ASA International Group

A return to sustainable growth

Annual Report and Accounts
2024

ASA INTERNATIONAL

ASA
INTERNATIONAL

Who we are

ASA International is one of the world's largest international microfinance institutions providing small, socially responsible financial services to low-income entrepreneurs, most of whom are women, across Asia and Africa.

Contents

2024 highlights

ASA International is listed on the main market of the London Stock Exchange (ticker: ASAI).

Accelerating growth

Highlights

- ASA International delivered strong operational performance in 2024 as the loan book grew following a sustained increased demand from clients. Outstanding Loan Portfolio ('OLP') increased year-on-year by 21% to USD 446.6m from USD 369.2m, predominantly driven by improved performance in Pakistan, Ghana, Tanzania, Kenya, Myanmar and Uganda.
- This operational performance translated into materially improved profitability in 2024 with net profit increasing by 226% to USD 28.5m from USD 8.8m in 2023.
- Net profit for the year includes both the net negative impact of USD 3.9m (2023: USD 5.4m) from hyperinflation accounting for Ghana and Sierra Leone, as well as a one-off gain of USD 3.0m related to third party loan assignment in Myanmar.
- High portfolio quality was maintained alongside OLP growth. PAR>30 remained broadly stable at 2.2% as at 31 December 2024 compared to 2.0% as at 31 December 2023[1]. This period saw some portfolio quality deterioration in the Philippines following one of the most severe typhoon seasons, a higher PAR>30 in Sierra Leone as a result of lower collection efficiency and low portfolio quality in India. In contrast, Myanmar, Ghana, Kenya and Uganda recorded outstanding portfolio quality, with PAR>30 less than 0.5% as at 31 December 2024.
- Total equity increased to USD 96.5m as at 31 December 2024 from USD 76.6m as at 31 December 2023, of which the operating currency devaluation had a negative impact of USD 4.3m in 2024 (2023: USD 24.1m) to the foreign currency translation reserve. This contributed to total comprehensive income growing to USD 22.1m in 2024 compared to a loss of USD 16.0m in 2023.
- Total funding increased to USD 499.3m as at 31 December 2024 from USD 424.2m at the end of 2023 driven by a stable debt sourcing profile, supported by growth in both local deposits and debt funding.
- A final dividend of USD 0.041 per share is being recommended by the Board of ASA International, implying a total dividend of USD 0.071 per share for 2024 and a 25% dividend payout ratio.

→ Find the impact highlights on page 12

→ Find all the awards we received in 2024 on our website:
www.asa-international.com/about-us/our-awards/

1 PAR refers to 'Portfolio at Risk'. PAR>30 is the percentage of outstanding customer loans with at least one instalment payment overdue 30 days, excluding loans more than 365 days overdue, to Gross OLP including off-book loans.

Clients

+8%

2024: 2.5m
2023: 2.3m

Branches

+6%

2024: 2,145
2023: 2,016

Outstanding Loan Portfolio (USD)

+21%

2024: 446.6m
2023: 369.2m

Gross Outstanding Loan Portfolio (USD)

+22%

2024: 458.6m
2023: 377.2m

PAR>30 days

+0.2ppt

2024: 2.2%
2023: 2.0%

Profit before tax (USD)

+97%

2024: 63.5m
2023: 32.2m

Net profit (USD)

+226%

2024: 28.5m
2023: 8.8m

Recognition

ASA Uganda

- Voted to the top 101 club of the fastest growing mid-sized companies in Uganda based on revenue.

ASA Ghana

- Selected as the First Ranked Company of the NBFI sector in the Ghana Club 100 Awards. Overall 31st best in the country.

Company overview

ASA International is a microfinance institution with operations in Asia and Africa.

- South Asia – 878,334
- South East Asia – 474,949
- West Africa – 416,351
- East Africa – 743,518

- South Asia – 618
- South East Asia – 489
- West Africa – 471
- East Africa – 567

- South Asia – USD 130.5m
- South East Asia – USD 83.9m
- West Africa – USD 84.8m
- East Africa – USD 147.3m

Find our Key Performance Indicators (KPIs) on page 21

Our clients are in services, trading, manufacturing and agriculture.

Our clients

Our clients are low-income, mostly female micro-entrepreneurs over the age of 18, who earn on around USD 3-5 per day. They typically cannot access credit from traditional banks to start or grow their businesses. Clients are engaged in services, trading, manufacturing, and small-scale agriculture, mostly in urban and semi-urban areas.

We operate through a branch-based model, where loan officers meet clients regularly in group meetings. Branches are located in or near the communities where clients live and work, and they serve as the hub of the client ecosystem.

In 2024, ASA International averaged 1,172 clients per branch and 292 clients per loan officer.

Our colleagues

As of 31 December 2024, ASA International employed 14,232 people. Most join after graduation, with ASA International as their first employer.

Local field staff are trained in-house and work closely with experienced senior managers who provide on-the-job coaching and mentoring. Over time, they can be promoted to more senior roles.

