

## Chairman's introduction

# Corporate governance report



## I am pleased to present our Board Report for 2023.

The year again presented numerous business challenges, in particular the ongoing impact of high inflation and currency devaluation in many of our markets. In addition we transitioned to new leadership in the middle of the year. It is pleasing therefore to note that our performance improved as the year went on, allowing us to be more confident about 2024 and beyond. That confidence is underpinned by progress we are now reporting in our digital transformation strategy.

The Board worked harder than ever throughout the year to ensure that the architecture is in place for the achievement of our goals – namely sustainable growth via unwavering belief in the ASA vision of financial inclusion.

The Board is scheduled to meet five times a year at regular intervals. This year, the Board met formally on six occasions with additional informal meetings, given the importance of the business and management issues to be discussed. In addition, regular meetings continued of the various specialist Committees, namely the Audit and Risk Committee, Nomination Committee, Remuneration Committee, Independent Directors' Committee and Sustainability Committee. I have been impressed with the willingness of all Directors to devote whatever time and focus is required to ensure the success of this unique company.



**It is pleasing to note that our performance improved as the year went on, allowing us to be more confident about 2024 and beyond."**

The Board itself saw significant changes during the year. At the Annual General Meeting on 15th June 2023, our co-founder Dirk Brouwer stepped into his new role as Deputy Chair and Special Adviser; Karin Kersten became Chief Executive; Aminur Rashid retired after many years of dedicated service to the Group; and Gavin Laws retired as a non-executive director, with Chris Low transitioning seamlessly into his role as Chair of the Audit and Risk Committee.

With our new Board and leadership structure in place and functioning well, we can look to 2024 and beyond with renewed confidence. I would like to extend my sincere thanks to the Board and management team for their continued hard work and commitment towards our shared goals of sustainable growth and financial inclusion. My particular thanks are also due to all our employees across our thirteen operating countries and our head offices for their tremendous dedication to our mission.

**Guy Dawson**  
Chairman,  
ASA International Group plc  
26 April 2024

## Board of Directors

The Board of ASA International combines leadership in microfinance with strong finance and banking experience. The Directors possess both solid industry experience as well as multiple years of experience in senior executive roles in international finance and banking.



**Guy Dawson**  
Non-Executive  
Chairman  
Appointed: 28 June 2018<sup>1</sup>

Mr Dawson became a Non-Executive Director of ASA International Holding ('ASA International') in 2013 and became a Director of the Company on 28 June 2018. He was appointed Chairman of the Board on 1 January 2021. Mr Dawson continues to chair the Nomination Committee and the Independent Directors' Committee. He is currently a Non-Executive Director of Egerton Capital and Citywire Holdings.



**Dirk Brouwer**  
Non-Executive  
Deputy Chairman  
Appointed: 15 May 2018<sup>1</sup>

Mr Brouwer co-founded ASA International in 2007 and has served as its Executive Director and Chief Executive Officer till June 15, 2023. With over 20 years of experience in investment banking, and 15 in microfinance, he is also the Managing Director of Catalyst Microfinance Investors ('CMI'), which he co-founded in 2006. He is also Non-Executive Director of CarbonX.

Full biographies are available on our website

### Committee membership key

- Audit and Risk
- Nomination
- Remuneration
- Independent Directors



**Karin Kersten**  
Chief Executive Officer  
Appointed: 25 April 2022

Ms Kersten joined the management of the Group as Corporate Development Director on 1 October 2021 and has been the Chief Executive Officer since June 15, 2023. Prior to this she worked for ABN AMRO Bank where she had a distinguished career, serving inter alia as Managing Director, Trade & Commodity Finance, Managing Director Transaction Banking, and Managing Director Strategic Risk Management Ms Kersten is also a Member of the Supervisory Board of Mondriaan Fonds and Chairman of the Audit Committee of Mondriaan Fonds. She is a member of the Selection Committee of Hotelschool, The Hague.



**Hanny Kemna**  
Senior Independent  
Non-Executive Director  
Appointed: 28 June 2018<sup>1</sup>

Ms Kemna has been a Non-Executive Director since June 2018 and was appointed as Senior Independent Director on 1 January 2021. She is the Chair of the Board of Directors for Dutch pension provider and asset manager MN. Ms Kemna is also the Chair of the Audit Committee at insurer Vivat – Athora NL, at healthcare insurer Menzis and at the National ICT Institute for Healthcare in the Netherlands, and is on the supervisory board of ZGT in the Netherlands. Since 2020, she has served as a deputy member of the Board of the Dutch Court of Auditors. Ms Kemna has a broad experience in working with international financial and government institutions.



**Dr Salehuddin Ahmed**  
Independent  
Non-Executive Director  
Appointed: 07 December 2020<sup>1</sup>

Dr Ahmed has been a Non-Executive Director since December 2020. He is currently a Professor at the Graduate School of Management at BRAC University and an Independent Director of Grameenphone Ltd. He is also on the advisory bodies of several governmental and non-governmental agencies in Bangladesh and a member of the board of trustees of three universities and a postgraduate institute. He has worked as a Consultant for many international agencies and has authored over 90 publications.



**Chris Low**  
Independent  
Non-Executive Director  
Appointed: 01 February 2023

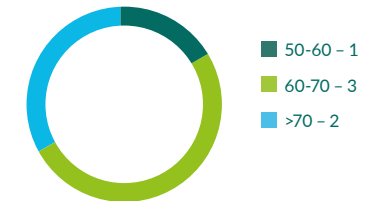
Mr Low has been a Non-Executive Director since February 2023. Previously, Mr Low was I&M Group Plc's Regional Director for its East Africa businesses. He advises several FinTech start-ups and sits on the Boards of United Bank for Africa (UK) Ltd, EdPartners Africa Holdings Ltd, the Scottish African Business Association, and is a member of the Investment Committee of Zephyr Acorn Venture Fund, an investor in early-stage impact companies. With over 30 years in international financial services, risk management and digital transformation, Mr Low has specialised in emerging markets, working across Africa, Asia and the Middle East.

## Our Board

### Board by gender



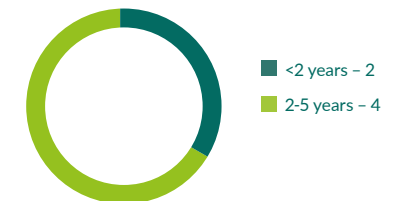
### Board by age



### Balance of the Board



### Board by tenure



See our diversity listing rule table in our Nominations Committee Report on page 86

<sup>1</sup> Guy Dawson was appointed to the Board in June 2018 and as Chairman on 1 January 2021. Hanny Kemna was appointed to the Board in June 2018 and as Senior Independent Director on 1 January 2021. Dirk Brouwer was appointed to the Board in May 2018 and as Deputy Chairman in June 2023.

## Executive Committee

The Group's senior management have significant experience in financial services, including the microfinance industry ('MFI').

 Full biographies are available on our website

## Joint corporate headquarters in Dhaka and Amsterdam



**Karin Kersten**  
Chief Executive Officer  
Joined: 2021  
Years of financial services experience: 25



**Azim Hossain**  
Chief of Operations  
Joined: 2007  
Years of financial services experience: 35



**Tanwir Rahman**  
Chief Financial Officer  
Joined: 2017  
Years of financial services experience: 16



**Rob Keijsers**  
Chief Digital and Information Officer  
Joined: 2022  
Years of financial services experience: 17



**Martijn Bollen**  
Chief Compliance, Legal and Risk Officer  
Joined: 2007  
Years of financial services experience: 20



**Sazzad Hossain**  
Head of HR, Communications and Sustainability  
Joined: 2018  
Years of financial services experience: 15



**Ezazul Islam**  
Head of Internal Audit  
Joined: 2024  
Years of financial services experience: 10

## Country Heads

The Group's senior management have significant experience in financial services, including the microfinance industry ('MFI').

### Country Heads

#### South Asia



**India**  
**Anjan Dasgupta**

Years of financial services experience: 37

#### South East Asia



**The Philippines**  
**T. I. M. Fakruzzaman**

Years of financial services experience: 32

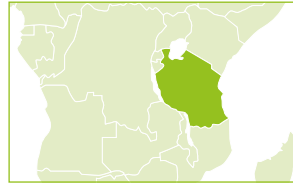
#### West Africa



**Nigeria**  
**Andrew Amedue**

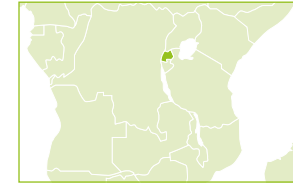
Years of financial services experience: 23

#### East Africa



**Kenya**  
**Ashan Habib**

Years of financial services experience: 18



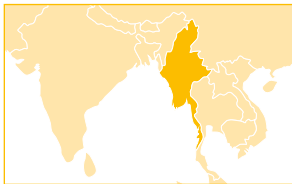
**Rwanda**  
**Jamilur Rahman Chowdhury**

Years of financial services experience: 32



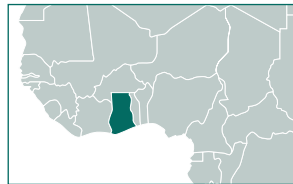
**Pakistan**  
**Saeed Uddin Khan**

Years of financial services experience: 42



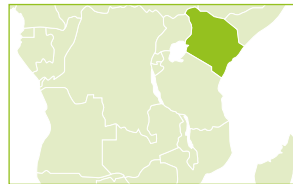
**Myanmar**  
**Md. Muzammel Haque**

Years of financial services experience: 19



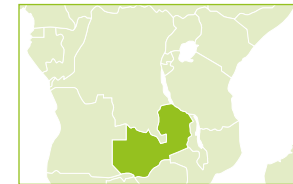
**Ghana**  
**Md. Aourongjeb**

Years of financial services experience: 18



**Tanzania**  
**Muhammad Shah Newaj**

Years of financial services experience: 15



**Zambia**  
**A.B.M. Asaduzzaman**

Years of financial services experience: 33



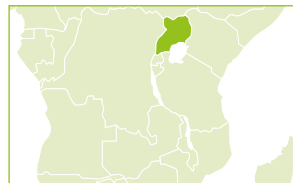
**Sri Lanka**  
**G.K.K Gamage**

Years of financial services experience: 36



**Sierra Leone**  
**Shariful Islam Khan**

Years of financial services experience: 15



**Uganda**  
**Khalilur Rahman**

Years of financial services experience: 30

## Board activities

### Board key activities during the year

- Approved the CEO succession plan on 23 February 2023 pursuant to which Mr Brouwer remained CEO until the 2023 AGM, at which point Ms Kersten was appointed CEO.
- Approved the change in remuneration of Mr Brouwer and Ms Kersten on recommendation of the Remuneration Committee post-appointment of Ms Kersten as CEO and Mr Brouwer as Deputy Chair and Special Advisor.
- Approved the new governance structure and restructuring of the Executive Committee ('ExCo') which consists of the holders of the following key roles: Chief Executive Officer, Chief Financial Officer, Chief of Operations, Chief Digital and Information Officer, Chief Compliance, Legal and Risk Officer, Head of HR, Communications and Sustainability. The Head of Internal Audit is not a member of the ExCo but attends its meetings.
- Regularly reviewed operating, financial and Committee reports from the Executive Directors, CFO and Committee Chairpersons.
- Discussed the Company's strategy in face of the changing economic and financial environment including the update on Growth and Strategy Plan.
- Focused on operational efficiency and cost savings, particularly monitoring developments in India, reducing disbursement and increasing collections, recovering outstanding debts, streamlining the business, and provisioning for the Indian portfolio; also considered strategy to shrink business while meeting obligations.
- Reviewed and approved the budget for 2024 and the forecast up to 2028.
- Evaluated various scenarios for the business in India following the impact of Covid on the portfolio as well as the situation in Myanmar.
- Reviewed and approved the announcements for the lower profit estimates in July and the trading and business updates in May and September. Reviewed regular business and trading throughout the year.
- Discussed the share price developments and any additional actions to be taken.
- Continuously monitored the liquidity position of the Company. Reviewed and approved funding terms for new loan facilities.
- Appointed Stifel as its broker as well as Cavendish to produce paid research.
- The Board discussed progress on the digitalisation project, including implementing the new Core Bank System ('CBS') and introducing Digital Financial Services ('DFS'). They decided Ghana would pilot DFS alongside CBS, with Pakistan launching the CBS first (Temenos Transact) and ASA India transferring AMBS to local microfinance banking software (Craft Silicon). Updates on DFS and app development, CBS implementation progress, and the DFS Readiness Indicator were reviewed.
- Approved the Group culture statement and focused on the engagement with shareholders and the workforce.
- Reviewed thematic audit on fraud risk and ensured mitigant actions to enhance controls were followed through.
- Discussed progress on diversity and sustainability targets, as well as community projects.
- Approved the stakeholder engagement programme for Board members and appointed the Chair as the designate to engage with the workforce.
- In preparation for the Annual General meeting ('AGM') and the resolutions proposed, approved the submission to the Takeover Panel pursuant to requesting a waiver of a member of the Concert Party to make a mandatory offer for the remainder of the share capital of the Company under Rule 9 of the Takeover Code as a result of any buyback by the Company or as a result of the exercise of rights to shares under the Long Term Incentive Plan ('LTIP') (by the Dirk Brouwer being a Concert Party).<sup>1</sup>

<sup>1</sup> Dirk Brouwer and the entities through which he indirectly holds his interests in the Company, including CMIMC, CMI and Continuity (each of them being "a member of the Concert Party"), which the Company considers, following discussions with the Panel, are presumed to be acting in concert (as defined in, and for the purposes of, the Takeover Code).

### Changes to the Board

Chris Low joined the Board with effect from 1 February 2023. Gavin Laws retired at the 2023 AGM on 15 June and Aminur Rashid retired with effect from 1 July 2023. See details on the appointment dates on page 69.

The Guidance on Board Effectiveness published in association with the Code (which applies to companies listed on the London Stock Exchange) recommends that a chairman or a Non-Executive director should not stay in post for more than nine years after joining a board.

Although Guy Dawson became a Non-Executive Director of ASA International Holding in 2013, he did not join the Board of the Company until its incorporation in 2018. With this in mind, the Board has not yet scheduled a date for his retirement and considers that, as Chairman, Mr Dawson continues to demonstrate objective judgement and promote constructive challenge among other Board members.

### Attendance at Board and Board Committee meetings

The attendance of Directors at scheduled meetings of the Board and of Committees of which they were members during the financial year is shown in the table below. Some Directors also attended Committee meetings by invitation during the year; this is not reflected in the table.

	Board		Audit and Risk Committee		Remuneration Committee		Nomination Committee		Independent Directors' Committee	
	Attended	Total	Attended	Total	Attended	Total	Attended	Total	Attended	Total
<b>Executive Director</b>										
Karin Kersten	7	7								
Aminur Rashid	2	2								
<b>Non-Executive Director</b>										
Guy Dawson	7	7					4	4	2	2
Dirk Brouwer <sup>2</sup>	7	7								
Gavin Laws	2	2	3	3	2	2			1	1
Chris Low	7	7	3	3	2	2			1	2
Hanny Kemna	6	7	5	6	2	4	2	4	2	2
Salehuddin Ahmed	7	7	6	6	4	4	4	4	1	2

<sup>2</sup> Dirk Brouwer was Executive Director until 15th June 2023, after which he was appointed Non-Executive Director. Note: 'Totals' are based on the period of active Board and Committee membership. For Gavin Laws, Aminur Rashid and Chris Low, this is not the case for the full year 2023. Therefore the totals differ from other members.



## Leadership from the Board

### The Board's primary role is to provide overall leadership and to ensure that the Company is appropriately managed to deliver long-term stakeholder value.

The Board is responsible for setting the Company's objectives and policies, and providing the effective leadership and control required for a public company. It is also responsible for approving the Group strategy, budgets, business plans and major capital expenditure, and it monitors financial performance and critical business issues.

The Board oversees the Group's operations, with the aim of ensuring that it maintains a framework of prudent and effective controls, which enables risks to be properly assessed and appropriately managed. The Governance report is structured around the key themes of the Code to provide genuine understanding of how governance supports and protects the Group and our stakeholders.

### Board size and composition

The Board comprises: Guy Dawson (Non-Executive Chair), Dirk Brouwer (Deputy Chair), Karin Kersten (Chief Executive Officer), Hanny Kemna (Senior Independent Director), and two further Non-Executive Directors: Salehuddin Ahmed and Chris Low.

The Company is committed to ensuring that any vacancies that may arise are filled by the best-qualified and most suitable candidates and recognises the value of gender and ethnic diversity in the composition of the Board. When Board positions become vacant as a result of retirement, resignation or otherwise, the Board aims to ensure (through the Nomination Committee, and using an external search agency as appropriate) that a diverse pool of candidates is considered. By a process of annual review, the Board ensures that it continues to consist of members who have the relevant knowledge, skills and expertise to undertake their duties as Directors in such a way as to ensure proper corporate governance and help to generate sustainable long-term value for stakeholders.

Biographical details of the Directors at the date of this report are set out on page 69 together with details of their membership of Board Committees.

