



# ASA International (ASAI)

## Quarterly Report (Q3 2009)

(July - September)





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## Executive Summary

ASA International (ASAI) has been providing microfinance services globally by establishing Microfinance Institutions (MFI) in Africa and Asia. At present ASAI is working in India, Pakistan, Sri Lanka, Philippines, Nigeria, Ghana and Afghanistan as Greenfield Operation.

With equity funding from Catalyst Microfinance Investors (CMI), ASAI is replicating ASA's "Cost-effective and Sustainable Microfinance Model" globally through establishing MFIs. ASA is providing full operational support in implementing the program.

## General Observations<sup>1</sup>

- **Branch:** 279 (55 new branches have been increased during Q3 including grooming)
- **Borrower:** 210,887 (22,721 borrowers have been added during Q3 including grooming)
- **Portfolio:** Loan portfolio (principal) is USD 20 million
- **Savings:** Savings / loan security/LCBU is USD 6.3 million covering about 26% of the loan outstanding including grooming center Nigeria.
- **Overdue:** Number of overdue members has been increased significantly due to flood and typhoon affected borrowers in Philippines.
- **Deployment From ASA:** Total numbers of 60 ASA staffs are working in different countries
- **Investment:** An additional USD 1.91 million has been invested during the quarter
- **Projected Country:** Senegal, Indonesia, Tanzania, and China.

## Key Country Development

**India:** Positive growth with 97,377 clients and over 8 million disbursements.

**The Philippines:** On track with 48,043 clients in 51 branches with USD 3.3 m portfolio.

**Sri Lanka:** Positive growth with 31,275 clients and over 2.9 million disbursements.

**Nigeria:** Grooming litigation takes a new shape. ASIEA is the own operation in Nigeria currently working with 9 branches and 7,847 active members.

**Ghana:** Positive growth with 18,102 clients in 21 branches. Number of defaulters is being reducing significantly.

**Pakistan:** 20 branches with 12,282 Clients with almost USD 1.0 m of portfolio.

**Afghanistan:** Positive growth with 2,954 clients in 8 branches and 0.7 m of disbursements.

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<sup>1</sup> All the data include Grooming Center, Nigeria



## Facts and Figures of ASAI Up to September 2009

Particulars	Sri Lanka	Nigeria (ASIEA)	Philippines	Ghana	India	Pakistan	ASA Afghanistan	Total (With out Grooming)	Nigeria (Grooming Center)
<b>General Information</b>									
No. of branch	45	9	51	21	80	20	8	234	45
No. of depositors	35,150	8,617	48,251	22,275	105,307	-	2,954	222,554	54,542
No. of borrowers	31,275	7,847	48,043	18,102	97,377	12,282	2,954	210,887	46,675
No. of LO	127	42	211	83	285	76	24	976	170
No. of borrowers per LO	246	187	228	218	342	162	123	216	275
Staff from ASA	3	7	21	11	3	8	10	63	-
<b>Loan Portfolio (USD )</b>									
Loan disbursed (Cum. Principal in Millions)	15.32	1.40	14.54	7.46	23.63	1.58	0.71	64.66	28.28
Loan outstanding (Principal in Millions)	2.93	0.77	3.36	2.54	8.92	0.96	0.56	20.07	4.00
Avg. outstanding per borrower	94	99	70	141	92	78	192	95	86
Portfolio per loan officer	23,096	18,452	15,950	30,684	31,325	12,634	23,579	20,568	23,557
<b>Exchange Rate</b>									
Exchange rate (Last day of month)	0.00872	0.0066	0.02106	0.6993	0.0207	0.01204	0.0202	n/a	0.00660
<b>Disbursement Started</b>									
Loan Disbursement Started	Feb.07	Feb.09	Oct.07	Dec.07	Feb.08	July.08	Sep.08	Mar.09	n/a

**Note:**

No of Twin-one Branch are 10 in Philippine. i.e. 20 Branch has been running in the name of 10 Branch.

