



## Press release

### **ASA International Group plc February 2021 business update**

Amsterdam, The Netherlands, 23 March 2021 - 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 28 February 2021.

- Liquidity continues to remain high with approximately USD 102m of unrestricted cash and cash equivalents across the Group on 28 February 2021.
- The pipeline of funding deals under negotiation totalled approximately USD 199m.
- With the exception of India, the Philippines, and Myanmar, all other operating countries achieved collection efficiency of more than 90% in February 2021 and six out of 13 countries achieved collection efficiency of more than 95%.
- India collections remained at 84% throughout February as challenges in the operating environment concerning Assam and West Bengal persist.
- The Philippines improved collections to 82% by the end of February 2021 and granted minimal moratoriums to 835 clients for a total amount of USD 20.4k within the month.
- Collections in Myanmar decreased to 76% due to the disruptions following the military's takeover of the Government and ongoing nation-wide protests.
- Portfolio quality remained challenging, particularly in India and the Philippines with benchmark PAR>30 for the Group, including off-book loans and excluding loans overdue more than 365 days, increasing to 15.7% in February 2021 from 14.3% in December 2020, and PAR>90 increasing to 9.3% from 6.5% over the same period.
- While Kenya and Uganda had substantial long-term overdue, the portfolio quality of more recently disbursed loans was substantially better, as also reflected in the high collection efficiency in recent months.
- Disbursements as percentage of collections exceeded 100% in ten countries with the exception of Pakistan, Myanmar, and Rwanda.
- As a result, the number of clients and Gross OLP continued to gradually increase reaching approximately 2.4m and USD 457m (3% lower than in February 2020 and 2% higher compared to January 2021), respectively, across the Group.
- The moratoriums granted for February 2021 amounted to USD 1.1m and were limited to the operations in Myanmar, Sri Lanka, and the Philippines.

### **Health impact of COVID-19 on our staff and clients**

- The immediate health impact of COVID-19 on the Company's operations remained low with only 133 of our over 12,500 staff members confirmed as infected since March 2020, but with no deaths. Since March 2020, confirmed infections amongst our 2.4m clients increased from 1,632 at end of January 2021 to 1,656 as at 28 February 2021, resulting in 32 deaths since the start of the pandemic.

## Funding

- Unrestricted cash and cash equivalents remained high at approximately USD 102m on 28 February 2021.
- The Company secured approximately USD 10m of new loans from local and international lenders in February 2021.
- The majority of the Company's USD 199m pipeline of future wholesale loans are supported by (agreed) term sheets and/or draft loan documentations. The terms and conditions of the remaining loans are being negotiated with lenders.

## Collection efficiency until 28 February 2021<sup>(1, 2, 3)</sup>

| Countries       | 2020      |           | 2021      |           |           |           |
|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|
|                 | 01-15 Dec | 16-30 Dec | 01-15 Jan | 16-31 Jan | 01-15 Feb | 16-28 Feb |
| India           | 79%       | 82%       | 81%       | 83%       | 84%       | 84%       |
| Pakistan        | 98%       | 96%       | 98%       | 98%       | 99%       | 99%       |
| Sri Lanka       | 94%       | 96%       | 100%      | 94%       | 86%       | 93%       |
| The Philippines | 76%       | 59%       | 71%       | 80%       | 77%       | 82%       |
| Myanmar         | 90%       | 91%       | 90%       | 89%       | 80%       | 76%       |
| Nigeria         | 96%       | 97%       | 93%       | 97%       | 96%       | 97%       |
| Ghana           | 100%      | 100%      | 99%       | 99%       | 100%      | 100%      |
| Sierra Leone    | 96%       | 90%       | 95%       | 95%       | 84%       | 94%       |
| Kenya           | 92%       | 97%       | 96%       | 97%       | 98%       | 99%       |
| Tanzania        | 100%      | 99%       | 99%       | 99%       | 99%       | 100%      |
| Uganda          | 83%       | 82%       | 85%       | 89%       | 91%       | 94%       |
| Rwanda          | 90%       | 92%       | 93%       | 93%       | 89%       | 93%       |
| Zambia          | 100%      | 100%      | 99%       | 100%      | 99%       | 100%      |

- (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) As of December 2020, the definition of collection efficiency has been amended in view of the increased amount of overdue collection and advance payments in various countries to: the sum of actual regular collections, actual overdue collections and actual advance payments divided by the sum of expected regular collections, actual overdue collections and actual advance payments. This also means that collections efficiency no longer can exceed 100%.
- (3) In December 2020, collection efficiency in Myanmar excludes the branches in Yangon and Bago Region, which were under strict lockdown.

