Financial statements

A return to sustainable growth

Financial statements

General Information

Directors	Appointed on
Guy Dawson	15 May 2018
Dirk Brouwer	15 May 2018
Johanna Kemna	28 June 2018
Dr. Salehuddin Ahmed	08 December 2020
Karin Kersten	25 April 2022
Resigned on:	*01 November 2024*
Chris Low	01 February 2023
Rob Keijsers	01 November 2024
Sheila M'Mbijjewe	17 December 2024

Rob Keijsers has been appointed as Group Chief Executive Officer ('CEO') effective from 01 April 2025 having previously been appointed as Interim CEO, in addition to his existing role as Chief Digital and Information Officer and member of the Board as an Executive Director since 01 November 2024, following the resignation of Karin Kersten from the position of CEO.

With effect from 01 November 2024, Chris Low stepped up from his Independent Non-Executive Director role to Executive Chairman and Guy Dawson reverted to being an Independent Non-Executive Director. Following the appointment of the Group CEO, Chris Low has assumed the role of Non-Executive Chairman effective from 01 April 2025.

Sheila M'Mbijjewe was appointed as an Independent Non-Executive Director with effect from 17 December 2024.

Registration:
ASA International Group plc is a company registered in England and Wales.
Registered number: 11361159

Company secretary:
Prism Cosec Limited
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United Kingdom

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Auditor:
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Independent auditor's report to the members of ASA International Group plc

Opinion

In our opinion:

- ASA International Group plc's Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of ASA International Group plc (the 'Company' or 'Parent Company') and its subsidiaries (together, the 'Group') affairs as at 31st December 2024 and of the Group's and the Parent Company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the Group and Parent Company for the year ended 31 December 2024 which comprise:

Group	Parent Company
Consolidated income statement and statement of comprehensive income for the year then ended	Statutory statement of profit or loss and other comprehensive income for the year then ended
Consolidated statement of financial position as at 31 December 2024	Statutory statement of financial position as at 31 December 2024
Consolidated statement of changes in equity for the year then ended	Statutory statement of changes in equity for the year then ended
Consolidated statement of cash flows for the year then ended	Statutory statement of cash flows for the year then ended
Related notes 1 to 39 to the financial statements, including material accounting policy information.	Related notes 40 to 47 to the financial statements including material accounting policy information.
Information marked as 'audited' within the Directors' Remuneration Report on page 118.	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.

Material uncertainty related to Going Concern

We draw attention to note 2.1.1 in the financial statements, which indicates that the Directors have assessed the elevated Portfolio at Risk ('PAR') ratio across the loan portfolio that have caused breaches in the Group's covenants on its borrowings in 2024. The current economic and market conditions across many of the territories in which the Group operates makes it difficult to assess the potential for future debt covenant breaches and whether the waivers necessary to avoid the immediate repayment of debt will be forthcoming. Management plans to divest Group's investment in ASA India as it is unable to generate sufficient profits and liquidity. Until the business is fully divested there is uncertainty about how international lenders will react should the proposed actions fail to materialise. As a result, the Directors have concluded that this represents a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

As stated in note 2.1.1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent auditor's report to the members of ASA International Group plc (continued)

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Group's financial close process, we confirmed our understanding of the going concern assessment process and also engaged with management early to ensure relevant key factors were considered in their assessment.
- We considered the period of the going concern assessment which is from the date of approval of these financial statements to 31 May 2026 and confirmed this with those charged with governance.
- We agreed the Group's borrowing analysis to supporting evidence, including satisfying ourselves that there were no material intra-Group liabilities in the form of parental guarantees or letters of support.
- We reviewed debt agreements across the Group in order to establish the existence of covenants and considered the risk of covenant breaches on the timing of the Group's debt repayment obligations.
- We established the accuracy and reasonableness of the budget and cashflow forecasts across the going concern period under normal conditions and under a series of stress and severe stress scenarios, including performing independent reverse stress testing. From this testing we considered the cash position in the Group through to 31 May 2026 and compared that to the external debt in the Group, in order to establish the level of risk associated with covenant breaches and the potential for debt being called due.
- We reviewed the performance of the Group in 2024 and over recent history, including the historical impact of the COVID-19 pandemic, global inflationary pressures, natural disasters, and other significant events impacting the business, in order to assess the historic resilience of the Group to periods of stress.
- We considered whether there were other events subsequent to the balance sheet date which could have a bearing on the going concern conclusion, including engaging the views of the component audit teams, reviewing loan arrears analysis, management's proposed divesture of ASA India and performing media searches relating to the impact of geo-political issues, and other relevant matters.
- We reviewed the Group's going concern disclosures included in the Annual Report in order to assess whether the disclosures were appropriate and in conformity with the accounting standards.

From our evaluation of the Directors' going concern assessment, we had the following observations:

- As detailed in note 25, the Group had $312.7m of external debt at 31 December 2024 of which $28.2m had breached loan covenants. The Group have obtained waivers from a number of lenders in order to reduce the risk associated with debt being called due, of which the waivers amounting to $15.7m do not cover the complete period through to 31 May 2026. We observed that, should a significant proportion of the debt be called due at certain points in the going concern assessment period, the Group may have insufficient cash, at that time, to fund the required repayments.
- The Group continues to face challenges in the collection of outstanding loan balances, particularly with regard to operations in India, Sierra Leone, Rwanda, Philippines, Nigeria, Sri Lanka, Myanmar, Zambia and Tanzania. The recoverability of customer loans may be impacted by current economic conditions, relating to inflationary pressures, which could impact the Group's ability to remain in compliance with covenants and settle debt when they become due.

Based on the work we have performed, we concur with the Directors that there are material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. The assessment period was to 31 May 2026 and considers at least twelve months from the date of the approval of these financial statements. Going concern has been determined to be a key audit matter.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Independent auditor's report to the members of ASA International Group plc (continued)

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of thirteen components (full-scope) and audit procedures on specific balances for a further four components (specific-scope). • We performed central procedures for certain audit areas and balances as outlined in 'Tailoring the scope' section of our report. • The components where we performed full or specific audit procedures accounted for 100.0% of Profit before tax, 99.6% of Revenue and 99.4% of Total assets.
Key audit matters	• Expected credit loss provisions • Risk of fraud in revenue recognition through the incorrect recording of revenue arising from fictitious loans and advances to customers • Going concern
Materiality	• Overall Group materiality of \$2.9m (2023: \$2.1m) which represents 5% of adjusted profit before tax (2023: 5% adjusted profit before tax).

An overview of the scope of the Parent Company and Group audits

Tailoring the scope

In the current year our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised).

We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the potential impact of climate change, the applicable financial framework, the Group's system of internal control at the entity level, the existence of centralised processes, IT application environment and any relevant internal audit results.

We took a centralised approach to auditing certain processes, as well as the substantive testing of specific balances. This included audit work over the expected credit loss provisions and going concern key audit matters outlined later in this report.

We determined that centralised audit procedures can be performed across certain components for other audit areas including: Hyperinflationary accounting; Deferred taxation; Derivative financial instrument valuations; Lease accounting; and Climate risk.

We identified seventeen components in seventeen countries as individually relevant to the Group due a significant risk or an area of higher assessed risk of material misstatement of the Group financial statements being associated with the components, or due to financial size of the component relative to the Group.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the Group significant accounts on which centralised procedures are performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the Group significant financial statement account balance.

We then considered whether the remaining Group significant account balances that are not subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group financial statements.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

There are twenty-seven components in the Group of which seventeen components are in-scope. We designed and performed audit procedures on the entire financial information of thirteen components ("full scope components"). For four components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component ("specific scope components"). There has been no change in scoping of components of the Group since the 31 December 2023 audit.

The reporting components where we performed audit procedures accounted for 100.0% (2023: 98.8%) of the Group's Profit before tax, 99.7% (2023: 98.7%) of the Group's Profit before tax when using absolute values, 99.6% (2023: 98.1%) of the Group's Revenue and 99.4% (2023: 98.9%) of the Group's Total assets. The full scope components contributed 99.3% (2023: 95.8%) of the Group's Profit before tax, 97.7% (2023: 96.4%) of the Group's Profit before tax when using absolute values, 94.1% (2023: 92.5%) of the Group's Revenue and 96.3% (2023: 95.5%) of the Group's Total assets.

Of the remaining components that together represent less than 0.1% of the Group's Profit before tax, none is individually greater than 5% of the Group's profit before tax. For these components, we performed other procedures, including analytical review, testing of consolidation journals and intercompany eliminations and foreign currency translation recalculations, to respond to any potential risks of material misstatement to the Group financial statements.

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key audit matters section of our report.

Independent auditor's report to the members of ASA International Group plc (continued)

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit team, or by component auditors operating under our instruction. All components of the Group were audited by EY global network firms. Of the thirteen full scope components, audit procedures were performed on four of these directly by the primary audit team. For the remaining nine full scope components, where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

The Group audit team continued to follow a programme of planned visits on a rotation risk-based approach and led a number of video conference calls. The Senior Statutory Auditor and senior members of the Group audit team visited Ghana, Kenya, Tanzania, Pakistan, Bangladesh, Sri Lanka and the Philippines. During these visits we attended meetings with management, met borrower groups where possible, and held discussions on the audit approach, conducted review of component work papers, and discussed any issues arising from the audit work with component teams. In addition to the component visits, and for where visits were not undertaken, the Group audit team implemented a programme of oversight and involvement which included the following activities:

- Issued detailed audit instructions;
- Held a Group audit conference, including the primary team and all component teams, to discuss the plan for the audit, including but not limited to; significant risk areas and other areas of focus, independence procedures, materiality levels, updates from component territories, laws and regulations, and going concern procedures;
- Held planning, execution and conclusion video conference meetings with components, including meetings with component management where relevant, in order to direct and supervise the work performed and conclude;
- Interacted regularly with component teams through each phase of the audit to supervise audit progress, provide direction and validate the results and conclusions reached; and
- Reviewed component reporting documents and key working papers.

This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Group. The Group has determined that the most significant future impacts from climate change on their operations will be from the potential impact of natural disasters and weather events impacting the recoverability of loans and advances to customers. These are explained on pages 65 to 79 in the required Task Force On Climate Related Financial Disclosures and on pages 40 to 48 in the principal risks and uncertainties. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in note 2.1.3 how climate change has been reflected in the financial statements. These disclosures also explain where governmental and societal responses to climate change risks are still developing, and where the degree of certainty of these changes means that they cannot be taken into account when determining asset and liability valuations under the requirements of UK adopted international accounting standards. As noted in note 2.5.1F, the Group has identified the expected credit loss provision as one of the main areas in which it could be exposed to the financial impacts of climate change risk as a number of the Group's operating areas are prone to natural disasters such as typhoons, flash floods or droughts.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transitional, the Group's climate related disclosures, the potential effects of material climate risks and the significant judgements and estimates disclosed in note 2.1 and whether these have been appropriately reflected in asset values where these are impacted by future cash flows, and in the timing and nature of liabilities recognised, following the requirements of UK adopted international accounting standards. As part of this evaluation we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Independent auditor's report to the members of ASA International Group plc (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.
In addition to the matters set out below, we identified going concern as a key audit matter and have set out the procedures we conducted to address this and our conclusions in the Material uncertainty related to Going Concern section above.

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee	How we scoped our audit to respond to the risk and involvement with component teams
Expected credit loss provisions (2024: $10.1m, 2023: $6.9m) *Refer to the Audit and Risk Committee Report (page 101); Accounting policies (page 153); and Note 13.3 of the Consolidated Financial Statements (page 169)* Expected credit loss (ECL) provisions under IFRS 9 is an accounting estimate that carries a high degree of uncertainty driven by judgemental assumptions, including historical loss rates, their application to the outstanding loan portfolio, forward looking factors, the application of model overlays (post-model adjustments) to capture unmodelled risk, and the impact of the economic uncertainty, natural disasters or governmental interventions on these assumptions. The vast majority of the Group's lending is short-term, low in value, unsecured (except for security deposits paid in certain territories) and to women in developing economies in order to start and grow their businesses. The impact of ongoing economic and political uncertainty in certain countries has impaired the ability of the Group to distribute and collect loans made to borrowers, which has resulted in increased risk in certain countries in which the Group operates. The inherent ability of management to override internal controls in relation to loan impairment provisions, combined with the subjectivity of the provisions, represents a risk of fraud. The identification of expected credit loss provisions as a key audit matter remains consistent with the prior year audit.	We involved credit risk modelling specialists to assist in testing the appropriateness of the model and model assumptions. This testing included: • Independent recalculation of the loan impairment provision including the allocation of loans into stages. • Sensitivity analysis of the assumptions used by management including back-testing of the provision to evaluate the accuracy of management's estimation process and assess for evidence of management bias. • Reviewing key model assumptions including the loss rates and the application of loss rate to loans present at the balance sheet date. • Assessing whether indications of model weakness exist which could reasonably give rise to a material misstatement in the ECL estimate. In order to further challenge the reasonableness of the ECL recorded by management, we produced an independent challenger model using the complete loan portfolio and auditor-defined assumptions. This challenger model included the consideration of the completeness and accuracy of model overlays, including forward-looking factors, through a review of post balance sheet events and a consideration of historical loss patterns. We evaluated the criteria used to allocate a financial asset to stage 1, 2 or 3 in accordance with IFRS 9. We performed a test of the dataflows into the ECL model, including the arrears, last payment date, write-off and recoveries data. We inquired of management and reviewed the minutes of Board and other key meetings in order to identify if any specific events or circumstances exist which may trigger the need for incremental provisions.	We communicated that we are satisfied that ECL provisions were reasonable and in compliance with IFRS 9. We also highlighted to the Audit and Risk Committee that uncertainty remains in determining forecast losses due to the ongoing impact of economic uncertainty. Finally, we concluded that disclosures relating to loan impairments were in compliance with the requirements of UK adopted international accounting standards.	For the purposes of determining the scope of work to be conducted centrally and by component teams, we considered the credit loss provisioning process undertaken by the Group. The ECL calculation is performed centrally, and as such was audited centrally by the primary team with the support of EY Specialists. Nine full-scope components and four specific-scope components were instructed to perform data input testing over the data relevant to the ECL calculations. Throughout the performance of component team audit procedures, the central team maintained oversight through regular meetings and detailed reviews of the component team workpapers.

Independent auditor's report to the members of ASA International Group plc (continued)

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee	How we scoped our audit to respond to the risk and involvement with component teams
Risk of fraud in revenue recognition through the incorrect recording of revenue arising from fictitious loans and advances to customers (2024: $187.8m, 2023: $135.7m) *Refer to the Audit and Risk Committee Report (page 101); Accounting policies (page 147); and Note 4.1 of the Consolidated Financial Statements (page 163)* The income recognised may be fraudulently misstated due to the incorrect recording of interest income arising from loans being disbursed to fictitious borrowers, or otherwise fraudulently recorded, in order to manipulate income or disguise losses. The heightened volume of impaired loans also increases the complexity in the recording of interest income. The identification of risk of fraud in revenue recognition as a key audit matter remains consistent with the prior year audit.	For a sample of loans across the operating nine full scope and four specific scope components, which covered 99.6% of the risk amount, we independently recalculated the interest income using contractual terms from borrower agreements and agreed them through to the amounts recorded in the financial statements. This testing included a calculation of the impact of payment deferrals and payment moratoria on the recording of income under IFRS 9. For a sample of borrowers across the nine full scope and four specific scope components we attended the borrower group meetings, where the borrowers meet periodically as a group to make scheduled payments, and physically verified the identity of the borrowers and traced the loan outstanding balance per the borrower's passbook to the accounting records. Where it was not possible to perform physical verification of borrowers in person, due to the impact of localised restrictions, borrower existence was tested through alternative means, including video conference and phone calls. We also performed an independent calculation of income recorded on IFRS 9 stage 3 loans and compared it to that recorded by Management. Additionally, substantive analytical procedures were performed centrally to gain further assurance over interest recognition.	We reported to the Audit and Risk Committee our conclusion that the recording of interest income was found to be materially accurate. From our test of income recorded on impaired loans we reported to the Audit and Risk Committee that the balance was materially accurate. Our audit procedures did not identify evidence of fraud in the recognition of revenue.	We performed quantitative analysis of the composition of the Group's interest revenue, identifying thirteen material operating entities. Nine full-scope components and four specific-scope components were then instructed to perform substantive testing procedures, covering 100% of the risk amount. Throughout the performance of component team audit procedures, the central team maintained oversight through regular meetings and detailed reviews of the component team workpapers.

Independent auditor's report to the members of ASA International Group plc (continued)

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be $2.9 million (2023: $2.1 million), which is 5% (2023: 5%) of adjusted profit before tax. We believe that adjusted profit before tax provides us with the most appropriate basis for materiality given the Group is a profit orientated entity. We adjusted the Group's pre-tax profit for the impact of hyperinflationary accounting per IAS 29 where the impact is not pervasive across the Group and for the gain recognised on re-assignment of an ASA Myanmar loan which we consider to be non-recurring in nature.

We determined materiality for the Parent Company to be $0.6m (2023: $0.7m), which is 5% (2023: 5%) of total assets. We consider that, in respect of the Parent Company, total assets is most relevant to the stakeholders and representative of the economic size of the entity and, as such, provides us with an appropriate basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

During the course of our audit, we reassessed initial materiality. This assessment resulted in a higher final materiality calculated based on the actual financial performance of the Group for the year.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2023: 50%) of our planning materiality, namely $1.46m (2023: $1.10m). We have set performance materiality at this percentage (which is at the lowest end of the range of our audit methodology) based on various considerations including the past history of misstatements and the effectiveness of the control environment.

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the Group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was $0.23m to $0.62m (2023: $0.22m to $0.51m). The performance materiality for the Parent Company was $0.3m (2023: $0.4m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of $0.14m (2023: $0.11m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. The reporting threshold for the Parent Company was $0.03m (2023: $0.04m).

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon, including the Strategic Report on pages 01 to 83, the Governance Report on pages 84 to 125 and Additional Information on pages 205 to 209. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of ASA International Group plc (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 123;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 104;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 104;
- Directors' statement on fair, balanced and understandable set out on page 124;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 104;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 102 to 104; and
- The section describing the work of the Audit and Risk Committee set out on pages 98 to 104.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 123 to 124, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report to the members of ASA International Group plc (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are:
  - Financial Conduct Authority ('UK Listing Authority' or UKLA') Listing Rules;
  - Companies Act 2006; and
  - Legal and regulatory frameworks in operation in the countries in which the Group operates.
- We understood how ASA International Group plc is complying with those frameworks by making enquiries of Management, internal audit, and those responsible for legal and compliance matters. We also reviewed correspondence between the Group and its regulators; reviewed minutes of the key committee meetings and gained an understanding of the Group's approach to governance, demonstrated by the Board's approval of the Group's governance framework, and the Board's review of the Group's risk management framework ('RMF') and internal control processes.
- The primary team held discussions with each of the component teams during our Group Audit Conference, and reviewed their component reporting to us, in order to understand the applicable legal and regulatory frameworks at a component level and how the Group complies with these.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by holding discussions with senior management, internal audit and the Audit and Risk Committee and through an analysis of financial reporting information and areas of estimation which could be subject to manipulation. We considered the risk of fraud through management override of internal controls, revenue recognition and in the specific Key Audit Matters for loan impairment provisions and designed audit procedures to address these risks.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of the legal team, the Audit and Risk Committee, senior management, internal audit and the review of reports prepared by internal audit, legal and compliance and the Group's Fraud and Misappropriation Unit. We also reviewed the whistleblowing reports presented to the Group's Audit and Risk Committee throughout the year. In order to further consider legal and regulatory compliance at a component level, we instructed each component audit team to report to us any instances of non-compliance with laws and regulations to which they had become aware.
- The Group operates in the financial services industry, which is a highly regulated environment. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team, including auditor's specialists, to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.
- For instances of actual or suspected non-compliance with laws and regulations, which have a material impact on the financial statements, these were communicated by management to the Group audit engagement team and component teams (where applicable) who performed audit procedures such as inquiries with management, sending confirmations to external legal counsel, substantive testing and meeting with regulators.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit and Risk Committee we were appointed by the Company on 12 July 2018 to audit the financial statements for the year ending 31 December 2018 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is seven years, covering the years ending 31 December 2018 to 31 December 2024.
- The audit opinion is consistent with the additional report to the Audit and Risk Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Hitesh Patel (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
23 April 2025

Consolidated income statement and statement of comprehensive income
for the year ended 31 December 2024

	Notes	2024 USD'000	2023 USD'000
Interest income calculated using the effective interest method	4.1	**206,598**	147,410
Other interest and similar income	4.2	**7,276**	29,200
Interest and similar income		**213,874**	176,610
Interest and similar expense	5	**(43,451)**	(37,756)
Net interest income		**170,423**	138,854
Other operating income	6	**17,288**	9,349
Total operating income		**187,711**	148,203
Credit loss expense	7	**(6,827)**	(5,024)
Net operating income		**180,884**	143,179
Personnel expenses	8	**(64,793)**	(62,159)
Depreciation on property and equipment	16	**(1,974)**	(1,870)
Amortisation on intangible assets	20	**(857)**	-
Depreciation on right-of-use assets	17	**(3,710)**	(3,722)
Other operating expenses	9	**(39,740)**	(35,476)
Exchange rate differences	10	**(874)**	(1,968)
Loss on net monetary position	2.5.8	**(5,401)**	(5,789)
Total operating expenses		**(117,349)**	(110,984)
Profit before tax		**63,535**	32,195
Income tax expense	11	**(28,558)**	(20,149)
Withholding tax expense	11.7	**(6,444)**	(3,289)
Profit for the period		**28,533**	8,757

	Notes	2024 USD'000	2023 USD'000
Profit for the period attributable to:			
Equity holders of the parent		**29,249**	9,206
Non-controlling interest		**(716)**	(449)
		28,533	8,757
Other comprehensive income:			
Foreign currency exchange differences on translation of foreign operations	24	**(4,313)**	(24,131)
Movement in hedge accounting reserve	23	**(2,160)**	(1,669)
Tax on OCI and other items		**1,211**	555
Total other comprehensive loss to be reclassified to profit or loss in subsequent periods, net of tax		**(5,262)**	(25,245)
Gain on revaluation of MFX investment	15	**42**	29
Actuarial gain on defined benefit liabilities	8.1	**(1,243)**	448
Total other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods, net of tax		**(1,201)**	477
Total comprehensive income/(loss) for the period, net of tax		**22,070**	(16,011)
Total comprehensive income/(loss) attributable to:			
Equity holders of the parent		**22,727**	(15,576)
Non-controlling interest		**(657)**	(435)
		22,070	(16,011)

	Notes	2024	2023
Earnings per share	39	**USD**	USD
Equity shareholders of the parent for the period:			
Basic earnings per share		**0.29**	0.09
Diluted earnings per share		**0.29**	0.09

The notes 1 to 39 form an integral part of these financial statements.

Consolidated statement of financial position
as at 31 December 2024

	Notes	2024 USD'000	2023 USD'000
Assets			
Cash at bank and in hand	12	**79,145**	76,429
Loans and advances to customers	13	**409,977**	330,157
Due from banks	14	**29,263**	42,097
Equity investments at Fair Value through Other Comprehensive Income ('FVOCI')	15	**315**	273
Property and equipment	16	**7,597**	7,237
Right-of-use assets	17	**5,372**	4,785
Deferred tax assets	11.2	**7,277**	5,769
Other assets	18	**18,786**	13,490
Derivative assets	19	**258**	2,450
Intangible assets	20	**10,512**	7,340
Total assets		**568,502**	490,027
Equity and liabilities			
Equity			
Issued capital	21	**1,310**	1,310
Retained earnings	22	**212,102**	185,864
Other reserves	23	**1,371**	2,758
Foreign currency translation reserve	24	**(116,311)**	(111,998)
Total equity attributable to equity holders of the parent		**98,472**	77,934
Total equity attributable to non-controlling interest	32.6	**(1,981)**	(1,324)
Total equity		**96,491**	76,610

	Notes	2024 USD'000	2023 USD'000
Liabilities			
Debt issued and other borrowed funds	25	**320,850**	273,411
Due to customers	26	**90,171**	79,095
Retirement benefit liability	8.1	**6,856**	4,838
Current tax liability	11.1	**14,179**	9,326
Deferred tax liability	11.3	**4,635**	2,406
Lease liabilities	17	**3,925**	3,272
Derivative liabilities	19	**3,252**	78
Other liabilities	27	**25,939**	39,563
Provisions	28	**2,204**	1,428
Total liabilities		**472,011**	413,417
Total equity and liabilities		**568,502**	490,027

Approved by the Board of Directors on 23 April 2025.

Signed on behalf of the Board

Rob Keijsers

Rob Keijsers
CEO

Tanwir Rahman
CFO

The notes 1 to 39 form an integral part of these financial statements.

Consolidated statement of changes in equity
for the year ended 31 December 2024

	Issued capital USD'000	Retained earnings USD'000	Other reserves USD'000	Foreign currency translation reserve USD'000	Non-controlling interest USD'000	Total USD'000
At 1 January 2023	1,310	173,297	3,324	(88,123)	(147)	89,661
Impact of loan reclassification at Fair Value Through Profit and Loss ('FVTPL')	–	2,392	–	–	–	2,392
Impact of IAS 29 (hyperinflation)	–	–	–	256	–	256
Profit for the year	–	9,206	–	–	(449)	8,757
Share-based payments	–	–	71	–	–	71
Other comprehensive income:						
Actuarial gains/(losses) on defined benefit liabilities	–	–	448	–	–	448
Foreign currency translation of assets and liabilities of subsidiaries	–	(14)	–	(24,131)	14	(24,131)
Movement in hedge accounting reserve	–	–	(1,669)	–	–	(1,669)
Tax on OCI and others	–	983	584	–	(742)	825
Total comprehensive income/(loss) for the period	–	10,175	(566)	(24,131)	(1,177)	(15,699)
At 31 December 2023	1,310	185,864	2,758	(111,998)	(1,324)	76,610
At 1 January 2024	**1,310**	**185,864**	**2,758**	**(111,998)**	**(1,324)**	**76,610**
Profit for the year	**–**	**29,249**	**–**	**–**	**(716)**	**28,533**
Share-based payments	**–**	**–**	**709**	**–**	**–**	**709**
Other comprehensive income:						
Actuarial gains/(losses) on defined benefit liabilities	**–**	**–**	**(1,243)**	**–**	**–**	**(1,243)**
Foreign currency translation of assets and liabilities of subsidiaries	**–**	**(59)**	**–**	**(4,313)**	**59**	**(4,313)**
Movement in hedge accounting reserve	**–**	**–**	**(2,160)**	**–**	**–**	**(2,160)**
Tax on OCI and others	**–**	**–**	**1,307**	**–**	**–**	**1,307**
Total comprehensive income/(loss) for the period	**–**	**29,190**	**(1,387)**	**(4,313)**	**(657)**	**22,833**
Dividend	**–**	**(2,952)**	**–**	**–**	**–**	**(2,952)**
At 31 December 2024	**1,310**	**212,102**	**1,371**	**(116,311)**	**(1,981)**	**96,491**

The notes 1 to 39 form an integral part of these financial statements.

