

ARGUS CREDIT RATING SERVICES LTD.
(ACRSL)

Credit Rating Report

**People's Oriented
Program Implementation**



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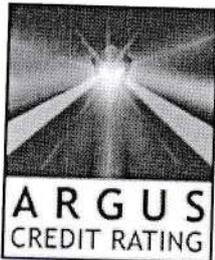
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Ref No : ACRSL118380/21
 Company Name : People's Oriented Program Implementation(POPI)
 Assigned Ticker : POPI
 Activity : Execution of credit disbursement and skill development programs for the underprivileged men, women, youth and children
 Incorporated On : 15th November, 1986
 Head Office : House# 5/11-A, Block#E, Lalmatia, Dhaka-1207

Rating Type : Corporate / Entity
 Rating Validity : 01 Dec 2022
 Analyst(s) : ACRSL Analyst Team
 Committee(s) : ACRSL Rating Committees

Rating Summary

Credit Rating	Current	Previous
Long-Term	A+	A+
Short-Term	ST-2	ST-2
Publishing Date	02 Dec 2021	03 Dec 2020

Rating Explanation

Rating	Explanation
A+	Investment grade. High credit quality and low expectation of credit risk. When assigned this rating indicates the obligor has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions compared to obligors with higher credit ratings.
ST-2	Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.

Rating Validity: This validity assumes no additional loan over that disclosed in FY21 [Ending June 30] audited/management certified balance sheet and that management has disclosed all material & adverse to financials since FY21.


 Khan Md. Abdul Wahab, FCMA
 Chief Operating Officer
 ARGUS Credit Rating Services Ltd.

EXECUTIVE SUMMARY:

Strengths:

- **Diversified borrowing profile providing access to large pool liquidity position.** POPI's source of funds constitute mainly in the nature of long term funds and short term funds from PKSF, Commercial Banks, NBFIs and other institutions. POPI has long standing relationship with the large institutional donors and international agencies such as the Palli Karma Sahayak Foundation (PKSF), Oxfam, TDH-Netherlands, Care Bangladesh, USAID, UNICEF ADB, Stromme Foundation. PKSF is the principal funding channel of POPI, the funding provided by PKSF facilitates the wide variety of micro credit disbursement program undertaken by POPI. The good recovery rate of the POPI's micro lending programs has also encouraged the conventional banking sources to fund POPI's microfinance projects.
- **POPI's management has extensive professional expertise in micro credit program management,** POPI's upper management has instituted strict control mechanisms and a robust infrastructural set up focused on inhibiting negative implications of conflict of interests, as well as fraud, and focused on the smooth flow of operations and the company's long-term operational efficiency. For example, POPI utilizes cluster base unit office structure, a strong monitoring and evaluation team and has a structured and robust HR Policy.

Concerns:

- **POPI's increased dependency on bank borrowing stressing the cost of fund and capital structure.** POPI's dependency on external borrowing has been increasing over the years. As a result the debt to equity ratio of POPI remained high over the last three years. Apart from that the increasing bank interest rate is increasing the cost of fund of POPI, which ultimately is affecting the profitability of the firm.



RATING RATIONALE

Key Rating Drivers

- We are assigning a long-term rating of "A+" and a short term rating of "ST-2" to People's Oriented Program Implementation (thereafter "POPI" or the "Company").
- **Diversified borrowing profile providing access to large pool liquidity position.** POPI's source of funds constitute mainly in the nature of long term funds and short term funds from PKSF, Commercial Banks, NBF and other institutions. Loans from banks constitute the majority of the borrowings. Borrowing from commercial banks constituting 66.03%, borrowings from PKSF constituting 27.44% and borrowing from other institutes constitutes 6.54% of total loans as on June.30, 2021. In addition, the company has a line of credit of over BDT 2000.MN from commercial banks and low cost fund from PKSF which provides comfort to the liquidity profile. PKSF provides a broad range of program based donation to POPI, over the years POPI has successfully disbursed the budgeted amount of loans to the intended target borrowers, with strong track record of collecting back the loans in due time. The efficient collection of the loans was possible due to the close monitoring and supervision of the disbursed credit, which enabled the borrower to better utilize the credit in increasing the scope of the business or developing skill that provides high returns. Such operational efficiency of POPI has enabled them to develop long-standing relationship with the large institutional donors and international agencies such as the Palli Karma Sahayak foundation (PKSF), Dept. of Primary Education, Ministry of Women's Affairs, Christian Aid, DFID and AusAID, Cordaod-Netherlands to name a few. The good recovery rate of the POPI's micro lending programs has also encouraged the conventional banking sources to fund POPI's microfinance projects. This diversified borrowing profile and comfortable liquidity position is a positive rating factor.
- **POPI's management has extensive professional expertise in micro credit program management,** POPI's upper management has instituted strict, control mechanisms and a robust infrastructural set up focused on inhibiting negative implications of conflict of interests, as well as fraud, and focused on the smooth flow of operations and the company's long-term operational efficiency. For example, POPI utilizes cluster base unit office structure, a strong monitoring and evaluation team and has a structured and robust HR Policy covering various employment policies, including, selection and recruiting policies, compensation, leave policies, perk and fringe benefits, among other factors for employees at all levels of the organization. Moreover, the company's HR policy also clearly delineates the job description and job responsibilities for each of its employees. In effect, POPI has developed strong operating efficiency and a brand image which enable them to attract more funding for more larger and broad based regional development projects.