### Board balance and Non-Executive Directors' independence

The UK Corporate Governance Code ('Code') recommends that at least half the Board of Directors of a UK-listed company, excluding the Chair, should be Non-Executive Directors determined by the Board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the Directors' judgement. The Board consists of four Non-Executive Directors plus the Deputy Chair and the Chief Executive Officer. The Board regards three Non-Executive Directors (other than the Chairperson) as 'independent Non-Executive Directors' within the meaning of the Code, and is satisfied that they are free from any business or other relationship that could materially interfere with the exercise of their independent judgement. Despite the fact that Mr Dawson is technically not considered as independent for the purpose of the balance requirement under the Code, he performs his role in an independent fashion. The Board remains fully satisfied with the performance of Mr Dawson, who in 2023 played a crucial part in ensuring a smooth transition between CEOs.

### Senior Independent Director

As recommended by the Code, the Board has appointed one of the Non-Executive Directors to be the Senior Independent Director to provide a 'sounding board' for the Chair in matters of governance and to serve as an intermediary for the other Directors and for shareholders when required. The Senior Independent Director meets the other Non-Executive Directors once a year to appraise the performance of the Chair, and is available to shareholders if they have concerns which contact through the normal channels of the CEO and the Chair has failed to resolve or for which such contact is inappropriate. Hanny Kemna has been the Senior Independent Director since 1 January 2021.

The Code further recommends that Directors should be subject to annual re-election. All the Directors of the Company were re-elected at the AGM held on 20 June 2023.

### Compliance with the UK Corporate Governance Code 2018 ('the Code')

See the Corporate Governance Statement in the Directors' report on page 100.

### Matters reserved for the Board

The Board has responsibility, inter alia, for the overall leadership of the Company and setting the Company's values and standards. Specifically, it approves the annual operating and capital expenditure budgets and any material changes to them. It also oversees the operations of the Group so as to ensure prudent management, planning, risk management and internal control systems, adequate accounting and other records, and compliance with statutory and other regulatory obligations. It periodically reviews performance in the light of the Group's strategic aims and business plans and budgets, and ensures that any necessary corrective action is taken. The Board is responsible for approving the interim and annual financial statements and the Annual Report, including the dividend policy and the declaration of interim dividends and proposing to shareholders of final dividends.

The Board has overall responsibility for ensuring a sound system of internal control and risk management, including procedures for the detection of fraud and the prevention of bribery.

The Board has delegated the day-to-day running of the Group to the CEO and her management team, who review and approve all of the information and proposals that are submitted to the Board.

Directors receive a pack of briefing notes and reports for their consideration in advance of each Board meeting, including reports on the Company's operations, so as to ensure that they remain briefed on the latest developments and are able to make fully informed decisions. The briefing notes and reports, and the Board's consideration of them, take into account the factors set out in section 172 of the Companies Act 2006 concerning the need to have regard to the interests of the Company's various stakeholders.

All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. All Directors may take independent professional advice at the expense of the Company in the furtherance of their duties, if they judge it necessary. On appointment, all Directors are advised of their duties, responsibilities and liabilities as a Director of a public listed company. Directors have the right to request that any concerns they have are recorded in the appropriate Committee or Board minutes.

### Relationship Agreement

The Company has entered into a relationship agreement (the 'Relationship Agreement') with its founders (the 'Controlling Shareholder Group'), the principal purpose of which is to ensure that the Company will be able, at all times, to carry out its business independently of the members of the Controlling Shareholder Group and their respective associates. The Relationship Agreement contains undertakings from each of the members of the Controlling Shareholder Group that (i) transactions and relationships with it and its associates will be conducted at arm's length and on normal commercial terms, (ii) neither it nor any of its associates will take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules, and (iii) neither it nor any of its associates will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules. The Company is in compliance with the undertakings in the Listing Rules and the Relationship Agreement and so far as the Company is aware, the undertakings have been complied with by each member of the Controlling Shareholder Group.

## Leadership from the Board continued

In accordance with the terms of the Relationship Agreement, for so long as Catalyst Microfinance Investors ('CMI') (currently holding 29.2%) and Catalyst Continuity (currently holding 17.1%) together retain (i) an aggregate interest of greater than or equal to 25% in the issued ordinary share capital of the Company, they shall together be entitled to appoint two Non-Executive Directors to the Board (but at present have not done so), and (ii) an aggregate interest of less than 25% but greater than or equal to 10% in the issued ordinary share capital of the Company, they shall together be entitled to appoint one Non-Executive Director to the Board. In addition, for so long as CMI and Catalyst Continuity together retain an interest of 10% or more in the issued ordinary share capital of the Company, they shall be entitled to appoint one Non-Executive Director to each of the Company's Nomination Committee and Remuneration Committee.

CMI and Catalyst Continuity previously undertook that, for as long as Dirk Brouwer remained as CEO and Md Shafiqul Haque Choudhury remained on the Board as the appointee of the Controlling Shareholder Group and as Chair of the Company, they would not exercise the right to appoint an additional Non-Executive Director to the Board or to appoint a Non-Executive Director to the Remuneration or Nomination Committees. Following the resignation of Mr Choudhury at the end of 2020, CMI and Catalyst Continuity were no longer bound by that undertaking. Further, since Mr Brouwer resigned as CEO with effect from the 2023 AGM, this undertaking is no longer binding.

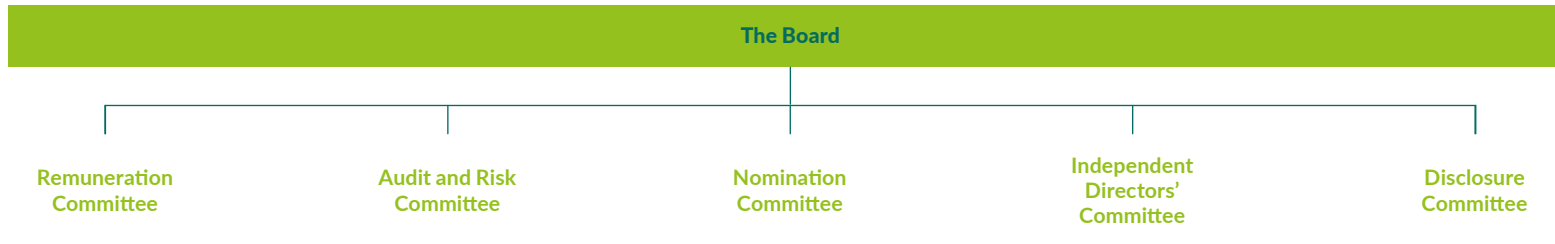
The Relationship Agreement will terminate if the ordinary shares cease to be listed on the premium listing segment of the Official List and traded on the London Stock Exchange or the Controlling Shareholder Group together ceases to retain an interest of 10% or more of the issued ordinary share capital of the Company (or an interest which carries 10% or more of the aggregate voting rights in the Company from time to time).

### Management succession

The Board approved the following succession plan at its meeting held on 23 February 2023: Mr Brouwer remained as CEO until the 2023 AGM held on 15 June, at which point Ms Kersten, was appointed CEO. Mr Brouwer stepped into the new role as (i) Deputy Chair of the Board of ASA International and (ii) Special Adviser to the new CEO, the Executive Committee and the broader management team in order to (a) smooth the path of transition and (b) support the new leadership going forward.



## Governance framework



The Board has established a number of Committees, to which responsibility for certain matters has been delegated. The Board Committee structure is shown in the diagram above. Each Committee has written terms of reference setting out its roles and responsibilities, and the extent of the authority delegated by the Board. The terms of reference are available on the Company's website. The Chair of each Committee reports regularly to the Board on matters discussed at Committee meetings.

### The Board Committees

The Board has established the three Committees envisaged by the Code: an Audit and Risk Committee, a Nomination Committee and a Remuneration Committee. The Board has also established a Disclosure Committee and an Independent Directors' Committee. If the need should arise, the Board may set up additional Committees as appropriate. Reports on the Committees' activities in 2023 appear later in this report.

### Remuneration Committee

The Remuneration Committee assists the Board in fulfilling its responsibilities in relation to remuneration. This includes making recommendations to the Board on the Company's policy on executive remuneration, including setting the overarching principles, parameters and governance framework of the Group's Remuneration Policy and determining the individual remuneration and benefits package of each of the Company's Executive Directors and its Company Secretary. The Remuneration Committee will also ensure compliance with the Code in relation to remuneration.

During 2023, the Remuneration Committee was chaired by Salehuddin Ahmed, and its other members were Chris Low and Hanny Kemna. The Remuneration Committee normally meets at least three times a year, and met four times in 2023.

### Audit and Risk Committee

The Audit and Risk Committee has responsibility for, amongst other things, monitoring the integrity of the financial statements of the Company, reviewing the Company's internal financial controls and monitoring and reviewing the effectiveness of the Company's Internal Audit function and external audit process.

The Audit and Risk Committee is chaired by Chris Low, and its other members during 2023 were Hanny Kemna and Salehuddin Ahmed. The Audit and Risk Committee meets at least four times a year, and met six times in 2023.

### Nomination Committee

The Nomination Committee assists the Board in determining the composition and make-up of the Board. It is responsible for periodically evaluating the balance of skills, experience, independence and knowledge on the Board. It leads the process for Board appointments and makes recommendations to the Board, taking into account the challenges and opportunities facing the Group in the future.

The Nomination Committee is chaired by Guy Dawson, and its other members during 2023 were Hanny Kemna and Salehuddin Ahmed.

The Nomination Committee meets at least twice a year, and met four times in 2023.

### Independent Directors' Committee

The Independent Directors' Committee identifies and manages matters involving conflicts of interest (including potential conflicts of interest) between any Group company, on the one hand, and any controlling shareholder or related party (each as defined under the Listing Rules), on the other hand. It is also responsible for overseeing and scrutinising the relationship between the Group, its related parties and its controlling shareholders (including evaluating, monitoring and approving any material transactions or arrangements between such parties and generally monitoring compliance with the Relationship Agreement (see page 161).

The Independent Directors' Committee comprises all of the Independent Non-Executive Directors, being Salehuddin Ahmed, Guy Dawson, Hanny Kemna and Chris Low. It was chaired by Guy Dawson in 2023 and met four times.

### Disclosure Committee

The Disclosure Committee is chaired by the CEO and also includes the CFO and the Chief Compliance, Legal and Risk Officer. It meets as required in order to assist the decisions of the Board concerning the identification of inside information and to make recommendations about how and when that information should be disclosed in accordance with the Company's disclosure procedures manual. Its primary duty is to ensure that inside information is properly disclosed in accordance with the requirements of the Market Abuse Regulation.

Reports for each of the Board's Committees are set out later in this report, and provide further detail on their role and responsibilities, as well as the activities they have undertaken during the year.

### Meetings of the Board

At each scheduled meeting, the Board receives reports from the CEO, Chief of Operations and the CFO on the performance and results of the Group. In addition, the Chief Digital and Information Officer and the CFO attend each meeting to update the Board on performance, strategic developments and initiatives in their respective areas, and the Chief Compliance, Legal and Risk Officer provides updates on compliance, legal and regulatory matters. In addition, the Board receives regular updates from the Head of Treasury and Risk Management, and the Head of Group Internal Audit on risk, compliance and internal audit.

Operational updates are provided by the Chief of Operations, and updates related to IT systems of the Company are provided by the Chief Digital and Information Officer.

An annual schedule of rolling agenda items ensures that all matters are given due consideration and are reviewed at the appropriate point in the financial and regulatory cycles. Meetings are structured to ensure that there is sufficient time for consideration and debate of all matters. In addition to scheduled or routine items, the Board also considers key issues that impact the Group, as they arise.



## Governance framework continued

The Directors receive detailed papers in advance of each Board meeting. The Board and Board Committee agendas are carefully structured by the CEO, General Counsel and the Company Secretary for the Chair's approval. Each Director may review the agenda and propose items for discussion with the Chair's agreement. Additional information is also circulated to Directors between meetings, including relevant updates on business and regulatory announcements. The annual schedule of Board meetings is decided a substantial amount of time in advance in order to ensure, so far as possible, the availability of each of the Directors. In the event that Directors are unable to attend meetings, they receive papers in the normal manner and have the opportunity to relay their comments and questions in advance of the meeting, as well as follow up with the Chair if necessary. The same process applies in respect of the various Board Committees.

The briefing for each of its meetings covers financial and operating performance, treasury, risk, human resources, legal and compliance, internal audit, IT, GMC, FMPU and CSR matters. Management accounts are produced for each Board meeting together with an updated dashboard of key performance indicators, broken down by geographical region.

On a monthly basis, the Board receives a management report covering operations, the financial and budgetary situation, internal audit, taxation, treasury, risk, human resources, legal and compliance matters, and CSR matters.

A further aspect of reporting to the Board is Social Performance Management ('SPM'), which covers the handling of complaints, satisfaction surveys, and the achievement of social goals. (This is referred to in more detail in the Non-financial and sustainability information statement on pages 66 and 67.)

For further information on the Board's work during the year and a table of attendance at Board and Committee meetings, see 'Board activities' on page 72.

### Chair and Chief Executive Officer

The division of responsibilities between the Chair and the CEO has been agreed by the Board. The Chair has responsibility for the leadership of the overall effectiveness of the Board, setting the Board's agenda, ensuring the maintenance of a proper balance of skills and experience on the Board, succession planning, and the provision to the Board of accurate, clear and timely information to support sound decision-making and to enable individual Directors to fulfil their duties.

The Chair during 2023 was Guy Dawson. His other significant commitments are set out in his biography on page 69. The Board is satisfied that his other commitments do not restrict him in carrying out his duties effectively.

The CEO, Karin Kersten, reports directly to the Chair of the Board and is responsible for all executive management within the Group on a day-to-day basis, within the authority granted by the Board. She is assisted in this by the Advisor to the CEO, Dirk Brouwer and a senior management team which reports to her and meets her on a regular basis.

The Company's Independent Non-Executive Directors are Hanny Kemna, Salehuddin Ahmed and Chris Low. Within the Board's overall risk and governance structure, the Independent Non-Executive Directors are responsible for contributing sound judgement and objectivity to the Board's deliberations and the decision-making process. They also provide constructive challenge and oversight, and monitor the Executive Directors' delivery of the Company's strategy.

### Powers of Directors

The Directors are responsible for the management of the Company. They may exercise all powers of the Company, subject to the Articles of Association and to any directions given by the shareholders by special resolution.

### Appointment and removal of Directors

The appointment of Directors is governed by the Company's Articles of Association, the Companies Act 2006 and other applicable regulations and policies. Directors may be elected by shareholders

in general meeting or appointed by the Board of Directors in accordance with the provisions of the Articles of Association. All of the then Directors of the Company were re-elected at the AGM held on 20 June 2023. In accordance with the Code, all Directors retire and may stand for re-election at each AGM.

Letters of appointment for individual Directors are available for inspection by shareholders at each AGM and during normal business hours at the Company's registered office. The Articles of Association provide that in addition to any power to remove Directors conferred by the Companies Act 2006, the Company may remove any Director from office by ordinary resolution of which special notice has been given.

### Board performance evaluation

The Board has recently carried out a self-assessment exercise about the performance of the Board, the Committees and the individual Directors in 2023. As in previous years, the procedure followed was that each Board and Committee member completed a questionnaire, adding comments where appropriate, which was then circulated on an anonymised, aggregated basis to each member of the Board. The Chair then discussed the points arising from this survey with the other Directors.

The review showed that the Board, its Committees, and individual Directors have continued to work well together, with progress in the areas identified for improvement last year. In April, there was a successful meeting devoted to strategy, at which the Board received a detailed presentation on the implementation of the Group's digital strategy, which was then thoroughly discussed. With the establishment of a Diversity, Equity and Inclusion Committee at the executive level, the Nomination Committee and Board have been receiving regular progress reports and are thus now better able to assess the Group's success in developing and promoting female staff. Additionally the Board and especially the Chairman helped to ensure that there were good communications with employees and other stakeholders, particularly concerning the changes in senior management personnel and procedures that took place during the year. This enabled staff morale to be maintained through

a potentially unsettling period, with unwanted departures kept to a minimum.

Matters identified in the latest Board assessment as requiring attention include further presentations on strategic matters, and a review of the composition and terms of reference of the Board committees in order to ensure that they remain equal to the changing demands placed on them.

The Board discussed at length the culture statement, which sets out the core values, the purpose, vision and mission statement and believes the culture can be further developed and that there can be a greater alignment between practice and culture. Therefore, the Board has requested management to take action to ensure the values are practiced throughout the Group. The Company is purpose driven and its practices are fully aligned with the purpose.

### Reappointment of Directors at the 2024 AGM

The Board has confirmed its view that each of the Directors continues to be effective and to demonstrate commitment to his or her role.

On the recommendation of the Nomination Committee, the Board will therefore be recommending that:

The Board has determined that the Independent Non-Executive Directors (Salehuddin Ahmed, Hanny Kemna and Chris Low) continue to meet the independence criteria set out in the Code.

### Induction and professional development

On appointment, all new Directors receive a comprehensive and personalised induction programme to familiarise them with the Group, tailored to their specific requirements. The Company also provides bespoke inductions for the relevant Directors when they are appointed as a Committee Chair. Induction programmes are tailored to a Director's particular requirements, but would typically include site visits, one-to-one meetings with Executive Directors, the Company Secretary and senior management for the business areas and support functions and meetings with the external auditor. Directors also receive guidance on Directors' liabilities and responsibilities.

