



Press release

ASA International Group plc October 2020 business update

Amsterdam, 18 November 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 as at 31 October 2020.

- The immediate health impact of COVID-19 on the Company’s operations remains low.
- Liquidity continues to remain high with approximately USD 112m of unrestricted cash and cash equivalents across the Group on 31 October 2020.
- The pipeline of funding deals under negotiation totalled approximately USD 183.5m.
- Collection efficiency remained high with 8 out of 13 operating countries showing percentage rates in the mid to high nineties.
- Kenya and Uganda significantly improved collections reaching 91% and 78%, respectively.
- The Philippines continued to struggle with collections reducing from 74% to 69% as result of the imposition by the government of a 60-days grace period for the repayment of loan instalments until the end of December which many clients availed, the ongoing disruption caused by limited, regional lockdowns in certain parts of the country as well as the three major typhoons which hit the Philippines in quick succession recently.
- Collections also were adversely affected by the institution of regional lockdowns affecting 56 branches in Myanmar and the temporary suspension of operations in up to 50 branches in Sri Lanka due to a rapid increase in COVID-19 infections.
- Disbursements as percentage of collections exceeded 100% in many countries with the exception of India, Myanmar, the Philippines, Uganda, Rwanda and Zambia.
- As a result, the number of clients and Gross OLP continued to gradually increase reaching approximately 2.3m and USD 428m, respectively, across the Group.
- The Moratoriums granted for October amounted to USD 7.1m and primarily stemmed from (i) the 60-day grace period for the repayment of loan instalments in the Philippines, (ii) the regional lockdowns for up to two months in Myanmar, and (iii) the temporary suspension of operations in Sri Lanka.

Health impact of COVID-19 on our communities

- The immediate health impact of COVID-19 on the Company’s operations remained low with 81 of our over 12,500 staff members confirmed as infected, but with no deaths. The number of confirmed infections amongst our 2.3m clients increased from 419 at end of September to 1,192 as at 31 October 2020, resulting in 21 deaths.

Funding

- Unrestricted cash and cash equivalents remained high at approximately USD 112m.
- The Company secured approximately USD 22.7m of new loans from local and international lenders in October 2020.
- The majority of the Company's USD 183.5 pipeline of future wholesale loans are supported by (agreed) term sheets and/or draft loan documentation. The terms and conditions of the remaining loans are being negotiated with lenders.

Collection efficiency until 31 October 2020⁽¹⁾

Country	01-07 Aug	08-14 Aug	15-22 Aug	23-29 Aug	30 Aug- 05 Sep	06-12 Sep	13-19 Sep	20-30 Sep	01-15 Oct	16-31 Oct
India	41%	49%	53%	58%	60%	68%	78%	74%	77%	76%
Pakistan	96%	96%	96%	94%	96%	96%	96%	97%	97%	97%
Sri Lanka	93%	92%	95%	95%	94%	91%	96%	99%	90%	83%
Myanmar	96%	96%	97%	97%	95%	93%	91%	78%	65%	75%
The Philippines	70%	65%	65%	67%	67%	68%	69%	74%	65%	68%
Ghana	101%	100%	99%	99%	99%	99%	99%	100%	99%	100%
Nigeria	90%	94%	90%	90%	91%	91%	91%	93%	93%	94%
Sierra Leone	94%	96%	96%	97%	94%	97%	96%	99%	99%	99%
Kenya	69%	73%	70%	74%	76%	76%	77%	81%	84%	91%
Tanzania	100%	98%	98%	98%	98%	98%	99%	99%	99%	99%
Uganda	57%	63%	63%	63%	65%	67%	72%	73%	72%	78%
Rwanda	88%	89%	86%	82%	85%	84%	88%	87%	86%	91%
Zambia	99%	99%	99%	99%	100%	100%	100%	100%	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;

- Collection efficiency across the Group remained high with 8 out of 13 operating countries showing percentage rates in the mid to high nineties.
- Kenya and Uganda significantly improved collections reaching 91% and 78%, respectively.
- The government imposed a 60-day grace period for the repayment of loans adversely affected collections in the Philippines.
- Collections were also affected by the institution of a temporary lockdowns in Yangon and parts of Bago Division in Myanmar and the partial suspension of operations in Sri Lanka due to increased COVID-19 infections.