- POPI's increased dependency on external borrowing stressing the cost of fund and capital structure. POPI concentration of loan disbursement from external borrowing has been increasing over the years. As a result, the borrowing to equity ratio of POPI is also increasing over the years. Apart from that the increasing bank interest rate is increasing the cost fund of POPI, which ultimately affecting the profitability of the firm. The ratio which are getting affected are:
 - **Debt to Equity ratio:** Though the ratio has been demonstrating overall decreasing trend from FY18 but stayed above 4 as POPI is concentrating on borrowing funds to disburse its loan. The ratio stayed at 4.89x in FY21 and 4.81x in FY19 and FY20.
 - **Cost of Fund:** The ratio has been demonstrating an overall fluctuating trend over the past three years. The ratio was 6.73% in FY19 which further increased to 7.60% in FY20 later decreased to 6.44% in FY21.

- ACRSL has neutral outlook over the near-to-intermediate term about RRF's exposure to the NGO-Micro Financial Institution (MFI) sector. We have a long-term positive outlook on Bangladesh's NGO-MFI sector, with near-to-intermediate term neutral bias, based on following analysis:

- Government package made available to different industry due to COVID-19. During COVID-19 crisis, Govt. of Bangladesh announced a bailout/stimulus package of Tk. 5,000 crore (equivalent of EUR 5.3 billion) for export-oriented industries to mitigate the impact of the Corona virus on the country's economy. The premier indicated that the money from the package could only be disbursed in the form of salaries and wages for employees and workers of those industries. Bangladesh Bank (BB) announces moratorium on loan payments until 31 December 2020 and that such borrowers will not be in default. BB instructed banks to waive customers interest for the period from 1 April to 31 May based unclassified loan outstanding balance as at 30 March 2020, later this period further extended to 31 Dec, 2020.
 - **Stimulus packages of BDT 677.5bn (approx. USD 8bn)**
 - Package 1: Government to provide BDT 300bn fund for banks to provide working capital loan facilities to the affected industries. These loans will carry interest at rate of 9%, half to be borne by borrower and half by Government as a subsidy.
 - Package 2: Government to provide BDT 200bn fund for banks to provide working capital loan facilities to Small (cottage industries) and medium enterprises. These loans will carry interest at rate of 9%, of which 4% to be borne by borrower and 5% by Government as a subsidy.

- The expanding outreach of the NGO-MFIs through wide variety of services besides credit operations such as the savings

mobilization, micro insurance facilities, human resource development through different training and awareness program, health and hygiene program etc. are also becoming part of MFI operations. In the financial services, savings mobilization through some organized institutional setup is ensuring safety and convenience to rural people, who due to remote location of banks, and hesitations due to poor academic background cannot approach the formal banking channel to open accounts or deposit their scanty savings. In this regard, the NGO-MFIs, are playing a key role in collecting the savings of the rural people and are gradually covering the poor population of Bangladesh.

- The formulation of the "Microcredit Regulatory Act" in 2006 laid the foundation stone for the large and medium sized MFI to transform into formal financial institutions and to integrate into the formal financial sector. The establishment of Microcredit Regulatory Authority (MRA) is steadily creating a regulatory regime which is creating an enabling condition for the efficient functioning of the micro credit market to develop in Bangladesh.
- Some of the large MFIs are becoming self-sustainable and are reducing dependency on external financial sources such as donor funding and commercial banking sources. These large NGO-MFIs have grown from strength to strength to provide credit from their own retained earnings, paid up capital and client deposits. The large NGOs such as BRAC and ASA have already become financially sustainable through becoming wholesale lenders to the MFIs through their own internal funding sources. The MRA is also working towards setting global standards for the NGOs.
- The Covid-19 pandemic has brought on a funding crisis for non-government organizations (NGOs) in Bangladesh and it could well prove to be the final straw for some of them with their survival at stake. Consequently, their high-cost relief activities and initiatives to protect staff's health also are under serious financial strains. Economists and NGO workers expressed that smaller organizations may not survive amid this bleak financial situation. They anticipate the grants inflow to Bangladesh may go down further after its graduation from the list of Least Developed Countries (LDCs), which will leave adverse impacts on socio-economic development by hurting delivery of basic services like health and primary education. According to the bureau report, the funds for the NGOs from foreign donors declined in FY2019-20 for the first time in the last four fiscal years. The country's NGOs received slightly over Tk785.00 MN last fiscal year, which was 1% lower year-on-year. The previous three fiscal years had seen a consistent growth in fund inflows. More grants were needed now to deal with a crisis like the Covid-19. But there have been fewer grant disbursements at these hours of need, and small and medium-sized NGOs are facing a financial crisis.

- Deterioration of the economic condition is faltering the repayment capacity of the MFI clients, most of the MFI clients live close to the edge and are perilously exposed to the worsening economic condition. The economic crisis had aggravated the problems of the MFIs at a time when credit quality had already been deteriorating for reasons linked to the intense competitive nature. It is worth mentioning that the micro credit industry is dominated by four large NGO-MFIs that serve around 90% of the clients and the rest 10% of the clients are served by a total of 759 licensed MFIs. Such crowding in the micro credit industry causes, the small and medium MFIs to heavily compete to disburse loan to small segment of clients. The competition has led to an erosion of lending standards as lenders fight for market share and borrowers accept easy credit. This is evident from the shift from group lending to riskier individual lending. There is no clear data source to identify the exact level of multiple borrowing or the portfolio at risk.
- Overlapping and pushing loans to over indebted borrowers have created an unfavorable view over the NGO-MFI. Overlapping occurs when an individual or household has multiple memberships with different MFIs. Overlapping can lead to over indebtedness undermining the primary incentive to repay and therefore create an accumulation of portfolio risk from inter-party credit risks. The excess liquidity from donor funding of some large-medium NGO-MFIs has caused pushing of loans to the over indebted borrowers which has severely hindered the repayment capacity of the borrowers.