## Governance framework continued

In addition, the Chairperson and CEO may agree any specific requirements as part of each Non-Executive Director's regular reviews.

### Company Secretary

The Company Secretary is responsible for ensuring that Board procedures and applicable rules and regulations are observed and for advising the Board, through the Chair or the General Counsel, on all governance matters. All Directors have direct access to the services and advice of the Company Secretary, who also acts as secretary to the Board Committees.

### Conflicts of interest

The Articles of Association include provisions giving the Directors authority to approve conflicts of interest and potential conflicts of interest as permitted under the Companies Act.

A procedure has been established whereby actual and potential conflicts of interest are regularly reviewed and appropriate authorisation sought prior to the appointment of any new Director or if a new conflict or potential conflict arises. Directors are regularly reminded that they must declare, before or at the beginning of the meeting concerned, any matter on the agenda for the meeting in respect of which they may have a conflict of interest; they will, if necessary, withdraw from the meeting during the discussion of that item and not participate in any decision relating to it. The decision to authorise a conflict of interest can only be made by non-conflicted Directors (effectively, the Independent Directors' Committee less any of its members who may be connected with the relevant conflict), and in making such a decision the Directors must act in a way they consider, in good faith, will be most likely to promote the success of the Company. The Board is satisfied that this procedure operated effectively throughout the year.

### Board and Committee effectiveness

#### Annual Board and Committee evaluation

See 'Board performance evaluation' on page 76.

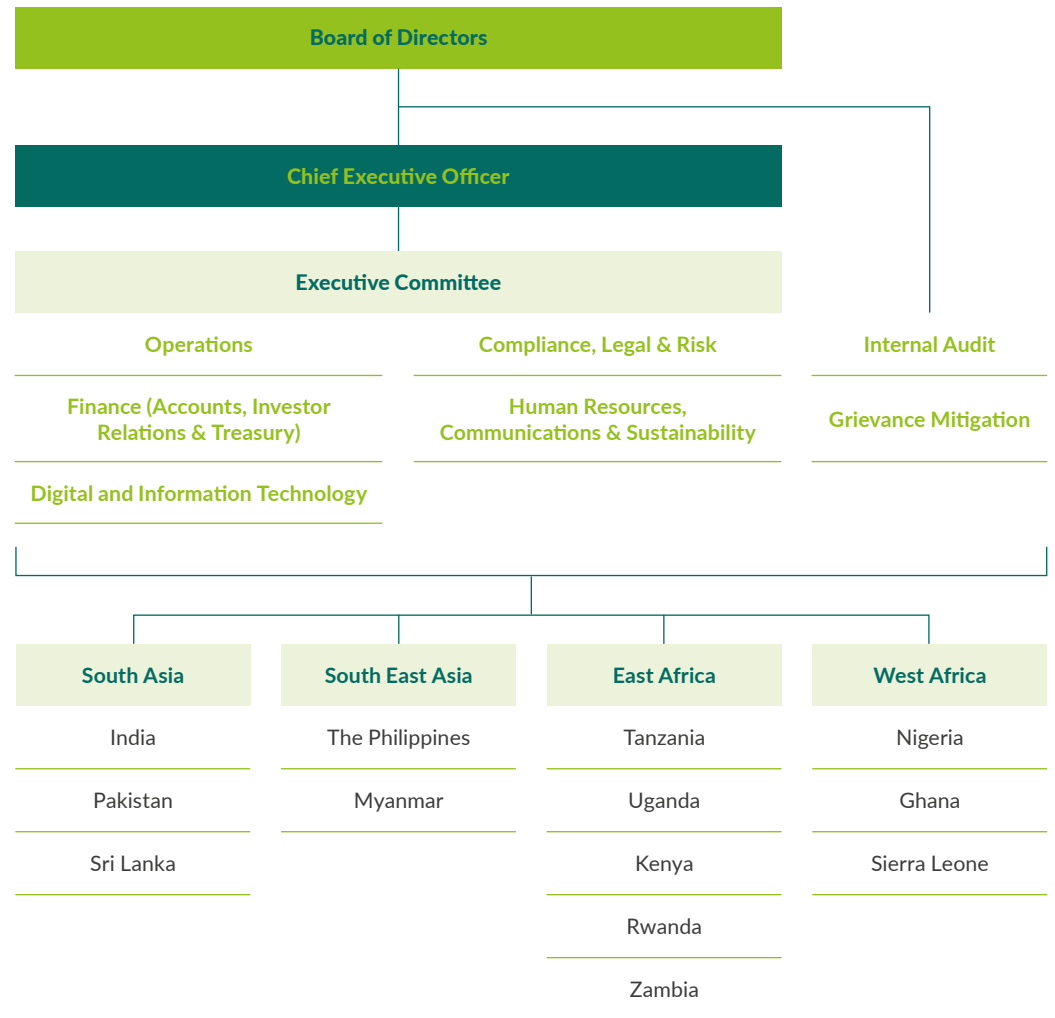
### Management and operational structure

The Executive Committee, which was restructured in 2023, consists of the Chief Executive Officer, the Chief of Operations, the Chief Financial Officer, the Chief Digital and Information Officer, the Chief Compliance, Legal and Risk Officer, and the Head of HR, Communications and Sustainability. The Head of Internal Audit is a non-voting member of the Executive Committee; he reports directly to the Audit Committee of the Board, with a 'dotted line' to the CEO.

The Executive Committee functions as a single body, and the country managers and department heads report to it directly. The Group's operations are standardised, which allows management's authority to be decentralised and delegated (within specified limits) from the Group to each of its microfinance institutions.

The chart on the right sets out a simplified overview of the Group's management structure as well as the Group's operating structure, which is based on geographical proximity and associated cultural similarities and is, therefore, segmented into four regions: South Asia, South East Asia, East Africa and West Africa.

The Group's microfinance institutions operate a total of 2,016 branches across 13 countries in South Asia, South East Asia, East Africa and West Africa. Limited administrative layers exist throughout each in-country branch network, which promotes the active participation of all staff, quick and autonomous decision-making capacity, and the efficient deployment and monitoring of loans. Each of the Group's microfinance institutions has its own Board of Directors (an 'MFI Board') which, in most countries, includes a number of Independent Directors, as well as members of the Company's senior management, such as the Chief Executive and/or Chief of Operations. The remaining Independent Directors often have extensive experience in the microfinance industry or at central banks.



## Governance framework continued

### Local management and operational structure

Each of the Group's microfinance institutions also has a country-level head office from which the Managing Director works and manages the microfinance institution, reporting to the local MFI Board and the Group's international corporate headquarters. Reporting to the Managing Director, the head of operations is also located in the country head office and oversees the microfinance institution's mid-level management. The country head office also includes common head office functions, including Finance and Accounts, Internal Audit, Legal and Compliance, Information Technology, Human Resources and Risk Management. Internal Audit reports directly to the local MFI Board, as well as functionally to the Head of Group Internal Audit.

Each country's head office also includes a Fraud and Misappropriation Prevention Unit, which investigates unusual branch activity and/or client complaints through unannounced branch inspections, and reports to the Managing Director of the microfinance institution as well as to senior management in the international corporate headquarters.

The field staff of each microfinance institution comprises mid-level management and branch staff. The mid-level managers of each microfinance institution travel across their respective branch networks and perform their supervisory functions in the branch offices, as they generally do not have separate offices. Mid-level management generally comprises district managers, regional managers and area managers, with some larger microfinance institutions having an assistant district manager or a deputy head of operations. Each level of mid-level management is responsible for reporting to its manager and ultimately to the Managing Director at the country head office, as well as for inspecting branches, including attending a specified number of client group meetings to ensure that operations are effectively carried out. At client group meetings, mid-level management also receives client feedback and follows up any prior client complaints. Each branch is normally staffed by a branch manager, an assistant branch manager, loan officers and supporting staff members.

### Substantial shareholdings

The table below sets out details of the interests in voting rights of 3% or more notified to the Company as at 31 December 2023 under the provisions of the FCA's Disclosure Guidance and Transparency Rules. Information provided by the Company pursuant to the Disclosure Guidance and Transparency Rules is publicly available via the regulatory information services and on the Company's website.

Name of Director	Number of shares	% holding
Catalyst Microfinance Investors <sup>1</sup>	29,217,826	29.2%
Conifer Capital Management <sup>2</sup>	19,527,159	19.5%
Catalyst Continuity <sup>1</sup>	17,111,118	17.1%
Phoenician Capital <sup>2</sup>	10,000,000	10.0%
Redwheel <sup>2</sup>	4,121,831	4.1%
Renta 4 Gestora	3,067,852	3.1%

- 1 Dirk Brouwer holds his interest in the Company via CMIMC (a company under his ultimate control), which in turn holds its interest in the Company via Catalyst Microfinance Investors 29.2% and Catalyst Continuity 17.1%. Catalyst Microfinance Investors and Catalyst Continuity own 46.3% in total, each company (ultimately) controlled by Dirk Brouwer.
- 2 The holdings of Conifer Capital Management, Phoenician Capital and Redwheel have been built up over the years.

The above reflects shareholding as of 31 December 2023. Substantial shareholders do not have different voting rights from other shareholders.

### Engagement with shareholders

The Group has an investor relations ('IR') programme to ensure that current and potential shareholders, as well as financial analysts, are kept informed of the Group's performance and have appropriate access to management to understand the Company's business and strategy.

The Board believes it is important to maintain open and constructive relationships with all shareholders. The Head of IR, reports to the CFO and is responsible for managing a structured programme of meetings, calls and presentations around the main events in the financial reporting calendar, as well as throughout the year. The team regularly seeks investor feedback, directly and via the Group's corporate brokers, which is communicated to the Board and management. The CEO, the Head of IR, and the CFO, speak to, or meet with, the Group's major institutional shareholders on a regular basis. In addition, the Chair is available to meet or speak to major institutional shareholders to discuss matters such as strategy, corporate governance and succession planning. The Senior Independent Director is available for shareholders to consult in the event that they have concerns that contact with the Chair or the CEO has failed to resolve, or where such contact would be inappropriate. Separately, the Independent Directors are available should shareholders wish to discuss any concerns they may have.

Through the Head of IR, the Board is regularly updated on the status of the IR programme. An IR report, summarising share price performance, share register composition and feedback from any investor meetings, is produced for Board meetings.

Relevant presentations, together with all results announcements, Annual Reports, regulatory news announcements and other relevant documents, are available on the Investors section of the Company's website at [asa-international.com/investors](http://asa-international.com/investors).

### Stakeholder engagement

In 2023, the Committee executed an action plan to engage with stakeholders. Each Director assumed primary responsibility for a specific stakeholder group. Regarding workforce engagement, given the substantial number of staff primarily located in branches, the Company appointed the Chair as designated director. The chairperson made multiple visits to the head office and conducted numerous sessions with staff and their representatives. Refer to the S172 statement on pages 14 to 16 for further details on stakeholder engagement.

The Chair of the Audit and Risk Committee has regular conversations with the Group Head of Internal Audit and Group CFO, and the Committee meets members of the senior management team who attend every Audit and Risk Committee meeting.

### Annual General Meeting

The Board regards the Company's AGM as an important opportunity for shareholders to discuss the Group and its performance directly with the Board. All shareholders have the opportunity to raise questions with the Board at the AGM, either in person or by submitting written questions in advance, and the Chairmen of all of the Board Committees and the other Directors attend the meeting.

## Audit and Risk Committee report

This report sets out the principal responsibilities of the Audit and Risk Committee, its membership and meetings' as well as our key activities during the year.



**Chris Low**  
Chair of the Audit and Risk Committee



### As Chair of the Audit and Risk Committee, I am pleased to present the Committee's report for the financial year ended 31 December 2023.

#### Chair's overview

The Committee spent substantial time in monitoring the cash and liquidity situation, evaluating the progress of the digitisation and digital transformation of the business operations, the impact of regulatory changes on the operating environment, and other related accounting judgements and disclosures. The Committee also closely monitored recoveries in India, licensing in Pakistan, funding across the Group, profitability and forecasts, covenant breaches and the changing risk environment including risks posed by inflation and devaluation of currencies in operating countries.

This report provides an insight into the functioning of the Committee and the activities undertaken by it, including an overview of the principal topics covered at various meetings of the Committee. The Committee apportions its time between periodic review of key present and future risks to the Group and close scrutiny of the financial reporting and internal controls of the Company.

The majority of the Committee's time has been spent on our principal roles and responsibilities, which are to:

- Monitor the integrity of the Company's financial statements and external financial reporting.
- Assess the impact of the depreciation of the majority of the currency in the operating countries and the impact thereof on the financial position of the Group.
- Review the effectiveness of the Group's internal controls.
- Monitor and review the activities and performance of both the Internal Audit function and external audit process.
- Monitor the adequacy and effectiveness of the risk management framework.

- Assess principal and emerging risks and help to focus the Board's attention on key risks, especially in view of inflation and devaluation of currencies.
- Consider key accounting matters and areas of judgement and changes.
- Discuss specific matters tabled at the request of the Committee to allow the Committee to zoom in on topics of interest or concern.

The full terms of reference of the Committee are available on the Company's website (under Investors/Corporate Governance/Audit and Risk Committee).

In 2023, the Committee continued to focus on the internal controls systems and processes and recovery from the challenges being faced due to the current economic scenario.

In particular, the Committee reviewed the provisioning for expected credit losses in line with IFRS 9 and whether adequate provisions have been made considering economic challenges faced by multiple operating subsidiaries. The committee reviewed the application of IAS 29 on Hyperinflation as it was relevant for the first time for the operations in Ghana and Sierra Leone. The Committee considered accounting judgements and the framework established by management to assess and calculate the expected credit loss for the Group.

The Committee continued to work with management to further improve the risk-based internal audit process as well as the reporting of risk. The Committee will continue to focus its attention on the key responsibilities listed above, and in particular on oversight of Internal Audit and the risk control framework, significant accounting judgements, review of the external audit scope and fees, review of anti-money laundering and anti-bribery policies and whistleblowing arrangements, consideration of the requirements of the UK Corporate Governance Code in relation to stakeholder engagement, long-term viability, risk and going concern. In particular, the Committee will focus on further development of the Internal Audit function, including IT audits, as well as the development, use and security of new and future IT strategies and systems.



## Audit and Risk Committee report continued

### Audit focus areas in the 2023 financial year

Since 1 January 2023, the Committee has:

- Reviewed the 2022 draft year-end financial numbers and 2023 interim financial statements and the auditor's findings in relation to them, as well as the responses by management to the recommendations of the auditor.
- Considered the EY Audit Planning Report for the 2023 year-end audit.
- Reviewed and considered PAR>30 and ageing buckets.
- Reviewed the accounting impact of the provisioning for expected credit losses.
- Reviewed the budgets and projections as well as related going concern and viability statements.
- Reviewed accounting treatment of issuance of Long-term Incentive Plan ('LTIP') Awards.
- Considered the plans and reports from the internal auditor as well as the quality and resources (and budget) available to Internal Audit.
- Reviewed the digital strategy of the Company including digitisation and implementation of the core banking software from Temenos.
- Considered the potential impact of IAS 29 (hyper inflation countries). Post closing of the financial year, Ghana and Sierra Leone have been identified as hyper inflationary economies. The ARC has been involved in assessing the impact of IAS 29 hyperinflation.
- Reviewed staffing and recruitment arrangements for the Internal Audit department.
- Validated reversal of holiday interest
- Reviewed the risk framework and made recommendations.
- Reviewed KPIs along with climate risk.
- Reviewed staff retention numbers and the training plan for employees.
- Reviewed key legal and regulatory concerns.
- Reviewed treasury reports, including funding, liquidity and capital requirements of the Group as well as the compliance with loan covenants.
- Monitored liquidity across the Group and reviewed the Liquidity Plan 2023.

- Considered the compliance framework (including whistleblowing arrangements) and compliance reports.
- Reviewed the contents of the financial statements to ensure they are fair, balanced and understandable to all readers.
- Reviewed whistleblowing reports and investigations and legal reports with regulatory updates.
- Reviewed the performance of the current auditor of the Company.
- Reviewed requirements relating to energy usage and greenhouse gas emissions and the Task Force on Climate Disclosures ('TCFD') requirements.
- Reviewed third-party salary survey.
- Reviewed health and safety reports.
- Reviewed entity value proposition.

### Audit priorities for 2024

Key audit priorities for the coming year include:

- Reviewing the results announcement for 2024 and recommending the 2023 full-year results to the Board.
- Reviewing significant accounting judgements as well as going concern, viability statement and liquidity risks.
- Reviewing non-audit services and other audit policies and auditor independence rules.
- Looking into the adequacy and security of the Company's Anti-Money Laundering ('AML') policy and required whistleblowing arrangements.
- Reviewing the half-yearly report from the external auditor of the Company as well as the 2024 report and management letter by the auditor.
- Reviewing the management representation letter from the external auditor.
- Monitoring liquidity across the Group.
- Monitoring the Internal Audit function, budget, staffing and internal audit approach.
- Reviewing the audit plan, auditor objectivity and independence, as well as auditor remuneration.