- Collection efficiency across the Group increased or remained stable in February in all countries with the exception of Myanmar.
- Collections in India remained stable around 84% in February, as the environment remained challenging due to possible government intervention in Assam (approximately 16% of ASA India's loan portfolio) after scheduled elections and reduced collections in various semi-suburban regions of West Bengal.
- Collections continued to improve in the Philippines despite a few local lockdowns implemented.
- Collections in Myanmar decreased to 76% due to the disruptions to civil life caused by the military's takeover of the Government and ongoing nation-wide protests.
- Uganda significantly improved collections reaching 94% by the end of February 2021.

## Loan portfolio quality up to and including February 2021<sup>(4, 5)</sup>

|               | Gross OLP (USDm) |            |            | Non-overdue loans |              |              | PAR>30       |              |              |
|---------------|------------------|------------|------------|-------------------|--------------|--------------|--------------|--------------|--------------|
|               | Dec/20           | Jan/21     | Feb/21     | Dec/20            | Jan/21       | Feb/21       | Dec/20       | Jan/21       | Feb/21       |
| India (total) | 166              | 168        | 168        | 60.5%             | 61.5%        | 64.5%        | 29.5%        | 30.7%        | 29.6%        |
| On-book       | 117              | 119        | 121        | 58.1%             | 60.2%        | 63.5%        | 31.7%        | 32.6%        | 31.3%        |
| Off-book      | 49               | 48         | 47         | 64.1%             | 64.7%        | 67.3%        | 24.5%        | 25.9%        | 25.3%        |
| Pakistan      | 65               | 66         | 69         | 94.5%             | 95.5%        | 96.2%        | 4.0%         | 3.5%         | 3.1%         |
| Sri Lanka     | 9                | 9          | 9          | 90.9%             | 90.3%        | 90.6%        | 7.4%         | 6.6%         | 5.9%         |
| Philippines   | 50               | 49         | 51         | 92.7%             | 71.9%        | 73.8%        | 6.4%         | 6.0%         | 23.3%        |
| Myanmar       | 31               | 33         | 30         | 99.3%             | 99.1%        | 84.1%        | 0.5%         | 0.5%         | 0.6%         |
| Ghana         | 42               | 43         | 45         | 99.4%             | 99.4%        | 99.4%        | 0.4%         | 0.4%         | 0.4%         |
| Nigeria       | 33               | 31         | 32         | 92.4%             | 91.4%        | 91.5%        | 5.5%         | 5.7%         | 5.5%         |
| Sierra Leone  | 4                | 5          | 5          | 89.9%             | 89.8%        | 91.3%        | 4.5%         | 4.8%         | 4.6%         |
| Kenya         | 13               | 13         | 14         | 77.7%             | 79.3%        | 82.9%        | 22.0%        | 19.5%        | 16.4%        |
| Uganda        | 8                | 7          | 8          | 69.6%             | 71.0%        | 76.5%        | 29.1%        | 28.6%        | 23.3%        |
| Tanzania      | 22               | 22         | 22         | 97.1%             | 97.1%        | 97.4%        | 2.5%         | 2.4%         | 2.3%         |
| Rwanda        | 3                | 3          | 3          | 88.0%             | 86.2%        | 83.1%        | 10.1%        | 10.3%        | 10.7%        |
| Zambia        | 0                | 0          | 1          | 94.0%             | 94.7%        | 95.6%        | 5.8%         | 5.1%         | 4.3%         |
| <b>Group</b>  | <b>447</b>       | <b>449</b> | <b>457</b> | <b>81.3%</b>      | <b>79.6%</b> | <b>80.3%</b> | <b>14.3%</b> | <b>14.5%</b> | <b>15.7%</b> |

