



Press Release

ASA International Group plc December 2022 quarterly business update

Amsterdam, The Netherlands, 24 February 2023 - 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 December 2022 compared to 31 October 2022.

- 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 improved from 83% in October to 87% in December. Collection efficiency, including regular and overdue collections as well as advance payments, as a percentage of the regular, realisable collections, including advance payments, increased from 98% in October to 118% in December.
- PAR>30 for the Group, including off-book loans and excluding loans overdue more than 365 days, decreased from 6.7% in October to 5.9% in December, primarily due to improved portfolio quality and write-offs of overdue loans in Myanmar.
- 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 improved from 4.3% in October to 4.0% in December.
- Disbursements as percentage of collections exceeded 100% in 4 countries. The drop in most countries for December was primarily due to operations closing for 6-12 days to observe the Christmas holidays. The lower percentage in India was due to the ongoing strategic decision to reduce disbursements.
- The Group's Gross OLP increased to USD 367 million (3% higher than in October 2022 and 15% lower than in December 2021), primarily due to OLP growth in local currency in most markets and currency appreciation in Ghana.
- There were no moratoriums granted to clients in November and December 2022.

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Collection efficiency until 31 December 2022⁽¹⁾

Countries	Jul/22	Aug/22	Sep/22	Oct/22	Nov/22	Dec/22
India	86%	84%	86%	83%	85%	87%
Pakistan	100%	99%	99%	99%	99%	99%
Sri Lanka	89%	88%	90%	91%	92%	93%
The Philippines	100%	100%	100%	99%	99%	99%
Myanmar	80% ⁽²⁾	84% ⁽²⁾	88% ⁽²⁾	92% ⁽²⁾	94%	97%
Ghana	100%	100%	100%	100%	100%	100%
Nigeria	96%	96%	96%	96%	96%	94%
Sierra Leone	96%	94%	94%	93%	92%	93%
Tanzania	100%	100%	100%	100%	100%	100%
Kenya	100%	100%	100%	100%	100%	100%
Uganda	100%	100%	100%	100%	99%	99%
Rwanda	97%	97%	97%	97%	97%	97%
Zambia	98%	98%	98%	98%	97%	97%

⁽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.
- 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, improved to 118%. 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.
- Although market conditions in both Myanmar and Sri Lanka remained volatile, collection efficiency improved in both markets.

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

	Gross OLP (in USDm)			Non-overdue loans			PAR>30 less PAR>180		
	Oct-22	Nov-22	Dec-22	Oct-22	Nov-22	Dec-22	Oct-22	Nov-22	Dec-22
India (total)	52	49	45	56.4%	54.8%	55.5%	21.9%	23.5%	24.1%
Pakistan	81	82	80	98.6%	98.8%	98.9%	0.6%	0.6%	0.6%
Sri Lanka	4	4	4	83.7%	86.3%	88.1%	7.0%	5.8%	5.2%
Philippines	46	48	50	96.7%	96.7%	98.1%	0.5%	0.6%	0.7%
Myanmar	17	18	17	70.8%	72.0%	79.5%	5.2%	3.7%	2.9%
Ghana	27	27	41	99.5%	99.6%	99.7%	0.1%	0.1%	0.1%
Nigeria	40	41	39	90.1%	91.2%	88.3%	3.6%	3.6%	3.9%
Sierra Leone	5	5	5	86.7%	85.8%	86.9%	5.5%	6.2%	7.4%
Tanzania	47	49	51	99.4%	99.3%	99.5%	0.3%	0.3%	0.2%
Kenya	21	20	17	99.0%	99.0%	99.0%	0.4%	0.3%	0.4%
Uganda	11	12	12	98.4%	98.2%	98.7%	0.3%	0.6%	0.8%
Rwanda	4	4	4	94.1%	94.2%	93.5%	2.4%	2.5%	2.6%
Zambia	3	3	3	94.3%	93.7%	93.3%	2.3%	2.4%	2.6%
Group	358	363	367	89.7%	90.1%	91.3%	4.3%	4.3%	4.0%
	PAR>30			PAR>90			PAR>180		
	Oct-22	Nov-22	Dec-22	Oct-22	Nov-22	Dec-22	Oct-22	Nov-22	Dec-22
India (total)	25.9%	27.0%	27.1%	17.0%	21.0%	21.8%	4.0%	3.5%	3.0%
Pakistan	0.6%	0.7%	0.7%	0.1%	0.3%	0.4%	0.0%	0.0%	0.0%
Sri Lanka	10.2%	8.9%	8.5%	6.0%	5.8%	5.9%	3.2%	3.1%	3.3%
Philippines	1.7%	1.7%	1.7%	1.5%	1.3%	1.2%	1.2%	1.1%	0.9%
Myanmar	28.8%	27.5%	20.4%	28.3%	27.3%	20.2%	23.6%	23.8%	17.5%
Ghana	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
Nigeria	6.6%	6.6%	7.1%	4.7%	4.7%	5.1%	3.0%	3.0%	3.2%
Sierra Leone	9.3%	9.5%	10.7%	5.6%	6.4%	7.2%	3.8%	3.4%	3.3%
Tanzania	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%	0.1%	0.1%	0.2%
Kenya	0.8%	0.7%	0.8%	0.6%	0.6%	0.7%	0.4%	0.4%	0.5%
Uganda	0.4%	0.7%	0.9%	0.2%	0.3%	0.3%	0.1%	0.1%	0.1%
Rwanda	4.4%	4.5%	4.6%	3.2%	3.2%	3.2%	1.9%	1.9%	2.0%
Zambia	4.0%	4.4%	5.0%	2.9%	3.2%	3.6%	1.7%	2.0%	2.4%
Group	6.7%	6.5%	5.9%	4.9%	5.2%	4.7%	2.4%	2.3%	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 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 45 million (14% lower than in October 2022 and 61% lower than in December 2021).
- PAR>30 for the Group decreased from 6.7% in October to 5.9% in December primarily due to improved portfolio quality and write-offs of overdue in Myanmar.
- Credit exposure of the India off-book BC portfolio of USD 21.4m is capped at 5%. The included off-book DA portfolio of USD 1.2 million has no credit exposure.