- Considering, in consultation with internal and external auditors, the arrangements to be put in place to report on the effectiveness of the Group's internal controls as required by the UK Corporate Governance Code 2024 with effect from the 2026 financial year.
- Reviewing whistleblowing policy and the process of investigation.

### Membership and meetings

The Audit and Risk Committee is chaired by myself, and the other members during 2023 were Salehuddin Ahmed and Hanny Kemna, both of whom are Independent Directors.

Hanny Kemna joined the Board in 2018, followed by Salehuddin Ahmed in 2021, and myself in 2023. In common with the other Directors, we have been re-elected at each AGM since we were appointed. The qualifications of each of the Board members are outlined in the biographies on page 69. The Board considers that the current members of the Audit and Risk Committee have sufficient skills, qualifications and experience to discharge their duties in accordance with the Committee's terms of reference.

In 2023, the Committee met on six occasions. Full details of attendance by the Non-Executive Directors at these meetings are set out in the table on page 72. In addition to the members of the Committee, standing invitations to attend meetings are extended to the CEO, the CFO, the Chief Accountant, the Head of Treasury, the Chief Compliance, Legal and Risk Officer, the Chief Digital and Information Officer, the Chief of Operations, representatives of the external auditor, the Head of Compliance and the Head of Group Internal Audit. All attend our Committee meetings as a matter of course and have supported and informed the Committee's discussions. Invitations to attend are extended to other members of management as required, so that they can brief the Committee on specific issues under review.

The external auditor, Ernst & Young LLP ('EY'), attends each meeting, and I have regular contact with the lead audit partner throughout the year. The Committee met with both internal and external auditors privately (i.e. without members of management present) at meetings during the year.

Since the Committee has responsibility for both audit and risk monitoring, this report will address the activities of both functions during the financial year.

### Audit overview

As part of its audit function, the Audit and Risk Committee is responsible for monitoring the integrity of the Company's financial statements and reviewing and reporting to the Board on significant financial reporting issues and judgements. The Committee also considers whether the Company has adopted appropriate accounting policies and made appropriate estimates and judgements after taking into account the views of the auditors.

Other than the above, the Committee monitors:

- Compliance with accounting standards and legal and regulatory requirements.
- The reporting of related party transactions.
- The basis on which the Group is considered to be a going concern.
- Any material misstatements in the accounts that are reported by the external auditor.
- Taxation matters.

### Audit of 2023 financial year

#### International accounting standards

At the beginning of 2023, IFRS 17 took effect requiring loans to be treated as insurance contracts if there is any insurance or life assurance aspect to the relationship between lender and borrower. There were no further significant changes in the IFRS reporting standards applicable for the 2023 financial statements. Early in 2024, but related to the 2023 accounts, the effects of hyperinflation under IAS 29 for Ghana and Sierra Leone were incorporated.

#### Reporting by the external auditor

The Committee received detailed reporting from the external auditor in respect of the final and half-yearly results. The Committee and the external auditor discussed the key areas of focus including the risk drivers, the significant risks being risk of fraud in revenue recognition, valuation of expected credit loss provisions, valuation of deferred tax assets, hyperinflation and going concern.



## Audit and Risk Committee report continued

The Committee reviewed the external auditor's opinions, appropriateness of accounting principles applied to the financial statements and related disclosures, and management's report. The Committee specifically spoke to the external auditor about going concern and the existence of material uncertainty, hyperinflation, misappropriation, revenue recognition and expected credit loss provisions. The external auditor reported that the significant audit risks in relation to income recognition and expected loss provision had been reported at each stage, and it had not found any material or reportable differences or fraud after extensive revenue testing.

The Committee also reviewed the EY external audit findings and EY Control Observations and Recommendations Report and the management response to each observation made by EY. The Committee had a discussion with management on the observations including going concern assessment, assessment of impairment of deferred tax assets, balance sheet and income statement attestation and quality and ownership of financial output.

The Committee also discussed the listing requirements to which the Company is subject, UK Corporate Governance Rules, and adherence to planning, timelines and achievable due dates as a listed company. EY kept the Committee updated on developments in corporate governance regulation and practices that were expected to arise over the next few years, which may require the Company to produce new types of documentation, particularly with regard to attestation of internal controls.

Taking into account the external auditor's assessment of risk, but also using our own knowledge of the Group, we reviewed and challenged where necessary the actions, estimates and judgements of management in relation to the preparation of the financial statements.

As part of its role in assessing the integrity of the Group's external reporting, the Committee has continued to pay particular attention to the key areas of management judgement underpinning the financial statements. The Committee reviewed the significant

accounting judgements made during the year, the risks to which the Company was exposed and the systems in place to mitigate or manage them and the overall system of internal controls within the Company.

The Committee reviewed the analysis of the going concern situation and the waivers that had been received in respect of the Group's covenant breaches on its outstanding borrowings, and concluded that it continued to be appropriate to prepare accounts on a going concern basis.

Some observations have been resolved, which include establishment of the Assets and Liabilities Committee ('ALCO'), where the Group's assets and liabilities are closely monitored among departments, and the set-up of offsite disaster recovery, while others, such as immaterial differences between MIS and FIS and Stage 3 interest income automation are in progress and being monitored.

The Group's liquidity with unrestricted cash and cash equivalents was approximately USD 48 million at year end 2023. The Company secured approximately USD 179 million of new loans from local and international lenders in 2023.

### External audit

The Committee assessed the external audit report and audit plan for 2023. EY stated that the scope of the audit was largely unchanged from 2022. EY visited several countries in the course of the audit and had operated a comprehensive program of oversight and direction over all components within their audit scope.

The auditor identified the following significant risks for the 2023 audit:

- Going concern – risk factors including elevated arrears and credit losses resulting in loan covenant breaches and ongoing global economic challenges increasing risk of further breaches.
- Valuation of expected credit loss provision.
- The risk of fraud in revenue recognition through the incorrect recording of revenue arising from fictitious loans and advances to customers.

Other key areas of focus include capitalisation of software development costs, hyperinflation accounting, valuation of deferred tax assets, loan portfolio measured at fair value through profit and loss, foreign currency translation, compliance with laws and regulations, IT systems migration, and retirement benefit plans.

The Committee concluded that EY remains independent and that its audit is effective. EY confirmed that it had carefully monitored the provision of non-audit services to EY has acted as the Group's external audit firm since appointment by the Board in 2018. The Committee approved EY's non-audit services for 2023, including the half-year 2023 review for ASAI Group plc, CAR certification, interim and final dividend certification for Pakistan, direct and indirect tax representation and advice agreement for Kenya, deposit liabilities premium calculation for Nigeria, tax consultancy services for Ghana, and Tier I readiness assessment services and tax audit handling for Tanzania in 2021 and 2022. The Group's policy for auditor rotation and audit tender follows regulatory requirements, and the audit firm will be rotated after no more than 20 years, with an audit tender to be held after no more than ten years.

### Other financial reporting and financial update Interim announcement

The Committee reviewed the draft announcement and interim financial statements.

### Financial update

The Committee reviewed financial updates from management and discussed various items including PAR>30 ratio, debt-equity ratios, liquidity, cost of funding, impact of forex on cost base, other operating income, salary inflation, currency depreciation in Asian and African countries, the financial timetable, preparations for the half-year review and year-end audit, cost to income ratio and increase in operating costs, write-off and recovery of debts, tax expenses, expected credit loss, and market expectations.

The Committee requested and received presentations from management explaining the key issues raised by analysts, investors and press. The Committee also discussed the decision to charge interest over holiday periods and reversal of the same in Ghana.

### Policy oversight and review Whistleblowing

The Committee and the Group place a high priority on all employees understanding the process for reporting concerns, so that they all feel able to speak out when appropriate. In respect of all operating subsidiaries, all concerns are reported directly to the head of the Audit and Risk Committee ('ARC') of that country; and in respect of all headquarters/holding company staff (in Dhaka and the Netherlands) any instances are directed to me as the Chair of the Group Audit and Risk Committee. The Chair passes the concern(s) to the Head of Internal Audit and discusses them with the Board; in this way we ensure that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action.

### Other policies

Emphasis was placed on regular review by the Board of policies such as anti-bribery and corruption, AML and implementation of the Transfer Pricing Policy. The Committee noted that all key manuals are in place and requested guidance from the Compliance Officer on the review and approval process. The Compliance Officer prepared a systematic compliance framework, identifying gaps in the existing framework, and has been instructed to further develop all manuals and carry out training on priority. The Committee also emphasised that there should be a zero-tolerance policy for cases of sexual or racial harassment.

## Audit and Risk Committee report *continued*

### Internal Audit

During the year, the Committee held several discussions with the Head of Internal Audit to ensure that they had enough resources and, regular reports continue to be delivered to the Committee. The Internal Audit team was provided online access to the data of subsidiaries, although all information required for auditing transactions was not online and the Committee noted that internal audits planned for 2023 had mostly been completed on schedule. It was also decided that internal audit software would be developed internally. The software has been rolled out in two countries (Kenya and Tanzania), as well as the Group, and is expected to be rolled out in the rest of the entities in 2024.

At each meeting the Committee receives a report from the Head of Group Internal Audit summarising audits completed as well as monitoring progress on agreed actions from previous audits.

Internal Audit reported that the key concerns were inadequacies in loan recovery, loan disbursement with inadequate due diligence and other operational issues. Internal Audit also focused on health and safety issues, compliance matters and IT Security and Compliance issues. The Committee worked to ensure that the management would respond to issues raised by Internal Audit within a specified time.

The Committee had discussions with management to ensure adequate staffing of the Internal Audit department and had several discussions on the reasons for staff turnover. The Committee continues to keep the level of resources of the Internal Audit team under review and holds meetings with the Head of Group Internal Audit from time to time. The Committee reviewed and approved the risk-based branch audit plan for 2024, the risk-based process and control audit plan for 2024 and the Internal Audit budget. The Chair was actively involved in recruitment of the Head of Internal Audit and also gave attention to other vacancies of Head of Audits in countries. Following a hiring process in 2023, the Group's new Head of Internal Audit officially joined in March 2024, replacing the previous incumbent.

### IT organisation and digital strategy

The Committee spent considerable time on the IT organisation and the digital strategy. The Committee continued to monitor the digitisation process and required the Company to prepare back-up plans in case of cyber-attacks and the disaster recovery arrangements in such an event. The Committee also monitored implementation of the effective interest rate loans and lockdown interest across countries and the changes to AMBS in relation thereto. Operations, Finance and IT worked closely together to define the parameters and implement solutions and we continue to improve the development process, having further strengthened management and coordination between departments.

The Committee also monitored the progress of the digital strategy of the Group, including the development of the real-time smartphone or mobile app and its piloting in some countries, as well as the implementation of the Core Banking System acquired from Temenos Transact (T24) in Ghana and Pakistan.

The focus on increasing digitisation and digitalisation across the Group increased further during 2023 with the ongoing implementation of Temenos Transact, which will be rolled out over the coming years in selected markets in order to improve the deposit-taking capacity of the Company, as well as the roll out of digital financial services in Ghana and other markets. The Committee also recognises the need for strong cyber defences to protect its systems and customer data and to prepare the Company for a digital financial services environment.

The Company will continue to run its current AMBS systems in all but the above two markets. The deployment of Temenos Transact (T24) in other markets is expected to be a multi-year project.

The IT technology strategy is constantly under review by the Board and this Committee in order to ensure that we are keeping pace with, and responding to, the latest industry developments, especially in digital finance. IT capability will continue to be assessed in the context of risk appetite, being part of the Company's operational

risk. The Committee considered the effectiveness of the internal control systems and believes that they are adequate. The Committee also discussed the preparedness of the Company to deal with cyber-attacks and disaster recovery procedures.

The Committee also discussed the recommendations by the external auditor relating to IT. EY submitted its report on the IT Audit pursuant to revised International Standard on Auditing (UK) 315, Identifying and Assessing the Risks of Material Misstatement pursuant to which EY performed new and additional procedures to understand the Group's use of IT, IT processes related to IT applications relevant to audit used in different accounting processes, and where relevant, IT general controls that address IT risks in the IT processes. EY noted overall improvements in IT control design and implementation since the last IT audit in 2018.

### Risk management overview

As part of its risk management function, one of the Audit and Risk Committee's principal roles and responsibilities is to support the Board in its oversight of risk management across the Group. The identification, management and mitigation of risk are fundamental to the success of the Group.

The ASA Model of Microfinance has proved to be robust in managing operational risk, but we aim to continue to retain and recruit the skills and talents needed to meet the challenges we face in our various operating markets and continuously review the adequacy of procedures and operational controls.

The reporting, based on the three lines of defence model, allows us to ensure that principal risks are identified and debated and that senior management's plans for risk mitigation are well understood and appropriately resourced. The Committee requires senior management to focus, as far as its reports to the Committee and Board are concerned, on presenting key risks. Senior management provides risk reports to the Committee on a quarterly basis. These reports contain a summary of the key risks and senior management's risk assessment along with any mitigation actions where relevant.

The management team also provides a full summary of its risk appetite in relation to its key performance indicators.

This risk reporting process as well as the regular reviews by the Committee were in place and functioning effectively in 2023.

### Risk management: activity in financial year 2023

The Risk function continued to evolve in 2023. We continue to work with senior management to ensure our three lines of defence model is fully embedded across our Group and that the governance and reporting structures continue to provide ever more effective oversight of our risk management. These actions have continued to improve the flow of management information to the Committee, increasing the effectiveness of its challenge and oversight and enhancing visibility on risk and compliance issues identified at all levels across the Group.

The Committee carefully assessed the impact on portfolio quality, collection efficiency, bad debt write-off and recoveries, and PAR>30, especially in India, Myanmar, Nigeria and Sierra Leone. The Committee maintained its focus on the Group's policies, programmes and practices for strengthening and prioritising our ability to test, detect, resolve and recover from unforeseen operational disruptions in our key markets.

The risk taxonomy of the Group had been reviewed and updated during the year to achieve a comprehensive coverage of risks. The Committee reviewed the risk management reports presented by management and the actions being taken to manage or mitigate the key risks. The Committee was actively involved in improving risk reporting by management. The Committee noted that inflation risk was a key risk during 2023 primarily attributed to elevated inflation rates observed in a number of countries. Data migration risk remains medium due to a number of ongoing projects. However, the Group has enhanced IT capabilities and has seen successful advancement in the ongoing projects. It also noted that business growth (due to reduction of loan portfolio in India) was a high risk during 2023.

## Audit and Risk Committee report *continued*

It further noted that liquidity risk and exchange rate risk were high and also discussed the climate risk reports including risk of flooding at head office locations and important health and safety measures. Health and safety, liquidity and IT risks were standing items for discussion at meetings held in 2023 and will continue to be discussed in 2024. Assessment of emerging risks (required under the 2018 Code) will be a standing agenda item for the Committee's discussion in 2024.

We continue to encourage the Company to engage actively with regulators and industry bodies to ensure that our compliance framework remains appropriate and relevant for all of our businesses. The Legal and Compliance team works closely with colleagues in different countries, providing regulatory advice, as well as shaping policies, delivering training and conducting assurance reviews. The Group Compliance Officer was also appointed as the dedicated AML officer.

### Looking ahead to 2024: risk priorities

Key risk priorities for the coming year include:

- Stabilising and improving the size and quality of the loan portfolio.
- Monitoring liquidity risk in light of delays in receiving dividends from subsidiaries and in the light of the significant currency devaluation to the USD in our largest operations.
- Effective management and reporting of key risks, specifically foreign exchange exposure, regulatory risks, as well as any other material developing concerns.
- Advancement and continuous assessment of the Group's IT infrastructure, including deployment of the Temenos Core Banking System in selected markets and digital financial services, as well as maintaining and improving AMBS to meet new requirements for upgrades in the markets where it is still used.
- Improving Internal Audit to allow for more effective risk-based internal audit reviews.
- Implementation and monitoring of the Health and Safety Policy.

### Committee roles and responsibilities

The Committee keeps under review the adequacy and effectiveness of the Company's internal financial controls and risk management systems and the Group's procedures for identifying, assessing and managing risk.

### Committee effectiveness

A formal evaluation of the Committee's performance took place as part of the wider Board evaluation of performance in 2023 and will be undertaken again at the end of 2024. The Committee considers that it possesses the right skills, and has access to the right resources, to enable it to carry out its duties, and that it has continued to perform effectively. It continues to have good relationships with the auditors, who provide helpful and thorough reports and advice at meetings. The Committee Chairman is in frequent contact with the senior management of the Group to discuss business performance, emerging risks, and the competitive environment. The handover to the new Committee Chairman, Chris Low (who was already a member of the Committee), was managed smoothly following Gavin Laws's retirement from the Board at the 2023 AGM.

The Head of Internal Audit continues to report directly to the Committee and meet the Committee Chairman regularly outside the Committee meetings cycle; in a welcome development, he now also attends meetings of the Executive Committee, receiving a higher internal profile and a more visible degree of management support.

Looking ahead, the Committee considers that its required mix of skills will include more banking experience, as an increasing number of deposit-taking licences are obtained by the Group. The risk management framework, including emerging risks, requires an increasing amount of the Committee's attention, and training on accounting standards, etc will also need to be kept up to date.

