



Press release

ASA International Group plc October 2022 business update

Amsterdam, The Netherlands, 18 November 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 October 2022 compared to 31 August 2022.

- Liquidity remains high with approximately USD 71 million of unrestricted cash and cash equivalents across the Group, decreasing from USD 106 million in August, primarily due to loan repayments in September and October.
- The pipeline of funding deals under negotiation totalled approximately USD 197 million.
- With the exception of India, all other operating subsidiaries achieved collection efficiency of more than 90% with 9 countries achieving more than 95%.
- India collections remained broadly stable at 83%. Collection efficiency, including regular and overdue collections as well as advance payments, as a percentage of the regular, realisable collections, including advance payments, decreased from 101% in August to 98% in October.
- PAR>30 for the Group, including off-book loans and excluding loans overdue more than 365 days, increased from 6.5% in August to 6.7% in October, primarily due to the end of moratoriums in India as of June.
- The PAR>30 for the Group's operating subsidiaries, excluding India and Myanmar, remained stable 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 remained broadly stable at 4.3%.
- Disbursements as percentage of collections exceeded 100% in 12 countries. The decreasing percentage in India was due to the ongoing strategic decision to reduce disbursements.
- With the number of clients for the Group slightly decreasing, the continuing strategic focus in India on primarily collections and the impact of currency depreciation in almost all countries, the Group's Gross OLP decreased to USD 358 million (3% lower than in August 2022 and 18% lower than in October 2021).
- There were no moratoriums granted to clients in September and October 2022.

Funding

- Unrestricted cash and cash equivalents remained high at approximately USD 71 million.
- The Company secured approximately USD 31 million of new loans from local and international lenders in September and October 2022.
- The majority of the Company's USD 197 million 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 2022⁽¹⁾

Countries	May/22	Jun/22	Jul/22	Aug/22	Sep/22	Oct/22
India	83%	85%	86%	84%	86%	83%
Pakistan	100%	100%	100%	99%	99%	99%
Sri Lanka	92%	89%	89%	88%	90%	91%
The Philippines	99%	100%	100%	100%	100%	99%
Myanmar	73% ⁽²⁾	78% ⁽²⁾	80% ⁽²⁾	84% ⁽²⁾	88% ⁽²⁾	92% ⁽²⁾
Ghana	100%	100%	100%	100%	100%	100%
Nigeria	95%	96%	96%	96%	96%	96%
Sierra Leone	96%	96%	96%	94%	94%	93%
Tanzania	100%	100%	100%	100%	100%	100%
Kenya	100%	100%	100%	100%	100%	100%
Uganda	100%	100%	100%	100%	100%	100%
Rwanda	97%	97%	97%	97%	97%	97%
Zambia	98%	98%	98%	98%	98%	98%

⁽¹⁾ Collection efficiency refers to actual collections from clients divided by realisable 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 realisable 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 increased or remained broadly stable in all countries.
- ASA India was closed for two weeks in October due to festivals, which impacted collections.
- Adjusted collection efficiency in India, including regular and overdue collections as well as advance payments, as a percentage of the regular, realisable collections, including advance payments, was at 98%. The substantial difference of this adjusted collection efficiency metric is related 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.
- The superfloods and unusual rains in Pakistan from July until September 2022 mostly affected Sindh and Baluchistan provinces including some parts of Punjab, and mainly impacted ASA Pakistan's collections in Sindh. Although market conditions in both Myanmar and Sri Lanka remained volatile, conditions slightly improved.

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

	Gross OLP (in USDm)			Non-overdue loans			PAR>30 less PAR>180		
	Aug-22	Sep-22	Oct-22	Aug-22	Sep-22	Oct-22	Aug-22	Sep-22	Oct-22
India (total)	66	57	52	62.5%	60.1%	56.4%	16.1%	19.5%	21.9%
Pakistan	77	76	81	98.6%	98.4%	98.6%	0.2%	0.4%	0.6%
Sri Lanka	4	4	4	76.8%	80.4%	83.7%	8.9%	8.1%	7.0%
Philippines	47	46	46	97.1%	97.0%	96.7%	0.5%	0.5%	0.5%
Myanmar	17	17	17	68.6%	70.0%	70.8%	12.5%	7.8%	5.2%
Ghana	34	34	27	99.5%	99.5%	99.5%	0.1%	0.1%	0.1%
Nigeria	41	40	40	91.0%	89.7%	90.1%	3.6%	3.5%	3.6%
Sierra Leone	5	5	5	84.4%	86.6%	86.7%	4.3%	5.1%	5.5%
Tanzania	44	45	47	99.4%	99.4%	99.4%	0.2%	0.2%	0.3%
Kenya	19	20	21	98.9%	98.9%	99.0%	0.4%	0.4%	0.4%
Uganda	10	11	11	98.6%	98.9%	98.4%	0.2%	0.3%	0.3%
Rwanda	4	4	4	94.1%	94.1%	94.1%	2.5%	2.4%	2.4%
Zambia	<u>3</u>	<u>3</u>	<u>3</u>	<u>95.2%</u>	<u>94.7%</u>	<u>94.3%</u>	<u>2.6%</u>	<u>2.6%</u>	<u>2.3%</u>
Group	370	361	358	89.5%	89.7%	89.7%	4.2%	4.3%	4.3%

