



Press Release

ASA International Group plc announces 2019 Year End Trading Update

Amsterdam, 25 February 2020 - ASA International Group plc, (“ASA International”, the “Company” or the “Group”), one of the world’s largest international microfinance institutions, today releases its trading update for the twelve-month period from 1 January 2019 to 31 December 2019.

Key highlights:

	FY2019 (UNAUDITED)	FY2018 (UNAUDITED)	% Change	% Change (constant currency)
Number of clients (mn)	2.5	2.2	14%	
Number of branches	1,898	1,665	14%	
OLP ⁽¹⁾ (USD mn)	466.8	378.5	23%	28%
Average OLP per client (USD)	189	174	8%	12%

⁽¹⁾ Outstanding loan portfolio (“OLP”) includes off-book Business Correspondence (“BC”) loans and excludes interest receivable and the unamortized loan processing fee

- Full year 2019 operating results slightly below expectations driven by adverse market conditions in India, Nigeria and Sri Lanka and resulting in a slightly higher PAR>30
- Overall loan portfolio quality remains good with PAR>30 at 1.5%
- Significant currency depreciation in Pakistan and Ghana
- Strong underlying operating performance across all segments with East Africa operations continuing to outperform

Dirk Brouwer, Chief Executive Officer of ASA International Group plc, commented:

“The operational performance of the Group has been strong during 2019, with continued client and loan portfolio growth in all our markets. We realized higher than expected growth in East Africa which was offset by lower than expected growth in India, Nigeria and Sri Lanka due to adverse market conditions. As a result, and combined with significant currency depreciation in Pakistan and Ghana, 2019 USD earnings growth is now expected to be around 5%.

We expect continued sustainable growth of our operations through 2020 with mid-to-high single digit USD earnings growth.”

Regional performance:

South Asia

- Number of clients grew to over 1.1mn, up by 11%
- Number of branches increased to 753, up by 18%
- Despite substantial currency depreciation in Pakistan (PKR down 11% against USD in 2019), OLP portfolio expanded to USD 253.2mn, up by 20% (up 25% on a constant currency basis)
- BC portfolio in India expanded to USD 49.7mn, up by 36% (up 39% on constant currency basis)
- OLP/Client averaged USD 219 up by 9% (up 13% on a constant currency basis)
- Due to signs that markets in North East India are overheating, we have taken a more cautious approach to the growth of our operations
- Adverse political and regulatory conditions in Sri Lanka curbed operational growth and caused a substantial increase of PAR>30 to 10%

South East Asia

- Number of clients grew to over 491k, up by 11%
- Number of branches increased to 406, up by 10%
- OLP grew to USD 84.3mn, up by 36% (up 31% on a constant currency basis)
- OLP/Client averaged USD 173, up by 22% (up 18% on a constant currency basis)
- Loan growth in the Philippines and Myanmar was higher than expected in both local currency and USD terms

West Africa

- Number of clients grew to over 459k, up by 5%
- Number of branches increased to 423, up by 2%
- OLP grew to USD 77.2mn, up by 8% (up 18% on a constant currency basis). This was lower than expected due to:
 - higher than expected depreciation of the Ghanaian Cedi (GHS down 17% in 2019) and;
 - difficult market conditions in Nigeria slowing the growth of operations, due to weak economic growth and increased security concerns
- OLP/Client averaged USD 170, up by 3% (up 13% on a constant currency basis)

East Africa

- Number of clients grew to over 348k, up by 44%
- Number of branches increased to 316, up by 30%
- OLP grew to USD 51.6mn, up by 56% (up 56% on a constant currency basis), which was higher than expected, due to continued expansion of operations in all countries across the region
- OLP/Client averaged USD 149, up by 9% (9% up on constant currency basis)
- Operations continued to grow at a high pace in Kenya, Tanzania, and Uganda

Impact of foreign exchange rates

During H2 2019, currency movements in Asia and Africa remained fairly stable against the US dollar with some gains recorded in the Philippines and Myanmar. However, the USD strengthened more than expected against currencies in two of our major markets, Ghana and Pakistan. The weakening of these currencies against the USD in 2019 is expected to dampen USD year-on-year OLP and OLP/Client growth during H1 2020.

Outlook

We expect to continue to grow branch and client numbers across all regions in 2020.

We remain cautious in our growth outlook given increased competition and risk of client over-indebtedness in the North eastern regions of India, and the weak economic conditions and security concerns in Nigeria. This is expected to be partially mitigated by faster growth in our East African markets.

We expect continued sustainable growth of our operations through 2020 with mid-to-high single digit USD earnings growth.

Notice of Full Year Results

The Company will announce its 2019 Full Year Results on Tuesday, 21 April 2020.

Enquiries:

ASA International Group plc

Investor Relations

Véronique Schyns

+31 20 846 3554 / +31 6 2030 0139

vschyns@asa-international.com

ASA International Group plc

Dutch office: Rembrandt tower, 35th floor, Amstelplein 1, 1096 HA Amsterdam, The Netherlands. Tel: +31 20 846 3554

www.asa-international.com

Reg No:11361159 (England and Wales)