



## Press release

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

Amsterdam, The Netherlands, 18 November 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 31 October 2021.

- Liquidity remains high with approximately USD 103m of unrestricted cash and cash equivalents across the Group.
- The pipeline of funding deals under negotiation totalled approximately USD 198m.
- With the exception of India and Myanmar, all other operating companies achieved collection efficiency of more than 90%.
- India collections improved to 70% from 64% in September as markets recover from recent lockdowns. Collection efficiency, excluding instalments due from clients receiving the one-time loan restructuring offered by the Reserve Bank of India ('RBI'), decreased to 91%.
- Sri Lanka collections resumed to 91% following the end of nationwide lockdowns.
- Collections in Myanmar improved to 68% from 55% in September despite the partial lockdown imposed by the local government.
- Uganda collections improved to 94% from 89% in September with fewer local lockdowns and travel restrictions across the country.
- Portfolio quality remained challenging, particularly in India. However, the benchmark PAR>30 for the Group, including off-book loans and excluding loans overdue more than 365 days, improved to 11.8% from 13.8% in September, and PAR>90 improved to 8.6% from 10.2% in September.
- Excluding all loans which have been overdue for more than 180 days and, as a result, have been fully provided for, PAR>30 improved from 5.2% in September to 4.8%.
- The Group's operating subsidiaries, excluding India, the Philippines and Myanmar, collectively have been able to reduce PAR>30 to 2.0%.
- Disbursements as percentage of collections exceeded 100% in 7 countries with much lower percentages seen in India, Myanmar and Sri Lanka, due to the ongoing disruptions to our clients' business activities resulting from the high ongoing infection rates, which caused, amongst others, additional lockdowns and other Covid-19 related restrictions.
- The number of clients remained around 2.5m, while Gross OLP increased to USD 440m (1% higher than in September 2021 and 2% higher than in October 2020).
- The moratoriums granted in October amounted to USD 36.0m, primarily due to the loan restructuring of certain distressed clients in India as per the RBI guidelines.

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

- Since March 2020, the number of staff members confirmed as infected by Covid-19 increased to 443 of over 12,800 staff, with two deaths. Confirmed infections amongst 2.5m clients increased to 19,458 from 18,218 in the previous month, resulting in 676 deaths since the start of the pandemic. Of the 676 client deaths across the Group, 451 are from Myanmar, with 7 of those deaths occurring in October 2021.

## Funding

- Unrestricted cash and cash equivalents remained high at approximately USD 103m.
- The Company secured approximately USD 2m of new loans from local and international lenders in October 2021.
- The majority of the Company's USD 198m 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 2021<sup>(1, 2)</sup>

Countries	Jan/21	Feb/21	Mar/21	Apr/21	May/21	Jun/21	Jul/21	Aug/21	Sep/21	Oct/21
India	82%	84%	87%	87%	67%	55%	58%	60%	64%	70%
Pakistan	98%	99%	99%	99%	99%	99%	99%	99%	99%	99%
Sri Lanka	97%	90%	91%	93%	57%	76% <sup>(3)</sup>	76%	80% <sup>(3)</sup>	Nil <sup>(3)</sup>	91%
The Philippines	75%	80%	85%	84%	89%	99%	100%	99%	96%	97%
Myanmar	89%	78%	59%	55%	67%	70%	64% <sup>(4)</sup>	Nil <sup>(5)</sup>	55% <sup>(6)</sup>	68%
Ghana	99%	100%	100%	100%	99%	99%	99%	99%	99%	100%
Nigeria	95%	97%	96%	95%	94%	96%	96%	96%	95%	96%
Sierra Leone	95%	89%	96%	93%	92%	94%	93%	92%	91%	93%
Kenya	97%	98%	100%	100%	99%	99%	99%	99%	100%	100%
Uganda	87%	93%	99%	100%	100%	95%	83%	84%	89%	94%
Tanzania	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Rwanda	93%	91%	96%	95%	96%	96%	96%	94%	96%	97%
Zambia	100%	100%	100%	100%	99%	100%	100%	99%	100%	99%

<sup>(1)</sup> Collection efficiency refers to actual collections from clients divided by realizable collections for the period.

<sup>(2)</sup> 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 realizable regular collections, actual overdue collections and actual advance payments. This also means that collection efficiency no longer can exceed 100%.

<sup>(3)</sup> The collection efficiency for 1-15 June 2021, 20-31 August 2021, and 1-30 September is nil due to the lockdowns in Sri Lanka. Only the collection efficiency for 16-30 June 2021 and 1-19 August 2021 is provided.

<sup>(4)</sup> Collection efficiency for 1-16 July 2021. The collection efficiency for 17-31 July is nil due to the holiday from 17 July to 1 August 2021, announced by the Myanmar Government, so only the collection efficiency for 1-16 July 2021 is provided.

