



Press release

ASA International Group plc May 2022 business update

Amsterdam, The Netherlands, 16 June 2022 - ASA International, ('ASA International', the 'Company' or the 'Group'), one of the world's largest international microfinance institutions, today provides the following update on its business operations as at 31 May 2022.

- 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 203m.
- With the exception of India and Myanmar, all other operating subsidiaries continued to achieve collection efficiency of more than 90% with 10 countries achieving more than 95%.
- India collections remained at 83%. Collection efficiency, excluding instalments due from clients receiving the one-time loan restructuring offered by the Reserve Bank of India ('RBI'), however decreased from 111% to 109%.
- The benchmark PAR>30 for the Group, including off-book loans and excluding loans overdue more than 365 days, slightly improved from 6.3% to 6.0%.
- The PAR>30 for the Group's operating subsidiaries, excluding India and Myanmar, remained at 1.9%.
- Excluding all loans which have been overdue for more than 180 days and, as a result, have been fully provided for, PAR>30 slightly decreased from 4.4% to 4.2%.
- Disbursements as percentage of collections exceeded 100% in 10 countries. The decreasing percentage in Sri Lanka was primarily due to the political unrest.
- With the number of clients broadly stable at 2.4m, the strategic reduction of disbursements in India and Sri Lanka and currency depreciation versus USD across almost all markets, particularly in Pakistan (7% depreciation in May), the Gross OLP decreased to USD 414m (1.1% lower than in April 2022 and 12% lower than in May 2021).
- Gross OLP for the Group in constant currency was at the same level as May 2021 at USD 473m. Gross OLP in constant currency, excluding India, was USD 320m (23% higher than in May 2021).
- The moratorium amount decreased from USD 19.8m to USD 18.4m, and is composed of the restructured loans of certain distressed clients in India as per the RBI guidelines. No other operating subsidiary granted moratoriums.

Going forward the Company will move from publishing monthly business updates to quarterly updates. The next one will be the August business update, published together with the 2022 Interim results on 20 September 2022.

Funding

- Unrestricted cash and cash equivalents remained high at approximately USD 103m.
- The Company secured approximately USD 3m of new loans from local and international lenders in May 2022.
- The majority of the Company's USD 203m 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 May 2022⁽¹⁾

Countries	Dec/21	Jan/22	Feb/22	Mar/22	Apr/22	May/22
India	74%	76%	76%	81%	83%	83%
Pakistan	99%	99%	100%	100%	100%	100%
Sri Lanka	94%	93%	93%	94%	93%	92%
The Philippines	97%	98%	98%	99%	99%	99%
Myanmar	78% ⁽²⁾	78% ⁽²⁾	72% ⁽²⁾	72% ⁽²⁾	72% ⁽²⁾	73% ⁽²⁾
Ghana	99%	99%	99%	100%	100%	100%
Nigeria	96%	95%	96%	96%	95%	95%
Sierra Leone	92%	92%	92%	94%	94%	96%
Kenya	100%	99%	100%	100%	100%	100%
Uganda	100%	100%	100%	100%	100%	100%
Tanzania	100%	100%	100%	100%	100%	100%
Rwanda	97%	97%	97%	97%	97%	97%
Zambia	99%	100%	100%	98%	98%	98%

⁽¹⁾ Collection efficiency refers to actual collections from clients divided by realizable collections for the period. It is calculated as follows: 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. Under this definition collection efficiency cannot exceed 100%.

⁽²⁾ Collections are impacted by the ongoing lockdowns and civil unrest in some areas of our operations.

- Collection efficiency across the Group increased or remained broadly stable compared to the previous month in all countries.
- Collections in India remained at 83%. Collection efficiency, excluding instalments due from clients receiving the one-time loan restructuring, however decreased from 111% to 109%.
- Collection efficiency in India, including regular and overdue collections as well as advance payments, decreased from 109% to 108% as a percentage of the regular, realisable collections, including advance payments. The substantial difference between this measure of collection efficiency and the version in the table above 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. This adjusted collection efficiency metric illustrates that most clients in India continue to make payments on their loans due.