Consolidated statement of cash flows
for the year ended 31 December 2024

	Notes	2024 USD'000	2023 USD'000
Operating activities			
Profit before tax		**63,535**	32,195
Adjustment for movement in:			
Operating assets	29.1	**(92,363)**	(79,376)
Operating liabilities	29.2	**8,588**	12,739
Non-cash items	29.3	**29,496**	39,982
Income tax paid		**(32,797)**	(22,213)
Net cash flows (used in) operating activities		**(23,541)**	(16,673)
Investing activities			
Purchase of property and equipment	16	**(2,223)**	(4,372)
Proceeds from sale of property and equipment		**72**	(840)
Purchase of Intangible assets		**(3,918)**	(2,284)
Net cash flows (used in) investing activities		**(6,069)**	(7,496)
Financing activities			
Proceeds from debt issued and other borrowed funds		**275,478**	243,352
Payments of debt issued and other borrowed funds		**(233,695)**	(212,101)
Payment of lease liabilities		**(3,916)**	(3,690)
Dividend paid		**(2,952)**	–
Net cash flows from financing activities		**34,915**	27,561
Cash and cash equivalents at 1 January		**76,429**	83,117
Net increase in cash and cash equivalents		**5,305**	3,392
Impact of IAS 29 (hyperinflation)		**(609)**	(593)
Foreign exchange difference on cash and cash equivalents		**(1,980)**	(9,487)
Cash and cash equivalents at 31 December	12	**79,145**	76,429
Operational cash flows from interest			
Interest received		**210,550**	179,369
Interest paid		**46,686**	38,845

Amounts reported above may differ from the actual underlying cash flows on the date of the transaction as they have been adjusted due to the impact of accounting for the effects of the subsidiaries in Ghana and Sierra Leone operating in hyperinflationary economies.

The notes 1 to 39 form an integral part of these financial statements.

Notes to the consolidated financial statements
for the year ended 31 December 2024

1. Corporate information
ASA International Group plc ('ASA International', the 'Group') is a public company limited by shares bearing registration number 11361159 in England and Wales. The entity was incorporated by Catalyst Microfinance Investors ('CMI') on 14 May 2018 for the purpose of the initial public offer of ASA International Holding. ASA International Group plc acquired 100% of the shares in ASA International Holding and all its subsidiaries on 13 July 2018 in exchange for the issue of 100 million shares in ASA International Group plc with a nominal value of GBP 1.00 each (value per share of GBP 0.01 each after capital reduction). ASA International Group plc has a listing on the Main Market of the London Stock Exchange, within the equity shares (commercial companies) category.

Investment strategy
ASA International Group plc is a microfinance holding company, operating through its various subsidiaries in Asia and Africa.

Abbreviation list

Definitions	Abbreviation
A1 Nigeria Consultancy Limited	A1 Nigeria
ASA Dwaso Limited	ASA Dwaso
ASA International Group plc	ASAIG
ASA International Holding	ASAIH
ASA International Group plc Employee Benefit Trust	ASAIG plc EBT
ASA International India Microfinance Limited	ASA India
ASA International (Kenya) Limited (formerly 'ASA International Microfinance (Kenya) Limited')	ASA Kenya
ASA International N.V.	ASAI NV
ASA Lanka Private Limited	ASA Lanka
ASA Microfinance (Myanmar) Limited	ASA Myanmar
ASA Microfinance (Rwanda) Limited	ASA Rwanda
ASA Microfinance (Sierra Leone)	ASA Sierra Leone
ASA Microfinance (Zanzibar) Limited	ASA Zanzibar
ASA Microfinance (Tanzania) Limited	ASA Tanzania
ASA Microfinance (Uganda) Limited	ASA Uganda
ASA Microfinance Zambia Limited	ASA Zambia
ASA NGO-MFI registered in Bangladesh	ASA NGO Bangladesh
ASA Microfinance Bank (Pakistan) Limited	ASA Pakistan
ASA Savings & Loans Limited	ASA S&L
ASHA Microfinance Bank Limited	ASA Nigeria
ASAI Investments & Management B.V	ASAI I&M
ASAI Management Services Limited	AMSL
Association for Social Improvement and Economic Advancement	ASIEA
C.M.I. Lanka Holding (Private) Limited	CMI Lanka
Catalyst Continuity Limited	Catalyst Continuity
Catalyst Microfinance Investment Company	CMIC
Catalyst Microfinance Investors	CMI
Corporate Social Responsibility	CSR
CMI International Holding	CMII
Lak Jaya Micro Finance Limited	Lak Jaya
Pagasa ng Masang Pinoy Microfinance, Inc	Pagasa
PagASA ng Pinoy Mutual Benefit Association, Inc.	MBA Philippines
Pagasa Consultancy Limited	Pagasa Consultancy
Pagasa Philippines Finance Corporation	PPFC
Pagasa Philippines Finance Corporation and Pagasa ng Masang Pinoy Microfinance, Inc	Pagasa Philippines
Pinoy Consultancy Limited	Pinoy
PT PAGASA Consultancy	PT PAGASA Consultancy
Microfinance Institution	MFI
Reserve Bank of India	RBI
State Bank of India	SBI
Standard & Poor's	S&P
Sequoia B.V.	Sequoia

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies
2.1 General
The consolidated financial statements of ASA International Group plc have been prepared on a historical cost basis, except for loans that failed Solely Payments of Principal and Interest ('SPPI') tests, derivative and equity instruments, which have been measured at fair value. Additionally, the financial information of subsidiaries operating in hyperinflationary economies have been adjusted to reflect their current purchasing power. The consolidated financial statements are presented in USD and all values are rounded to the nearest thousand (USD' 000), except when otherwise indicated. The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except for as mentioned in Section 2.3.

ASA International continued applying hyperinflation accounting for its operations in Ghana and Sierra Leone in 2024 as the three-year cumulative inflation in both countries exceeded 100%. For more information refer to note 2.5.8 'Hyperinflation'.

The consolidated financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 23 April 2025. After the issue of the financial statements the Company's owners or others do not have the power to amend the financial statements.

2.1.1 Basis of preparation
The 2024 consolidated financial statements have been prepared on a going concern basis. It should be noted that in the 2023 Annual Report and Accounts, approved on 26 April 2024, senior management and the Directors concluded that there was a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern relating to debt covenant breaches, and potential actions to mitigate debt being called due. In performing the going concern assessment for the 2024 consolidated Annual Report and Accounts, the Directors have considered the continued global economic challenges and analysed the Group's operating and financial position and expectations for the period up to 31 May 2026 (the 'Assessment Period'). The conclusion of this assessment remains consistent with that of the 2023 Annual Report and Accounts. Senior management and the Directors have therefore concluded that there is a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern.

The Group has updated its detailed financial model for its budget and projections (the 'Projections') in line with current market conditions. The management team used the actual numbers up to December 2024 and updated the operating projections for the Assessment Period. These Projections are based on a detailed set of key operating and financial assumptions, including the minimum required cash balances, capital and debt funding plan per operating subsidiary, economic conditions of the countries, senior management's estimation of increased credit and funding risks, and current economic challenges faced by different operating subsidiaries resulting from increased inflation, which has a possibility to reduce demand for new microfinance loans. As a microfinance lender, the Group sees the service it provides to clients as an important factor for them to continue their businesses as it provides resources and access to capital to the financially underserved. Therefore, the Group has a high degree of confidence that the additional risks posed by rising inflation will not increase arrears materially, however, this remains a risk.

The Group remains well capitalised and in compliance with minimum capital requirements in all markets. In terms of liquidity, the Group has USD 50.2 million (2023: USD 48.2 million) of unrestricted cash and cash equivalents which is readily available for operational needs as of 31 December 2024, and a strong funding pipeline of USD 120.7 million (2023: USD 152 million) with 99% (2023: 96%) having agreed terms and which can be accessed in the short to medium term. This reaffirms the confidence lenders have in the strength of the Group's business model and senior management's ongoing strategies to steer the Group through the current economic environment. It should be noted that the majority of this additional funding contains loan covenants and there is a risk of covenant breaches in certain stress scenarios, consistent with the risks detailed in the remainder of the going concern assessment. However, this is not expected to impact the group's ability to continue its operations in the Assessment Period. The Group is confident it will generate positive cash flows and will be able to fully fund the projected loan portfolio throughout the Assessment Period.

The Group does not expect a significant increase in credit loss expenses during the Assessment Period, as in all entities, collections are in the high 95% range and the proportion of loans with overdue payments greater than 30 days (portfolio at risk greater than 30 days, or 'PAR>30 days') have generally stabilised. The PAR>30 days remains high for its operating entities in India, Sierra Leone, Rwanda, Philippines, Nigeria and Sri Lanka. though the group level PAR>30 days remains stable. The Group expects this to improve in the medium to long term as it implements strategies to increase collections in these markets. The management team is closely following up on the developments and expects to improve the PAR>30 situation in 2025.

ASA India's ability to operate a sustainable business remained a concern, as microfinance regulation became increasingly stringent again, and as a result the entity is currently experiencing liquidity shortages. As the operations and its profitability are highly unlikely to protect the interest of all key stakeholders, the Board agreed to support the proposal of management to divest ASA India. Management expects that the proposed process to divest ASA India will improve the Group's sustainability as the entity's IFRS losses will cease to detract from the Group's future net results and the divestment will have a positive effect on the Group's equity, since the level of equity value in ASA India is negative under IFRS.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.1.1 Basis of preparation (continued)
However, there still remains uncertainty about how international lenders will react should the proposed actions by the Group to divest ASA India fail to materialise. Additionally, given the level of arrears and business challenges in India, there is a potential risk of breaching capital requirements of the Reserve Bank of India ('RBI') if the entity cannot improve its capital and liquidity position. Should these requirements be breached, then the possible implications could be that the RBI provides management with a remediation plan and/or further capital could be required. As stated earlier, the Group did not provide parent guarantees to funders of the operating subsidiaries and hence in case of dissolution of ASA India, the Group's risk is limited to its capital investment and any shareholder loans. However, there is potential reputational risk in how lenders would perceive such event and any adverse reaction on their part related to further funding to the Group is uncertain. Since there are no cross-default clauses in their loans to the Group holdings, nor to the other Group MFIs, any potential action by lenders in the short term would be limited to declining or delaying additional funding to the Group. Management considers the uncertainty around this potential adverse impact on Group funding to represent a material concern.

The Group expects continued breaches of loan covenants during the Assessment Period at subsidiary level in a few countries, with further impact on the holding level. The breaches will mainly relate to portfolio quality covenants. These breaches have not historically resulted in an immediate repayment request from lenders and are further evidenced by the supportive attitude of lenders in the last five years where the Group has been continuously able to raise new funds from the lenders. As of 31 December 2024, out of the total outstanding debt of USD 312.7 million (2023: USD 268.5 million), credit lines with breached covenants amounted to USD 28.2 million (USD 23.0 million in December 2023). Of that amount, waivers have been received for USD 17.6 million. The Group have obtained waivers from a number of lenders in order to reduce the risk associated with debt being called due, of which the waivers amounting to USD 15.7million do not cover the complete period through to 31 May 2026. The international funders have been supportive of the Group and the microfinance sector in general during the last five years. In the absence of waivers covering the assessment period, breaches of covenants that are not rectified within the time specified in the respective agreements, as applicable, would cause an event of default under the loan agreements.

Unless the covenant breach waivers are obtained as and when required the debt may be called due, which could materially impact the ability of the Group to meet its debt obligations. The Group has a history of negotiating covenant waivers, where required, and has eventually received waivers for all breaches in the past following the post-balance sheet date, which indicates that the chance of an early debt call is low. However, the current economic and market conditions make it difficult to assess whether the waivers necessary to avoid the immediate repayment of debt or further extension of loan terms will be forthcoming in the future.

The Group considers providing support to subsidiaries from the holdings in servicing loan repayments and/or meeting covenant requirements. This is subject to viability considerations of the subsidiary and where management deems it beneficial in maintaining the Group's interests. ASA Myanmar had four loans outstanding (amounting to USD 4.4 million including interest) with two lenders. Due to USD payment restrictions in Myanmar which made it impracticable for ASA Myanmar to service the debt, the Group agreed an assignment of these loans to ASAI N.V. at a discounted settlement value of USD 1.4 million.

In terms of mitigations to debt recall from lenders, the Group can shrink its exposure in certain countries by focusing on the collection of existing loans and curtailing disbursements. This is not a preferred action but can be utilised to create liquidity in any country's operations when unexpected repayments are requested by lenders. Further, the holding entities within the Group did not provide parent guarantees nor cross default clauses to funders of the operating subsidiaries, which protects the Group.

Senior management and the Board of Directors extensively challenged the Projections and their underlying assumptions including the above considerations. They also considered the risks around economic uncertainties resulting from high inflation, devaluation of local currencies, delays in dividend distribution, increased operational costs, and the risk of not obtaining waivers for prospective covenant breaches. The Group also prepared stress and reverse stress scenarios for cash flows including the mitigating actions which include distribution of dividends and short-term loans from subsidiaries which have sufficient cash reserves.

Having assessed the Projections, downtrend analysis and mitigations described above, senior management and the Directors have a reasonable expectation that the Group has adequate resources to continue its operation for at least twelve months from the date of approval of the consolidated financial statements for 2024, and through to 31 May 2026. For these reasons, they continue to adopt a going concern basis for the preparation of the consolidated financial statements. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Group was unable to continue as a going concern.

2.1.2 Statement of compliance
The Group and Parent Company financial statements are prepared in accordance with UK adopted International Accounting Standards ('IAS' or 'IFRS').

The preparation of the consolidated financial statements in conformity with IFRS requires senior management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.1.3 Consideration of climate change
In preparing these financial statements, the Group has given consideration to the recommendations laid out by the Task Force on Climate-related Financial Disclosures ('TCFD') and the requirements as per section 414CB of the Companies Act 2006. The relevant assessment of the climate-related risks outlined in the Group's Annual Report on page 65 has been incorporated into judgements associated with recognition, measurement, presentation and disclosure, where so permitted by UK adopted IAS. The accounting judgements relating to climate change are presented in note 2.5.1(F) and note 30.6.

While there is currently no significant impact expected from climate change, the Directors are aware of the constant evolving risks attached to climate change and will regularly assess these risks against judgements and estimates made in preparation of the financial statements.

2.1.4 Basis of consolidation
The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December for each year presented. The financial statements of subsidiaries are similarly prepared for the year ended 31 December 2024 applying similar accounting policies. All intra-Group balances, transactions, income and expenses and profits and losses resulting from intercompany transactions are eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. The Company has control over a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The results of subsidiaries acquired or disposed of during the year are included (if any) in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate. Non-controlling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the equity attributable to equity holders of the parent.

2.2 Summary of material accounting policies
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below:

2.2.1 Foreign currency translation
The consolidated financial statements of the Group are presented in USD, which is also the Group's functional currency. The presentation currency is thus USD whereas the local currency is GBP. Each entity in the Group determines its own functional currency which may or may not be their local currency. Items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances
Transactions in foreign currency (not functional currency of the entity) are initially recorded by the Group's entities at their respective functional currency at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rate of exchange at the reporting date. All differences are taken to 'Exchange rate differences' in the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

Group companies
As at the reporting date, the assets and liabilities of subsidiaries are translated into the Group's presentation currency (USD) which is also the functional currency of the Group at the rate of exchange ruling at the reporting date. Investments in subsidiaries and issued capital are translated at historical rate, and their statements of profit or loss and other comprehensive income are translated at the monthly average exchange rates for the year. Currency translation differences have been recorded in the Group's consolidated statement of financial position as foreign currency translation reserve through other comprehensive income.

All amounts (i.e. assets, liabilities, equity, income and expenses) of the entities whose functional currency are the currency of a hyperinflationary economy is translated at the closing rate at the reporting date.

2.2.2 Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets – initial recognition and subsequent measurement
(1) Date of recognition

Purchases or sales of financial assets that require the delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.2 Summary of material accounting policies (continued)
2.2.2 Financial instruments (continued)
(2) Initial recognition and measurement

The Group recognises a financial asset in its statement of financial position, when, and only when, the entity becomes a party to the contractual provisions of the instrument. Financial assets are classified, at initial recognition, and measured at fair value. Subsequently they are measured at amortised cost, fair value through Other Comprehensive Income ('OCI'), and Fair Value Through Profit or Loss ('FVTPL'). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are SPPI on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

(3) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (Loans and advances to customers, Other receivables, Cash at bank and in hand and Due from banks);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments, derivative instruments under cash flow hedge); and
- Financial assets at FVTPL (Loans and advances to customers at FVTPL).

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate ('EIR') method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes Loans and advances to customers, Other receivables, Cash at bank and in hand and Due from banks.

Financial assets designated at fair value through OCI without recycling

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Investments at FVOCI are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited to the Investments at FVOCI reserve. Gains and losses on these financial assets are never recycled to profit or loss. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets at FVTPL are subsequently measured at fair value. Net gain and losses are recognised in profit or loss. Derivatives at FVTPL are recognised in profit or loss.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The right to receive cash flows from the asset has expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset (see note 2.5.4 to 2.5.5). Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.2 Summary of material accounting policies (continued)
2.2.2 Financial instruments (continued)
b) Impairment of financial assets

The Group recognises an allowance for Expected Credit Losses ('ECLs') on Loans and advances to customers at amortised cost, Related party receivables, Cash at bank and Due from banks.

Loans and advances to customers at amortised cost

Given the nature of the Group's loan exposures (generally short-term exposures, <12 months) no distinction has been made between stage 1 (12 months ECL) and stage 2 loans (lifetime ECL) for the ECL calculation. For disclosure purposes normally stage 1 loans are defined as loans overdue between 1-30 days. Stage 2 loans are overdue loans between 31-90 days. To avoid the complexity of calculating separate probability of default and loss given default, the Group uses a 'loss rate approach' for the measurement of ECLs. The 'loss rates' are determined based on historical credit loss experience, adjusted for forward-looking factors specific to the economic environment.

The Group considers there to have been a significant increase in credit risk when contractual payments are at least 31 days past due. In addition, loans and advances are treated as credit impaired (stage 3) when contractual payments are greater than 90 days past due.

Write-off

The Group uses judgement to determine bad loans which are written off. Based on management experience in the local market and the microfinance industry practice, loans over 365 days past due are bracketed as bad, unless there are specific circumstances that lead local management to believe that there is a reasonable expectation of recovery. In Pakistan, loans over 209 days are treated as bad as per regulatory requirement. The write-offs occur mainly two times in a year (June and December). However, management (Group and/ or subsidiary) can write-off loans earlier if loans are deemed unrecoverable or delay write-offs in case of national calamity or any regulatory reasons subject to Board approval. From an operational perspective all overdue loans are monitored for recovery up to two years overdue.

Cash at bank, Due from banks and Related party

For Cash at bank, Due from banks and Related party receivables, the Group used the S&P matrix for default rates based on the most recent publicly made available credit ratings of each counterparty. In the S&P matrix for default rates, there is no specified default rate for each of our external counterparties. Thus, the Group applied the default rate for all financial institutions. Then, the Group calculated the adjusted Probability of Default ('PD')/default rates by accommodating management estimates. However, for non-credit rated external counterparties; the PD/default rate is determined by choosing the riskier one between the mid-point of credit ratings of banks the Group has business with and a similar level rated entity. Senior management collects the credit ratings of the banks where the funds are deposited and related parties (where applicable) on a half-yearly basis and calculates the ECL on such items using the default rate identified as above. The Group considers credit risk to have significantly increased when the credit ratings of the bank and the related parties have been downgraded which in turn increases the probability of default. The Group considers that the closure of a counterparty bank, dissolution of a related party or a significant liquidity crisis or any objective evidence of impairment such as bankruptcy to be indicators for stage 3.

2.2.3 Financial liabilities – Initial recognition and subsequent measurement
(1) Initial recognition and measurement

On initial recognition, financial liabilities at fair value through profit or loss are initially measured at their fair value as defined in note 2.2.15. The initial measurement of other financial liabilities is based on their fair value but adjusted in respect of any transaction costs that are incremental and directly attributable to the acquisition or issue of the financial instrument. The Group's financial liabilities include Debt issued and other borrowed funds, Due to customers, Lease liabilities, Other liabilities and Derivative instruments.

(2) Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost (Debt issued and other borrowed funds, Due to customers, Lease liabilities and Other liabilities); and
- Financial liabilities at FVTPL (Derivative instruments).

Financial liabilities at amortised cost

Debt issued and other borrowed funds, Other liabilities and Due to customers are classified as liabilities where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. After initial measurement, Debt issued and other borrowed funds including Due to customers are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by considering any discount or premium on the issue and costs that are an integral part of the EIR.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.2 Summary of material accounting policies (continued)
2.2.3 Financial liabilities – Initial recognition and subsequent measurement (continued)
(2) Subsequent measurement (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position only if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.2.4 Derivative instruments and hedge accounting
The Group uses derivative financial instruments, such as forward currency contracts and cross currency interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at the end of every reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item. The Group uses forward currency contracts and cross currency interest rate swaps agreements as hedges of its exposure to foreign currency risk and interest rate risk in forecast transactions and firm commitments.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element and cross currency basis risk is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve. The forward points and foreign exchange basis spreads are amortised throughout the contract tenure and reclassified out of OCI into profit and loss (‘P&L’) as interest expenses.

2.2.5 Recognition of income and expenses
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties. The Group has concluded that it is principal in all of its revenue arrangements except for loans under the Business Correspondence (‘BC’) model where the Group works as an agent.

The following specific recognition criteria must also be met before revenue is recognised:

(1) Interest and similar income and expense

Interest income and expense are recognised in the statement of profit or loss and other comprehensive income based on the EIR method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the EIR, the Group shall estimate cash flows considering all contractual terms of the financial instrument but shall not consider future credit losses. The calculation includes all amounts paid or received between parties to the contract that are an integral part of the EIR of a financial instrument including transaction costs, and all other premiums or discounts. Interest income also includes loan processing fees that are integral to the interest rate.

The Group recognises interest income on the stage 3 loans on the net loan balance.

(2) Dividend income

Dividend income is recognised when the Group’s right to receive the payment is established.

(3) Other income

Other income includes group members’ admission fees, document, application and verification fees, proceeds from sale of passbooks, distribution fee MBA Philippines and service fees from off-book loans under the BC model.

The Group earns other income from a diverse range of services it provides to its clients and BC Partners. Other income is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the services. The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract.

When the Group provides a service, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time unless otherwise specified.

The performance obligation related to members’ admission, document, application and verification fees and proceeds from sale of passbooks are satisfied in point of time and revenue is recognised at that point.

Service fees from off-book loans under the BC model are recognised on the basis of loan disbursement as the amount is received only after completion of the service.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.2 Summary of material accounting policies (continued)
2.2.6 Cash and cash equivalents
Cash and cash equivalents as referred to in the statement of cash flows comprises of Cash in hand and Cash at bank, included in which is both restricted and unrestricted cash at bank. Restricted cash at bank relates to Loan Collateral Build Up ('LCBU') in the Philippines and security deposits from clients in Tanzania as disclosed in note 12. Unrestricted cash at bank relates to current accounts, on demand accounts and term deposits that have a maturity date of three months or less from the date of acquisition, held with commercial banks.

2.2.7 Property and equipment
Property and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the depreciation period or method, as appropriate, and are treated as changes in accounting estimates.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives.

The estimated useful lives are as follows:

Furniture and fixtures:	5 years
Vehicles:	5 years
Office equipment including IT:	3 years
Buildings:	50 years

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in 'Other operating income' or 'Other operating expenses' in the statement of profit or loss and other comprehensive income in the year the asset is derecognised.

2.2.8 Taxes
(1) Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Senior management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(2) Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except: (i) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination an d, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and (ii) in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be set off: (i) where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and (ii) in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities can only be offset in the statement of financial position if the Group has the legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same taxing authority on the same entity or different entities that intend to realise the asset and settle the liability at the same time.

The Group recognises deferred tax on undistributed dividends. Reference is made to note 2.5.7 and note 11.

2.2.9 Dividend distribution on ordinary shares
Dividends on ordinary shares will be recognised as a liability and deducted from equity when they are approved by the Group's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Group. Dividends for the year that were approved after the reporting date will be disclosed as an event after the reporting date.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.2 Summary of material accounting policies (continued)
2.2.10 Short-term employee benefits
Short-term benefits typically relate to the payment of salaries and wages. These benefits are recorded on an accrual basis.

2.2.11 Post-employment benefits
2.2.11.1 Defined benefit plan
The Group maintains a defined benefit plan in some subsidiaries, which leads to retirement benefit obligations. The defined benefit obligation and the related charge for the year are determined using assumptions required under actuarial valuation techniques. These benefits are unfunded.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding an amount included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of (i) the date of the plan amendment or curtailment, and (ii) the date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under operating expenses in the consolidated statement of comprehensive income: (i) service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and (ii) net interest expense or income. Reference is made to note 2.5.2.

2.2.11.2 Defined contribution plan
Defined contribution employee benefits are expensed as they are paid, with an accrual recorded for any benefits owed, but not yet paid. The expenses of the defined contribution plan are incurred by the employer. The contributions are to be remitted by the entities to the fund on a monthly basis. Employees are allowed to withdraw the accumulated contribution in their accounts from this fund as per the terms and conditions specified in the fund Acts.

2.2.12 Intangible assets
The Group has adopted a strategy of enriching the offering to its clients with product diversification by adding Digital Financial Services ('DFS'). The DFS will be offered to its clients through a smartphone app, where clients will be able to apply online for loans and other financial services like a current account and a savings or deposit account. They will be able to view their loan and account information and make payments including paying bills. The DFS app will also include additional functions and services such as digital group meetings and a chat function. As part of the DFS, the Group is also developing a Supplier Market Place app ('SMP') where clients can purchase goods for their businesses. SMP will be a separate app, but is part of the DFS model to retain and attract loan and savings clients and generate payment transactions that will generate commissions.

For the introduction of current accounts and savings and deposits accounts and other digital services to our clients, the Group has procured a licence for a Core Banking System ('CBS') for its IT infrastructure. The Group made upfront payments to buy the core banking software licence. The licence for the software is granted for ten years.

Research and development costs
Research costs are expensed as incurred. Development expenditures on an individual software project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use;
- Its intention to complete and its ability to use it or sell it;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset and use or sell it; and/or
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.
The breakdown is presented in note 20.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.2 Summary of material accounting policies (continued)
2.2.12 Intangible assets (continued)
Research and development costs (continued)

A summary of the policies applied to intangible asset is, as follows:

	Initial licence and set-up costs	Development costs
Useful life	Finite (eight years)	Finite (eight years)
Amortisation starts	After installation for use	After installation for use
Amortisation method used	Amortised on a straight-line basis over the period of licence	Amortised on a straight-line basis over the period of expected usage
Internally generated or acquired	Acquired	Internally generated

2.2.13 Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's ('CGU's') fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. For Property and equipment, the fair value less costs of disposal calculation is based on available data from similar assets or observable market prices less incremental costs of disposing of the asset. For right-of-use assets ('ROU') the fair value is determined based on estimated rental payments using the IBR used for each country where such ROU exists. If there is a significant change in discount rates, the fair value is reviewed to assess if there is impairment. The sensitivity analysis on account of incremental borrowing rate ('IBR') changes is shown in note 17.