<sup>(5)</sup> Collection efficiency for August 2021 is nil due to the stay-at-home policy from 1 August to 24 September 2021, announced by the Myanmar Government.

<sup>(6)</sup> Collection for September 2021 is only from clients who opted to repay instalments despite the ongoing lockdowns.

- Collection efficiency across the Group increased or remained broadly stable compared to the previous month in all countries.
- Collections in India improved to 70% as clients' businesses continue to slowly recover from the impact of recent lockdowns in most states. Collection efficiency, excluding instalments due from clients receiving the one-time loan restructuring, decreased to 91%.
- It is important to note that India's 70% collection efficiency does not properly account for the significant amount of overdue collection. Collection efficiency, including regular and overdue collections as well as advance payments, amounts to 91.5% as a percentage of the regular, realizable collections, including advance payments, in October. The substantial difference is due to the Group's policy that any loan instalment paid is first credited against the oldest outstanding amount overdue. This has an adverse impact on India's monthly collection efficiency, which is further aggravated by the relatively long duration of the loans disbursed in India.
- Collections in Sri Lanka resumed to 91% following the end of nation-wide lockdowns.

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)

- Myanmar collections improved to 68% despite the partial lockdown imposed by the government.
- In Uganda collections improved to 94% with fewer lockdowns and travel restrictions in place.

### Loan portfolio quality up to and including October 2021<sup>(7, 8, 9)</sup>

	Gross OLP (in USDm)			Non-overdue loans			PAR>30 less PAR>180		
	Aug/21	Sep/21	Oct/21	Aug/21	Sep/21	Oct/21	Aug/21	Sep/21	Oct/21
India (total)	140	132	125	55.4%	56.9%	55.7%	14.6%	13.9%	13.3%
Pakistan	74	74	76	98.4%	98.5%	99.6%	0.3%	0.3%	0.2%
Sri Lanka	8	8	8	63.5%	79.4%	81.1%	8.2%	8.8%	6.4%
Philippines	55	54	55	76.3%	76.4%	77.7%	1.9%	2.2%	2.4%
Myanmar	23	20	20	98.8%	89.8%	98.6%	0.6%	0.3%	0.4%
Ghana	44	46	47	98.8%	99.1%	99.1%	0.3%	0.3%	0.3%
Nigeria	34	35	37	88.6%	89.9%	90.5%	3.0%	3.0%	2.9%
Sierra Leone	7	7	7	81.1%	80.2%	79.7%	2.6%	2.7%	3.2%
Kenya	18	18	19	90.1%	90.8%	91.1%	0.5%	0.5%	0.5%
Uganda	8	9	10	70.9%	79.6%	85.5%	8.7%	7.2%	5.5%
Tanzania	28	29	31	98.0%	98.1%	98.3%	0.3%	0.3%	0.3%
Rwanda	3	3	3	85.8%	88.7%	90.9%	2.9%	2.9%	2.8%
Zambia	<u>1</u>	<u>1</u>	<u>2</u>	<u>98.9%</u>	<u>98.9%</u>	<u>97.7%</u>	<u>0.5%</u>	<u>0.5%</u>	<u>0.5%</u>
<b>Group</b>	<b>442</b>	<b>437</b>	<b>440</b>	<b>79.6%</b>	<b>80.8%</b>	<b>82.0%</b>	<b>5.6%</b>	<b>5.2%</b>	<b>4.8%</b>

	PAR>30			PAR>90			PAR>180		
	Aug/21	Sep/21	Oct/21	Aug/21	Sep/21	Oct/21	Aug/21	Sep/21	Oct/21
India (total)	35.9%	33.1%	29.4%	24.8%	23.2%	20.3%	21.3%	19.2%	16.0%
Pakistan	1.0%	0.8%	0.3%	0.8%	0.7%	0.2%	0.7%	0.5%	0.1%
Sri Lanka	10.8%	11.6%	9.1%	5.9%	7.0%	6.7%	2.6%	2.8%	2.8%
Philippines	19.1%	18.9%	18.2%	18.1%	17.3%	16.6%	17.2%	16.7%	15.8%
Myanmar	1.0%	1.0%	1.0%	0.9%	0.9%	0.8%	0.3%	0.7%	0.6%
Ghana	0.4%	0.3%	0.3%	0.2%	0.2%	0.2%	0.1%	0.0%	0.1%
Nigeria	5.0%	4.6%	4.5%	3.6%	3.2%	2.9%	2.0%	1.6%	1.6%
Sierra Leone	4.4%	4.4%	5.1%	3.0%	2.8%	3.2%	1.8%	1.8%	1.9%
Kenya	6.4%	3.1%	1.6%	6.2%	2.8%	1.3%	6.0%	2.6%	1.1%
Uganda	20.1%	16.3%	10.6%	11.6%	9.9%	7.1%	11.5%	9.1%	5.1%
Tanzania	1.1%	0.8%	0.6%	0.9%	0.7%	0.5%	0.8%	0.5%	0.3%
Rwanda	8.7%	8.1%	6.4%	7.4%	6.5%	4.6%	5.8%	5.2%	3.6%
Zambia	<u>1.1%</u>	<u>1.0%</u>	<u>0.8%</u>	<u>1.0%</u>	<u>0.9%</u>	<u>0.4%</u>	<u>0.6%</u>	<u>0.6%</u>	<u>0.3%</u>
<b>Group</b>	<b>15.3%</b>	<b>13.8%</b>	<b>11.8%</b>	<b>11.3%</b>	<b>10.2%</b>	<b>8.6%</b>	<b>9.8%</b>	<b>8.6%</b>	<b>7.0%</b>