Loan portfolio quality up to and including May 2022^(3, 4, 5)

	Gross OLP (in USDm)			Non-overdue loans			PAR>30 less PAR>180		
	Mar-22	Apr-22	May-22	Mar-22	Apr-22	May-22	Mar-22	Apr-22	May-22
India (total)	103	98	94	70.1%	70.7%	71.2%	9.3%	8.6%	8.0%
Pakistan	83	84	80	99.7%	99.7%	99.7%	0.2%	0.2%	0.2%
Sri Lanka	6	5	4	86.7%	86.1%	81.6%	4.0%	4.2%	4.7%
Philippines	47	48	48	96.3%	96.6%	96.9%	1.6%	1.4%	1.2%
Myanmar	21	20	20	57.7%	61.8%	60.2%	29.3%	33.3%	33.1%
Ghana	41	43	43	99.3%	99.4%	99.4%	0.2%	0.2%	0.2%
Nigeria	37	38	40	90.3%	89.8%	90.6%	3.9%	3.9%	3.9%
Sierra Leone	7	6	6	65.8%	78.4%	87.1%	6.8%	6.7%	5.3%
Kenya	18	20	20	98.6%	98.7%	98.8%	0.5%	0.5%	0.4%
Uganda	11	11	11	92.9%	93.7%	94.4%	0.4%	0.2%	0.1%
Tanzania	38	40	42	99.1%	99.1%	99.1%	0.2%	0.1%	0.2%
Rwanda	3	3	4	93.1%	93.2%	93.5%	3.1%	3.1%	3.0%
Zambia	<u>2</u>	<u>2</u>	<u>2</u>	<u>96.8%</u>	<u>95.8%</u>	<u>95.5%</u>	<u>1.1%</u>	<u>1.6%</u>	<u>2.4%</u>
Group	417	418	414	87.9%	89.0%	89.4%	4.6%	4.4%	4.2%

	PAR>30			PAR>90			PAR>180		
	Mar-22	Apr-22	May-22	Mar-22	Apr-22	May-22	Mar-22	Apr-22	May-22
India (total)	15.4%	14.3%	13.1%	8.7%	7.9%	7.1%	6.2%	5.7%	5.2%
Pakistan	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
Sri Lanka	6.6%	6.9%	7.4%	4.2%	4.6%	4.9%	2.6%	2.6%	2.7%
Philippines	2.8%	2.8%	2.8%	2.1%	2.3%	2.4%	1.2%	1.4%	1.6%
Myanmar	29.8%	33.8%	33.6%	1.0%	14.4%	24.7%	0.5%	0.4%	0.5%
Ghana	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
Nigeria	6.2%	6.2%	6.1%	4.0%	4.1%	4.1%	2.3%	2.3%	2.2%
Sierra Leone	9.5%	9.8%	10.1%	6.8%	7.5%	8.2%	2.7%	3.1%	4.7%
Kenya	1.0%	0.9%	0.9%	0.7%	0.7%	0.7%	0.4%	0.4%	0.4%
Uganda	2.0%	1.7%	1.5%	1.9%	1.6%	1.5%	1.6%	1.6%	1.4%
Tanzania	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%
Rwanda	5.1%	4.9%	4.7%	3.5%	3.3%	3.3%	2.0%	1.8%	1.7%
Zambia	<u>1.4%</u>	<u>1.9%</u>	<u>2.7%</u>	<u>0.6%</u>	<u>0.8%</u>	<u>1.1%</u>	<u>0.3%</u>	<u>0.3%</u>	<u>0.3%</u>
Group	6.7%	6.3%	6.0%	3.1%	3.5%	3.8%	2.1%	1.9%	1.8%

⁽³⁾ Gross OLP includes the off-book BC and DA model, excluding interest receivable and before deducting ECL provisions and modification loss.

⁽⁴⁾ 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 overdue more than 365 days now comprise 3% of the Gross OLP.

⁽⁵⁾ 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 slightly decreased from 6.3% to 6.0%.
- 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 1.5m has no credit exposure.

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Disbursements vs collections of loans until 31 May 2022⁽⁶⁾

Countries	Dec/21	Jan/22	Feb/22	Mar/22	Apr/22	May/22
India	88%	78%	65%	62%	52%	72%
Pakistan	100%	100%	96%	100%	117%	118%
Sri Lanka	113%	70%	115%	122%	55%	42%
The Philippines	81%	80%	93%	104%	112%	105%
Myanmar	95%	99%	99%	116%	77%	106%
Ghana	108%	74%	110%	115%	118%	112%
Nigeria	93%	71%	98%	98%	110%	120%
Sierra Leone	110%	97%	102%	113%	105%	93%
Kenya	55%	95%	101%	113%	125%	112%
Uganda	69%	81%	112%	118%	122%	112%
Tanzania	107%	114%	112%	110%	130%	120%
Rwanda	98%	65%	80%	107%	112%	129%
Zambia	109%	76%	80%	109%	116%	125%

⁽⁶⁾ Disbursements vs collections refers to actual loan disbursements made to clients divided by total amounts collected from clients in the period.