The Group has identified the impairment of non-financial assets as one of the areas in which it could be exposed to the financial impacts of climate change risk, as a number of the Group's operating areas are prone to natural disasters. However, as the Group manages a frugal cost operating model with minimum investment in fixed assets and leases, the impact of climate-related financial loss is expected to be insignificant.

2.2.14 Liability for death and multipurpose risk funds
The Group collected 1–2% of disbursed loan amounts for death risk funds or multipurpose risk funds in certain markets (the Philippines, Uganda, Kenya and Sri Lanka). These funds covered settlement of the outstanding loan amount and other financial assistance when the borrower died or was affected by natural calamities. The collected amounts are recognised upfront as income and a liability was recognised in the statement of financial position for the claims resulting from these funds. Reference was made to note 2.5.3 on the key judgement used. The death risk fund or multipurpose risk fund were no longer included in new loan contracts from August 2023 in Uganda, September 2023 in the Philippines, December 2023 in Kenya and January 2024 in Sri Lanka.

2.2.15 Fair value measurement
The Group measures financial instruments such as derivatives, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (i) in the principal market for the asset or liability; or (ii) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.2 Summary of material accounting policies (continued)
2.2.15 Fair value measurement (continued)
When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs, such as liquidity risk, credit risk and volatility.

2.2.16 Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group determines the lease term as the non-cancellable term of the lease. Any period covered by an option to extend the lease is not considered unless it is reasonably certain to be exercised.

Right-of-use assets

The Group recognises ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset.

The ROU assets are also subject to impairment. Refer to the accounting policies in note 2.2.13 'Impairment of non-financial assets'.

Lease liabilities

(1) Initial measurement

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. There are no obligatory extension clauses in the rental agreements. Although some lease contracts comprise the optional extension clauses, these are not included on initial recognition because it is not always reasonably certain that the Group will take the option. In calculating the present value of lease payments, ASA International uses the IBR at the lease commencement date due to the reason that the interest rate implicit in the lease is not available. The IBR is calculated using a reference rate (derived as country-specific risk-free rate) and adjusting it with Company-specific financing spread and integrating lease-specific factors. Refer to note 2.5.6 on accounting estimates and assumptions used to determine the IBR rates.

(2) Subsequent measurement

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

2.2.17 Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.2.18 Share-based payments
The Group granted options ('Options') in the Group Company under its Long-Term Incentive Plan ('LTIP') to certain Executive Directors and Persons Discharging Managerial Responsibilities ('PDMRs') and other staff in 2022, 2023 and 2024. The Company's LTIP is designed to incentivise and retain Directors and senior staff, along with aligning them with shareholders' interest to create long-term value. The transaction is determined as an equity-settled transaction.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in note 32.1.

That cost is recognised within personnel expenses, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cost is booked from the date that the beneficiary accepted the grant. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

2.3 New standards, interpretations and amendments adopted by the Group
The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.3. New standards, interpretations and amendments adopted by the Group (continued)
2.3.1 Amendments to IAS 1: Classification of liabilities as current or non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within 12 months.

These amendments lead to additional disclosures in the Group's consolidated financial statements.

2.3.2 Amendments to IFRS 16: Lease liability in a sale and leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the ROU it retains.

These amendments had no impact on the Group's consolidated financial statements.

2.3.3 Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

These amendments had no impact on the Group's consolidated financial statements.

2.4 Standards issued but not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

2.4.1 Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments. The amendments include:

i) A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date;

ii) Additional guidance on how the contractual cash flows for financial assets with environmental, social and governance ('ESG') and similar features should be assessed;

iii) Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments; and

iv) The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through OCI.

The amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. These amendments are not expected to have a material impact on the financial statements, however, the assessment is yet to be concluded.

2.4.2 Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

These amendments are not expected to have a material impact on the financial statements, however, the assessment is yet to be concluded.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.4. Standards issued but not yet effective (continued)
2.4.3 IFRS 18 Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements ('PFS') and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

2.4.4 IFRS 19 Subsidiaries without Public Accountability: Disclosures
In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

These amendments are not expected to have a material impact on the financial statements, however, the assessment is yet to be concluded.

2.5 Significant accounting judgements and estimates
In the process of applying the Group's accounting policies, judgements and estimates are applied in determining the amounts recognised in the financial statements. Significant use of judgements and estimates are as follows:

2.5.1 Allowance for ECL on loans and advances
The Group calculates the allowance for ECL in a three-step process as described below under A to D. The Group reviews its loans at each reporting date to assess the adequacy of the ECL as recorded in the financial statements. In particular, judgement is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on certain assumptions such as the financial situation of the borrowers, types of loan, maturity of the loans, ageing of the portfolio, economic factors, etc. The actual performance of loans may differ from such estimates resulting in future changes to the allowance. Due to the nature of the industry in which the Group operates, i.e. micro credit to low-income clients, the loan portfolio consists of a very high number of individual customers with low-value exposures. These characteristics lead the Group to use a provisioning methodology based on a collective assessment of similar loans. The Group's policy for calculating the allowance for ECL is described below:

A) Determination of loan staging

The Group monitors the changes in credit risk in order to allocate the exposure to the correct staging bucket. Given the nature of the Group's loan exposures (generally short-term exposures, <12 months) no distinction has been made between stage 1 (12 months ECL) and stage 2 loans (lifetime ECL) for calculating the ECL provision. The current and loans overdue below 31 days are considered as stage 1. Any loans overdue for 31–90 days are recognised as stage 2 loans. Loans overdue more than 90 days are recognised as stage 3 loans.

	Overdue age	Staging
Bucket based on overdue age	Current	Stage 1
	1–30 days	
	31–90 days	Stage 2
	> 90 days	Stage 3

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.5 Significant accounting judgements and estimates (continued)
2.5.1 Allowance for ECL on loans and advances (continued)
B) Calculating ECL for stage 1–2 loans

To avoid the complexity of calculating the separate probabilities of default and loss-given default, the Group uses a 'loss rate approach' for the measurement of ECLs under IFRS 9. Using this approach, the Group developed loss-rate statistics on the basis of the net amounts written off over the last five years (Gross write-off less subsequent recovery). The historical loss rates include the impact of security deposits held by the Group, which is adjusted with overdue amounts before loans are written off. ECL recorded purely based on historical loss comes to USD 1.5 million (2023: USD 0.9 million) on loans under stage 1 and stage 2. If the loss rate was increased by 1%, the ECL requirement under the historical default would be increased by USD 15K.

The forward-looking element of the ECL model is constructed through looking at the trend in net write-off information from the prior three years and applying a projected loss rate in order to anticipate future loss events. ECL as per the forward-looking element comes to USD 126K (2023: USD 637K). Changing the write-off trend to two years, rather than three years for the forward-looking assessment, would reduce ECL by USD 684K.

C) Calculating ECL for stage 3 loans

The Group considers a loan to be credit impaired when it is overdue for more than 90 days. The ECL applied to net stage 3 loans (after adjusting the security deposit which is held as collateral in certain countries) is at a rate below:

	Loss %	
ECL for stage 3 loans	**2024**	**2023**
Overdue age		
91-180 days	**50 and 80%**	50 and 80%
181-365 days	**70 and 100%**	70 and 100%
Over 365 days	**100%**	100%

In 2024, senior management considered a higher loss rate (80% for the loans bucketed between 91-180 days and 100% for loans over 180 days overdue) in India, Myanmar, Pakistan, Nigeria, the Philippines, Sri Lanka, Tanzania, Sierra Leone and Zambia in view of operating challenges faced in these countries on account of high Portfolio at Risk ('PAR'), market challenges and political instability which might lead to a reduction in recoveries. In other countries, the loss rates considered are 50% for the loans bucketed between 91–180 days and 70% for loans over 180 days overdue. These loss rates are consistent with last year.

Based on the above, the ECL for stage 3 loans comes to USD 7.4 million (2023: USD 5.2 million). A sensitivity analysis on the loss rates stage 3 loss rates considers that a 100% loss rate applied across the entire stage 3 population (net of security deposit) would increase total ECLs by USD 0.6 million.

D) Management overlay

The Group considers taking additional ECL provision as management overlay to reflect the impact of all possible risk exposures which are not covered under A–C above. The Group has taken an additional ECL provision of USD 0.9 million (2023: USD 0.8 million) as of current reporting date under management overlay. The additional risks include political, regulatory, environmental (climate) and other operational risks, as well as macroeconomic conditions in specific markets where the Group operates.

E) Impact of macro-economic indicators

The Group provides small loans to clients who are not employed but operate their own small businesses in the informal sector and are less impacted by macroeconomic trends than other business sectors. In addition, the Group's loans average six months until maturity at the year end and so the impact of macroeconomic factors on the repayment of loans is inherently limited. Hence, senior management concluded that changes in macroeconomic indicators do not have any direct correlation with the ASA business model and, therefore, no adjustment was made to consider forecasts for such macroeconomic indicators in the forward-looking element of its ECL provision calculation.

F) Impact of climate change

The Group and its customers are exposed to the physical risks from climate change and risks of transitioning to a net-zero economy. Most climate-related physical risks are expected to manifest over a term that is generally much longer than the maturity of most of the outstanding exposures. The following balances may be impacted by physical and transition risks.

The Group has identified the ECL provision as one of the main areas in which it could be exposed to the financial impacts of climate change risk, as a number of the Group's operating areas are prone to natural disasters such as typhoons, flash floods or droughts. The Group's ECL model captures the expected impact of the climate-related risks through the historical loss data that feeds the model, which also includes write-offs due to such natural disasters. In addition, senior management monitors the situation in each of its operating territories post the balance sheet date for any factors that should be considered in its year-end ECL calculations. As the Group's loans are short term, the impact of such events over the life of the loans would naturally be limited. Hence, no additional changes have been made in the existing model on account of climate-related risks. However, given the evolving risks associated with climate change, senior management will continue to monitor whether adjustments to its ECL models are required for future periods.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.5 Significant accounting judgements and estimates (continued)
2.5.1 Allowance for ECL on loans and advances (continued)
G) BC portfolio, Direct Assignment ('DA') Portfolio and Securitisation portfolio of ASA India

A similar assessment has been performed for the off-book BC portfolio of ASA India (see note 13 for details of the BC portfolio). The off-book BC portfolio consists of disbursements on behalf of IDFC First Bank ('IDFC'), JSFB, Fincare Small Finance Bank Limited ('Fincare'), Ujjivan Small Finance Bank Limited ('Ujjivan') and ESAF Small Finance Bank Limited ('ESAF'). IDFC BC and Fincare are subject to a maximum provision of 5% of Outstanding Loan Portfolio ('OLP'), which is the maximum credit risk exposure for ASA India as per the agreement with IDFC and Fincare. Credit risk exposure for ESAF is 5% and Ujjivan 100% of overdue portfolio. Risk exposure for JSFB is up to the loan outstanding. ECL for those portfolios are assessed in line with ASA India's own OLP. ECL for the off-book BC portfolio comes to USD 2.2 million (2023: USD 1.4 million).

The portion of the DA portfolio of ASA India which is on-book has also been treated the same as the regular portfolio. No provision for the off-book portion of the DA portfolio was made because, as per the agreement with the State Bank of India, ASA India has no credit risk on this part of the DA portfolio.

The Securitisation portfolio of ASA India has been assessed in line with ASA India's own portfolio.

H) ECL on interest receivable

ECL for interest receivable is assessed in the same line as OLP. ECL for interest receivable comes to USD 551K (2023: USD 225K). Based on the above assessment the total provision for ECLs for loans and advances to customers can be summarised as follows:

	2024			2023		
Particulars	Own portfolio USD'000	Off-book portfolio USD'000	Interest receivable USD'000	Own portfolio USD'000	Off-book portfolio USD'000	Interest receivable USD'000
ECL as per historical default rate	**1,480**	**1,185**	**3**	869	177	30
Forward considerations	**126**	**–**	**3**	637	159	15
ECL under stage 3 loans	**7,357**	**719**	**545**	5,181	255	180
Management overlay	**608**	**300**	**–**	–	837	–
	9,571	**2,204**	**551**	6,687	1,428	225

	2024			2023		
Allocated to:	Gross outstanding USD'000	ECL USD'000	Coverage	Gross outstanding USD'000	ECL USD'000	Coverage
Own portfolio (note 13.1 and 13.4)	**420,355**	**9,571**	**2%**	305,248	6,687	2%
Off-book BC portfolio (note 13.2 and note 28)	**37,255**	**2,204**	**6%**	38,796	1,428	4%
Interest receivable (note 13.1 and note 13.4)	**7,294**	**551**	**8%**	4,464	225	5%
	464,904	**12,326**	**3%**	348,508	8,340	2%

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.5 Significant accounting judgements and estimates (continued)
2.5.2 Defined benefit plans
The cost of the defined benefit plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, staff turnover and retirement age. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The assumptions used in December 2024 and December 2023 are as follows:

Assumptions defined benefit plan:

	2024						2023					
	Lak Jaya	ASA Pakistan	ASA India	ASA Nigeria	ASA Kenya	PPFC	Lak Jaya	ASA Pakistan	ASA India	ASA Nigeria	ASA Kenya	PPFC
Discount rate	**10.0%**	**12.3%**	**7.0%**	**17.5%**	**13.8%**	**6.2%**	13.7%	15.5%	7.4%	16.5%	15.8%	6.6%
Salary increment	**10.0%**	**12.3%**	**6.3%**	**15.0%**	**11.0%**	**5.0%**	5.0%	14.5%	9.0%	14.0%	13.8%	5.0%
Staff turnover	**22.0%**	**18.2%**	**30.6%**	**5.0%**	**6.9%**	**43.4%**	16.0%	14.3%	6.1%	5.0%	7.1%	44.0%
Retirement age	**60 Years**	**60 Years**	**60–65 Years**	**60 Years**	**60 Years**	**60 Years**	60 Years	60 Years	60–65 Years	60 Years	60 Years	60 Years

The parameter most subject to change is the discount rate. Management engages third-party actuaries to conduct the valuation. The defined benefit costs have been disclosed in note 8.2. The sensitivity analysis of the plan on account of any change in discount rate and salary increment is disclosed in note 8.3. Sensitivity analysis for changes in the other two assumptions were not done as the effect is determined immaterial.

2.5.3 Liability for death risk and multi-purpose risk fund
At the end of 2024, the balance of the DRF and MRF is zero as the related loans are measured at FVTPL from 1 January 2023. Mortality risk is included in the fair value measurement. The DRF/MRF were no longer included in new loan contracts as from August 2023 in Uganda, September 2023 in the Philippines, November 2023 in Kenya, and January 2024 in Sri Lanka.

2.5.4 BC and partnership models
The portfolios under the BC and partnership models in ASA India ('BC model') are recognised on the statement of financial position based on whether the entity has the right to receive rewards. ASA India operates a BC model with IDFC, JSFB, Fincare, Ujjivan and ESAF. ASA India operates as an agent, whereby ASA India selects borrowers based on the selection criteria of the BC Partner.

The loans to borrowers of IDFC, JSFB, Fincare, Ujjivan and ESAF and related funding are not recognised on the balance sheet since the loan agreements are made between the partners and the borrowers or the risk exposure related to the loans are capped at 5%. More information is available in note 13.

2.5.5 Direct Assignment
Between 2019 and 2020 ASA India entered into two DA agreements with the State Bank of India ('SBI'), through which the entity sold a pool of customers' loans amounting to USD 16.5 million against a purchase consideration of USD 14 million. The balance (15%) was kept as minimum retention as per guidelines issued by the Reserve Bank of India ('RBI'). Based on the agreements, 85% of the loans were derecognised on the books on the grounds that the entity transferred substantially all the risks and rewards of ownership of financial assets. 15% remained on-book. Further information is available in note 13.

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2024

2. Material accounting policies (continued)

2.5 Significant accounting judgements and estimates (continued)

2.5.6 Leases – estimating the IBR

The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment.

The Group applied a discount rate per country based on leases with similar characteristics applying a portfolio approach instead of a lease-by-lease approach which had no material impact for the Group. The starting point for estimating the reference rate is the local risk-free rate. The Group developed an approach to determine IBR that is closely aligned with the definitions and requirements prescribed in IFRS 16. In this approach the Group first determined the country risk-free rate and adjusted that with the Group-specific financing spread and lease-specific adjustments to consider IBR rates.

The Group used country sovereign rates to determine the risk-free rate. If no sovereign risk-free rate is available, a build-up approach is applied that adjusts the USD based United States Treasury bond for: (i) the country risk premium, to capture country-specific risk, and (ii) the long-term inflation differential, to capture any currency risk.

The Group-specific financing spread is determined based on (i) the Group-specific perspective/credit rating, (ii) the credit rating of the legal entities (lessees) of ASA International, and (iii) the market interest rates/yields on industry-specific bonds.

The lease-specific adjustment depends on the type/ nature of asset, and relates to the fact that a secured bond will have a lower yield compared to an unsecured bond. However, the yield difference varies based on the type/nature of the asset that is used as collateral. The IBR used for different entities in 2024 and 2023 are as follows:

				2024				2023			
Country	**Lease currency**	**Credit rating**	**Approach reference rate**	**IBR at different lease duration (year)**				**IBR at different lease duration (year)**			
Tenure of lease				**1**	**2–4**	**5–6**	**7–9**	**1**	**2–4**	**5–6**	**7–9**
Ghana	GHS	BBB	Local	**22.8%**	**27.4%**	**23.8%**	**20.4%**	27.8%	27.2%	23.4%	20.1%
Nigeria	NGN	BBB	Local	**20.6%**	**20.8%**	**20.6%**	**20.2%**	10.2%	12.4%	14.3%	15.3%
Sierra Leone	SLE	BB+	Build–up	**28.0%**	**27.8%**	**27.8%**	**27.8%**	34.5%	33.4%	32.7%	32.6%
Kenya	KES	BB-	Local	**18.4%**	**19.5%**	**19.7%**	**19.2%**	14.5%	15.9%	16.8%	17.0%
Rwanda	RWF	B+	Build-up	**18.6%**	**18.6%**	**18.5%**	**18.5%**	19.6%	18.6%	18.0%	17.9%
Tanzania	TZS	BBB-	Local	**8.9%**	**9.5%**	**10.7%**	**12.1%**	9.2%	9.4%	10.1%	11.1%
Uganda	UGX	BB-	Local	**15.9%**	**17.3%**	**18.2%**	**18.4%**	14.2%	15.4%	16.3%	16.9%
Zambia	ZMW	BB-	Local	**20.0%**	**24.2%**	**26.3%**	**27.6%**	22.5%	24.2%	25.8%	27.5%
Bangladesh	BDT	BBB-	Local	**13.0%**	**14.5%**	**14.7%**	**14.7%**	10.1%	10.2%	10.4%	10.5%
India	INR	BB	Local	**8.3%**	**8.9%**	**9.2%**	**9.2%**	8.7%	8.8%	8.8%	8.9%
Pakistan	PKR	BBB	Local	**19.9%**	**18.2%**	**17.2%**	**16.5%**	23.0%	19.8%	17.5%	16.6%
Sri Lanka	LKR	BB	Local	**11.6%**	**12.8%**	**13.7%**	**14.3%**	28.4%	26.9%	24.2%	22.6%
Myanmar	MMK	BBB-	Build-up	**28.2%**	**28.1%**	**28.1%**	**28.1%**	29.7%	28.6%	28.0%	27.9%
Philippines	PHP	BBB-	Local	**7.2%**	**7.9%**	**8.3%**	**8.4%**	7.8%	7.7%	7.5%	7.7%

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.5 Significant accounting judgements and estimates (continued)
2.5.7 Taxes Deferred tax assets
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

In assessing the probability of recovery, the Group has used its five-year business plan which is consistent with last year's assessment. This business plan was also used for the Going concern and Viability assessment.

As at 31 December, the gross amount and expiry dates of losses available for carry forward are as follows:

2024	Expiring within 1 year	Expiring within 2–5 years	Expiring beyond 5 years	Unlimited	Total
Losses for which deferred tax asset is recognised	–	–	–	–	–
Losses for which deferred tax asset is not recognised	2,851	5,338	38,221	36,200	82,610
	2,851	5,338	38,221	36,200	82,610

2023	Expiring within 1 year	Expiring within 2–5 years	Expiring beyond 5 years	Unlimited	Total
Losses for which deferred tax asset is recognised	–	–	86	–	86
Losses for which deferred tax asset is not recognised	1,455	4,120	36,645	31,620	73,840
	1,455	4,120	36,731	31,620	73,926

If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by USD 18.9 million (2023: USD 17.1 million).

Deferred tax liabilities

As of 31 December 2024, the Group has undistributed profits in its subsidiaries amounting to USD 68.9 million (2023: USD 56.9 million). The Group recognised a deferred tax liability amounting to USD 4.4 million (see note 11.4) on USD 50.0 million (2023: USD 2.1 million on USD 23.3 million) of undistributed profits on the assessment that these will be distributed in the foreseeable future. No deferred tax liability was recognised on the balance of USD 19.0 million (2023: USD 33.6 million) due to regulatory uncertainty on when those can be distributed. If the Group recognises a deferred tax liability on these profits, profit and equity would decrease by USD 2.9 million (2023: USD 3.7 million).

2.5.8 Hyperinflation
Under IAS 29, 'Financial Reporting in Hyperinflationary Economies', consolidated financial statements prepared based on historical cost must be adjusted with the current purchasing power when operations are in an economy with hyperinflation. This involves applying a general price index that enables the financial information of the subsidiaries operating in a hyperinflationary economy to be presented in the measuring unit in force at the reporting date. All non-monetary assets and liabilities of the subsidiaries operating in a hyperinflationary economy must therefore be adjusted for inflation in order to reflect changes in purchasing power at the reporting date. Similarly, the income statement is adjusted for inflation during the period. Monetary items do not need to be restated/adjusted as they already reflect purchasing power at the reporting date.

IAS 29 does not establish an absolute rate at which hyperinflation is deemed to arise. It is a matter of judgement when restatement of financial statements in accordance with this Standard becomes necessary. One of the key quantitative indicators is that the cumulative inflation rate over three years is approaching, or exceeds, 100%.

ASA International operates in 13 countries across Asia and Africa, and monitors the inflation rates in an inflation dashboard which is used as one indication of the existence of hyperinflation, together with an assessment of other economic conditions.

Ghana and Sierra Leone have exceeded the three-year cumulative rate of inflation of 100% by the end of 2024 and 2023. The general price index used by ASAI for purposes of measuring inflation movements is the Consumer Price Index ('CPI') of the specific country and is obtained from the International Monetary Fund World Economic Outlook Database.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.5 Significant accounting judgements and estimates (continued)
2.5.8 Hyperinflation (continued)
The application of IAS 29 includes the following adjustments:

- Adjustment of historical cost non-monetary assets, liabilities and stated capital for the change in purchasing power caused by inflation from the date of initial recognition or contribution to the balance sheet date;
- Adjustment or contribution of the income statement for inflation during the year;
- The income statement is translated at the year-end foreign exchange rate instead of a monthly average rate;
- A net monetary gain or loss adjustment, recognised in the income statement, to reflect the impact of inflation on holding monetary assets and liabilities in local currency; and
- Adjustment in the cash flow statement to reflect the current purchasing power.

The impact of the implementation of IAS 29 in the consolidated financial statements of the Group is as follows:

	31 Dec 2024			31 Dec 2023		
Consolidated statement of financial position	**Before adjustment USD'000**	**Impact of IAS 29 adjustment USD'000**	**After adjustment USD'000**	**Before adjustment USD'000**	**Impact of IAS 29 adjustment USD'000**	**After adjustment USD'000**
Total assets	**567,759**	**743**	**568,502**	489,302	725	490,027
Total liabilities	**471,879**	**132**	**472,011**	413,286	131	413,417
Total equity	**95,880**	**611**	**96,491**	76,016	594	76,610

	2024			2023		
Consolidated income statement	**Before adjustment USD'000**	**Impact of IAS 29 adjustment USD'000**	**After adjustment USD'000**	**Before adjustment USD'000**	**Impact of IAS 29 adjustment USD'000**	**After adjustment USD'000**
Profit for the period	**32,434**	**(3,901)**	**28,533**	14,172	(5,415)	8,757
Total comprehensive income/(loss)	**21,459**	**611**	**22,070**	(16,037)	26	(16,011)
Breakdown of P&L impact for IAS 29						
Loss on net monetary position		**(5,401)**			(5,789)	
Impact of CPI adjustment on other P&L items		**1,500**			374	
Total impact of IAS 29 adjustments on net profit		**(3,901)**			(5,415)	

A net monetary loss of USD 5.4 million (2023: USD 5.8 million) is recognised in the income statement, to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency in the subsidiaries in Ghana and Sierra Leone. A contribution of USD 1.5 million (2023: USD 374K) is recognised in P&L resulting from the adjustment of other P&L items to the current purchasing power.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.5 Significant accounting judgements and estimates (continued)
Summary of material judgements and estimates
A summary of material judgements and estimates are as follows:

Policy	Judgements	Estimates	Note ref.
Allowance for ECL on loans and advances	• Identification of staging of the loan portfolio. • Criteria for a significant increase in credit risk. • Identification of credit-impaired loans. • Monitoring impact of climate change.	• Back-testing based on the historical default trend. • Forward-looking considerations. • Management overlay.	2.5.1
Defined benefit plans	• Changes in assumptions.	• Determination of discounting rate. • Salary increment rate.	2.5.2
BC models	• Recognition of the IDFC portfolio as off-book because the credit risk is limited to 5% of the portfolio.	• ECL related to the BC loans.	2.5.4 and 2.5.1
Direct Assignment	• Whether the transfer constitutes a sale and whether all risk and rewards of ownership have been transferred.	• ECL related to the DA loans retained by ASA India.	2.5.5
Leases – estimating the IBR	• Determining whether a contract contains a lease under IFRS 16.	• IBR used for the calculation of ROU assets and lease liabilities.	2.5.6
Deferred tax assets	• Determining whether it is probable that future profit will be available to utilise DTA.	• Estimating the amount of DTA based on timing and likelihood of future taxable profit. • Estimation of future tax rates for DTA.	2.5.7
Deferred tax liability	• Determining whether there are any constraints or regulatory restrictions to distribute retained earnings as dividend.	• Estimating the amount of DTL based on timing and likelihood of future taxable amount and undistributed dividends from subsidiaries. • Estimation of future tax rates for DTL.	2.5.7
Hyperinflation	• Determining whether the economy of a country meets the criteria for hyperinflation as per IAS 29. • Selection of appropriate sources for CPIs.	• Estimation of daily CPI rates.	2.5.8

3. Segment information
For management purposes, the Group is organised into reportable segments based on its geographical areas and has five reportable segments, as follows:

- West Africa, which includes Ghana, Nigeria and Sierra Leone.
- East Africa, which includes Kenya, Uganda, Tanzania, Rwanda and Zambia.
- South Asia, which includes India, Pakistan and Sri Lanka.
- South East Asia, which includes Myanmar and the Philippines.
- Holding and other non-operating entities, which includes holding entities and other entities without microfinance activities.

No operating segments have been aggregated to form the above reportable operating segments. The Company primarily provides only one type of service to its microfinance clients being small microfinance loans which are managed under the same ASA Model in all countries. The reportable operating segments have been identified on the basis of organisational overlap like common Board members, regional management structure and cultural and political similarity due to their geographical proximity to each other.