ASAI is directly managing operation of ASIEA in Nigeria.



## Decisions taken/implemented in Q3 2009

### Operational HQ Update

- BoD, IC and ASAI Internal Meeting were held successfully at London from 5-7 September 09. Md. Shafiqul Haque Choudhury, CEO-ASAI, Md. Enamul Haque, COO, ASAI and Mohammad Azim Hossain, ID-CMI, attended the meeting.
- BoD meeting held in ASA India over teleconference from ASAI HQ.
- IC memo has been prepared for Senegal, Indonesia Tanzania.
- Feedback sent to all entities on TL monthly progress report and how many memos sent with in the period.
- Five memo were sent mostly operation related to all stakeholder.
- Annual Report 2008 of ASAI has published
- Brochure and website updated.



## Country wise 3Q Updates

### **Sri Lanka:**

- Deputy Director Zakir Hossain has nominated for WWB TOT training in Sri Lanka.

### **Philippines:**

- Fund has been transferred to Philippines provided by Bill Melinda gates foundation.
- 1 Branch manager of ASA has returned from Philippine.
- IT training in Philippines has been completed successfully.

### **Ghana:**

- IT training in Ghana has been completed successfully.
- Mr. Aourongjeb has selected as TL in Ghana.

### **India:**

- Deputed Deputy Director and Assistant Director have returned from India.
- IT training in India has been completed successfully.

### **Pakistan:**

- 4 Branch Manager of ASA has been deployed to Pakistan.
- Deputed Development officer and DM have returned from Pakistan.
- IT training in Pakistan has been completed successfully.

### **Nigeria:**

- ASEIA Nigeria Have received the AIP certificate from the central bank of Nigeria.
- Required documentation drafted for Nigeria MFB.
- Mr. Abu Hasnat Deputy Director of ASA returned from Nigeria
- Mr. Saleh Khan Jr. Director and 1 BM have been deployed to Nigeria



### Quarterly Growth: (Q2 2009 to Q3 2009)

Country	Indicator	Q2 2009 (June)	Q3 2009 (Sept)	Growth (%)
Sri Lanka	Branch	46	45	-2%
	Borrower	35,597	31,275	-12%
	Portfolio (Principal in USS)	3,124,428	2,933,212	-6%
	Security/savings (USD)	1,200,112	1,160,611	-3%
	Defaulters	4,827	4,251	-12%
Philippines	Branch	35	51	46%
	Borrower	39,869	48,043	21%
	Portfolio (Principal in USS)	2,743,446	3,365,491	23%
	Security/savings (USD)	811,913	923,953	14%
	Defaulters	1,202	8,974	647%
Ghana	Branch	19	21	11%
	Borrower	15,342	18,102	18%
	Portfolio (Principal in USS)	1,844,334	2,546,792	38%
	Security/savings (USD)	343,257	532,673	55%
	Defaulters	2,195	1,913	-13%
India	Branch	61	80	31%
	Borrower	88,331	97,377	10%
	Portfolio (Principal in USS)	6,455,689	8,927,669	38%
	Security/savings (USD)	966,626	1,389,203	44%
	Defaulters	170	452	166%
Pakistan	Branch	15	20	33%
	Borrower	7,852	12,282	56%
	Portfolio (Principal in USS)	698,287	960,203	38%
	Security/savings (USD)	-	-	-
	Defaulters	3	8	167%
Nigeria ASEIA	Branch	6	9	50%
	Borrower	3,612	7,847	117%
	Portfolio (Principal in USS)	503,448	774,993	54%
	Security/savings (USD)	84,002	214,971	156%
	Defaulters	-	-	-
Afghanistan	Branch	4	8	100%
	Borrower	1,219	2,954	142%
	Portfolio (Principal in USS)	268,234	565,902	111%
	Security/savings (USD)	15,481	43,547	181%
	Defaulters	-	-	-

#### General Observations

- Savings/security growth is satisfactory and positive in Ghana, India and Philippines
- Borrower growth is satisfactory in Pakistan (56%)
- No of defaulters decreased by 13% by this quarter in Ghana;
- Default rate is increased due to flood and Typhoon affected clients in the Philippines<sup>2</sup>

<sup>2</sup> Proper initiatives have already been taken to solve the problem including Flood loan.



