited Risk Fund has been created in order to exempt a member's family from the burden of debt in the event of the death of a client or the guardian of the member.