The depth of management in the MFI sector irrespective of the size of MFI, are mostly operated like a family run business with decision making concentrated in the hands of key persons. The succession planning of the MFIs have largely remained underdeveloped over the years. However, with establishment of the MRA is going to set reporting standards, ensure wider coverage with timely recovery, and set global standard for others to follow.

Special note: At the time of publication of this credit rating report by ARGUS Credit Rating Service Limited (ACRSL), consolidated audited financial statements from FY19 to FY21 (ending June 30) were available. And projections for FY22 and FY23 were arrived after taking in to consideration subsequent events up to the date of reporting, management feedback, and industry insights.

1 CORPORATE PROFILE

1.1 COMPANY DESCRIPTION

People's Oriented Program Implementation was incorporated as a non-governmental organization in 1986. POPI was established with the novel intention of promoting socio-economic emancipation of the unprivileged men, women, children and youth in the southwestern part of Bangladesh.

Financial Base: At the end of FY21, POPI's total assets stood at Tk. 8948.16 MN, equity stood at Tk. 1362.16 MN, total operating income at Tk. 971.31 MN and net profit at Tk.160.17 MN.

Major programs of POPI are arranged under two major sectors. They are:

- Economic Empowerment Sector (EES)
- Social Empowerment Sector (SES).

EES's major components are:

- Micro Finance & Micro Enterprise Services
- Skill Development & Capacity Building

Major activities under Micro Finance and Micro Enterprise Services:

POPI's microfinance program opens up windows for the disadvantaged poor and creates access to small loans and financial services so that they can earn a steady income and a secured future. Most poor people have difficulty in getting loans from traditional banks and financial institutions. POPI organizes different suitable packages through its microfinance program to bring a practical solution to this problem to provide access to small amounts of capital, so that people can invest in a small business or any IGA. People may use the loan to buy a cow that will provide milk, a sewing machine that will make beautiful garments or arickshaw / van that will bring regular earning in a more efficient way. Each of these is an investment that helps entrepreneurs to develop their ideas and start a business, enabling them to earn a living for themselves. POPI's initiative, on the other hand, recognizes them as respected, full capable, creative individuals who have the talents and abilities but are lacking in resources. They are able and willing to do something with their lives if given the chance. Microfinance is the chance that they deserve.

Major projects under Skill Development & Capacity Building are:

- People's Academy for Role Transfer (PART)
- PART Transport
- POPI Breeding Firm
- Poultry Farm and Nursery

SES has five major components like

- Education
- Health, Nutrition & Wash
- Climate Change Adaptation and Disaster Risk Reduction
- Alternative Livelihood Security Options
- Right and Governance

Major projects under Social Empowerment Sector

SL#	Name of project	Major components	Donor	No. of staff	Working area	Target group	No of beneficiaries
1.	Floating Education and Health Care Project	<ul style="list-style-type: none"> • Primary education • Health Care • Livelihood security options • Community Mobilization • DRR & CCA 	Own funded	09	Nikli (Kishoregonj)	HH (children, mother and people)	1000 HHs
2.	Small Floating School	<ul style="list-style-type: none"> • Primary education • Health Care • Livelihood security options • Community Mobilization • Shonglap for adolescents 	Learning for Life	08	Nikli (Kishoregonj)	HH (children, mother and people)	500 HHs
3.	Rural People's Access to congenial and Environment viable water and sanitation Facilities (RACE) Project	<ul style="list-style-type: none"> • Market Demand Assessment • Awareness & Demand Creation • Technical training and WASH awareness session • Water and sanitary latrine savings promotion • Water credit and sanitation credit product support 	Water.org USA	85	POPI's working areas	Low-income group of people	19000 HHs 84500 people
4.	Resilience through	<ul style="list-style-type: none"> • DRR and CCA 	Oxfam - GB	10	Nikli and Mithamoin	HH Women,	4556 HHs

	Economic Empowerment, Climate Adaptation, Leadership and Learning (REE-CALL-2021)	<ul style="list-style-type: none"> • Livelihood Security • Rights and Governance • Women and marginalized leadership 			(Kishoregonj)	Adolescent	20260 people
5.	School Feeding Program in Poverty Prone Areas (SFP-PPA)	<ul style="list-style-type: none"> • High Energy Biscuit delivery to school children • Nutrition and De-Worming • Awareness on education and health 	Directorate of Primary Education (DPE) & WFP	27	Fulbaria, Gouripur and Haluaghat (Mymensingh) Kolmakanda (Netrokona)	School going children	167573 children
6.	ENRICH / Shamriddhi Program	<ul style="list-style-type: none"> • Education • Health & Nutrition • Satellite Clinic 	PKSF	72	Bhairab, Karimgonj (Kishoregaj)	Women, Slow learners	5215 HH 26126 people
7.	Strengthening Household Ability to Respond to Development Opportunities (SHOUHARD O-III)	<ul style="list-style-type: none"> • Agriculture and livelihood • Health hygiene & Nutrition • Disaster and Risk Management • Women's empowerment & youth engagement • Responsive governance 	USAID & GoB and CARE Bangladesh	118	Kalmakanda, Madon, Khaliazuri (Netrokona) and (Mithamoin, Itna, Nikli, Austogran) Kishoregaj	PEP-HH	PEP-HH
8.	Vulnerable Group development (VGD) Programme	<ul style="list-style-type: none"> • Skill development • Social development • Technical support • Savings mobilization and Capital building 	Department of Women Affairs (DWA)	10	Sylhet Sadar	PEP-Women	2814 Women
9.	Programmed Initiatives for Monga Eradication (PRIME)	<ul style="list-style-type: none"> • Flexible micro-credit • Skill development and Income Generating 	PKSF	19	Hatibanda (Lalmonirhat), Dimla and Domer (Nilphamari)	PEP-HHs	9500