Our strict operating procedures ensure that services are delivered responsibly and help prevent clients from over-borrowing.

Within our risk control framework, branch staff—along with area, regional, and district managers—form the first line of defence. They are responsible for client retention and managing credit risk at the field level.

Read more about colleagues on page 57

Our products and services

ASA International provides small socially responsible loans, without joint liability, for primarily income-generating activities. Our operating subsidiaries offer various collateral-free loans to start or grow businesses, including small business/MSME loans.

Most loans have a duration of six to twelve months, with an average disbursement of USD 283. In principle, clients must fully repay their loan before applying for a new one. Eligibility is based on need, creditworthiness, and business potential, though exceptions are made for high-performing clients.

Each loan cycle has a maximum increment and loan limit. Follow-on loans are typically 20% to 50% larger than the previous one. Where customary and permitted under local licences, we collect a security deposit.

We regularly benchmark our interest rates against comparable providers in each country and aim to charge average market rates, depending on the product, country, and loan term.

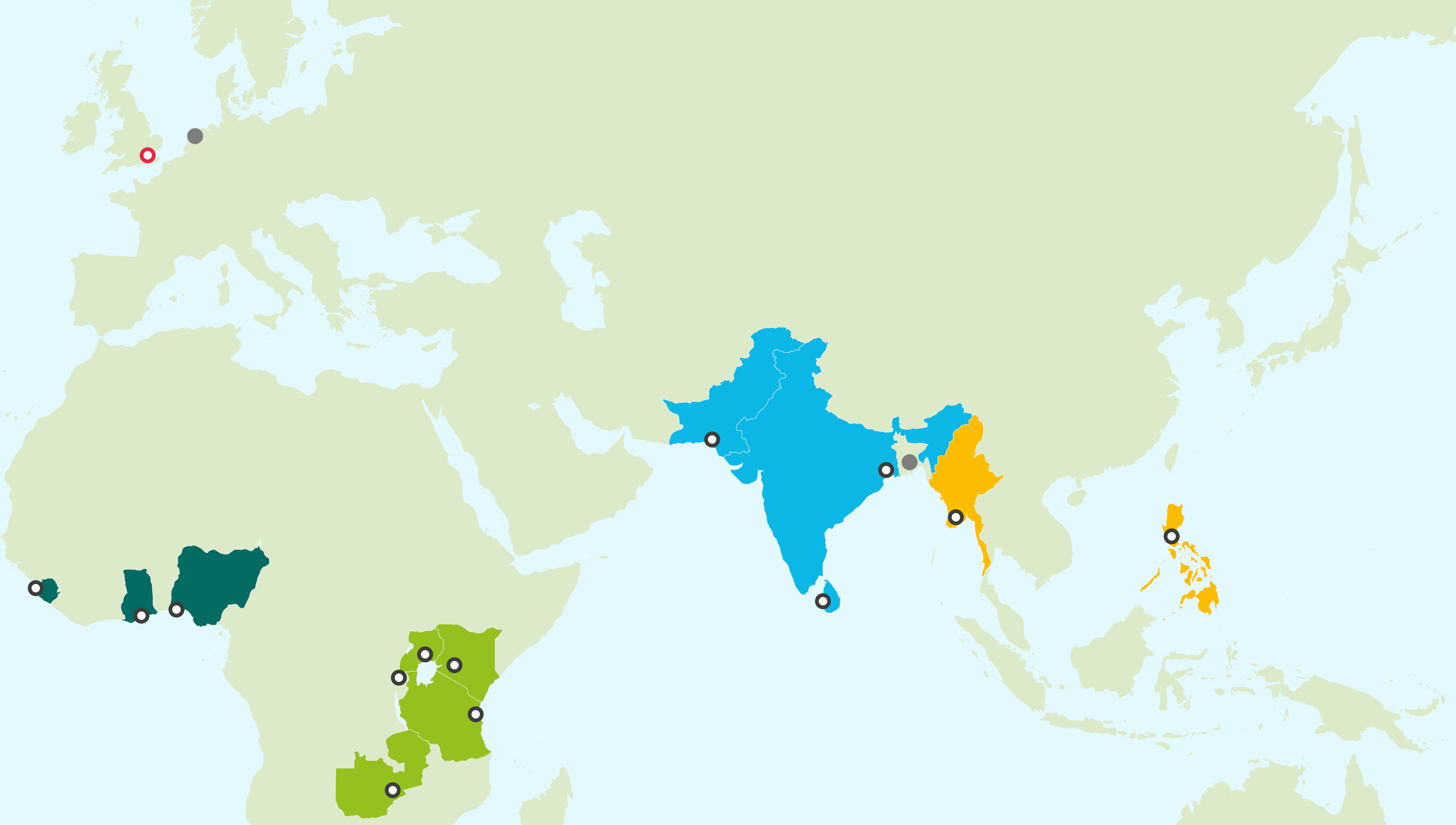
In countries where we hold a deposit-taking licence, we may also offer savings products.