### Monitoring liquidity plans

The Committee considered further reports from management on the Group's cash situation, which continued to be affected by delays in obtaining dividends from the operating subsidiaries due to central bank intervention, and by devaluation itself.

Various potential scenarios for 2024 were discussed and the Committee has requested that senior management keep it informed of any developments in the liquidity situation.

### Other matters

Other, more routine, matters discussed included:

- Legal and regulatory update reports were routinely received and reviewed by the Committee.

### Viability statement

During the year, the ARC has considered a wide range of information relating to present and future projections of profitability, liquidity, currency devaluations, inflation and operating costs. These considerations relate to the global economic uncertainty and its impact on the Company's operations, as well as considering potential impacts from other top and emerging risks, and their related impact on profitability, capital and liquidity. In accordance with the UK Corporate Governance Code, the Directors carried out a robust assessment of the principal risks of the Group. In accordance with provision C.2.2 of the UK Corporate Governance Code, the Board confirms that it has a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, for the three-year period up to 2026.

The Directors' assessment has been made with reference to:

- The Group's current position and prospects – please see the Financial review on pages 25 to 36;
- The Group's business model and strategy – please see our business model, our strategy and Key Performance Indicators on pages 12, 17 to 19 and 24;
- The Group's recent cash position as per 31 March 2024, including access to funding from local and international sources on pages 25 to 36;
- The Board's risk appetite, and the robust assessment of the Group's principal risks and how these are managed on pages 37 to 47;

- The material uncertainty in relation to going concern as detailed in note 2.1 of the financial statements; and
- Risk management approach on pages 37 and 38.

Finally, the Directors reviewed the viability scenarios as well as the Group's strategy and five-year business plan on an annual basis. The viability scenarios sets forth the Group's monthly projections of profitability, cash flows, capital requirements and resources and other key financial and regulatory ratios for the period until December 2025 and annual projections for the period 2026–2028.



**Chris Low**  
Chair of the Audit and Risk Committee  
26 April 2024

## Nomination Committee report

This is the sixth annual report on the activities of the Nomination Committee following the listing of the Company.



**Guy Dawson**  
Chairman of the Nomination Committee



### This report gives details of the activities of the Nomination Committee in connection with Board and executive succession planning, and progress towards goals for diversity, equity and inclusion.

The Committee is responsible for succession planning for the Board, maintaining a pipeline of strong candidates for potential nomination as Non-Executive Directors and Executive Directors, while also ensuring robust succession planning for the Executive Committee.

As stated in last year's Nomination Committee report, in February 2023, the Committee recommended the CEO succession plan to the Board for approval. Under that plan Mr Brouwer retired as CEO after the 2023 AGM in June, becoming Deputy Chairman and Special Advisor, and was succeeded by Karin Kersten (previously the Executive Director, Corporate Development). This change was followed by other changes of personnel and of responsibilities at the senior executive level, which have been kept under frequent review by the Committee.

An overview of the Committee's roles and responsibilities, and its key activities during the year, is set out in the report below.

### Key activities in the 2023 financial year

During the year the Committee discussed:

- Board composition and succession, including the recruitment of Chris Low to succeed Gavin Laws, who retired at the Annual General Meeting ('AGM') in 2023.
- Executive management succession planning, including the recruitment of a new Head of Internal Audit and the re-allocation of the duties of the Executive Director, Operations on his retirement in June. The Committee also reviewed the composition of the Executive Committee headed by the CEO.
- The assessment of senior executives, including their skill sets, knowledge and experience, in order to ensure that an appropriate balance of such qualities has been maintained.
- Gender diversity targets, and increasing the proportion of female staff at the head office and country levels, including in senior management at the country level. The Committee welcomed the establishment of a Diversity, Equity and Inclusion Committee chaired by Ms Kersten.
- The CEO succession (see above).



## Nomination Committee report continued

### Committee roles and responsibilities

The Committee's key roles and responsibilities are:

- Regularly reviewing the size, structure and composition of the Board, and making recommendations to the Board with regard to any changes.
- Considering the leadership needs of the Group, including succession planning for Directors and for senior executives.
- Identifying and recommending candidates to fill Board vacancies when they arise, for the Board's approval.
- Making recommendations to the Board concerning the formulation of plans for succession for both Executive and Non-Executive Directors and suitable candidates for the roles of Senior Independent Director and Chairmen of Board Committees.
- Considering the appointment or retirement of any Directors.
- Reviewing the continued independence of the Non-Executive Directors.
- Evaluating the Board's balance of skills, knowledge, experience and diversity.
- Preparing a description of the role and responsibilities required for a particular appointment.
- Being actively involved in the appointment process for the Chairman of the Board.
- Reviewing the results of the annual Board performance evaluation process that relate to the composition of the Board.
- Reviewing annually the time commitment required from Non-Executive Directors.

The Committee's roles and responsibilities are set out in the terms of reference and are available on the website of the Company.

### Membership and meetings

The Nomination Committee is chaired by myself, and the other members are Hanny Kemna and Salehuddin Ahmed. The composition of the Committee satisfies the relevant requirements of the UK Corporate Governance Code ('the Code').

Other individuals, such as the Group HR Director and external professional advisers, may be invited to attend all or part of any meeting, as and when appropriate and necessary. The Committee met five times during the year: in February (twice), and in April, September and December 2023. The details of members' attendance are set out on page 72.

### Changes to the Board

Please refer to page 72.

### Directors' skill sets

Karin Kersten has had 24 years' experience of banking, most recently of trade and commodity finance at a senior level in ABN AMRO Bank. The Committee also considered and reaffirmed the skill sets and experience of the Company's Non-Executive Directors, including their extensive experience within financial services.

Dirk Brouwer is an experienced investment banker, having held senior roles in PaineWebber and Merrill Lynch as well as over 16 years of experience in microfinance as Director of ASA International.

Guy Dawson has extensive business and financial experience, including as a Non-Executive Director, as well as Vice-Chairman and Chairman roles at Nomura International plc and Merrill Lynch.

Gavin Laws has worked in the banking industry for over 30 years, including multiple senior executive roles at Standard Chartered Bank; he currently sits on a number of UK boards.

Hanny Kemna brings over 20 years of experience as Global Lead Partner of Operations and IT at Ernst & Young, as well as broad experience as a supervisory board member of a variety of financial institutions.

Salehuddin Ahmed is Professor at the Business School of BRAC University, Dhaka, Bangladesh. Mr Ahmed is also on advisory bodies of several government and non-government agencies in Bangladesh and a member of the board of trustees of two universities and a college, and was the Governor of the Bangladesh Bank (Central Bank) between 2005 and 2009.

Chris Low was I&M Group Plc's Regional Director for its East Africa businesses. He advises several FinTech start-ups and sits on the Boards of United Bank for Africa (UK) Ltd, EdPartners Africa Holdings Ltd, the Scottish African Business Association, and is a member of the Investment Committee of Zephyr Acorn Venture Fund, an investor in early-stage impact companies. With over 30 years in international financial services, risk management and digital transformation, Mr Low has specialised in emerging markets, working across Africa, Asia and the Middle East.

Further information on the background and experience of each of the Directors can be found in their biographies on page 69.

### Succession planning – Board and senior management

The Committee manages Board and senior management succession under a structured, proactive methodology. The Committee kept under review the Group's succession planning at Board and senior management level, including in the various countries, and notes that the gaps in the executive succession plan are steadily being filled. The search for a new Non-Executive Director in 2022 ended with the appointment of Chris Low in February 2023.

In 2023, the Committee kept under review the succession plans for senior management across the Group, in the light of the evolving business outlook and also the CEO succession plan (see below).

The Committee recommended the CEO succession plan (subsequently approved by the Board) on 23 February 2023, pursuant to which Mr Brouwer remained as CEO until the 2023 AGM, at which point Ms Karin Kersten, then Executive Director, Corporate Development, was appointed CEO. At the same AGM, Mr Brouwer stepped into a new role. He was appointed as (i) Deputy Chairman of the Board of ASA International and (ii) Special Adviser to the new CEO, the Executive Committee and the broader management team in order to (a) smoothen the path of transition and (b) support the new leadership going forward. The Committee also discussed and recommended the new governance structure and restructuring of the Executive Committee.

The Committee also reviewed progress on leadership training for potential successors to the most senior roles in the Company and will continue to monitor progress with the management succession plan regularly in 2024.

### Diversity

The Committee fully supports the policy of increasing diversity at each level of the Group, and it regularly reviews gender diversity data in particular (ethnic diversity presents less of a challenge, thanks to the Group's wide geographical spread of operations). The Committee considers that the Board remains diverse in the broadest sense, drawing on the knowledge, skills and experience of Directors from a range of professional and cultural backgrounds. Currently two of the Company's six Directors are women and we intend, subject to the need for all appointments to be made on merit against objective criteria, to increase female Board representation still further. At the operational level, too, the representation of women is higher than before. The Group places a high priority on making ASA International appeal to a diverse population, and its commitment to equal, respectful and dignified treatment throughout recruitment processes and through all stages of the employee cycle is underpinned by the Group's Non-Discrimination Policy, as referenced below.



## Nomination Committee report continued

The Committee discussed the increasing importance of gender, national and cultural diversity. Under the direction of the new Diversity, Equity, and Inclusion ('DEI') Committee chaired by the CEO, the Company continues to focus on appointing more women in senior management roles, training female staff for leadership roles at the entity level and stepping up the hiring of women across the board; and the country managements are now working towards firm targets for increasing the proportion of female staff. Progress on this front, which varies according to local cultural norms, is tracked by the Committee. The key ratio of female to male employees is increasing faster in some countries than in others, and therefore 'softer' targets, such as creating a more female-friendly working environment, are now also being set, as ASA International works towards achieving its aim of having a workforce that reflects more closely its mostly female client base. Read about DEI efforts on page 53.

Information prepared under the new Financial Conduct Authority ('FCA') rules on Diversity and inclusion on company boards and executive management can be found on page 53.

For compliance with UK Listing Rule 9.8.6 (10) and (9), the following disclosure to the right is provided.

### Non-Discrimination Policy

Unfair discrimination in any form is not acceptable. Management and employees are expected to ensure that a fair and sympathetic work environment exists for all employees, irrespective of marital status, religion, disability, sexuality, gender, racial or ethnic background. This policy of equal opportunities and diversity applies to recruitment, remuneration, training, staff development, promotion, discipline, and all other aspects of employment. The policy also applies to volunteers, interns, current or prospective clients, suppliers or beneficiaries, and all others outside ASA International with whom the Company or its employees do business.

More detail on the Group's approach to diversity can be found in the ESG report on page 53.

### Numeric data – UK Listing Rule 9.8.6 (10)

	Number of Board directors	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, and Chair)	Number in executive management	Percentage of executive management
<b>Sex</b>					
Men	4	67%	1	6	86%
Women	2	33%	2	1	14%
Other Categories	0	0%	0	0	0%
Not specified / Prefer not to say	0	0%	0	0	0%
<b>Ethnicity</b>					
White British or other White (including minority-white groups)	5	83%	3	2	29%
Mixed/Multiple ethnic groups	0	0%	0	0	0%
Asian/Asian British	1	17%	0	4	57%
Black/African/Caribbean/Black British	0	0%	0	0	0%
Other ethnic group including Arab	0	0%	0	0	0%
Not specified/prefer not to say	0	0%	0	1	14%

### Compliance – UK Listing rule 9.8.6 (9)

Listing Rules Requirements	Outcome	ASA International Plc position as at 31 December 2023
At least 40% of Board directors are women	Target not met	33% of the Board directors are women. This matter will be taken into account when a new director is considered.
At least one senior Board position held by a woman	Target met	The positions of CEO and senior independent directors are held by women.
At least one Board director from a minority ethnic background	Target met	One Board director is from a minority ethnic background.

1 All data as at 31 December 2023 (the reference date).

2 Data was collected via self-reporting methods, via an email data collection exercise (with options aligned to the categories specified in the Listing Rules).

3 The Group CEO is a member of both the Board and executive management and so is counted in both groups in the above table.

4 Changes since the reference date: Md. Ezazul Islam joined the Executive Management on 21 March 2024. His predecessor had the same sex and ethnicity, so there is no change to the numbers or percentages of the executive management.

5 Per definition within the Listing Rules, executive management within ASA International is the Group Executive Committee.

### Insurance

The Company renewed its D&O insurance which covers up to USD 10 million in claims.

### Reappointment of Directors

Prior to the Company's AGM each year, the Committee considers and makes recommendations to the Board concerning the reappointment of the Directors, having regard to their performance and ability to continue to contribute to the Board.

The Board has concluded that the Non-Executive Directors remain independent and continue to make a significant contribution to the Board and its Committees.

Following this year's review in advance of the 2024 AGM, the Committee recommended to the Board that all serving Directors be recommended to the shareholders for re-election at the AGM.

### Committee effectiveness

The annual evaluation of the Committee's effectiveness has been undertaken in respect of 2023. The Committee continued to function well during 2023, with succession planning and succession management as the main focus of attention against a background of senior management restructuring. Management is appreciative of the support given by the Committee and especially its Chairman at that time. For further information, see 'Board performance evaluation' on page 76.

In 2024, the Committee will focus its attention once again on succession among the Non-executive Directors, taking into account as always the Board's and Committees' skills and balance requirements. The Committee considers that it has access to sufficient resources to enable it to carry out its duties.



**Guy Dawson**  
Chairman of the Nomination Committee  
26 April 2024

## Remuneration Committee report

This remuneration report contains information about the remuneration policy of the Company and details about remuneration of the Company's Directors



**Hanny Kemna**  
Chairman of the Remuneration Committee



### Annual statement from the Remuneration Committee Chair

On behalf of the Remuneration Committee, I am pleased to present the report on Directors' remuneration for the 2023 financial year.

### Remuneration Policy

The Remuneration Policy set out in this report was last approved by the shareholders at the 2023 AGM, and applies to Board remuneration for three years from the date of approval. The policy will therefore next be presented for approval at the 2026 AGM, unless the Board decides to propose alterations to the policy before then.

### How the Group performed

2023 saw improved operational results in most markets, despite a challenging operating environment, especially in India and Myanmar. Staff retention has been strong at 76%.

### Key activities in the 2023 financial year

During the year the Committee met on four occasions and:

- Reviewed the culture statement and recommended for approval.
- Reviewed certain salary adjustment to key employees (due to inflation).
- Discussed the development of a Group-wide performance management and evaluation system for staff.
- Reviewed the salaries of key executives against a peer group benchmark assessment (conducted by the independent consultants Willis Towers Watson), following changes in executive roles and responsibilities during the year.
- Reviewed Group travel policy.
- Recommended to the Board approval of pay elements for Mr Aminur Rashid upon his retirement from the Board (as set out later in this report).
- Recommended to the Board approval of a salary increase for Ms Karin Kersten, and a salary reduction for Mr Brouwer, upon Ms Kersten's appointment as CEO, based on Willis Towers Watson's benchmark survey (as set out later in this report).

- Reviewed the draft Remuneration Report for 2022, including changes to the Remuneration Policy to be approved by shareholders at the 2023 AGM.

### Priorities for 2024

- To continue to oversee the making of LTIP awards under the stock option scheme.
- To oversee the development and implementation of a staff performance management and evaluation system that is supportive of the current business model while also being geared to the requirements of the future.
- To ensure that key staff across the Group continue to be rewarded appropriately.
- The Company intends to grant options to directors in 2024 but the basis for grant and the timing has not yet been determined. Such options will be exercisable on substantially the same terms as those granted in 2022 and 2023. There is no current intention to increase directors' salaries or fees in 2024.

### Remuneration in 2023

The Committee's approach to remuneration continues to be centred around the Company's business model. ASA International has a long-established model, and its human resources policies are tailored to this model including its standardised remuneration policies.

In 2022, the Committee approved a fee increase of GBP 5,000 for Non-Executive Directors with effect from 1 January 2023 pursuant to the report of the independent advisors FIT Remuneration Consultants (which included a review of NED fees at peer group companies), noting that the basic fee of GBP 50,000 had not increased since 2018. With the exception of the changes in Ms Kersten's and Mr Brouwer's salaries mentioned above, there was no increase in the Executive Directors' remuneration during 2023 (except for the standard – in Bangladesh – fixed-rate increment for the Executive Director, Operations, who retired on 1 July 2023 and annual festival bonus).

Employee base salaries are subject to an annual cost of living increase: average total compensation for employees of the Group increased by 0.7% in 2023.

## Remuneration Committee report *continued*

### 1. Remuneration Committee roles and responsibilities

The Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration. This includes making recommendations to the Board on the Company's policy on executive remuneration, setting the overarching principles, parameters and governance framework of the Group's Remuneration Policy and determining the individual remuneration and benefits package of each of the Company's Executive Directors. This includes the following key objectives:

- Establish and maintain a competitive remuneration package to attract, motivate and retain high-calibre Executive Directors ('EDs') and senior management across the Group.
- Promote the achievement of the Group's annual plans and strategic objectives by providing an employee remuneration and benefits package that contains appropriately motivating targets that are consistent with the Group's risk appetite.
- Align senior executives' remuneration with the interests of shareholders.