## Country wise 3Q Updates

**Country: Sri Lanka**

**Operation Started: February 2007**

Operations in Sri Lanka (Lak Jaya Microfinance Ltd.) have been hampered due to some unexpected issues.

### Performance

Description	July	August	September
Branches	46	45	45
Depositors	39,298	37,069	35,150
Borrowers	34,040	32,674	31,275
Loan Officers	144	127	127
Borrowers per LO	236	257	246
Staff from ASA	2	3	3
Loan disbursed (cumulative principal) USD	14,369,780	14,842,485	15,324,819
Loan outstanding (principal) USD	2,912,126	3,031,092	2,933,212
Avg. outstanding per borrower	86	93	94
Portfolio per loan officer	20,223	23,867	23,096
Total Loan Security (cumulative principal) USD	1,147,767	1,205,065	1,160,611
Defaulter	4,615	4,418	4,251
Defaulted amount (USD)	177,199	188,125	180,723
Exchange rate (last day of month 1 LRK = USD)	0.0084	0.008901	0.00872

### Target and Achievement (as of 30 September 2009)

Description	Target	Achievement	Achievement (%)	Difference
Branch	46	45	97%	-1
Borrower	38,230	35,150	91%	-3080
Outstanding (USD)	2,658,792	2,933,212	110%	+274,420

### General Observation

No. of borrower per LO decreased during this quarter from 269 to 246.

Security money is 39% of outstanding.

Growth in borrower are slow and no of borrowers are decreasing.



**Country: The Philippines**  
**Operation Started: December 2007**

At present 10 branches have double units that include 2 BMs and 8-10 LO's.

**Performance**

Description	July	August	September
Branches	37	50	51
Depositors	42,100	44,714	48,251
Borrowers	41,930	44,554	48,043
Loan Officers	189	207	211
Borrowers per LO	243	215	228
Staff from ASA	25	21	21
Loan disbursed (cumulative principal) USD	12,295,655	13,424,887	14,541,551
Loan outstanding (principal) USD	2,906,387	3,164,945	3,365,491
Avg. outstanding per borrower	69	71	70
Portfolio per loan officer	15,378	15,290	15,950
Total Loan Security (cumulative principal) USD	844,168	871,181	923,953
Defaulter	1,724	1,724	8,974
Defaulted amount (USD)	69,633	79,524	136,759
Exchange rate (last day of month 1 PHP= USD)	0.0208	0.02088	0.02106

**Target and Achievement**

Description	Target	Achievement	Achievement (%)	Difference
Branch	45	51	133%	+6
Borrower	47,400	48,043	101%	+643
Outstanding (USD)	4,402,531	3,365,491	76%	-1,037,040

**General Observation**

Growth of branch and borrowers is Positive  
Average portfolio per borrower (USD 70) is the lowest in the Philippines  
Security money is 30% of outstanding  
Default increased during the quarter<sup>3</sup>

<sup>3</sup> Number of overdue members has been increased significantly due to flood and typhoon affected borrowers in Philippines.



**Country: Ghana**  
**Operation Started: February 2008**

Previously Ghana faced challenge of default. However, after the visit of the COO has visit Ghana and new method of directing operations has worked successfully to reduce the overdue. An experienced staff from ASA has already been deployed to handle the issue. Currently 12 experienced ASA staffs are performing actively.