Over the coming years, a core part of our strategy is to gradually roll out digital financial services. This will include online loans, accounts, payments, and savings products—where we hold the appropriate licenses—as well as other digital value-added services designed to support the growth of our clients' small businesses.

Read more about our operational model on page 11 and the strategy on page 16

Company overview (continued)

Where we operate



- **Corporate head offices:** Amsterdam, the Netherlands; Dhaka, Bangladesh
- **Registered head office:** Worthing, West Sussex, United Kingdom
- **Country head offices**

See our website for more information
www.asa-international.com

West Africa

Branches

471

Nigeria: 269
Ghana: 153
Sierra Leone: 49

Clients

416k

Outstanding Loan Portfolio (USD)

84.8m

Read more on page 34

East Africa

Branches

567

Tanzania: 221
Kenya: 145
Uganda: 125
Rwanda: 37
Zambia: 39

Clients

744k

Outstanding Loan Portfolio (USD)

147.3m

Read more on page 36

South Asia

Branches

618

Pakistan: 380
India: 175
Sri Lanka: 63

Clients

878k

Outstanding Loan Portfolio (USD)

130.5m

Read more on page 30

South East Asia

Branches

489

Philippines: 400
Myanmar: 89

Clients

475k

Outstanding Loan Portfolio (USD)

83.9m

Read more on page 32

Growth with purpose

Our purpose

Reducing poverty and enabling female empowerment

See our purpose in action on page 7

Inspired by our vision

Just and financially inclusive societies.

Achieved through our mission

Enhancing socioeconomic progress of low-income entrepreneurs by increasing financial inclusion.

Assessed through outcome indicators

Financial inclusion

70%
of clients accessing a financial service for the first time

94%
understanding of financial management improved

Reduction of poverty

94%
of clients increasing their daily income level

94%
living conditions improved

Female empowerment

89%
increase of share in family income by females

82%
increase of leadership or decision-making role within household or community

Read more about how these indicators are calculated on pages 205 and 206

Find our business Key Performance Indicators ('KPIs') on page 21

Supported by strategic priorities

Increase financial inclusion

Financial inclusion is enhanced by broadening loan coverage, boosting loan volumes, and extending reach.

Offer digital channel and digitise internal processes

A digital channel complements the high-touch model, while digitising internal processes boosts efficiency.

Offer digital products and services

Offering digital and value-added products and services, attracting new clients. Deposit-taking licences are prerequisites for broadening products and services.

Read more about our growth strategy on page 16

Growth with purpose
(continued)

Delivered via our operational model

- Enabling cost efficiency, quick decision-making, replicability, and high-touch client engagement through a decentralised, standardised, and sustainable model.
- Reinforcing our approach with socially responsible services, a diversified risk profile, a proven credit methodology, and a highly scalable model.
- Addressing the demand for loans and savings while expanding into digital financial services over time.
- Driving stakeholder value through sustainable growth and financial returns while maintaining a strong commitment to our social mission.

Read more about our operational model on page 11 and our strengths on page 10

Committed to sustainable and responsible practices

- Safeguarding and engaging with stakeholders.
- Implementing measures to mitigate and adapt to climate change.

Read more in our ESG report on page 51

- Contributing directly to the Sustainable Development Goals

Underpinned by values:

Professionalism
Emphasises responsible, reliable and accountable leadership. It promotes efficient operations, ownership of roles and continuous learning.

Integrity
Embodies consistency, trust, transparency, respect and equality. It involves upholding high moral standards and treating others fairly.

Teamwork
Embraces a supportive environment that encourages collaboration and knowledge sharing, empowering all team members to achieve common goals.

Read more about how our values are part of our culture on page 59

Chair's statement

> This growth is a testament to the resilience and scalability of our business and operational model as well as the dedication of our teams across all of our markets."

A return to sustainable growth

2024 has been a defining year for ASA International, marked by strong operational growth and a significant improvement in financial performance. After a challenging few years, our business has rebounded, with profits more than tripling compared to 2023 while we have maintained high portfolio quality. This growth is a testament to the resilience and scalability of our business and operational model as well as the dedication of our teams across all of our markets. Moreover, the strength of the Company's performance in 2024 enabled the Directors to resume the dividend policy, thereby reinforcing investor confidence and underlining the Directors' confidence in ASA International delivering sustainable financial growth going forward.

Board and leadership transitions have been significant the past year. In October 2024, Karin Kersten announced that she would step down as ASA International's Chief Executive Officer. She was succeeded by Rob Keijsers, previously our Chief Digital and Information Officer, as Interim CEO. After an interim period, Rob was appointed Group CEO on 1 April 2025. During the interim period, Guy Dawson stepped down as Chair, remaining on the Board as a Non-Executive Director, and I transitioned from Independent Non-Executive Director to Executive Chairman to ensure continuity. From 1 April 2025, I assumed the role of Non-Executive Chairman. We were pleased to welcome Sheila M'Mbijjewe as an Independent Non-Executive Director; her extensive regulatory experience with the Central Bank of Kenya brings valuable contributions to our overall governance and oversight.