The Remuneration Committee will also ensure compliance with the UK Corporate Governance Code in relation to remuneration. The Committee's main responsibilities are to:

- Review and determine the total remuneration packages of EDs and other senior executives in consultation with the Chairman and CEO and within the terms of the agreed policy.
- Approve the design and targets of any performance-related pay schemes operated by the Group.
- Ensure that contractual terms on termination and any payments made are fair to the individual and the Group, that failure is not rewarded and that a duty to mitigate risk is fully recognised.
- Review any major changes in employee remuneration and benefits structures throughout the Group.
- Select, appoint and determine terms of reference for independent remuneration consultants to advise the Committee on remuneration policy and levels of remuneration.
- Ensure that the remuneration structures in the Group are compliant with the rules and requirements of regulators and all relevant legislation, and that any deviations are agreed in the interest of the Company and its stakeholders.
- Address the requirements as specified in the Corporate Governance Code for clarity, transparency, simplicity, mitigation of reputational risk, proportionality and alignment to culture and strategy; and whether the Remuneration Policy operates as intended in terms of Company performance and quantum and if not what changes are necessary.
- Seek advice from Group control functions to ensure remuneration structures and annual bonuses are appropriately aligned to the Group's risk appetite.

### 2. Remuneration Committee membership

The UK Corporate Governance Code provides that a Remuneration Committee should comprise at least three members who are independent Non-Executive Directors (other than the Chairman of the Board). The Remuneration Committee is chaired by Hanny Kemna, and its other members are Salehuddin Ahmed and Chris Low, who joined the Committee upon the retirement of Gavin Laws at the 2023 AGM. All of them are independent. Details of members' attendance at meetings in 2023 are set out on page 72.

### 3. Directors' and key managers' salaries

Following the 2023 AGM in June, Ms Kersten succeeded Mr Brouwer as Chief Executive (as had been announced on 24 February 2023). Mr Brouwer was appointed as (i) Deputy Chairman of the Board of ASA International and (ii) Special Adviser to the new CEO, the Executive Committee and the broader management team in order to (a) smoothen the path of transition and (b) support the new leadership going forward. In this capacity the Board fully expects Mr. Brouwer to continue to make a significant contribution to the strategic and operational development of the business.

Ms Kersten's salary was increased from Euros 254,925 (which had applied from the time she joined ASA as an employee in October 2021) to Euro 375,000 upon her appointment as Chief Executive Officer. She was also enrolled in the Company's pension scheme and received an exceptional award of 125,088 share options under the LTIP. Ms Kersten is employed under a Dutch employment agreement and in accordance with Dutch law requirements she will be required to give 3 months' notice of termination of employment and receive 6 months' notice to terminate her employment.

Mr Brouwer's initial salary in his new role is USD 375,000 (a reduction of USD50,000 from his salary as CEO). Over time, Mr Brouwer's salary will decrease, but will not fall below USD 200,000. Mr Brouwer is not entitled to any pension contribution by the Company, and will not receive any further variable remuneration, including LTIP grants. Mr Brouwer is employed under a Dutch employment agreement as of June 15, 2023 and in accordance with Dutch law requirements he will be required to give 3 months' notice of termination of employment and receive 6 months' notice to terminate his employment. Mr Brouwer's change of role will not impact his outstanding LTIP award. The salary levels for senior managers responsible for managing the Group were initially set in 2018 based on advice received from the remuneration consultants Willis Towers Watson who performed a benchmarking study of salaries in Dhaka and the Netherlands at the time of the IPO in 2018, which was updated in 2023. These salaries have over time been adjusted to reflect individual promotions. The majority of senior management was rewarded at the time of the IPO through the vesting of share options. In addition, as described below a selected group of employees was awarded stock options in 2022.

## Remuneration Committee report continued

Salaries at a country level are set by the local country management. Through our employee surveys, management collects insights on salary expectations. The Company also considers salary levels paid in the local markets including those paid by our competitors. In 2023, the average percentage increase in salaries at the Group was 1.1%, and the actual increase in expenditure was 2.8% (see table below).

Particulars	Total (2023) USD'000	Total (2022) USD'000	Increase in USD'000	%
Employees' remuneration	62,159	60,475	1,684	2.8

The Company has adopted an LTIP as more fully described on pages 80 and 84.

### Key performance indicators

Annual salary/fee	2023	2022	2021	2020	2019	% change 2023 -2022	% change 2022 -2021	% change 2021 -2020	% change 2020 -2019
Number of clients (m)	2.3	2.3	2.4	2.4	2.5	1%	-3%	+0%	-6%
Number of branches	2,016	2,028	2,044	1,965	1,895	-1%	-1%	+4%	+4%
Net loss/profit	14.4	17.9	6.4	-1.4	34.5	-19%	+181%	+556%	+104%
OLP <sup>1</sup>	361.9	351.2	403.7	415.3	467.4	+5%	-13%	-3%	-11%
PAR>30 days <sup>2</sup>	2.1%	5.9%	5.2%	13.1%	1.5%	-3.8%	+0.7%	-7.9%	+11.6

1 Outstanding loan portfolio ('OLP') includes off-book Business Correspondent ('BC') loans and Direct Assignment loans, excludes interest receivable, unamortised loan processing fees, and deducts modification losses and ECL provisions from Gross OLP.

2 PAR>30 is the percentage of on-book OLP that has one or more instalment of repayment of principal past due for more than 30 days and less than 365 days, divided by the Gross OLP.

The annual percentage change in the Directors' pay over the five years to 2023, compared to the average for other employees, is set out below:

Annual salary/fee	2023	2022	2021	2020	2019	% change 2023 -2022	% change 2022 -2021	% change 2021 -2020
<b>Executive Directors: (USD)</b>								
Dirk Brouwer (until 15 June 2023)	375,000 <sup>1</sup>	425,000	425,000	425,000	425,000	-12%	0%	0%
Karin Kersten	375,000 <sup>2</sup>	187,815	-	-	-	99.6%	-	-
Aminur Rashid	189,305 <sup>3</sup>	220,032	177,515	172,347	167,328	2.3%	3%	3%
<b>Non-Executive Directors: (GBP)</b>								
Guy Dawson	75,000	70,000	70,000	60,000	60,000	7%	0%	17%
Gavin Laws	65,000 <sup>4</sup>	60,000	60,000	60,000	60,000	8%	0%	0%
Chris Low	65,000 <sup>5</sup>	-	-	-	-	0%	-	-
Hanny Kemna	65,000	60,000	60,000	50,000	50,000	8%	0%	0%
Salehuddin Ahmed	55,000 <sup>6</sup>	50,000	50,000	50,000	-	10%	0%	0%
<b>Average salary per staff (all ASAI staff excl. Executive Directors) (USD)</b>								
	4,358	4,274	3,665	3,440	3,099	2%	2%	17%
<b>Earnings growth – ASAIG consolidated</b>								
	-71.9%	181%	556%	-104%	6.0%			

1 Dirk Brouwer's salary was amended to reported amount as of 15 June 2023, when he stepped into a new role.

2 Karin Kersten's salary increased as per her appointment on 15 June 2023. Her salary is in Euro's.

3 The salary includes festival bonus and allowances. 2022 salary includes a USD 35,000 one-off cash compensation. The one-off compensation is not reflected in the % change.

4 GBP 65K until 15 June 2023.

5 GBP 65K as of 15 June (between 1.2.2023 – 15 June 2023 GBP 55K)

6 GBP 65K as of 1.1.2023 until 8 December 2023 and after 8.12.2023 GBP 55K. Excess Paid: £672.04

## Remuneration Committee report continued

### 4. Remuneration Policy

This section is the Remuneration Policy approved by the shareholders at the 2023 AGM.

#### 4.1 Review and implementation of policy

The policy is developed and reviewed by the Remuneration Committee of the Board of Directors (the 'Committee').

Conflicts of interests are managed by ensuring that the Committee comprises only Independent Non-Executive Directors and no Director is present when their own remuneration is being discussed. The Committee seeks assistance from independent remuneration consultants as appropriate to provide an external perspective and also seeks the view of the Audit and Risk Committee and senior management.

#### 4.2 Policy table for Executive Directors

The adjacent table sets out all the components of remuneration for the Executive Director from the date of the AGM as approved in 2023, other than recruitment packages. See also table in Para 5.3.

Policy Table - Executive Directors		
Component and rationale	Description	What is the maximum that may be paid in respect of the component?
<b>Basic salary</b> Helps to recruit and retain high-calibre Directors.	The Committee reviews basic salary annually, taking account of performance and market conditions. Basic salary will not normally be increased by more than the annual increase in basic salary of employees of the group except as described, in relation to new recruits, in paragraph 4.8.	Except upon promotion to a more senior post or a material increase in his or her responsibilities, or if the average annual basic salary increase of Group employees exceeds 10%, no Executive Director's basic salary may be increased by more than 10% in any year. <sup>1</sup>
<b>Benefits</b> Enables Directors to perform their roles effectively by contributing to their well-being and security. Provides competitive benefits consistent with the role.	Benefits are set by the Committee from time to time and currently include: <ul style="list-style-type: none"> <li>• Private medical cover.</li> <li>• Life assurance cover.</li> <li>• 13th month bonus equal to one month salary.</li> <li>• Ex-patriate benefits offered in connection with recruitment.</li> <li>• Reimbursement for reasonable expenses incurred in connection with duties, including travel expenses and any tax payable on travel expenses.</li> </ul>	The total cost of benefits will not be more than £50,000 in aggregate per Director but this may be exceeded if the cost of providing insurance on the same basis has increased from year to year.
<b>Options</b> Aligns pay with longer-term returns to shareholders.	Directors can be granted options under the ASA International Long-term Incentive Plan ('LTIP'). These are rights to acquire shares (or a cash equivalent) at any time after vesting for an exercise price set at grant which is based on the market value of a share at grant.  Options will normally vest in three instalments starting on the third anniversary of grant (60%), and on the fourth and fifth anniversaries of grant (20% each). No performance conditions or post-vesting holding periods apply. Malus and clawback provisions apply as described below.  Options have a term of ten years and can only be exercised to the extent they have vested.  Dividend equivalents are not payable.	The fair value of options (as used for accounting purposes) granted to any one Director in any one financial year must not be more than 100% of their basic salary.
<b>Pension</b> Helps to recruit and retain high-calibre directors.	Directors are entitled to an employer contribution to a pension scheme or a cash payment in lieu.	Payments in lieu of pension and employer contributions to defined contribution schemes are limited to 17% of each member's basic salary. This is equivalent to the contribution rate for the majority of the workforce.

<sup>1</sup> Wording adopted at the 2023 AGM.



## Remuneration Committee report continued

### 4.3 Malus and clawback

The Committee can reduce the number of shares in respect of which an option vests or can be exercised (including a reduction to zero) if:

- There has been an error in the calculation of the level of grant or vesting of any option or the amount of any other variable remuneration paid to the Director.
- There has been a misstatement of the Company's results for any year before vesting.
- A business unit or profit centre in which the Director worked has subsequently made a loss out of business written in that year or from circumstances that could reasonably have been risk-managed.
- Information has emerged since the grant date relating to the relevant financial year which would have affected the size of the option granted.
- The Committee determines in its absolute discretion that the underlying financial health of the Group has significantly deteriorated such that there are severe financial constraints on the Group which preclude or limit the Group's ability to facilitate funding of options and the Director was directly or indirectly (and either solely, or collectively) responsible for such deterioration.
- The Director has engaged in conduct which has had a material adverse effect on the financial position of the Group, the member of the Group by which the Director was then employed or the business unit in which he or she then worked, between the award date and vesting.
- There has been a failure of risk management for which the Director was directly or indirectly (and either solely, or collectively) responsible.
- The Director has been guilty of fraud or gross misconduct or has brought any member of the Group into disrepute.

Similarly, the Director can be required to give back some or all of the shares or cash received under the option (or pay an amount equal to the value of shares) if, within three years of vesting, the Committee becomes aware that there has been a misstatement of results for any year before vesting or the Director has been guilty of fraud or gross misconduct or has brought the Group into disrepute.

### 4.4 Treatment of options on takeovers and other transactions

Options will generally vest early on a takeover. Alternatively, Directors may be allowed or required to exchange their options for equivalent options over shares in the acquiring company.

Where an option vests in these circumstances, unless the Committee decides otherwise, the number of shares in respect of which it can be exercised will be reduced to reflect the fact that it is vesting early.

The Committee can adjust the number or type of shares under an option and/or the exercise price to take account of any rights issue or similar transaction, demerger, special dividend, variation of capital or other event which it considers could have an impact on an option.

### 4.5 Non-Executive Directors

The table below sets out all the components of remuneration for Non-Executive Directors from the date of the 2023 AGM, other than recruitment packages.

Policy table – Non-Executive Directors		
Component and rationale	Description	What is the maximum that may be paid in respect of the component?
<b>Fees</b> Attract and retain a Chairman and Non-Executive Directors who have the requisite skills and experience to determine the strategy of the Group and oversee its implementation.	Directors' fees are in principle reviewed on an annual basis (if not agreed otherwise by the Committee).	Directors' fees (including any benefits) must not, in aggregate, be more than the limit set out in the Articles of Association of the Company from time to time, which is currently £2,500,000.
<b>Expenses</b> Ensures the Directors are not left out of pocket.	Reimbursement for reasonable expenses incurred in connection with duties, including travel expenses and any tax payable on travel expenses.	N/A

Non-Executive Directors do not receive options and do not participate in any pension or incentive arrangements. As explained above, no shareholding requirements apply to Directors.

If a Non-Executive Director provides additional services to the Group, they may be paid for those services on a basis agreed by the Board of Directors.

### 4.6 Relationship to remuneration paid to other employees

The remuneration package of Executive Directors is based on the same elements as those offered to other employees of the Group but with a greater emphasis on variable pay and alignment with shareholders, delivered through options. This reflects the Directors' greater ability to influence corporate performance.

In formulating the policy, the Committee started by looking at remuneration packages offered to employees across the Group and changed those where necessary to reflect the leadership role of Directors and the international pool from which Directors are recruited.

The main remuneration comparison measurements which the Committee took into account when setting remuneration policy for the Executive Directors at the time of the IPO was the benchmark reports prepared by the independent consultant Willis Towers Watson in 2018 and salary levels and rewards across the microfinance industry. In 2023 FIT consultants prepared a benchmark report in respect of NED salaries.

## Remuneration Committee report *continued*

### 4.7 Approach to recruitment

A new Executive Director's remuneration should take into account that Director's level of the skills and experience required for the role and may start off lower than his or her predecessor's remuneration with a view to reaching a market rate over time, subject to performance.

When recruiting a new Executive Director, the starting point for negotiations would be the components described in the table in paragraph 4.3.

However, if the Committee considers it is necessary for the recruitment of a particular individual, it may agree to components not contemplated in that table.

The maximum level of variable remuneration (excluding compensatory awards described below) for Executive Directors will not be more than 100% of the recruit's basic salary (with options valued as described in the policy table).

A Director recruited to work outside their home country may be offered relocation benefits including:

- Accommodation allowance.
- Education allowance.
- Two free air-tickets per year to and from home.

But these will not last more than two years from starting employment.

The Committee may make compensatory awards in the form of cash, shares or share awards/options in the Company to compensate a new Executive Director for benefits they will lose as a result of joining the Company. Those awards would, so far as practicable:

- Reflect the value, at the time of grant, of the awards being lost.
- Take the same form as the awards which are being lost.
- Vest at the same time as the awards being lost.
- Be subject to comparable service and performance conditions (though any performance conditions may relate to the performance of the Company).

When recruiting a Non-Executive Director (including a chair), the remuneration offered would be consistent with the components described in the table in paragraph 3.

### 4.8 Service contracts and letters of appointment

The Executive Director (CEO) has a service contract and the Non-Executive Directors have a letter of appointment, all of which are available for inspection at the Company's registered office. The CEO is not normally appointed for a fixed term but continue until her/his employment or office is terminated. Dirk Brouwer, as Deputy Chairman and Special Advisor, is employed under indefinite employment contract. Non-Executive Directors are appointed for an initial (and renewable) three-year term but are subject to annual re-election at the AGM.

### 4.9 Policy on notice periods and payments for loss of office

The Company's policy is that:

- The CEO contract (and the employment contract of Dirk Brouwer, being Deputy Chairman and Special Advisor) requires a notice period of 6 months by the employer (and 3 months for the employee).
- Non-Executive Directors' letters of appointment require three months' notice from either party but are terminated immediately if Director is not re-elected at an AGM.

