



Press release

August 2020 business update and revised date for interim results

Amsterdam, 16 September 2020 - ASA International, (“ASA International”, the “Company” or the “Group”), one of the world’s largest international microfinance institutions, today provides the following update of the impact of COVID-19 on its business operations during the month of August 2020.

- The immediate health impact of COVID-19 on the Company’s operations remains low.
- Liquidity continues to remain high with approximately USD 105m of unrestricted cash and cash equivalents across the Group on 31 August 2020.
- The pipeline of funding deals under negotiation totals approximately USD 220m.
- Collection efficiency remained in the mid to high nineties in eight operating countries, which in the aggregate represented more than 70% of the pre-tax profitability of all the Group’s country operations in 2019.
- Disbursements as percentage of collections in August exceed 100% in most countries with the exception of India, Pakistan, the Philippines, Uganda and Rwanda.
- As a result, the number of clients and OLP stabilized and started to gradually increase in many operating countries.
- The aggregate Moratorium amounts to USD 40.7m, which represents 10% of the Group’s outstanding loan portfolio (“OLP”) and is primarily concentrated in India (37% of the aggregate Moratorium), the Philippines (28%), Kenya (12%) and Uganda (11%).
- The Company has followed guidance from the FCA and FRC on corporate reporting timetables in light of COVID-19 and is now proposing to publish its 2020 interim results on 14 October and not 22 September 2020 as originally planned. This will enable the Company to provide a better assessment of the quality of the Group’s loan portfolio and any proposed ECL provision to reflect the impact of COVID-19.

Health impact of COVID-19 on our communities

- As of 31 August 2020, the immediate health impact of COVID-19 on the Company’s operations remains low with 28 of our 12,535 staff members confirmed as infected, but with no deaths. The number of confirmed infections amongst our 2.3m clients increased from 176 at end of July to 303 as at 30 August 2020, resulting in 17 deaths until now.
- While the infection rate in our operating countries continues to increase, the speed of growth and the absolute number of confirmed infections and, in particular, the number of deaths remain relatively low in comparison to Europe, USA and Latin America. This is illustrated by the relatively few deaths in each of our operating countries as percentage of the size of the population which ranges between zero to 47 deaths per million population in our operating countries compared to 363 to 846 deaths per million in the U.S.A., Mexico, Brazil and the wealthiest European countries.

Funding

- Unrestricted cash and cash equivalents remain high at approximately USD 105m on 28 August 2020.
- The Company secured approximately USD 2m of new loans from local and international lenders in August 2020.
- About 72% of the Company's USD 220m pipeline of future wholesale loans are supported by (agreed) term sheets and/or draft loan documentation. The terms and conditions of the remaining 28% are being negotiated with lenders.

Collection efficiency until 29 August 2020 ⁽¹⁾

Country	7 June - 13 June	14 June - 20 June	21 June - 27 June	28 June - 4 July	5 July- 11 July	12 July- 18 July	19 July- 25 July	26 July- 31 July	01 Aug- 07 Aug	08 Aug- 14 Aug	15 Aug- 22 Aug	23 Aug- 29 Aug
India	37%	40%	47%	50%	53%	49%	41%	37%	41%	49%	53%	58%
Pakistan	95%	92%	94%	95%	97%	96%	96%	95%	96%	96%	96%	94%
Sri Lanka	66%	93% ⁽²⁾	91%	95%	91%	90%	93%	94%	93%	92%	95%	95%
Myanmar	95%	95%	97%	95%	96%	96%	97%	97%	96%	96%	97%	97%
The Philippines	64%	66%	69%	74%	71%	72%	73%	74%	70%	65%	65%	67%
Ghana	99%	100%	100%	100%	99%	99%	99%	101%	101%	100%	99%	99%
Nigeria	93%	94%	94%	95%	91%	91%	89%	94%	90%	94%	90%	90%
Sierra Leone	94%	95%	98%	101%	97%	95%	100%	102%	94%	96%	96%	97%
Kenya	71%	76%	88%	88%	78%	73%	72%	75%	69%	73%	70%	74%
Tanzania	98%	98%	98%	99%	99%	99%	99%	99%	100%	98%	98%	98%
Uganda	22%	33%	40%	41%	46%	44%	47%	53%	57%	63%	63%	63%
Rwanda	77%	79%	83%	82%	84%	82%	88%	89%	88%	89%	86%	82%
Zambia	98%	98%	98%	99%	98%	98.4%	99%	99%	99%	99%	99%	99%