Disbursements vs collections of loans until 31 October 2020⁽²⁾

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

Country	01-07 Aug	08-14 Aug	15-22 Aug	23-29 Aug	30 Aug- 05 Sep	06-12 Sep	13-19 Sep	20-30 Sep	01-15 Oct	16-31 Oct
India	54%	70%	78%	74%	75%	79%	78%	91%	91%	68%
Pakistan	72%	85%	90%	91%	95%	89%	93%	99%	99%	99%
Sri Lanka	8%	74%	128%	145%	64%	118%	122%	144%	17%	135%
Myanmar	73%	101%	114%	122%	97%	104%	103%	63%	24%	44%
The Philippines	57%	51%	70%	79%	77%	80%	90%	111%	74%	96%
Ghana	120%	120%	112%	117%	113%	115%	123%	119%	116%	95%
Nigeria	67%	96%	104%	104%	87%	115%	129%	139%	152%	136%
Sierra Leone	110%	131%	139%	97%	105%	117%	115%	123%	123%	116%
Kenya	85%	87%	99%	101%	93%	95%	101%	108%	92%	103%
Tanzania	104%	121%	116%	112%	97%	107%	111%	119%	101%	106%
Uganda	42%	75%	78%	69%	65%	68%	69%	66%	88%	95%
Rwanda	88%	93%	79%	87%	81%	79%	84%	81%	83%	87%
Zambia	136%	184%	181%	188%	129%	178%	151%	85%	93%	86%

⁽²⁾ Disbursements vs collections refers to actual loan disbursements made to clients divided by total loans collected from clients in the period

Development of Clients and Outstanding Loan Portfolio

- With disbursements gradually increasing in many operating countries, Gross OLP⁽³⁾ increased to USD 428m (up 1%) in October 2020 compared to the previous month.

Countries	Clients (in thousands)			Delta		Gross OLP (in USDm)			Delta		
	Dec/19	Sep/20	Oct/20	Dec-Oct	Sep-Oct	Dec/19	Sep/20	Oct/20	Dec-Oct USD	Dec-Oct CC	Sep-Oct USD
India	732	709	713	-3%	1%	183.0	168.3	166.3	-9%	-5%	-1%
Pakistan	439	417	409	-7%	-2%	62.9	54.4	58.4	-7%	-4%	7%
Sri Lanka	63	57	56	-11%	-1%	10.1	9.1	9.0	-11%	-10%	-1%
Myanmar	152	134	128	-16%	-4%	31.7	31.9	30.4	-4%	-17%	-5%
The Philippines	340	262	278	-18%	6%	53.2	47.0	47.2	-11%	-15%	0%
Ghana	165	145	151	-9%	4%	41.7	39.8	40.6	-3%	0%	2%
Nigeria	260	222	228	-12%	3%	33.5	25.4	28.1	-16%	-12%	11%
Sierra Leone	34	32	35	3%	8%	2.9	3.9	4.2	45%	46%	8%
Kenya	101	81	86	-15%	5%	17.7	12.5	12.8	-28%	-22%	2%
Tanzania	123	104	108	-12%	4%	20.5	19.3	20.5	0%	1%	6%
Uganda	101	83	81	-20%	-2%	10.4	7.7	7.9	-24%	-23%	3%
Rwanda	21	19	19	-11%	0%	3.0	2.6	2.6	-14%	-11%	-1%
Zambia	<u>2</u>	<u>4</u>	<u>5</u>	146%	14%	<u>0.2</u>	<u>0.4</u>	<u>0.4</u>	116%	216%	-3%
Total	2,533	2,269	2,297	-9%	1%	471	422	428	-12%	-7%	1%