**Performance**

Description	July	August	September
Branches	20	21	21
Depositors	20,818	21,681	22,275
Borrowers	16,447	17,660	18,102
Loan Officers	78	79	83
Borrowers per LO	216	224	218
Staff from ASA	12	12	11
Loan disbursed (cumulative principal) USD	6,328,706	6,946,069	7,465,544
Loan outstanding (principal) USD	2,049,205	2,329,931	2,546,792
Avg. outstanding per borrower	125	132	141
Portfolio per loan officer	26,272	29,493	30,684
Total Loan Security (cumulative principal) USD	403,168	470,810	532,673
Defaulter	2,056	1,971	1,913
Defaulted amount (USD)	155,316	157,771	157,647
Exchange rate (last day of month 1 GC = USD)	0.6721	0.6901	0.6993

**Target and Achievement**

Description	Target	Achievement	Achievement (%)	Difference
Branch	22	21	95%	+1
Borrower	17,140	22,275	129%	+5,315
Outstanding (USD)	1,818,452	2,546,792	140%	+728,340

**General Observation**

Security money is 21% of outstanding  
 Number of defaulters has been decreased significantly  
 14% of the borrowers are defaulters with 9% of the portfolio



**Country: India**  
**Operation Started: July 2008**

ASAI India has opened new 10 branches in May 2009.

**Performance**

Description	July	August	September
Branches	71	71	80
Depositors	99,020	102,894	105,307
Borrowers	90,528	93,416	97,377
Loan Officers	222	245	285
Borrowers per LO	408	381	342
Staff from ASA	5	5	-
Loan disbursed (cumulative principal) USD	20,893,556	21,140,507	23,634,375
Loan outstanding (principal) USD	6,964,500	7,853,099	8,927,669
Avg. outstanding per borrower	77	84	92
Portfolio per loan officer	31,372	32,053	31,325
Total Loan Security (cumulative principal) USD	1,096,584	1,243,408	1,389,203
Defaulter	250	321	452
Defaulted amount (USD)	9,936	13,247	16,409
Exchange rate (last day of month 1INR = USD)	0.0206	0.0207	0.0207

**Target and Achievement**

Description	Target	Achievement	Achievement (%)	Difference
Branch	75	80	106%	+5
Borrower	104,000	105,307	101%	+1,307
Outstanding (USD)	8,499,353	8,927,669	105%	+428,316

**General Observation**

- Highest portfolio among ASAI Operational countries. It is 44% of the total portfolio.
- Default rate is comparatively lower.
- Borrowers per Loan officer are highest among ASAI operational countries.
- Security money is almost 15% of outstanding.



**Country: Pakistan**  
**Operation Started: September 2008**

ASAI Pakistan has been operating for seventh.

**Performance**

Description	July	August	September
Branches	15	20	20
Depositors	-	-	-
Borrowers	9,257	10,813	12,282
Loan Officers	72	76	76
Borrowers per LO	119	142	162
Staff from ASA	4	8	8
Loan disbursed (cumulative principal) USD	1,155,578	1,363,402	1,585,251
Loan outstanding (principal) USD	759,265	866,633	960,203
Avg. outstanding per borrower	82	80	78
Portfolio per loan officer	10,545	11,403	12,634
Total Loan Security (cumulative principal) USD	-	-	-
Defaulter	3	9	8
Defaulted amount (USD)	63	207	192
Exchange rate (last day of month 1 PKR = USD )	0.012	0.01208	0.01204

**Target and Achievement**

Description	Target	Achievement	Achievement (%)	Difference
Branch	20	20	100%	+0
Borrower	17,500	12,282	70%	-5,218
Outstanding (USD)	1,469,097	960,203	65%	-508,894

**100%** achievement in branch expansion  
 Borrowers per Loan officer Increased ( 162 per L.O)



**Country: Nigeria (ASIEA)**  
**Operation Started: February 2009**

ASAI started its own operation in Nigeria through Association for Social Improvement and Economic Advancement (ASIEA) in February 2009.

