



# Dakahlya Businessmen Association for Community Development (DBACD)

Together for a Better Quality of Life

## DBACD Profile

June 2009



Our Vision: A Dakahlya society free of poverty with individuals enjoying a better quality of life.

***DBACD's mission is to Provide financial and non financial services to low income families; in a sustainable and better quality manner, to contribute in improving their standard of living.***

**Dakahlya Businessmen Association for Community Development (DBACD)**

Add.: 51 Hosney Mubarak st., El-Mansoura, Egypt  
Tel/Fax: +20 50 2260086  
E-mail: [sme@dbacd-eg.org](mailto:sme@dbacd-eg.org)

For more info, pls. visit our web site: [www.dbacd-eg.org](http://www.dbacd-eg.org)

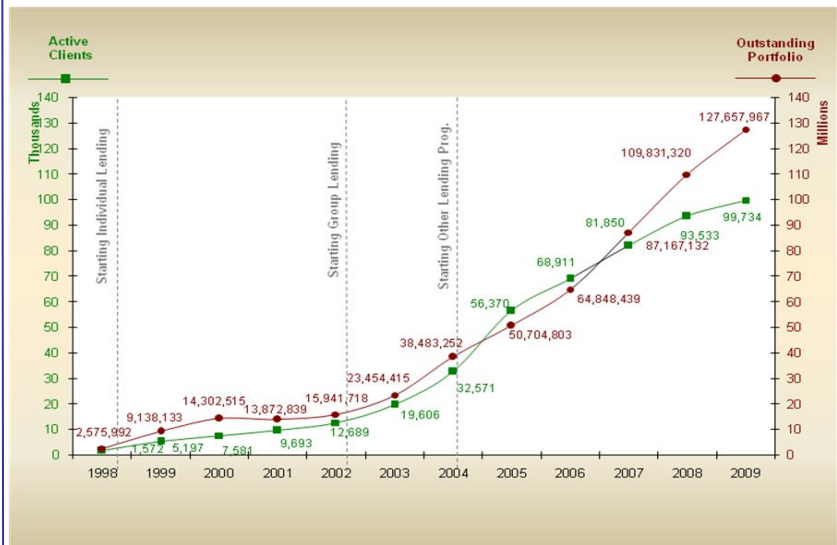
### Overview

DBACD was founded as an NGO in March 1995. The Founders are the Dakahlya's most active and prominent leaders from within the business community. DBACD's strategy is: Managing developmental and sustainable welfare programs, and its objective is to reach a target of 250,000 served clients by 2010, and contribute in providing more jobs through developing the performance of small businesses and motivate the market.

After signing the Cooperative Agreement with USAID in October 1997, DBACD disbursed its first individual loan in late 1998 and its first group loan in 2001. In June 2009, DBACD had an outstanding portfolio of 127.5 million EGP (22.7 million USD) for 99,676 active clients in the Dakahlya governorate.

### Programs & Services

In cooperation with USAID, DBACD has established efficient and effective lending programs that are operating on a self-sufficient basis. These programs were launched in May 1998. The programs maintain a high growth rate, strong productivity rates and have a sound organizational structure to support the sustained delivery of credit.



Portfolio Versus Active Clients



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**Individual Lending**

Initial Loans Disbursed  
9 Sep., 1998  
No. of Loans Disbursed  
210,246  
Amount of Loans Disbursed  
LE 633,064,500  
No. of Clients Who Got Loans  
99,556  
No. of Active Clients  
48,841  
Portfolio at Risk  
0.06%  
Average Repayment Rate  
99.93%



*El-Mansoura City, Capital of Dakahlya Governorate*

*Population of Dakahlya about 5 Million*

**DBACD Serves  
Dakahlya Governorate**

**Group Lending**

Initial Loans Disbursed  
4 June, 2001  
No. of Loans Disbursed  
483,215  
Amount of Loans Disbursed  
LE 253,117,240  
No. of Clients Who Got Loans  
133,322  
No. of Active Clients  
50,835  
Average Repayment Rate  
100%

**Individual Lending**

Individual loans are offered for a variety of uses, including working capital, house improvements, and vehicle maintenance.

**Small and Micro Loans**

<i>Loan Size</i>	<i>Loan Period</i>
500–60,000	4-36 months

**House Improvements Loans**

<i>Loan Size</i>	<i>Loan Size</i>
500-10,000	4-24 months

**Vehicles Maintenance Loans**

<i>Loan Size</i>	<i>Car Kind</i>	<i>Loan Period</i>
500-6,000	Private	4-24 months
500-10,000	Taxi	
500-15,000	Micro Bus	
500-20,000	Semi Truck	
500-30,000	Heavy Duty	
500-3,000	TukTuk	



**Group Lending**

Despite the excellent performance of the Individual Lending, the participation of the poorest of the poor, particularly women, was limited. In June 2001, DBACD launched a new program on Poverty Lending. This program is mainly directed to female-headed households, in the poorer areas. This new activity is designed to help women on a neighborhood level to start income-generated activities, or expand existing business. The program is designed for a segment of women who are unable to enter the formal business sector because of some social and economic barriers.