	PAR>30			PAR>90			PAR>180		
	Aug-22	Sep-22	Oct-22	Aug-22	Sep-22	Oct-22	Aug-22	Sep-22	Oct-22
India (total)	20.5%	23.7%	25.9%	6.0%	5.8%	17.0%	4.4%	4.2%	4.0%
Pakistan	0.2%	0.4%	0.6%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
Sri Lanka	12.1%	11.2%	10.2%	6.3%	6.3%	6.0%	3.2%	3.2%	3.2%
Philippines	2.2%	1.9%	1.7%	2.1%	1.8%	1.5%	1.7%	1.5%	1.2%
Myanmar	30.8%	29.5%	28.8%	29.4%	28.7%	28.3%	18.3%	21.7%	23.6%
Ghana	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%
Nigeria	6.3%	6.4%	6.6%	4.7%	4.7%	4.7%	2.7%	2.9%	3.0%
Sierra Leone	9.9%	10.1%	9.3%	7.8%	6.7%	5.6%	5.6%	5.0%	3.8%
Tanzania	0.4%	0.4%	0.4%	0.2%	0.3%	0.3%	0.1%	0.1%	0.1%
Kenya	0.9%	0.8%	0.8%	0.7%	0.6%	0.6%	0.5%	0.5%	0.4%
Uganda	0.8%	0.6%	0.4%	0.7%	0.4%	0.2%	0.6%	0.3%	0.1%
Rwanda	4.6%	4.4%	4.4%	3.3%	3.2%	3.2%	2.0%	2.0%	1.9%
Zambia	<u>3.4%</u>	<u>3.7%</u>	<u>4.0%</u>	<u>2.4%</u>	<u>2.7%</u>	<u>2.9%</u>	<u>0.8%</u>	<u>1.2%</u>	<u>1.7%</u>
Group	6.5%	6.7%	6.7%	3.5%	3.4%	4.9%	2.3%	2.4%	2.4%

⁽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 2% 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.

- Due to the continuing strategic focus in India on primarily collections, Gross OLP in India further reduced to USD 52 million (21% lower than in August 2022 and 58% lower than in October 2021).
- PAR>30 for the Group slightly increased from 6.5% in August to 6.7% in October as the portfolio quality in India decreased due to the end of moratoriums in June.
- Credit exposure of the India off-book BC portfolio of USD 21.2m is capped at 5%. The included off-book DA portfolio of USD 1.0 million has no credit exposure.

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

Countries	May/22	Jun/22	Jul/22	Aug/22	Sep/22	Oct/22
India	72%	42%	22%	25%	21%	10%
Pakistan	118%	119%	113%	112%	115%	125%
Sri Lanka	42%	61%	11%	93%	125%	147%
The Philippines	105%	104%	104%	104%	103%	103%
Myanmar	106%	85%	84%	95%	113%	102%
Ghana	112%	110%	91%	100%	110%	122%
Nigeria	120%	117%	100%	104%	106%	107%
Sierra Leone	93%	99%	84%	80%	123%	128%
Tanzania	120%	109%	106%	111%	109%	114%
Kenya	112%	92%	105%	87%	120%	115%
Uganda	112%	97%	97%	100%	111%	112%
Rwanda	129%	119%	113%	116%	118%	113%
Zambia	125%	133%	109%	110%	112%	109%

⁽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 12 countries. The decreasing percentage in India was due to the ongoing strategic decision to reduce disbursements.

Development of Clients and Outstanding Loan Portfolio until 31 October 2022

Countries	<u>Clients (in thousands)</u>			<u>Delta</u>		<u>Gross OLP (in USDm)</u>			<u>Delta</u>		
	Oct/21	Aug/22	Oct/22	<u>Oct/21-</u>	<u>Aug/22-</u>	Oct/21	Aug/22	Oct/22	<u>Oct/21-</u>	<u>Oct/21-</u>	<u>Aug/22-</u>
				<u>Oct/22</u>	<u>Oct/22</u>				<u>USD</u>	<u>CC⁽⁷⁾</u>	<u>USD</u>
India	630	417	337	-47%	-19%	124	66	52	-58%	-54%	-21%
Pakistan	495	590	605	22%	3%	76	77	81	7%	38%	4%
Sri Lanka	53	45	47	-11%	5%	8	4	4	-51%	-11%	10%
The Philippines	345	321	327	-5%	2%	55	47	46	-15%	-3%	-1%
Myanmar	116	104	105	-9%	1%	20	17	17	-12%	3%	2%
Ghana	149	170	171	15%	1%	47	34	27	-44%	29%	-21%
Nigeria	253	242	241	-5%	-1%	37	41	40	9%	16%	0%
Sierra Leone	43	37	37	-14%	1%	7	5	5	-31%	9%	-8%
Tanzania	161	204	211	31%	4%	31	44	47	51%	53%	6%
Kenya	121	134	140	16%	5%	19	19	21	10%	20%	10%
Uganda	84	105	108	28%	2%	10	10	11	16%	24%	8%
Rwanda	17	20	21	19%	4%	3	4	4	34%	42%	6%
Zambia	<u>12</u>	<u>20</u>	<u>21</u>	84%	6%	<u>2</u>	<u>3</u>	<u>3</u>	102%	89%	4%
Total	2,479	2,409	2,371	-4%	-2%	438	370	358	-18%	1.2%	-3%

⁽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 for the Group slightly decreasing, the continuing strategic focus in India on primarily collections and the impact of currency depreciation in almost all countries, the Group's Gross OLP decreased to USD 358 million (3% lower than in August 2022 and 18% lower than in October 2021).

Key events in November 2022

- Other than the existing partial curfews in Myanmar, the Company is not aware of any further restrictions implemented in its operating countries up until 17 November 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.

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