The Directors remain focused, as a key priority, on investing in executive leadership. We have strengthened our Executive Committee membership at the Group level and have made a number of local leadership appointments of qualified and skilled professionals who will continue to drive our growth agenda as well as support our transition to microfinance banking and digital financial services. These changes reflect our commitment to strong governance and a corporate culture that values accountability, expertise, and innovation.

Our digital strategy continues to be central to our strategic development, and I am proud of the progress made this year. The successful migration of over 600,000 clients in Pakistan to our new Core Banking System in early 2024 reinforces our confidence in expanding these capabilities to Ghana and Tanzania in 2025.

During the year, I have had the privilege of interacting with a number of our entities, engaging directly with our clients, colleagues, and stakeholders. These have reaffirmed to me the impact of our work and the dedication of our teams, who continue to deliver high levels of service in often challenging environments.

On behalf of the Board, I extend my gratitude to our employees for their unwavering dedication. Also I wish to thank our clients, whose trust drives us forward, as well as our lenders and shareholders for their continued support.

Looking ahead, we remain focused on building long-term, sustainable growth. With a strengthened leadership team and a clear strategic direction, we are well positioned to capitalise on new opportunities and deepen our market presence and impact in the years to come.

Chris Low
Chairman, ASA International Group plc
23 April 2025

Feature story – Our clients

Savings for stability: How ASA Myanmar empowers small business owners

For small business owners in Myanmar, financial stability is crucial, especially during economic uncertainty. ASA Myanmar's voluntary savings programme has become a trusted partner, helping entrepreneurs build resilience and plan for the future.

Mrs. Paraiyar, a dairy farm owner, joined ASA Myanmar two years ago, taking out a loan and committing to save regularly. Today, she has expanded her farm, setting aside 12% of her loan amount each year. "Everyone should save at least 10% of their income to achieve their goals," she says. "Saving and investing smartly are key to financial stability."

During Myanmar's economic instability, her savings helped cover rising costs without taking on more debt. Like many ASA clients, she sees savings as vital for security and growth.

Mrs. Paraiyar's experience is shared by many ASA clients. Ms. Than Than Sint, a banana shop owner, previously depended on high-interest loans from local village moneylenders to navigate financial hardships, but now has doubled her savings, providing stability for emergencies. "I can withdraw my savings for health expenses or unforeseen challenges," she says.

For Ms. Thae Su Mon, saving with ASA Myanmar has meant reinvesting in her business and inspiring others. "Not only do we receive a high annual interest rate, but when I withdraw my savings, I can expand my business."

Meanwhile, Ms. Khin Hnin Wai has used her savings to ensure her children's education is secure. "I can withdraw my savings quickly to pay school fees," she shares. She also appreciates the ease of voluntary savings, depositing money during loan collection days without needing to visit a branch like a traditional bank.

These stories illustrate the impact of ASA Myanmar's deposit-taking services in fostering a culture of financial resilience. By making savings accessible and convenient, ASA Myanmar helps individuals build security, navigate challenges and plan for the future. For Mrs. Paraiyar and others, saving has become key for building a stable, prosperous life. "It's not just about today, it's about securing the years ahead," she says.

SDGs

1 No poverty
5 Gender equality
8 Decent work and economic growth
9 Industry, innovation and infrastructure
10 Reduced inequalities

Values

PROFESSIONALISM
INTEGRITY

Strategy

INCREASE FINANCIAL INCLUSION

What our people say

Saving and investing smartly are key to financial stability.

MRS. PARAIYAR
CLIENT ASA MYANMAR

Voluntary savings to OLP in Myanmar

34%

Group CEO statement

Regaining strength, realising potential

Introduction

ASA International saw strong operational growth throughout 2024 as demand for our products from clients remained robust. Total number of clients surpassed 2.5m and Gross OLP increased by 22% by the end of 2024 with Pakistan, Ghana, Tanzania, Kenya, Uganda and Myanmar being the main drivers for this growth. Our proven, low risk model ensured that this loan growth was not achieved at the expense of portfolio quality, with PAR>30 remaining low at 2.2% for the whole company at the end of the year. This operational performance also translated into significantly improved profitability with net profit more than trebling versus 2023 (2024: USD 28.5m; 2023: USD 8.8m). The resumption of our dividend policy was also a particular highlight as we return to a more normalised operating environment.

From an operational footprint standpoint and in line with our strategy, the number of branches increased to 2,145 as at 31 December 2024 from 2,016 as at 31 December 2023, which reflects the opening of 129 net new branches across the various operating countries. Client numbers grew by 8% compared to 2023 as demand for loans increased in most markets.

As a result of improved business trading conditions for clients as well as an expanded operational footprint, Gross OLP grew to USD 458.6m at the end of December 2024 from USD 377.2 m at the end of December 2023. This growth in Gross OLP was not made at the expense of portfolio quality with this improving in most markets. PAR>30 days remained broadly stable at 2.2% as of 31 December 2024 compared to 2.0% in 31 December 2023.