		Activities health service					
10.	SU-CHALA	<ul style="list-style-type: none"> Study support 	Anukul Foundation	4	Munshiganj Sadar, Sirajdikhan and Tongibari (Munshiganj)	Students	32 poor children
11.	PHC	<ul style="list-style-type: none"> Primary Health Check up ANC, PNC services TBA services Free networking and linking with specialized health service providers, Medicine supply 	Anukul Foundation	5	Munshiganj Sadar, Sirajdikhan and Tongibari (Munshiganj)	PEP	There is no fixed target
12.	Basic Literacy Project	<ul style="list-style-type: none"> Basic Education 	MoPME	2	Karimgonj, Nikli, Mithamoin, Tarail under Kishoregonj	15-45 years illiterate people	74400 people
13.	Gender and Social Justice Program (GSJP)	<ul style="list-style-type: none"> Empowering people social rights. Securing human rights 	Ain-O-Salish Kendra (ASK)	2	Kishoregonj	Men and women	100 HHs
14.	Promoting Footwear Producing Micro-Enterprise to Environmentally Sustainable in Kishoregonj District (Sustainable Enterprise Project-SEP)	<ul style="list-style-type: none"> Common service centre development Cluster based construction and installing solar system Eco Labelling and access to premium market Capacity Development of MEs Capacity building of MEs 	PKSF	5	Bhairab, Kishoregonj	Leather Processing and Shoemaker	1090 MEs
15.	Sustainable Enterprise Project (SEP)- Buffalo rearing	<ul style="list-style-type: none"> Non-revenue Generating physical activities Revenue Generating 	PKSF	5	Nikli, Bajitpur, Austogram (Kishoregonj)		400 MEs

		common services <ul style="list-style-type: none"> • Capacity development of MEs • Eco labeling & access to premium market • Capacity development of PO • Microenterprise loan 					
16.	Extended Community Climate Change Project-Flood (ECCCP-Flood)	<ul style="list-style-type: none"> • Raise homestead plinths in clusters • Provide financial support to reconstruct climate resilient houses on raised plinth (Loan) • Install tube wells • Construct climate resilient sanitary latrines • Provide support to rear goat/sheep in slatted houses • Financial support/loan to purchase goat and sheep (Loan) • Extension of high value agricultural technology in flood prone area 	PKSF & Green Climate Fund	6	Lalmonirhate Sadar	Poor and Ultra-poor Households	1280 HHs
17.	Promote Quality Education in the Mainstream Government Primary Schools (2058)	<ul style="list-style-type: none"> • Increased children' participation and performance on learning competencies • Out of school girls and boys 	Educo Bangladesh	47	Bhaluka, Mymensingh	School children	11550



		<ul style="list-style-type: none"> enjoy mainstream education Education professionals are capacitated on improved teaching-learning process Girls and boys enjoy safe and violence free school environment 					
18.	Promoting Accelerated Learning-opportunities for Young-children in the Remote Areas of Bangladesh-PLAY (2061)	<ul style="list-style-type: none"> To improve joyful and quality early learning opportunities for children and ensure their transition to primary education. 	Educo Bangladesh	1	Bhaluka, Mymensingh	Students	1200
19.	Adolescent and Youth as an Agent of Change to promote a Progressive Society (A & Y Development)-2066	<ul style="list-style-type: none"> Adolescent and Youth promote human rights and accountability in the community Adolescent and youth accelerate their acquired skills in the smooth transition to adulthood and contribute to the positive changes of society 	Educo Bangladesh	3	Bhaluka, Mymensingh	Adolescent	1000
20.	Prevention and Elimination of Hazardous Form of Child Labour in Coastal	<ul style="list-style-type: none"> Children and adolescents in the hard to reach areas of Bangladesh are protected from violence and exploitation. 	Educo Bangladesh	8	Cox's Bazar	School children and adolescent	200 people