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

<sup>(8)</sup> 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 OLP including off-book loans. Loans more than 365 days now comprise 3% of the Gross OLP

<sup>(9)</sup> The table "PAR>30 less PAR>180" shows the percentage of outstanding client loans with a PAR greater than 30 days, less those loans which have been fully provided for.

- PAR>30 for the Group improved to 11.8%, primarily due to the marginal improvements in India, Sri Lanka, Kenya, Uganda, and Rwanda as well as moratoriums granted in India and Myanmar.
- Credit exposure of the India off-book BC portfolio of USD 33.1m is capped at 5%. The included off-book DA portfolio of USD 2.0m has no credit exposure.

## Disbursements vs collections of loans until 31 October 2021<sup>(10)</sup>

Countries	Jan/21	Feb/21	Mar/21	Apr/21	May/21	Jun/21	Jul/21	Aug/21	Sep/21	Oct/21
India	90%	104%	131%	71%	3%	5%	25%	36%	52%	39%
Pakistan	97%	99%	99%	102%	89% <sup>(11)</sup>	102%	98%	103%	100%	100%
Sri Lanka	95%	116%	92%	43%	17%	0%	56%	87%	Nil <sup>(13)</sup>	86%
The Philippines	113%	101%	96%	88%	91%	88%	87%	91%	89%	90%
Myanmar	144%	55%	71%	30%	76%	87%	64%	Nil <sup>(12)</sup>	37%	73%
Ghana	94%	112%	118%	99%	91% <sup>(11)</sup>	99%	85%	112%	120%	111%
Nigeria	68%	105%	109%	109%	108%	109%	103%	104%	110%	128%
Sierra Leone	89%	109%	110%	95%	101%	118%	119%	133%	124%	112%
Kenya	97%	113%	107%	100%	100%	93%	107%	97%	100%	96%
Uganda	46%	99%	99%	105%	99%	53%	60%	93%	109%	115%
Tanzania	78%	97%	102%	107%	109%	96%	86%	91%	100%	107%
Rwanda	60%	73%	86%	95%	106%	81%	61%	95%	102%	101%
Zambia	137%	140%	115%	107%	142%	170%	103%	102%	102%	110%

<sup>(10)</sup> Disbursements vs collections refers to actual loan disbursements made to clients divided by total loans collected from clients in the period.

<sup>(11)</sup> Slowdown in disbursements due to official EID holidays in second week of May.

<sup>(12)</sup> Disbursements vs collections for August is nil due to the stay-at-home policy announced by the Myanmar Government.

<sup>(13)</sup> Disbursements vs collections for September is nil due the nationwide lockdowns.

- With the business environment continuing to gradually improve in many countries, disbursements of new loans continued to stabilise or increase as a percentage of weekly collections, with the main exception of India, primarily due to the slow recovery from the impact of lockdowns in most states.

