



# Dakahlya Businessmen Association for Community Development (DBACD)

Together for a Better Quality of Life

## DBACD Profile

September 2011



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)**

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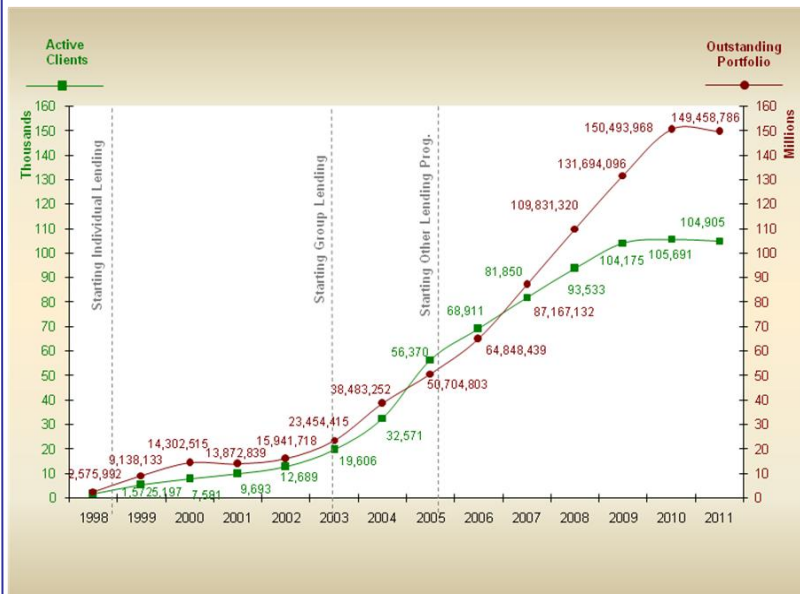
### Overview

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 350,000 served clients by 2012, 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 October 2008, DBACD had an outstanding portfolio of 105 million EGP (19 million USD) for 103,499 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  
300,822  
Amount of Loans Disbursed  
LE 976,040,000  
No. of Clients Who Got Loans  
137,142  
No. of Active Clients  
54,337  
Portfolio at Risk  
1.15%  
Average Repayment Rate  
99.91%



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  
736,872  
Amount of Loans Disbursed  
LE 469,224,340  
No. of Clients Who Got Loans  
167,128  
No. of Active Clients  
50,568  
Average Repayment Rate  
99.96%

## Individual Lending

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

### Small and Micro Loans

Loan Size	Loan Period
500-60,000	4-36 months

### House Improvements Loans

Loan Size	Loan Size
500-10,000	4-24 months

### Vehicles Maintenance Loans

Loan Size	Car Kind	Loan Period
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

Loan Size	Loan Period
50-1500	10-40 weeks
>1500	Transfer to SME



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## ITC

Computer Courses  
5,447 Trainees  
English Courses  
4,056 Trainees  
Business Courses  
410 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	2007	2008	2009	2010
<b>Sustainability and Profitability</b>				
Operational Self-Sufficiency (OSS)	179%	177%	170%	184%
Financial Self-Sufficiency (FSS)	120%	122%	119%	110%
Return on Assets (ROA)*	9.4%	9.2%	9.2%	10.1%
Adjusted Return on Assets (AROA)*	3.6%	4.1%	3.6%	2.1%
Return on Equity (ROE)*	16.2%	16.4%	16.5%	17.5%
Adjusted Return on Equity (AROE)*	6.2%	7.2%	6.4%	3.6%
<b>Asset/Liability Management</b>				
Yield on Gross Portfolio*	32.2%	31.4%	32.9%	32.4%
Portfolio to Assets	63.5%	66.2%	67.4%	69.4%
Cost of Funds Ratio*	10.6%	10.5%	12.1%	10.1%
Adjusted Cost of Funds*	10.6%	10.5%	12.1%	10.1%
Debt to Equity	0.70x	0.80x	0.80x	0.66x
Adjusted Debt to Equity	0.70x	0.80x	0.80x	0.66x
Liquid Ratio	1.03x	1.12x	1.00x	1.26
<b>Portfolio Quality</b>				
Portfolio at Risk (PAR) Ratio	0.11%	0.06%	0.12%	0.12%
Adjusted PAR Ratio	0.11%	0.06%	0.12%	0.12%
Write-off Ratio*	0.0%	0.0%	0.0%	0.0%
Adjusted Write-off Ratio*	0.0%	0.0%	0.0%	0.0%
Risk Coverage Ratio	19.85x	42.34x	24.50x	24.48x
Adjusted Risk Coverage Ratio	19.85x	44.74x	24.50x	24.48x
<b>Efficiency and Productivity</b>				
Operating Expense Ratio*	10.8%	10.7%	10.6%	11.2%
Adjusted Operating Expense Ratio*	10.8%	12.0%	10.6%	11.2%
Cost per Active Client*	116	120	129	151
Adjusted Cost per Active Client*	116	120	129	151
Borrowers per Loan Officer	258	261	262	256
Active Clients per Staff Member	182	188	187	180
Client Turnover	8%	30%	32%	32%
Average Outstanding Loan Size	1,058	1,174	1,264	1,424
Adjusted Average Outstanding Loan Size	1,058	1,174	1,264	1,424
Average Loan Disbursed	1,000	1,327	1,479	1,662
<b>Gender Ratios</b>				
Female active clients as a percent of total active clients	60%	60%	56%	54%



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DBACD has had following milestones since its inception:

- Established as an NGO in 1995;
- Cooperative agreement with USAID in 1997 to provide microfinance services;
- Operational break-even reached in 1999;
- Full financial sustainability reached in 1999;
- Information Technology Center established in 2001;
- Membership in SANBEL Network in 2002;
- Reached 50,000 active borrowers in 2004;
- Membership in Egypt Microfinance Network in 2006;
- Received 2007 Transparency Award from the Social Fund for Development;
- Membership in Global Microfinance Network (MFN) in 2007;
- Ranked the 28<sup>th</sup> MFI in the world by (US) Forbs Magazine in 2007;
- Selected among the best 100 MFIs in the world by MIX Market in 2008 and 2009;
- Received the Mix Silver Award in Social Performance Management in 2009;
- “A minus” in 2010 in Institutional Rating and “3 out of 4” in 2010 Social Rating by Planet Rating.

DBACD Partners:

