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Changing fortunes.

ASA International Group PLC
Interim Condensed Financial Statements
for the period from 14 May to 30 June 2018

ASA
INTERNATIONAL

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DIRECTORS:	APPOINTED ON
Md. Shafiqual Haque Choudhury	28 June 2018
Dirk Brouwer	15 May 2018
Aminur Rashid	28 June 2018
Gavin Laws	28 June 2018
Guy Dawson	15 May 2018
Praful Patel	28 June 2018
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ASA International Group plc

Interim Results

ASA International Group plc, ("ASA International", the "Company" or the "Group") one of the world's largest international microfinance institutions providing socially responsible loans to low-income female entrepreneurs throughout Asia and Africa, today releases its interim results for the six months ended 30 June 2018.

Key highlights for the period:

- Number of clients up by *29.6%* year-on-year exceeding 2 million as of 30 June 2018
- Number of branches up by *21.4%* year-on-year
- Financial performance above expectations, despite higher than expected currency depreciation in major operating countries, such as Pakistan and India
- Net Profit on a normalized basis is up *27.8%* compared to H1 2017 (*35.1%* up on a constant currency basis)
- Asian operations slightly lower than expected performance was offset by higher than expected profitability of the West and East African operations
- East African operations particularly strong, reaffirming confidence in East Africa as a major future profit generator for the Group
- The quality of the loan portfolio further improved with PAR>30 down to 0.4%

(In USD thousands)	2017 H1A	2017A	2018 H1A	Δ 2017 H1A - 2018 H1A	Δ 2017A - 2018 H1A
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)		
Number of clients	1,552,433	1,852,698	2,012,546	*29.60%*	*8.60%*
Number of branches	1,283	1,387	1,557	*21.40%*	*12.30%*
Net profit of operations	12,657	29,304	8,519		
Normalized net profit of operations (1)	12,869	27,257	16,443		
Return on average assets (TTM) (1)	*8.40%*	*8.00%*	*8.10%*		
Return on average equity (TTM) (1)	*33.40%*	*36.20%*	*39.00%*		
Loans to customers (2)	239,614	298,121	314,186	*31.10%*	*5.40%*
Client deposits	46,579	53,231	56,383	*21.00%*	*5.90%*
PAR > 30 days	*0.70%*	*0.60%*	*0.40%*		
Client deposits as % of loan portfolio	*19.40%*	*17.9%*	*17.9%*		

(1) Adjusted for one-off items including USD 7.9 m IPO costs in 2018 H1A. For 2017A, refer to the Prospectus (Pg. 126). For 2017 H1A, this relates to incidental credit gain in India ($250k), provision for fees in Nigeria of $303k, and reversal of provision for work welfare expenses in Pakistan of $159k.

(2) Excludes interest receivable and the unamortized loan processing fee

As part of its initial public offer ("IPO") in July 2018, ASA International Group PLC was incorporated in May 2018 and acquired the shares in ASA International Holding and its subsidiaries on 13 July 2018. ASA International was admitted to the Main Market of the London Stock exchange on 18 July 2018. The results for the six months period ending 30 June 2018, are presented using the consolidated figures of ASA International Holding in this announcement consistent with the IPO Prospectus.

Md. Shafiqual Choudhury, Chairman of ASA International, commented:

"Having successfully completed our IPO in July, we are delighted to be reporting a strong set of results for the business over the first half of the financial year. We remain grateful for the confidence and support of our new shareholders as we continue to support financially-excluded female micro-entrepreneurs throughout Asia and Africa in a responsible and sustainable manner."

Dirk Brouwer, Chief Executive, commented:

"We have seen a positive financial and operational performance over the first half of 2018, continuing the momentum seen over our last financial year. In particular, I'm pleased to be reporting strong returns from various key assets and higher than expected earnings growth.

The performance of our three largest East African operations has been particularly impressive, with improvements seen in the quality of the loan portfolio, generating higher than expected net income for the Group.

Whilst we continue to face the adverse impact of higher than expected currency movements in certain geographies, particularly in Pakistan and India, we have a well-diversified and defensive, global portfolio of assets and, barring any further major adverse currency movements in these two countries, we believe that the impact will continue to be balanced by outperformance in other locations. As such, we remain confident in the future prospects for the business and the Board believes the Company is on track to achieve full-year results in line with its expectations."

GOUP FINANCIAL PERFORMANCE

Consolidated

(In USD thousands)	2017 H1A	2017A	2018 H1A	Δ 2017 H1A - 2018 H1A	Δ 2017A - 2018 H1A
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)		
Net profit of operations	12,657	29,304	8,519		
Normalized net profit of operations (1)	12,869	27,257	16,443		
Cost/income ratio (1)	*56.10%*	*53.80%*	*53.50%*		
Return on average assets (TTM) (1)	*8.40%*	*8.00%*	*8.10%*		
Return on average equity (TTM) (1)	*33.40%*	*36.20%*	*39.00%*		
Earnings growth (TTM) (1)	*43.30%*	*45.20%*	*27.80%*		
Loans to customers (2)	239,614	298,121	314,186	*31.10%*	*5.40%*
Total assets (3)	314,185	421,852	444,268	*41.40%*	*5.90%*
Client deposits	46,579	53,231	56,383	*21.00%*	*5.90%*
Interest-bearing debt (4)	173,195	267,901	275,842	*59.30%*	*3.00%*
Share capital and reserves	73,416	82,982	84,872	*21.20%*	*2.30%*
Number of clients	1,552,433	1,852,698	2,012,546	*29.60%*	*8.60%*
Number of branches	1,283	1,387	1,557	*21.40%*	*12.30%*
Average outstanding loan per client (USD)	157	166	164	*5.00%*	*-1.30%*
PAR > 30 days	*0.70%*	*0.60%*	*0.40%*		
Client deposits as % of loan portfolio	*19.40%*	*17.90%*	*17.90%*		

(1) Adjusted for one-off items including USD 7.9m IPO costs in 2018 H1A
(2) Excludes interest receivable and the unamortized loan processing fee
(3) Excludes unamortized loan processing fee
(4) Excludes interest payable

South Asia

(In USD thousands)	2017 H1A	2017A	2018 H1A	Δ 2017 H1A - 2018 H1A	Δ 2017A - 2018 H1A
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)		
Net profit of operations	6,514	15,155	7,763		
Normalized net profit of operations [1]	6,423	12,259	7,763		
Cost/income ratio [1]	*41.10%*	*43.60%*	*42.90%*		
Return on average assets (TTM) [1]	*10.10%*	*7.70%*	*7.30%*		
Return on average equity (TTM) [1]	*41.70%*	*37.90%*	*36.80%*		
Earnings growth (TTM) [1]	*44.90%*	*29.50%*	*20.90%*		
Loans to customers [2]	128,135	167,399	171,486	*33.80%*	*2.40%*
Total assets [3]	152,623	213,652	217,898	*42.80%*	*2.00%*
Client deposits	82	85	83	*1.10%*	*-1.80%*
Interest-bearing debt [4]	108,041	167,611	166,501	*54.10%*	*-0.70%*
Share capital and reserves	32,863	38,706	41,047	*24.90%*	*6.00%*
Number of clients	691,348	896,090	1,003,383	*45.10%*	*12.00%*
Number of branches	462	521	601	*30.10%*	*15.40%*
Average outstanding loan per client (USD)	198	202	191	*-3.40%*	*-5.50%*
PAR > 30 days	*1.00%*	*0.80%*	*0.70%*		
Client deposits as % of loan portfolio	*0.10%*	*0.10%*	*0.00%*		

(1) Adjusted for one-off items
(2) Excludes interest receivable and the unamortized loan processing fee
(3) Excludes unamortized loan processing fee
(4) Excludes interest payable

Despite substantial currency depreciation in Pakistan (down *10.1%*) and India (down *7.3%*), South Asia's net profits were in line with expectations, although loan growth in USD terms was reduced.

- Net Profit H1 2018 is up *20.9%* relative to H1 2017 (*29i.2%* up on a constant currency basis)
- OLP up *33.8%* relative to H1 2017 (*46.9%* up on a constant currency basis), but only *2.4%* up relative to 2017A (*6.2%* up on a constant currency basis), which is due to (i) higher than expected depreciation of this segment's operating currencies relative to the USD for six-month period 2018 (INR down *7.3%*, PKR down *10.1%*, LKR down *3.1%*), and (ii) the increased focus on expansion of the off-book Business Correspondent ("BC") portfolio segment in India
- Number of clients crossed one million and is up *45.1%* up relative to H1 2017
- Number of branches is up *30.1%* up relative to H1 2017
- OLP/Client in USD down by *3.4%* relative to H1 2017, primarily due to PKR and INR depreciation
- The quality of the loan portfolio improved with PAR>30 decreasing from *1.0%* H1 2017 to *0.7%* H1 2018

South Asia (Continued)

- Cost/Income ratio up by *180 bps* to *42.9%* relative to H1 2017 due to increased operating expenses related to the upgrading of the operating licenses in Pakistan and Sri Lanka, which was partly offset by a reduction of the C/I ratio in India
- Return on average assets was down *280 bps* to *7.3%* relative to H1 2017 due to (i) the higher proportionate growth of the Indian operations, and (ii) temporary over-capitalization and excess liquidity in Pakistan related to the microfinance bank application
- Return on average equity down by *430 bps* to *36.8%* relative to H1 2017

India

During H1 2018 the Indian operations increased (i) clients from 466K to 545K (up *16.9%*), (ii) number of branches from 217 to 281 (up *29.5%*), (iii) Outstanding loan portfolio ("OLP") from INR 5.8bn (USD 91.5m) to INR 6.5bn (USD 95.4m) (up *11.9%*), (iv) off-balance BC portfolio from INR 1.1bn (USD 17.9m) to INR 2.2bn (USD 33.2m) (up *101.1%*), (v) OLP/Client from INR 14.5K to INR 14.8K (up *1.7%*), while (vi) PAR>30 improved from *1.2%* to *0.8%*

- ASAI India continued to rapidly expand its operations during H1 2018
- Following the receipt of the NBFC-MFI registration, the Group decided to inject additional USD 5 million equity capital for further expansion of the loan portfolio

Pakistan

During H1 2018 the Pakistani operations increased (i) clients from 364K to 388K (up *6.4%*), (ii) number of branches from 245 to 256 (up *4.5%*), (iii) OLP from PKR 7.5bn (USD 67.4m) to PKR 8.2bn (USD 67.5m) (up *10.3%*), (iv) OLP/Client from PKR 20.5K (USD 186) to PKR 21.3K (USD 175) (up *3.5%)*, and (v) PAR>30 went up from *0.2%* to *0.3%*

- The higher than expected depreciation of the PKR has not had an adverse impact on the demand for microfinance loans. However, it is expected to adversely affect ASA Pakistan's USD financial performance
- ASA Pakistan submitted its updated application for the microfinance bank license in July 2018 which once granted, should enable ASA Pakistan to start mobilizing deposits from clients and the broader public in due course

Sri Lanka

During H1 2018 the Sri Lankan operations increased (i) clients from 65K to 70K (up *8.0%*), (ii) number of branches from 59 to 64 (up *8.5%*), (iii) OLP from LKR 1.3bn (USD 8.5m) to LKR 1.4bn (USD 8.5m) (up *3.5%*), (iv) bringing OLP/Client down from LKR 20.4K (USD 133) to LKR 19.5K (USD 123) (down *4.1%*), and (v) PAR>30 went up from *1.6%* to *2.4%*

- The recent government announcement regarding the proposed introduction of a debt relief program combined with an introduction of a 35% interest rate cap as described in the regulatory section below, has led to a lot of uncertainty in the Sri Lankan microfinance sector
- As result, management temporarily halted the planned expansion of the operations in Sri Lanka in order to exclusively focus on managing its existing clients and prepare for an operating environment with a possible interest rate cap

South East Asia

(In USD thousands)	2017 H1A	2017A	2018 H1A	Δ 2017 H1A - 2018 H1A	Δ 2017A - 2018 H1A
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)		
Net profit of operations	1,290	3,516	1,667		
Normalized net profit of operations (1)	1,290	3,513	1,667		
Cost/income ratio (1)	82.20%	74.80%	76.00%		
Return on average assets (TTM) (1)	3.00%	4.40%	4.70%		
Return on average equity (TTM) (1)	14.20%	22.60%	25.40%		
Earnings growth (TTM) (1)	0.00%	33.50%	29.20%		
Loans to customers (2)	43,893	53,264	54,605	24.40%	2.50%
Total assets (3)	78,044	82,401	86,757	11.20%	5.30%
Client deposits	14,898	16,230	16,585	11.30%	2.20%
Interest-bearing debt (4)	42,369	45,780	47,558	12.20%	3.90%
Share capital and reserves	14,232	15,612	16,411	15.30%	5.10%
Number of clients	368,793	405,922	425,735	15.40%	4.90%
Number of branches	314	325	356	13.40%	9.50%
Average outstanding loan per client (USD)	120	132	129	7.70%	-2.30%
PAR > 30 days	0.10%	0.20%	0.20%		
Client deposits as % of loan portfolio	33.90%	30.50%	30.40%		

(1) Adjusted for one-off items
(2) Excludes interest receivable and the unamortized loan processing fee
(3) Excludes unamortized loan processing fee
(4) Excludes interest payable

Higher than expected currency depreciation in the Philippines (down *6.8% vis-à-vis USD*) and lower than expected loan growth in Myanmar contributed to South Asia's net profits being slightly lower than expected

- Net Profit H1 2018 is up *29.2%* relative to H1 2017 (*33.3*% up on a constant currency basis)
- OLP is up *24.4%* relative to H1 2017 (*30.5%* up on a constant currency basis), although slower growth in USD terms than expected due to (i) higher than expected depreciation of the Philippine peso (PHP down *6.8%*), and (ii) lower than expected loan per client growth in Myanmar
- Clients are up *15.4%* relative to H1 2017
- Branches are up *13.4%* relative to H1 2017
- OLP/Client in USD is up by *7.7%* relative to H1 2017
- PAR>30 is up from *0.1%* H1 2017 to *0.2%* H1 2018
- Cost/Income ratio reduced by *630 bps* to *76.0%* relative to H1 2017
- Return on Average Assets is up by *170 bps* to *4.7%* relative to H1 2017

South East Asia (Continued)

The Philippines

During H1 2018 the operations in the Philippines increased (i) clients from 301K to 305K (up *1.2%*), (ii) number of branches from 265 to 284 (up *7.2%*), (iii) OLP from PHP 1.8bn (USD 36.1m) to PHP 1.9bn (USD 35.6m) (up *10.3%*), (iv) OLP/Client from PHP 6K (USD 120) to PHP 6.3K (USD 117) (up *4.1%)*, and (v) PAR>30 remained low at *0.2%*.

- Pagasa Philippines lending company, Inc. ("PPLCI") continued to gradually expand its operations during H1 2018
- Management expects to receive the finance company license prior to the year-end which will eliminate the current VAT charge on interest income boosting net after-tax margin by approx. 5% and provide the potential for further mobilizing savings over time

Myanmar

During H1 2018 the operations in Myanmar increased (i) clients from 104K to 120K (up *15.4%*), (ii) number of branches from 60 to 72 (up *20.0%*), (iii) OLP from MMK 23.3bn (USD 17.1m) to MMK 26.7bn (USD 18.9m) (up *14.8%*), (iv) bringing OLP/Client down from MMK 224K (USD 165) to MMK 222K (USD 158) (down *0.7%*), and (v) and PAR>30 went up from *0.1%* to *0.3%*.

- ASA Myanmar achieved strong client and branch growth during H1 2018
- The operations were affected by damage from severe monsoons in June and July
- During the second half of 2018, ASA Myanmar expects to receive the approval from the Central Bank to start mobilizing deposits

West Africa

(In USD thousands)	2017 H1A	2017A	2018 H1A	Δ 2017 H1A - 2018 H1A	Δ 2017A - 2018 H1A
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)		
Net profit of operations	5,234	11,981	6,897		
Normalized net profit of operations (1)	5,537	12,738	6,897		
Cost/income ratio (1)	44.00%	41.20%	41.20%		
Return on average assets (TTM) (1)	19.50%	19.90%	19.40%		
Return on average equity (TTM) (1)	53.00%	56.30%	55.00%		
Earnings growth (TTM) (1)	16.30%	31.50%	24.60%		
Loans to customers (2)	52,253	58,230	63,315	21.20%	8.70%
Total assets (3)	61,628	74,648	83,826	36.00%	12.30%
Client deposits	27,445	31,379	32,350	17.90%	3.10%
Interest-bearing debt (4)	6,764	9,669	13,473	99.20%	39.30%
Share capital and reserves	23,297	26,016	27,958	20.00%	7.50%
Number of clients	379,933	389,987	389,784	2.60%	-0.10%
Number of branches	347	358	380	9.50%	6.10%
Average outstanding loan per client (USD)	138	150	163	17.90%	8.60%
PAR > 30 days	0.10%	0.10%	0.10%		
Client deposits as % of loan portfolio	52.50%	53.90%	51.10%		

(1) Adjusted for one-off items

(2) Excludes interest receivable and the unamortized loan processing fee

(3) Excludes unamortized loan processing fee

(4) Excludes interest payable

Less affected by the strengthening of the USD, West Africa's net profit growth was higher than expected.

- Net Profit H1 2018 is up *24.6%* relative to H1 2017 (*30.3*% up on a constant currency basis)
- OLP is up *21.2%* relative to H1 2017 (*32.3%* on a constant currency basis), which is higher growth in USD terms than expected due to (i) lower than expected depreciation of this segment's operating currencies relative to the USD for six-month period 2018 (NGN stable, GHS down *5.5%*, and SLL down *2.7%*), and (ii) faster growth of the OLP in all countries with a higher average OLP per client across the segment
- Clients are up *2.6%* relative to H1 2017
- Branches are up *9.5%* relative to H1 2017
- OLP/Client in USD is up by *17.9%* relative to H1 2017
- PAR>30 remained stable at *0.1%* compared to H1 2017
- Cost/Income ratio improved to *41.2%*
- Return on Average Assets was down *10 bps* to *19.4%* relative to H1 2017
- Return on Average Equity was up by *200 bps* to *55.0%* relative to H1 2017

West Africa (Continued)

Ghana

During H1 2018 the Ghana operations increased (i) clients from 136.8K to 138.9K (up *1.5%*), (ii) number of branches from 108 to 113 (up *4.6%*), (iii) OLP from GHS 151.5m (USD 33.4m) to GHS 165.8m (USD 34.7m) (up *9.4%*), (iv) OLP/Client from GHS 1,112 (USD 245) to GHS 1,197 (USD 250) (up *7.7%*), while (v) PAR>30 remained low at *0.1%*.

- ASA Ghana Savings & Loans Ltd (“ASA S&L”) continues to successfully expand its operations while maintaining a high portfolio quality
- On 9 August 2018, ASA S&L received approval for opening an additional 10 branches (in addition to the 5 branches approved earlier in 2018), despite the poor shape of the Ghanaian banking and microfinance sector, which made the Central Bank initially reluctant to approve further branch expansion in 2018

Nigeria

While number of clients went down from 236K to 228K (down *3.4%*) for seasonal reasons during H1 2018, the Nigerian operations increased (i) number of branches from 230 to 239 (up *3.9%*), (iii) OLP from NGN 8.5bn (USD 23.5m) to NGN 9.7bn (USD 26.9m) (up *14.2%*), (iv) OLP/Client from NGN 36.1K (USD 100) to NGN 42.6K (USD 118) (up *18.1%*), while (v) PAR>30 remained low at *0.2%*.

- ASHA MFB targets to complete the acquisition of the activities of ASIEA NGO in 2018
- In August CBN approved the opening of an additional 20 branches by ASHA MFB

Sierra Leone

During H1 2018 the operations in Sierra Leone increased (i) clients from 16.7K to 22.6K (up *34.9%*), (ii) number of branches from 20 to 28 (up *40.0%*), (iii) OLP from SLL 9.2bn (USD 1.2m) to SLL 13.5bn (USD 1.7m) (up *45.5%*), (iv) OLP/Client from GHS 1,112 (USD 245) to GHS 1,197 (USD 250) (up *7.7%*), and (v) PAR>30 increased from *0.0%* to *0.4%*.

- The operations in Sierra Leone continue to expand as expected with high client and branch growth, operating cost at acceptable levels and a high-quality loan portfolio, which puts it on track to realize positive returns in 2019, which would be three years after inception

East Africa

(In USD thousands)	2017 H1A	2017A	2018 H1A	Δ 2017 H1A - 2018 H1A	Δ 2017A - 2018 H1A
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)		
Net profit of operations	423	1,008	1,583		
Normalized net profit of operations (1)	423	1,008	1,583		
Cost/income ratio (1)	82.10%	79.30%	63.90%		
Return on average assets (TTM) (1)	4.20%	5.00%	8.50%		
Return on average equity (TTM) (1)	12.40%	16.90%	33.70%		
Earnings growth (TTM) (1)	35.00%	88.70%	274.20%		
Loans to customers (2)	15,333	20,521	24,781	61.60%	20.80%
Total assets (3)	18,554	25,175	32,278	74.00%	28.20%
Client deposits	4,154	5,536	7,364	77.30%	33.00%
Interest-bearing debt (4)	7,476	11,718	15,251	104.00%	30.20%
Share capital and reserves	5,950	6,536	6,922	16.30%	5.90%
Number of clients	127,347	160,699	193,644	52.10%	20.50%
Number of branches	160	183	220	37.50%	20.20%
Average outstanding loan per client (USD)	122	129	129	5.60%	-0.20%
PAR > 30 days	1.50%	1.40%	0.40%		
Client deposits as % of loan portfolio	27.10%	27.00%	29.70%		

(1) Adjusted for one-off items

(2) Excludes interest receivable and the unamortized loan processing fee

(3) Excludes unamortized loan processing fee

(4) Excludes interest payable

East Africa's H1 2018 net profits were substantially higher than expected with significantly higher return on assets and an improved quality of the loan portfolio with PAR>30 down to *0.4%*.

- Net Profit H1 2018 up *274.2%* relative to H1 2017 (*283.3%* up on a constant currency basis)
- OLP up *61.6%* relative to H1 2017 (*64%* on a constant currency basis), due to continued expansion of operations in all countries across the segment
- Clients up *52.1%* relative to H1 2017
- Branches up *37.5%* relative to H1 2017
- OLP/Client in USD up by *5.6*% relative to H1 2017
- PAR>30 improved from *1.5%* in H1 2017 to *0.4%* in H1 2018
- Cost/Income ratio went down to *63.9%* relative to H1 2017
- Return on Average Assets was up *430 bps* to *8.5%* relative to H1 2017

East Africa (Continued)

Kenya

During H1 2018 the Kenya operations increased (i) clients from 46.5K to 58.2K (up *25.2%*), (ii) number of branches from 50 to 62 (up *24.0%*), (iii) OLP from KES 751.1m (USD 7.2m) to KES 923.7m (USD 9.2m) (up *23.0%*), (iv) OLP/Client from KES 16.3K (USD 158) to KES 15.9K (USD 158) (down *2.2%*), while (v) PAR>30 improved from *1.2%* to *0.6%*

- Since inception in 2013, our Kenyan operations have become one of the top five of the non-deposit and deposit-taking Kenyan microfinance institutions in a crowded Kenyan microfinance market

Tanzania

During H1 2018 the Tanzania operations increased (i) clients from 55.7K to 66.4K (up *19.2%*), (ii) number of branches from 60 to 72 (up *20.0%*), (iii) OLP from TZS 17.0 bn (USD 7.6m) to TZS 21.2 bn (USD 9.3m) (up *24.5%*), (iv) OLP/Client from TZS 309.8K (USD 138) to TZS 321.1K (USD 141) (up *3.7%*), while (v) PAR>30 went up from *0.0%* to *0.3%*

- ASA Microfinance (Tanzania) Ltd. is performing as expected with high branch, client and OLP growth while maintaining a high-quality loan portfolio

Uganda

During H1 2018 the Uganda operations increased (i) clients from 50.6K to 60.2K (up *19.0%*), (ii) number of branches from 57 to 68 (up *19.0%*), (iii) OLP from UGX 16.3 bn (USD 4.4m) to UGX 19.6 bn (USD 5.1m) (up *20.3%*), (iv) OLP/Client from UGX 325K (USD 89) to UGX 328K (USD 85) (up *1.0%*), while (v) PAR>30 improved from *0.9%* to *0.3%*

- Growth has been higher than expected in terms of branches, clients and OLP combined with a substantial improvement of the quality of the loan portfolio

Rwanda

During H1 2018 ASA Rwanda increased (i) clients from 7.9K to 8.8K (up *11.6%*), (ii) number of branches from 16 to 18 (up *12.5%*), (iii) OLP from RWF 980.9m (USD 1.2m) to RWF 1.1 bn (USD 1.3m) (up *10.0%*), (iv) bringing down OLP/Client from RWF 124.4K (USD 147) to RWF 122.6K (USD 143) (down *1.0%*), while (v) PAR>30 went up from *0.2%* to *0.8%*

- ASA Rwanda is gradually expanding, but faces various operating and competitive challenges, which requires some more time to successfully deal with before it can cross break-even

Regulatory Environment

ASA International operates in a wide range of jurisdictions each with their own regulatory regimes applicable to microfinance institutions. At this time, the Company is active in upgrading its licenses from non-deposit taking MFIs to deposit-taking MFIs or microfinance banks, or merging non-regulated activities into its regulated activities, where possible and if considered appropriate.

Key Events:

- On 11 July 2018, ASAI India received its highly coveted NBFC-MFI registration, which will enable the Company to further capitalize ASAI India and attract lower-cost debt funding
- On 8 August 2018 the Government of Sri Lanka announced a debt relief program for women who received microfinance loans of less than the equivalent of approximately USD 650 in drought relief affected districts of Sri Lanka combined with a proposed interest cap of 35% per annum for all future microfinance loans by Finance Companies and MFIs. Fortunately, Lak Jaya does not have many clients in the drought affected districts, therefore the direct impact of the program appears limited: less than 3,000 out of approximately 16,000 Lak Jaya clients in these districts with outstanding loans of approximately USD 280K. The Government has committed to repay the principal amount of these loans to the Finance Companies and MFIs as part of the debt relief program with the lenders expected to write-off the interest. In addition, the Government proposed the introduction of an interest rate cap of 35% per annum for any future loans disbursed by Finance Companies and MFIs. If the interest rate cap comes into force, this will have at least in the short term an adverse impact on the profitability of Lak Jaya. In 2017, Lak Jaya contributed USD 817,000 or less than 3% to ASA International's consolidated net profit.

The status of ongoing regulatory processes is as follows:

- During H1 2018, Lak Jaya submitted its application to the Central Bank for upgrading its existing license to a regulated microfinance company license
- During H1 2018, PPLCI submitted its application to convert its lending company to a finance company, which will eliminate the requirement to charge VAT on interest income and creates scope for mobilizing deposits
- On 4 July 2018, ASA Microfinance (Uganda) Ltd. ("ASA Uganda") received its non-deposit taking microfinance institution license from the new microfinance regulatory entity, Uganda Microfinance Regulatory Authority ("UMRA"), which requires its approval for future branch openings
- On 19 July 2018, ASA Pakistan submitted its updated application for transforming its non-deposit taking microfinance company into a microfinance bank, which is now under review by State Bank of Pakistan
- During August 2018, ASHA MFB requested CBN to approve the acquisition of the assets and liabilities of ASIEA, the NGO (non-governmental organization) controlled by the Company, by ASHA MFB, the Company's nation-wide microfinance bank
- During H2 2018, it is expected that the Central Bank of Myanmar will give ASA Myanmar permission to mobilize savings

Regulatory Capital

Many of the Group's operating subsidiaries are regulated and subject to minimum regulatory capital requirements. The Group ensures that its operating subsidiaries at all times meet these minimum requirements. As of 30 June 2018, the Group and its subsidiaries were in full compliance with minimum regulatory capital requirements.

Asset/Liability and Risk Management

ASA International has strict policies and procedures for the management of its assets and liabilities as well as various non-operational risks to ensure that:

- the average tenor of loans to customers is substantially shorter than the average tenor of debt provided by third party banks and other third party lenders to the Group and any of its subsidiaries
- Foreign exchange losses are minimized by having all loans to any of the Group's operating subsidiaries denominated or properly hedged in the local operating currency and all loans to any of the Group's subsidiaries denominated in local currency are hedged in US dollars
- Foreign translation losses affecting the Group's balance sheet are minimized by preventing over-capitalization of any of the Group's subsidiaries by distributing dividends and/or repaying capital as soon as reasonably possible

Nevertheless, the Group will always have exposure to currency movements in both (i) the profit & loss statement, which will affect the ongoing USD profitability of any of its local operating subsidiaries and (ii) the balance sheet due to gradual erosion of capital of each of its operating subsidiaries translated in US dollars in case the US dollar strengthens against the currency of any of its operating subsidiaries .

Funding

The funding profile of the Group has not materially changed during the first six months of 2018:

In USD millions -

	31-Dec-16	31-Dec-17	30-Jun-18
Local Deposits	40.1	53.2	56.4
Loans from Financial Institutions	81.1	200.4	215
Microfinance Loan Funds	29.2	27.5	21.2
Loans from Dev. Banks & Foundations	25	40	40
Equity	67.5	83	84.9
Total Funding	**242.8**	**404.1**	**417.4**

The Group maintains a favorable maturity profile with the average tenor of all funding from third parties being substantially longer than the average tenor at issuance of loans to customers which ranges from 6-12 months.

The Group and its subsidiaries have existing credit relationships with more than 50 lenders throughout the world, which has provided reliable access to competitively-priced funding for the growth of its loan portfolio.

Impact of foreign exchange rates

As a US dollar reporting company with operations in twelve different currencies, currency movements can have a major effect on the Group's USD financial performance and reporting.

During the first half of 2018, the US dollar strengthened more than expected, particularly vis-à-vis a number of Asian currencies where the Group has major operations. The effect of this is (i) existing and future local currency earnings translate into less US dollar earnings, and (ii) local currency capital of any of the operating subsidiaries will translate into less US dollar capital.

Countries	2017 H1A	2017A	2018 H1A	Δ 2017A - 2018 H1A
Pakistan (PKR)	104.7	110.6	121.7	-10.10%
India (INR)	64.7	63.8	68.4	-7.30%
Sri Lanka (LKR)	153.3	153.5	158.3	-3.10%
The Philippines (PHP)	50.5	50	53.3	-6.80%
Myanmar (MMK)	1,364.20	1,357.20	1,411.40	-4.00%
Nigeria (NGN)	328.5	360	360	0.00%
Ghana (GHS)	4.4	4.5	4.8	-5.50%
Sierra Leone (SLL)	7,525.00	7,672.50	7,877.50	-2.70%
Kenya (KES)	103.7	103.1	100.9	2.20%
Uganda (UGX)	3,585.40	3,635.20	3,878.30	-6.70%
Tanzania (TZS)	2,235.60	2,240.50	2,276.90	-1.60%
Rwanda (RWF)	834.7	844.6	859	-1.70%

The currency depreciation of, in particular, the PKR and INR were higher than expected which will have an adverse impact on the US dollar net profit growth of these two subsidiaries.

It also led to a substantial increase in foreign exchange translation losses due to ASA Pakistan's relatively high capital base related to its microfinance bank license application. The total contribution to foreign exchange losses during H1 2018 amounted to USD 5.7m of which USD 3.7m related to the depreciation of the PKR.

CSR Activities

During the first half of 2018, the Group has carried out a wide range of CSR and other social development activities in its operating countries including amongst others:

- India - opened and manages 29 vocational training centers in collaboration with Lions Club, India, for skill development

CSR Activities (Continued)

- Ghana - ongoing distribution of mosquito nets; medical screening to close to 5,000 participants in 28 events; donations to school and orphanage for the deaf and blind
- Nigeria - water borehole installation covering 600 families; health screening programs; distribution of educational books to disadvantaged youth
- Philippines - scholarship grants awarded to client's children and distribution of relief goods to more than 1,300 families

Impact of implementation of IFRS 9 (Unaudited)

	Provision for credit loss	**Provision for credit loss on-book BC portfolio**	**Retained earnings**
Balance as at 1 January 2018	1,210,439	110,655	71,321,319
Impact for adopting IFRS 9	339,136	51,903	-263,394
Adjusted balance as at 1 January 2018	**1,549,575**	**162,558**	**71,057,925**

ASA International implemented IFRS 9 'Financial instruments' on 1 January 2018. For ASA International IFRS 9 changes the classification and impairment of customer receivables. The implementation had no impact on the classification since the loan products of ASA International mainly consist of repayment of principal and interest. The impairment of loans under IFRS 9 changes from the incurred loss model of IAS 39 to an expected loss model. The Company continues to apply a loss rate approach for determining its loan loss provision given the small loan sizes and short-term nature of the loan products. The new element of expected credit losses in the loan loss provision are determined by the increase in default risk by calculating the incremental trend in write-offs during the last two years in order to update the historical loss rate for forward looking expectation. In addition, the Company considers on each reporting date any significant socio-economic events and natural disasters which are expected to have an impact on the future credit losses for the markets in which it operates.

The impact net of tax of the implementation of IFRS 9 by adding the expected credit losses to the loan loss provisions of the Company amounted to USD 0.3 million and is presented as an adjustment of the opening balances of the loan loss provision, deferred tax and retained earnings.

ASA International has elected to continue the same accounting policy for Hedge Accounting under IAS 39 as allowed when implementing IFRS 9.

Outlook and current trading:

- Positive financial and operational performance over the first half of 2018 continued post H1 period end
- The Board remains confident in the future prospects for the business and the Board believes the Company is on track to achieve full-year results in line with its expectations

Principal risks and uncertainties

We have considered the principal risks and uncertainties faced by the Group for the remaining six months of the year and do not consider them to have changed from those set out on pages 17 to 42 of the Prospectus which is available on the Group's website at asa-international.com. These include but are not limited to: natural disasters, foreign exchange risk.

Directors' Responsibilities Statement in Respect of the Interim Results

We confirm that to the best of our knowledge:

The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial

Reporting as adopted by the ELI;

The interim management report includes a fair review of the information required by:

a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the Historical Financial Statement for the year ended 31 December 2017 for ASA International Holdings, as contained in Part XV of the Prospectus.

By order of the Board

Dirk Brouwer

CEO

29 August 2018

Forward Looking Statement and Disclaimers

This announcement does not constitute or form part of any offer or invitation to purchase, otherwise acquire, issue, subscribe for, sell or otherwise dispose of any securities, nor any solicitation of any offer to purchase, otherwise acquire, issue, subscribe for, sell, or otherwise dispose of any securities. The release, publication or distribution of this announcement in certain jurisdictions may be restricted by

law and therefore persons in such jurisdictions into which this announcement is released, published or distributed should inform themselves about and observe such restrictions.

INDEPENDENT REVIEW REPORT TO ASA INTERNATIONAL GROUP PLC

Introduction

We have been engaged by ASA International Group plc ("the Company" or "the Group") to review the condensed set of financial statements in the half-yearly financial report for the period 14 May 2018 to 30 June 2018 which comprises Interim Condensed Statement of Profit or Loss and Other Comprehensive Income, the Interim Condensed Statement of Financial Position, the Interim Condenses Statement of Changes in Equity, the Interim condensed statement of Cash Flow and related notes A to E. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note B, the financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the period 14 May 2018 to 30 June 2018 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
Statutory Auditor
London, United Kingdom
29 August 2018

ASA INTERNATIONAL GROUP PLC
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 14 MAY 2018 TO 30 JUNE 2018

	Notes	**Period from 14 May 2018 to 30 June 2018**
		USD
		UNAUDITED
Administrative expenses	**D.**	(13,000)
Total operating expenses		**(13,000)**
Operating loss		**(13,000)**
Loss for the period		**(13,000)**
Other comprehensive income		-
Total comprehensive income for the period, net of tax		**(13,000)**

The notes A to E form an integral part of these Interim Condensed Financial Statements.

ASA INTERNATIONAL GROUP PLC
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	30-06-2018
		USD
ASSETS		**UNAUDITED**
Other assets	**C.**	65,501
TOTAL ASSETS		**65,501**
EQUITY		
Share capital		1
Redeemable preference shares	**C.**	65,500
Retained earnings		(13,000)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**52,501**
LIABILITIES		
Other liabilities	**D.**	13,000
TOTAL LIABILITIES		**13,000**
TOTAL EQUITY AND LIABILITIES		**65,501**

The financial statements have been approved by the board and signed by:

Dirk Brouwer - Director

Tanwir Rahman - CFO

The notes A to E form an integral part of these Interim Condensed Financial Statements.

ASA INTERNATIONAL GROUP PLC
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 14 MAY 2018 TO 30 JUNE 2018

	Share capital	Retained earnings	Redeemable preference shares	Total
		USD	USD	USD
At incorporation	**1**	**-**	**-**	**1**
Loss for the period	-	(13,000)	-	**(13,000)**
Total comprehensive income for the period	**1**	**(13,000)**	**-**	**(12,999)**
Issue of redeemable preference shares	-	-	65,500	**65,500**
At 30 June 2018 (Unaudited)	**1**	**(13,000)**	**65,500**	**52,501**

The notes A to E form an integral part of these Interim Condensed Financial Statements.

ASA INTERNATIONAL GROUP PLC
INTERIM CONDENSED STATEMENT OF CASH FLOW
FOR THE PERIOD FROM 14 MAY 2018 TO 30 JUNE 2018

	Period from 14 May 2018 to 30 June 2018
	USD
	(UNAUDITED)
OPERATING ACTIVITIES	
Profit before tax	(13,000)
Adjustment for movement in:	
Operating assets	(65,501)
Operating liabilities	13,000
Net cash flows used in operating activities	**(65,501)**
FINANCING ACTIVITIES	
Issue of ordinary shares	1
Issue of redeemable preference shares	65,500
Net cash flow used in financing activities	**65,501**
Net increase in cash and cash equivalents	-
Cash and cash equivalents as at 14 May	-
Cash and cash equivalents as at end of the period	**-**

The notes A to E form an integral part of these Interim Condensed Financial Statements.

A. DESCRIPTION OF THE BUSINESS

ASA International Group PLC is a public limited company which was incorporated by Catalyst Microfinance Investors ("CMI") in England and Wales on 14 May 2018 for the purpose of the initial public offer of ASA International Holding. It had no activities until it acquired the shares in ASA International Holding and its subsidiaries on 13 July 2018. Subsequently, ASA International Group PLC became an international microfinance holding company that owns and operates microfinance institutions ("MFI") in various countries throughout Asia and Africa. ASA International Group PLC was admitted to the Main Market of the London Stock Exchange on 18 July 2018. The consolidated financial position and results for the six months period ending 30 June 2018 of ASA International Holding and its subsidiaries and the restructuring executed and planned after 30 June 2018 are presented in the Subsequent events section.

B. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim condensed statutory financial statements of ASA International Group PLC have been prepared on a historical cost basis.

The functional currency of ASA International Group PLC is Pound Sterling. The reporting currency is United States Dollar ("USD") because this is a more globally recognised currency and also the reporting currency of its parent and the group of entities that it acquired on 13 July 2018. All values are rounded to the nearest USD except where otherwise indicated.

The interim condensed consolidated financial statements for the period from 14 May to 30 June 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed statutory financial statements are the first financial statements of the Company and do not include all the information and disclosures required for annual financial statements.

Accounting policies

In preparing the interim condensed financial statements, the same accounting policies, methods of computation and presentation have been applied as set out in the Historical Financial Information section of the Prospectus which is available on the Group's website at http://asa-international.com.

C. OTHER ASSETS, RELATED PARTIES, AND REDEEMABLE PREFERENCE SHARES

Catalyst Microfinance Investors, the parent of ASA International Group PLC, subscribed for GBP 50,000 (equivalent to USD 65,500) redeemable preference shares in ASA International Group PLC to ensure sufficient paid up share capital to apply for a trading certificate. The subscription remained unpaid up to 30 June 2018 because ASA International Group PLC had no bank account. The redeemable non-voting preference shares will be redeemed before December 2018 and shall carry no rights to receive any of the profits of the Company available for distribution by way of dividend or otherwise. CMI provided an undertaking to pay the subscription price.

D. ADMINISTRATIVE EXPENSES AND OTHER LIABILITIES

ASA International Group PLC incurred expenses relating to incorporation and its corporate secretary which are USD 13,000. These expenses are accrued under the Other liabilities.

E. SUBSEQUENT EVENTS

ASA International Group PLC acquired 100% of the shares in ASA International Holding and all its subsidiaries on 13 July 2018 in exchange for the issue of 100 million shares in ASA International Group PLC with a nominal value of GBP 1.00 each. The fair value of the acquired shares amounted to GBP 313 million based on the initial offer price of GBP 3.13. This acquisition will be accounted for using continuation of the existing group book value because it was a transaction under common control for which no goodwill will be identified. ASA International Group PLC was admitted to the Main Market of the London Stock Exchange on 18 July 2018. ASA International Group PLC is planning for a reduction of the nominal value of its shares to GBP 0.01 before the end of 2018 which will increase distributable retained earnings as approved in a board resolution but it is subject to court approval. Further the Company has signed a board resolution to redeem the redeemable preference shares before the end of 2018.

The interim condensed consolidated financial statements for the six months period ending 30 June 2018 of ASA International Holding and its subsidiaries are presented on the following pages of this report.

E. SUBSEQUENT EVENTS: INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF ASA INTERNATIONAL HOLDING FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Notes	**For the six months ended 30 June 2018** USD UNAUDITED	**2017** USD UNAUDITED
Interest and similar income	4.	66,862,149	49,290,221
Interest and similar expense	5.	(16,056,500)	(8,073,319)
Net interest income		**50,805,649**	**41,216,902**
Other operating income	6.	4,658,867	3,383,536
Total operating income		**55,464,516**	**44,600,438**
Credit loss expense	7	(488,413)	(404,012)
Net operating income		**54,976,103**	**44,196,426**
Personnel expenses	8.	(17,465,465)	(13,887,983)
Depreciation of property and equipment	15.	(682,027)	(420,232)
Other operating expenses	9.	(11,227,348)	(10,511,743)
Initial Public Offering related expenses	9.3	(7,924,443)	-
Exchange rate differences	10.	(147,382)	(267,497)
Total operating expenses		**(37,446,665)**	**(25,087,455)**
Profit before tax		**17,529,438**	**19,108,971**
Income tax expense	11	(8,777,401)	(6,220,385)
Withholding tax expense	11.4	(233,215)	(231,550)
Profit for the period		**8,518,822**	**12,657,036**
Profit for the period attributable to:			
Equity holders of the parent		8,249,035	12,540,656
Non-controlling interest		269,787	116,380
		8,518,822	**12,657,036**
Other comprehensive income:			
Foreign currency exchange differences on translation of foreign operations		(5,578,665)	(1,182,955)
Movement in hedge accounting reserve		(781,960)	(29,566)
Other comprehensive income		36,503	76,140
Total other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax		**(6,324,122)**	**(1,136,381)**
Actuarial gains and losses on defined benefit liabilities		(50,805)	-
Total other comprehensive income not to be reclassified to profit or loss in subsequent periods,		**(50,805)**	**-**
Total comprehensive income for the period, net of tax		**2,143,895**	**11,520,655**
Total comprehensive income attributable to:			
Equity holders of the parent		1,974,930	11,498,708
Non-controlling interest		168,965	21,947
		2,143,895	**11,520,655**
Earnings per share	30.		
Equity shareholders of the parent for the year:			
Basic earnings per share		2.3	3.5
Diluted earnings per share		2.3	3.5

The notes 1 to 30 form an integral part of these Interim Condensed Financial Statements.

E. SUBSEQUENT EVENTS: INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
OF ASA INTERNATIONAL HOLDING AS AT 30 JUNE 2018

	Notes	30-6-2018	31-12-2017
		USD	USD
ASSETS		UNAUDITED	UNAUDITED
Cash at bank and in hand	12.	92,514,420	93,251,993
Loans and advances to customers	13.	313,530,993	297,780,987
Due from banks		17,319,961	15,284,388
Equity investments at FVOCI	14.	200,000	200,000
Property and equipment	15.	4,082,228	3,882,197
Deferred tax assets	11.2	1,426,429	1,527,394
Other assets	16.	12,374,470	7,389,684
Goodwill	17.	38,632	39,845
TOTAL ASSETS		**441,487,133**	**419,356,488**
EQUITY			
Issued capital	18.	36,273,490	36,273,490
Retained earnings	19.	78,510,698	71,321,319
Foreign currency translation reserve	20.	(31,309,216)	(25,831,373)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**83,474,972**	**81,763,436**
Total equity attributable to non-controlling interest		1,387,880	1,218,915
TOTAL EQUITY		**84,862,852**	**82,982,351**
LIABILITIES			
Debt issued and other borrowed funds	21.	278,899,463	270,464,195
Due to customers	22.	56,383,005	53,230,815
Retirement benefit liability	8.1	1,230,153	943,302
Current tax liability	11.1	4,024,387	3,841,338
Deferred tax liability	11.3	105,608	60,425
Other liabilities	23.	14,799,467	6,616,145
Provisions		1,182,198	1,217,917
TOTAL LIABILITIES		**356,624,281**	**336,374,137**
TOTAL EQUITY AND LIABILITIES		**441,487,133**	**419,356,488**

The notes 1 to 30 form an integral part of these Interim Condensed Financial Statements.

E. SUBSEQUENT EVENTS: INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
OF ASA INTERNATIONAL HOLDING FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Notes	**Issued capital**	**Retained earnings**	**Foreign currency translation reserve**	**Revaluation reserve**	**Non-controlling interest**	**Total**
		USD	**USD**	**USD**	**USD**	**USD**	**USD**
At 1 January 2017		**36,273,490**	**50,765,539**	**(22,117,715)**	**77,655**	**2,454,027**	**67,452,996**
Profit for the period		-	12,747,093	-	-	116,380	**12,863,473**
Other comprehensive income:							
Foreign currency translation of assets and liabilities of subsidiaries		-	-	(1,226,889)	-	43,934	**(1,182,955)**
Other comprehensive income		-	46,574	-	-	-	**46,574**
Total comprehensive income for the period		**-**	**12,793,667**	**(1,226,889)**	**-**	**160,314**	**11,727,092**
Acquisition of non controlling interest			(155,105)			(138,367)	**(293,472)**
Disposal of subsidiaries	29.4		923,882		(77,655)	(1,455,155)	**(608,928)**
Dividend (USD 602,691 paid in cash and USD 4,054,537 in specie)		-	(4,657,228)	-	-	-	**(4,657,228)**
At 30 June 2017 (Unaudited)		**36,273,490**	**59,670,755**	**(23,344,604)**	**-**	**1,020,819**	**73,620,460**
At 1 January 2018		**36,273,490**	**71,321,319**	**(25,831,373)**	**-**	**1,218,915**	**82,982,351**
Impact of adopting IFRS 9, net of tax			(263,394)				**(263,394)**
Restated opening balance under IFRS 9		**36,273,490**	**71,057,925**	**(25,831,373)**	**-**	**1,218,915**	**82,718,957**
Profit for the period		-	8,249,035	-	-	269,787	**8,518,822**
Other comprehensive income:							
Actuarial gains and losses on defined benefit liabilities		-	(50,805)	-	-	-	**(50,805)**
Foreign currency translation of assets and liabilities of subsidiaries		-	-	(5,477,843)	-	(100,822)	**(5,578,665)**
Movement in hedge accounting reserve			(781,960)				**(781,960)**
Other comprehensive income		-	36,503	-	-	-	**36,503**
Total comprehensive income for the period		**-**	**7,452,773**	**(5,477,843)**	**-**	**168,965**	**2,143,895**
At 30 June 2018 (Unaudited)		**36,273,490**	**78,510,698**	**(31,309,216)**	**-**	**1,387,880**	**84,862,852**

The notes 1 to 30 form an integral part of these Interim Condensed Financial Statements.

E. SUBSEQUENT EVENTS: INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
OF ASA INTERNATIONAL HOLDING FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Notes	For the six months ended 30 June 2018	2017
		USD UNAUDITED	USD UNAUDITED
OPERATING ACTIVITIES			
Profit before tax		17,529,438	19,315,410
Adjustment for movement in:			
Operating assets	24.1	(46,990,816)	(71,428,885)
Operating liabilities	24.2	14,745,567	13,124,952
Non-cash items	24.3	(244,885)	931,544
Payment for employee liabilities		(54,315)	(20,137)
Income tax paid	11.	(8,842,785)	(5,463,236)
Net cash flows used in operating activities		**(23,857,796)**	**(43,540,352)**
INVESTING ACTIVITIES			
Purchase of PPE	15.	(884,418)	(725,456)
Proceeds from sale of PPE		(9,039)	(60,037)
Purchase of new investments		-	(200,000)
Net cash outflow from disposal of subsidiaries	29.4	-	(1,208,073)
Net cash flow used in investing activities		**(893,457)**	**(2,193,566)**
FINANCING ACTIVITIES			
Proceeds from debt issued and other borrowed funds		116,662,336	96,175,082
Payments of debt issued and other borrowed funds		(96,276,206)	(48,648,991)
Dividend paid		-	(602,691)
Acquisition of non controlling interest		-	(293,472)
Net cash flow from financing activities		**20,386,130**	**46,629,928**
Cash and cash equivalents as at beginning of the period		79,831,522	27,684,957
Net increase in cash and cash equivalents		(4,365,123)	896,010
Foreign exchange difference on cash and cash equivalents		3,758,932	472,593
Cash and cash equivalents as at end of the period	24.4	**79,225,331**	**29,053,560**
Operational cash flows from interest			
interest received		66,900,354	48,851,391
Interest paid		7,581,263	7,762,471

The notes 1 to 30 form an integral part of these Interim Condensed Financial Statements.

1. CORPORATE INFORMATION

ASA International Holding (“ASA International”, "ASAIH", or the "Company”) is a private company limited by shares incorporated under the laws of Mauritius holding a Category 1 Global Business License issued by the Financial Services Commission.

1.1 NATURE OF THE BUSINESS

ASA International is an international microfinance holding company that owns and operates microfinance institutions (“MFI”) in various countries throughout Asia and Africa.

ASA International currently has microfinance operations in Pakistan, the Philippines, Myanmar, Sri Lanka, Nigeria, Ghana, India, Kenya, Tanzania, Uganda, Rwanda, and Sierra Leone (the "Country Operations"). Each of the Country Operations follows the proven ASA model of microfinance (the "ASA Model") as developed by ASA (formerly named 'Association for Social Advancement'), a non-governmental entity organized as a Society under the Societies Registration Act XXI of 1860 by the Registrar of Joint Stock Companies in the People’s Republic of Bangladesh, which is widely regarded as one of the most efficient and cost effective MFIs in the world. All of the Country Operations operate under the brand and banner of 'ASA' or a similar name. ASA currently continues to provide management, operational and technical support to ASA International pursuant to the Memorandum of Understanding dated 3 October 2007 ("MoU"). The Company has incorporated a company in Zambia and plans to commence operations there in 2018.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of ASA International have been prepared on a historical cost basis, except for equity investments, derivative instruments, and land which has been kept at fair value. The financial statements are presented in USD and all values are rounded to the nearest USD except where otherwise indicated. The statement of financial position presents the assets and liabilities in decreasing order of liquidity and does not distinguish between current and non-current items.

2.1.1 General

The interim condensed consolidated financial statements do not include all the information and disclosures as in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2017.

2.1.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. The financial statements of subsidiaries are similarly prepared for the year ended 31 December 2017, applying similar accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

2.1.2 Basis of consolidation (Continued)

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

Non-controlling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the equity attributable to equity holders of the parent.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, the previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

2.2. NEW STANDARDS, INTERPRETATION AND AMENDEMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of the new standards of IFRS 9 and IFRS 15 effective as of 1 January 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. These amendments apply for the first time in 2018. The nature and the impact of each amendment on the interim condensed consolidated financial statements of the Group is described below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Most of the revenue items of the Company are out-of-scope as these are subject to other standards like IFRS 9. Recognition of revenue for the remaining revenue items, which are in scope for IFRS 15, does not change when the five-step model is applied. Based on the assessment made, implementation of this standard has no impact on the Company.

2.2. NEW STANDARDS, INTERPRETATION AND AMENDEMENTS ADOPTED BY THE GROUP (Continued)

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. It replaces IAS 39 Financial Instruments: Recognition and Measurement.

In October 2017, the IASB issued Prepayment Features with Negative Compensation (Amendments to IFRS 9). The amendments are effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Company has applied IFRS 9 as issued in July 2014 initially on 1 January 2018 and has early adopted the amendments to IFRS 9 on the same date. Based on assessments undertaken, the total adjustment (net of tax) of the adoption of IFRS 9 on the opening balance of the Group's equity at 1 January 2018 is USD 0.3 million, representing:

- an increase of USD 0.4 million related to impairment requirements (see (ii)); and

– a decrease of USD 0.1 million to deferred tax impacts.

Classification – Financial assets

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 includes three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. It eliminates the existing IAS 39 categories of held to maturity, loans and receivables and equity investments.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

–its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election was made for the only current equity investment. Applying fair value through OCI for equity investments has no P&L recycling.

2.2. NEW STANDARDS, INTERPRETATION AND AMENDEMENTS ADOPTED BY THE GROUP (Continued)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is classified into one of these categories on initial recognition. The transition requirements relating to classification of financial assets are discussed below.

Business model assessment

The Group has made an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company has considered the contractual terms of the instrument. This included assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company has considered:

– contingent events that would change the amount and timing of cash flows;

– leverage features;

– prepayment and extension terms;

– terms that limit the Group's claim to cash flows from specified assets – e.g. non-recourse asset arrangements; and features that modify consideration for the time value of money – e.g. periodic reset of interest rates.

Most of the Group's microfinance loans contain prepayment features. A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

Impact assessment

The standard affected the classification and measurement of financial assets held as at 1 January 2018 as follows.

– Loans and advances to customers and due from banks that are classified as loans and receivables and measured at amortised cost under IAS 39 are still measured at amortised cost under IFRS 9.

– Held-to-maturity investment securities measured at amortised cost under IAS 39 and are still measured at amortised cost under IFRS 9.

– Equity investments are being presented at fair value through OCI. Applying fair value through OCI for equity investments has no P&L recycling.

The Company has concluded that, on the adoption of IFRS 9 at 1 January 2018, these changes have no impact on the Company's equity.

2.2. NEW STANDARDS, INTERPRETATION AND AMENDEMENTS ADOPTED BY THE GROUP (Continued)

Impairment – Financial assets

Background

The previous 'incurred loss' model under IAS 39 delayed the recognition of credit losses until there was a trigger event which resulted into mismatch in timing of the recognition of interest income and charge of credit loss of a particular financial instrument. IFRS 9 adopts an expected loss model for impairment of financial assets which provide users of financial statements with more useful information about an entity's expected credit losses on financial instruments. The model requires an entity to recognize expected credit losses (ECL) at all times and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of financial instruments.

Measurement of expected credit loss/ loan loss provision

IFRS 9 does not prescribe particular measurement methods. Also, an entity may use various sources of data that may be internal (entity-specific) and external. For the measurement of ECL, IFRS 9 distinguishes between three impairment stages. All loans need to be allocated to one of these stages. Stage 1 loans are loans where since inception no significant increase in credit risk occurred (12M ECL), while stage 2 loans are those loans where since inception credit risk significantly increased (Lifetime ECL). Stage 3 loans are so-called credit-impaired loans, which are generally quite similar to specifically defaulted loans under the current IAS 39 requirements.

Approach taken by the Company

The Company has calculated ECL for its loan portfolios following the below described approach in sections A-C:

A. Calculating ECL for stage 1-2 loans

An entity is generally required to monitor the changes in credit risk in order to allocate the exposure to the correct staging bucket. Given the nature of the Company's loan exposures (generally short term exposures, <12 months) no distinction has been made between stage 1 (12M ECL) and stage 2 loans (Lifetime ECL). As such no staging criteria were developed nor will staging (significant increase in credit risk) be monitored.

For avoiding complexity of calculating separate probability of default and loss given default, the Company uses a 'loss rate approach' for the measurement of ECLs.

Loss rate approach: Not every entity calculates a separate probability of default and a loss given default, but instead uses a 'loss rate approach'. Using this approach, the entity develops loss-rate statistics on the basis of the amount written off over the life of the financial assets. It then must adjust these historical credit loss trends for current conditions and expectations about the future.

Increase in default risk overlay: Under the loss rate approach, an entity would not be able to implement the assessment of significant increases in credit risk that is based on the change in the risk of a default. Therefore, entities using the loss rate approach would need an overlay of measuring and forecasting the level of defaults. This overlay is applied by calculating an incremental trend in write offs in the last 2 years in order to update the historical loss rate for forward looking expectation.

2.2. NEW STANDARDS, INTERPRETATION AND AMENDEMENTS ADOPTED BY THE GROUP (Continued)

B. *Assessing the existence of stage 3 loans*

At reporting date, the Company has assessed whether or not certain loans, or exposures in certain regions, needed to be considered defaulted (stage 3). This could be driven by very specific macro-economic situations (existing at reporting date) or for example natural disasters. Portfolios which are assessed to be in default as at reporting date have been taken out of the calculation in (A) and provided for specifically based on expected recoverable cash flows, taking into account probability weighted scenarios and time value of money.

C. Incorporate forward-looking information on stage 1-2 loans

Note that in section (A), the Company already incorporates some forward-looking element in the ECL by looking at the write-offs trend in the most recent two year period.

In addition, the Company considered which macro-economic factors could have correlation with the level of write-offs (inflation, unemployment, GPD, interest rates, etc). The Company concluded that given the specific nature of their micro-loan portfolios no appropriate correlation could be identified with any of such elements (without undue cost or effort).

However, the Company considered significant socio-economic events and natural disasters impacting the historical losses and how this compared to the expected impact of these and reasonably expected future events on the current portfolio. To reflect this impact, the Company applied a management overlay adjustment per portfolio, which is established at each reporting date.

Impact on the Company

ECLs based on historical default data

For determining ECLs as on 31 December 2017, the Company has calculated credit loss based on historical trend of default and collection efficiency since 2011, which period provides relevant, reasonable and supportable information.

Next 12 months ECLs based on annual change of write off

The Company also considered the average annual changes in write off over the last two years as an estimation of future expectation of default for the next 12 months.

Stage 3 loans and management overlay

All loans overdue for more than 90 days are considered as credit impaired. The expected losses for these loans are calculated as the proportionate percentage of loans overdue for more than 90 days compared to loans overdue for more than 180 days. The loss amount for these loans will therefore be the same as full loss for loans overdue for more than 180 days as per the reporting date of 31-12-2017 amounting to USD 0.8 million.

The assessment for other additional stage 3 loans and management overlay for future events in any specific markets as per 30-06-2018 did not reveal any material loan which should be considered as credit impaired.

2.2. NEW STANDARDS, INTERPRETATION AND AMENDEMENTS ADOPTED BY THE GROUP (Continued)

Impact on the Company (Continued)

Total expected credit loss

Based on the above measurement, total expected credit loss as on 31 December 2017 for the next 12 months amounts to USD 1.7 million after considering stage 3 loans and management overlay for future events. The provision under IAS 39 as per 31 December 2017 amounted to USD 1.3 million, which is net of collateral.

It should be noted that since most of the loans are within the maturity of 12 months and expected credit loss is measured for 12 months, the Company ignored the effect of time value of money.

Interest income for stage 3 loans should be calculated based on the net impaired amount. Due to the very low amount of stage 3 loans the impact is not material as per 31-12-2017 and 30-06-2018. Management will assess materiality of stage 3 loans and impact on interest income for every reporting date.

Impairment for Bank accounts and Due from Banks

The requirement for impairment of bank accounts and term deposits at banks is assessed by external credit ratings of the related banks. ASA International uses a matrix of S&P showing the default rate per bank based on the credit rating of the bank and a probability of default for one year for bank accounts and for term deposits the tenor of the contract.

Classification – Financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. However, under IAS 39 all fair value changes of financial liabilities designated as at FVTPL are recognised in profit or loss, whereas under IFRS 9 these fair value changes will generally be presented in OCI for the change which is attributable to changes in the entity's own credit risk and the remaining amount in profit or loss. This is not relevant for the Group.

Derecognition and contract modification

IFRS 9 incorporates the requirements of IAS 39 for the derecognition of financial assets and financial liabilities without substantive amendments. However, it contains specific guidance for the accounting when the modification of a financial instrument not measured at FVTPL does not result in derecognition. The Group concluded that the adoption of these new requirements has no impact on the Company.

Hedge accounting

When initially applying IFRS 9, the Company may choose as its accounting policy to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements in Chapter 6 of IFRS 9. The Company has elected to continue to apply IAS 39. However, the Company will provide the expanded disclosures on hedge accounting introduced by IFRS 9's amendments to IFRS 7 Financial Instruments: Disclosures in the full year 2018 financial statements because the accounting policy election does not provide an exemption from these new disclosure requirements.

Disclosures

IFRS 9 requires extensive new disclosures, in particular about hedge accounting, credit risk and ECLs. These will be provided in the full year 2018 financial statements.

2.2. NEW STANDARDS, INTERPRETATION AND AMENDEMENTS ADOPTED BY THE GROUP (Continued)

Transition

Changes in accounting policies resulting from the adoption of IFRS 9 will generally be applied retrospectively. However, the Company has taken advantage of the exemption allowing it not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:
- the determination of the business model within which a financial asset is held
- the designation of certain investments in equity instruments not held for trading as at FVOCI.

Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2018.

Standards issued but not yet effective

IFRS 16 Leases

IFRS 16 specifies how a company will recognise, measure , present and disclose leases. The standard provides a single lease accounting model, requiring leases to recognise assets and liabilities for most leases with exceptions for leases with a term of 12 months or less or if the underlying asset has a low value. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

The Group's corporate headquarters, country head offices and branches (with the exception of the country head office in the Philippines) are leased and these leases are classified as operating leases, which under IFRS 16 will be required to be recognised on the Group's statement of financial position. The Group has performed a preliminary assessment of the potential impact of the adoption of IFRS 16 on its financial statements. The standard is expected to have an impact on the financial statements. The nature and timing of expenses related to those leases will change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right of use assets and interest expense on lease liabilities.

The above assessment is still on going because not all transition work has been finalised. The actual impact of adopting IFRS 16 on 1 January 2019 may change because the Group needs to revise its accounting processes and these are not yet complete. Further the Company is refining and finalising its models for the calculations for the right of use asset and the lease liability and the new accounting policies, assumptions, judgements and estimation techniques employed are subject to change until the Company finalises its first financial statements that include the date of initial application.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into reportable segments based on its geographical areas and has five reportable segments, as follows:
- West Africa, which includes Ghana, Nigeria and Sierra Leone
- East Africa, which includes Kenya, Uganda, Tanzania and Rwanda
- South Asia, which includes India, Pakistan and Sri Lanka
- South East Asia, which includes Myanmar and the Philippines
- Non-operating entities, which includes holding entities and other entities without microfinance activities

No operating segments have been aggregated to form the above reportable operating segments. The company primarily provides only one type of service to its microfinance clients being small microfinance loans which are managed under the same ASA model in all countries. The reportable operating segments have been identified on the basis of organisational overlap like common board members, regional management structure and cultural and political similarity due to their geographical proximity to each other.

The Executive Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its reportable segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operational profits and losses and is measured consistently with profit or loss in the consolidated financial statements. Transfer prices between operating and non-operating segments are on an arm’s length basis in a manner similar to transactions with third parties and are based on the Group's transfer pricing framework.

Revenues and expenses as well as assets and liabilities of those entities that are not assigned to the four reportable operating segments are reported under 'Non-operating entities'. Inter-segment revenues, expenses and balance sheet items are eliminated on consolidation.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in the first half of 2017 and in the first half of 2018.

3. SEGMENT INFORMATION (continued)

The following tables provides income, expenses, assets and liabilities for the Group's operating segments for the six months ended 30 June 2018 and 30 June 2017.

Six months ended 30 June 2018 (Unaudited)	**West Africa**	**East Africa**	**South Asia**	**South East Asia**	**Non-operating entities**	**Total segments**	**Eliminations**	**Consolidated**
External interest and similar income	18,293,645	6,630,108	30,657,771	11,262,817	17,808	66,862,149	-	66,862,149
Inter-segment interest income	-	-	-	-	1,719,728	1,719,728	(1,719,728)	-
External interest expense	(1,741,761)	(534,535)	(10,106,478)	(1,936,133)	(1,737,593)	(16,056,500)	-	(16,056,500)
Inter-segment interest expense	(288,585)	(654,195)	(414,198)	(362,750)	-	(1,719,728)	1,719,728	-
Net interest income	**16,263,299**	**5,441,378**	**20,137,095**	**8,963,934**	**(57)**	**50,805,649**	**-**	**50,805,649**
External other operating income	898,696	751,741	1,325,981	1,689,034	(6,585)	4,658,867	-	4,658,867
Inter-segment other operating income	-	-	-	-	968,368	968,368	(968,368)	-
Other inter-segment expense	-	-	(19,916)	(948,452)	-	(968,368)	968,368	-
Total operating income	**17,161,995**	**6,193,119**	**21,443,160**	**9,704,516**	**961,726**	**55,464,516**	**-**	**55,464,516**
Credit loss expense	(140,081)	119,531	(362,418)	(105,445)	-	(488,413)	-	(488,413)
Net operating income	**17,021,914**	**6,312,650**	**21,080,742**	**9,599,071**	**961,726**	**54,976,103**	**-**	**54,976,103**
Personnel expenses	(4,395,086)	(2,566,161)	(5,805,014)	(3,852,886)	(846,318)	(17,465,465)	-	(17,465,465)
Exchange rate differences	35,119	(56,149)	(106,382)	(21,966)	1,996	(147,382)	-	(147,382)
Other operating expenses	(2,624,787)	(1,464,744)	(3,249,316)	(3,212,162)	(1,358,366)	(11,909,375)	-	(11,909,375)
IPO related expenses					(7,924,443)	(7,924,443)	-	(7,924,443)
Tax expenses	(3,140,113)	(642,475)	(4,156,583)	(845,777)	(225,668)	(9,010,616)	-	(9,010,616)
Segment profit	**6,897,047**	**1,583,121**	**7,763,447**	**1,666,280**	**(9,391,073)**	**8,518,822**	**-**	**8,518,822**
Total assets	**82,446,099**	**31,710,027**	**217,066,460**	**86,756,580**	**105,762,088**	**523,741,254**	**(82,254,121)**	**441,487,133**
Total liabilities	**49,911,866**	**23,835,839**	**174,080,753**	**69,874,176**	**71,660,925**	**389,363,559**	**(32,739,278)**	**356,624,281**

Explanation: Segment profit is net profit after tax

3. SEGMENT INFORMATION (continued)

Six months ended 30 June 2017 (Unaudited)	**West Africa**	**East Africa**	**South Asia**	**South East Asia**	**Non-operating entities**	**Total segments**	**Eliminations**	**Consolidated**
External interest and similar income	14,638,472	3,894,321	20,553,464	10,201,526	2,438	49,290,221	-	49,290,221
Inter-segment interest income	-	-	-	-	1,803,671	1,803,671	(1,803,671)	-
External interest expense	(1,306,220)	(77,652)	(4,335,795)	(994,540)	(1,359,112)	(8,073,319)	-	(8,073,319)
Inter-segment interest expense	(332,328)	(672,885)	(540,965)	(257,493)	-	(1,803,671)	1,803,671	-
Net interest income	**12,999,924**	**3,143,784**	**15,676,704**	**8,949,493**	**446,997**	**41,216,902**	**-**	**41,216,902**
External other operating income	844,835	434,190	709,342	1,382,555	12,614	3,383,536	-	3,383,536
Inter-segment other operating income	-	-	-	-	975,821	975,821	(975,821)	-
Other inter-segment expense	-	-	(13,693)	(962,128)	-	(975,821)	975,821	-
Total operating income	**13,844,759**	**3,577,974**	**16,372,353**	**9,369,920**	**1,435,432**	**44,600,438**	**-**	**44,600,438**
Credit loss expense	(43,539)	(78,003)	(254,838)	(27,632)	-	(404,012)	-	(404,012)
Net operating income	**13,801,220**	**3,499,971**	**16,117,515**	**9,342,288**	**1,435,432**	**44,196,426**	**-**	**44,196,426**
Personnel expenses	(3,772,849)	(1,855,679)	(4,291,421)	(3,460,339)	(507,696)	(13,887,984)	-	(13,887,984)
Exchange rate differences	(38,853)	(51,476)	(11,466)	36,553	(202,254)	(267,496)	-	(267,496)
Other operating expenses	(2,402,572)	(1,013,820)	(2,200,042)	(4,005,527)	(1,310,014)	(10,931,975)	-	(10,931,975)
Tax expenses	(2,352,639)	(155,562)	(3,100,434)	(622,555)	(220,745)	(6,451,935)	-	(6,451,935)
Segment profit	**5,234,307**	**423,434**	**6,514,152**	**1,290,420**	**(805,277)**	**12,657,036**	**-**	**12,657,036**
As at 31 December 2017								
Total assets	**73,715,921**	**24,749,930**	**213,242,930**	**82,542,942**	**113,821,423**	**508,073,146**	**(88,716,658)**	**419,356,488**
Total liabilities	**48,104,685**	**18,224,587**	**174,139,335**	**66,811,894**	**68,733,638**	**376,014,139**	**(39,640,002)**	**336,374,137**

Explanation: Segment profit is net profit after tax

4. INTEREST AND SIMILAR INCOME

The interest and similar income consist of interest income on microfinance loans to customers and interest income on bank balances and fixed-term deposits.

	For the six months ended 30 June	
	2018	**2017**
	USD	**USD**
	(UNAUDITED)	**(UNAUDITED)**
Interest income on loans and advances to customers	61,335,438	46,133,912
Interest income from clients on-book BC Model (ASAI India)	1,852,215	922,091
Interest income on short term deposits	1,383,557	617,027
Amortization of loan processing fee	2,271,378	1,613,591
Other interest income	19,561	3,600
	66,862,149	**49,290,221**

During 2016 and 2017 ASAI India started to operate as Business Correspondent ("BC") for three BC Partners and one Partner: Reliance Capital, IDBI, MAS and IDFC bank (the "BC model"). ASAI India operates as agent in a pass-through arrangement, whereby ASAI India selects borrowers based on the selection criteria of the BC Partners. After approval of the selected borrowers, the BC Partners disburse the loans through ASAI India and ASAI India collects the interest and repayments from the borrowers on behalf of the BC Partners. In exchange for these services, ASAI India receives service fees and processing fees. The loans to borrowers of IDFC and related funding are not recognised on the balance sheet since ASAI India has a limited liability for the non-performing loans under this agreement. We refer to this as off-book BC model. The loans to borrowers and related funding for the other three BC Partners are recognised on the balance sheet similar its own loan portfolio and funding thereof. We refer to this as on-book BC model. The service fees for the off-book BC model are reported under Other operating income in note 6. Interest income and interest expense for the on-book BC model loan portfolio's are presented in line with its own portfolio. Under the agreements with the BC Partners, ASAI India is liable for payment of non-performing loans, which is regarded as a financial guarantee. This liability for off-book BC model is reported under Other liabilities in note 23. This liability for the on-book BC model is deducted from the related loan portfolio. This liability is based on ASAI's loan loss provision policy taking into account any limits in the liability towards the BC Partners, because it is the best estimate for the expected outflow of cash at reporting date. The related expense is reported under Credit loss expenses in note 7. ASAI India provided security deposits to the BC partners as collateral for the financial guarantees provided. These security deposits are reported under Due from banks. Other receivables and payables related to the BC model are reported under Other assets and Other liabilities. The outstanding loans to borrowers under the on-book and off-book BC model as at 30-06-2018 amounted to USD 12.9 million and USD 33.2 million, respectively (31-12-2017: USD 17.9 million and USD 15.3 million, respectively).

5. INTEREST AND SIMILAR EXPENSE

Included in interest and similar expense are accruals for interest payments to customers and other charges from banks.

	For the six months ended 30 June	
	2018	**2017**
	USD	**USD**
	(UNAUDITED)	**(UNAUDITED)**
Interest expenses on loans	(13,575,418)	(6,191,620)
Interest expense on security deposits & others	(1,309,116)	(1,341,922)
Commitment- and processing fees	(79,308)	(89,278)
Amortisation forward points of forward contracts	(1,092,658)	(450,499)
	(16,056,500)	**(8,073,319)**

6. OTHER OPERATING INCOME

		For the six months ended 30 June	
		2018	**2017**
		USD	**USD**
		(UNAUDITED)	**(UNAUDITED)**
Members admission fees		709,103	626,699
Document fees		334,211	322,013
Proceeds from sale of pass books		78,395	90,620
Income on Death and Multipurpose Risk Funds		1,876,443	1,401,887
Service fees income from off-book BC Model (ASAI India)	4.	979,744	438,366
Distribution fee MBA Philippines		162,508	178,646
Other		518,463	325,305
		4,658,867	**3,383,536**

Other includes several small items that are smaller than USD 50,000 on an individual basis.

7. CREDIT LOSS EXPENSE

	Notes	For the six months ended 30 June 2018 USD (UNAUDITED)	2017 USD (UNAUDITED)
Customer credit loss expense	13.1	(374,516)	(391,509)
Credit loss expense on on-book BC model (ASAI India)	13.2	43,339	(120,337)
Other credit loss expense		(157,236)	107,834
		(488,413)	**(404,012)**

Other credit loss includes provision against interest receivable from customers and off-book BC portfolio. The credit losses from the on-book portfolio changed from 30 June 2017 to 30 June 2018 due to decrease of the risk profile and loan portfolio itself.

8. PERSONNEL EXPENSES

Personnel expenses include total base salary expenses and employee benefit plans:

		For the six months ended 30 June 2018 USD (UNAUDITED)	2017 USD (UNAUDITED)
Personnel expenses		(15,882,616)	(12,642,691)
Defined contribution plans		(1,204,850)	(1,087,408)
Defined benefit plans	8.2	(377,999)	(157,884)
		(17,465,465)	**(13,887,983)**

			For the six months ended 30 June 2018 USD (UNAUDITED)	2017 USD (UNAUDITED)
8.1	**Retirement benefit liability**			
	Retirement benefit liability beginning of the period		943,302	1,074,355
	Payments made during the period		(54,315)	(153,890)
	Charge for the period	8.2	377,999	206,368
	Actuarial gains and losses on defined benefit liabilities		50,805	12,004
	Disposal of subsidiaries		-	(192,209)
	Forex exchange differences		(87,638)	(3,326)
	Retirement benefit liability end of the period		**1,230,153**	**943,302**

ASAI India, ASA Pakistan, Lak Jaya and PPLCI are maintaining defined benefit pension plans in the form of gratuity plans at retirement, death, incapacitation and termination of employment for eligible employees. The funds for the plans in ASA Pakistan, PPLCI and Lak Jaya are maintained by the entity itself and no plan assets have been established separately. The funds for the plan of ASAI India are being maintained with Life Insurance Corporation of India and the entity's obligation is determined by actuarial valuation. There are no other post retirement benefit plans available to the employee of the Group.

The expected contributions to the defined benefit plans for 2018 amount to USD 431,497 (2017: USD 283,801).

		For the six months ended 30 June 2018 USD (UNAUDITED)	2017 USD (UNAUDITED)
8.2	**Charge for the period for retirement benefit liability**		
	Current service cost for the period	377,999	157,884
		377,999	**157,884**

9. OTHER OPERATING EXPENSES

The other operating expenses include the following items:

	Notes	For the six months ended 30 June 2018 USD (UNAUDITED)	2017 USD (UNAUDITED)
Administrative expenses	9.1	(9,399,379)	(9,071,493)
Professional fees	9.2	(1,494,206)	(1,193,163)
Impairment loss		-	(3,545)
Miscellaneous		(237,661)	(116,883)
International travel		(96,102)	(126,659)
		(11,227,348)	**(10,511,743)**

9.1 **Administrative expenses**

	2018	2017
Rent	(1,968,636)	(1,326,807)
Office expenses	(1,213,349)	(1,189,471)
Transport and representation expenses	(2,567,907)	(2,150,205)
Gas, water and electricity	(492,575)	(431,782)
Telecommunications and internet expenses	(516,819)	(293,722)
VAT/ Output tax/ Service tax	(331,322)	(1,770,375)
Bank charges	(347,458)	(211,855)
Other administrative expenses	(1,961,313)	(1,697,276)
	(9,399,379)	**(9,071,493)**

Other administrative expenses include several small items that are smaller than USD 200,000 on an individual basis

9.2 **Professional fees**

	2018	2017
Technical assistance fees to ASA (TSP)	(359,182)	(613,232)
Legal services fees	(161,161)	(127,074)
Audit fees	(419,063)	(155,807)
Others	(554,800)	(297,050)
	(1,494,206)	**(1,193,163)**

9.3 INITIAL PUBLIC OFFERING RELATED EXPENSES

The Company estimates approximately GBP 6.3 million total costs related to the IPO out of which GBP 6.0 million will be incurred by the Company. This does not include the underwriter fees which will be paid by the selling shareholder. The estimated IPO expenses have been accrued and charged to the P&L because existing shares were sold instead of new shares of the Company. Certain overruns are still being discussed.

10. EXCHANGE RATE DIFFERENCES

The Company incurred certain foreign exchange losses on monetary assets denominated in currencies other than the Company's functional currency.

	For the six months ended 30 June 2018 USD (UNAUDITED)	2017 USD (UNAUDITED)
Foreign currency losses	(570,476)	(764,513)
Foreign currency gains	423,094	497,016
	(147,382)	**(267,497)**

11. INCOME TAX AND WITHOLDING TAX EXPENSE

	For the six months ended 30 June	
	2018	**2017**
	USD	**USD**
INCOME TAX EXPENSE	**(UNAUDITED)**	**(UNAUDITED)**
Current income tax	(8,777,401)	(6,220,385)
Changes in deferred income tax		-
	(8,777,401)	**(6,220,385)**

	For the six months ended 30 June	
	2018	**2017**
	USD	**USD**
11.1 **Current tax liability**	**(UNAUDITED)**	**(UNAUDITED)**
Balance as at beginning of period	3,841,338	3,437,066
Addition of tax charge during the period	8,633,997	13,006,001
Tax paid	(8,193,505)	(12,057,395)
Disposal of subsidiaries	-	(156,231)
Foreign exchange adjustment	(257,443)	(388,103)
Balance as at end of period	**4,024,387**	**3,841,338**

11.2 **Deferred tax assets**	**(UNAUDITED)**	**(UNAUDITED)**
Balance as at beginning of period	1,527,394	1,354,041
Charge during the period	8,782	223,795
Disposal of subsidiaries	-	(67,095)
Foreign exchange adjustment	(109,747)	16,653
Balance as at end of period	**1,426,429**	**1,527,394**

Deferred tax assets are temporary differences recognized in accordance with local tax regulations and with reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

	For the six months ended 30 June	
	2018	**2017**
11.3 **Deferred tax liability**	**USD**	**USD**
	(UNAUDITED)	**(UNAUDITED)**
Balance as at beginning of period	60,425	32,884
Charge during the period	46,636	37,572
Foreign exchange adjustment	(1,453)	(10,031)
Balance as at end of period	**105,608**	**60,425**

	For the six months ended 30 June	
	(UNAUDITED)	**(UNAUDITED)**
11.4 **WITHOLDING TAX EXPENSE**	**2018**	**2017**
	USD	**USD**
Withholding tax on interest income, dividend, royalties and service fees	(233,215)	(231,550)
Total withholding tax expense	**(233,215)**	**(231,550)**

Interest income, dividends, royalties and service fees are subject to withholding tax in certain jurisdictions. The applicable withholding tax rates vary per country and per type of income.

12. CASH AT BANK AND IN HAND	**30-6-2018**	**31-12-2017**
	USD	**USD**
	(UNAUDITED)	**(UNAUDITED)**
Cash in bank	92,294,340	93,189,797
Cash in hand	220,080	62,196
	92,514,420	**93,251,993**

An amount of USD 13,511,186 (31-12-2017: USD 13,420,471) of cash in bank in the Philippines is restricted as per local regulations as it relates to Loan Collateral Build Up ("LCBU", the collection of security collateral from clients of a lending company). LCBU is placed into a segregated account.

13. LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers are net of provision for credit loss.

	Notes	30-6-2018	31-12-2017
		USD	USD
		(UNAUDITED)	(UNAUDITED)
Loan portfolio		302,990,703	281,495,211
Provision for credit loss	13.1	(1,590,229)	(1,210,439)
Interest receivable on loans to customers		2,154,168	2,192,373
Provision for overdue interest receivable on loans from customers		(28,452)	(37,079)
Unamortized processing fee		(2,780,873)	(2,495,034)
Loan portfolio on-book BC model (ASAI India)		12,891,134	17,946,610
Provision for credit loss on-book BC model (ASAI India)		(105,458)	(110,655)
Net loan portfolio		**313,530,993**	**297,780,987**

Interest receivable on loans to customers is realisable in line with the loan repayment schedules.

	Notes	For the six months ended 30 June 2018	2017
		USD	USD
13.1 **Provision for credit loss**	Notes	(UNAUDITED)	(UNAUDITED)
Balance as at beginning of the period		1,210,439	2,042,250
Impact for adopting IFRS 9		339,136	-
Adjusted balance as at beginning of the period		**1,549,575**	**2,042,250**
Credit loss expense	7.	374,516	(12,711)
Exchange rate differences		(52,826)	(16,226)
Disposal of subsidiaries		-	(346,485)
Write-off of loans		(281,036)	(456,389)
Provision for credit loss at end of the period		**1,590,229**	**1,210,439**

	For the six months ended 30 June 2018	2017
13.2 **Provision for credit loss on-book BC portfolio**	USD	USD
	(UNAUDITED)	(UNAUDITED)
Balance as at beginning of the period	110,655	117,837
Impact for adopting IFRS 9	51,903	-
Adjusted balance as at beginning of the period	**162,558**	**117,837**
Credit loss expense	(43,339)	(228)
Exchange rate differences	(13,761)	(6,954)
Provision for credit loss at end of the period	**105,458**	**110,655**

14. EQUITY INVESTMENTS AT FVOCI

	30-6-2018	31-12-2017
	USD	USD
	(UNAUDITED)	(UNAUDITED)
MFX Solutions, LLC	200,000	200,000
	200,000	**200,000**

The Company purchased 153,315 shares of MFX Solutions, LLC USA on 7 April 2017. This represents 1% of the total number of issued shares of 15,331,330. The purchase price per share was USD 1.3045. The investment has been classified as equity investment and valued at fair value. The fair value has been classified as level 2. The Company opts to report the changes in fair value through OCI.

15. PROPERTY AND EQUIPMENT

Property and equipment consists of land and buildings, office furniture, equipment and software. Depreciation policies are described in detail in the Accounting Policies. The movements are as follows.

	For the six months ended 30 June									
	2018	**2018**	**2018**	**2018**	**2018**	**2017**	**2017**	**2017**	**2017**	**2017**
	Furniture & fixtures	**Vehicles**	**Office equipment including IT**	**Buildings**	**Total**	**Furniture & fixtures**	**Vehicles**	**Office equipment including IT**	**Land & Buildings**	**Total**
	USD (UNAUDITED)	**USD (UNAUDITED)**	**USD (UNAUDITED)**	**USD (UNAUDITED)**	**USD (UNAUDITED)**	**USD**	**USD**	**USD**	**USD**	**USD**
Cost at the beginning of the period	1,149,143	252,403	4,956,571	894,078	7,252,195	1,114,761	433,772	3,411,248	1,639,761	6,599,542
Accum. depreciation at the beginning of the period	(730,803)	(141,713)	(2,440,890)	(56,592)	(3,369,998)	(739,933)	(211,133)	(2,241,317)	(108,673)	(3,301,056)
Carrying value at the beginning of the period	**418,340**	**110,690**	**2,515,681**	**837,486**	**3,882,197**	**374,828**	**222,639**	**1,169,931**	**1,531,088**	**3,298,486**
Additions during the period at cost	249,690	-	549,286	85,442	884,418	311,541	-	2,092,886	4,241	2,408,668
Deconsolidation due to transfer of CMII incl. Samic	-	-	-	-	-	(113,220)	(82,195)	(181,340)	(743,513)	(1,120,268)
Disposal during the period	-	-	-	-	-	(163,939)	(99,174)	(366,223)	(6,411)	(635,747)
Depreciation during the period	(95,669)	(31,315)	(544,745)	(10,298)	(682,027)	(179,700)	(58,609)	(685,525)	(18,455)	(942,289)
Deconsolidation due to transfer of CMII incl. Samic	-	-	-	-	-	39,842	36,868	44,658	70,411	191,779
Adjustment of depreciation for disposals	8,625	414	-	-	9,039	114,456	82,195	364,605	-	561,256
Foreign currency adjustment	(39,955)	(11,499)	43,897	(3,842)	(11,399)	34,532	8,966	76,689	125	120,312
Carrying value at the end of the period	**541,031**	**68,290**	**2,564,119**	**908,788**	**4,082,228**	**418,340**	**110,690**	**2,515,681**	**837,486**	**3,882,197**
Cost at the end of the period	1,398,833	252,403	5,505,857	979,520	8,136,613	1,149,143	252,403	4,956,571	894,078	7,252,195
Accumulated depreciation at the end of the period	(857,802)	(184,113)	(2,941,738)	(70,732)	(4,054,385)	(730,803)	(141,713)	(2,440,890)	(56,592)	(3,369,998)
Carrying value at the end of the period	**541,031**	**68,290**	**2,564,119**	**908,788**	**4,082,228**	**418,340**	**110,690**	**2,515,681**	**837,486**	**3,882,197**

16. OTHER ASSETS

The other assets comprise of the following:	Notes	30-6-2018	31-12-2017
		USD	USD
		(UNAUDITED)	(UNAUDITED)
Receivables from related parties	16.1	1,728,490	315,654
Prepayments		2,759,606	2,955,148
Employee advances		1,060,402	1,201,566
Advance income tax		1,021,393	605,328
Security deposit		93,634	84,469
Fair value of forward contracts	25.2	2,838,435	781,779
Receivables under BC model (ASAI India)		287,120	420,136
Receivable from MBA		405,842	-
Other		1,677,884	675,668
Interest receivable on due from banks		501,664	349,936
		12,374,470	**7,389,684**

Prepayments and employee advances are in line with housing contracts, funding agreements and employee receivables. Advance income tax will be set off against current tax payable after completion of the tax assessment. The fair value hierarchy of forward contracts is considered as level 2.

	30-6-2018	31-12-2017
	USD	USD
16.1 Receivables from related parties	(UNAUDITED)	(UNAUDITED)
Receivable from CMI by ASA International NV	170,731	-
Receivable from CMI by ASAIH	1,014,537	15,692
Receivable from ASA Bangladesh by ASAIH	294,252	58,822
Receivable from ASA International Cambodia Holding by ASAIH	91,632	87,053
Receivable from CMI International Holding by ASAIH	157,338	154,087
	1,728,490	**315,654**

The receivables from related parties are short term in nature and do not accrue interest.

17. GOODWILL

Goodwill arose from the acquisition of Lak Jaya by CMI Lanka in 2008 and the acquisition of CMII in 2014.

	For the six months ended 30 June	
	2018	2017
	USD	USD
	(UNAUDITED)	(UNAUDITED)
Balance at the beginning of the period	39,845	125,109
Disposal of subsidiaries	-	(84,421)
Foreign exchange adjustment during the period	(1,213)	(843)
Balance at the end of period	**38,632**	**39,845**

Due to the transfer of CMII incl. Samic to CMI, goodwill decreased by USD 84,421. For the year 2017 and the six month ended 30 June 2018, an impairment assessment on the remaining goodwill concluded that goodwill remains unchanged. The main factors considered for this assessment are (i) expected growth in profitability; (ii) good quality of the loan portfolio; and (iii) improvement in the regulatory status of Lak Jaya, the subsidiary of CMI Lanka.

18. ISSUED CAPITAL

	30-6-2018	31-12-2017
	USD	USD
	(UNAUDITED)	(UNAUDITED)
3,627,349 Ordinary shares of USD 10 each (31-12-2017: 3,627,349)	36,273,490	36,273,490
	36,273,490	**36,273,490**

	For the six months ended 30 June	
	2018	2017
	USD	USD
Movements in issued capital	(UNAUDITED)	(UNAUDITED)
Shares at the beginning of the period	36,273,490	36,273,490
Shares at the end of the period	**36,273,490**	**36,273,490**

19. RETAINED EARNINGS

	For the six months ended 30 June	
Total retained earnings are calculated as follows:	2018	2017
	USD	USD
	(UNAUDITED)	(UNAUDITED)
Balance beginning of the period	71,321,319	50,765,538
Impact of adopting IFRS 9, net of tax	(263,394)	-
Adjusted balance beginning of the period	**71,057,925**	**50,765,538**
Actuarial gains and losses on defined benefit liabilities PPLCI, ASAI India and Pakistan	(50,805)	(12,004)
Deconsolidation due to transfer of CMII incl. Samic	-	923,882
Loss on purchase of shares in ASAI India from IDFC	-	(155,105)
Hedge accounting reserve	(781,960)	(19,600)
Other comprehensive income	36,503	77,215
Dividend paid	-	(9,259,490)
Result for the period	8,249,035	29,000,883
Balance end of the period	**78,510,698**	**71,321,319**
Profit for the period		
Attributable to equity holders of the parent	8,249,035	29,000,883
Non-controlling interest	269,787	303,157
	8,518,822	**29,304,040**

Part of retained earning relates to NGOs which are consolidated in these financial statements. The retained earnings of these NGOs can not be distributed to their respective members. Retained earnings relating to NGOs amounted to USD 12,035,073 at 30 June 2018 (USD 10,768,293 at 31 December 2017)
ASA S&L, ASAI India and ASHA Nigeria have statutory requirements to add a percentage of the net profits to a legal reserve. Therefore part of the retained earnings can not be distributed to its shareholders. Retained earnings relating to these legal reserves amounted to USD 8.3 million as at 30 June 2018 (31-12-2017: USD 6.8 million).

20. FOREIGN CURRENCY TRANSLATION RESERVE

The translation of the Company's subsidiaries and overseas branches from local currency into the Company's presentation currency (USD), results in the following currency translation differences:

	For the six months ended 30 June	
	2018	2017
	USD	USD
	(UNAUDITED)	(UNAUDITED)
Balance at beginning of the period	(25,831,373)	(22,117,714)
Translation of assets and liabilities of subsidiaries to USD	(5,477,843)	(3,713,659)
Balance at end of the period	**(31,309,216)**	**(25,831,373)**

21. DEBT ISSUED AND OTHER BORROWED FUNDS

		30-6-2018	31-12-2017
		USD	USD
		(UNAUDITED)	(UNAUDITED)
Debt issued and Other Borrowed Funds by Group Subsidiaries		214,675,055	200,400,638
Loan Bill and Melinda Gates Foundation (ASAIH)	21.1	20,000,000	20,000,000
Participation agreements Blue Orchard-managed funds (ASAIH)	21.2	5,000,000	9,500,000
Loan from Symbiotics-managed funds (ASAIH)	21.3	8,000,000	8,000,000
Loan from Oikocredit (ASAIH)	21.4	4,166,668	5,000,001
Loan from Incofin CVBA (ASAIH)	21.5	4,000,000	5,000,000
Loan from OPIC (ASAIH)	21.6	20,000,000	20,000,000
Interest payable on third party loans to subsidiaries		3,057,740	2,563,556
		278,899,463	**270,464,195**

21.1 ASA International entered into a USD 20 million subordinated loan agreement with the Bill and Melinda Gates Foundation ("Gates Foundation") on 29 November 2007 (the “Gates Foundation Loan”). The term of the Gates Foundation Loan has been extended to the earlier of a) the date CMI distributes the IPO or sale proceeds to its investors and is wound up, or b) 31 December 2019. The Gates Foundation Loan shall be solely used by the Company to make local currency loans to its MFIs in certain qualified countries, which are majority owned or controlled by the Company ("Local Loans"). All funds under the Gates Foundation Loan are received from the Gates Foundation by the Company in a segregated account. Upon approval by the Gates Foundation of the disbursement of a Local Loan by ASA International to any of its subsidiaries, the relevant amount will be transferred from the segregated account to the pooling account established for purposes of such country. The funds will then be transferred from the pooling account to the account of the relevant company. The MFIs shall pay to the Company a market conform interest on the Local Loans. The Company shall pay interest at the rate of 2% per annum to the Gates Foundation for any loan proceeds that are disbursed from the segregated account to the pooling account. The foreign currency risk of the local currency loans is shared between the Gates Foundation and the Company whereby the Gates Foundation’s share in the foreign currency risk increases as the returns generated by CMI fall below agreed levels. However, if the Internal Rate of Return (IRR) of ASAI at maturity exceeds 10%, any currency losses will be fully borne by ASAI. As from 31 December 2011 USD 20 million was disbursed from the same total facility, which was applied by ASA International towards its subsidiaries.

21.2 ASAI entered into three participation agreements with MIFA - a fund managed by BlueOrchard ("MIFA") -pursuant whereto ASAI sold and assigned the interest in its shareholder loans to ASA Pakistan for a total amount of USD 10m (“Participation Agreements”). All installments and interest under the Shareholders loans are paid by ASA Pakistan to ASAI and from ASAI to MIFA, whereby ASAI is only acting as a pass-through. In case of default under the Participation Agreements, which shall not have been remedied within 30 calendar days after the occurrence thereof and ASAI not having met the payment obligation towards MIFA (in respect of the underlying payments on the shareholder loans by ASA Pakistan) MIFA shall have the right to deliver a Put Event Notice. In case of such Put Event Notice the principal amount outstanding under the shareholders loans together with any accrued and unpaid interest shall be due and payable to MIFA. The interest rate is LIBOR USD 12m plus 4,5%. Repaid during Jan to Jun 18 USD 4.5 million in 2018 and USD 5.0 million in 2020.

21.3 ASAI entered into loan agreements with four investment funds managed by Symbiotics SA on 12 November 2015 for a total amount of USD 8 million (the "Symbiotics loans"). Interest on the Symbiotics loans amounts to 6% per annum. The term of each of the Symbiotics loans is three years.

21.4 ASAI entered into an agreement with Oikocredit on 24 July 2015 for a direct loan amount of USD 7.5 million and a credit line of USD 2.5 million (the "Oikocredit loans"). Interest amounts to 6m Libor or 3,5% whichever is lower plus a margin of 3% for the direct loan and 2,5% for the credit line. The term of the Oikocredit loans is five years.

21.5 ASAI entered into an agreement with IIV-Mikrofinancefonds LLC - an investment fund maneged by INCOFIN CVBA on 1 June 2016 for a loan amount of USD 5 million. Interest amounts to 6.5% fixed per annum. ASAI repaid USD 1.0M in May 18. The term of this loan is three years.

21.6 ASAI entered into an agreement with OPIC on 07 March 2016 for a loan amount of USD 20.0 million, of which USD 5 million was drawn as at 19-12-2016, USD 5 million was drawn on 03-07-2017and another USD 10 million was drown on 16-11-2017. Interest amounts to the US Treasury Constant Maturity Yield plus 4.25% per annum. The term of this loan is five years.

22. DUE TO CUSTOMERS

Clients of the Company’s subsidiaries contribute to a "security deposit fund". These deposits can be withdrawn partly by clients but not in full amount unless the client has fully repaid the outstanding loan balance.

	30-6-2018	31-12-2017
	USD	USD
	(UNAUDITED)	(UNAUDITED)
Clients security deposits	45,348,942	41,114,768
Clients voluntary savings	10,600,162	12,063,735
Interest payable on client deposits	433,901	52,312
	56,383,005	**53,230,815**

Deposits are subject to 6% interest in Ghana and Nigeria (customers savings) and 15% on compulsory savings and 10% on voluntary savings in ASA Myanmar. The other countries collect only security deposits.

23. OTHER LIABILITIES

Other liabilities are as follows:		30-6-2018	31-12-2017
		USD	USD
		(UNAUDITED)	(UNAUDITED)
Security deposits		1,056,059	1,032,823
Other deposits		828,927	596,740
Deferred income		339,782	361,791
Accrued expenses		1,789,242	735,894
Accrued IPO related expenses		6,100,899	-
Accrued audit fees		1,015,181	433,754
Taxes payable, other than corporate income tax		418,659	1,453,899
Amount due to employees		1,653,622	1,106,198
Amount due to related party MBA Philippines		-	163,655
Amount due to other related parties		155,113	148,696
Liabilities under BC model (ASAI India)	4.	-	74,792
Fair value of forward contracts	25.2	649,022	111,484
Other liabilities		792,961	396,419
		14,799,467	**6,616,145**

Other liabilities include various smaller accruals and provisions for various entities in the Company.

24. ADDITIONAL CASH FLOW INFORMATION

	For the six months ended 30 June	
	2018	Q2 2017
	USD	USD
24.1 **Changes in operating assets**	(UNAUDITED)	(UNAUDITED)
Loans and advances to customers	(39,597,531)	(55,382,596)
Movement in due from banks	(4,827,008)	(5,888,269)
Movement in restricted cash	(90,715)	(8,090,072)
Other assets excluding income tax advances	(2,475,562)	(2,067,948)
	(46,990,816)	**(71,428,885)**
24.2 **Changes in operating liabilities**		
Due to customers	7,135,502	8,068,974
Other liabilities	7,610,065	5,055,978
	14,745,567	**13,124,952**
24.3 **Non-cash items included in the statement of comprehensive income**		
Depreciation of property and equipment	682,027	420,232
Customer credit loss expense	458,822	67,988
Write-off of loans	281,036	51
Defined benefit liability	377,999	157,884
Impact of IFRS implementation	(263,394)	-
Foreign exchange result	(1,781,375)	285,389
	(244,885)	**931,544**
24.4 **Reconciliation of cash and cash equivalents**		
Cash and cash equivalents	79,225,331	29,053,560
Restricted cash	13,289,089	19,442,218
Cash at bank and in hand	**92,514,420**	**48,495,778**

25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Below is an overview of financial assets, other than cash and cash equivalents, and due from banks, held by the Group as at 30 June 2018 and 31 December 2017.

	30-6-2018	31-12-2017
Financial assets at amortised cost	**(UNAUDITED)**	
Loans and advances to customers	313,530,993	297,780,987
Other assets	5,755,036	3,047,429
Financial assets at fair value through OCI		
Equity investments at FVOCI	200,000	200,000
Derivatives designated as hedging instruments:		
Forward contracts	2,838,435	781,779
Total	**322,324,464**	**301,810,195**
Total current	**325,735,991**	**301,109,563**
Total non-current	**(3,411,527)**	**700,632**

Below is an overview of financial liabilities held by the Group as at 30 June 2018 and 31 December 2017.

	30-6-2018	31-12-2017
Financial liabilities at amortised cost	**(UNAUDITED)**	
Debt issued and other borrowed funds	278,899,463	270,464,195
Due to customers	56,383,005	53,230,815
Other liabilities	13,392,004	4,688,971
Derivatives designated as hedging instruments:		
Forward contracts	649,022	111,484
Total	**349,323,494**	**328,495,465**
Total current	**220,335,521**	**187,488,911**
Total non-current	**128,987,973**	**141,006,554**

25.1 RISK MANAGEMENT ACTIVITIES

Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers, clients or counterparties failed to discharge their contractual obligations. The Company manages and controls credit risk by adhering strictly to the operating procedures set forth in the operational manual which includes setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit Risk Mitigation in the microfinance model of the Company
Despite the fact that most loans provided by MFIs are unsecured, and clients (predominantly new clients) have a limited credit history, the credit risk is spread over a large number of clients, and therefore the risk of material harm to the Company by an individual default is low. Strict adherence to the microfinance operating procedures and methodology set forth in the operational manual largely mitigates even this low individual default risk, as it puts a strong emphasis on customer screening prior to any loan disbursement. Every loan disbursed by the Company is preceded by a complete credit evaluation process by the loan officer and the supervising officers.

25.1 RISK MANAGEMENT ACTIVITIES (Continued)

This loan application must then be approved by a local manager before disbursement, ensuring a "double-sign off" on all loans disbursed. A strict adherence to this procedure ensures a strong credit quality of the loan portfolio's in all micro finance operations. Credit risk is further mitigated by weekly monitoring of all loans disbursed through the Company owned/or controlled institutions, and continual group "social" pressure to repay on a timely basis. Furthermore, all borrowers on the local level must have an additional guarantor, given that collateral and other typical credit instruments are not being used. As such, credit risk at the individual MFI level due to defaults of individual clients is limited as evidenced by, on one hand, the high long-term repayment rates on micro loans upon the Company assessment of repayment rates, and on the other hand the proven experience of the technical services provider, ASA.

Interest Rate Risk

Interest rate risk is the risk that the profitability is affected by fluctuations in interest rates. The credit methodology of the MFIs determines that loans to microfinance clients have short-term maturities of less than one year and at fixed interest rates. Third party loans to MFIs, sourced from both local and international financial institutions, mostly have relative short terms between 2-3 years. Less than 20% of the consolidated debt has variable interest rates. Depending on the extent of the exposure and hedging possibilities with regards to availability of hedging instrument and related pricing, the Company might actively hedge its positions to safeguard the Company's profits and to reduce the volatility of interest rates by using forwards, futures and interest rate swaps. The very short tenor of the loans provided to microfinance dampens the effect of interest rate fluctuations. Management considers that the impact of changes in interest rates has no material impact.

Currency Exchange Risk

Currency risk is the possibility of financial loss to the Company arising from adverse movements in foreign exchange rates. Currency risk is a substantial risk for the Company, as most loans to MFI's and borrowers are in local currency in countries where currency depreciation against the USD is often considered less predictable. At present the Company manages currency risk mainly through natural hedging, i.e. by matching the MFI's local currency assets consisting of the MFI's loan portfolio, with local currency liabilities, i.e. by attracting debt fund denominated in local currency. The Company's risk policy allows the possibility of hedging with instruments such as swaps and forward contracts if and when appropriate. In order to mitigate the foreign exchange risk on USD loans, the Company entered into forward agreements in 2016, 2017 and 2018. The Company applies hedge accounting to the USD loans and related forward contracts.

While the Company faces significant translation exposure on its equity investments in local MFI's, (as the functional currency of the Company is USD), the policy is not to hedge equity investments since the currency translation gain and loss on the latter does not affect the net profit of the Company.

In summary, the Company takes a number of measures to manage its foreign currency exposure:
• Investments are only made in countries that show a reasonable level of macroeconomic stability. A detailed macroeconomic and socio-political assessment is carried out before the Company decides to invest in a certain market.
• The Company endeavours to procure that its MFI's secure local currency loans (instead of foreign currency loans) to the extent possible or deemed commercially advantageous.
• The Company, jointly with local and international partners, is in progress to further reduce its exposure to currency risk.

The interim condensed consolidated financial statements do not include all the information and disclosures on risks as included in the annual financial statements. To read more about credit risk, liquidity risk, legal and regulatory risk, etc. we refer to the Group's annual financial statements for 2017.

25.2 HEDGE ACCOUNTING

The Company applies hedge accounting to USD loans provided to subsidiaries reporting in foreign currencies and the related forward contracts. The foreign currency risk exposure of the USD loans and the potential negative impact on net result of the subsidiaries are being mitigated by way of these forward contracts. ASA international has only entered into non-deliverable forward contracts. Management considers the hedges as cash flow hedges. The formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge are documented in the individual files and memo's for every forward contract. The Company applies the qualitative approach for prospective testing effectiveness because the critical terms of the hedged items and hedging instruments are identical. The Company applies a a rollover hedge strategy when no forward instruments are available at reasonable pricing for the full term of the hedged item. In those cases the Company accepts a rollover risk. Retrospective effectiveness is measured by comparing the change in the fair value of the actual derivative designated as the hedging instrument and the change in the fair value of a hypothetical derivative representing the hedged item.

Below we provide additional information of the hedged items and hedging instruments as per 30-06-2018.

As at 30 June 2018 (Unaudited)	**Total**
	USD
Fair value forward contracts	2,189,413
forward assets	2,838,435
forward liabilities	649,022
Notional amount hedged USD loans	47,800,002
Period in which the cash flows are expected to occur:	-
cash flows in Q3-2018	-
cash flows in 2018	30,300,002
cash flows in 2019	14,500,000
cash flows in 2020	2,000,000
cash flows in 2021	1,000,000
Total cash flows	**47,800,002**
Expected period to enter into the determination of profit or loss:	
amortisation of forward points in 2018	964,180
amortisation of forward points in 2019	867,294
amortisation of forward points in 2020	184,648
amortisation of forward points in 2021	6,021
Total amortisation of forward points	**2,022,143**
Amounts recognised in OCI during the period:	
for amortisation of forward points	1,069,555
for changes in fair value of the forward contracts	1,986,132
for recycling of FX result of USD loans	(3,837,647)
Total amounts recognised in OCI during the period	**(781,960)**

As at 31 December 2017 (Unaudited)	**Total**
	USD
Fair value forward contracts	670,295
forward assets	781,779
forward liabilities	111,484
Notional amount hedged USD loans	40,166,668
Period in which the cash flows are expected to occur:	-
cash flows in 2018	36,166,668
cash flows in 2019	3,000,000
cash flows in 2020	1,000,000
Total cash flows	**40,166,668**
Expected period to enter into the determination of profit or loss:	
amortisation of forward points in 2018	1,406,619
amortisation of forward points in 2019	324,471
amortisation of forward points in 2020	42,371
Total amortisation of forward points	**1,773,461**
Amounts recognised in OCI during the period:	
for amortisation of forward points	1,092,476
for changes in fair value of the forward contracts	(108,759)
for recycling of FX result of USD loans	(1,003,317)
Total amounts recognised in OCI during the period	**(19,600)**

25.3 FAIR VALUES OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE

Set out below is a comparison of the carrying amounts and fair values of financial assets and financial liabilities as at 30 June 2018 and 31 December 2017.

	Carrying values		Fair values	
	30-06-2018	31-12-2017	30-06-2018	31-12-2017
	USD	USD	USD	USD
ASSETS	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
Equity investments at FVOCI (2017: AFS)	200,000	200,000	200,000	200,000
Financial assets at fair value through profit or loss	2,838,435	781,779	2,838,435	781,779
Loans and receivables				
Loans and advance to customers	313,530,993	297,780,987	313,530,993	297,780,987
Due from banks	17,319,961	15,284,388	17,319,961	15,284,388
Other assets	5,755,036	3,047,429	5,755,036	3,047,429
Cash and cash equivalents	92,514,420	93,251,993	92,514,420	93,251,993
LIABILITIES AND EQUITY				
Financial liabilities measured at amortised cost				
Debt issued and borrowed funds	278,899,463	270,464,195	278,899,463	270,464,195
Due to customers	56,383,005	53,230,815	56,383,005	53,230,815
Financial liabilities at fair value through profit and loss	649,022	111,484	649,022	111,484
Other liabilities	13,392,004	4,688,971	13,392,004	4,688,971
Provisions	336,047	342,028	336,047	342,028

- Balances as at 31 December 2017 are based on IAS39
- The carrying amounts of cash and cash equivalents, due from banks and due to customers approximate the fair value due to the very short-term maturities of these items.
- Loans and advances to customers are carried at amortised cost net of loan loss provisioning. Furthermore, the term of the loans to the microfinance borrowers is short (6-12 months). Due to these circumstances, the carrying amount approximates fair value.
- Regarding the "Debt issued and other borrowed funds", this amount reflects the loans from third parties on holding level as well as the loans provided by third parties directly to the subsidiaries of ASA International. The nominal value of the Gates Foundation Loan approximates the fair value because the loan has specific requirements of the Gates Foundation that the coupon of 2% is the most appropriate interest rate to be asked for this loan. The other loans are short term and held at amortized cost, therefore the carrying amount is the best approximation of the fair value.

25.4 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled. Loans and advances to customers are based on the same expected repayment behaviours as used for estimating the Effective Interest Rate (EIR). Debt issued and other borrowed funds reflect the contractual repayments.

As at 30 June 2018 (Unaudited)	Within 12 Months	After 12 Months	Total
	USD	USD	USD
Assets			
Cash and cash equivalents	92,514,420	-	92,514,420
Loans and advances to customers	313,361,521	169,472	313,530,993
Due from banks	17,319,961	-	17,319,961
Equity investments at FVOCI	-	200,000	200,000
Property and equipment	816,103	3,266,125	4,082,228
Deferred tax assets	1,426,429	-	1,426,429
Other assets	12,374,470	-	12,374,470
Goodwill	-	38,632	38,632
Total assets	**437,812,904**	**3,674,229**	**441,487,133**
Liabilities			
Debt issued and other borrowed funds	151,621,414	127,278,049	278,899,463
Due to customers	55,785,549	597,456	56,383,005
Retirement benefit liability	123,015	1,107,138	1,230,153
Current tax liability	4,024,387	-	4,024,387
Deferred tax liability	105,608	-	105,608
Other liabilities	12,928,558	1,870,909	14,799,467
Provisions	1,182,198		1,182,198
Total liabilities	**225,770,729**	**130,853,552**	**356,624,281**
Net	**212,042,175**	**(127,179,323)**	**84,862,852**

As at 31 December 2017 (Unaudited)	Within 12 Months	After 12 Months	Total
	USD	USD	USD
Assets			
Cash and cash equivalents	89,054,611	4,197,382	93,251,993
Loans and advances to customers	297,660,779	120,208	297,780,987
Due from banks	11,466,744	3,817,644	15,284,388
Equity investments at FVOCI	-	200,000	200,000
Property and equipment	1,508,317	2,373,880	3,882,197
Deferred tax assets	757,864	769,530	1,527,394
Other assets	3,448,784	3,940,900	7,389,684
Goodwill	-	39,845	39,845
Total assets	**403,897,099**	**15,459,389**	**419,356,488**
Liabilities			
Debt issued and other borrowed funds	129,150,487	141,313,708	270,464,195
Due to customers	53,185,461	45,354	53,230,815
Retirement benefit liability	503,716	439,586	943,302
Current tax liability	3,841,338	-	3,841,338
Deferred tax liability	60,425	-	60,425
Other liabilities	5,152,963	1,463,182	6,616,145
Provisions	1,217,917	-	1,217,917
Total liabilities	**193,112,307**	**143,261,830**	**336,374,137**
Net	**210,784,792**	**(127,802,441)**	**82,982,351**

26. CONTINGENT LIABILITIES AND COMMITMENTS

The Company agreed certain commitments to BC Partners under the BC model in ASAI India. Reference is made to note 13. Similar commitments were agreed with MAS Financial Services Ltd in India, and in addition ASAI India issued demand promissory notes and Proswift issued a comfort letter to MAS. The Company has not entered into any other irrevocable commitments and contingent liabilities.

27. SUBSEQUENT EVENT DISCLOSURE

Following the announcement by ASA International Group PLC on 29 June 2018 of the offer price range in connection with the initial public offer of its ordinary shares (the “Offer”), on 13 July ASA International Group PLC announced the successful pricing of the Offer at 313 pence per Share (the "Offer Price") comprising an offer of 40 million existing Shares.

As part of the IPO reorganization, the total shares of ASA International Holding were transferred to ASA International Group PLC, the listed company, from CMI on 13 July.

On 18 July, ASA International Group PLC was formally admitted to unconditional trading on the Main Market of the London Stock Exchange.

On 11 July 2018, ASAI India received its highly coveted NBFC-MFI registration, which will enable the Company to further capitalize ASAI India and attract lower-cost debt funding

On 8 August 2018 the Government of Sri Lanka announced a debt relief program for women who received microfinance loans of less than the equivalent of approximately USD 650 in drought relief affected districts of Sri Lanka combined with a proposed interest cap of 35% per annum for all future microfinance loans by Finance Companies and MFIs.

28. PENDING LITIGATIONS,CLAIMS, AND LICENSES

Litigations

There are no material litigations that require disclosure as at reporting date.

Claims

There are no material claims that require disclosure as at reporting date.

Licenses

Lak Jaya

The operating environment has significantly improved in Sri Lanka following a smooth transition of the presidency and continued economic growth. New FDI rules were introduced allowing for 100% foreign investment in microfinance and no prior approval is required by the Central Bank for foreign loans. By letter of 27 November 2017 Lak Jaya was informed by the Controller of Exchange that the enquiry by the department of foreign exchange was also formally closed and that no further action would be taken .

In 2016 the new microfinance act also came into force. Lak Jaya submitted its license application in the first half of 2017. The license is expected any time from now.

28. PENDING LITIGATIONS,CLAIMS, AND LICENSES (Continued)

ASAI India

Over the past few years ASAI India had several exchanges with the RBI regarding the regularization of its investment structure ("FDI Matter"). ASAI India sent a letter dated November 10, 2016 to the foreign exchange department of the RBI ("Forex Department, RBI") describing in detail that ASAI India has been fully compliant with the law prescribed earlier under the Consolidated Foreign Direct Investment Policy, issued by the Department of Industry Policy and Promotion, Ministry of Commerce ("FDI Policy") and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 ("FEMA 20"). In response to this letter, Forex Department, RBI through its letter dated September 19, 2017 confirmed that through Amendment Notification No. FEMA 278 which came into effect from 2009 the investment made by Proswift in ASAI India in 2008 was not subject to the FEMA provisions and was therefore compliant with the FDI Policy.

As per the instructions of RBI, Chandigarh, ASAI India had also made the application classification as an NBFC-MFI on 31 January 2017. In response to this fresh application, RBI, Chandigarh via its letter dated 20 March 2017 has sought further additional documents, which were provided to the RBI. By letter of 6 October 2017 the Company informed the RBI that the FDI matter has been clarified by the Forex Department (as detailed in the September 19, 2017 letter) and requested RBI Chandigarh to consider ASAI India's application for categorization as an NBFC-MFI. ASAI India enclosed the letter shared by the Forex Department, RBI detailed above. On December 28, 2017 RBI Chandigarh issued a letter to ASAI India stating that based on a scrutiny of ASAI India's application, it agrees in-principle to ASAI India's request for reclassifying ASAI India as an NBFC-MFI, however the final approval was made subject resolution of the FDI Matter with Department of Industrial Policy and Promotion, Government of India/Forex Department, RBI.

By letter of 5 January 2018 to the non-Banking Supervision Department, ASAI India repeated again that the matter had been clarified by the Forex Exchange Department, being the regulatory body having authority in this regard, vide its letter of 19 September 2017, requesting the RBI to grant final approval regarding classification of ASAI India as an NBFC-MFI. On 11 July 2018 ASAI India received the certificate of registration to carry on the business as NBFC-MFI.

29. RELATED PARTIES

29.1 Key management personnel

ASA entered into a Memorandum of Understanding ("MOU") in 2007 with the Company, pursuant whereto ASA will provide human resources, management capacity, know-how, office-space and technology to the Company. ASA is entitled to receive payments from ASA International in accordance with ASA's regional salary structure for technical assistance for any human resources committed to ASA International. The former ASA staff active in the Company are on the ASA International payroll, either at the Holding or in the operating entities.

In addition, parties agreed under the MOU to establish and maintain a share option scheme for the benefit of the management and staff of ASA International, including the ASAI Local and Expatriate Staff. The share option scheme will give management and staff the option right to purchase 10% of the capital stock of the Company (calculated on a fully diluted basis) at an exercise price which is equal to the issue price for every issue of capital stock to the current shareholder.

As per the terms of the MOU the share option can be exercised within 15 years after issuance of such right at each share issue of the Company. This share option was granted in 2007 and was measured at close to nil in 2007.

Remuneration directors

During the first half of 2018, the Directors of the Company received total compensation of USD 18,750 (2017: USD 75,000).

29. RELATED PARTIES (Continued)

29.1 Key management personnel (Continued)

Total remuneration to key management personnel of the Company
Total remuneration takes the form of short term employee benefits. In the first half of 2018, total remuneration amounted to USD 667,107 (2017: USD 1,133,067).

The remuneration for the Non-executive Chairman Mr. Shafiqual Haque Choudhury and Executive Director and CEO Mr. Dirk Brouwer have not been charged to the Company since inception, as these have been paid out of the management fees paid by CMI to its investment manager CMIC. The Company is currently contemplating on the remuneration for both as from 2018.

29.2 Reporting dates of subsidiaries

All of the Company's subsidiaries have reporting dates on 31 December, with the exception of ASAI India, Proswift, Pinoy, Pagasa Consultancy and ASA Myanmar (where the market standard reporting date is 31 March). ASAI India, Proswift, Pinoy, Pagasa Consultancy and ASA Myanmar have provided financial statements for consolidation purposes for the year ended 31 December.

29.3 Other related parties

A list of related parties with which ASA International has transactions is presented below. The transactions and the balances with related parties can be observed in notes 5, 8, 16 and 23. Related party transactions take place at arm's length conditions.

Name of related party	**Relationship**
CMI	Parent company
CMIC	Investment manager of parent company
Sequoia	Financial advisory and investment firm
ASA Bangladesh	Technical consultant
MBA Philippines	Business Partner
ASAICH	Fellow subsidiary of the parent
CMIIH	Fellow subsidiary of the parent
IDFC	Minority shareholder in ASAI India

In consideration for the human resources, management capacity, know-how, office-space and technology acquired under the MOU, in addition to reimbursement of costs and expenses, ASA was given the option right to purchase 5% of the outstanding capital stock of the Company (calculated on a fully diluted basis) at an exercise price which is equal to the issue price for every issue of capital stock to the current shareholder. As per the terms of the MOU the share option can be exercised within 15 years after issuance of such right at each share issue of the Company. This share option was granted in 2007 and was measured at close to nil in 2007.

In 2017 ASAI Management Services Ltd (“AMSL”) was incorporated by the Company in Bangladesh and from 1 April 2018 all activities for the Company by ASA NGO in Dhaka, which were previously charged by ASA NGO to the Company as Technical Assistance fees, have been transferred to AMSL. These activities include the employment of former ASA NGO staff working in the Group head office in Dhaka and Dhaka office rent. AMSL will invoice these activities to the Company.

29. RELATED PARTIES (Continued)

29.3 Other related parties (Continued)

The following table provides the total amount of transactions that have been entered into with related parties during the six months ended 30 June 2018 and 2017, as well as balances with related parties as at 30 June 2018 and 31 December 2017.

(UNAUDITED)		Income from related parties	Expenses to related parties	Amount owed by related parties	Amount owed to related parties
CMI	2018	14,537	-	1,185,240	-
	2017	-	-	15,692	16,258
CMIC	2018	-	-	-	52,376
	2017	-	-	-	25,422
Sequoia	2018	-	66,842	-	102,737
	2017	-	65,077	-	107,016
ASA Bangladesh	2018	-	359,182	294,252	-
	2017	-	613,232	58,822	-
MBA Philippines	2018	155,268	-	405,842	-
	2017	83,546	-	-	163,655
ASAICH	2018	-	-	91,632	-
	2017	-	-	87,053	-
CMIIH	2018	3,251		157,338	-
	2017	2,438	-	154,087	-
IDFC	2018	979,744	-	489,169	197,668
	2017	38,105	-	180,271	130,733

29.4 Transfer of economic ownership

(a) In 2009 CMI transferred its economic interests in the shares of CMI Lanka and PPLCI to ASAI NV. The legal transfer of the shares of CMI Lanka has not yet been executed. The purchase price for the CMI Lanka shares and the PPLCI shares was paid by ASAI NV in December 2010.

(b) On 20 March 2017, ASA International declared a dividend in specie amounting to USD 4,054,537. Pursuant to this resolution all shares in the share capital of ASAI Cambodia Holdings and CMII incl. Samic were distributed to CMI (being 100 shares of USD 10 each in ASAI Cambodia Holdings and 218,154 shares of USD 10 each in CMII). The USD 4,054,537 represents the carrying value of these investments in the books of ASA International.

29. RELATED PARTIES (Continued)

29.4 Transfer of economic ownership (Continued)

Below is an analysis of assets and liabilities over which control was lost by the Company in 2017 due to the transfer of CMII and ASAI Cambodia Holdings including Samic as described under (b) above.

Disposal of subsidiaries	**USD**
Loans and advances to customers	14,137,714
Other financial instruments	20,304
Property and equipment	928,489
Deferred tax assets	67,095
Other assets	320,354
Goodwill	84,421
Cash in hand and at bank	1,208,073
Total assets	**16,766,450**
Debt issued and other borrowed funds	10,690,788
Retirement benefit liability	192,209
Current tax liability	156,231
Other liabilities	1,141,412
Total liabilities	**12,180,640**
Non-controlling interest	1,455,155
Carrying value of subsidiaries at date of loss of control	3,130,655
Gain on disposal of subsidiaries	
Dividend in specie	4,054,537
Carrying value of subsidiaries at date of loss of control	3,130,655
Impact on disposal of subsidiaries	923,882
Net cash outflow on disposal of subsidiaries	
Consideration received in cash and cash equivalent	-
Deconsolidation of cash and cash equivalent balances	(1,208,073)

(c) The approval from the National Bank of Cambodia for the divestment of the shares in Seilanithih was received during 2014. No formal confirmation was received by CMII that the legal transfer was duly affected.

(d) On 16 October 2015 the Company, ASAI India (and Proswift) executed a Share Subscription cum Shareholder Agreement with IDFC Ltd, pursuant whereto IDFC Ltd agreed to acquire 11.75% shares. The shares were issued to IDFC in December 2015. In 2017, ASAI India repurchased 1.76% of its shares from IDFC so that IDFC remains with a shareholding of 9.99% in ASAI India.

30. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

There are no share options which will have a dilutive effect on EPS. Therefore, the Company does not have dilutive potential ordinary shares and diluted earnings per share calculation is not applicable.

The following table shows the income and share data used in the basic and diluted EPS calculations:

	For the six months ended 30 June	
	2018	**2017**
	USD	**USD**
	UNAUDITED	**UNAUDITED**
Net profit attributable to ordinary equity holders of the parent	8,249,035	12,540,656
Weighted average number of ordinary shares for basic earnings per share	3,627,349	3,627,349
Earnings per share		
Equity shareholders of the parent for the year:		
Basic earnings per share	2.3	3.5
Diluted earnings per share	2.3	3.5

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the completion of this Historical Financial Information which would require the restatement of EPS.