	Areas of Bangladesh (2063)	<ul style="list-style-type: none"> Hazardous child labour and exploitation is reduced. 					
21.	COVID 19 Response-Oxfam	<ul style="list-style-type: none"> Relief support to Covid 19 affected people 	Oxfam		Nikli & Mithamoin under Kishoregonj district	Men and women	250 HHs
22.	COVID 19 Response-LfL	<ul style="list-style-type: none"> Relief support to Covid 19 affected people 	Learning for Life		Nikli under Kishoregonj district	Men and women	700 HHs
23.	Out of School Children Education Program-2nd Chance Education	<ul style="list-style-type: none"> Perform survey to identify out-of-school children aged 6-14 years. Arrange to social mobilization activities; 	BNFE	699	Bhairab, Nikli, Hossainpur, Kotiadi, Pakundia, Tarail, Karimgonj, Bajitpur and kuliarchar under Kishoregonj district	Out of School children	18900 learners
24.	Engaging Communities and Authorities To Tackle Oppression (ECATTO)	<ul style="list-style-type: none"> Social Mobilization Promoting Women's Leadership Skill development Ensuring and strengthening public service provision Campaign and Advocacy 	FCDO & Manusher Jonno Foundation	26	Hossainpur, Pakundia and Kishoregonj Sadar	Men and women	7615 people
25.	Pathways to Prosperity for Extreme Poor People (PPEPP)	<ul style="list-style-type: none"> Livelihood support Community mobilization Nutrition IGA support 	PKSF & FCDO	45	Nikli, Austogram under Kishoregonj district	Men and women	10250 HHs
26.	Adolescent Project	<ul style="list-style-type: none"> Adolescent club operations 	PKSF	1	Bhairab, Kishoregonj	Adolescent	510 people
27.	Probin Janoghostir Jibonman Unnayan	<ul style="list-style-type: none"> Improved in quality of life of older people 	PKSF	2	Bhairab, Kishoregonj	Men and women	1000



28.	B-SkillFUL Programme Phase II	<ul style="list-style-type: none"> • Capacity Development of shoe manufacturing workers • Meeting, Workshop & Campaign • Knowledge Sharing, Awareness building and Documentation 	Swiss Contact	7	Bhairab, Kishoregonj	Leather Processing and Shoemaker	260
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Development Partners of POPI

- **Social Empowerment Sector**

- Ain-O-Salish Kendra (ASK)
- CARE
- Department of Women Affairs (DWA-GoB)
- FCDO
- Directorate of Primary Education (DPE)
- World Food Programme (WFP)
- Anukul Foundation
- Learning for Life, UK
- Manusher Jonno Foundation
- Oxfam
- Palli Karma- Sahayak Foundation (PKSF)
- Stromme Foundation
- USAID
- Educo
- Water.org
- Swiss Contact
- Green Climate Fund
- BNFE
- MOPME

Legal Status of POPI

- Department of Social Welfare, under voluntary social welfare organization (Registration and control), Ordinance 1961 Sec-46. Registration No: Kishore/0056, dated 15.11.1986;
- NGO affairs Bureau. Reg. No: 507, dated 30.07.1991 under Foreign Donation (Voluntary activities) Regulation Ordinance (Ordinance 46, 1978);
- Micro Credit Regulatory Authority act 2006 [Sec-16, sub-section- 3] Registration # 02150-01563-00159 dated 16 march, 2008.

1.2 OWNERSHIP STRUCTURE

People's Oriented Program Implementation has seven Executive Committee Members (ECM) in their board of governance and twenty one general members in the general body.

The Promoters of POPI have the following attributes.

- The ECM of POPI have vast experience in executing wide variety of micro credit schemes with the management team having strong capacity to implement large projects in the rural areas.
- The ECM of POPI are highly trained with wide exposure to the micro credit workshops and seminars, this large capacity of knowledge development by the directors of POPI enable them to modernize their approach toward implementing the micro credit schemes.
- All the ECM are highly qualified having strong educational, professional background and experience in the micro finance industry.

Sl	Name	Position	Qualification	Profession	Address
01	Md. Abdul Hamid Bhuiyan	Chairman	M.Sc	Executive Director, Society for Social Services (SSS)	Mymensingh Road, Tangail
02	Md. Sharif Uddin Ahmed	Vice-Chairman	MSS	Principal	Rafiqul Islam Mohila College, Bhairab, Kishoregonj
03	Ms. Rafiqua Akter	Treasurer	MS (Eco)	Free Lancing/ Consultancy	397/2 Shantinagar Akhunjee House, Dhaka-1217
04	Ms. Shamsunnahar Chowdury	Executive Member	M.A	Private Service	188/8, 1 No. Taj Lane Road, Middle Paik Para, Mirpur, Dhaka-1216
05	Md. Rasel Ahamed Liton	Executive Member	MBA	Executive Director, Samaj Kalyan Sangstah (SKS)	House # 226, Road # 7, Mohammadia Housing Limited, Mohammadpur, Dhaka-1207
06	Syed Mosaddeque Hossain	Executive Member	MSS (GP)	Private Service	3D (1 st floor), Madhobi Govt. Officers' Quarter, Sobhanbagh, Dhanmondi, Dhaka



07	Murshed Alam Sarker	Member Secretary & Executive Director, POPI	MA	Private Service	Flat-F3, 55/K-1, Road # 9/A, Dhanmondi R/A, Dhaka-1209
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1.3 OPERATIONS

POPI has large geographic coverage. POPI's operation spans over 5 divisions, 23 Districts, 140 Upazillas, 842 union and 4208 villages,

The head office of POPI is located at 5/11-A, Block-E, Lalmatia, Dhaka-1207.

POPI is adequately staffed to handle their large scope of operations.

Total Number of Staffs: Total number of staffs stood at 1481 in FY21.

Level	Male	Female	Total
Senior Management	11	03	14
Manager	39	01	40
Mid-Manager	456	41	497
Front line Staff	877	342	1,219
Supporting Staff	54	5	59
Total	1,565	1,120	2,685
Volunteer (Paid)	128	728	856
Grand Total	1,565	1,120	2685

Total Active Members: Total active members of POPI stood at 202,002 in FY21.

Total Active Borrowers: Total active borrowers of POPI stood at 167,033 in FY21.

Average Loan Size: Average loan size is decreased to BDT 42,127 in FY21 from 52,629 in FY20.