The Executive Committee is the Chief Operating Decision Maker ('CODM') and monitors the operating results of its reportable segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operational profits and losses and is measured consistently with profit or loss in the consolidated financial statements. Transfer prices between operating and non-operating segments are on an arm's length basis in a manner similar to transactions with third parties and are based on the Group's transfer pricing framework.

Revenues and expenses as well as assets and liabilities of those entities that are not assigned to the four reportable operating segments are reported under 'Holding and other non-operating entities'. Inter-segment revenues, expenses and balance sheet items are eliminated on consolidation.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2024 or 2023.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

3. Segment information (continued)
The following table presents operating income and profit information for the Group's operating segments for the year ended 31 December 2024.

As at 31 December 2024	West Africa USD'000	East Africa USD'000	South Asia USD'000	South East Asia USD'000	Holding and other non-operating entities USD'000	Total segments USD'000	Adjustments and eliminations USD'000	Consolidated USD'000
External interest and similar income	50,896	74,873	47,829	40,218	58	213,874	–	213,874
Inter-segment interest income	–	–	–	–	1,167	1,167	(1,167)	–
External interest expense	(2,919)	(15,204)	(12,318)	(6,632)	(6,378)	(43,451)	–	(43,451)
Inter-segment interest expense	(282)	(194)	(277)	(414)	–	(1,167)	1,167	–
Net interest income	47,695	59,475	35,234	33,172	(5,153)	170,423	–	170,423
External other operating income	376	3,835	3,552	6,381	3,144	17,288	–	17,288
Inter-segment other operating income[1]	–	–	–	–	57,266	57,266	(57,266)	–
Other inter-segment expense	(385)	(5,449)	(262)	(3,543)	368	(9,271)	9,271	–
Total operating income	47,686	57,861	38,524	36,010	55,625	235,706	(47,995)	187,711
Credit loss expense	(875)	(1,257)	(2,290)	(2,467)	62	(6,827)	–	(6,827)
Net operating income	46,811	56,604	36,234	33,543	55,687	228,879	(47,995)	180,884
Personnel expenses	(9,980)	(19,345)	(16,718)	(12,470)	(6,280)	(64,793)	–	(64,793)
Exchange rate differences	(351)	17	15	(346)	(209)	(874)	–	(874)
Depreciation of property and equipment	(278)	(519)	(732)	(340)	(105)	(1,974)	–	(1,974)
Amortisation of intangible assets	–	–	(183)	–	(674)	(857)	–	(857)
Amortisation of ROU assets	(564)	(1,205)	(653)	(1,169)	(119)	(3,710)	–	(3,710)
Other operating expenses	(6,124)	(11,044)	(6,753)	(10,897)	(4,922)	(39,740)	–	(39,740)
Gain/(loss) on net monetary position	(5,350)	–	–	–	(51)	(5,401)	–	(5,401)
Tax expenses	(8,794)	(9,127)	(8,656)	(1,968)	(6,457)	(35,002)	–	(35,002)
Segment profit after tax	15,370	15,381	2,554	6,353	36,870	76,528	(47,995)	28,533
Total assets	101,612	199,377	124,652	125,881	202,947	754,469	(185,967)	568,502
Total liabilities	58,254	159,435	108,451	109,479	58,439	494,058	(22,047)	472,011

Explanation: Segment profit is net profit after tax.

1 Inter-segment operating income includes intercompany dividends, transfer pricing charges and share in results of the subsidiaries.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

3. Segment information (continued)
The following table presents operating income and profit information for the Group's operating segments for the year ended 31 December 2023.

As at 31 December 2023	West Africa USD'000	East Africa USD'000	South Asia USD'000	South East Asia USD'000	Holding and other non-operating entities USD'000	Total segments USD'000	Adjustments and eliminations USD'000	Consolidated USD'000
External interest and similar income	46,767	54,629	41,806	33,399	9	176,610	–	176,610
Inter-segment interest income	–	–	–	406	629	1,035	(1,035)	–
External interest expense	(2,260)	(11,169)	(12,305)	(6,251)	(5,771)	(37,756)	–	(37,756)
Inter-segment interest expense	(266)	(90)	(149)	(150)	(380)	(1,035)	1,035	–
Net interest income	44,241	43,370	29,352	27,404	(5,513)	138,854	–	138,854
External other operating income	452	1,116	2,574	5,010	197	9,349	–	9,349
Inter-segment other operating income[1]	–	–	–	–	35,226	35,226	(35,226)	–
Other inter-segment expense	(382)	(3,958)	(390)	(3,177)	357	(7,550)	7,550	–
Total operating income	44,311	40,528	31,536	29,237	30,267	175,879	(27,676)	148,203
Credit loss expense	(3,716)	(793)	423	(938)	–	(5,024)	–	(5,024)
Net operating income	40,595	39,735	31,959	28,299	30,267	170,855	(27,676)	143,179
Personnel expenses	(11,686)	(16,953)	(15,444)	(11,682)	(6,394)	(62,159)	–	(62,159)
Exchange rate differences	(730)	(272)	(180)	(20)	(766)	(1,968)	–	(1,968)
Depreciation of property and equipment	(315)	(566)	(536)	(317)	(136)	(1,870)	–	(1,870)
Amortisation of ROU assets	(775)	(1,062)	(703)	(1,114)	(68)	(3,722)	–	(3,722)
Other operating expenses	(6,806)	(9,023)	(5,075)	(10,539)	(4,033)	(35,476)	–	(35,476)
Gain/(loss) on net monetary position	(5,651)	–	–	–	(138)	(5,789)	–	(5,789)
Tax expenses	(7,118)	(5,078)	(6,723)	(1,251)	(3,268)	(23,438)	–	(23,438)
Segment profit after tax	7,514	6,781	3,298	3,376	15,464	36,433	(27,676)	8,757
Total assets	89,494	139,762	102,803	119,510	197,518	649,087	(159,060)	490,027
Total liabilities	47,582	111,403	77,808	105,169	79,472	421,434	(8,017)	413,417

Explanation: Segment profit is net profit after tax.

1 Inter-segment operating income includes intercompany dividends, transfer pricing charges and share in results of the subsidiaries.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

4. Interest and similar income
Interest and similar income consists of interest income on microfinance loans to customers, and interest income on bank balances and fixed-term deposits.

	Notes	2024 USD'000	2023 USD'000
Interest income calculated using EIR	4.1	**206,598**	147,410
Other interest and similar income	4.2	**7,276**	29,200
		213,874	176,610

4.1 Interest income calculated using EIR

	2024 USD'000	2023 USD'000
Interest income on loans and advances to customers	**187,772**	135,730
Loan processing fees	**18,826**	11,680
	206,598	147,410

The increase in interest income and loan processing fee compared to last year is mainly due to growth of the loan portfolio.

4.2 Other interest and similar income

	2024 USD'000	2023 USD'000
Interest income on short-term deposits	**4,470**	3,097
Fair value movement of financial assets at FVTPL	**2,712**	26,064
Other interest income	**94**	39
	7,276	29,200

ASA International entities in Uganda, the Philippines, Kenya and Sri Lanka ceased disbursements of loans with insurance arrangements from August 2023 to January 2024 and accordingly income relating to loans at FVTPL has decreased significantly.

5. Interest and similar expense
Included in interest and similar expense are accruals for interest payments to lenders, customers and other charges from banks.

	Notes	2024 USD'000	2023 USD'000
Interest expense on debt and other borrowed funds		**(35,068)**	(30,841)
Interest expense on security deposits and others		**(4,585)**	(3,707)
Interest expense on lease liability		**(479)**	(341)
Commitment and processing fees		**(104)**	(114)
Amortisation of forward points of forward contracts and currency basis spread of swap contracts	37	**(3,215)**	(2,753)
		(43,451)	(37,756)

6. Other operating income

	2024 USD'000	2023 USD'000
Document, application and verification fees	**6,965**	2,131
Members' admission fees	**1,410**	1,718
Proceeds from sale of passbooks	**195**	152
Income from DRFs and MRFs	**–**	1,068
Service fees income from off-book BC model (ASA India)	**3,120**	2,160
Distribution fee MBA Philippines	**1,695**	1,104
Gain on Myanmar loan purchase	**3,024**	174
Other	**879**	842
	17,288	9,349

ASA Kenya, PPFC and ASA Uganda introduced verification fees from the last quarter of 2023 and Lak Jaya from January 2024.

During the year, ASAI NV has entered into an assignment agreement with Symbiotics and Frankfurt School. Under the agreement, ASAI NV has purchased four loans and interest outstanding of USD 4.4 million from the lenders at a settlement value of USD 1.4 million. The Group has recognised a gain of USD 3.0 million.

Other includes a number of small items that are smaller than USD 150K on an individual basis.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

7. Expected credit loss expense

	Notes	2024 USD'000	2023 USD'000
ECL on loans and advances to customers	13.3	**(6,934)**	(5,804)
ECL on interest receivable		**(340)**	(174)
Other ECL expense		**(2,696)**	(3,148)
Recovery of previously written-off loans		**3,143**	4,102
		(6,827)	(5,024)

The key assumptions applied for the ECL provision and related expense are explained in note 2.5.1.

Other ECL includes loss allowance provided against the off-book portfolio in India and other receivables.

The Group was able to collect a significant amount of previously written off loans, mainly in India.

8. Personnel expenses

Personnel expenses include total base salary expenses and employee pension plans:

	Notes	2024 USD'000	2023 USD'000
Personnel expenses		**(58,337)**	(55,202)
Defined contribution plans		**(4,416)**	(4,277)
Defined benefit plans	8.2	**(2,040)**	(2,680)
		(64,793)	(62,159)

8.1 Retirement benefit liability

	Notes	2024 USD'000	2023 USD'000
Retirement benefit liability as at beginning of period		**4,838**	4,593
Payments made during the period		**(836)**	(700)
Charge for the period	8.2	**2,040**	2,680
Actuarial gains and losses on defined benefit liabilities (OCI)		**1,243**	(448)
Foreign exchange differences		**(429)**	(1,287)
Retirement benefit liability as at end of the period		**6,856**	4,838

ASA India, ASA Pakistan, Lak Jaya, Pagasa Philippines, ASA Nigeria, ASA Kenya, ASA Zambia, ASA Sierra Leone and AMSL are maintaining defined benefit pension plans in the form of gratuity plans at retirement, death, incapacitation and termination of employment for eligible employees. The funds for the plans in ASA Pakistan, Pagasa Philippines, Lak Jaya, ASA Nigeria, ASA Kenya, ASA Zambia, ASA Sierra Leone and AMSL are maintained by the entity itself and no plan assets have been established separately. The funds for the plan of ASA India are being maintained with Life Insurance Corporation of India and the entity's obligation is determined by actuarial valuation. There are no other post-retirement benefit plans available to the employees of the Group.

8.2 Charge for the period

	2024 USD'000	2023 USD'000
Current service cost for the period	**(1,353)**	(1,061)
Past service cost	**(80)**	(1,129)
Interest cost for the period	**(607)**	(490)
	(2,040)	(2,680)

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

8. Personnel expenses (continued)
8.3 Sensitivity analysis
A quantitative sensitivity analysis for significant assumptions as at 31 December 2024 and 31 December 2023 is shown below.

Assumptions

		Discount rate		Future salary increases	
Sensitivity level	**Year**	**1% increase USD'000**	**1% decrease USD'000**	**1% increase USD'000**	**1% decrease USD'000**
Impact on defined benefit obligation	2024	**(264)**	**1,209**	**1,218**	**(284)**
	2023	(96)	1,129	1,140	(115)

8.4 Share-based payments
Personnel expenses for 2024 includes an amount of USD 709K (2023: USD 71K) against share-based payment expenses.

In October 2022, July 2023 and July 2024, the Group granted options ('Options') for 3.5 million ordinary shares of GBP 0.01 each in the Group Company under its LTIP to certain Executive Directors and other senior staff. The Company's LTIP is designed to incentivise and retain Directors and senior staff, along with aligning them with shareholders' interest to create long-term value.

The Options will normally vest, subject to continued employment, on the following schedule:

a) 20% each year between the first and fifth anniversaries of the Grant Date; or

b) For Executive Directors only, 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 GBP 0.93, GBP 0.84 and GBP 0.82 per ordinary share for options granted in 2022, 2023 and 2024 respectively, being the average share price for the three business days before the Grant Date. The Group has issued certificates to the participants to the plan. During 2024 a total number of 0.56 million (2023: 0.46 million) Options lapsed due to staff leaving the Group. Since the grant dates, 1.0 million option rights have expired because the employees concerned have left the company.

The fair value of Options granted during the year 2024 was estimated on the Grant Date based on the Black-Scholes model using the following assumptions:

Expected volatility (%)	66%, 65% and 81%
Risk-free interest rate (%)	3.7%, 5.2% and 5.4%
Expected life of share options (years)	Ten years
Current share price (£)	0.81
Dividend yield (%)	0%

The weighted average fair value of the Options granted during the 12 months ended 31 December 2024 was GBP 0.69 (2023: GBP 0.69).

The following table illustrates the number and weighted average exercise prices ('WAEP') of, and movements in, share options during the year:

	2024		2023	
	Number	**WAEP (in USD)**	**Number**	**WAEP (in USD)**
Outstanding at beginning of the year	**2,137,282**	**1.27**	2,476,244	1.27
Granted during the year	**867,372**	**1.28**	125,088	1.27
Forfeited during the year	**–**	**–**	–	–
Exercised during the year	**–**	**–**	–	–
Expired during the year	**(563,304)**	**1.27**	(464,050)	1.27
Outstanding at end of the year	**2,441,350**	**1.28**	2,137,282	1.27
Exercisable at end of the year	**892,195**	**1.28**	337,290	1.27

9. Other operating expenses
Other operating expenses includes the following items:

	Notes	2024 USD'000	2023 USD'000
Administrative expenses	9.1	**(32,993)**	(29,148)
Professional fees	9.2	**(3,215)**	(3,408)
Audit fees	9.3	**(2,013)**	(1,763)
International travel		**(749)**	(606)
CSR expenses		**(209)**	(239)
Other		**(561)**	(312)
		(39,740)	(35,476)

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

9. Other operating expenses (continued)
9.1 Administrative expenses

	2024 USD'000	2023 USD'000
Transport and representation expenses	**(10,320)**	(10,303)
Office expenses	**(5,867)**	(5,152)
Telecommunications and internet expenses	**(4,770)**	(3,881)
VAT/Output tax/Service tax	**(4,736)**	(4,424)
Gas, water and electricity	**(1,256)**	(1,154)
Bank charges	**(1,119)**	(1,102)
Insurance expenses	**(974)**	(840)
Training and seminar expenses	**(397)**	(400)
Fines and penalties for tax	**(621)**	(11)
Other WHT expenses	**(331)**	(120)
Other administrative expenses	**(2,602)**	(1,761)
	(32,993)	(29,148)

Other administrative expenses includes several small items that are smaller than USD 300K on an individual basis.

9.2 Professional fees

	2024 USD'000	2023 USD'000
Legal services fees	**(418)**	(336)
Other professional fees	**(2,797)**	(3,072)
	(3,215)	(3,408)

Other professional fees includes fees for various consultants on tax, IT, accounting and actuary valuation services.

9.3 Audit fees

Auditor's remuneration is included within other operating expenses and comprises:

	2024 USD'000	2023 USD'000
Fees payable to the company's auditor for the audit of the company's annual accounts	**(1,296)**	(1,204)
Fees payable to the company's auditor and its associates for other services:		
Audit of the accounts of subsidiaries	**(278)**	(238)
Audit-related assurance services	**(422)**	(313)
Other assurance services	**(17)**	(8)
	(2,013)	(1,763)
Total audit	**(1,574)**	(1,442)
Total non-audit services	**(439)**	(321)
Total fees	**(2,013)**	(1,763)

10. Exchange rate differences

The Group incurred certain foreign exchange losses on monetary assets denominated in currencies other than the Group's functional currency.

	2024 USD'000	2023 USD'000
Foreign currency losses	**(7,527)**	(4,923)
Foreign currency gains	**6,653**	2,955
	(874)	(1,968)

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

11. Income tax and withholding tax expense

	2024 USD'000	2023 USD'000
Income tax expense		
Income tax for current period	(27,477)	(20,062)
Income tax for previous period	(2,061)	(1,943)
Changes in deferred income tax	980	1,856
	(28,558)	(20,149)

11.1 Current tax liability

	2024 USD'000	2023 USD'000
Balance as at beginning of period	9,326	8,873
Tax charge:		
Current period	27,477	20,062
Previous period	2,061	1,943
Tax paid	(24,481)	(18,290)
Foreign exchange adjustment	(204)	(3,262)
Balance as at end of period	14,179	9,326

11.2 Deferred tax assets

	2024 USD'000	2023 USD'000
Balance as at beginning of period	5,769	4,625
Impact of IAS 29 (hyperinflation)	–	(101)
Adjusted balance at beginning of period	5,769	4,524
Addition during the period	1,998	2,544
Impact of hyperinflation for the period	(52)	28
Foreign exchange adjustment	(438)	(1,327)
Balance as at end of period	7,277	5,769

Deferred tax assets are temporary differences recognised in accordance with local tax regulations and with reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

11.3 Deferred tax liability

	2024 USD'000	2023 USD'000
Balance as at beginning of period	2,406	2,184
Impact of IAS 29 (hyperinflation)	–	1
Adjusted balance at beginning of period	2,406	2,185
Charge during the period	2,110	121
Impact of hyperinflation for the period	132	130
Foreign exchange adjustment	(13)	(30)
Balance as at end of period	4,635	2,406

11.4 Deferred tax relates to

	2024			2023		
Deferred tax relates to:	Deferred tax assets USD'000	Deferred tax liabilities USD'000	Income statement USD'000	Deferred tax assets USD'000	Deferred tax liabilities USD'000	Income statement USD'000
Allowance for ECL	1,951	–	832	1,511	–	813
Provision for retirement liabilities	1,544	–	240	1,443	–	760
Provision on FX loss	184	–	3	267	–	235
Other temporary differences	2,738	(124)	(137)	2,954	(169)	457
IFRS 16 Lease	–	416	67	–	284	(185)
Undistributed profit of subsidiary	–	4,388	(2,258)	–	2,130	53
Modification loss	–	–	–	–	–	(224)
Impact of hyperinflation	–	(27)	(209)	(72)	131	(203)
Other comprehensive income/Revaluation of cash flow hedge	860	(18)	1,166	(334)	30	513
	7,277	4,635	(296)	5,769	2,406	2,219

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

11. Income tax and withholding tax expense (continued)
11.5 Reconciliation of the total tax charge

	2024 USD'000	2023 USD'000
Accounting result before tax	**63,535**	32,195
Income tax expense at nominal rate of consolidated entities	**(20,967)**	(12,039)
(Under) provision for income tax previous year	**(2,061)**	(2,970)
Movement in unrecognised deferred taxes	**(3,410)**	(2,866)
Exempt income	**294**	59
Tax impact on elimination	**528**	527
Impact for hyperinflation	**(1,572)**	(1,356)
Permanent differences (non-deductible expenses)	**(1,370)**	(1,504)
Total income tax expense for the period	**(28,558)**	(20,149)
Weighted average nominal rate of consolidated entities	**33%**	37%
Consolidated effective tax rate (without withholding taxes)	**45%**	63%

11.6 Income tax per region

	2024 USD'000	2023 USD'000
Corporate income tax – West Africa	**(8,794)**	(7,402)
Corporate income tax – South Asia	**(8,650)**	(6,721)
Corporate income tax – East Africa	**(9,127)**	(4,422)
Corporate income tax – South East Asia	**(1,926)**	(1,422)
Corporate income tax – Holding and other non-operating entities	**(61)**	(182)
Total income tax per region	**(28,558)**	(20,149)

11.7 Withholding tax expense

	2024 USD'000	2023 USD'000
Withholding tax on interest income, dividend, royalties and service fees	**(1,521)**	(3,342)
Deferred tax on undistributed dividend	**(4,923)**	53
Total withholding tax expense	**(6,444)**	(3,289)

Interest income, dividends, royalties and service fees are subject to withholding tax in certain jurisdictions. The applicable withholding tax rates vary per country and per type of income.

12. Cash at bank and in hand

	2024 USD'000	2023 USD'000
Cash at bank	**78,906**	76,215
Cash in hand	**239**	214
	79,145	76,429

An amount of USD 28.9 million (2023: USD 27.9 million) of cash at bank is restricted and cannot be readily available. Out of this USD 18.4 million (2023: USD 18.4 million) in the Philippines is restricted as per the Securities and Exchange Commission ('SEC') regulations as it relates to LCBU, the collection of security collateral from clients of a lending company. LCBU is placed into a segregated account. In Tanzania USD 10.5 million (2023: USD 9.5 million) is restricted and maintained in a separate account as per the Bank of Tanzania's requirement for non-deposit-taking microfinance institutions ('MFIs') as it relates to security deposits from the clients.

13. Loans and advances to customers

	Notes	2024 USD'000	2023 USD'000
Loans and advances to customers at amortised cost	13.1	**409,910**	297,851
Loans and advances to customers at FVTPL	13.6	**67**	32,306
		409,977	330,157

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

13. Loans and advances to customers (continued)
13.1 Loans and advances to customers at amortised cost
Loans and advances to customers are net of allowance for ECL.

	Notes	2024 USD'000	2023 USD'000
Gross loan portfolio	13.2	420,355	305,248
Interest receivable on loans to customers		7,294	4,464
Unamortised processing fee		(7,617)	(4,949)
Gross loans		420,032	304,763
Allowance for expected credit loss	13.3	(10,122)	(6,912)
Net loan portfolio		409,910	297,851

13.2 Gross loan portfolio
As of 31 December 2024, the gross loan portfolio amounts to USD 420.4 million (31 December 2023: USD 305.2 million). Interest receivable on loans to customers is realisable in line with the loan repayment schedules.

ASA India operates a BC model with IDFC, JSFB, FSFB, Ujjivan and ESAF. ASA India operates as an agent, whereby ASA India selects borrowers based on the selection criteria of the BC Partner. After approval of the selected borrowers, the BC Partners disburse the loans through ASA India and ASA India collects the interest and repayments from the borrowers on behalf of the BC Partners. In exchange for these services, ASA India receives service fees and processing fees.

The loans to borrowers of IDFC, JSFB, FSFB, Ujjivan and ESAF and related funding are not recognised on the balance sheet since the loan agreements are made between the partners and the borrowers. In the case of IDFC, Fincare and ESAF, ASA India has a limited liability for the non-performing loans under this agreement. The service fees received are reported under 'Other operating income' in note 6.

Under the agreements with the BC Partners, ASA India is liable for payment of non-performing loans, which is regarded as a financial guarantee. This liability for BC Partners is reported under 'Provisions' in note 28. This liability is based on the Group's ECL policy as explained in note 2.5.1, taking into account any limits in the liability towards the BC Partners, because it is the best estimate for the expected outflow of cash at reporting date. The related expense is reported under credit loss expenses in note 7.

ASA India provided security deposits to the BC Partners as collateral for the financial guarantees provided. These security deposits are reported under 'Due from banks' in note 14. Other receivables and payables related to the BC model are reported under 'Other assets' and 'Other liabilities'. More information is available in note 2.5.

ASA India entered into DA agreement with the SBI. Under the agreement the entity transferred a pool of its loans to customers amounting to USD 16.5 million to the SBI against a purchase consideration of USD 14 million which is 85% of the loan portfolio. 15% is retained by ASA India as the Minimum Retention Rate ('MRR') as per the guidance of the RBI. ASA India will continue to collect the instalments from all the borrowers and transfer the amount to the SBI where the SBI will retain collections from 85% of the clients and adjust that with the purchase consideration (borrowings) and repay collections from 15% of the customers to ASA India. The 85% of the pool is hence not recognised in the books of ASA India as the Company transferred all significant risks and rewards of such loans to the SBI.

The outstanding loans to borrowers under the BC model and DA model which are not recognised on the balance sheet at 31 December 2024 amounted to USD 37.3 million and USD 717K respectively (2023: USD 38.8 million and USD 980K).

13.3 Allowance for ECL

	Notes	2024 USD'000	2023 USD'000
Balance as at beginning of the period		(6,912)	(15,900)
Reclassification to FVTPL		–	252
ECL charge on loans and advances	7	(6,934)	(5,804)
ECL charge on interest receivable		(340)	(174)
Write-off of loans and interest		3,478	12,894
Adjustment for interest on stage 3 loans		(348)	–
Exchange rate differences		934	1,820
Balance at end of the period		(10,122)	(6,912)

The key assumptions applied for the ECL provision are explained in note 2.5.1.

13.4 The breakdown of the allowance for ECL is as follows:

	2024 USD'000	2023 USD'000
ECL on loans and advances	(9,571)	(6,687)
ECL on interest receivable	(551)	(225)
	(10,122)	(6,912)

ECL provision has been increased mainly due to the increase of the portfolio.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

13. Loans and advances to customers (continued)
13.5 The following tables explain the movement of gross OLP and Interest receivable and related provisions in stages.

