



## **ASA International**

### **A Leap Forward In Global Microfinance**



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## ASA International: An Overview

Microfinance has been proved as a vital tool to fight poverty globally. Millions of poor, around the world, are using this service to bring about a positive change in their lives. But the most deserving clients are yet to get access to this service. There are mainly two reasons for this: lack of fund and sustainable operations model. Considering this commercial lending organizations have come ahead to provide loans to the MFIs but the funding is not enough according to the demand. Again without having cost-effective and sustainable model funding can do only a little for successful global microfinance operation.

Md. Shafiqul Haque Choudhury, Founder and President of ASA ([www.asa.org.bd](http://www.asa.org.bd)), one of the leading MFIs in the world serving more than 7 million clients in Bangladesh, and Dirk Brouwer, Founder and Managing Director of Sequoia ([www.sequoia.eu](http://www.sequoia.eu)), an independent corporate finance advisory and private equity firm in the Netherlands having global investment and transaction experiences, have come forward to solve this problem by establishing ASA International (ASAI) for global microfinance operation.

ASAI ([www.asa-international.com](http://www.asa-international.com)), a limited liability company registered in Mauritius in 2006, has been establishing Microfinance Institutions (MFIs) in different countries of Asia and Africa to assist the poor lift themselves out of poverty.

Catalyst Microfinance Investors (CMI) ([www.catalyst-microfinance.com](http://www.catalyst-microfinance.com)), equity provider of ASA International, is a limited liability company having USD 125 Million as investment fund for microfinance operation in Asia and Africa. Shareholders of CMI are world famous financial organizations, private equity funds, private investors and pension funds. ASAI is a greenfield microfinance institution and 100% owned by CMI. ASA provides all kinds of operational supports to ASAI to operate microfinance program in different



One client in Ghana

countries.

At present ASAI is working in Sri Lanka, Nigeria, Philippines, Ghana, Pakistan, Afghanistan and India. Each of these operating countries follows the 'ASA Cost-effective and Sustainable Microfinance Model', adjusted to local circumstances.

It is foreseen that each of these MFIs will, over time, be the market leader in terms of efficiency and scale in each of the mentioned markets. This will stimulate competition in these markets and put pressure on other MFIs to reduce their operating expenses and ultimately reduce the costs of borrowing to the clients.

### **Proposed countries**

China, Indonesia, Tanzania,

## Implementation Strategies

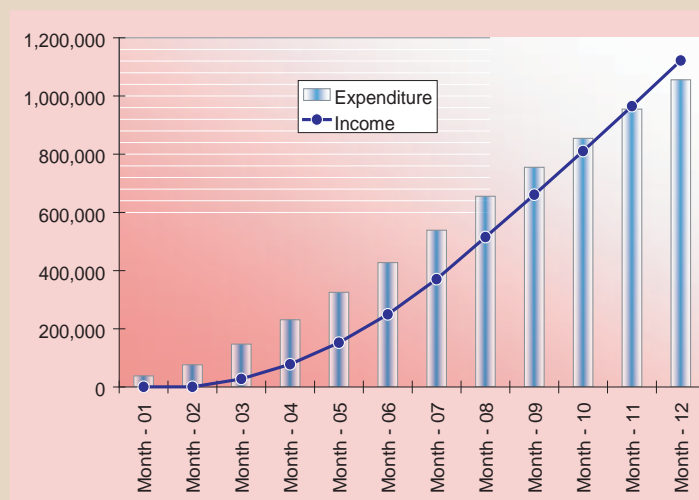


ASA International and CMI team in a meeting  
at Operational Headquarters, Dhaka, Bangladesh

- Experienced staffs of ASA are deputed to the operating countries to train local staff and design policies and procedures. They also take part as well as supervise day to day activities of the respective organization.
- Local staffs are generally promoted to senior posts so that they can run the program independently.
- At present 70 ASA staffs are working in different operating countries to implement the ASA Microfinance Model considering local practices of the respective country.
- ASAI has introduced automation in all the operating countries. The whole program will be supported by specialized software made by ASA.
- Operational Headquarters, based in Bangladesh, provides full operational support.
- Europe Office, based in the Netherlands, provides funding and legal support.
- Product and methodology have been designed according to respective countries' circumstances and culture
- More than 95% staffs are locally recruited.

## Replication of ASA Model

ASAI replicates the "ASA Cost-effective and Sustainable Microfinance Model".



Month-wise Branch Cost Structure

This unique model makes a branch self-reliant within twelve months. ASA's branches are the main centers for directing microfinance program. One Branch Manager (BM) and four to five Loan Officers (LOs) are the core staff of a branch office.

One LO generally supervises 400-450 members of 18-20 groups. A branch generally maintains 72-90 groups with a total of 1600 to 2000 members respectively and the number of groups in a branch depends on the number of Loan Officers there. There is no separate Accountant or Cashier in a ASA Branch Office.

## ASAI at a Glance

Up to September 2009

Country	Operation Started	No. of Branch	No. of Active Borrower	Loan Outstanding (Principal in USD)
<b>Sri-Lanka</b> LAK JAYA Microfinance Ltd.	Feb'07	45	31,275	2,933,212
<b>Nigeria</b> Grooming Center	Oct'07	45	46,675	4,004,769
<b>Philippines</b> Pagasa Philippines Lending Company Inc.	Dec'07	51	48,043	3,365,491
<b>Ghana</b> ASA Ghana	Feb'08	21	18,102	2,546,792
<b>India</b> Dilkusha Hire Purchase Pvt. Ltd.	July'08	80	97,377	8,927,669
<b>Pakistan</b> ASA Pakistan Ltd.	Sep'08	20	12,282	960,203
<b>Nigeria</b> Association for Social Improvement and Economic Advancement (ASIEA)	Feb'09	09	7,847	774,993
<b>Afghanistan</b> ASA Afghanistan Ltd.	Mar'09	08	2,954	565,902
<b>Total</b>		<b>279</b>	<b>264,555</b>	<b>24,079,031</b>

Note: ASIEA is the own entity of ASAI in Nigeria

### Cambodia:

Equity investment in CHC Ltd. and Seilanithih Ltd.

## Projection 2009 (December)

No. of Branch	310
No. of Borrowers	419,104
Loan portfolio (Principal in USD)	36,492,055

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