## Development of Clients and Outstanding Loan Portfolio until 31 October 2021

Countries	<u>Clients (in thousands)</u>			<u>Delta</u>		<u>Gross OLP (in USDm)</u>			<u>Delta</u>		
	<u>Oct/20</u>	<u>Sep/21</u>	<u>Oct/21</u>	<u>Oct/20-</u>	<u>Sep/21-</u>	<u>Oct/20</u>	<u>Sep/21</u>	<u>Oct/21</u>	<u>Oct/20-</u>	<u>Oct/20-</u>	<u>Sep/21-</u>
				<u>Oct/21</u>	<u>Oct/21</u>				<u>USD</u>	<u>CC<sup>(14)</sup></u>	<u>USD</u>
India	713	663	645	-10%	-3%	167	132	125	-25%	-25%	-5%
Pakistan	409	495	493	20%	0%	58	74	76	30%	39%	2%
Sri Lanka	56	53	52	-8%	-1%	9	8	8	-11%	-3%	1%
The Philippines	278	345	349	25%	1%	48	54	55	14%	19%	2%
Myanmar	128	116	114	-11%	-2%	30	20	20	-35%	-9%	2%
Ghana	151	150	153	1%	2%	41	46	47	15%	20%	2%
Nigeria	228	253	256	12%	1%	29	35	37	29%	39%	7%
Sierra Leone	35	43	44	27%	2%	4	7	7	65%	80%	1%
Kenya	86	121	124	45%	3%	13	18	19	46%	49%	2%
Uganda	81	84	86	6%	3%	8	9	10	22%	16%	10%
Tanzania	108	161	166	53%	3%	20	29	31	51%	50%	5%
Rwanda	19	17	17	-7%	0%	3	3	3	23%	25%	6%
Zambia	<u>5</u>	<u>12</u>	<u>13</u>	154%	8%	<u>0.4</u>	<u>1</u>	<u>2</u>	329%	259%	19%
<b>Total</b>	<b>2,297</b>	<b>2,513</b>	<b>2,511</b>	<b>9%</b>	<b>-0.1%</b>	<b>431</b>	<b>437</b>	<b>440</b>	<b>2%</b>	<b>7%</b>	<b>1%</b>

<sup>(14)</sup> Constant currency ('CC') implies conversion of local currency results to USD with the exchange rate from the beginning of the period.

- With disbursements as percentage of collections stabilising or exceeding 100% in many countries, Gross OLP increased to USD 440m (1% higher than in September 2021 and 2% higher than in October 2020).

## Selected moratoriums<sup>(15)</sup> on loan repayments until 31 October 2021

<u>Countries</u>	<u>Clients under moratorium (in thousands)</u>			<u>As % of Total</u>
	<u>Aug/21</u>	<u>Sep/21</u>	<u>Oct/21</u>	<u>Clients</u>
India	230	205	205	32%
Pakistan	0	0	0	0%
Sri Lanka	7	3	5	10%
The Philippines	0	0	0	0%
Myanmar	56	58	54	47%
Ghana	0	0	0	0%
Nigeria	0	0	0	0%
Sierra Leone	0	0	0	0%
Kenya	0	0	0	0%
Uganda	0	0	0	0%
Tanzania	0	0	0	0%
Rwanda	0	0	0	0%
Zambia	0	0	0	0%
<b>Total</b>	<b>293</b>	<b>266</b>	<b>264</b>	<b>11%</b>

<u>Countries</u>	<u>Moratorium amounts (USD thousands)</u>			<u>October</u>	<u>As % of Total</u>
	<u>Aug/21</u>	<u>Sep/21</u>	<u>Oct/21</u>	<u>Moratoriums as % of OLP</u>	<u>Moratoriums</u>
India	46,076	43,757	34,988	28%	97%
Pakistan	0	0	0	0%	0%
Sri Lanka	85	29	71	0.9%	0.2%
The Philippines	0	0	0	0%	0%
Myanmar	1,317	1,239	1,001	5%	3%
Ghana	0	0	0	0%	0%
Nigeria	0	0	0	0%	0%
Sierra Leone	0	0	0	0%	0%
Kenya	0	0	0	0%	0%
Uganda	0	0	0	0%	0%
Tanzania	0	0	0	0%	0%
Rwanda	0	0	0	0%	0%
Zambia	0	0	0	0%	0%
<b>Total</b>	<b>47,478</b>	<b>45,024</b>	<b>36,060</b>	<b>8%</b>	<b>100%</b>

<sup>(15)</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 relate primarily to approximately 32% of clients in India, who accepted to benefit from the one-time debt restructuring scheme established by the RBI. See [RBI Covid-19 Restructuring Guidelines](#).
- Moratoriums granted in Sri Lanka and Myanmar were due to disruption in operations following national lockdowns.
- The moratorium amount across the Group was USD 36.0m, which represents 8% of the Group's Gross OLP.

Please note that, while the Company's operational performance appears to gradually normalize in most countries except for India, Myanmar, Sri Lanka and Uganda, the risk of additional challenges to our operations should not be underestimated, as we have recently seen in for instance India and Myanmar, 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, the Philippines, Myanmar and India, and (iv) the associated disruption this may cause to the businesses of our clients.

---

#### **Enquiries:**

#### **ASA International Group plc**

Investor Relations

Véronique Schyns

+31 6 2030 0139

[vschyns@asa-international.com](mailto:vschyns@asa-international.com)

#### **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.

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](http://www.asa-international.com)

Reg No:11361159 (England and Wales)