	Stage 1 (USD'000)				Stage 2 (USD'000)				Stage 3 (USD'000)				Total (USD'000)			
	Gross OLP	Interest receivable	Total	ECL	Gross OLP	Interest receivable	Total	ECL	Gross OLP	Interest receivable	Total	ECL	Gross OLP	Interest receivable	Total	ECL
At 1 January 2024	**296,875**	**4,127**	**301,002**	**(1,540)**	**1,911**	**156**	**2,067**	**(12)**	**6,462**	**181**	**6,643**	**(5,360)**	**305,248**	**4,464**	**309,712**	**(6,912)**
New assets originated	**1,079,502**	**–**	**1,079,502**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,079,502**	**–**	**1,079,502**	**–**
Interest revenue	**–**	**169,120**	**169,120**	**–**	**–**	**6,079**	**6,079**	**–**	**–**	**12,573**	**12,573**	**(348)**	**–**	**187,772**	**187,772**	**(348)**
Collections	**(944,794)**	**(165,890)**	**(1,110,684)**	**–**	**(1,180)**	**(6,148)**	**(7,328)**	**–**	**(4,584)**	**(12,596)**	**(17,180)**	**–**	**(950,558)**	**(184,634)**	**(1,135,192)**	**–**
ECL (charges)/releases	**–**	**–**	**–**	**(912)**	**–**	**–**	**–**	**9**	**–**	**–**	**–**	**(6,371)**	**–**	**–**	**–**	**(7,274)**
Transfers:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Stage 1 to stage 2	**(2,614)**	**(223)**	**(2,837)**	**15**	**2,614**	**223**	**2,837**	**(15)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Stage 1 to stage 3	**(10,168)**	**(669)**	**(10,837)**	**55**	**–**	**–**	**–**	**–**	**10,168**	**669**	**10,837**	**(55)**	**–**	**–**	**–**	**–**
Stage 2 to stage 1	**56**	**–**	**56**	**–**	**(56)**	**–**	**(56)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Stage 2 to stage 3	**–**	**–**	**–**	**–**	**(668)**	**(86)**	**(754)**	**4**	**668**	**86**	**754**	**(4)**	**–**	**–**	**–**	**–**
Stage 3 to stage 1	**34**	**–**	**34**	**(28)**	**–**	**–**	**–**	**–**	**(34)**	**–**	**(34)**	**28**	**–**	**–**	**–**	**–**
Stage 3 to stage 2	**–**	**–**	**–**	**–**	**3**	**–**	**3**	**(2)**	**(3)**	**–**	**(3)**	**2**	**–**	**–**	**–**	**–**
Write-off	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,170)**	**(308)**	**(3,478)**	**3,478**	**(3,170)**	**(308)**	**(3,478)**	**3,478**
FX impact	**(10,026)**	**–**	**(10,026)**	**203**	**(123)**	**–**	**(123)**	**1**	**(518)**	**–**	**(518)**	**730**	**(10,667)**	**–**	**(10,667)**	**934**
At 31 December 2024	**408,865**	**6,465**	**415,330**	**(2,207)**	**2,501**	**224**	**2,725**	**(15)**	**8,989**	**605**	**9,594**	**(7,900)**	**420,355**	**7,294**	**427,649**	**(10,122)**
At 1 January 2023	324,354	5,739	330,093	(1,235)	3,825	763	4,588	(859)	16,806	762	17,568	(13,806)	344,985	7,264	352,249	(15,900)
Reclassification to FVTPL	(44,131)	(934)	(45,065)	248	(241)	(17)	(258)	1	(526)	59	(467)	3	(44,898)	(892)	(45,790)	252
New assets originated	637,305	–	637,305	–	–	–	–	–	–	–	–	–	637,305	–	637,305	–
Interest revenue	–	111,859	111,859	–	–	11,308	11,308	–	–	12,563	12,563	–	–	135,730	135,730	–
Collections	(552,631)	(111,913)	(664,544)	–	(2,217)	(11,988)	(14,205)	–	(14,355)	(13,175)	(27,530)	–	(569,203)	(137,076)	(706,279)	–
ECL (charges)/releases	–	–	–	(235)	–	–	–	909	–	–	–	(6,652)	–	–	–	(5,978)
Transfers:	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Stage 1 to stage 2	(1,779)	(157)	(1,936)	7	1,779	157	1,936	(7)	–	–	–	–	–	–	–	–
Stage 1 to stage 3	(19,685)	(593)	(20,278)	76	–	–	–	–	19,685	593	20,278	(76)	–	–	–	–
Stage 2 to stage 1	775	60	835	(156)	(775)	(60)	(835)	156	–	–	–	–	–	–	–	–
Stage 2 to stage 3	–	–	–	–	(419)	(42)	(461)	86	419	42	461	(86)	–	–	–	–
Stage 3 to stage 1	761	66	827	(650)	–	–	–	–	(761)	(66)	(827)	650	–	–	–	–
Stage 3 to stage 2	–	–	–	–	348	35	383	(301)	(348)	(35)	(383)	301	–	–	–	–
Write-off	–	–	–	–	–	–	–	–	(12,331)	(562)	(12,893)	12,894	(12,331)	(562)	(12,893)	12,894
FX impact	(48,094)	–	(48,094)	405	(389)	–	(389)	3	(2,127)	–	(2,127)	1,412	(50,610)	–	(50,610)	1,820
At 31 December 2023	296,875	4,127	301,002	(1,540)	1,911	156	2,067	(12)	6,462	181	6,643	(5,360)	305,248	4,464	309,712	(6,912)

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

13. Loans and advances to customers (continued)
13.6 Loans and advances to customers at FVTPL

	2024 USD'000	2023 USD'000
Loans and advances to customers at FVTPL	67	32,306
	67	32,306

ASA International entities in Uganda, the Philippines, Kenya and Sri Lanka ceased disbursements of loans with insurance arrangements from August 2023 to January 2024 and accordingly loans and advances to customers balances at FVTPL have decreased significantly.

14. Due from banks

	Notes	2024 USD'000	2023 USD'000
Due from banks		29,263	20,705
Escrow bank account at Citibank	14.1	–	21,392
		29,263	42,097

14.1 Escrow bank account at Citibank

In certain countries in which the Group operates, Non-Resident Capital Gains Tax ('NRCGT') regimes were enacted which might give rise to an NRCGT liability if there was a change of control ('COC') of more than 50% of the underlying ownership of a subsidiary of the Company resident in that country as measured over a rolling three-year period. In each case, the liability was payable by the local subsidiary. A COC of certain of the Group's subsidiaries resulting from the offering to certain institutional and professional investors in view of the admission of the Group to the London Stock Exchange in 2018 (the 'Global Offer'), or thereafter, might trigger NRCGT liabilities in certain jurisdictions for the affected subsidiaries.
In connection with the potential NRCGT liability, CMI, being the selling shareholder at the time of the listing of the Group on 13 July 2018, agreed upon admission to place USD 20 million (the 'Escrow Amount') of its net proceeds from the sale of shares in the Global Offer in an escrow account for the sole benefit of the Company (the 'Escrow Account'). The Escrow Amount might be applied to fund NRCTG liabilities in accordance with the escrow deed dated 29 June 2018 between, inter alia, CMI and the Company.
The Escrow Account was established in the name of the Company and was therefore presented as part of 'Due from banks'. The beneficial ownership of these funds, including any interest accrued thereon and less any expenses, rested with CMI in accordance with the terms of the escrow deed.

The Escrow Amount has been released to CMI on 5 August 2024 after the six-year period as defined in the terms of the escrow deed.

15. Equity investments at FVOCI

	2024 USD'000	2023 USD'000
MFX Solutions, LLC		
Balance at the beginning of the period	273	244
Gain on revaluation through OCI	42	29
Balance at the end of the period	315	273

The Group purchased 153,315 shares of MFX Solutions, LLC USA on 7 April 2017. This represents 1% of the total number of issued shares of 15,331,330. The purchase price per share was USD 1.3045. These unlisted equity investments were irrevocably designated at initial recognition as held at FVOCI. Their fair value has been classified as Level 2. The valuation technique used to assess the fair value is the book value of MFX Solutions.

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2024

16. Property and equipment

Property and equipment consists of land and buildings, office furniture and equipment. Depreciation policies are described in detail in the accounting policies. The movements are as follows.

	2024					2023				
	Furniture and fixtures USD'000	Vehicles USD'000	Office equipment including IT USD'000	Buildings USD'000	Total USD'000	Furniture and fixtures USD'000	Vehicles USD'000	Office equipment including IT USD'000	Buildings USD'000	Total USD'000
Cost at the beginning of the period	1,395	346	10,180	3,266	15,187	1,565	405	9,006	1,127	12,103
Accumulated depreciation at the beginning of the period	(935)	(214)	(7,114)	(159)	(8,422)	(1,120)	(218)	(7,085)	(167)	(8,590)
Carrying value at the beginning of the period	460	132	3,066	3,107	6,765	445	187	1,921	960	3,513
Impact of IAS 29 (hyperinflation)	25	11	142	294	472	11	30	53	–	94
Adjusted balance at the beginning of period	485	143	3,208	3,401	7,237	456	217	1,974	960	3,607
Additions during the period at cost	325	60	1,355	483	2,223	23	5	2,237	2,107	4,372
Foreign currency adjustment	(58)	(12)	(440)	(545)	(1,055)	(193)	(64)	(1,029)	32	(1,254)
Disposal during the period	(3)	–	(69)	–	(72)	–	–	(34)	–	(34)
Depreciation during the period	(184)	(55)	(1,650)	(26)	(1,915)	(186)	(53)	(1,472)	(22)	(1,733)
Adjustment of depreciation for disposals	(4)	4	156	–	156	210	28	605	31	874
Impact of hyperinflation for the period	7	(1)	(1)	473	478	14	(19)	89	294	378
Foreign currency differences	57	2	479	7	545	161	29	838	(1)	1,027
Carrying value at the end of the period	625	141	3,038	3,793	7,597	485	143	3,208	3,401	7,237
Cost at the end of the period	1,659	394	11,026	3,204	16,283	1,395	346	10,180	3,266	15,187
Accumulated depreciation at the end of the period	(1,066)	(263)	(8,129)	(178)	(9,636)	(935)	(214)	(7,114)	(159)	(8,422)
Impact of IAS 29 (hyperinflation)	32	10	141	767	950	25	11	142	294	472
Carrying value at the end of the period	625	141	3,038	3,793	7,597	485	143	3,208	3,401	7,237

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

17. ROU assets and lease liabilities

	2024 USD'000	2023 USD'000
ROU assets at the beginning of the period	4,785	4,589
Impact of IAS 29 (hyperinflation)	–	281
Adjusted balance at beginning of period	4,785	4,870
Additions during the period	3,616	3,335
Depreciation during the period	(3,710)	(3,722)
Impact of hyperinflation for the period	(17)	(15)
Exchange rate differences	698	317
ROU assets at the end of the period	5,372	4,785

	2024 USD'000	2023 USD'000
Lease liabilities at the beginning of the period	3,272	3,091
Interest expense of lease liabilities	479	341
Additions on lease liabilities during the period	3,616	3,335
Payment of lease liabilities	(3,916)	(3,690)
Exchange rate differences	474	195
Lease liabilities at the end of the period	3,925	3,272

The Group recognises leased office premises under ROU assets.

Between January and December 2024, the Group entered into 1,243 new contracts and renewal contracts (2023: 1,163). This excludes the new/renewal contracts of Ghana, Nigeria and Tanzania as they have fully prepaid contracts and are not impacted by IBRs.

18. Other assets

Other assets comprises of the following:

	Notes	2024 USD'000	2023 USD'000
Receivables from related parties	18.1	1,858	810
Prepayments		3,907	2,862
Employee advances		2,844	2,783
Advance income tax		6,884	2,902
Security deposit		310	272
Receivables under off-book BC model (ASA India)	18.2	399	1,014
Insurance claim receivable		317	37
Interest receivable on due from banks		873	379
Advance to lenders	18.3	–	955
Other receivables	18.4	1,394	1,476
		18,786	13,490

Prepayments and employee advances are in line with security against housing contracts, funding agreements and employee receivables. Advance income tax will be set off against current tax payable after completion of the tax assessment.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

18. Other assets (continued)
18.1 Receivables from related parties

	2024 USD'000	2023 USD'000
CMI	**58**	–
Sequoia BV	**65**	41
MBA Philippines	**709**	61
Catalyst Investment Management services	**27**	22
ASAIG plc EBT	**972**	686
Catalyst Continuity	**18**	–
Continuity EBT Ltd.	**9**	–
	1,858	810

The receivables from related parties are short term in nature and do not accrue interest.

18.2 Receivables under off-book BC model (ASA India)

Receivables under off-book BC model is presented net of impairment. Gross amount receivable under off-book BC model is USD 2.5 million (2023: USD 3.4 million)

18.3 Advance to lenders
ASAI NV paid an advance amounting to USD 1.0 million to Symbiotic and Frankfurt School Financial Services in May 2023 on behalf of ASA Myanmar as per the loan restructuring agreed in March 2023. This was an advance for a future assignment of various loans by the lenders to ASAI NV which was adjusted with the purchase value of the Symbiotics loans assigned to ASAI NV.

18.4 Other receivables
Other receivables includes various advances in relation to employee's insurance, receivable from VAT and service tax authorities etc. Individually none of the advances are over USD 500K.

19. Derivatives

	2024 USD'000	2023 USD'000
Forward contracts	**–**	884
Swap agreements	**258**	1,566
Derivative assets total	**258**	2,450
Forward contracts	**(1,869)**	(78)
Swap agreements	**(1,383)**	–
Derivative liabilities total	**(3,252)**	(78)
Total derivatives at fair value	**(2,994)**	2,372

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

19. Derivatives (continued)
19.1 The Group is holding the following foreign exchange forward contracts:

	Maturity				
As of 31 December 2024	**<30 days USD'000**	**1-3 months USD'000**	**3-12 months USD'000**	**>12 months USD'000**	**Total USD'000**
Pakistan					
Notional amount (in USD)	–	519	21,500	–	22,019
Average forward rate (USD/PKR)	–	324	310	–	312
Carrying amount (in USD)	–	(74)	(1,551)	–	(1,625)
Sierra Leone					
Notional amount (in USD)	–	–	–	1,000	1,000
Average forward rate (USD/SLE)	–	–	–	31	31
Carrying amount (in USD)	–	–	–	(127)	(127)
Zambia					
Notional amount (in USD)	–	–	750	500	1,250
Average forward rate (USD/ZMW)	–	–	30	35	32
Carrying amount (in USD)	–	–	(17)	(42)	(59)
Kenya					
Notional amount (in USD)	–	–	1,000	–	1,000
Average forward rate (USD/KES)	–	–	144	–	144
Carrying amount (in USD)	–	–	(28)	–	(28)
ASAI NV					
Notional amount (in USD)	–	–	–	965	965
Average forward rate (USD/INR)	–	–	–	92	92
Carrying amount (in USD)	–	–	–	(30)	(30)

	Maturity				
As of 31 December 2023	**<30 days USD'000**	**1-3 months USD'000**	**3-12 months USD'000**	**>12 months USD'000**	**Total USD'000**
Pakistan					
Notional amount (in USD)	–	552	17,094	–	17,646
Average forward rate (USD/PKR)	–	312	302	–	300
Carrying amount (in USD)	–	(29)	(40)	–	(69)
Sierra Leone					
Notional amount (in USD)	–	–	1,000	–	1,000
Average forward rate (USD/SLE)	–	–	23	–	23
Carrying amount (in USD)	–	–	105	–	105
Zambia					
Notional amount (in USD)	–	250	250	–	500
Average forward rate (USD/ZMW)	–	23	28	–	26
Carrying amount (in USD)	–	33	4	–	37
Kenya					
Notional amount (in USD)	–	–	4,000	–	4,000
Average forward rate (USD/KES)	–	–	145	–	145
Carrying amount (in USD)	–	–	743	–	743
ASAI NV					
Notional amount (in USD)	–	–	–	993	993
Average forward rate (USD/INR)	–	–	–	92	92
Carrying amount (in USD)	–	–	–	(9)	(9)

Please see note 36 and 37 for more information.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

19. Derivatives (continued)
19.2 The Group also holds the below swap contracts:

		2024 USD'000	2023 USD'000
Cross-currency interest rate swap	Notional value	**17,031**	10,104
	Carrying value	**(1,125)**	1,566

At 31 December 2024, the Group had ten cross-currency interest rate swap agreements in place.

Three swap agreements are in ASA Sierra Leone with a total notional amount of USD 1.8 million. On 2 February 2022, ASA Sierra Leone entered into another swap agreement of USD 500K where ASA Sierra Leone pays a fixed rate of interest of 19.22% in SLE and receives at 8% in USD notional amount. The entity entered into another swap agreement of USD 300K on 10 October 2023 where ASA Sierra Leone pays a fixed rate of interest of 29.78% in SLE and receives at 12% in USD notional amount. The entity also entered another swap of USD 1 million on 30 October 2024 where ASA Sierra Leone pays a fixed rate of interest of 23.57% in SLE and receives interest at a fixed rate of 8.5% in USD notional amount.

ASA Kenya also has seven swap agreements in place. A swap agreement with notional amount of USD 2 million where ASA Kenya pays at a fixed interest rate of 17.90% in KES and receives at 6.25% in USD notional amount. A swap agreement of USD 3 million where ASA Kenya pays at 20.95% in KES and receives at 7.5% in USD. A swap agreement of USD 1.5 million where ASA Kenya pays at 19.85% in KES and receives at 7.5% in USD. Another swap agreement of USD 2 million where ASA Kenya pays at 19.35% in KES and receives at 7.5% in USD. Another swap agreement of USD 3 million where ASA Kenya pays at 21.25% in KES and receives at 7.5% in USD. ASA Kenya has another swap agreement of USD 1 million. ASA Kenya's swap arrangements also include a swap of EUR 1.5 million where ASA Kenya pays at a fixed interest rate of 17.85% in KES and receives at 5% in EUR notional amount. The swaps are being used to hedge the exposure to changes in the cash flow of its interest on USD and EUR loans.

Observable market data is used for the valuation of the derivative contracts. The applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows using future exchange rates and discounting them with the appropriate interest rate curves. These derivative contracts are classified as Level 2 financial instruments.

20. Intangible assets

	2024 USD'000	2023 USD'000
Balance as at beginning of the period	**7,340**	5,041
Impact of IAS 29 (hyperinflation)	**–**	4
Adjusted balance at beginning of period	**7,340**	5,045
Additions	**3,918**	2,284
Amortisation	**(857)**	(10)
Impact of hyperinflation for the period	**332**	55
Exchange rate differences	**(221)**	(34)
Balance at end of the period	**10,512**	7,340

Intangible assets includes the development costs for the project to develop a digital financial services (DFS) platform. The first implementation is in progress in Ghana. Upon successful implementation, this will be followed by the launch of a range of digital financial and other services to support the growth of small businesses. The platform will add a digital channel to the existing branch model. The DFS will be offered to its clients through a smartphone app, where clients will be able to apply online for loans and other financial services like a current account and a savings or deposit account. As part of the DFS, the Group is also developing a Supplier Market Place app ('SMP') where clients can purchase goods for their small businesses. SMP will be a separate app but is part of the DFS model to retain and attract loan and savings clients and generate payment transactions that generate commissions.

For the introduction of current accounts and savings and deposits accounts and other digital services to the clients, the Group decided to add a CBS to its IT infrastructure. The Group has procured a ten-year licence to the Temenos Financial Inclusion suite, which is an off-the-shelf CBS system. In February 2024, clients in Pakistan were migrated from the incumbent loan system to the Temenos Core Banking System. Implementation of the CBS in Ghana is in progress alongside the DFS.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

20. Intangible assets (continued)
Total spent during the year against DFS and CBS are as follows:

	2024 USD'000			2023 USD'000		
Particulars	Capitalised	Charged to P&L	Total	Capitalised	Charged to P&L	Total
Development fees	828		828	613	–	613
Licence fees	697	384	1,081	345	482	827
Implementation cost	2,004	39	2,043	921	–	921
Consultancy	17		17	40	–	40
Salary and travelling	372	16	388	365	73	438
	3,918	439	4,357	2,284	555	2,839

21. Issued capital

	2024 USD'000	2023 USD'000
ASA International Group plc 100 million shares of GBP 0.01 each	1,310	1,310
	1,310	1,310

No movements in issued capital during 2024 and 2023.

22. Retained earnings
Total retained earnings are calculated as follows:

	2024 USD'000	2023 USD'000
Balance at the beginning of the period	185,864	173,297
Impact of loan reclassification at FVTPL	–	2,392
Adjusted balance at the beginning of the period	185,864	175,689
Dividend	(2,952)	–
Transferred to NCI and others	(59)	969
Result for the period	29,249	9,206
Balance at the end of the period	212,102	185,864
Profit for the period		
Attributable to equity holders of the parent	29,249	9,206
Non-controlling interest	(716)	(449)
	28,533	8,757

Part of retained earnings relates to Non-governmental Organisations ('NGOs') which are consolidated in these financial statements. The retained earnings of these NGOs cannot be distributed to their respective members. Retained earnings relating to NGOs amounted to USD 2.3 million at 31 December 2024 (2023: USD 2.1 million).

ASA S&L, ASA India, ASA Nigeria have statutory requirements to add a percentage of the net profits to a legal reserve. Therefore, part of retained earnings cannot be distributed to shareholders. Retained earnings relating to these legal reserves amounted to USD 24.8 million in December 2024 (2023: USD 22.4 million).

An interim dividend of USD 3.0 million was declared and paid out in December 2024 (2023: nil).

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

23. Other reserves
Total other reserves are calculated as follows:

	Notes	2024 USD'000	2023 USD'000
Balance at the beginning of the period		2,758	3,324
Actuarial gains and losses on defined benefit liabilities	8.1	(1,243)	448
Share-based payments		709	71
Movement in hedge accounting reserve		(2,160)	(1,669)
Gain on revaluation of MFX investment	15	42	29
Tax on OCI and others		1,265	555
Balance at the end of the period		1,371	2,758

Tax on OCI and others includes USD 1,210K of tax on OCI.

24. Foreign currency translation reserve
The translation of the Company's subsidiaries and overseas branches from local currency into the Group's presentation currency (USD) results in the following currency translation differences that reduces overall equity and total comprehensive income:

	2024 USD'000	2023 USD'000
Balance at the beginning of the period	(111,998)	(88,123)
Impact of IAS 29 (hyperinflation)	–	256
Adjusted balance at the beginning of the period	(111,998)	(87,867)
Translation of assets and liabilities of subsidiaries to USD	(4,313)	(24,131)
Balance at the end of the period	(116,311)	(111,998)

The entity wise breakdown of the translation adjustment is as follows:

	2024 USD'000	2023 USD'000
Ghana	(1,087)	1,727
Pakistan	138	(7,729)
Nigeria	(5,819)	(15,058)
Sri Lanka	126	181
Philippines	(559)	64
Myanmar	5	(1)
Sierra Leone	127	326
Kenya	1,524	(1,487)
Rwanda	(144)	(261)
Zambia	(163)	(651)
Tanzania	889	(962)
Others	650	(280)
	(4,313)	(24,131)

Foreign currency translation reserve movement for Ghana and Sierra Leone is reduced due to the application of IAS 29.

25. Debt issued and other borrowed funds

	Notes	2024 USD'000	2023 USD'000
Debt issued and other borrowed funds by operating subsidiaries	25.1	249,804	204,653
Symbiotics-managed funds (ASAI NV)	25.2	1,500	21,019
Oikocredit (ASAI NV)	25.3	5,000	–
BIO (ASAIH)	25.4	10,000	10,000
OeEB (ASAIH/ASAI NV)	25.5	16,875	5,625
Ninety one (ASAI NV)	25.6	10,000	10,000
responsAbility-managed funds (ASAI NV)	25.7	4,500	7,167
DFC (ASAI NV)	25.8	15,000	10,000
Interest payable on third-party loans		8,171	4,947
		320,850	273,411

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

25. Debt issued and other borrowed funds (continued)
25.1 Breakdown of borrowings by operating subsidiaries are shown below:

	2024 USD'000	2023 USD'000
ASA India	**14,764**	21,127
PPFC	**53,334**	54,246
ASA Pakistan	**48,554**	28,696
ASA Tanzania	**59,225**	52,541
ASA Kenya	**44,427**	25,424
ASA S&L	**6,209**	–
ASA Myanmar	**8,576**	12,892
ASA Uganda	**8,717**	5,592
Lak Jaya	**2,176**	1,503
Others	**3,822**	2,632
	249,804	204,653

Most of the loan agreements are subject to covenant clauses, whereby the subsidiary is required to meet certain key financial ratios. Some subsidiaries did not fulfil some of the ratios as required in agreements. As of 31 December 2024, out of the total outstanding debt of USD 312.7 million (2023: USD 268.5 million), the balance for credit lines with breached covenants that did not have waivers amounted to USD 11.3 million (2023: USD 23.0 million). Waivers have been received subsequently for USD 0.7 million (2023: USD 23.0 million), but for a period of less than 12 months going forward. Due to these breaches of covenant clauses, the lenders are contractually entitled to request for immediate repayment of the outstanding loan amounts. The outstanding balance is presented as on demand as at 31 December 2024. The lenders have not requested any early repayment of loans as of the date when these financial statements were approved by the Board of Directors. Substantial growth of debt issued and borrowed funds in ASA Pakistan and ASA Kenya is mainly due to the business expansion.

25.2 Symbiotics-managed funds (ASAI NV)
In October 2019, ASAI NV entered into a loan agreement with one investment fund managed by Symbiotics SA. In November 2021, ASAI NV received USD 10.0 million at six months Libor plus 4.75% per annum. In April 2022 ASAI NV received an additional USD 4.0 million at six months SOFR plus 4.75% per annum with an adjustment spread of 0.4283%. The loans are repaid during 2024. ASAIH is a guarantor for these loans.

In June 2023, ASAI NV entered into a loan agreement with one investment fund managed by Symbiotics SA. In June 2023, ASAI NV received EUR 5 million at 8.75% per annum and the loan was repaid in 2024. In December 2023 ASAI NV received an additional USD 1.50 million at 9% per annum. The loans will be repaid within two years of disbursement. ASAIH is a guarantor for these loans.

25.3 Oikocredit (ASAI NV)
On 3 September 2024, ASAI NV entered into a loan agreement with Oikocredit for a credit facility of USD 10 million of which USD 5 million has been drawn as of December 2024. The term of this credit facility is 24 months. Interest on the loans is six-month term SOFR plus 3.25% margin per annum.

25.4 BIO (ASAIH)
ASAIH entered into a USD 10.0 million subordinated loan agreement with Belgian Investment Company for Developing Countries SA/NV ('BIO') in December 2019. The term of this loan is seven years. Interest amounts to six-month term SOFR plus 5.9% margin per annum with an adjustment spread of 0.42826%.

25.5 OeEB (ASAIH/ ASAI NV)
ASAIH entered into a USD 15.0 million loan agreement with Oesterreichische Entwicklungsbank Ag ('OeEB') in March 2020 of which USD 10 million is drawn up to June 2020. The loan is repayable in eight equal instalments and the term of this loan is five years. Total seven instalments are repaid up to 2024. Interest amounts to six-month term SOFR plus 3.5% margin per annum with an adjustment spread of 0.42826%. ASAI NV is also a co-borrower of the loan.

ASAI NV entered into a USD 15.0 million loan agreement with Oesterreichische Entwicklungsbank Ag ('OeEB') in July 2024. The loan is repayable in eight equal instalments and the term of this loan is five years. Interest amounts to six-month term SOFR plus 3.5% margin per annum. ASAI NV is also a co-borrower of the loan.

25.6 Ninety one (ASAI NV)
ASAI NV entered into a USD 10.0 million loan agreement with Ninety one Proprietary Limited in October 2022. The loan is repayable in ten equal instalments and the term of this loan is four years. Interest amounts to three-month term SOFR plus 5.5% per annum. ASAIH is also a co-borrower of the loan.

25.7 responsAbility managed fund (ASAI NV)
ASAI NV entered into a USD 5 million loan agreement with responsAbility managed fund and received the loan in March 2023. The loan is repayable in six equal instalments and the term of the loan is three years. Interest amounts to three-month term SOFR plus 5.5% per annum. ASAIH is also a co-borrower of the loan.

ASAI NV entered another USD 3 million loan agreement with responsAbility managed fund and received the loan in December 2023. The loan is repayable in six equal instalments and the term of the loan is three years. Interest amounts to three-month term SOFR plus 5.5% per annum. ASAIH is also a co-borrower of the loan.

25.8 DFC (ASAI NV)
ASAI NV entered into a USD 15.0 million loan agreement with United States International Development Finance Corporation ('DFC') in September 2023 of which USD 15.0 million is drawn up to December 2024. The loan is repayable in four equal instalments and the term of this loan is five years. Interest amounts to 6% per annum. ASAIH is also a co-borrower of the loan.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

25. Debt issued and other borrowed funds (continued)
25.9 Debt issued and borrowed funds linked with covenants
The Group has 60 lenders and various covenants were agreed. The main covenants include capital adequacy ratio (CAR), liquidity ratio, cost-to-income ratio, solvency ratio, loan portfolio quality ratio, debt to equity ratio, return on assets ('ROA'), current ratio etc. As at 31 December 2024, 61.6% (2023: 72.5%) of outstanding debts are linked with covenants.