Target Groups: POPI's target group is always the most disadvantaged segments of the society especially women, children and calamity stricken people.

1.3 PRODUCTS AND SERVICES

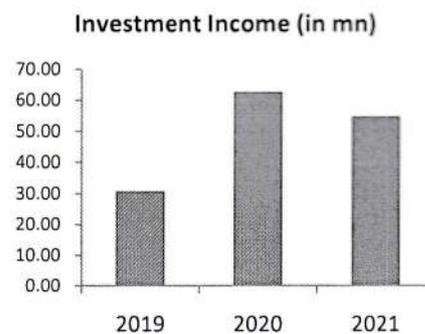
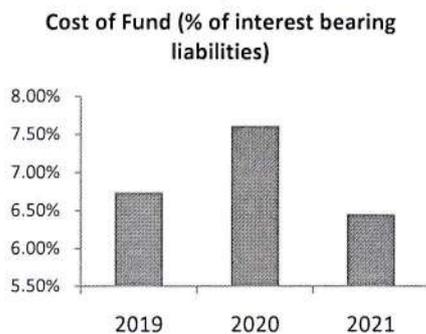
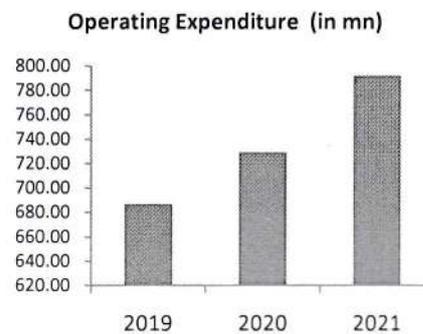
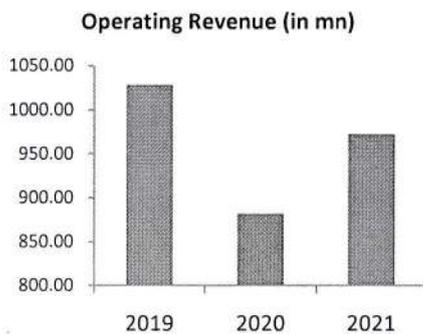
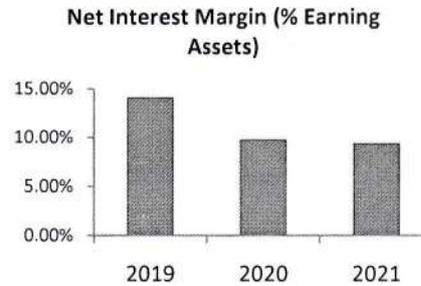
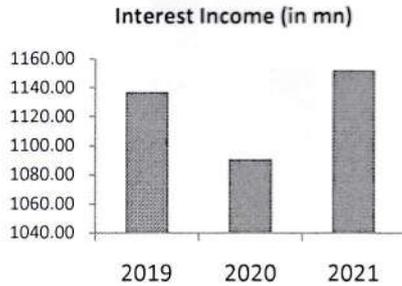
POPI's operation is focused on the following areas:

- **Economic and Food Security:**
 - Community Mobilization
 - Group Formation
 - Conduct Group Meeting
 - Savings Mobilization
 - Microcredit operation
 - Revolving Fund
 - Enterprise Development
 - Food Production
 - Technology Transfer
 - Value Chain Management
 - Human Development & Occupational Skill Development Training
- **Education:**
 - Non Formal Primary Education (NFPE)
 - Early Childhood care & Development(ECD)
 - Community Based Resource Management
- **Health and Nutrition:**
 - Health Education
 - General Treatment (Preventive & Curative)
 - Maternal, Child Health & Family Planning (MCH-FP)
 - Reproductive Health
 - Adolescent Health
 - Safe Delivery
 - Home Gardening
 - Growth Monitoring & BMI
 - Personal Hygiene and Sanitation
 - Referral Services
 - Community Engagement
 - Health Campaign
 - Advocacy and Networking
- **Social Development:**
 - Rural Infrastructure Development
 - Disaster Preparedness & Management
 - Relief & Rehabilitation
 - Social Awareness on different issues
- **Governance, Rights and Democracy:**
 - Women Empowerment
 - Civic Education
 - Human Rights Education
 - Child Rights Education
 - Child Protection
 - Networking and advocacy