Regional footprint

ASA International continues to operate across four main regions comprising 13 countries. East Africa comprises operations in five countries: Tanzania, Kenya, Uganda, Rwanda and Zambia. West Africa comprises operations in three countries: Ghana, Nigeria, and Sierra Leone. South East Asia comprises operations in two countries: The Philippines and Myanmar. South Asia comprises operations in three countries: Pakistan, India and Sri Lanka.

East Africa

East Africa's operational result improved in 2024 compared to 2023 with OLP increasing 40% to USD 147.3m from USD 105.5m, and the number of branches increasing by 50 to 567. This operational improvement translated into a significant growth in the region's financial performance in 2024, with net profit increasing by 127% to USD 15.4m from USD 6.8m. All operating countries in East Africa contributed positively to the region's operational and financial results, in particular, Tanzania and Kenya and increasingly Uganda.

West Africa

West Africa's financial and operational results improved in 2024, compared to 2023, with net profit increasing to USD 15.4m from USD 7.5m. OLP increased to USD 84.8m from USD 72.3m, and PAR>30 significantly improved from 3.3% to 1.5% driven by the excellent portfolio quality in Ghana and a significant improvement of PAR>30 in Nigeria. All countries in the region have shown improved financial performance, despite the application of hyperinflation accounting in Ghana and Sierra Leone negatively affecting their financial profile. West Africa's financial and operational results mostly driven by the significant positive contributions made by Ghana.

Group CEO statement (continued)

South East Asia
South East Asia's net profit increased to USD 6.4m in 2024 from USD 3.4m in 2023 with both The Philippines and Myanmar demonstrating improved performance. Myanmar saw an improved operating environment notwithstanding the ongoing internal conflict. As the loan demand continued to grow, the region's OLP increased in 2024 compared to 2023 by 13% from USD 74.0m to USD 83.9m, driving the improvement in profitability. The number of branches increased by 7% from 458 to 489, resulting in a higher client reach of 475k, up by 7%. However, PAR>30 increased from 2.8% to 4.8% due to natural calamities affecting the collection efficiency in the Philippines.

South Asia
South Asia's operational results improved in 2024 compared to 2023, with OLP increasing 11% to USD 130.5m from USD 117.5m. This increase was mainly driven by the operations in Pakistan and was achieved despite the challenging operational situation in India which negatively affected the overall results of the region. PAR>30 increased to 2.1% at the end of 2024, with portfolio quality in Pakistan and Sri Lanka having remained broadly stable while India experienced a deterioration in portfolio quality. The branch network in South Asia has been expanded during the year, with the number of branches increasing by 29 to 618 with the number of clients also increasing by 36k to 878k. The region's financial performance declined in 2024, with net profit decreasing by 23% to USD 2.6m from USD 3.3m mainly due to an USD 1.1m accrual relating to unsettled tax claims.

As previously announced in January 2025, the Board of ASA India has made an application to the Reserve Bank of India seeking to surrender its NBFC-MFI licence. The decision to surrender the licence was taken due to a need to reduce costs given the deteriorating financial profile in India, associated liquidity concerns and ongoing lender defaults. This aligns with the broader intention of ASA International to divest ASA India. By way of background, the microfinance market in India is one that is characterised by high volumes and low margins, which contrasts with the dynamics evident in ASA International's other operating countries. As result, ASA India has historically demonstrated difficulties in realising long-term profitability. This financial situation was further exacerbated by the COVID-19 pandemic where this impact was proportionally much greater than seen in the other operating markets. Given these specific market and business dynamics and in line with the Group's risk management strategy, ASA India's operations have, in any event, been intentionally shrunk since 2023.

The pathway to future sustained profitability in India has become increasingly unviable and a divestment of ASA India, which involves a full deconsolidation from the Group, will have a positive impact on the Group's results as the expected ongoing operational losses will no longer be consolidated. Work on the proposed divestment of ASA India is already under way.

Local leadership
We also continued to invest in highly qualified and skilled professionals who can boost growth and support the transition to digital financial services. We were delighted to welcome onboard new local CEOs for Uganda, Rwanda and Nigeria in 2024. Furthermore, a number of local CFOs and other senior managers have been appointed across our operating countries, further strengthening the local finance teams. The fresh perspectives that these new colleagues will bring, alongside their significant professional, banking and leadership experience will be key in delivering growth in these markets and preparing ASA International for the future.

Digital strategy and transformation
The digital strategy is focused on the implementation of a Core Banking System and a digital financial services platform that meet the requirements for running a modern micro banking institution. Alongside the digitalisation of the client journey, the intention is to also further enhance business administration processes.

Following the roll-out of the Temenos Transact Core Banking System and migration of more than 600.000 customers in Pakistan early 2024 the focus of the programme has been on maturing the implementation to enable Pakistan to grow the client base further and prepare for additional product offering, such as deposit taking activities. In parallel the roll-out of Temenos Transact combined with implementation of the digital financial services app in Ghana and Tanzania is steadily progressing and both countries are targeted to go-live in 2025.