⁽¹⁾ Collection efficiency refers to actual collections from clients divided by expected collections for the period; since any moratorium on the repayment of loans are only granted to clients after the end of the month, the collection efficiency is not affected by the grant of such moratorium;

⁽²⁾ Sri Lanka improved due to a write-off of overdue loans caused by the Government imposed debt relief program and Easter Sunday Bombings

- Collection efficiency across the Group remained in the mid to high nineties in 8 out of 13 operating countries.
- In India collection efficiency gradually increased to 58% prior to the end of the government-imposed moratorium, and further increased to 78%, excluding any overdue collection, during the first two weeks in September.
- Due to increased infection rates and the associated disruption in the Philippines, collection efficiency reduced by approximately 5% to 67%.
- Kenya was not able to substantially improve collection efficiency yet, keeping it relatively steady at 69-74%.
- Uganda succeeded in substantially improving its collection efficiency from 41-53% in July to 57-63% in August.

Disbursements vs collections of loans until 29 August 2020⁽³⁾

- With the business environment gradually improving, disbursements of fresh loans continued to increase in amount and as a percentage of weekly collections in almost all countries in August.

Country	7 June- 13 June	14 June- 20 June	21 June- 27 June	28 June- 4 July	5 July- 11 July	12 July- 18 July	19 July- 25 July	26 July- 31 July ⁽⁴⁾	01 Aug- 07 Aug	08 Aug- 14 Aug	15 Aug- 22 Aug	23 Aug- 29 Aug
India	Nil	1%	8%	12%	25%	37%	74%	61%	54%	70%	78%	74%
Pakistan	60%	60%	60%	68%	79%	82%	87%	88%	72%	85%	90%	91%
Sri Lanka	12%	43%	52%	27%	101%	57%	40%	71%	8%	74%	128%	145%
Myanmar	61%	68%	71%	68%	76%	80%	95%	62%	73%	101%	114%	122%
The Philippines	19%	40%	61%	46%	80%	69%	70%	73%	57%	51%	70%	79%
Ghana	109%	105%	105%	128%	130%	107%	110%	116%	120%	120%	112%	117%
Nigeria	70%	82%	84%	78%	102%	103%	116%	86%	67%	96%	104%	104%
Sierra Leone	85%	91%	99%	66%	122%	101%	113%	93%	110%	131%	139%	97%
Kenya	63%	56%	67%	70%	74%	84%	67%	76%	85%	87%	99%	101%
Tanzania	52%	65%	70%	76%	83%	118%	123%	113%	104%	121%	116%	112%
Uganda		N/A	N/A	1%	15%	46%	51%	32%	42%	75%	78%	69%
Rwanda	106%	113%	101%	92%	98%	52%	98%	108%	88%	93%	79%	87%
Zambia	91%	113%	89%	68%	199%	160%	176%	157%	136%	184%	181%	188%

⁽³⁾ Disbursements vs collections refers to actual loan disbursements made to clients divided by total loans collected from clients in the period; ⁽⁴⁾ Slowdown of branch operations due to official EID holidays in latter part of this week.

Development of Clients and Outstanding Loan Portfolio

- With disbursement gradually increasing in many operating countries, OLP increased to USD 412m (up 1%) in August 2020.

Countries	Clients (in thousands)			Delta		OLP (in USDm)			Delta		
	Dec/19	Jul/20	Aug/20	Dec-Aug	Jul-Aug	Dec/19	Jul/20	Aug/20	Dec-Aug USD	Dec-Aug CC	Jul-Aug USD
India	732	713	707	-3%	-1%	181.9	167.3	169.4	-7%	-4%	1%
Pakistan	439	405	397	-9%	-2%	62.5	54.0	52.8	-16%	-9%	-2%
Sri Lanka	63	54	56	-12%	2%	9.4	8.4	8.5	-9%	-7%	1%
Myanmar	152	136	136	-10%	0%	31.5	30.1	31.0	-2%	-11%	3%
The Philippines	340	297	284	-17%	-4%	52.7	46.5	45.0	-15%	-18%	-3%
Ghana	165	141	142	-14%	1%	41.6	35.7	37.6	-10%	-8%	5%
Nigeria	260	213	215	-17%	1%	32.7	23.8	23.5	-28%	-23%	-1%
Sierra Leone	34	30	31	-10%	2%	2.9	3.2	3.6	23%	23%	12%
Kenya	101	79	80	-21%	0%	17.6	11.9	12.0	-32%	-27%	1%
Tanzania	123	100	101	-18%	1%	20.5	16.1	17.5	-14%	-14%	9%
Uganda	101	93	90	-11%	-3%	10.4	8.5	8.1	-22%	-22%	-4%
Rwanda	21	19	19	-9%	-2%	3.0	2.7	2.7	-10%	-8%	-1%
Zambia	<u>2</u>	<u>4</u>	<u>4</u>	89%	6%	<u>0.2</u>	<u>0.3</u>	<u>0.4</u>	106%	185%	19%
Total	2,533	2,286	2,261	-11%	-1%	467	408	412	-13%	-10%	1%