|               | PAR>90      |             |             | PAR>180     |             |             |
|---------------|-------------|-------------|-------------|-------------|-------------|-------------|
|               | Dec/20      | Jan/21      | Feb/21      | Dec/20      | Jan/21      | Feb/21      |
| India (total) | 11.3%       | 17.0%       | 18.9%       | 0.9%        | 1.2%        | 1.5%        |
| On-book       | 12.4%       | 18.6%       | 20.7%       | 1.0%        | 1.5%        | 1.7%        |
| Off-book      | 8.5%        | 13.2%       | 14.5%       | 0.7%        | 0.6%        | 0.9%        |
| Pakistan      | 3.0%        | 2.9%        | 2.7%        | 1.9%        | 2.0%        | 2.0%        |
| Sri Lanka     | 6.1%        | 5.9%        | 5.2%        | 2.9%        | 2.7%        | 2.8%        |
| Philippines   | 4.6%        | 3.7%        | 3.8%        | 2.4%        | 1.4%        | 1.6%        |
| Myanmar       | 0.5%        | 0.4%        | 0.4%        | 0.3%        | 0.2%        | 0.3%        |
| Ghana         | 0.4%        | 0.4%        | 0.3%        | 0.2%        | 0.3%        | 0.3%        |
| Nigeria       | 4.4%        | 4.8%        | 4.5%        | 2.2%        | 2.6%        | 2.9%        |
| Sierra Leone  | 3.3%        | 3.3%        | 3.1%        | 1.9%        | 1.9%        | 2.0%        |
| Kenya         | 17.6%       | 18.2%       | 15.9%       | 1.8%        | 2.9%        | 7.1%        |
| Uganda        | 8.7%        | 19.7%       | 20.8%       | 0.2%        | 0.4%        | 0.6%        |
| Tanzania      | 2.0%        | 2.1%        | 2.1%        | 0.3%        | 0.9%        | 1.3%        |
| Rwanda        | 5.6%        | 7.8%        | 8.8%        | 0.9%        | 0.8%        | 0.8%        |
| Zambia        | 5.7%        | 4.9%        | 4.2%        | 4.5%        | 3.7%        | 3.4%        |
| <b>Group</b>  | <b>6.5%</b> | <b>8.7%</b> | <b>9.3%</b> | <b>1.3%</b> | <b>1.3%</b> | <b>1.7%</b> |

<sup>(4)</sup> Current is the percentage of non-overdue customer loans to gross outstanding loan portfolio. PAR>x is the percentage of outstanding customer loans with at least one instalment payment overdue x days, excluding loans more than 365 days overdue, to gross outstanding loan portfolio including off-book loans.

<sup>(5)</sup> Gross loan portfolio includes the off-book BC and DA model, excluding interest receivable and before deducting ECL provisions and modification loss.

- PAR>30 increased to 15.7% primarily due to the substantial reduction in moratoriums granted in the Philippines.
- PAR>90 increased to 9.3% for the Group primarily due to a further increase in PAR>90 in India.
- Credit exposure of the India off-book BC portfolio of USD 44m is capped at 5%. The included off-book DA portfolio of USD 3m as at February 2021 has no credit exposure.

## Disbursements vs collections of loans until 28 February 2021<sup>(6)</sup>

| Countries       | 2020      |           | 2021      |           |           |           |
|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|
|                 | 01-15 Dec | 16-30 Dec | 01-15 Jan | 16-31 Jan | 01-15 Feb | 16-28 Feb |
| India           | 79%       | 81%       | 83%       | 96%       | 92%       | 116%      |
| Pakistan        | 99%       | 108%      | 95%       | 99%       | 99%       | 99%       |
| Sri Lanka       | 108%      | 148%      | 61%       | 129%      | 88%       | 145%      |
| The Philippines | 99%       | 108%      | 124%      | 102%      | 94%       | 107%      |
| Myanmar         | 110%      | 150%      | 130%      | 158%      | 32%       | 78%       |
| Nigeria         | 139%      | 61%       | 35%       | 100%      | 106%      | 104%      |
| Ghana           | 129%      | 117%      | 68%       | 119%      | 108%      | 116%      |
| Sierra Leone    | 113%      | 104%      | 53%       | 124%      | 103%      | 114%      |
| Kenya           | 122%      | 98%       | 67%       | 126%      | 109%      | 117%      |
| Tanzania        | 100%      | 75%       | 61%       | 96%       | 94%       | 101%      |
| Uganda          | 113%      | 35%       | 20%       | 71%       | 93%       | 105%      |
| Rwanda          | 122%      | 102%      | 56%       | 64%       | 62%       | 83%       |
| Zambia          | 110%      | 73%       | 114%      | 160%      | 142%      | 137%      |

<sup>(6)</sup> Disbursements vs collections refers to actual loan disbursements made to clients divided by total loans collected from clients in the period.