Competitive environment
The competitive landscape remains broadly unchanged with the strongest competition being faced in India, the Philippines, Nigeria, Tanzania, and Uganda. In most other markets, competition from traditional microfinance institutions is less intense, in particular, in Myanmar. Competition from pure digital lenders has not had a direct impact thus far.

Sustainability
In 2024, ASA International advanced its commitment to double materiality, focusing on Diversity, Equity and Inclusion ('DEI') and climate goals. Gender representation was improved in committees and among staff and alongside this over 1,000 leaders were trained in DEI. Gender-bias training was also provided to more than 3,750 employees. With regards to climate, we met key targets by installing more than 200 solar systems, planting around 30,000 trees, and educating more than 220,000 stakeholders. A long-term climate risk assessment confirmed ASA International's strategic and financial resilience. Lastly, over 150,000 community members were engaged with through more than 850 programs in health, education, environment, and disaster relief, with nearly USD 450,000 in contributions.

Dividend
We were delighted to re-introduce dividend payments in 2024. During the year, ASA International declared an interim dividend of USD 0.03 per share which equated to a payment of USD 3.0m paid to shareholders on 24 December 2024.

A final dividend of USD 0.041 per share is recommended by the Board and will result in a total dividend for 2024 of USD 0.071 per share (2023: Nil).

Looking ahead
I would like to pay tribute to my colleagues who have been instrumental in delivering ASA International successes in 2024. They will also be key to delivering the growth we see for the coming years.

Looking forward to 2025 specifically, we expect to see growing demand for loans and ever greater productivity across the organisation as we drive efficiency in the branch network and therefore reduce our cost-income ratio. From a digital transformation standpoint, we will build on the successes of 2024 by continuing the roll-out of the core banking system and digital platform to Tanzania and Ghana. We also expect to further strengthen the leadership teams at both the group and operating country level during the course of 2025.

Rob Keijsers

Rob Keijsers
Group CEO, ASA International Group plc
23 April 2025

See our website for more information
www.asa-international.com/investors/our-key-differentiators/

Our key differentiators

Socially responsible services

Through the ASA Model of Microfinance
Through its heritage with ASA, the Association of Social Advancement, based in Bangladesh, ASA International has a long heritage in the microfinance industry. From inception, we benefited from early access to ASA NGO Bangladesh's know-how, industry technical expertise and experts. ASA International was founded to adapt the ASA Model to fit the diverse countries in Asia and Africa where we offer microfinance services. The ASA operating and lending model is focused around six distinctive features, emphasising our social responsibility commitment to both clients and staff:

- Loans with market-based interest rates.
- Group selection without joint liability.
- Collateral-free loans with a moratorium on loan repayments in emergency situations.
- Loans for primarily income-generating activities.
- Majority repayment before qualifying for new loans and repeat loan cycles with set limits. Top up loans also can be offered.
- Training and development of operating staff in-house and no bonus incentive.

See our website for more information on our history

Microfinance experience	Social Performance Indicator
33yrs	85%

Diversified risk profile

Due to presence in thirteen emerging and frontier markets
ASA International's overall risk profile is diversified across thirteen markets in Asia and Africa. The impact of principal risks on the business is different at any given time from country-to-country, which provides a powerful risk mitigation effect.

The risk management features embedded in the ASA Model, such as managing credit risk, have a positive impact on ASA International's financial and risk profile. In 2024, as a result of the inflationary environment and currency depreciations, the liquidity, exchange rate and inflation rate risks remained elevated.

The addressable market is estimated at 376m prospects in existing countries of operation, according to the World Bank. The Group is well placed to capture this significant breadth of market opportunity by continuing to increase its penetration in current as well as in future markets in Asia and Africa.

See our website for more information on our addressable market

Prospects	Operating subsidiaries
376m	13

Proven credit methodology

As a result of staying close to clients
Managing credit risk is an integral and essential part of ASA International's operating and business model. Loan officers foster close client relationships, quickly identifying repayment or other issues, as well as disbursing new, larger loans to qualified clients over time.

The client assessment and admission process may take up to 14 days for a first cycle loan, ensuring only clients committed and able to grow their businesses are accepted and protecting clients from becoming over-leveraged.

The credit methodology results in low credit losses, which in combination with the low cost of operations, leads to attractive financial returns.

Read more on how we engage with clients on page 55 and our business model on page 11

Dividend (per share)

USD 0.071

Return on average assets	Return on average equity
5.4%	33.0%

Client retention rate	PAR>30 days
80%	2.2%

Highly scalable

Decentralised business model
Our experienced management team makes sure the ASA Model is executed in a disciplined way across all of our markets. The operations are highly standardised through the use of an operations manual and are almost identical across all operating markets. Client selection and loan sizes are decided at the branch level.

Supporting the branch model, a digital channel will also be introduced via mobile devices, market-by-market over the coming years as part of our digital transformation strategy. Over time, we also aim to take deposits more widely from clients, which will increase the closeness of the client relationship and reduce the overall client risk profile. As part of the deposit strategy, ASA International seeks to acquire deposit-taking licences in all operating subsidiaries. Six countries currently have obtained deposit-taking licences.