**Performance**

Description	July	August	September
Branches	6	9	9
Depositors	6,514	7,807	8,617
Borrowers	5,532	7,031	7,847
Loan Officers	30	39	42
Borrowers per LO	120	180	187
Staff from ASA	8	8	7
Loan disbursed (cumulative principal) USD	919,587	1,175,080	1,401,635
Loan outstanding (principal) USD	654,897	754,419	774,993
Avg. outstanding per borrower	118	107	99
Portfolio per loan officer	21,830	19,344	18,452
Total Loan Security (cumulative principal) USD	128,913	178,379	214,971
Defaulter	-	-	-
Defaulted amount (USD)	-	-	-
Exchange rate (last day of month 1NGN = USD)	0.0064	0.006573	0.006608

**Target and Achievement**

Description	Target	Achievement	Achievement (%)	Difference
Branch	9	9	100%	0
Borrower	8,750	8,617	98.%	-133
Outstanding (USD)	965,706	774,993	80%	-190,413

**General Observation**

100% achievement in branch expansion  
 Borrower per LO is 187.



**Country: Afghanistan**  
**Operation Started: March 2009**

ASA Afghanistan is the latest operational country in ASAI.

**Performance**

Description	July	August	September
Branches	4	8	8
Depositors	1,861	2,390	2,954
Borrowers	1,861	2,390	2,954
Loan Officers	17	23	24
Borrowers per LO	109	104	123
Staff from ASA	10	10	10
Loan disbursed (cumulative principal) USD	458,399	584,551	712,137
Loan outstanding (principal) USD	418,092	495,615	565,902
Avg. outstanding per borrower	225	207	192
Portfolio per loan officer	24,594	21,548	23,579
Total Loan Security (cumulative principal) USD	25,953	34,274	43,547
Defaulter	-	-	-
Defaulted amount (USD)	-	-	-
Exchange rate (last day of month 1 AFN = USD )	0.0201	0.02004	0.02021

**Target and Achievement**

Description	Target	Achievement	Achievement (%)	Difference
Branch	7	8	114%	+1
Borrower	4,025	2,954	73%	-1,071
Outstanding (USD)	758,278	565,902	75%	192,376

**General Observation**

Positive (114%) achievement in branch expansion



## Visit Report in Brief

- **Md. Shafiqul Haque Choudhury, CEO, ASAI**

Country: India

Duration: 1st - 4th July 2009

Major Task : Board meeting, overall supervision and monitoring

Country: Cambodia

Duration: 22-26th July 2009

Major Task :Board meeting of CHC, Seilanithih Cambodia.

Country: Pakistan

Duration: 4th August -10th August 2009

Major Task: PPAF Conference and observing the overall activities of ASAI Pakistan.

Country: United Kingdom

Duration: 4th -9th September 2009

Major Task: Attending quarterly Board IC meeting with CMI and Investors.

Country: Ghana & Nigeria

Duration: 16th September -1st October 2009

Major Task: Oversee overall activities of the both country with Mr. Dirk

- **Md. Enamul Haque, COO, ASAI**

Country: India

Duration: 4<sup>th</sup> – 8th July 2009

Major Task : Overall supervision and monitoring.

Country: United Kingdom

Duration: 4th -9th September 2009

Major Task : Attending quarterly Board IC meeting with CMI and Investors.

- **Dr. Mostaq Ahammed, DCOO ASAI**

Country: Srilanka

Duration – 27<sup>th</sup> July – 5<sup>th</sup> August 2009

Major Task: overall supervision and monitoring

- **Mohammed Azim Hossain, Investment Director, CMI**

Country: United Kingdom

Duration: 4th -9th September 2009

Major Task: Attending quarterly Board IC meeting with CMI and Investors.



## Status of ASA Microfinance Management System: IT Detailed status

### Status of AMMS V3 implementation

- Implementation completed successfully for India, Pakistan, Nigeria, Ghana and Philippines
- Sri-Lanka still using AMMS V2 and will continue to do so until legal issues are sorted out
- Afghanistan automation is delayed due to few numbers of branches and local skill availability

