

ASA INTERNATIONAL



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ASA International: An Overview

Microfinance now accepted worldwide as one of the potent tools of poverty elevation. Millions of poor, across the world, are using microfinance to bring about a positive change in their lives. But the many deserving clients are yet to get access to this service. Lack of fund and sustainable operational model are the main causes for this situation. Considering this commercial lending organizations have come ahead to provide loans to the MFIs but the funding was not sufficient according to the demand. On the other hand, 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), one of the leading MFIs in the world serving about six million clients in Bangladesh, and Dirk Brouwer, Founder and Managing Director of Sequoia (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), 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 help themselves out of poverty.

Catalyst Microfinance Investors (CMI) (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 registered as holding company for establishing and owning 100% ownership of greenfield microfinance institutions in Asia and Africa. ASAI is owned by CMI. ASA provides all kinds of operational and management supports to ASAI to operate microfinance program in different countries.

At present ASAI is working in Sri Lanka, Nigeria, Philippines, Ghana, Pakistan, Afghanistan, India and Cambodia. 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 lending by MFIs.

Proposed countries : Indonesia

Implementation Strategies

- 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 60 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.
- ASA Bangladesh provides full operational and technical 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.
- Above 98% staffs are recruited locally.

Basic Characters of ASA Model

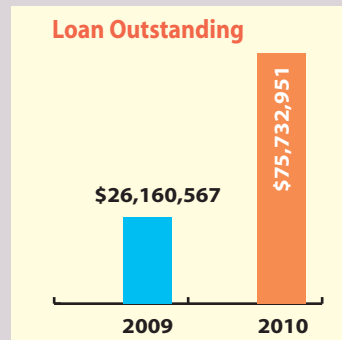
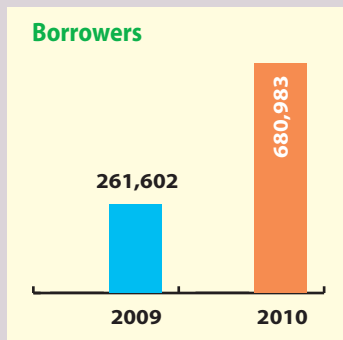
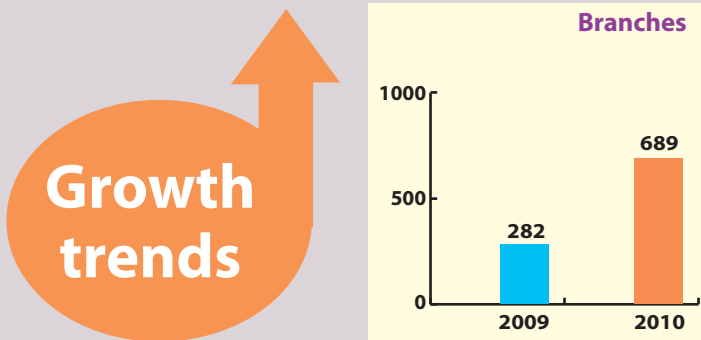
ASAI replicates the "ASA Cost-effective and Sustainable Microfinance Model" in different countries. The basic characters of ASA model are being replicated in different ASAI entities.

- * Lean structure
- * Faster recruitment and cost less informal training
- * Simplification and standardization
- * Less over head cost and standard costs structure
- * Maximum utilizations of fund
- * Manualization: ASA has developed very comprehensive operational manual
- * Cost control steps
- * Innovative management

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.

The following charts show the growth trends of ASAI during 2010.



Branches		Borrowers		Loan Outstanding	
2009	2010	2009	2010	2009	2010
282	689	261,602	680,983	26,160,567	75,732,951

ASAI at a Glance
Up to December 2010

Country	Operation Started	Branches	Active Borrowers	Loan Outstanding (Principal in USD)
Sri-Lanka	Feb'07	44	35,165	36,09,076
Philippines	Dec'07	163	1,40,599	1,34,47,845
Ghana	Feb'08	50	40,702	77,44,700
India	July'08	284	3,32,390	3,60,19,470
Pakistan	Sep'08	100	85,380	82,95,662
Nigeria	Feb'09	36	35,959	47,83,459
Afghanistan	Mar'09	12	10,788	18,32,739
Total		689	680,983	75,732,951

Cambodia: Equity investment \$1.2 million in CHC Ltd. & Seilanithih Ltd.

Projection 2011

Branches	935
Borrowers	1,039,276
Loan portfolio (Principal in USD)	120,900,974

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