Selected moratorium on loan repayments

- Clients and OLP under moratorium continued to increase in India, the Philippines, Uganda and Rwanda in August, but overall by substantially reduced amounts.

<u>Countries</u>	<u>Clients under moratorium</u>						<u>As % of</u>
	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>Total Clients</u>
India	0	0	0	182,318	181,878	165,618	23%
Pakistan	0	0	0	0	0	0	0%
Sri Lanka	0	0	0	37,891	9,002	78	0%
Myanmar	2,307	2,101	35,056	12,394	7,876	15,308	11%
The Philippines	1,297	0	57,130	145,086	65,405	60,373	21%
Ghana	0	0	0	0	0	0	0%
Nigeria	0	0	4,042	10,523	9,763	0	0%
Sierra Leone	0	91	1,225	1,336	1,178	0	0%
Kenya	20,453	17,366	9,660	7,778	26,697	0	0%
Tanzania	0	194	5,323	4,162	0	0	0%
Uganda	8,269	0	0	75,360	59,563	49,897	55%
Rwanda	436	0	7,746	7,886	4,703	2,800	15%
Zambia	0	0	0	0	0	0	0%
Total	32,762	19,752	120,182	484,734	366,065	294,074	13.0%

<u>Countries</u>	<u>Moratorium amounts (in USD thousands)</u>							<u>As %</u>	<u>As % of</u>
	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>Total</u>	<u>of OLP</u>	<u>Total</u>
India	0	0	0	5,831	5,414	3,690	14,935	9%	37%
Pakistan	0	0	0	0	0	0	0	0%	0%
Sri Lanka	0	0	0	1,150	247	2	1,399	16%	3%
Myanmar	40	42	700	332	242	391	1,747	6%	4%
The Philippines	16	0	929	6,262	2,115	1,996	11,318	25%	28%
Ghana	0	0	0	0	0	0	0	0%	0%
Nigeria	0	0	135	459	425	0	1,019	4%	3%
Sierra Leone	0	1	11	20	21	0	52	1%	0%
Kenya	679	434	2,158	734	811	0	4,817	40%	12%
Tanzania	0	5	147	115	0	0	266	2%	1%
Uganda	77	0	0	1,728	1,562	1,176	4,543	56%	11%
Rwanda	5	0	163	221	126	76	590	22%	1%
Zambia	0	0	0	0	0	0	0	0%	0%
Total	817	482	4,242	16,850	10,964	7,330	40,685	9.9%	100.0%

As of 31 August 2020, total moratorium on loan repayments granted to clients amounted to USD 40.7m, which represents 9.9% of the Group's OLP.

- The aggregate number of clients benefiting from a moratorium and the total amount of moratorium granted has gone down from 485K and USD 16.7m in June to 366K and USD 10.8m in July, and 294K and USD 7.3m in August. It is expected that this trend line will continue.

- Despite the increased disruption caused by COVID-19, the moratorium granted to clients in the Philippines went down in August from 65K clients and USD 2.1m by the end of July to 60K clients and USD 2.0m at the end of August.
- India's moratorium amounts to USD 14.9m, which represents 37% of the total moratorium amount and is artificially high, because the Indian Government allowed each client to opt for a moratorium at no additional (reputational) cost to the client until the end of August this year. However, following the end of the government-imposed moratorium by the end of August, collection efficiency has continued to increase during the August and the first weeks of September, which is expected to lead to the gradual collection of outstanding moratorium amounts as well.

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About ASA International Group plc

ASA International is one of the world's largest international microfinance institutions, with a strong commitment to financial inclusion and socioeconomic progress. The company provides small, socially responsible loans to low-income, financially underserved entrepreneurs, predominantly women, across South Asia, South East Asia, West and East Africa.

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