Each Directors' contract or letter of appointment is consistent with this. For each component of pay, the amount paid to an Executive Director on termination will be determined as follows:

Component	Determination
Salary and benefits	The Director receives salary and benefits and pension (if any) benefits during their notice period.  The Company can decide to make a payment in lieu of notice equal to basic salary for the balance of the notice period and may decide to pay this in instalments subject to reduction if the Director enters alternative employment before the end of the notice period.
Options	An option will normally lapse on leaving employment. Options which have already become exercisable may be exercised for up to 12 months from the date of leaving after which they will lapse.  However, if the Executive Director dies or leaves because of disability, ill-health, injury, redundancy, retirement, sale of Company (or in other circumstances if the Committee allows), the option will continue in effect and, unless the Committee decides otherwise, the number of shares in respect of which it can vest and be exercised will be reduced pro rata to reflect the fact that the Director left early.  Alternatively, the Committee may allow the option to vest on leaving, or at some point thereafter, in which case (unless the Committee decides otherwise) the number of shares in respect of which the option can be exercised will be reduced pro rata to reflect the fact that it is vesting early. If the Executive Director dies, the option will vest on the date of death to the extent described above.
Other	A departing Executive Director may also be paid some or all of the following on a reasonable basis to be determined by the Committee: <ul style="list-style-type: none"> <li>• Reasonable legal tax or outplacement expenses.</li> <li>• Accrued holiday pay.</li> <li>• Payments in compensation for non-compete restrictions.</li> <li>• Relocation expenses.</li> <li>• Amounts required to satisfy or settle any actual or potential legal claim by the Director against any Group company.</li> <li>• Ex-gratia retirement gifts and presentations.</li> </ul>

On termination, Non-Executive Directors are only entitled to any outstanding fees for the period worked, including their notice period, except Dirk Brouwer, who receives a salary under his employment contract).

## Remuneration Committee report continued

### 4.10 Prior commitments

Where the Company has made a commitment to a Director to make a remuneration payment or payment for loss of office before this policy came into effect or before the person became (but not in anticipation of their becoming) a Director, the Company will honour the commitment, even if it is inconsistent with the Remuneration Policy, which is in effect when the payment is to be made.

The existing Directors have the following entitlements pursuant to commitments made before this policy came into effect:

- Karin Kersten was informed that she would be offered EUR 50,000 in stock options value at the time she joined the Company on 1 October 2021, at which time she was not an Executive Director. 157,253 options were formally granted on 28 October 2022. On 3 July 2023 Karin Kersten (now CEO) was also received an exceptional award of 125,088 share options under the LTIP.

### 4.11 Remuneration policy for key executives

The below constitutes the framework for the remuneration policy of the key executives both at the country level and the head office level. The policy aims to:

- Attract, motivate and retain high-calibre employees across the Group.
- Reward employees fairly, according to their performance.
- Promote the achievement of the Group's annual plans and its long-term strategic objectives.
- Align the interests of employees with those of all key stakeholders, in particular, our shareholders, clients and regulators.
- Support effective risk management and promote a positive client conduct culture.

The Company will work closely with the Remuneration Committee to set the right policies and incentives for the key executives both in the countries and at its head office.

On 18 July 2018, a number of the senior managers (including the then Executive Directors and Managing Directors of the subsidiaries) who were instrumental in the creation of ASA International were awarded a beneficial interest in a portion of the shares of the Company following the exercise of the 10% stock option agreed by the Company pre-IPO. The combined economic interest in the proceeds of the sale of the shares of the Company amount to 6.7% of the issued and outstanding share capital of the Company. (This interest is indirectly held via Catalyst Continuity).

All key managers receive a fixed salary, and there is no cash bonus scheme other than the stock options granted in 2022 (see below para 5.2). At present the Company believes a performance-based incentive other than the LTIP does not fit the profile of the Company considering its key business of providing financial services to low-income people.

## 5. Directors' Remuneration Report 2023

This section of the report explains how the Group's Remuneration Policy for Directors, approved at the AGM in 2023, was applied during the year, and gives details of awards of options under the LTIP.

The report also summarises the fees paid to Directors in 2023 as well as the current shareholding of the Chairman and the Executive Directors in the Company.

The Remuneration Policy was approved by 95.58% of the votes cast, with 4.42% against and 0 votes withheld, at the AGM held on 15 June 2023. The Remuneration Report was approved by 95.59% of the votes cast, with 4.41% against and 0 votes withheld at the AGM held on 15 June 2023.

### 5.1 2023 Implementation of the Remuneration Policy

Prior to 2022 no awards were granted under the LTIP pending agreement on all relevant terms and conditions. The 2022 operation of the LTIP was discussed and agreed in the Remuneration Committee held on 25 April 2022 and the first grants were made on 28 October 2022 in the case of employees and the Executive Directors. The intended value of the option grants to the Executive Directors is set forth under options in the table in Para 5.3.

On 28 October 2022, the Company granted options ('Options') over about 2,500,000 ordinary shares of £0.01 each in the Company ('Shares') under its LTIP to certain Executive Directors and executives at the Group and country level. As per 31 December 2023, the ASA International Group plc Employees Benefit Trust has acquired 1,304,830 shares.

On 3 July 2023, the Company granted options ('Options') over 125,088 shares of £0.01 each in the Company ('Shares') under its LTIP to Karin Kersten following her appointment as Chief Executive Officer.

The Committee approved a fee increase of GBP 5,000 for Non-Executive Directors with effect from 1 January 2023 considering that the basic fee of GBP 50K had not increased since 2018, which increase was supported by a report of FIT Remuneration Consultants.

## Remuneration Committee report continued

### 5.2 A single figure table with audited Director pay data is shown below.

Name	Position	Annual salary/fee	Benefits	Bonus	Total variable pay (2022)	Total variable pay (2021)	Total variable pay (2020)	Total fixed pay (2022)	Total fixed pay (2021)	Total fixed pay (2020)
<b>Karin Kersten</b>	Chief Executive Officer <sup>1</sup>	EUR 361,363	Travel expenses on actuals <sup>2</sup>	0	0	0	0	EUR 181,220	-	-
<b>Dirk Brouwer</b>	Deputy Chair and Special Adviser <sup>4</sup>	USD 406,304	Travel expenses on actuals <sup>5</sup>	0	0	0	0	USD 425,000	USD 425,000	USD 425,000
<b>Aminur Rashid</b>	Executive Director – Operations <sup>7</sup>	USD 187,505	Travel expenses on actuals <sup>6</sup>	0	0	0	0	USD 220,032	USD 177,515	USD 172,347
<b>Gavin Laws</b>	Non-Executive Director <sup>3</sup>	GBP 30,038	Travel expenses on actuals	0	0	0	0	GBP 60,000	GBP 60,000	GBP 60,000
<b>Chris Low</b>	Non-Executive Director <sup>3</sup>	GBP 55,743	Travel expenses on actuals	0	0	0	0	-	-	-
<b>Guy Dawson</b>	Non-Executive Director <sup>3</sup>	GBP 75,000	Travel expenses on actuals	0	0	0	0	GBP 70,000	GBP 70,000	GBP 70,000
<b>Hanny Kemna</b>	Non-Executive Director <sup>3</sup>	GBP 65,000	Travel expenses on actuals	0	0	0	0	GBP 60,000	GBP 60,000	GBP 60,000
<b>Salehuddin Ahmed</b>	Non-Executive Director <sup>3</sup>	GBP 64,328	Travel expenses on actuals	0	0	0	0	GBP 50,000	GBP 50,000	GBP 3,360

Note: a) No pension was provided to the Directors with the exception of Karin Kersten. b) All salaries are paid on a pro rata basis.

1 On 3 July 2023 (the 'Grant Date') the Group has granted options ('Options') over 125,088 ordinary shares of £0.01 each in the Company ('Shares') under its LTIP to Karin Kersten, the Chief Executive Officer of the Company in connection with her appointment on 15 June 2023. The Options will normally vest, subject to continued employment, on the following schedule: 60% on the third anniversary and 20% on each of the fourth and fifth anniversaries of the Grant Date. To the extent they vest, the Options are exercisable at a price of 84 pence per ordinary share, being the average share price for the three business days before the Grant Date.

2 Karin Kersten is enrolled in the Company's pension plan.

3 No bonuses are paid to Non-Executive Directors under the policy and no long term incentives vested.

4 Dirk Brouwer was the Chief Executive officer till the AGM on 15 June 2023, after which he became Deputy Chair and Special Adviser.

5 Dirk Brouwer is not enrolled in the Company's pension plan.

6 Annual increase as per policy for Dhaka based staff, festival bonus and allowances. A 13th month salary was received.

7 Aminur Rashid retired from his role as of 30 June 2023.

Mr. Dawson was paid an annual fee of £55,000 plus an additional fee of £10,000 for the role of Chairman and £10,000 for chairing the Nomination Committee.

Other Non-Executive Directors were paid an annual fee of GBP 55,000 plus an additional GBP 10,000 for chairing a committee. The Committee approved a fee increase of GBP 5,000 for Non-Executive Directors with effect from 1 January 2023 considering that the basic fee of GBP 50,000 had not increased since 2018, which increase was supported by a report of FIT Remuneration Consultants.

### 5.3 Share Options granted in 2023 to Executive Directors

On 3 July 2023 the Company granted options ('Options') over 125,088 ordinary shares of £0.01 each in the Company ('Shares') under its LTIP to Karin Kersten upon her appointment as Chief Executive. The number of shares granted was a Board decision. The Options will normally vest, subject to continued employment, on the following schedule:

- 60% on the third anniversary and 20% on each of the fourth and fifth anniversaries of the Grant Date.

To the extent they vest, the Options are exercisable at a price of 84 pence per ordinary share, being the average share price for the three business days before the Grant Date. Options do not attract dividend equivalents. The face value of the option is 105,074 based on the price of 84 pence per ordinary share.

In April 2022 the Employee Benefit Trust ('EBT') that is entitled to hold the shares in relation to the LTIP was established. The EBT is managed by an independent Trustee. The EBT has acquired 1,304,830 shares of the Company by the end of 2023 to hold in reserve for employees who choose to exercise their option rights under the LTIP.

## Remuneration Committee report continued

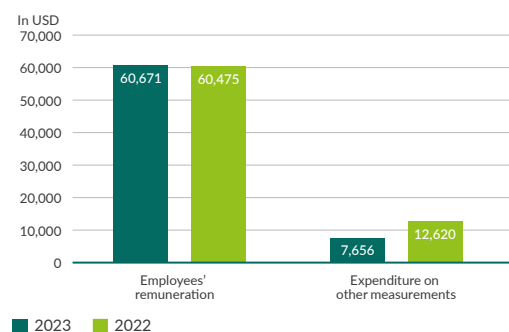
Malus and clawback provisions only apply to options, and no component of remuneration is dependent on performance measures or targets (save for value being linked to share price increase, in relation to options). The Company does not have any in-employment or post-employment shareholding requirements for its Directors, as the Company believes the nature of its LTIP, being a market-value option plan, provides sufficient long-term exposure for the Executive Directors to share price and long-term shareholder alignment.

The Company has selected a total vesting period of five years (with options normally vesting in instalments between years three and five) as the appropriate vesting period, as the Company believes that a phased, long-term vesting period (without any additional holding period) is warranted given the growth stage of the Company and the fact the market-value structure of the option plan means the options' value depend on sustained share price growth. Directors do not receive any incentives (bonus or LTIP) subject to performance conditions.

Unvested awards will normally lapse on the date of leaving ('bad leaver situation') unless 'good leaver' treatment is applied. 'Good leaver' treatment normally means to remain capable of vesting on the normal vesting date, subject to performance achievement and pro rata for time. Directors can confer 'good leaver' treatment on any leaver within 30 days of leaving. Directors can reduce vesting and/or impose additional conditions on exercise where they do so. See also table in Para 4.10 above.

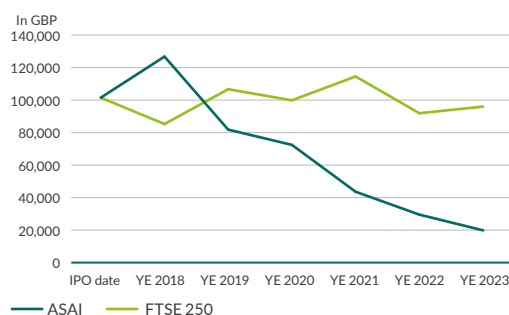
### 5.4 Other disclosures

#### Relative importance of spend on pay (USD '000s)



Note: No dividend was declared in 2022 and 2023, so the distribution to shareholders is nil.

#### Historical TSR performance (GBP '000s)



Note: TSR calculation is assuming a hypothetical 100 GBP investment in ASA International ordinary shares and in the FTSE 250 index at 13 July 2018, plus dividend reinvestment at the time of dividend payment.

#### CEO annual salary and long term incentives (USD)

	2023	2022	2021	2020	2019	2018
Annual salary	375,000 <sup>1</sup>	425,000	425,000	425,000	425,000	425,000

Note: No bonuses were paid in previous years and long term incentives have not vested in any year so far, with the earliest vesting date commencing in 2025.

<sup>1</sup> Paid in Euros.

## 6. Directors' shareholdings

The shareholdings of Directors in the Company as of 31 December 2023 are shown below.

Name of Director	Number of shares	% holding
Dirk Brouwer <sup>1,2,3</sup>	19,319,999	19.3%
Karin Kersten <sup>4</sup>	110,000	0.1%

- Reflects the Company's share capital held in the form of indirect beneficial holdings of shares through an indirect holding in Catalyst Continuity. The votes attaching to the shares held by Catalyst Continuity are ultimately controlled a company ultimately controlled by Dirk Brouwer). Decisions taken by this company, including decisions as to the voting of the relevant shares, are made by the Board of Directors thereof (i.e. Dirk Brouwer).
- Dirk Brouwer holds his interest in the Company via CMIMC which in turn holds its interest in the Company via Catalyst Microfinance Investors 29.2% and Catalyst Continuity 17.1%. Catalyst Microfinance Investors and Catalyst Continuity own 46.3% in total, each company (ultimately) controlled by Dirk Brouwer.
- Dirk Brouwer was granted options over 282,341 shares in 28 October 2022 at the price of 93 pence per share.
- Karin Kersten, Chief Executive Officer, has purchased in aggregate 110,000 ordinary shares over 27 and 28 November 2023. On 3 July 2023 the Company granted options over 125,088 ordinary shares of £0.01 each in the Company under its LTIP to Karin Kersten upon her appointment as Chief Executive. To the extent they vest, the Options are exercisable at a price of 84 pence per ordinary share. On 28 October 2022, the Company granted options over 157,253 ordinary shares to Karin Kersten, as an Executive Director and Person Discharging Managerial Responsibilities. To the extent they vest, the Options granted in 2022 are exercisable at a price of 93 pence per ordinary share, being the average share price for the three business days before the Grant Date. More details on the options granted in 2023 can be found on page 94.

Directors and employees of the Group are required to comply with applicable legislation relating to dealing in the Company's shares as well as the Company's share dealing rules.

As disclosed previously (including at the time of the Company's listing), certain (direct and indirect) shareholders in the Company are taken to constitute a 'concert party' for the purposes of the Takeover Code. Those shareholders include Dirk Brouwer and the entities through which he indirectly holds his interests in the Company, including Catalyst Microfinance Investors ('CMI') and Catalyst Continuity ('Catalyst Continuity'). CMI and Catalyst Continuity are ultimately controlled by Dirk Brouwer through CMIMC, a holding company of the founders of CMI.

A consequence of the current aggregate shareholding of the Concert Party being 46,328,944 shares is that any increase in that aggregate shareholding (which could result from, among other things, any exercise of the Options granted to Dirk Brouwer), may result in a requirement under Rule 9 of the Takeover Code for the Concert Party to make a mandatory offer for the remainder of the share capital of the Company not already held by it. Therefore, in 2023 the Independent Directors, being all of the directors of the Company who are not members of the Concert Party, sought and obtained a waiver from the Takeover Panel in respect of any requirement for the Concert Party to make such a mandatory offer under Rule 9 of the Takeover Code. The terms of this waiver were subsequently approved by the independent shareholders of the Company at the 2023 AGM.



## Remuneration Committee report *continued*

### 7. Service contracts and letters of appointment

Details of Directors' pay are stated in the table at section 5.2 above. No Director has been involved in deciding his or her own remuneration.

#### Karin Kersten – Chief Executive Officer

Ms Kersten is employed through a service agreement dated 15 June 2023. Her salary is EUR 375,000 and she was awarded 125,088 additional share options after the 2023 AGM. Ms Kersten's service agreement is terminable by either party with six months' notice, or earlier upon conclusion of a termination agreement and Karin Kersten will observe a notice period of three months. The Company will consider making a payment under any such agreement on a case-by-case basis, taking account of the contractual terms, the circumstances of the termination and any applicable duty to mitigate.

#### Dirk Brouwer – Deputy Chairman and Special Advisor

Mr Brouwer is employed through an employment agreement dated 15 June 2023. His salary is USD 375,000. Mr Brouwer's employment agreement is terminable in accordance with Dutch Law. The Company shall observe a notice period of six months and Mr Brouwer will observe a notice period of three months. The Company will consider making a payment under any such agreement on a case-by-case basis, taking account of the contractual terms, the circumstances of the termination and any applicable duty to mitigate. In his role as (i) Deputy Chairman of the Board and (ii) Special Adviser to the new CEO, the Executive Committee and the broader management team, Mr Brouwer only receives a regular, annual salary for his services to the Company and no Board and Director fees or any other emoluments.

#### Guy Dawson – Non-Executive Director

Mr Dawson is the Non-Executive Chairman and a Non-Executive Director engaged through a letter of appointment dated 28 June 2018 and was appointed as Non-Executive Chairman on 1 January 2021. He is the Chairman of the Nomination Committee (and the Independent Committee). His fee as a Non-Executive Director and Non-Executive Chairman is GBP 75,000 per annum (including a GBP 10,000 fee for chairing the Board and a GBP 10,000 fee for chairing the Nomination Committee) and his engagement with the Company can be terminated with three months' notice.

