



# ASA International

**A Leap Forward  
In Global Microfinance**



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## ASA International: An Overview

The United Nations (UN) has proclaimed to "Reduce by half the proportion of people living on less than a dollar a day and to reduce by half the proportion of people who suffer from hunger" by 2015 as its first agenda of the Millennium Development Goals (MDGs). Following suit the Microcredit Summit Campaign (MSC) has declared to reach 175 million poor families and to raise 100 million of them above US\$ 1 by 2015.

Many organizations are working globally to assist in reaching the goals of the UN and the MSC. Especially Microfinance Institutions (MFIs) are playing a vital role to achieve the goals through providing different financial services to the poor worldwide. However, the World Bank (WB) has estimated recently that almost 1.2 billion people (roughly 240 million families) are living, around the globe, on less than US\$1 a day. But most of them are not getting the service of microfinance properly. There are mainly two reasons for this; firstly, lacking of fund and secondly, sustainable 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.asabd.org](http://www.asabd.org)), one of the leading MFIs in the world serving more than 7 million clients globally 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 along with introducing a new concept in the microfinance arena, that is "MFIs for profit and serving the poor". Considering this they have established, along with other likeminded people/organizations, ASAI for global microfinance operation.

ASA International Holding (ASAI) ([www.asa-international.com](http://www.asa-international.com)), a limited liability company registered in Mauritius, has been formed to assist directing microfinance service globally with the fund from private and commercial investors.

ASAI will establish Microfinance Institutions (MFIs) worldwide under the banner of Green Field Operation to play a vital role in global poverty alleviation. Catalyst Microfinance Investors (CMI) ([www.catalyst-microfinance.com](http://www.catalyst-microfinance.com)), a limited liability company having USD 125 Million as investment fund will invest in different countries through ASAI. CMI fund will be used as the completely commercial funds. Investors will get profit directly from their respective shares. On the other hand ASA, one of the leading MFIs that has been rated as the best MFI globally by the Forbes on its 20.12.2007 issue, will provide Technical Assistance (TA) for Green Field Operation. Senior and skilled staff will work in different operational countries to replicate the *ASA Cost-effective and Sustainable Model* in respective country.

Behind this joint venture, there are world famous financial organizations, private equity funds, private investors, pension fund, etc. These are ASA, Bangladesh, Sequoia, the Netherlands, a Dutch pension fund named ABP, Financial Organizations of USA, Private investors, Gates Foundation, etc.

## Operational Status in Different Countries

ASAI has established new MFIs in different countries namely Sri Lanka, Nigeria, Phillipines, Ghana and India. Each of these MFIs follows the '*ASA Cost-effective and Sustainable Microfinance Model*', adjusted to local circumstances.



### **Country :Ghana**

Contact Person :Md. Jamilur Rahman Chowdhoury  
E-mail :ghana@asa-international.com

### **Operational Status(up to May 2008)**

#of Branch : 11  
#of Loan Officer : 38  
#of Borrower : 5,619  
Loan Disbursed(cum.) : US\$ 1.37 Million  
Loan Outstanding : US\$ 1.14 Million

**Country : Philippines**

Contact Person : T.I.M Fakruzzaman

E-mail : philippines@asa-international.com

**Operational Status(up to May 2008)**

#of Branch : 15

#of Loan Officer : 44

#of Borrower : 6,062

Loan Disbursed(cum.): US\$ 1.03 Million

Loan Outstanding : US\$ .55 Million

**Country : Nigeria (Grooming Center)**

Contact Person : Md. Abu Hasnat Chowdhury

E-mail : nigeria@asa-international.com

**Operational Status(up to May 2008)**

#of Branch : 22

#of Loan Officer : 85

#of Borrower : 26,441

Loan Disbursed(cum.): US\$ 5.90 Million

Loan Outstanding : US\$ 3.09 Million

**Country : Sri Lanka (Lak Jaya)**

Contact Person : Mr. Lasantha Mendis

E-mail : lakjaya-ltd@sltnet.lk

**Operational Status(up to May 2008)**

#of Branch : 34

#of Loan Officer : 91

#of Borrower : 25,724

Loan Disbursed(cum.): US\$ 8.11 Million

Loan Outstanding : US\$ 3.02 Million

**Country : India**

Contact Person : Mr. Kalyan Mitra

E-mail : kmitra@asa-international.com

A number of 75 loan officers are working to assist more than 6000 members through 25 branch offices.

Experienced staff from ASA has already been seconded to most of the countries to train the local staff and design the policies and procedures. They also take part as well as supervise day to day activities of the respective organization. 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. ASAI hopes its services will assist the poor globally to introduce a positive change in their respective lives.