- With the business environment continuing to gradually improve in most countries, disbursements of fresh loans continued to increase in amount and as a percentage of weekly collections, with the exception of Myanmar.

## Development of Clients and Outstanding Loan Portfolio<sup>(7)</sup> until 28 February 2021

| Countries       | <u>Clients (in thousands)</u> |               |               | <u>Delta</u>              |                           | <u>Gross OLP (in USDm)</u> |               |               | <u>Delta</u>              |                           |                           |
|-----------------|-------------------------------|---------------|---------------|---------------------------|---------------------------|----------------------------|---------------|---------------|---------------------------|---------------------------|---------------------------|
|                 | <u>Feb/20</u>                 | <u>Jan/21</u> | <u>Feb/21</u> | <u>Feb/20-<br/>Feb/21</u> | <u>Jan/21-<br/>Feb/21</u> | <u>Feb/20</u>              | <u>Jan/21</u> | <u>Feb/21</u> | <u>Feb/20-<br/>Feb/21</u> | <u>Jan/21-<br/>Feb/21</u> | <u>Jan/21-<br/>Feb/21</u> |
|                 |                               |               |               | <u>USD</u>                | <u>CC</u>                 |                            |               |               | <u>USD</u>                | <u>CC</u>                 | <u>USD</u>                |
| India           | 741                           | 719           | 729           | -2%                       | 1%                        | 183                        | 168           | 168           | -8%                       | -6%                       | 0%                        |
| Pakistan        | 438                           | 426           | 432           | -2%                       | 1%                        | 64                         | 66            | 69            | 9%                        | 12%                       | 5%                        |
| Sri Lanka       | 63                            | 56            | 57            | -9%                       | 2%                        | 9                          | 9             | 9             | -1%                       | 6%                        | 3%                        |
| The Philippines | 342                           | 305           | 313           | -9%                       | 2%                        | 53                         | 49            | 51            | -4%                       | -8%                       | 3%                        |
| Myanmar         | 154                           | 132           | 128           | -17%                      | -3%                       | 35                         | 33            | 30            | -12%                      | -14%                      | -9%                       |
| Nigeria         | 255                           | 248           | 256           | 1%                        | 3%                        | 30                         | 31            | 32            | 8%                        | 12%                       | 2%                        |
| Ghana           | 160                           | 153           | 154           | -3%                       | 1%                        | 43                         | 43            | 45            | 3%                        | 10%                       | 5%                        |
| Sierra Leone    | 35                            | 37            | 38            | 10%                       | 4%                        | 3                          | 5             | 5             | 60%                       | 68%                       | 8%                        |
| Kenya           | 104                           | 95            | 99            | -5%                       | 4%                        | 17                         | 13            | 14            | -16%                      | -9%                       | 10%                       |
| Tanzania        | 124                           | 125           | 129           | 4%                        | 3%                        | 21                         | 22            | 22            | 9%                        | 10%                       | 4%                        |
| Uganda          | 100                           | 80            | 81            | -19%                      | 2%                        | 10                         | 7             | 8             | -21%                      | -21%                      | 5%                        |
| Rwanda          | 21                            | 19            | 18            | -14%                      | -3%                       | 3                          | 3             | 3             | -6%                       | 0%                        | -4%                       |
| Zambia          | <u>3</u>                      | <u>6</u>      | <u>6</u>      | 100%                      | 10%                       | <u>0</u>                   | <u>1</u>      | <u>1</u>      | 87%                       | 172%                      | 21%                       |
| <b>Total</b>    | <b>2,540</b>                  | <b>2,400</b>  | <b>2,440</b>  | <b>-4%</b>                | <b>2%</b>                 | <b>470</b>                 | <b>449</b>    | <b>457</b>    | <b>-3%</b>                | <b>-1%</b>                | <b>2%</b>                 |

<sup>(7)</sup> Gross loan portfolio including the off-book BC and DA model, excluding interest receivable and before deducting ECL provisions and modification loss.

- With disbursements gradually increasing in many operating countries, Gross OLP increased 2% to USD 457m in February 2021 compared to the previous month and ended up 3% below February 2020 in USD.