#### Hanny Kemna – Non-Executive Director

Ms Kemna is a Non-Executive Director engaged through a letter of appointment dated 28 June 2018. She is the chairperson of the Remuneration Committee, and a member of the Audit and Risk Committees (and the Independent Committee). Her fee as a Non-Executive Director, Chairperson of Remuneration Committee and Senior Independent Director is GBP 65,000 per annum (the fee of GBP 10,000 fee also included the remuneration for acting as the Senior Independent Director as of 1 January 2020) and her engagement with the Company can be terminated with three months' notice.

#### Salehuddin Ahmed – Non-Executive Director

Dr Ahmed is a Non-Executive Director engaged through a letter of appointment dated 7 December 2020. He is a member of the Nomination and Audit and Risk Committees (and the Independent Committee). His fee as a Non-Executive Director is GBP 55,000 per annum and his engagement with the Company can be terminated with three months' notice. His term expires on 7 December 2024 by virtue of the letter of extension dated 7 December 2023.

#### Chris Low – Non-executive Director

Mr Low is a Non-Executive Director engaged through a letter of appointment dated 12 December 2022. His appointment took effect on 1 February 2023. He is a member of the Remuneration, Audit and Risk and Independent Directors Committees. His fee as a Non-Executive Director is GBP 65,000 per annum (including a GBP 10,000 fee for chairing the Audit and Risk Committee) and his engagement with the Company can be terminated with three months' notice.

#### Non-Executive Directors

Prior to January 2023, Mr. Dawson was paid an annual fee of GBP 50,000 plus an additional fee of GBP 10,000 for the role of Chairman and GBP 10,000 for chairing the Nomination Committee. Other Non-Executive Directors were paid an annual fee of GBP 50,000 plus an additional GBP 10,000 for chairing a committee and GBP 10,000 for the role of senior Independent Non-Executive Director. The Executive Directors approved a fee increase of GBP 5,000 for Non-Executive Directors with effect from 1 January 2023, considering that the basic fee of GBP 50,000 had not increased since 2018, which increase was supported by a report by the independent advisors FIT Remuneration Consultants.

Guy Dawson, Gavin Laws and Dirk Brouwer were already on the Board of ASA International Holding prior to the establishment of ASA International Group plc in May 2018. In view of the listing on 13 July 2018, Ms Kemna had been identified as a potential candidate through well-established contacts in the financial industry including the Company's network of advisers. Dr Ahmed was identified through the network of Mr Shafiqul Haque Choudhury (ASA former Chairman) in Bangladesh and Mr Low was identified through a search carried out with the help of the independent search consultants Ridgeway Partners.

#### Consideration of shareholders' views

The Chairman of the Board is available to be consulted by our major shareholders on key issues including remuneration at any time. The Board does its best to ensure that there is a satisfactory dialogue with shareholders, on mutual understanding of objectives.

#### Committee Effectiveness

The 2023 evaluation of the Committee's effectiveness indicated that it remained satisfactory, and the Committee was properly consulted on the remuneration implications of Executive Director and other senior management changes, with full briefings provided including independent peer group pay comparisons. In 2024, the Committee looks forward to discussing management's proposals for updated HR policies and a more structured system of staff performance evaluation.

This report was approved by the Board of Directors on 26 April 2024 and signed on its behalf by:

**Hanny Kemna**  
Chairman of the Remuneration Committee  
26 April 2024

Annual Salary Executive Director (as at 31 December 2023)	EUR
Karin Kersten	375,000

### Independent Directors' Committee report

The Independent Directors' Committee identifies and manages matters involving conflicts of interest (including potential conflicts of interest) between any Group company, on the one hand, and any controlling shareholder or related party (each as defined under the Listing Rules), on the other hand. It is also responsible for overseeing and scrutinising the relationship between the Group, its related parties and its controlling shareholders (including evaluating, monitoring and approving any material transactions or arrangements between such parties and generally monitoring compliance with the Relationship Agreement (see page 73).

In 2023, the Independent Committee discussed amongst other things succession planning, the hiring of a qualified internal auditor, as well as the potential appointment of a new Non- Executive Director in 2024.

The Independent Directors' Committee comprises all of the Independent Non-Executive Directors, being Salehuddin Ahmed, Guy Dawson, Hanny Kemna and Chris Low. It was chaired by Guy Dawson in 2023 and met four times.

### Disclosure Committee report

The Disclosure Committee is chaired by the CEO and also includes the CFO and the General Counsel. It meets as required in order to assist the decisions of the Board concerning the identification of inside information and to make recommendations about how and when that information should be disclosed in accordance with the Company's disclosure procedures manual. Its primary duty is to ensure that inside information is properly disclosed in accordance with the requirements of the Market Abuse Regulation.

The Disclosure Committee had conference calls and meetings through the year in 2023 to assess developments in the Company and concluded on each occasion that there was no matter which could be considered as inside information or thought to be capable of becoming inside information. There have been no material changes in the interests held by Directors or key managers since the listing of the Company on 13 July 2018 other than indirect shareholdings held by Dirk Brouwer and the nominee of the late Md Shafiqul Haque Choudhury.



## Directors' report

The Directors of the Company present their report for the year ended 31 December 2023. The Company is a public limited company, incorporated in England and Wales with the registered number 11361159 and with its registered office situated at Highdown House, Yeoman Way, Worthing, West Sussex BN99 3HH, United Kingdom.

The Strategic Report, set out on pages 01 to 67 of this Annual Report, and Corporate governance report, Committee reports and the Directors' Remuneration Report, set out on pages 68 to 100 of this Annual Report, include information that would otherwise need to be included in this Directors' report. Relevant items are referred to below and incorporated by reference into this report.

### Results and dividends

The consolidated results for the year are shown on page 110 of the financial statements. The profit before tax of the Company was USD 32.2m, as against USD 46.3m for the previous year.

The Directors have decided not to declare dividend in 2024 on the 2023 results.

### Directors

The names of the Directors of the Company at the date of this report, together with biographical details, are given on page 69 of this Annual Report. All of them served throughout the 2023 financial year except for Chris Low, who joined the Board in February 2023. In accordance with the UK Corporate Governance Code, all Directors will retire at the 2024 Annual General Meeting ('AGM') and, will offer themselves for re-election at that meeting.

Further details on the Directors' remuneration and service contracts or appointment letters (as applicable) can be found in the Directors' Remuneration Report on pages 87 to 96 of this Annual Report.

### Directors' interests

The Directors' interests in the share capital of the Company as at 31 December 2023 are set out on page 95 of the Directors' Remuneration Report.

### Powers and appointment of Directors

The Company's Articles of Association set out the powers of the Directors, and rules governing their appointment and removal. The Articles of Association can be viewed at the registered office of the Company. Further details on the powers, appointment and removal of Directors are set out in the Corporate governance report on page 96 of this Annual Report.

### Directors' indemnities and insurance

In accordance with its Articles of Association, the Company has granted an indemnity to each of its Directors on terms consistent with the applicable statutory provisions. This indemnifies the Director in respect of (a) any liability incurred by or attaching to Directors in connection with any negligence, default, breach of duty or breach of trust by the Director in relation to the Company or any associated company, or (b) in the actual or purported execution and/or discharge of the Director's duties and/or the actual or purported exercise of the Director's powers and/or otherwise in relation to, or in connection with, the Director's duties, powers or office as an employee, officer, trustee or agent of the Company and/or any associated company other than any liability (i) to the

Company or any associated company, (ii) to pay a fine imposed in criminal proceedings, (iii) to pay a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising), (iv) in defending any criminal proceedings in which they are convicted, where such conviction is final, (v) in defending any civil proceedings brought by the Company or an associated company in which judgement is given against him or her, where such judgement is final, or (vi) in connection with any application for relief under the provisions referred to in section 234(6) of the Companies Act, where the court refuses to grant the Director relief, and such refusal is final.

Furthermore, the third-party indemnity shall not apply:

- (i) To the extent that it is not permitted by, or consistent with, law or statute from time to time in force, the Articles of Association of the Company or the rules and regulations of any regulatory body;
- (ii) To the extent that the Director has been, or is entitled to be, indemnified or reimbursed by any Directors' or Officers' liability insurance or any other insurance;
- (iii) Where there has been gross negligence, fraud or wilful default by the Director; nor
- (iv) Where the Director has improperly derived a personal benefit or profit.

Qualifying third-party indemnity provisions for the purposes of section 234 of the Companies Act 2006 were accordingly in force during the course of the year, and remain in force at the date of this report. The Company also maintains liability insurance for its Directors and Officers.

### Share capital

The share capital of the Company as of 31 December 2023 consists of 100,000,000 ordinary shares of GBP 0.01 each.

Under section 551 of the Companies Act 2006, the Directors may allot equity securities only with the express authorisation of shareholders which may be given in general meeting, but which cannot last more than five years. Under section 561 of the Companies Act, the Board may not allot shares for cash (otherwise than pursuant to an employee share scheme) without first making an offer to existing shareholders to allot such shares to them on the same or more favourable terms in proportion to their respective shareholdings, unless this requirement is waived by a special resolution of the shareholders.

### Rights attaching to shares

The Company's Articles of Association set out the rights and obligations attaching to the Company's ordinary shares. All of the ordinary shares rank equally in all respects.

At general meetings of the Company, on a show of hands, each member has the right to one vote. In a poll, each member is entitled to one vote for every share held.

The shares carry no rights to fixed income. No person has any special rights of control over the Company's share capital and all shares are fully paid.

The Articles of Association and applicable legislation provide that the Company can decide to restrict the rights attaching to ordinary shares in certain circumstances (such as the right to attend or vote at a shareholders' meeting), including where a person has failed to comply with a notice issued by the Company under section 793 of the Companies Act 2006.

### Deadline for exercising voting rights at AGM

Full details of the deadlines for exercising voting rights in respect of the resolutions to be considered at the AGM, to be held on 20 June 2024, will be set out in the Notice of AGM.

## Directors' report continued

### Restrictions on the transfer of shares

There are no specific restrictions on the transfer of the Company's shares, which are governed by the general provisions of the Articles of Association and prevailing legislation. The Articles of Association set out certain circumstances in which the Directors of the Company can refuse to register a transfer of ordinary shares.

Directors and employees of the Group are required to comply with applicable legislation relating to dealing in the Company's shares as well as the Company's share dealing rules. These rules restrict employees' and Directors' ability to deal in ordinary shares at certain times, and require the employee or Director to obtain permission prior to dealing. The Directors holding shares are in compliance with the provision of the share dealing rules. The Company is not aware of any arrangements between its shareholders that may result in restrictions on the transfer of shares and/or voting rights.

### Employee Long-Term Incentive Plan

The Company has adopted a Long-Term Incentive Plan (the 'Plan'). In 2022, share options were granted to the Executive Directors and certain senior executives of the Company and also its subsidiaries as selected by the Remuneration Committee of the Board, but the Plan gives flexibility for the Company to grant a range of awards to take account of local legal and tax requirements and changing policy. In the case of Directors this will be subject to the current Directors' Remuneration Policy.

The Company made awards under the Plan on October 28, 2022 being within 42 days of September 20, 2022 in respect of employees and Executive Directors. In any ten-year period, not more than 10% of the issued ordinary share capital of the Company may be issued or be issuable under the Plan and all other employee share plans operated by the Company. The Company made an additional award under the Plan on July 3, 2023 being within 42 days of 20 June 2023).

### Substantial shareholdings

Details of substantial shareholdings in the Company are set out in the Corporate governance report on page 78 of this Annual Report.

### Articles of Association

The Company's Articles of Association were last amended in June 2022. They may only be amended by a special resolution of the Company's shareholders. The Articles of Association can be viewed on request to the Company Secretary at the registered office of the Company.

### Going concern

As disclosed in note 2.1.1 of the financial statements, the Directors have concluded that a material uncertainty exists that may cast significant doubt over the Group's ability to continue as a going concern due to breaches of loan covenants. However, none of our lenders have called in their debts in the past three years. Having assessed the projections, downtrend analysis and mitigations, senior management and the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the next 13 months from the date of approval of these consolidated financial statements, and through to 31 May 2025.

### Directors' responsibility statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company financial statements in accordance with UK adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.

In preparing these financial statements the Directors are required to:

- Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance.
- In respect of the Group financial statements, state whether UK adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- In respect of the Parent Company financial statements, state whether UK adopted international accounting standards, have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company and/ or the Group will not continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the group and enable them to ensure that the Company and the Group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Parent Company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' report, Directors' Remuneration report and Corporate Governance statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

### Directors' responsibility statement (DTR 4.1)

The Directors confirm, to the best of their knowledge:

- That the consolidated financial statements, prepared in accordance with UK adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Parent Company and undertakings included in the consolidation taken as a whole.
- That the Annual Report, including the strategic report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.
- That they consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.



**Guy Dawson**  
Chairman  
26 April 2024



**Karin Kersten**  
Chief Executive Officer  
26 April 2024



## Directors' report continued

### Corporate Governance Statement

The Company is required by the Disclosure and Transparency Rules and Guidance to prepare a Corporate Governance Statement including certain specified information. Information fulfilling the requirements of the Corporate Governance Statement can be found in this Directors' report and the Corporate governance report, Committee reports and Directors' Remuneration Report on pages 68 to 100 of this Annual Report. This information is incorporated by reference into this Directors' report.

The Company has complied throughout the year 2023 with all provisions of the UK Corporate Governance Code.

### Strategic Report

The Company's Strategic Report can be found on pages 01 to 67 of this Annual Report.

### Business activities

The Group's business activities, together with a description of future developments (including the factors likely to affect future development and performance) and its summarised financial position, are set out in the Strategic Report.

Information on the Company's employment practices (including with respect to employee involvement) and greenhouse gas emissions is set out on pages 64 and 65 and in the Non-financial and sustainability information statement on pages 66 and 67 of the Strategic Report.

### Significant agreements affected by a change of control

A change of control of the Company, following a takeover bid, may cause a number of agreements to which the Company is party to take effect, alter or terminate. These include certain credit facility agreements which include change of control clauses.

### Financial instruments

Details of the Group's financial instruments can be found in note 2.2.2 to the financial statements. The notes begin on page 114.

### Financial risk management

The Group has procedures in place to identify, monitor and evaluate the significant risks it faces. The Group's risk management objectives and policies are described on pages 37 and 38, and the risks associated with the Group's financial instruments are analysed in note 2.2.2 on pages 117 and 118 of the financial statements.

### Post-balance sheet events

As per 1 April 2024 ASAI NV acquired the outstanding principal debt and interest receivable totaling USD 4.4 million held by ASA Myanmar from various international lenders managed by Symbiotics and Frankfurt School Financial Services. The company had already made an advance payment for this assignment of USD 955K in 2023 (note 18.3).

On 25 February 2024, ASAI reached a key milestone, by migrating all clients in Pakistan from our incumbent loan system to the Temenos Transact Core Banking System. This migration enables ASA Pakistan to start taking deposits and to grow their client base in a highly regulated environment.

### Political donations

No political donations were made during the year.

### Disclosure of information under Listing Rule 9.8.4CR

As required by Listing Rule 9.8.4CR, the table below sets out the location of information required to be disclosed under Listing Rule 9.8.4 R:

Listing Rule sub-section	Item	Location
9.8.4 (4)	Details of any long-term incentive schemes as required by LR 9.4.3 R	Remuneration Report on pages 93 to 96
9.8.4 (5)-(6)	Details of any waiver of emoluments by a Director	Remuneration Report on page 94
9.8.4 (10)	Details of any contract of significance to which the Company or a subsidiary is a party and in which a Director or a controlling shareholder is materially interested	ASA NGO Bangladesh and AMSL (a wholly indirectly owned subsidiary of the Company) entered into a lease agreement and a services agreement (for the lease of office spaces and related services) in 2020
9.8.4 (11)	Details of any contract for the provision of services to the Company or a subsidiary by a controlling shareholder, subsisting during the period under review, unless the services are part of the shareholder's main business	None
9.8.4 (14)	Statement that the Relationship Agreement between the Company and the controlling shareholder has been complied with throughout the year	Corporate governance report on page 73

### Resolutions at the 2024 AGM

The Company's AGM will be held on 20 June 2024. Resolutions to be proposed at the AGM include the election of the Directors and the reappointment of Ernst & Young ('EY') as the auditor of the Group.

The full text of each of the resolutions to be proposed at the 2024 AGM will be set out in the Notice of AGM sent to the Company's shareholders. A letter from the Chairman and explanatory notes will accompany the Notice of AGM.

### Auditor

The Board (following a recommendation from the Audit and Risk Committee) has recommended that EY be reappointed as the Group's auditor at the 2024 AGM, at which resolutions concerning EY's reappointment and authorising the Directors to set its remuneration will be proposed. The full text of the relevant resolutions will be set out in the Notice of AGM sent to the Company's shareholders.

### Disclosure of information to the auditor

Each of the persons who are Directors at the date of approval of this Annual Report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware.
- They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

By order of the Board



**Prism Cosc**  
Company Secretary  
26 April 2024