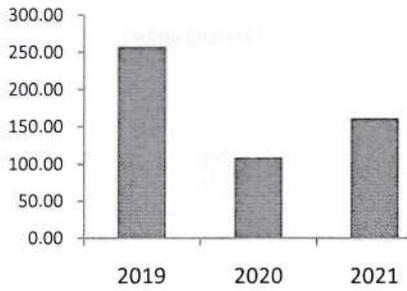
2 CHARTS

2.1 INCOME STATEMENT CHARTS

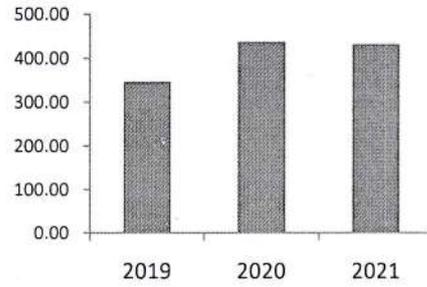




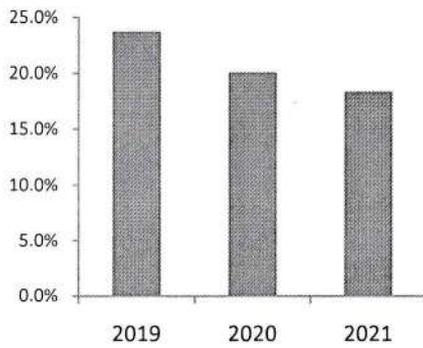
Net Profit



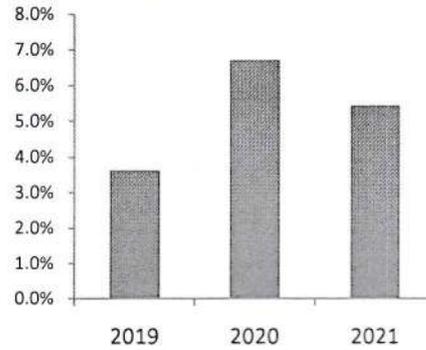
Interest Expense (in mn)



Average yield on loans

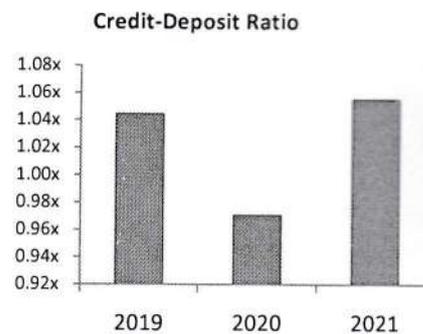
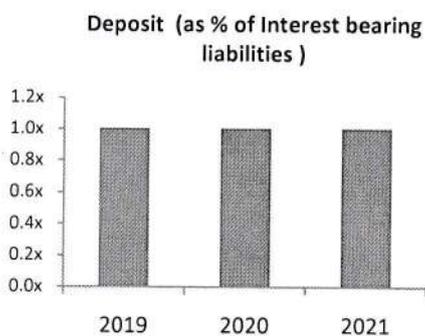
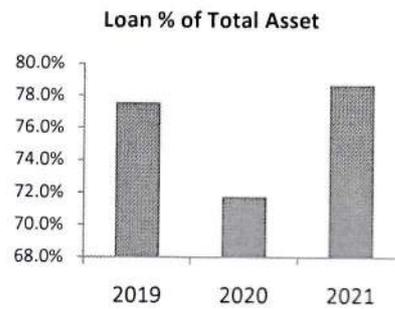
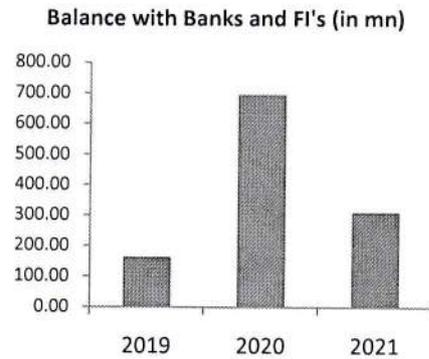
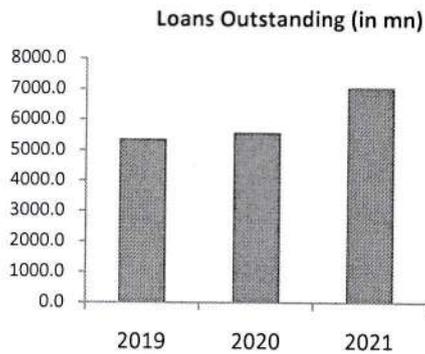


Yield on Investments



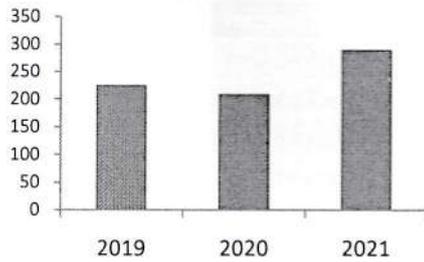


2.2 BALANCE SHEET CHARTS

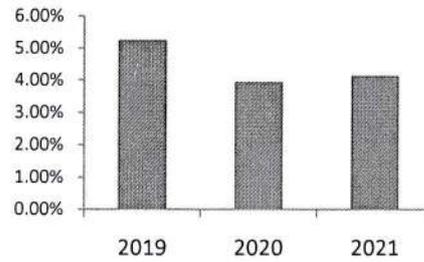




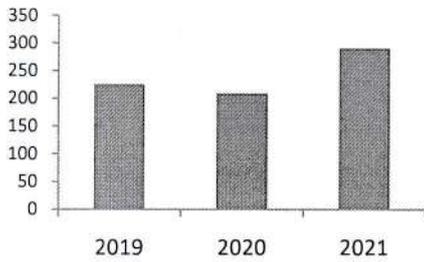
Non-Performing Loans (in mn)



NPL as % Total Loans



NPL (as % of Total Asset)



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APPENDIX A: SUMMARY OF FINANCIAL METRICS

Income Statement Metrics (in BDT MN)	2019	2020	2021
Interest Income	1136.42	1089.92	1151.43
Interest Expense	344.38	434.52	429.75
Net Interest Income	792.04	655.40	721.68
Investment Income	30.55	62.30	54.49
Commissions, Exchange & Brokerage	0.00	0.00	0.00
Other Operating Income	204.72	162.97	195.14
Total Operating Income	1027.32	880.67	971.31
Non Interest Expenses	685.97	728.69	791.16
Operating Profit/(Loss) Before Provision	341.35	151.98	180.15
Provision for Loan Loss and Others	85.25	43.51	18.40
Net Profit/(Loss) Before Tax	256.10	108.47	161.75
Provision for Taxation	0.36	0.86	1.58
Net Profit/(Loss) After Tax	255.74	107.60	160.17