	2024 USD'000	2023 USD'000
Principal outstanding debt issued and borrowed funds	**312,679**	268,464
Principal outstanding debt issued and borrowed funds linked with covenants	**192,472**	194,739
% of debts linked with covenants	**61.6%**	72.5%

As of 31 December 2024, the Group has USD 28.2 million (2023: USD 23.0 million) of debts with covenant breaches, of which the waiver received within the reporting date amounting to USD 16.9 million (2023: nil). The Group also received waivers of USD 0.7 million (2023: USD 23.0 million) after the balance sheet date. For further information regarding compliance with covenants after the balance sheet date, refer to note 2.1.1.

26. Due to customers
Clients of the Company's subsidiaries contribute to a 'security deposit fund'. These deposits can be withdrawn partly by clients but not in the full amount unless the client has fully repaid the outstanding loan balance.

	2024 USD'000	2023 USD'000
Clients' security deposits	**74,470**	66,675
Clients' voluntary savings	**15,668**	12,398
Interest payable on deposits and savings	**33**	22
	90,171	79,095

Clients can deposit voluntary savings where the subsidiary has a licence to do so. The rate of interest on clients' security deposits and clients' voluntary savings amount to 8% in ASA Ghana and 7% in ASA Nigeria. In ASA Myanmar the interest rate on voluntary savings is 10% and for compulsory savings 14%. ASA Rwanda provides 6% interest on voluntary savings.

27. Other liabilities
Other liabilities are as follows:

	Notes	2024 USD'000	2023 USD'000
Taxes payable, other than corporate income tax		**7,722**	5,457
Security deposits		**2,552**	2,568
Other deposits		**604**	522
Amount due to employees		**2,594**	2,016
Accrued expenses		**919**	866
Accrued audit fees		**1,432**	1,279
Amounts due to related parties	27.1	**77**	21
Liability to CMI regarding Escrow Account at Citibank	14.1	**–**	21,392
Liabilities under off-book BC model (ASA India)		**4,943**	301
Industrial training fund		**21**	14
Payable to Temenos		**697**	554
Social welfare fund		**548**	377
Other liabilities	27.2	**3,830**	4,196
		25,939	39,563

Security deposits mainly relate to deposits taken from employees as a form of security. Other deposits relate to various smaller deposits in different countries.

The Escrow Amount was released to CMI on 5 August 2024 in line with the escrow deed.

Liabilities under on-book and off-book BC model includes amounts collected from BC clients but yet not transferred to the BC Partners.

27.1 Amounts due to related parties

	2024 USD'000	2023 USD'000
Sequoia BV	**4**	6
MBA Philippines	**66**	15
CMI	**1**	–
CMIC	**6**	–
	77	21

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

27. Other liabilities (continued)
27.2 Other sundry liabilities
Other liabilities include various smaller accruals and provisions for various entities in the Company.

28. Provisions

	2024 USD'000	2023 USD'000
Provision for off-book BC model portfolio (ASA India)	**2,204**	1,428
	2,204	1,428

This includes ECL provision against the off-book BC portfolio in India. For details on the Group's ECL policy see note 2.5.1.

29. Additional cash flow information
29.1 Changes in operating assets

	2024 USD'000	2023 USD'000
Loans and advances to customers	**(100,793)**	(66,298)
Movement in due from banks	**13,113**	(6,845)
Movement in ROU assets	**(3,616)**	(3,335)
Other assets excluding income tax advances	**(1,067)**	(2,898)
	(92,363)	(79,376)

29.2 Changes in operating liabilities

	2024 USD'000	2023 USD'000
Due to customers	**19,627**	7,732
Other liabilities	**(14,595)**	1,982
Retirement benefit	**(836)**	(700)
Movement in lease liability	**3,616**	3,335
Movement in provisions	**776**	390
	8,588	12,739

29.3 Non-cash items

	2024 USD'000	2023 USD'000
Depreciation/amortisation on:		
• Property and equipment	**1,915**	1,733
• Intangible assets	**857**	10
• ROU assets	**3,710**	3,722
Interest expense on lease liability	**479**	341
Credit loss expense	**6,827**	5,024
Write-off of portfolio	**3,478**	12,894
Fair value movement of forward contracts	**3,206**	3,358
Fair value movement of loans at FVTPL	**–**	2,392
Share-based payments	**709**	71
Charge against defined benefit plan	**2,040**	2,680
Foreign exchange result	**874**	1,968
Loss on net monetary position	**5,401**	5,789
	29,496	39,982

30. Risk management
30.1 General
Risk is inherent in the Group's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to certain risk limits and other controls as described in the paragraphs below. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to their responsibilities. The Group is, amongst others, exposed to business risk, operational risk, IT risk, finance risk, and legal and compliance risk.

The independent risk control process does not include business risks such as changes in demand, technology and industry. These changes are monitored through the Group's strategic planning process.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.2 Risk management structure
The risk management structure within the Group begins at the subsidiary level, where a designated risk officer is tasked with preparing periodic risk reports by assessing the likelihood and impact of various risks facing the Company. This includes continuous identification, monitoring and reporting of risks facing the organisation including emerging risks. While the risk officer captures mitigation activities, the responsibility for these actions lies with the process owner. The Group risk management team compiles these country-specific risk reports into a comprehensive Group risk report, which is discussed in the Executive Committee meeting before being scrutinised by the Group Audit and Risk Committee for recommendations on improved risk management practices.

The Group's risk appetite, which defines the level of risk the Group is willing to accept in pursuit of its business objectives, is carefully calibrated to avoid loss, fraud and operational inefficiencies. This appetite is established at a level that exceeds regulatory requirements, ensuring conservative financial and prudential ratios while maintaining full compliance with local regulations and laws. The Group adopts a zero-tolerance policy towards unethical, illegal or unprofessional conduct, as well as any association with disreputable individuals.

The Group employs a 'three lines of defence' model to manage risks effectively. The first line of defence comprises branch staff, area, regional and district managers at the microfinance institution level, who are responsible for risk associated with field work such as client risk assessment, client retention, and credit risk etc. Country Heads and senior management ensure the proper implementation of control activities, policies and procedures. The second line of defence challenges the first line and includes internal oversight functions such as Compliance, Risk Management, and the Fraud and Misappropriation Prevention Unit ('FMPU'), along with support from the IT, HR and Finance and Accounts departments. The third line of defence is the Internal Audit reporting independently to the Board, which operates at both the Group and microfinance institution levels. Internal Audit regularly performs auditing activities and ensures that all units responsible for managing risk are performing their roles effectively and continuously.

30.3 Key risk management areas and mitigation
The Group's key risk management areas are strategic risk, operational risk, IT risk, finance risk, and legal and compliance risk.

Risk category	Definition	Risks	Description
Strategic risk	Strategic risk refers to the potential threats that could hinder the achievement of long-term goals and mission of serving low-income clients sustainability.	Growth risk	Risks and challenges associated with the Group's operational expansion.
		Competition risk	Risk that the Group might face for not responding to the competitive environment or failing to meet customer needs.
		Reputation risk	Risk to earnings or capital arising from negative public opinion.
		Climate risk	Risk related to potential negative impact of climate change on the organisation.
Operational risk	Operational risk refers to uncertainties a company faces when it attempts to do its day-to-day business activities. It can result from breakdowns in internal procedures, people and systems.	Human resource risk	Likelihood of negative results due to a failure within its human resource department.
		Fraud and integrity risk	Risk of incidents of fraud and misappropriation by staff or client.
		Business contingency	Potential adverse effects on operation resulting from unexpected events or disruptions.
		Health and safety risk	Potential harm or injury to employees arising from workplace conditions or activities.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.3 Key risk management areas and mitigation (continued)

Risk category	Definition	Risks	Description
IT risk	Information technology risk is any threat to business data, critical systems and business processes due to IT failure. It is the risk associated with the use, ownership, operation, involvement, influence and adoption of IT within an organisation.	IT business continuity	This risk refers to loss of data in case of a catastrophic event.
		System vulnerability and cyber security	This risk refers to the vulnerability of our IT system to different types of cyber-attacks.
		Data privacy and protection	Risk arising from unauthorised access to sensitive information.
		IT support	Risk of delay in resolving IT-related issues which may negatively impact the operations.
		System access control	Risk of misuse of system access.
		IT fraud	Risk of fraud due to control gap in IT system and processes.
		Data migration and transformation	Risk of loss of data during the time of data migration and challenges pertaining to digital transformation.

Risk category	Definition	Risks	Description
Finance risk	The Group experiences financial risks such as credit risk, liquidity risk, exchange rate/currency risk and interest rate risk which can adversely impact the earnings of the Company.	Credit risk	Risk that the Group will incur a loss because its clients or counterparties fail to discharge their contractual obligations.
		Liquidity risk	Risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances.
		Exchange rate risk	Possibility of financial loss to the Group arising from adverse movements in foreign exchange rates.
		Inflation rate risk	Rising cost of living diminishing the borrowers' repayment capacity; affecting the institution's overall financial health.
		Interest rate risk	Risk arising from the possibility of change in the value of assets and liabilities because of changes in market interest rates.
		Concentration risk	High concentration of portfolio in a specific geographic area amplifying the impact of adverse economic events.
		Tax compliance risk	Adverse consequences faced by an entity due to failure to adhere to tax laws and regulations.
Legal and compliance risk	Financial and other losses the Group may suffer as a result of regulatory changes or failure to comply with applicable laws and regulation.	Local regulation risk	Risk of non-compliance to local regulation.
		Client protection risk	Risk of negative public opinion for not adhering to client protection principles.
		AML risk	Threat arising from inadequate measures to prevent and address money laundering.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.3 Key risk management areas and mitigation (continued)
Strategic risk
Under strategic risk, the Group faces several key challenges. The primary focus is on how to sustainably grow its portfolio, digitalise, enhance service quality, and increase earnings particularly in the context of emerging economies. This also includes upholding the Company's reputation and strengthening its competitive advantages. Climate strategy is also a critical component, as the Group is committed to controlling its greenhouse gas ('GHG') emissions and mitigating the adverse impacts of climate change on its operations. Given the prevalence of extreme weather events in some of the countries where the Group operates, disaster management is meticulously considered to ensure resilience and continuity.

Operational risk
Operational risk encompasses several critical areas essential to the Company's success. Human resources play a pivotal role, with training, development and staff retention being vital for effective operations. The Company prioritises providing industry-standard compensation packages and clear career paths to employees, ensuring their motivation and commitment. Maintaining the health and safety of staff is also a top priority, reflecting the Company's commitment to a supportive and secure working environment. Preventing fraud and misappropriation is another significant aspect of operational risk management, given the occasional occurrence of such incidents. The Company employs stringent measures to safeguard against these risks, recognising their potential impact on the business. Additionally, ensuring business continuity is crucial, as unforeseen situations can arise.

IT risk
Information & technology risk encompasses several critical components, including business continuity, which includes ensuring server redundancy, disaster recovery sites, and swift restoration in the event of incidents. Reducing system vulnerability to protect against cyber risks remains a top priority, with robust measures in place to safeguard data privacy. Data is secured through password protection and is accessible only to authorised users, ensuring confidentiality and integrity. Prompt resolution of IT issues by the central IT team is crucial for maintaining smooth operational workflows. To prevent data loss during data migration projects, comprehensive precautions are taken.

Additionally, an audit trail is maintained to facilitate the investigation of any digital fraud incidents. Through these rigorous processes, the Company ensures robust IT risk management, safeguarding its technological infrastructure and data assets.

Finance risk
Under financial risk management, maintaining low credit risk is a top priority. The Group ensures the high quality of its portfolio through rigorous client assessments, robust weekly collection efforts, and continuous evaluations of client's ability to pay. To manage liquidity risk, the Group remains well funded, and has strong access to a diverse range of funding sources at both the local and holding levels. The Company maintains solid relationships with its debt providers, who continue to show strong interest in funding its operations.

The Group manages currency risk by predominantly securing funding in local currencies and matching local currency assets with local currency liabilities at its microfinance subsidiaries. For foreign currency funding, the Company ensures that nearly 100% of its currency exposure is hedged. While the Group is exposed to inflation rate changes in certain regions, its diversified operations across thirteen jurisdictions help reduce this exposure.

To manage interest rate risk, the Group conducts a cost of funds analysis and monitors interest rates in countries where interest rate caps are imposed. Interest rate risk is typically lower in microfinance companies due to their short-term and fixed-rate loans. The Group also implements a policy on concentration risk, monitoring portfolio concentration to encourage a well-diversified portfolio across different geographical regions, thereby limiting exposure to adverse country specific economic events. The Group ensures tax compliance by engaging competent external tax advisers at the entity level and ensuring full compliance with all applicable tax laws in the jurisdictions where it operates.

Legal and Compliance risk
Compliance with local regulations is a top priority for the Group. The Group ensures adherence to all local laws and regulations, including central bank requirements and assessments along with its implementation. Except for the Philippines, all entities are regulated by their respective central banks. Operating within a stringent regulatory environment encourages robust internal controls within the Group.

While the overall risk of anti-money laundering ('AML') is low in microfinance due to the small loan sizes, the Group manages AML risks through adequate Know Your Customer ('KYC') policies, continuous supervision of client behaviour, and rigorous implementation of AML policies and procedures. Additionally, the Group is committed to upholding client protection principles, ensuring that client complaints are regularly addressed and resolved promptly.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.3 Key risk management areas and mitigation (continued)
Legal and Compliance risk (continued)
Risks are mitigated through standardised practices that are part of the ASA Model of microfinance. These include:

- Through new client assessment/KYC.
- Standardised loan products.
- Frequent client interactions through weekly collections.
- Individual loan given in a group setting.
- Loan is protected by guarantor.
- Zero-tolerance on the late deposit of loan instalments for loan officers.
- Loans granted primarily for income-generating activities.
- Full repayment before eligibility for new loans.
- Ongoing assessment of client needs, benefits and satisfaction.

30.4 Financial risks
30.4.1 Credit risk
Credit risk is the risk that the Group will incur a loss because its customers, clients or counterparties failed to discharge their contractual obligations. The Group manages and controls credit risk by adhering strictly to the operating procedures outlined in the operational manual which includes setting limits on the amount of risk it is willing to accept for individual counterparties and geographical concentrations, and by monitoring exposures in relation to such limits.

Maximum exposure to credit risk
The maximum credit exposure is equal to the carrying amounts of the financial instruments on the Group's statement of financial position except the off-book BC portfolio where the risk is determined as per the contract with BC Partners. As mentioned above, the Group reduces its concentration risk by ensuring a widely diverse portfolio, distributed amongst various countries and continents. At present the Group invests in West Africa, East Africa, South Asia and South East Asia.

Customer security deposits are cash collateral and presented as part of Due from customers in the statement of financial position. These security deposits are considered as collateral for the loans to customers and therefore reduce the credit risk on these loans.

There are no significant concentrations of credit risk through exposures to individual customers and specific industries/sectors. However, Pakistan holds 20% of the Group's credit exposure in 2024 (2023: 18%). Senior management regularly monitors the concentration risk and manages loan distribution if required.

Maximum exposure to credit risk

	2024 USD'000	2023 USD'000
Cash and cash equivalents (excluding cash in hand)	**78,906**	76,215
Loans and advances to customers	**409,977**	330,157
Customer security deposit	**(74,470)**	(66,675)
Off-book portfolio (BC model)[1]	**343**	1,428
Due from banks	**29,263**	42,097
Other assets[2]	**8,253**	10,176
Maximum credit exposure	**452,272**	393,398

1 Credit risk on IDFC off-book BC model portfolio is restricted to 5% of the outstanding portfolio.
2 Other assets includes net financial derivatives and excludes prepayments and advance tax.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.4 Financial risks (continued)
30.4.1 Credit risk (continued)
Maximum exposure to credit risk (continued)

Geographic distribution of maximum credit exposure as at 31 December 2024.

	Cash and cash equivalents (excluding cash in hand) USD'000	Loans and advances to customers USD'000	Customer security deposit USD'000	Due from banks USD'000	Other assets USD'000	Off-book portfolio (BC model) USD'000	Total USD'000
West Africa	5,283	84,000	(33,341)	2,625	1,008	–	59,575
East Africa	26,146	144,223	(17,404)	16,630	1,835	–	171,430
South Asia	9,928	96,180	(2,165)	5,246	2,026	343	111,558
South East Asia	29,841	85,574	(21,560)	4,762	1,804	–	100,421
Non-operating entities	7,708	–	–	–	1,580	–	9,288
Maximum credit exposure	**78,906**	**409,977**	**(74,470)**	**29,263**	**8,253**	**343**	**452,272**

Geographic distribution of maximum credit exposure as at 31 December 2023.

	Cash and cash equivalents (excluding cash in hand) USD'000	Loans and advances to customers USD'000	Customer security deposit USD'000	Due from banks USD'000	Other assets USD'000	Off-book portfolio (BC model) USD'000	Total USD'000
West Africa	6,019	71,644	(29,286)	3,700	1,756	–	53,833
East Africa	21,934	103,325	(14,681)	6,991	2,246	–	119,815
South Asia	5,590	80,353	(1,663)	5,252	3,069	1,428	94,029
South East Asia	35,139	74,835	(21,045)	4,762	1,046	–	94,737
Non-operating entities	7,533	–	–	21,392	2,059	–	30,984
Maximum credit exposure	76,215	330,157	(66,675)	42,097	10,176	1,428	393,398

The Group provides direct lending to customers through the MFIs (owned and controlled by it). In addition, the Group accepts savings in the countries where it has a deposit-taking licence.

Credit risk from lending as at 31 December 2024.

	Due from banks[1] USD'000	Gross loans and advances to customer[2] USD'000	Total lending USD'000	Total direct lending/IFRS 9 stages: Stage 1 USD'000	Stage 2 USD'000	Stage 3 USD'000
West Africa	2,625	86,788	89,413	84,953	326	1,509
East Africa	16,630	151,512	168,142	149,422	393	1,697
South Asia	5,246	99,728	104,974	97,077	314	2,337
South East Asia	4,762	89,621	94,383	83,878	1,692	4,051
Non-operating entities	–	–	–	–	–	–
Total	**29,263**	**427,649**	**456,912**	**415,330**	**2,725**	**9,594**
ECL provision	**–**	**(10,122)**	**(10,122)**	**(2,207)**	**(15)**	**(7,900)**
Coverage ratio[3]		**2.4%**	**2.2%**	**0.5%**	**0.6%**	**82.3%**

1 Due from banks are neither past due nor credit impaired.
2 Includes interest receivable.
3 Coverage ratio is calculated as the total ECL provision divided by the underlying assets' gross carrying amount. ECL between stage 1 and stage 2 has been allocated in proportion to OLP.

Credit risk from lending as at 31 December 2023.

	Due from banks[1] USD'000	Gross loans and advances to customer[2] USD'000	Total lending USD'000	Total direct lending/IFRS 9 stages: Stage 1 USD'000	Stage 2 USD'000	Stage 3 USD'000
West Africa	3,700	75,263	78,963	72,349	425	2,489
East Africa	6,992	81,229	88,221	80,160	258	811
South Asia	5,252	77,065	82,317	75,649	740	676
South East Asia	4,761	76,155	80,916	72,844	644	2,667
Non-operating entities	21,392	–	21,392	–	–	–
Total	42,097	309,712	351,809	301,002	2,067	6,643
ECL provision	–	(6,912)	(6,912)	(1,540)	(12)	(5,360)
Coverage ratio[3]		2.2%	2.0%	0.5%	0.6%	80.7%

1 Due from banks are neither past due nor credit impaired.
2 Includes interest receivable.
3 Coverage ratio is calculated as the total ECL provision divided by the underlying assets' gross carrying amount. ECL between stage 1 and stage 2 has been allocated in proportion to OLP.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.4 Financial risks (continued)
30.4.2 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. Most subsidiaries of the Group are now able to attract third-party funding and various local currency and USD loans are in place.

Liquidity management is evaluated at the MFI level and on a consolidated Group basis. Each of the Group's MFIs is required to meet the financial obligations of their internal and external stakeholders. Failure to manage liquidity risks may cause the Group to lose business, miss opportunities for growth, or experience legal or reputational consequences. To mitigate its liquidity management risk, the Group has established liquidity management policies, published in its operation manual, finance and treasury manual.

The Group is confident it will be able to meet the payment obligations under the aforementioned loans for various reasons, including but not limited to:

- The main class of assets are loans to customers. Due to the nature of the microfinance business the Group is engaged in, these loans to customers have short-term maturities, hence the Group is in a position to generate a constant stream of cash inflows.
- The Group is in the position to accumulate sufficient funds to cover its obligations, although this may entail limitations on new loan disbursements.
- The Group has been able to receive most of the waivers against covenant breaches from the lenders and no indication received from lenders for any early repayment.

As at 31 December 2024, the Group has USD 79.1 million (2023: USD 76.4 million) of cash at bank and in hand. An amount of USD 28.9 million (2023: USD 27.9 million) is restricted and cannot be readily available. The remaining USD 50.2 million (2023: USD 48.2 million) is unrestricted and for operational needs. The Group is able to fund its operations and budgeted growth of its loan portfolio from new loan facilities supplied by third parties, security collateral and/or savings provided by its clients, and internally generated cash flows.

The table below shows undiscounted cash flow analysis of liabilities according to when they are expected to be recovered or to be settled.

Liabilities FY 2024 (USD'000)	On demand	<3 months	3-12 months	Sub-total 1-12 months	1-5 years	Over 5 years	Sub-total >12 months	No fixed maturity	Total
Debt issued and other borrowed funds	12,579[1]	45,193	99,006	156,778	164,072	–	164,072	–	320,850
Due to customers	17,941	32,553	39,643	90,137	34	–	34	–	90,171
Lease liability	–	19	411	430	3,394	101	3,495	–	3,925
Derivative liabilities	–	473	2,921	3,394	(142)	–	(142)	–	3,252
Other liabilities	4,225	5,310	8,899	18,434	2460	-	2,460	5,045	25,939
Provisions	–	–	2,204	2,204	–	–	–	–	2,204
	34,745	83,548	153,084	271,377	169,818	101	169,919	5,045	446,341
Liabilities FY 2023 (USD'000)									
Debt issued and other borrowed funds	24,680[2]	44,250	89,156	158,086	115,325	–	115,325	–	273,411
Due to customers	33,045	20,576	25,466	79,087	8	–	8	–	79,095
Lease liability	–	98	554	652	2,611	9	2,620	–	3,272
Derivative liabilities	–	29	40	69	9	–	9	–	78
Other liabilities	2,633	6,307	6,644	15,584	302	144	446	23,533	39,563
Provisions	–	–	1,428	1,428	–	–	–	–	1,428
	60,358	71,260	123,288	254,906	118,255	153	118,408	23,533	396,847

1 This includes loans amounting to USD 11.3 million on which waivers had not been received at the balance sheet date. Subsequently waivers for breached loans amounting to USD 0.7 million have been received.

2 This includes loans amounting to USD 23.0 million on which waivers had not been received at the balance sheet date. Subsequently waivers for all breached loans amounting to USD 23.0 million have been received.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.4 Financial risks (continued)
30.4.2 Liquidity risk (continued)
The table below shows undiscounted cash flow analysis of assets according to when they are expected to be recovered or to be settled.

Assets FY 2024 (USD'000)	On demand	<3 months	3-12 months	Sub-total 1-12 months	1-5 years	Over 5 years	Sub-total >12 months	No fixed maturity	Total
Cash at bank and in hand	50,245	–	28,900	79,145	–	–	–	–	79,145
Loans and advances to customers	10,141	196,211	203,417	409,769	208	–	208	–	409,977
Due from banks	–	2,156	12,755	14,911	14,352	–	14,352	–	29,263
Equity investments at FVOCI	–	–	–	–	–	–	–	315	315
Derivative assets	–	258	–	258	–	–	–	–	258
Other assets	–	3,637	13,383	17,020	1,766	–	1,766	–	18,786
	60,386	202,262	258,455	521,103	16,326	–	16,326	315	537,744
Assets FY 2023 (USD'000)									
Cash at bank and in hand	46,819	1,733	27,877	76,429	–	–	–	–	76,429
Loans and advances to customers	10,698	189,612	129,455	329,765	392	–	392	–	330,157
Due from banks	–	3,859	5,960	9,819	10,886	–	10,886	21,392	42,097
Equity investments at FVOCI	–	–	–	–	–	–	–	273	273
Derivative assets	–	105	2,345	2,450	–	–	–	–	2,450
Other assets	–	2,784	9,117	11,901	1,589	–	1,589	–	13,490
	57,517	198,093	174,754	430,364	12,867	–	12,867	21,665	464,896

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.4 Financial risks (continued)
30.4.2 Liquidity risk (continued)
Changes in liabilities arising from financing activities

FY 2024	1 January 2024 USD'000	Cash flows USD'000	Non-cash movement USD'000	Foreign exchange movement USD'000	31 December 2024 USD'000
Debt issued and borrowed funds	273,411	41,783	–	5,656	320,850
Lease liabilities	3,272	(3,916)	4,095	474	3,925
Total liabilities from financing activities	276,683	37,867	4,095	6,130	324,775

FY 2023	1 January 2023 USD'000	Cash flows USD'000	Non-cash movement USD'000	Foreign exchange movement USD'000	31 December 2023 USD'000
Debt issued and borrowed funds	261,301	31,251	–	(19,141)	273,411
Lease liabilities	3,091	(3,690)	3,676	195	3,272
Total liabilities from financing activities	264,392	27,561	3,676	(18,946)	276,683

30.4.3 Foreign exchange rate risk
Currency risk is the possibility of financial loss to the Group arising from adverse movements in foreign exchange rates. Currency risk is a substantial risk for the Group, as most loans to MFIs and borrowers are in local currency in countries where currency depreciation against the USD is often considered less predictable. At present the Group manages currency risk mainly through natural hedging, i.e. by matching the MFI's local currency assets consisting of the MFI's loan portfolio with local currency liabilities. The Group's risk policy allows the Group treasurer the possibility of hedging with instruments such as swaps and forward contracts if and when appropriate. In order to mitigate the foreign exchange risk on foreign currency loans, ASA Pakistan, ASA Sierra Leone, ASA Kenya and ASA Zambia have entered into hedging agreements. The Group applies hedge accounting to foreign currency loans and related hedge contracts. Reference is made to note 37.

While the Group faces significant translation exposure on its equity investments in local MFIs (as the functional currency of the Group is USD), the Group has implemented an equity hedging policy. The policy entails a frequent review of expected currency devaluations compared to the costs for equity hedging instruments. The Group has not used equity hedging instruments in 2024 and 2023. In addition, the Group has a policy to distribute excess retained earnings at its subsidiaries to the holding entities while maintaining a sufficient capital adequacy ratio.