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

Countries	Jul/22	Aug/22	Sep/22	Oct/22	Nov/22	Dec/22
India	22%	25%	21%	10%	22%	26%
Pakistan	113%	112%	115%	125%	120%	86%
Sri Lanka	11%	93%	125%	147%	135%	89%
The Philippines	104%	104%	103%	103%	104%	106%
Myanmar	84%	95%	113%	102%	115%	87%
Ghana	91%	100%	110%	122%	120%	131%
Nigeria	100%	104%	106%	107%	109%	82%
Sierra Leone	84%	80%	123%	128%	125%	94%
Tanzania	106%	111%	109%	114%	117%	125%
Kenya	105%	87%	120%	115%	99%	41%
Uganda	97%	100%	111%	112%	112%	93%
Rwanda	113%	116%	118%	113%	107%	104%
Zambia	109%	110%	112%	109%	109%	95%

⁽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 4 countries. The drop in most countries for December was primarily due to operations closing for 6-12 days to observe the Christmas holidays. The low percentage in India was due to the ongoing strategic decision to reduce disbursements.

Development of Clients and Outstanding Loan Portfolio until 31 December 2022

Countries	<u>Clients (in thousands)</u>			<u>Delta</u>		<u>Gross OLP (in USDm)</u>			<u>Delta</u>		
	<u>Dec-21</u>	<u>Oct-22</u>	<u>Dec-22</u>	<u>Dec/21-</u>	<u>Oct/22-</u>	<u>Dec-21</u>	<u>Oct-22</u>	<u>Dec-22</u>	<u>Dec/21-</u>	<u>Dec/21-</u>	<u>Oct/22-</u>
				<u>Dec/22</u>	<u>Dec/22</u>				<u>USD</u>	<u>CC⁽⁷⁾</u>	<u>USD</u>
India	541	337	284	-47%	-16%	114	52	45	-61%	-56%	-14%
Pakistan	512	605	606	18%	0%	79	81	80	1%	29%	-2%
Sri Lanka	53	47	47	-12%	0%	8	4	4	-52%	-14%	4%
The Philippines	289	327	325	13%	-1%	47	46	50	7%	17%	7%
Myanmar	111	105	99	-11%	-5%	20	17	17	-16%	-1%	-1%
Ghana	158	171	178	13%	4%	49	27	41	-17%	38%	54%
Nigeria	254	241	222	-13%	-8%	40	40	39	-1%	7%	-3%
Sierra Leone	45	37	37	-18%	-1%	7	5	5	-35%	9%	-5%
Tanzania	174	211	217	25%	2%	35	47	51	48%	50%	10%
Kenya	119	140	141	19%	1%	17	21	17	2%	12%	-17%
Uganda	92	108	111	21%	3%	10	11	12	19%	25%	4%
Rwanda	18	21	21	17%	3%	3	4	4	29%	33%	3%
Zambia	<u>15</u>	<u>21</u>	<u>21</u>	43%	-2%	<u>2</u>	<u>3</u>	<u>3</u>	32%	43%	-9%
Total	2,381	2,371	2,309	-3%	-3%	431	358	367	-15%	2.5%	3%

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

- The Group's Gross OLP increased to USD 367 million (3% higher than in October 2022 and 15% lower than in December 2021), primarily due to OLP growth in local currency in most markets and currency appreciation in Ghana.

Key events in January and February 2023

- Other than the existing partial curfews in Myanmar, the Company is not aware of any further restrictions implemented in its operating countries up until 23 February 2023.

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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.