- Disbursements as percentage of collections exceeded 100% in 10 countries. The decreasing percentage in Sri Lanka was primarily due to the political unrest.

Development of Clients and Outstanding Loan Portfolio until 31 May 2022

Countries	<u>Clients (in thousands)</u>			<u>Delta</u>		<u>Gross OLP (in USDm)</u>			<u>Delta</u>		
	<u>May-21</u>	<u>Apr-22</u>	<u>May-22</u>	<u>May/21-</u>	<u>Apr/22-</u>	<u>May-21</u>	<u>Apr-22</u>	<u>May-22</u>	<u>May/21-</u>	<u>May/21-</u>	<u>Apr/22-</u>
				<u>May/22</u>	<u>May/22</u>				<u>USD</u>	<u>CC⁽⁷⁾</u>	<u>USD</u>
India	724	465	462	-36%	-1%	168	98	94	-44%	-40%	-4%
Pakistan	462	552	561	21%	2%	76	84	80	5%	36%	-5%
Sri Lanka	56	51	49	-12%	-4%	9	5	4	-51%	-9%	-9%
The Philippines	331	303	306	-8%	1%	55	48	48	-13%	-4%	1%
Myanmar	120	110	109	-9%	0%	24	20	20	-17%	-6%	1%
Ghana	157	164	165	4%	1%	46	43	43	-8%	24%	-1%
Nigeria	253	237	233	-8%	-2%	32	38	40	25%	26%	4%
Sierra Leone	40	41	40	0%	-3%	6	6	6	11%	41%	-7%
Kenya	109	127	131	21%	3%	16	20	20	23%	34%	3%
Uganda	86	96	100	16%	4%	9	11	11	16%	24%	-2%
Tanzania	141	195	199	41%	2%	27	40	42	55%	55%	4%
Rwanda	18	18	18	2%	2%	3	3	4	23%	27%	7%
Zambia	<u>9</u>	<u>17</u>	<u>18</u>	95%	4%	1	<u>2</u>	<u>2</u>	216%	142%	5%
Total	2,506	2,375	2,390	-5%	0.7%	472	418	414	-12%	0.3%	-1.1%

⁽⁷⁾ Constant currency ('CC') implies conversion of local currency results to USD with the exchange rate from the beginning of the period.

- With the number of clients broadly stable at 2.4m, the strategic reduction of disbursements in India and Sri Lanka and currency depreciation versus USD across almost all markets, particularly in Pakistan (7% depreciation in May), the Gross OLP decreased to USD 414m (1.1% lower than in April 2022 and 12% lower than in May 2021).
- Gross OLP for the Group in constant currency was at the same level as May 2021 at USD 473m. Gross OLP in constant currency, excluding India, was USD 320m (23% higher than in May 2021).

Selected moratoriums⁽⁸⁾ on loan repayments until 31 May 2022

Clients under moratorium (in thousands)

<u>Countries</u>	<u>Mar/22</u>	<u>Apr/22</u>	<u>May/22</u>	<u>As % of Total Clients</u>
India	205	205	205	44%
Group	205	205	205	9%

Moratorium amounts (USD thousands)

<u>Countries</u>	<u>Mar/22</u>	<u>Apr/22</u>	<u>May/22</u>	<u>May Moratoriums as % of OLP</u>	<u>As % of Total Moratoriums</u>
India	21,150	19,750	18,399	20%	100%
Group	21,150	19,750	18,399	4%	100%

⁽⁸⁾ 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 to approximately 44% of clients in India, who accepted to benefit from the one-time debt restructuring scheme established by the RBI and confirmed in September 2021, which ends in June 2022. See [RBI Covid-19 Restructuring Guidelines](#).
- The moratorium amount across the Group decreased to USD 18.4m, which represents 4% of the Group's Gross OLP.

Key events in June 2022

- Other than the existing partial lockdown and curfews in Myanmar, the Company is not aware of any further restrictions implemented in its operating countries as a result of the emergence of the Omicron variant up until 13 June 2022.

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About ASA International Group plc

ASA International Group plc (ASAI: LN) 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.