In summary, the Group takes a number of measures to manage its foreign currency exposure:

- Investments are only made in countries that show a reasonable level of macroeconomic stability. A detailed macroeconomic and socio-political assessment is carried out before the Group decides to invest in a certain country.
- Excess retained earnings in the operating entities are distributed to the holding entities. Equity hedging instruments are considered as part of the equity hedging policy.
- The Group endeavours to procure its MFIs to secure local currency loans (instead of foreign currency loans) to the extent possible or deemed commercially advantageous.
- The Group applies hedging instruments on foreign currency loans in any of its operating and holding entities.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.4 Financial risks (continued)
30.4.3 Foreign exchange rate risk (continued)
Simulation: Foreign currency translation reserve

	FX translation reserve actual 2024 USD'000	FX translation reserve after -10% rate 2024 USD'000	FX translation reserve after +10% rate 2024 USD'000	Movement after -10% rate 2024 USD'000	Movement after +10% rate 2024 USD'000	FX translation reserve actual 2023 USD'000	FX translation reserve after -10% rate 2023 USD'000	FX translation reserve after +10% rate 2023 USD'000	Movement after -10% rate 2023 USD'000	Movement after +10% rate 2023 USD'000
West Africa	(66,424)	(70,375)	(61,590)	(3,953)	4,832	(59,644)	(63,480)	(54,954)	(3,836)	4,689
East Africa	(3,734)	(7,486)	770	(3,752)	4,504	(6,012)	(8,735)	(2,824)	(2,724)	3,188
South Asia	(40,028)	(41,825)	(37,832)	(1,797)	2,195	(40,792)	(43,257)	(37,777)	(2,465)	3,015
South East Asia	(5,688)	(7,198)	(3,843)	(1,510)	1,845	(5,134)	(6,452)	(3,523)	(1,318)	1,611
Non-operating entities	(437)	(461)	(408)	(24)	29	(416)	(433)	(396)	(17)	20
Total	(116,311)	(127,345)	(102,903)	(11,036)	13,405	(111,998)	(122,357)	(99,474)	(10,360)	12,523

Analysis of the actual exchange rate fluctuations against the USD for the period 2024 shows different trends for all the operating currencies. The annual exchange rate fluctuations are between 0.1% to 72.5%, but most moved within 1% to 10%. For the simulation of foreign currency effects, the Company has therefore assumed an additional 10% movement year-on-year in these currencies as compared to USD.

The following overview shows the actual foreign currency exchange results by country for 2024 as well as the simulation of the impact of a 10% downward movement and a 10% upward movement of the FX rates on the foreign exchange results.

As at 31 December 2024, a 10% downward movement of FX rates against the USD has an impact on the foreign currency exchange result of USD -1.1 million (2023: USD -78K). A 10% upward movement of FX rates results in an impact of USD 1.4 million (2023: USD 92K). The lower impact on the result of the Company results from the decrease in short-term intercompany USD loans, which cannot be hedged.

Simulation: Foreign exchange profit and loss

	Foreign exchange profit and loss actual 2024 USD'000	Foreign exchange profit and loss after -10% rate 2024 USD'000	Foreign exchange profit and loss after +10% rate 2024 USD'000	Movement after -10% rate 2024 USD'000	Movement after +10% rate 2024 USD'000	Foreign exchange profit and loss actual 2023 USD'000	Foreign exchange profit and loss after -10% rate 2023 USD'000	Foreign exchange profit and loss after +10% rate 2023 USD'000	Movement after -10% rate 2023 USD'000	Movement after +10% rate 2023 USD'000
West Africa	(388)	(521)	(254)	(133)	133	(739)	(861)	(617)	(122)	122
East Africa	17	280	(246)	263	(263)	(272)	(313)	(231)	(41)	41
South Asia	15	(14)	45	(29)	29	(180)	(182)	(177)	(2)	2
South East Asia	(346)	(472)	(220)	(126)	126	(20)	239	(279)	259	(259)
Non-operating entities	(172)	(1,279)	1,183	(1,106)	1,355	(757)	(930)	(571)	(172)	186
Total	(874)	(2,006)	508	(1,131)	1,380	(1,968)	(2,047)	(1,875)	(78)	92

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.4 Financial risks (continued)
30.4.4 Interest rate risk
Interest rate risk is the risk that profitability is affected by fluctuations in interest rates. The greatest interest rate risk the Group experiences occurs when the cost of funds increases faster than the Group can or is willing to adjust its lending rates. The Group's strategy in evaluating and managing its interest rate risk is to consider any risk at the pre-investment stage, to conduct a cost of funds analysis and to consider interest rates in particular, where there is a limit on the amount of interest it may charge, such as in Myanmar and Tanzania.

The credit methodology of the MFIs determines that loans to microfinance clients have short-term maturities of less than one year and at fixed interest rates. Third-party loans to MFIs, sourced from both local and international financial institutions, mostly having short terms between one and three years. 33% (2023: 29%) of the consolidated debt has variable interest rates. Depending on the extent of the exposure and hedging possibilities with regard to availability of hedging instruments and related pricing, the Group might actively hedge its positions to safeguard the Group's profits and to reduce the volatility of interest rates by using forwards, futures and interest rate swaps. The very short tenor of the loans provided to microfinance dampens the effect of interest rate fluctuations. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase in basis points	Decrease in basis points	2024 Effect on profit before tax		2023 Effect on profit before tax	
			USD'000	USD'000	USD'000	USD'000
USD	+100	-100	**690**	**(690)**	687	(687)
PKR	+100	-100	**263**	**(263)**	98	(98)

30.5 Managing interest rate benchmark reform and associated risks
Following the decision by global regulators to phase out Interbank Offered Rates ('IBORs') and replace them with alternative reference rates, the Group has established a project led by Group Treasury to manage the transition for any of its contracts that could be affected. The project provides periodic updates to senior management and the Board. The Group has already completed the transition of its LIBOR exposure to risk free rates ('RFRs') and other benchmark rates.

30.6 Climate-related risks
The Group faces climate risks in both its Asian and African markets, primarily in the form of physical and transition risks, which can impact operations and market conditions.

Physical risks such as storms, floods, heavy rains, droughts, and earthquakes are common in the countries where we operate. During the year, the Philippines experienced an increased number of storms, which significantly affected field operations and the livelihoods of clients. Similarly, Zambia faced a severe drought that disrupted hydroelectric power generation, resulting in an electricity crisis. These climate-related challenges are expected to intensify in the future, posing operational and economic risks.

Transition risks arise from evolving climate regulations and greenhouse gas (GHG) emission policies. Currently, regulatory frameworks in our markets are not highly stringent. However, under a 2°C scenario, climate-related regulatory requirements are expected to become stricter, increasing compliance obligations for financial institutions. Adapting to these regulatory changes will be crucial to ensuring operational stability and long-term sustainability.

To mitigate climate impact, the Group has set SMART targets aimed at reducing emissions through various initiatives, including tree plantation programs, the use of LED lighting for energy efficiency, the adoption of electric motorbikes to reduce fuel consumption, and the installation of solar panels to promote sustainable energy use. Additionally, the Group actively encourages environmentally friendly initiatives across all entities. Any climate-related directives from central banks are promptly adopted to ensure regulatory compliance. A long-term climate risk assessment was conducted this year to evaluate how climate risks will affect the Group's sustainability and operations in the coming years. Refer to page 65 for details in relation to climate-related risks.

30.7 Legal and compliance risk
The Group mitigates legal and compliance risks in the countries where its subsidiaries and microfinance institutions (MFIs) operate through continuous monitoring of regulatory and legal developments. This is achieved by engaging tier-one law firms, working closely with local corporate secretaries and compliance officers, and maintaining direct relationships with regulators, including central banks. The Group's extensive local and international network ensures it remains well-positioned to identify and adapt to legal changes that could materially impact its operations.

A number of MFI investments are made through ASAI NV in the Netherlands, which benefits from an extensive network of Bilateral Investment Treaties. These treaties provide protection, including compensation, in the event of nationalization or expropriation of investments in countries where ASAI NV operates, such as the Philippines, Sri Lanka, Uganda, Kenya, and Ghana.

Product transparency is a key component of the Group's compliance strategy. Given that many of its target clients have limited financial education, the Group prioritises clear communication of product terms and pricing. The Group ensures that clients fully understand loan conditions, fees, and repayment schedules to promote responsible borrowing and financial inclusion.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.7 Legal and compliance risk (continued)
The General Counsel of the Group is responsible for overseeing all legal matters. The Compliance Manager is responsible for implementing the Group's compliance framework, including the Compliance Policy, which defines principles and standards for managing compliance risks. The Group ensures that compliance policies align with its strategy and core values while considering the nature, scale, and complexity of its business.

31. Commitments
The Group agreed certain commitments to BC Partners under the BC model in ASA India. Reference is made to note 13. As per the current model ASA India holds 5% risk on the portfolio managed on behalf of IDFC. As of 31 December 2024, the risk of the Group on such BC portfolio stands at USD 0.3 million (2023: USD 0.6 million).

To improve robustness of the Temenos Implementation the Group has signed agreement with Validata Holdings Ltd on 17 April 2024 to provide Managed Regression Testing Services. Agreement is for five years starting in 2024 with total commitment of USD 330K.

On 27 June 2024 the Group signed an amendment to the Master Agreement with System Ltd. Services included in the amendment are development of Reporting tools, Transact Managed Application Services and Implementation support for Temenos Transact and Digital Financial Services App in four additional countries. Total cost of implementation of services and development of a reporting tool is USD 2.4 million of which USD 264K had been paid by December 2024. The committed amount for Application Services is USD 1 million for three years. In addition, ASA Savings & Loans Ltd signed four change requests during 2024 with System Ltd with a total value of USD 667K of which USD 261K has been paid in 2024.

On 22 October 2024 the Group agreed a change request with CSHARK Spółka z ograniczoną odpowiedzialnością (Ltd.) to develop, roll-out and support the digital financial services application to our clients in 2025. The total value of the change request is EUR 1 million.

As part of setup of the ASA private cloud in Ghana, ASA Savings & Loans Ltd signed an agreement with Enterprise Computing Limited on 13 December 2024. The total value is USD 2.2 million.

There are no other contingent liabilities at the balance sheet date except for the pending litigation claims disclosed in note 34.

32. Related party disclosures
32.1 Key management personnel
The Dhaka office is managed by a team of experienced experts who have many years of expertise in managing and supporting MFIs across Asia and Africa. In addition to supervising the performance of the Group's local MFIs, executive management in Dhaka is primarily responsible for finance and accounts (including the Chief Financial Officer), risk management, audit, IT, human resource management, and corporate secretarial functions for the Group. All key management personnel stationed in Dhaka are on the payroll of ASAI NV.

The Amsterdam office comprises key management personnel who provide support on treasury, investor relations, legal, specialised accounting support and the management of business development projects. They are on the payroll of ASAI NV.

The experienced CEOs who are deployed in the countries are part of key management personnel. They are paid by their respective entities.

The Group CEO (based in Amsterdam) is a member of the Board and paid by ASA International Group plc.

Remuneration of Directors
In 2024, the Directors of the Group received total compensation of USD 1.4 million (2023: USD 1.1 million).

Total remuneration to key management personnel of the Group

	2024 USD'000	2023 USD'000
Short-term employee benefits	**2,002**	1,890
	2,002	1,890

Total remuneration takes the form of short-term employee benefits for the Group. In 2024, total remuneration paid to key management personnel of the Group amounted to USD 2.0 million (2023: USD 1.9 million). No-post employment pension and medical benefits are accruing to Directors under defined benefit schemes. The aggregate of emoluments of the highest paid Director was USD 391K (2023: USD 414K).

Long-Term Incentive Plan
Please refer to note 8.4 for details of the LTIP.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

32. Related party disclosures (continued)
32.2 Subsidiaries

	Country of Incorporation	2024 ownership	2023 ownership
ASAIH subsidiaries			
ASA India	India	**90.02%**	90.02%
Pagasa Consultancy	India	**99.99%**	99.99%
Pinoy	India	**99.99%**	99.99%
Pagasa ng Masang Pinoy Microfinance, Inc	Philippines	**N/A[1]**	N/A[1]
PT PAGASA Consultancy	Indonesia	**99.00%**	99.00%
A1 Nigeria	Nigeria	**100%**	100%
ASHA MFB	Nigeria	**99.99%**	99.99%
ASIEA	Nigeria	**N/A**	N/A
ASA Pakistan	Pakistan	**99.99%**	99.99%
ASA Tanzania	Tanzania	**99.99%**	99.99%
ASA Zanzibar	Tanzania	**99.99%**	99.99%
ASA Myanmar	Myanmar	**99.99%**	99.99%
ASA Zambia	Zambia	**99.99%**	99.99%
ASA Rwanda	Rwanda	**99.99%**	99.99%
ASA Sierra Leone	Sierra Leone	**99.99%**	99.99%
ASAI NV subsidiaries			
PPFC	Philippines	**100%**	100%
ASA S&L	Ghana	**100%**	100%
CMI Lanka	Sri Lanka	**100%**	100%
Lak Jaya	Sri Lanka	**97.14%**	97.14%
ASA Lanka	Sri Lanka	**100%**	100%
ASA Kenya	Kenya	**100%[2]**	100%[2]
ASA Uganda	Uganda	**99.99%**	99.99%
AMSL	Bangladesh	**95%**	95%
ASAI I&M	Netherlands	**100%**	100%
ASA Dwaso	Ghana	**100%**	100%

1 ASAI officials/representatives control the governing body and the Board.

2 ASAIH holds 0.5% of the shares.

32.3 Relationship agreement
Relationship agreement with the Controlling Shareholder Group

The Group, its founders and Catalyst Continuity (jointly the 'Controlling Shareholders') have entered into a relationship agreement (the 'Relationship Agreement'), the principal purpose of which is to ensure that the Group 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 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 Relationship Agreement also sets forth the conditions for appointment of Non-Executive Directors by Controlling Shareholders. For so long as the Group has a controlling shareholder, the UK Listing Rules require the election of any independent Director to be approved by majority votes of both (i) the shareholders as a whole and (ii) the shareholders excluding any controlling shareholder.

32.4 Other related parties

A list of related parties with which the Group has transactions is presented below. The transactions in 2024 and 2023 and the balances per the end of the years 2024 and 2023 with related parties can be observed in notes below.

Name of related party	Relationship
CMI	Major shareholder (29.2%)
Sequoia	Service provider to the Company
ASA NGO Bangladesh	Service provider to the Company
MBA Philippines	Business partner
IDFC	Minority shareholder in ASA India
ASAICH and CMIIH	Subsidiary of CMI
CMIMC	Holding company of founders CMI
ASAIG plc EBT	Trust to hold LTIP shares
CMIC	Investment manager of CMI
CMII	Subsidiary of CMI
ASA Social Services	Service provider to the parent
CIMS BV	Service provider to the parent

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

32. Related party disclosures (continued)
32.4 Other related parties (continued)

Name of related party		Income from related parties USD'000	Expenses to related parties USD'000	Amount owed by related parties USD'000	Amount owed to related parties USD'000
CMI	**31 December 2024**	**–**	**–**	**58**	**1**
	31 December 2023	–	–	–	21,392
CMIC	**31 December 2024**	**–**	**–**	**–**	**6**
	31 December 2023	–	–	–	–
Sequoia	**31 December 2024**	**121**	**14**	**65**	**4**
	31 December 2023	165	25	41	6
MBA Philippines	**31 December 2024**	**1,695**	**–**	**709**	**66**
	31 December 2023	1,104	–	61	15
IDFC	**31 December 2024**	**3,120**	**–**	**38**	**146**
	31 December 2023	2,160	–	4,740	1,257
Catalyst Continuity	**31 December 2024**	**–**	**–**	**18**	**–**
	31 December 2023	–	–	–	–
CIMS BV	**31 December 2024**	**6**	**–**	**27**	**–**
	31 December 2023	–	–	22	–
Continuity EBT	**31 December 2024**	**–**	**–**	**9**	**–**
	31 December 2023	–	–	–	–
ASAIG plc EBT	**31 December 2024**	**–**	**–**	**972**	**–**
	31 December 2023	–	–	686	–

32.5 Reporting dates of subsidiaries
All of the Group's subsidiaries have reporting dates of 31 December, with the exception of ASA India, Pinoy, Pagasa Consultancy and ASA Myanmar (where the market standard reporting date is 31 March). These entities have provided financial statements for consolidation purposes for the year ended 31 December.

32.6 Non-controlling interest
The Company reports non-controlling interest ('NCI') in its subsidiaries ASA India and Lak Jaya. The NCI in ASA India, having its principal place of business in India, amounts to 9.98%. ASA India did not pay any dividend in 2024 and 2023. The NCI in Lak Jaya, having its principal place of business in Sri Lanka, amounts to 2.86%. Lak Jaya did not declare any dividend in 2024 and 2023.

The summarised financial information of Lak Jaya and ASA India as at 31 December 2024 and 2023 is as follows:

	31 December 2024		31 December 2023	
	Lak Jaya USD'000	ASA India USD'000	Lak Jaya USD'000	ASA India USD'000
Current assets	**7,573**	**6,388**	6,556	13,096
Non-current assets	**120**	**197**	131	295
Current liabilities	**6,826**	**25,782**	5,065	26,143
Non-current liabilities	**417**	**767**	293	888
Net operating Income	**1,165**	**506**	2,090	4,554
Net loss	**(882)**	**(6,920)**	(40)	(4,489)
Non-controlling interest	**13**	**(1,994)**	38	(1,362)

The following table summarises financial information for each subsidiary that has material NCI to the Group. The voting rights are similar to NCI's shareholding percentage in India but in the case of Lak Jaya the Group holds 91.3% of the voting rights. The amounts disclosed for each subsidiary are before intercompany eliminations:

	31 December 2024		31 December 2023	
	Lak Jaya	ASA India	Lak Jaya	ASA India
Total no. of shares	**10,704,955**	**195,950**	10,704,955	195,950
Shares held by ASAI Group	**10,398,950**	**176,369**	10,398,950	176,369
Shares held by NCI	**306,005**	**19,581**	306,005	19,581
NCI %	**2.86%**	**9.98%**	2.86%	9.98%

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

32. Related party disclosures (continued)
32.6 Non-controlling interest (continued)

	31 December 2024		31 December 2023	
	Lak Jaya USD'000	ASA India USD'000	Lak Jaya USD'000	ASA India USD'000
Summarised statement of financial position:				
Net assets	**450**	**(19,964)**	1,329	(13,640)
Net assets attributable to NCI	**13**	**(1,994)**	38	(1,362)
Summarised statement of profit or loss and other comprehensive income:				
Net operating income	**1,165**	**506**	2,090	4,554
Net loss after tax	**(882)**	**(6,920)**	(40)	(4,489)
Loss allocated to NCI	**(25)**	**(691)**	(1)	(448)
Summarised statement of cash flow:				
Cash flow from operating activities	**(4,819)**	**4,791**	4,520	12,710
Cash flow from investing activities	**4,345**	**(27)**	(4,406)	17
Cash flow from financing activities	**571**	**(4,023)**	(75)	(7,181)
Net cash flow attributable to NCI	**3**	**74**	1	554

With reference to note 32.3, the remaining shares in Pagasa Consultancy, Pinoy, A1 Nigeria, ASHA Nigeria, ASA Pakistan, ASA Tanzania, PPFC, ASA Uganda, CMI Lanka and AMSL are held either by employees nominated by the Group or by ASAI I&M, CMI or CMII. Hence those are not treated as non-controlling shares.

33. Subsequent events disclosure
Recently, the State Bank of Pakistan has notified all Microfinance Banks including ASA Pakistan to prepare and submit a plan for the conversion from conventional banking to Islamic banking. ASA Pakistan is preparing the plan.

On 16 January 2025, ASA India informed the Reserve Bank of India of its intention to surrender its microfinance licence. This decision to surrender the microfinance licence aligns with the broader intention of ASA International to ultimately divest ASA India.

On 06 March 2025, the Group executed a USD 15 million loan facility agreement with FMO, with a maturity date of March 2030. The loan carries an annual interest rate of SOFR plus a margin of 3.5%.

Myanmar was struck by a 7.7 magnitude earthquake on 28 March 2025 which affected six regions and states and led to significant casualties. Aftershocks may also persist for the next two to three months and the country as a whole continues to experience issues relating to water supply, electricity and communication services. The direct impact of the earthquake on ASA Myanmar was limited from a client and employee perspective as well as from an office and branch infrastructure standpoint. ASA Myanmar is currently not facing any loan collection or portfolio quality issues as there are no ASA branches in the affected areas but this situation will continue to be closely monitored.

All of the subsequent events are non-adjusting.

34. Contingent liabilities and uncertain tax positions
34.1 Contingent liabilities
ASA Nigeria
ASA Nigeria is in breach of a regulatory limit of PAR 30 ratio at the balance sheet date. PAR 30 stood at 6.2%, where the regulatory limit is 5%. The matter was reported to Central Bank of Nigeria (CBN). No provision was created in this regard as management concludes that any penalty imposition by CBN in this regard is unlikely.

34.2 Uncertain tax positions
The evaluation of uncertain tax positions involves an interpretation of local tax laws which could be subject to challenge by a tax authority, and an assessment of whether the tax authorities will accept the position taken. The Group does not currently consider that assumptions or judgements made in assessing tax liabilities have a significant risk of resulting in a material adjustment within the next financial year. The accrual of interest and penalty amounts in respect of uncertain income tax positions is recognised as an expense within profit before tax.

ASA India
A demand notice of INR 12.6 million (USD 0.15 million) was raised by the income tax authorities for the assessment years ('AY') 2012-2013 by disallowing of certain expenditures such as the misappropriation of funds and gratuity. This case is pending before the Commissioner of Taxes (Appeals). In addition, another demand notice was been raised by the income tax authorities for INR 79 million (USD 0.94 million) for the AY 2012-2013 in December 2019 which has been challenged before the relevant assessing officer. ASA India has also applied for a stay order of the demand.

In November 2022, the revenue authority adjusted INR 117 million (USD 1.4 million) against a tax refund for AY 2013-2014 to 2022-2023 for the above demands. ASA India has submitted a writ petition against that adjustment. ASA India has taken a 50% provision amounting to INR 46 million (USD 0.56 million) against the demands in 2022. Since ASAI management is in the process of selling its shares in ASA India, for a true reflection in the financial statements, management decided to also provide for the remaining 50% of such demands.

Lak Jaya
A demand was raised by the Department of Inland Revenue ('IRD') for 2016-2017 and 2017-2018 A demand notice was raised by the Department of Inland Revenue ('IRD') for 2016-2017 and 2017-2018 amounting to LKR 59 million (USD 0.18 million) and LKR 74 million (USD 0.23 million) respectively, by disallowing certain expenses. The Company has filed an appeal and submitted the necessary

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for the year ended 31 December 2024

documentation. The matter is pending to the Commissioner of IRD for a long period. The entity had several discussions with IRD staff and they did not accept our arguments. As result, the entity management decided to settle these cases. The entity already requested for the process of settlements to IRD. Considering the situation, the entity had taken a provision of LKR 28 million (USD 0.09 million) in previous year and the remaining amount of LKR 108 million (USD 0.33 million) in the current year.

ASA Uganda
A demand notice of USD 0.16 million was raised by the Uganda Revenue Authority ('URA') regarding applicability of withholding tax on dividend payments to ASAI NV. The Company is in the process of appeal against this demand. In the mean time we have taken several steps to convince to URA, but they are very firm to their position. The group has taken a provision of USD 0.26 million for the past dividend payments as withholding tax payable and a liability of USD 0.27 million for withholding tax on future dividend distributions in the deferred tax liability as on December 2024.

ASA Tanzania
The Tanzania Revenue Authority ('TRA') claimed a tax demand of USD 2.5 million regarding applicability of excise duty on loan processing fees, VAT on intercompany transactions, withholding tax on stock dividend and tax on deferred income for the years 2021 and 2022. The Company appealed against the TRA. The entity has taken the full provision splitting the amount in current tax liability and other tax liability.

Another regular tax audit has been conducted by TRA in 2024 covering the year 2023, where the TRA claimed approx. USD 1.0 million, mainly for excise duty. The company made an objection against the claim and has taken a full provision as other taxes payable in the year 2024.

TRA has another claim against transfer pricing charges during the year 2024 covering the FY year 2021 and 2022 amounting to USD 0.5 million. The entity is in the process of appeal. The entity has taken a full provision splitting the amount in current tax liability and other tax liability.

ASA Rwanda
The Rwandan Central Bank ('BNR') conducted an audit on transfer pricing transactions covering the period from 1 January 2020 to 30 September 2022. ASA Rwanda sent a claim letter to BNR for reconsidering their recommendations on TP issues. However, BNR restricted the company to pay and recognize any kind of management fees. The entity is planning to appeal against this order. Since this is not a tax case, ASAI management did not take any provision. We continue to monitor the appeal process and if a tax liability would be required in the future.

35. Capital management
ASA International Group plc is registered as 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. It has a listing on the main market of the London Stock Exchange since 13 July 2018. The Group is not subject to externally imposed capital requirements and has no restrictions on the issue and repurchase of ordinary shares.

Many of the Group's operating subsidiaries are regulated and subject to minimum regulatory capital requirements. As of 31 December 2024, the Group and its subsidiaries were in full compliance with minimum regulatory capital requirements.

36 Financial instruments
The carrying value of the Group's financial assets and liabilities as of 31 December 2024 are the best approximation of the fair value.

- The carrying amounts of Cash and cash equivalents, Due from banks, Due to customers, Other assets and Other liabilities approximate the fair value due to the short-term maturities of these items.
- Loans and advances to customers are short term and small ticket loans (six to 12 months) and, therefore, the carrying value of these loans are the best approximate of their fair value.
- Regarding the Debt issued and other borrowed funds, this amount reflects the loans from third parties on a holding level, as well as the loans provided by third parties directly to the subsidiaries of ASA International. The loans are held at amortised cost. The carrying amount is the best approximation of the fair value because the EIR of funding is mostly equal to the market interest rate.

37. Hedge accounting
Forward contracts
The Group applies hedge accounting to USD and EUR loans provided to subsidiaries reporting in foreign currencies and the related forward contracts. The foreign currency risk exposure of the USD and EUR loans and the potential negative impact on net result of the subsidiaries are being mitigated by way of these forward contracts. Any positive impact is therefore also limited. ASA International has only entered into non-deliverable forward contracts. Senior management considers the hedges as cash flow hedges. The formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge are documented for every forward contract.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

37. Hedge accounting (continued)
Swaps
As at 31 December 2024, the Group has ten cross-currency interest rate swap agreements in place. Please refer to note 19.2 for details.

The Group applies the qualitative approach for prospective testing effectiveness because the critical terms of the hedged items and hedging instruments are identical. The Group applies a rollover hedge strategy when no forward instruments are available at reasonable pricing for the full term of the hedged item. In those cases, the Group accepts a rollover risk. Retrospective effectiveness is measured by comparing the change in the fair value of the actual derivative designated as the hedging instrument and the change in the fair value of a hypothetical derivative representing the hedged item.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the forward contracts and swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap and forward contracts are identical to the hedged risk component. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Different interest rate curve applied to discount the hedged item and hedging instrument; and
- Differences in the timing of the cash flows of the hedged items and the hedging instruments.

The Group assessed it had no ineffectiveness during 2024 in relation to the foreign currency hedges.