Read more on pages 16 to 18 on our strategy and our business model on page 11

Deposit-taking licences
6

Operational model

Our blueprint for sustainable success

The ASA Model is a decentralised, standardised and socially responsible microfinance approach that allows for cost efficiency, quick decision-making, replicability, and high-touch client engagement, while addressing the demand for savings and loans, and over time, digital financial services.

Read more about socially responsible services on page 55

Key features

- Target ~1,400 clients per branch (15km radius).
- Self-sufficient branches with on- and off-site supervision.
- Weekly/fortnightly loan collections and disbursements.
- Collateral-free, individual loans with market rates for income generation.
- c. 90% primary loans[1]; remainder small business/ MSME loans.
- Majority repayment required before new loan (20-50% increase).
- Deposit growth – accelerated further by new licences.
- Funding from local financial institutions, development banks, and MFI funds.

1 Primary loans is the loan product with the smallest loan size for working capital purposes of the products we offer in a particular country.

Operational model (continued)

Impact on our stakeholders

Clients

- Financial inclusion.
- Empowering women.
- Socioeconomic progress.
- Client Protection Principles.

Total loans disbursed (USD)

1,106.7m

Social Performance Indicator ('SPI')

85%

Client satisfaction

84%

Female clients

97%

Colleagues

- Job creation.
- Training and development.
- Positive and stable work environment.

Employee satisfaction

75%

Hours training[1]

77,350

Number of employees

14,232

1 Excludes on-the-job training.

Communities and the environment

- Clients trading in the community.
- Community programmes.
- Inflow of capital.
- Minimising environmental impact.

Community project spend (USD)

439k

Branches opened

143

Environmental efforts spend (USD)

376k

Countries

- Company taxes paid to government.
- Higher spending due to increased income of clients.

Taxes (USD)

35.0m

Contribution to economic development of country through clients' increased income.

Regulators and industry bodies

- Creating sustainable lending environment.
- Reliable business partner.
- Supporting policy making.
- Promoting international standards for compliance.

Membership at central banks and securities exchange

13

Association with many regulators and industry bodies to contribute to a sustainable microfinance environment.

Shareholders, investors and lenders

- USD returns including projected regular dividends.
- Advancing financial inclusion.

Public float

54%

Dividend (per share)

USD 0.071

Return on Equity ('ROE')

33.0%

The Company's strategy and core operations contribute to the delivery of five Sustainable Development Goals ('SDGs')

1 NO POVERTY
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES

Read more on page 53

Section 172 statement

Engaging with our stakeholders

The Board continues to uphold the highest standards of conduct by respecting the needs and views of its stakeholders and the environment. The disclosures set out on this page demonstrate how the Company has considered the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006.

Our stakeholders	What matters most	How we engage	How the Board engages and is kept informed
Clients	• Loan repayment capacity. • Loans with tangible economic benefits. • Channels for feedback and complaints. • Market-driven interest rates. • Expanded digital access and relevant product offerings. • Transparent policies and procedures. • Flexible moratorium options. • Face-to-face interaction.	• Clients receive loans at branch. • Branch staff meet clients at group meetings. • Branch staff visit clients' businesses. • Senior management conducts client visits. • Field staff maintain mobile phone contact with clients. • Regular surveys are conducted. → Read more about prioritising our clients on page 55	• Senior management reports to Audit and Risk Committee ('ARC'). • Monthly business updates provided. • Client survey and Committee reports shared. • Community project progress reported.
Colleagues	• Safe work environment. • Robust GMC procedures with Board emphasis. • Fair salary and benefits. • Employee development through training and promotion. • Regular feedback channels. • Commitment to gender diversity. • Streamlined, digitised internal processes for better productivity.	• Senior managers mentor junior staff. • Senior management sits on operating subsidiaries' boards. • Head office-level meetings with senior management. • Implement Diversity, Equity and Inclusion ('DEI') goals to increase female representation. → Read more about supporting our colleagues on page 57	• Meetings among ARC Chair, CFOs, and Internal Audit staff. • Senior management reports in Board meetings. • Staff survey results are reported. • Grievance Mitigation Committee ('GMC') and whistleblowing reports presented at all meetings. • Progress on DEI targets reported. → See pages 91 and 97 for Board activities relating to its fulfilment of duties under Section 172
Communities and the environment	• Commitment to enhancing clients' and families' socioeconomic advancement. • Community engagement initiatives. • Provide relief during hardship. • Environmental impact mitigation and awareness efforts. • Evaluating and addressing climate risks.	• Branches embedded in the communities. • Field staff work closely with community members. • Group meetings and client referrals are part of the communities. • Investment and engagement in community projects. • Follow climate targets. → Read more about our community programmes on page 61 and our climate-related efforts on page 64	• Community programme initiatives reported. • Senior management reports community feedback in Board meetings. • Budget spending and impact metrics for community projects. • Progress on climate targets reported.