## Selected moratoriums<sup>(8)</sup> on loan repayments until 28 February 2021

| <u>Countries</u> | <u>Clients under moratorium</u> |               |               | <u>As % of total</u> |
|------------------|---------------------------------|---------------|---------------|----------------------|
|                  | <u>Dec/20</u>                   | <u>Jan/21</u> | <u>Feb/21</u> | <u>Clients</u>       |
| India            | 0                               | 0             | 0             | 0%                   |
| Pakistan         | 0                               | 0             | 0             | 0%                   |
| Sri Lanka        | 10,634                          | 9,010         | 5,114         | 9%                   |
| The Philippines  | 57,511                          | 0             | 835           | 0%                   |
| Myanmar          | 85,970                          | 17,563        | 38,597        | 30%                  |
| Nigeria          | 0                               | 0             | 0             | 0%                   |
| Ghana            | 0                               | 0             | 0             | 0%                   |
| Sierra Leone     | 0                               | 0             | 0             | 0%                   |
| Kenya            | 0                               | 0             | 0             | 0%                   |
| Tanzania         | 0                               | 0             | 0             | 0%                   |
| Uganda           | 0                               | 0             | 0             | 0%                   |
| Rwanda           | 0                               | 0             | 0             | 0%                   |
| Zambia           | 0                               | 0             | 0             | 0%                   |
| <b>Total</b>     | <b>154,115</b>                  | <b>26,573</b> | <b>44,546</b> | <b>1.8%</b>          |

| <u>Countries</u> | <u>Moratorium amounts (USD thousands)</u> |               |               |                    | <u>February</u>    | <u>As % of</u>     |
|------------------|---|---------------|---------------|--------------------|--------------------|--------------------|
|                  | <u>Dec/20</u>                             | <u>Jan/21</u> | <u>Feb/21</u> | <u>Total since</u> | <u>moratoriums</u> | <u>total</u>       |
|                  |   |               |               | <u>Mar/20</u>      | <u>as % of OLP</u> | <u>moratoriums</u> |
| India            | 0   | 0             | 0             | 14,875             | 0%                 | 23%                |
| Pakistan         | 0   | 0             | 0             | 0                  | 0%                 | 0%                 |
| Sri Lanka        | 190                                       | 172           | 99            | 2,071              | 1%                 | 3%                 |
| The Philippines  | 2,229                                     | 0             | 20            | 26,437             | 0%                 | 41%                |
| Myanmar          | 3,951                                     | 402           | 959           | 9,812              | 3%                 | 15%                |
| Nigeria          | 0   | 0             | 0             | 1,033              | 0%                 | 2%                 |
| Ghana            | 0   | 0             | 0             | 0                  | 0%                 | 0%                 |
| Sierra Leone     | 0   | 0             | 0             | 50                 | 0%                 | 0%                 |
| Kenya            | 0   | 0             | 0             | 4,748              | 0%                 | 7%                 |
| Tanzania         | 0   | 0             | 0             | 266                | 0%                 | 0%                 |
| Uganda           | 0   | 0             | 0             | 4,715              | 0%                 | 7%                 |
| Rwanda           | 0   | 0             | 0             | 574                | 0%                 | 1%                 |
| Zambia           | 0   | 0             | 0             | 0                  | 0%                 | 0%                 |
| <b>Total</b>     | <b>6,370</b>                              | <b>574</b>    | <b>1,078</b>  | <b>64,582</b>      | <b>0.2%</b>        | <b>100.0%</b>      |

<sup>(8)</sup> Moratoriums relate to clients who have received an extension for the payment of one or more loan instalments during the month.

- Moratoriums on loan repayments were granted to clients in Sri Lanka, the Philippines and Myanmar and amounted to USD 1.1m, which represents 0.2% of the Group's Gross OLP for the month.
- Moratoriums granted in Myanmar increased compared to January due to disruption in operations following the military's takeover of the Government and ongoing nation-wide protests.

Please note that, while the Company's operational performance appears to gradually normalize in most countries, the risk of further challenges to our operations should not be underestimated due to (i) the still relatively high infection rates, (ii) the current lack of available vaccines in most of our operating countries,

(iii) the risk of the introduction of more infectious COVID-19 variants in our operating countries as have been observed in the United Kingdom, South Africa, Brazil, and, most recently, the Philippines, and(iv) the associated disruption this may cause to the businesses of our clients.

**Notice of Full Year Results**

As announced on 26 February, the Company expects to announce its results for the year ended 31 December 2020 in mid-May 2021. The date will be confirmed in due course.

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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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