ASAs staff (1st and 4th from the left) with the local staff in ASA Ghana Office



## Proposed Countries

ASAI is going to introduce its operation in some other countries within 2008. The organization has already got the permission for directing microfinance, following rules of respective country, in some of the following countries and processing for others are going on.

**Pakistan:** ASAI has got the official registration to start microfinance program there and processing for commencement certificate is going on. One Admin Manger from Pakistan is appointed and he is doing the necessary task to start the program as early as possible.

**China:** ASAI and China International Center for Economic and Technical Exchanges (CICETE) have formed a joint venture company to operate microfinance and approval from city Government has been obtained. Now processing for getting approval from provencial level is going on.

**Yemen:** International Financial Corporation (IFC) and KFW of Germany jointly declared an international bidding to start microfinance program in Yemen through a project namely Tamkeen Microfinance Service Company. ASA participated in the bidding process and was selected as the technical service provider. ASAI has also been invited to participate in the investment fund.

**Indonesia:** A law firm is assigned to complete the legal procedures. Initially a consultancy company has been formed to start the operation and a venture capital company will be registered soon.

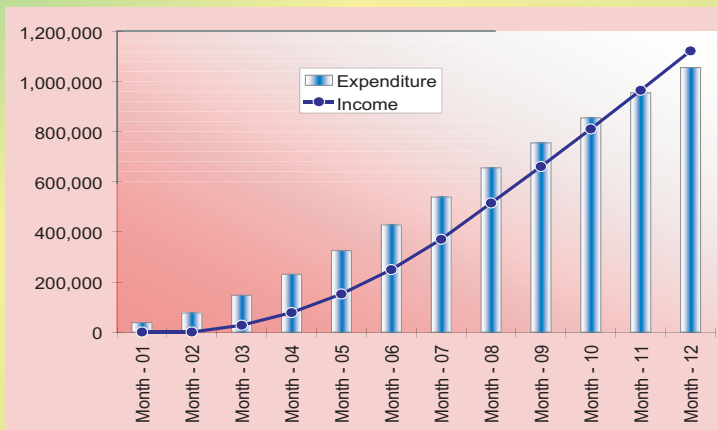
**Nepal:** Country assessment is completed. Now legal proceedings will be taken to initiate operation in the potential areas consulting the country assesment report.

## Automation

ASAI has introduced automation in all the existing operating countries. The whole program will be supported by specialized software made for MFIs. ASA Microfinance Management System (AMMS), a computer based program prepared by the IT team to manage microfinance program effectively is working well in more than 3000 branches of ASA. It has reduced the workload of the field and central level officials by almost 50% and made their day-to-day work easier. This has already been proved as a successful program to led microfinance. Now ASAI is going to introduce this in its operational countries following the respective country rules and regulations. It is expected that all the operating countries will be under automation within 2008.

## Replication of ASA Model

ASAI will replicate the "ASA Cost-effective and Sustainable Microfinance Model" in respective country as it is the most cost-effective as well as sustainable.



Month-wise Branch Cost Structure

This unique model makes a branch self-reliant within twelve months. ASA's branches are the main centers for introducing and directing microfinance program. One Branch Manager (BM) and 3-5 Loan Officers (LOs) are the base staff of a branch office.

One LO generally supervises 360-450 members of 18-20 groups. A branch generally maintains 54-120 groups with a total of 1000 to 2400 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 ASA's Branch Office.

The LOs generally maintain these on a rotation basis. Only 7000 US\$ is needed to start the branch operation. This unique model generally demands twelve months to make a branch self-reliant for its cost effective structure and standardized operational procedure.

## Deployment Status (up to April 2008)

A number of 40 staff of different levels has been deployed, from ASA, in different countries through ASAI. They are working there to implement the ASA Microfinance Model considering the local practice of the respective country. These people select location for establishing branches, design products adjusted to local areas, recruit staff and train them, prepare different necessary registers for managing the program, etc. They take part in the day to day activities with other staff and remain responsible for the overall progress of the country operation.



CEO, Md. Shafiqul Haque Choudhury, ASAI, speaks at a training session of ASAI, India

## ASAI Controlling Offices

ASAI is officially registered in Mauritius under the name ASA International Holding and the office is in Port Louis, Mauritius. ASAI Europe Office is in the Netherlands and the Operational Headquarters is in Dhaka, Bangladesh. It has started its activities in May 2008. Operational activities are being directed from here in different operating countries of Asia and Africa. The office also maintains close liaison with the other offices for directing the operation smoothly.

### **Operational Headquarters**

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