### AMMS country consolidation module

- AMMS country consolidation module is released on Nov 1<sup>st</sup>, currently India is using it on test basis
- The system will be live starting Dec 1<sup>st</sup> and all respective parties will be able to view the consolidated reports for all branches in India
- During Dec 1<sup>st</sup>-Jan 15<sup>th</sup> India head office accounting system will be integrated with country consolidation module and local regulatory authority reporting requirements will be fulfilled thus completing the end to end automated solution for India
- You can get a sneak preview of the system at [amms.asa-international.com](http://amms.asa-international.com) (user/password demo/demo)

### Future plan

Project	Delivery Date	Output	Status
<b>Country consolidation reports</b>	Dec 01, 09	Standard MIS/FIS reports for all branches in a country	Development completed, currently testing for India
<b>India - consolidated country specific reports</b>	Jan 15, 10	Needed for local Banks/regulatory authority	Development in progress
<b>Nigeria - consolidated country specific reports</b>	Feb 15, 10	Needed for local Banks/regulatory authority	Requirement analysis in progress
<b>Philippines - consolidated country specific reports</b>	Mar 30, 10	Needed for local Banks/regulatory authority	Work in queue
<b>Ghana, Pakistan, Afghanistan, Sri-Lanka - country specific reports</b>	On hold	Needed for local Banks/regulatory	No specific requirement yet
<b>ASAI centralized software</b>	On hold	Consolidated MIS/FIS reports for all ASA international countries in one report	On hold due to country specific development priority

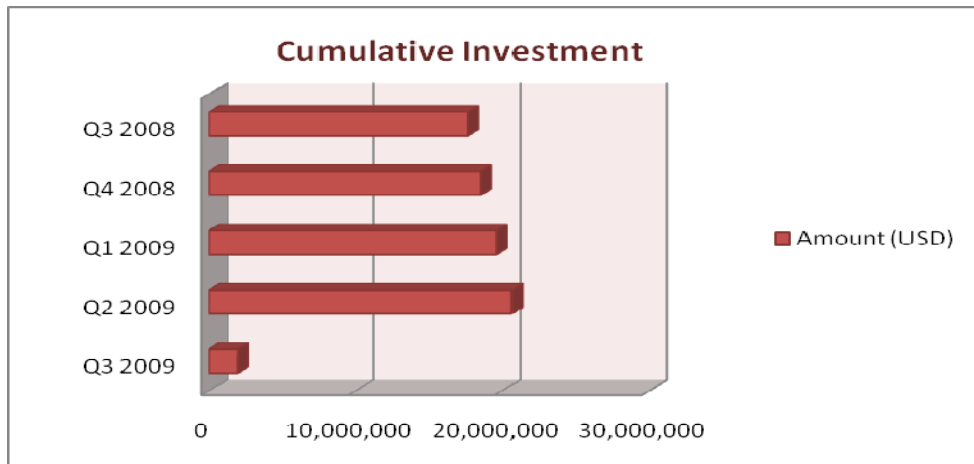


## Investment Status: Q3, 2009

Entity	Amount
ASA Pakistan	-
ASA Afghanistan	-
ASIEA Nigeria	120,000
Pagasa P. Lending Company Inc.	1,500,000
ASA Ghana	-
Lak Jaya Microfinance Ltd.	297,950
<b>Total USD</b>	<b>1,917,950</b>

## Cumulative Investment

Investments	Amount (USD)
<b>Q3 2009</b>	<b>1,917,950</b>
Q2 2009	20,614,923
Q1 2009	19,599,923
Q4 2008	18,511,182
Q3 2008	17,637,620





## ASAI Staffs

S/N	Name of the country	Staff Deputed from ASAI operational HQ	Local/Country staffs
1	ASAI Srilanka	3	252
2	ASAI Philippines	21	293
3	ASAI India	0	394
4	ASAI Ghana	11	127
5	ASAI Pakistan	8	150
6	ASAI Nigeria	10	65
7	ASAI Afghanistan	7	42
	<b>Sub total</b>	<b>60</b>	<b>1323</b>
<b>Total</b>			<b>1383</b>

Md. Asif Haque  
Development Officer, ASAI

Dr. Mostaq Ahmmed  
DCOO, ASAI



## **Operational Headquarters**

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