Balance Sheet Metrics (in BDT MN)	2019	2020	2021
Cash	13.20	7.93	6.48
Bank Balance	159.71	692.85	308.01
Money at Call & Short Notice	0.00	0.00	0.00
Investments	846.35	930.09	1,006.56
Loans & Advances	5,343.43	5,550.23	7,036.60
Fixed Assets	436.59	431.51	434.11
Other Assets	92.99	128.82	156.40
Total Assets	6,892.27	7,741.43	8,948.16
Borrowings	0.00	0.00	0.00
Deposits & Other Accounts	5,117.21	5,718.24	6,668.46
Other Liabilities	163.43	178.37	182.74
Total Liabilities	5,280.64	5,896.62	6,851.20
Paid Up Capital	28.07	61.55	61.55
Statutory, General Reserves	0.00	0.00	0.00
Retained Earnings	737.87	816.82	961.36
Share Premium	0.00	0.00	0.00
Other Equities	0.00	0.00	0.00
Total Shareholders' Equity	765.94	878.37	1,022.91
Total Shareholders' Equity & Liabilities	6,046.58	6,774.99	7,874.11

Source: POPI's Financial Statements from FY19 to FY21

APPENDIX B SUMMARY OF ANALYTICS

Indicators	2019	2020	2021
Average Yield on Loans	23.67%	20.01%	18.30%
Average Yield on Investments	3.61%	6.70%	5.41%
Cost of Fund	6.73%	7.60%	6.44%
Net Interest Margin	14.24%	9.69%	9.30%
Cost to Income ratio	0.67x	0.83x	0.81x
Interest Income/Non-Interest Income	4.83x	4.84x	4.61x
Credit to Deposit Ratio	1.04x	0.97x	1.06x
Growth Rate of Loans and Advances	25.46%	3.87%	26.78%
Growth Rate of Investments	73.15%	9.90%	8.22%
ROA	4.14%	1.47%	1.92%
ROE	27.27%	9.55%	12.55%
Loan % of Total Assets	77.53%	71.70%	78.64%
Earning Asset % Total Assets	92.12%	92.66%	93.33%
Debt to Equity	4.81x	4.81x	4.89x
NPL as a % of Total Assets	3.25%	2.68%	3.23%
NPL as a % of Total Loans	4.21%	3.74%	4.11%

Source: POPI's Financial Statements from FY19 to FY21

APPENDIX C: LONG TERM RATING DETAILS

ACRSL CORPORATE / ENTITY RATING (LONG TERM)

Rating	Definition
AAA Triple A (Highest Safety)	Investment grade. Highest credit quality with lowest expectation of credit risk. When assigned this rating indicates the obligor has exceptionally strong capacity to meet its financial obligations and it is highly unlikely that this capacity will be impacted adversely by foreseeable events.
AA+, AA, AA- Double A (High Safety)	Investment grade. Very high credit quality and minimal expectation of credit risk. When assigned this rating indicates the obligor has very strong capacity to meet its financial obligations and is unlikely to be impacted adversely by foreseeable events.
A+, A, A- Single A (Adequate Safety)	Investment grade. High credit quality and low expectation of credit risk. When assigned this rating indicates the obligor has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions compared to obligors with higher credit ratings.
BBB+, BBB, BBB- Triple B (Moderate Safety)	Investment grade. Good credit quality and moderate expectation of credit risk. When assigned this rating indicates the obligor has adequate capacity to meet its financial obligations but this capacity remains more vulnerable to adverse economic conditions.
BB+, BB, BB- Double B (Inadequate Safety)	Speculative grade. Substantial credit risk. When assigned this rating indicates the obligor has business or other alternatives to meet current financial obligations but is substantially vulnerable to adverse economic conditions that may impair ability to meet such obligations in the future.
B+, B, B- Single B (Risky)	Highly Speculative grade. High credit risk. When assigned this rating indicates the obligor has business or other alternatives to currently meet its financial obligations but the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances improve and remain favorable.
CC+, CC, CC- Double C (Vulnerable)	Highly Vulnerable grade. Very High credit risk. When assigned this rating indicates the obligor is near to default and the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances improve. This rating may indicate that an insolvency petition has been filed or similar action has been taken, but payments on the obligation are being continued with high degree of external support.
C+, C, C- Single C (Near to Default)	Default Imminent. This category for an institution is considered to be either currently in default or expected to be in default with high probability. The obligor with this rating is unlikely to meet maturing financial obligations.
D Single D (Default)	In Default. This category for an institution is of the lowest credit quality. The rating indicates the obligor has already failed to meet its financial obligations and may have entered bankruptcy proceedings.



APPENDIX D: SHORT TERM RATING DETAILS

ACRSL CORPORATE / ENTITY RATING (SHORT TERM)

Rating	Definition
ST-1	Highest Grade Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding, Safety is almost like risk free Government short-term obligations.
ST-2	High Grade High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
ST-3	Good Grade Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
ST-4	Satisfactory Grade Satisfactory liquidity and other protection factors qualify issues as to investment grade. Risk factors are larger and subject to more variation.
ST-5	Non-Investment Grade Speculative investment characteristics. Liquidity is not sufficient to insure against disruption in debt service. Operating factors and market access may be subject to a high degree of variation.
ST-6	Default Issuer failed to meet scheduled principal and/or interest payments.