Reference is made to note 30.4.3 for the strategy for currency exchange risk. Additional information on the hedged items and hedging instruments as per 31 December 2024 is provided below:

As at 31 December 2024	ASA Pakistan USD'000	ASA Sierra Leone USD'000	ASA Kenya USD'000	ASAI NV USD'000	ASA Zambia USD'000	Total USD'000
Fair value of derivative assets	–	258	–	–	–	258
Fair value of derivative liabilities	1,625	127	1,410	30	59	3,251
Notional amount hedged foreign currency loans	22,019	2,977	16,053	965	1,250	43,264
Period in which the cash flows are expected to occur:						
cash flows in 2025	22,019	905	7,209	–	750	30,883
cash flows in 2026	–	–	–	965	–	965
cash flows in 2027	–	–	2,507	–	–	2,507
Total cash flows	**22,019**	**905**	**9,716**	**965**	**750**	**34,355**
Expected period to enter into the determination of profit or loss:						
amortisation of forward points in 2025	936	248	371	41	128	1,724
amortisation of forward points in 2026	–	–	–	18	–	18
amortisation of forward points in 2027	–	–	65	–	–	65
Total amortisation of forward points	**936**	**248**	**436**	**59**	**128**	**1,807**
Amounts recognised in OCI during the period:						
for amortisation of forward points/currency basis spread	2,326	228	506	41	114	3,215
for adjustment of net interest on swap	–	47	938	–	–	985
for changes in fair value of the forward contracts/ swaps	(3,576)	(421)	(4,604)	(21)	(90)	(8,712)
for recycling of FX result of foreign currency loans	67	20	2,368	(28)	(75)	2,352
Total amounts recognised in OCI during the period	**(1,183)**	**(126)**	**(792)**	**(8)**	**(51)**	**(2,160)**

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

37. Hedge accounting (continued)
Swaps (continued)

As at 31 December 2023	ASA Pakistan USD'000	ASA Sierra Leone USD'000	ASA Myanmar USD'000	ASA Kenya USD'000	ASAI NV USD'000	ASA Zambia USD'000	Total USD'000
Fair value of derivative assets	–	959	–	1,320	–	171	2,450
Fair value of derivative liabilities	69	–	–	–	9	–	78
Notional amount hedged foreign currency loans	17,646	2,925	–	11,653	993	1,026	34,243
Period in which the cash flows are expected to occur:							
cash flows in 2024	17,646	2,105	–	4,992	–	1,026	25,769
cash flows in 2025	–	–	–	–	–	–	–
cash flows in 2026	–	–	–	3,743	993	–	4,736
Total cash flows	17,646	2,105	–	8,735	993	1,026	30,505
Expected period to enter into the determination of profit or loss:							
amortisation of forward points in 2024	724	107	–	302	41	40	1,214
amortisation of forward points in 2025	–	–	–	–	41	–	41
amortisation of forward points in 2026	–	–	–	21	18	–	39
Total amortisation of forward points	724	107	–	323	100	40	1,294
Amounts recognised in OCI during the period:							
for amortisation of forward points/currency basis spread	2,139	155	7	320	15	117	2,753
for adjustment of net interest on swap	–	(11)	–	285	–	16	290
for changes in fair value of the forward contracts/ swaps	3,596	343	(42)	1,356	(9)	29	5,273
for recycling of FX result of foreign currency loans	(7,671)	(428)	–	(1,648)	(20)	(218)	(9,985)
Total amounts recognised in OCI during the period	(1,936)	59	(35)	313	(14)	(56)	(1,669)

	Changes in fair value of hedging instruments		
As at 31 December 2024	Effective portion: recognised in OCI USD'000	Hedge ineffectiveness: recognised in income statement USD'000	Total USD'000
Cash flow hedge			
Forward contracts	(1,724)	–	(1,724)
Cross-currency interest rate swaps	(436)	–	(436)
	(2,160)	–	(2,160)

	Changes in fair value of hedging instruments		
As at 31 December 2023	Effective portion: recognised in OCI USD'000	Hedge ineffectiveness: recognised in income statement USD'000	Total USD'000
Cash flow hedge			
Forward contracts	(1,735)	–	(1,735)
Cross-currency interest rate swaps	66	–	66
	(1,669)	–	(1,669)

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

38. Maturity analysis of assets and liabilities
The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled. Loans and advances to customers are based on the same expected repayment behaviour as used for estimating the EIR. Debt issued and other borrowed funds reflect the contractual repayments except for debts, where no waivers have been received against breached covenants at the balance sheet date. Those borrowings are presented on demand.

As at 31 December 2024	Within 12 months USD'000	After 12 months USD'000	Total USD'000
Assets			
Cash at bank and in hand	79,145	–	79,145
Loans and advances to customers	409,769	208	409,977
Due from banks	14,911	14,352	29,263
Equity investment at FVOCI	–	315	315
Property and equipment	–	7,597	7,597
ROU assets	882	4,490	5,372
Deferred tax assets	–	7,277	7,277
Derivative assets	258	–	258
Other assets	17,020	1,766	18,786
Intangible assets	–	10,512	10,512
Total assets	521,985	46,517	568,502
Liabilities			
Debt issued and other borrowed funds	156,778	164,072	320,850
Due to customers	90,137	34	90,171
Retirement benefit liability	–	6,856	6,856
Current tax liability	13,997	182	14,179
Deferred tax liability	–	4,635	4,635
Lease liability	430	3,495	3,925
Derivative liabilities	3,394	(142)	3,252
Other liabilities	18,434	7,505	25,939
Provisions	2,204	–	2,204
Total liabilities	285,374	186,637	472,011
Net	236,611	(140,120)	96,491

As at 31 December 2023	Within 12 months USD'000	After 12 months USD'000	Total USD'000
Assets			
Cash at bank and in hand	76,429	–	76,429
Loans and advances to customers	329,765	392	330,157
Due from banks	9,819	32,278	42,097
Equity investment at FVOCI	–	273	273
Property and equipment	–	7,237	7,237
ROU assets	808	3,977	4,785
Deferred tax assets	–	5,769	5,769
Derivative assets	2,450	–	2,450
Other assets	11,901	1,589	13,490
Intangible assets	–	7,340	7,340
Total assets	431,172	58,855	490,027
Liabilities			
Debt issued and other borrowed funds	158,086	115,325	273,411
Due to customers	79,087	8	79,095
Retirement benefit liability	22	4,816	4,838
Current tax liability	9,326	–	9,326
Deferred tax liability	–	2,406	2,406
Lease liability	652	2,620	3,272
Derivative liabilities	69	9	78
Other liabilities	15,584	23,979	39,563
Provisions	1,428	–	1,428
Total liabilities	264,254	149,163	413,417
Net	166,918	(90,308)	76,610

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

39. Earnings per share
Basic Earnings Per Share ('EPS') is calculated by dividing the net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

There are no share options which will have a dilutive effect on EPS. Therefore, the Company does not have dilutive potential ordinary shares, and diluted earnings per share calculation is not applicable.

The following table shows the income and share data used in the basic and diluted EPS calculations:

	2024 USD'000	2023 USD'000
Net profit attributable to ordinary equity holders of the parent	29,249	9,206
Weighted average number of ordinary shares for basic earnings per share	100,000,000	100,000,000

	USD	USD
Earnings per share		
Equity shareholders of the parent for the year:		
Basic earnings per share	0.29	0.09
Diluted earnings per share	0.29	0.09

The Company has applied the number of shares issued by ASA International Group plc as at 31 December 2024 and 31 December 2023. There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the completion of financial statements which would require the restatement of EPS. An interim dividend of USD 3.0 million was declared for the year 2024 (2023: nil).

The following table shows the dividend per share:

	2024 USD'000	2023 USD'000
Dividend per share	0.03	N/A

Statutory statement of profit and loss and other comprehensive income
for the year ended 31 December 2024

	Notes	2024 USD'000	2023 USD'000
Interest and similar income		3	–
Dividend income		8,083	4,670
Net revenue		**8,086**	**4,670**
Personnel expenses	40	(1,710)	(1,212)
Professional fees		(2,387)	(2,446)
Administrative expenses		(1,219)	(1,144)
Exchange rate differences		(45)	(45)
Total operating expenses		**(5,361)**	**(4,847)**
Profit/(loss) before tax		**2,725**	**(177)**
Profit/(loss) and total comprehensive profit/(loss) for the period, net of tax		**2,725**	**(177)**

The notes 40 to 47 form an integral part of these financial statements.

Statutory statement of financial position
as at 31 December 2024

	Notes	2024 USD'000	2023 USD'000
Assets			
Cash at bank and in hand		337	359
Due from banks	14.1	–	21,392
Investment in subsidiaries	41	120,684	120,684
Other assets	42	1,285	898
Total assets		**122,306**	**143,333**
Equity and liabilities			
Equity			
Issued capital	43	1,310	1,310
Retained earnings	44	119,234	119,461
Other reserves		780	71
Total equity attributable to equity holders of the parent		**121,324**	**120,842**
Liabilities			
Other liabilities	45	982	22,491
Total liabilities		**982**	**22,491**
Total equity and liabilities		**122,306**	**143,333**

Approved by the Board of Directors on 23 April 2025

Signed on behalf of the Board

Rob Keijsers
CEO

Tanwir Rahman
CFO

The notes 40 to 47 form an integral part of these financial statements.

Statutory statement of changes in equity
for the year ended 31 December 2024

	Issued capital USD'000	Retained earnings USD'000	Other reserves USD'000	Total USD'000
At 1 January 2023	1,310	119,638	–	120,948
Loss for the period	–	(177)	–	(177)
Total comprehensive loss for the period	1,310	119,461	–	120,771
Share-based payments	–	–	71	71
At 31 December 2023	1,310	119,461	71	120,842
At 1 January 2024	**1,310**	**119,461**	**71**	**120,842**
Profit for the period	**–**	**2,725**	**–**	**2,725**
Total comprehensive loss for the period	**1,310**	**122,186**	**71**	**123,567**
Share-based payments	**–**	**–**	**709**	**709**
Dividend	**–**	**(2,952)**	**–**	**(2,952)**
At 31 December 2024	**1,310**	**119,234**	**780**	**121,324**

The notes 40 to 47 form an integral part of these financial statements.

Statutory statement of cash flows
for the year ended 31 December 2024

	Notes	2024 USD'000	2023 USD'000
Operating activities			
Profit/(loss) before tax		**2,725**	(177)
Adjustment for movement in:			
Operating assets	46	**21,005**	(1,373)
Operating liabilities	46	**(21,509)**	1,060
Non-cash items	46	**709**	71
Net cash flows used in operating activities		**2,930**	(419)
Financing activities			
Dividend paid		**(2,952)**	–
Net cash flows used in financing activities		**(2,952)**	–
Net increase in cash and cash equivalents		**(22)**	(419)
Cash and cash equivalents at the beginning of the period		**359**	778
Cash and cash equivalents as at 31 December		**337**	359

The notes 40 to 47 form an integral part of these financial statements.

Notes to the statutory financial statements
for the year ended 31 December 2024

Separate financial statements
The accounting policies applied in the statutory financial statements are similar to those used in the consolidated financial statements except for investments in subsidiaries. Investments in subsidiaries are accounted in the separate financial statements, using the cost method.

At each reporting date it is determined whether there is objective evidence that the investment in the subsidiaries is impaired. If there is such evidence, a calculation will be made for the impairment amount as the difference between the recoverable amount of the subsidiaries and its carrying value.

40. Total other operating expenses
Total operating expenses include the following items:

	2024 USD'000	2023 USD'000
Personnel expenses	**(1,710)**	(1,212)
Professional fees	**(2,387)**	(2,446)
Administrative expenses	**(1,219)**	(1,144)
	(5,316)	(4,802)

41. Investments in subsidiaries

	2024 USD'000	2023 USD'000
Investments in subsidiaries		
ASA International Holding	**75,195**	75,195
ASA International NV	**45,489**	45,489
	120,684	120,684

Name of company	Country	Nature of business	2024 ownership	2023 ownership
ASA International Holding	Mauritius	MFI Holding Company	**100%**	100%
ASA International NV	Netherlands	MFI Holding Company	**100%**	100%

42. Other assets
The other assets comprised the following:

	2024 USD'000	2023 USD'000
Other receivables	**1,208**	863
Advances and prepayments	**77**	35
	1,285	898

43. Issued capital
100 million ordinary shares of GBP 0.01 each. No movement occurred during 2024 and 2023.

44. Retained earnings
Total retained earnings are calculated as follows:

	2024 USD'000	2023 USD'000
Balance at the beginning of the period	**119,461**	119,638
Dividend	**(2,952)**	–
Result for the period	**2,725**	(177)
Balance at the end of the period	**119,234**	119,461
Profit for the period		
Attributable to equity holders of the parent	**2,725**	(177)

Notes to the statutory financial statements (continued)
for the year ended 31 December 2024

45. Other liabilities

	Notes	2024 USD'000	2023 USD'000
Short-term liabilities			
Accrued audit fees		**717**	628
Accrued cost		**265**	113
Other intercompany payables		**–**	358
		982	1,099
Long-term liabilities			
Escrow liability to CMI	14.1	**–**	21,392
		982	22,491

46. Additional cash flow information

	2024 USD'000	2023 USD'000
Changes in operating assets		
Due from banks	**21,392**	(700)
Other assets	**(387)**	(673)
	21,005	(1,373)
Changes in operating liabilities		
Other liabilities	**(21,509)**	1,060
	(21,509)	1,060
Changes in non-cash items		
Share-based payments	**709**	71
	709	71

47. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled.

As at 31 December 2024	Within 12 months USD'000	After 12 months USD'000	Total USD'000
Assets			
Cash at bank and in hand	**337**	**–**	**337**
Due from banks	**–**	**–**	**–**
Investment in subsidiaries	**–**	**120,684**	**120,684**
Other assets	**1,285**	**–**	**1,285**
	1,622	**120,684**	**122,306**
Liabilities			
Other liabilities	**982**	**–**	**982**
Net	**640**	**120,684**	**121,324**

As at 31 December 2023	Within 12 months USD'000	After 12 months USD'000	Total USD'000
Assets			
Cash at bank and in hand	359	–	359
Due from banks	–	21,392	21,392
Investment in subsidiaries	–	120,684	120,684
Other assets	898	–	898
	1,257	142,076	143,333
Liabilities			
Other liabilities	1,099	21,392	22,491
Net	158	120,684	120,842

Alternative performance measures

KPI	2024	2023	Definition
Outstanding loan portfolio ('OLP')	$446.6m	$369.2m	The figure depicts the consolidated outstanding loan portfolio, including off-book net BC loan portfolio from IDFC, Jana Small Finance Bank, Fincare, Ujjivan, ESAF and Direct Assignment loans with SBI. It excludes interest receivables and unamortised loan processing fees, as included in the loans and advances to customers in note 13 to the financial statements, and maintains the deduction of modification losses and ECL provisions from the gross outstanding loan portfolio.
Gender diversity	38%	37%	Number of female employees compared to total employees.
Gross OLP/ Client	$182	$162	Gross outstanding loan portfolio including BC and DA loans divided by total number of clients.
Debt-to-equity ratio	3.2	3.5	The ratio is calculated by dividing closing balances of interest-bearing debt with total equity. Interest-bearing debt includes debt issued and other borrowed funds in note 25, less interest payables.
Profit before tax	$63.5m	$32.2m	Consolidated profit before tax for the year as reported in the financial statement.
Reported net profit after tax	$28.5m	$8.8m	Consolidated profit for the year as reported in the financial statements.
Net interest margin ('NIM')	35%	31%	Net interest margin ('NIM') is calculated as net interest income divided by average interest-earning assets on consolidated basis. Average interest-earning assets is calculated as the sum of cash at bank and in hand, due from banks and loans and advances from customers.
Return on assets ('ROA')	5.4%	1.8%	Return on assets ('ROA') is calculated by dividing the net profit after tax by the average of total assets. ROA is displayed as a percentage.
Return on equity ('ROE')	33.0%	10.5%	Return on equity ('ROE') is calculated by dividing the net profit after tax by the average of shareholders' equity. ROE is displayed as a percentage.
EPS (USD)	0.29	0.09	Earnings per share ('EPS') is calculated by dividing the Company's net profit after tax by the weighted average number of ASAI Group plc ordinary shares outstanding during the year. For 2022, number of shares is equivalent to the number of ASA International Group plc shares, which was 100 million.

KPI	2024	2023	Definition
Total DPS (USD)	0.07	NIL	The figure is calculated by dividing the total dividends paid out by ASAI, including interim dividends, over a period of time by the weighted average number of ASAI Group plc ordinary shares outstanding during the year.
Cost to income	61.4%	72.1%	Cost to income ratio is calculated by dividing total operating expenses by total net operating income on consolidated basis.
% Voluntary savings to OLP	3.5%	3.4%	Voluntary savings to OLP is calculated by dividing total voluntary savings by total outstanding loan portfolio including BC and DA loans.
Taxes	35.0m	23.4m	Sum of the consolidated income tax expense and consolidated withholding tax expense for the year as reported in the financial statement.
Client economic yield ('CEY')	N/A	N/A	The Client Economic Yield ('CEY') is calculated by deducting the clients' weekly interest costs from their average weekly income, derived from their business activities. The survey is undergoing revision, preventing disclosure.
Client retention rate	80%	77%	Determined by subtracting the total number of new clients in a period from the number of clients at the end of that period divided by the total number of clients at the beginning of the period. Periods based on tenor of client loans (6, 10, or 12 months). The Group's total client retention rate is calculated as the weighted average of the country client retention rates.
Number of new branches	143	77	The number of new branches commencing operations in the period in all operating markets.
Client satisfaction survey	84%	90%	This survey is conducted by interviewing at least two clients per loan officer (long-term and newer clients with loans of greater than 6/12 months as applicable) with yes/no, closed and open-ended questions. The responses are coded and converted into percentages to estimate client's satisfaction with the products and with the services delivered by ASAI.
Carbon footprint	7489 tonnes CO_2	8,574 tonnes CO_2	Carbon footprint is measured as the sum of direct emissions of greenhouse gases, carbon emissions from direct purchase of electricity and fuel combustion for transportation purposes.

Alternative performance measures (continued)

KPI	2024	2023	Definition
Social performance index ('SPI')	**85%**	90%	SPI4 is a social audit tool made by CERISE as per Universal Standards managed by SMART CAMPAIGN. The assessment is divided into seven dimensions with both qualitative and quantitative questions. Each dimension carries a score of 100. See https://en.spi-online.org/ for more details.
Number of clients	**2.5m**	2.3m	The number of clients in all operating markets.
Number of branches	**2,145**	2,016	The number of branches in all operating markets.
PAR>30	**2.2%**	2.0%	PAR>30 is the percentage of gross OLP that have one or more instalment repayments of principal past due for more than 30 days, but less than 365 days, divided by total outstanding gross loan portfolio (including both on-book and off-book portfolio).
Number of staff	**14,232**	13,433	The number of people directly employed by the Company. Under this definition, we use colleagues, staff and employees interchangebly in the annual report.
Client per branch	**1,172**	1,156	Client per branch is the total number of clients divided by the total number of branches.
Borrowers per loan officer	**292**	287	The borrowers per loan officer is calculated by dividing total number of clients by total number of loan officers.
Employee recruitment	**38%**	33%	Number of staff hired in current period/number of staff at start of current period.
Employee satisfaction rate	**75%**	81%	Using qualitative methods, staff satisfaction analyses employee satisfaction rate along three main areas: professional satisfaction, facility satisfaction and department service satisfaction.
Hours training	**77,350**	67,107	Total hours of in-house, online and external training at the entity level, excluding on-the-job training.
Clients accessing a financial service for the first time	**70%**	70%	This outcome indicator was derived from clients' responses to question "Are you accessing a formal financial service, for the first time, through taking ASAI loan? (Formal means a financial institution) – Yes/No" in the Client Economic Yield survey of 2023, reflecting their interpretation and input. This answer is considered valid for 2024.

KPI	2024	2023	Definition
Clients increasing their daily income level	**94%**	94%	This outcome indicator was derived from clients' responses to question "Has your daily income increased after taking the loan? – Increased/No Change/Decreased" in the Client Economic Yield survey of 2023, reflecting their interpretation and input. This answer is considered valid for 2024.
Increase of share in family income by females	**89%**	89%	This outcome indicator was derived from clients' responses to question "Has your share in family income increased after taking the loan? – Increased/No Change/Decreased" in the Client Economic Yield survey of 2023, reflecting their interpretation and input. This answer is considered valid for 2024.
Financial management improved	**94%**	94%	This outcome indicator was derived from clients' responses to question "Has your understanding of managing finances improved since you took loan from the company? – Improved/No/Worsen" in the Client Economic Yield survey of 2023, reflecting their interpretation and input. This answer is considered valid for 2024.
Living conditions improved	**94%**	94%	This outcome indicator was derived from clients' responses to question "Has your living conditions improved after taking the loan? – Improved/No/Worsen" in the Client Economic Yield survey of 2023, reflecting their interpretation and input. This answer is considered valid for 2024.
Increase of leadership or decision-making role	**82%**	82%	This outcome indicator was derived from clients' responses to question "Has your leadership or decision-making role within your household or community increased after taking the loan? – Improved/No/Worsen" in the Client Economic Yield survey of 2023, reflecting their interpretation and input. This answer is considered valid for 2024.

List of abbreviations

Abbreviation	Definition
2FA	Two-factor authentication
A1 Nigeria	A1 Nigeria Consultancy Limited
Admission	Admission of the Company to the Main Market of the London Stock Exchange
AGM	Annual General Meeting
ALCO	Asset-Liability Committee
AMBS	ASA Microfinance Banking System
AML	Anti-Money Laundering
AMSL	ASAI Management Services Limited
ARC	Audit and Risk Committee
ASA NGO Bangladesh	ASA NGO-MFI registered in Bangladesh
ASA Kenya	ASA Limited
ASA Lanka	ASA Lanka Private Limited
ASA Myanmar	ASA Microfinance (Myanmar) Ltd
ASA Model	The ASA model of microfinance as developed by ASA NGO Bangladesh
ASA Pakistan	ASA Pakistan Limited
ASA Rwanda	ASA Microfinance (Rwanda) Limited
ASA Savings & Loans	ASA Savings & Loans Limited (Ghana)
ASA Sierra Leone	ASA Microfinance (Sierra Leone)
ASA Tanzania	ASA Microfinance (Tanzania) Ltd
ASA Uganda	ASA Microfinance (Uganda) Limited
ASA Zambia	ASA Microfinance Zambia Limited
ASAIH	ASA International Holding
ASAI I&M	ASAI Investments & Management B.V.
ASA India	ASA International India Microfinance Limited
ASAI NV	ASA International N.V.

Abbreviation	Definition
ASA International	ASA International Group plc
ASA Nigeria	ASHA Microfinance Bank Limited
ASIEA	Association for Social Improvement and Economic Advancement (Nigeria)
BC	Business Correspondent
BEPS	Base Erosion and Profit Shifting
BIO	Belgian Investment Company for Developing Countries SA/NV
Board	Board of Directors of ASA International Group plc
CBS	Core Banking System
Citi	Citibank N.A., Jersey Branch
CBN	Central Bank of Nigeria
CCRC	Client Complaint Resolution Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash-generating unit
COO	Chief Operating Officer
Companies Act/CA	Companies Act 2006 (UK)
Company	ASA International Group plc
CMI	Catalyst Microfinance Investors
CMI Lanka	C.M.I. Lanka Holding (Private) Limited
CMIC	Catalyst Microfinance Investment Company
CMII	CMI International Holding
CO_2	Carbon dioxide
The Code	UK Corporate Governance Code 2016 published by the Financial Reporting Council
COB	Commencement of Business
COC	Change of control

List of abbreviations (continued)

Abbreviation	Definition
CODM	Chief Operating Decision Maker
CPI	Consumer Price Index
CPP	Client Protection Principles
CRRO	Climate-Related Risks and Opportunities
CSR	Corporate Social Responsibility
DA	Direct Assignment
DCF	Discounted cash flow
DCP	Digital Credit Provider
DEI	Diversity, Equity and Inclusion
DFS	Digital Financial Services
DFS app	Digital Financial Services platform
DR	Disaster Recovery
DRF/MRF	Death Risk Fund/Multipurpose Risk Fund
EBT	Employee Benefit Trust or Earnings Before Tax
ECL	Expected Credit Losses
ED	Executive Director
EIR	Effective Interest Rate
EPRP	Emergency Preparedness and Response Plan
ESG	Environmental Social and Governance
ESMS	Environment and Social Management System
EXCO	Executive Committee
EY	Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited
FCA	Financial Conduct Authority
FMPU	Fraud and Misappropriation Prevention Unit

Abbreviation	Definition
FTE	Full-Time Employee
FVOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
FX	Foreign Exchange
GBP	Pound Sterling
GHG	Greenhouse Gas
GMC	Grievance Mitigation Committee
Group	ASA International and its consolidated subsidiaries and subsidiary undertakings from time to time
HR	Human Resources
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBR	Incremental Borrowing Rate
IFRS	International Financial Reporting Standards
INED	Independent Non-Executive Director
IR	Investor Relations
IDFC	IDFC First Bank
IRD	Department of Inland Revenue
ISDA	International Swaps and Derivatives Association
IT	Information Technology
JSFB	Jana Small Finance Bank
KPI	Key Performance Indicator
KYC	Know Your Customer
Lak Jaya	Lak Jaya Micro Finance Limited (Sri Lanka)
LCBU	Loan Collateral Build Up

List of abbreviations (continued)

Abbreviation	Definition
Listing Rules	The listing rules relating to admission to the Official List made under section 73A(2) of the FSMA
LO	Loan officer
LTIP	Long-term incentive plan
MBA Philippines	PagASA Ng Pinoy Mutual Benefit Association, Inc.
MFB	Microfinance Banking
MFI	Microfinance Institution
MRR	Minimum Retention Rate
NCI	Non-controlling interest
NCIA	Natural Calamity Impact Assessment
NBFC-MFI	Non-Banking Financial Company – Micro Finance Institutions
Non-Executive Directors	The Non-Executive Directors of ASA International
NRCGT	Non–Resident Capital Gains Tax
OeEB	Oesterreichische Entwicklungsbank Ag
OeCD	Organisation for Economic Co-operation and Development
Oikocredit	Oikocredit, Ecumenical Development Co-Operative Society U.A.
OCI	Other Comprehensive Income
Pagasa	Pagasa ng Masang Pinoy Microfinance, Inc.
Pagasa Consultancy	Pagasa Consultancy Limited
Pagasa Philippines/PPFC	Pagasa Philippines Finance Corporation, Inc.
PDMRs	Persons Discharging Managerial Responsibilities
PD	Probability of Default
Pinoy	Pinoy Consultancy Limited
PSO	Pre-Service Orientation
PT PAGASA Consultancy	PT PAGASA Consultancy
RBI	Reserve Bank of India

Abbreviation	Definition
RMF	Risk Management Framework
Relationship Agreement	The relationship agreement entered into by ASA International, Catalyst Microfinance Investors, Catalyst Continuity Limited, Dirk Brouwer and Md Shafiqual Haque Choudhury
RFRs	Risk free rates
ROU	Right-of-use
SAAS	Software as a service
SBI	State Bank of India
SBP	State Bank of Pakistan
SC	Sustainability Committee
SDG	Sustainable Development Goals
SEC	Securities and Exchange Commission
SECR	Streamlined Energy Carbon Reporting
Sequoia	Sequoia B.V.
SMART targets	Specific, Measurable, Achievable, Relevant, and Time-Bound targets
SME loans	Small-Medium Enterprise loans
SMP	Supplier Market Place
SPPI	Solely Payments of Principal and Interest
SPM	Social Performance Management
Symbiotics	Symbiotics SA
TCFD	Task Force on Climate-Related Financial Disclosures
ToR	Terms of Reference
UK	The United Kingdom of Great Britain and Northern Ireland
UKLA	United Kingdom Listing Authority
US or United States	The United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia
USD	United States Dollar

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