**Group Loans**

<i>Loan Size</i>	<i>Loan Period</i>
50–1500	10-60 weeks
>1500	Transfer to SME



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## ITC

Computer Courses  
2,545 Trainees  
English Courses  
1,380 Trainees  
Business Courses  
216 Trainees

## Information Technology Center

DBACD has established, in June 2001, an Information Technology Service Center (ITC), to assist the Dakahlya business community in adopting modern information techniques and systems to cover the information needs of the rapidly growing business sector in the Dakahlya area.



### ITC Services:

- Training Center (Computer, English, Business and Seasonal Courses for Children).
- Business Information Center BIC
- Library



**DBACD received the certificate for transparency from MIX/Sanabel and the 1st best practice MFI in Egypt from European Commission and Social Fund.**

**DBACD ranked the 28<sup>th</sup> among MFIs from MIX and Forbes.**

## Social Solidarity Fund

To achieve the desired integration in Dakahlya governorate DABCD has set up a social solidarity fund in March 1998 in cooperation with Dakahlya governor and the Directorate of Social Affairs to assisting low-income, orphans, and disabled people. Financial assistance has reached 300,000 EGP, and 87 wheel chairs.



## Networking

DBACD is a member of:

- Founding member of Sanabel (network of MFIs of the Arab world).
- Founding member of the Egyptian Microfinance Network.
- Member of MFN (MicroFinance Network).





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**DBACD Performance Ratios**

Description	2004	2005	2006	2007	2008	6/2009
<b>Sustainability and Profitability</b>						
Operational Self-Sufficiency (OSS)	116%	138%	171%	179%	177%	180%
Financial Self-Sufficiency (FSS)	90%	118%	143%	120%	123%	124%
Return on Assets (ROA)*	1.5%	3.9%	7.9%	9.4%	9.4%	10.0%
Adjusted Return on Assets (AROA)*	-1.2%	2.1%	5.7%	3.6%	4.0%	4.4%
Return on Equity (ROE)*	2.4%	6.4%	13.3%	16.2%	16.4%	18.5%
Adjusted Return on Equity (AROE)*	-1.9%	3.5%	9.6%	6.2%	6.9%	8.2%
<b>Asset/Liability Management</b>						
Yield on Gross Portfolio*	28.4%	30.7%	32.2%	32.2%	32.1%	32.5%
Portfolio to Assets	41.3%	50.2%	55.9%	63.5%	66.2%	69.0%
Cost of Funds Ratio*	10.4%	11.0%	10.7%	10.6%	11.0%	12.5%
Adjusted Cost of Funds*	10.4%	11.0%	10.7%	10.6%	11.0%	12.5%
Debt to Equity	0.61x	0.67x	0.69x	0.70x	0.8x	0.89
Adjusted Debt to Equity	0.61x	0.67x	0.69x	0.70x	0.8x	0.88x
Liquid Ratio	1.33x	1.07x	1.36x	1.03x	1.12x	1.05x
<b>Portfolio Quality</b>						
Portfolio at Risk (PAR) Ratio	0.35%	0.24%	0.27%	0.11%	0.06%	0.11%
Adjusted PAR Ratio	0.35%	0.24%	0.27%	0.11%	0.06%	0.11%
Write-off Ratio*	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%
Adjusted Write-off Ratio*	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%
Risk Coverage Ratio	0.14x	1.91x	4.78x	19.85x	42.34x	25.07x
Adjusted Risk Coverage Ratio	0.14x	1.91x	4.78x	19.85x	42.34x	25.07x
<b>Efficiency and Productivity</b>						
Operating Expense Ratio*	13.9%	12.6%	12.1%	10.8%	10.9%	9.9%
Adjusted Operating Expense Ratio*	13.9%	12.6%	12.1%	10.8%	10.9%	9.9%
Cost per Active Client*	165	126	110	116	123	123
Adjusted Cost per Active Client*	165	126	110	116	123	123
Borrowers per Loan Officer	176	214	245	258	261	294
Active Clients per Staff Member	107	145	172	182	188	209
Client Turnover	32%	29%	41%	35%	31%	46%
Average Outstanding Loan Size	1,182	899	941	1,058	1,174	1,289
Adjusted Average Outstanding Loan Size	1,182	899	941	1,058	1,174	1,289
Average Loan Disbursed	1,283	1,045	1,023	1,000	1,327	1,486
<b>Gender Ratios</b>						
Female active clients as a percent of total active clients	46%	62%	62%	60%	60%	61%

**DBACD Partners:**