⁽³⁾ Loan portfolio including the off-book BC and DA model, excluding interest receivable and before deducting the ECL provision and modification loss

Selected moratorium⁽⁴⁾ on loan repayments

<u>Countries</u>	<u>Clients under moratorium</u>									<u>As % of</u>
	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Total</u>	<u>Clients</u>
India	0	0	0	182,318	181,878	165,618	0	0	0	0%
Pakistan	0	0	0	0	0	0	0	0	0	0%
Sri Lanka	0	0	0	37,891	9,002	78	116	23,430	42%	
Myanmar	2,307	2,101	35,056	12,394	7,876	15,308	32,118	64,501	50%	
The Philippines	1,297	0	57,130	145,086	65,405	59,626	100,427	95,241	34%	
Ghana	0	0	0	0	0	0	0	0	0%	
Nigeria	0	0	4,042	10,523	9,763	0	0	0	0%	
Sierra Leone	0	91	1,225	1,336	1,178	0	0	0	0%	
Kenya	20,453	17,366	9,660	7,778	26,697	0	0	0	0%	
Tanzania	0	194	5,323	4,162	0	0	0	0	0%	
Uganda	8,269	0	0	75,360	59,563	49,897	3,557	0	0%	
Rwanda	436	0	7,746	7,886	4,703	2,800	0	0	0%	
Zambia	0	0	0	0	0	0	0	0	0%	
Total	32,762	19,752	120,182	484,734	366,065	293,327	136,218	183,172	8.0%	

<u>Countries</u>	<u>Moratorium amounts (in USD thousands)</u>									<u>October</u>	<u>As % of Total</u>
	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Total</u>	<u>as % of OLP</u>	
India	0	0	0	5,831	5,332	3,633	0	0	14,796	0%	28%
Pakistan	0	0	0	0	0	0	0	0	0	0%	0%
Sri Lanka	0	0	0	1,160	250	2	24	264	1,699	3%	3%
Myanmar	42	43	732	347	253	408	877	1,973	4,677	6%	9%
The Philippines	16	0	927	6,247	2,110	2,253	3,928	4,902	20,382	10%	39%
Ghana	0	0	0	0	0	0	0	0	0	0%	0%
Nigeria	0	0	137	465	431	0	0	0	1,033	0%	2%
Sierra Leone	0	1	10	19	21	0	0	0	51	0%	0%
Kenya	675	432	2,146	730	807	0	0	0	4,790	0%	9%
Tanzania	0	5	147	115	0	0	0	0	266	0%	1%
Uganda	76	0	0	1,698	1,536	1,156	155	0	4,620	0%	9%
Rwanda	5	0	161	218	125	75	0	0	584	0%	1%
Zambia	0	0	0	0	0	0	0	0	0	0%	0%
Total	813	482	4,260	16,831	10,863	7,528	4,984	7,139	52,900	1.7%	100.0%

⁽⁴⁾ Moratoriums relate to clients who have received an extension for the payment of one or more loan instalments during the month.

- In October 2020, the moratorium on loan repayments granted to clients amounted to USD 7.1m, which represents 1.7% of the Group's Gross OLP.
- Moratoriums were granted to clients in the Philippines, Myanmar and Sri Lanka.
- In the Philippines, the new government directive for financial institutions to offer clients a 60-day grace period for the payment of loan instalments was availed by many clients. The country also experienced three major typhoons hitting Luzon Island in recent weeks, which caused substantial disruption to our clients' businesses on top of the existing disruption already caused by COVID-19.
- In Myanmar, the institution of regional lockdowns caused the temporary closure of 56 branches in Yangon and parts of Bago Region for a period of up to two months.
- Due to the rapidly increasing number of COVID-19 infections in Sri Lanka, operations were temporarily suspended in more than 50 branches.

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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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