Section 172 statement
(continued)

CASE STUDY

Strengthening stakeholder engagement in key markets

Chris Low, Chair, visited key markets, including Ghana and Pakistan, to engage directly with stakeholders and strengthen our strategic direction. Meeting with clients, employees, and leadership teams, discussions covered business performance, governance, risk management, people development, technology, and operations.

These visits provided valuable insights into local market dynamics, reinforcing our commitment to transparent leadership and responsible growth. By connecting with teams on the ground and hearing from clients firsthand, Chris emphasised the importance of collaboration, innovation, and long-term sustainability.

Read more about our strategy on page 16

Our stakeholders	What matters most	How we engage	How the Board engages and is kept informed
Lenders	• Stay informed about business performance. • Diversify funding sources. • Cultivate relationships with new and existing stakeholders. • Secure favourable terms through negotiations.	• Meetings and field trips with local and international financiers. • Updates by the CEO following the publication of important Company news.	• Senior management reporting in Board meetings on funding matters. • Secures liquidity. • Secures a stable and reliable funding position. • Monitoring of covenants. • Oversees progress of extending waivers, no-action letters in case of potential covenant breaches.
Shareholders	• Stay informed about business performance, long-term goals, strategy, and execution. • Foster constructive dialogue. • Exchange viewpoints on Group strategy. • Uphold compliance and transparency for investor confidence. See Engaging with shareholders on page 97	• Business updates. • Audio webcasts and financial results announcements. • Investor and analyst meetings. • A dedicated investor website. • Investor conferences, roadshows and field trip visits.	• Integrates shareholder and investor feedback in the Group's strategy. • CEO delivers updates in Board meetings and regular IR updates provided. • Reviews analyst reports. • Offers feedback on RNS announcements and the Annual Report. • Conducts Annual General Meetings.
Regulators and industry bodies	• Fully comply with reporting requirements and local regulations. • Engage positively with local government and regulatory initiatives. • Participate in industry networks at the local level. • Pursue deposit-taking licences as needed.	• Stay updated on reporting regulations. • Country Heads engage in meetings with regulatory bodies. • Foster relationships with local town councils, law enforcement agencies, government bodies, and microfinance networks.	• Senior management reports during Board meetings. • Ensures full compliance with reporting requirements and local regulations. • Maintains a sustainable lending environment for clients. • Discusses proposed new regulations.

Section 172 statement (continued)

Principal decisions and discussions

The Company's commitment to accelerating sustainable growth was central to decision-making during the year, exemplified through three cases: enhancing leadership and executive talent, expanding into the microfinance banking sector, and advancing digital transformation across key markets. The case studies demonstrate the Company's approach to decision-making, with stakeholder engagement being a fundamental aspect of the strategic process.

01

Enhancing leadership and executive talent

The Board requested an action plan to strengthen leadership quality and urged senior management to prioritise high-calibre executive hires. As part of this strategy, the Company has shifted from an operationally led to a financially led leadership approach, ensuring decision-making is aligned with long-term financial sustainability and business growth. Executive search firms have been engaged to enhance diversity in leadership and prioritise local CEOs from respective countries. This initiative also includes a robust recruitment process, leadership development programme, and a performance management system to attract and retain top-tier talent.

Stakeholder considerations and impact:

- **Colleagues:** The introduction of strong leadership is expected to foster a positive work culture, improve internal communication, and create opportunities for career growth.
- **Shareholders:** A well-structured leadership team strengthens strategic execution, enhances operational efficiency, and improves business performance, ultimately increasing shareholder value.

02

Expanding into microfinance banking

The Company has prioritised entry into the microfinance banking sector, where advantageous, by focusing on securing the licences for deposit-taking activities as needed. The Board ensured engagement with regulators to understand the requirements and fast-track the licensing process. A key strategy involves fully utilizing existing licenses while planning for the acquisition of new licenses to expand operations and services. This decision reflects the Company's commitment to diversifying its offerings, enhancing its competitive position, and meeting market demands for integrated financial services.

Stakeholder considerations and impact:

- **Regulators:** Transparent engagement with regulators ensures compliance with financial regulations and fosters a cooperative relationship that supports a smooth licensing process.
- **Lenders:** Expansion into microfinance banking provides a more stable framework for financial transactions, increasing confidence among lenders and access to funding.
- **Shareholders:** Entering the microfinance banking sector unlocks new revenue streams, enhances market positioning, and supports long-term growth, benefiting shareholders through increased profitability.

03

Advancing technology across key markets

The Company is actively driving digital transformation, focusing on strengthening technological infrastructure in key markets. This includes setting up a regional private cloud hub in Ghana to support the rollout of our Core Banking System ('CBS') and Digital Financial Services ('DFS'), completing a CBS migration in Pakistan, and preparing Kenya and Tanzania for DFS implementation. These efforts reflect a broader push to modernise operations and build a unified digital ecosystem. The Board is committed to improving efficiency and scalability to meet future challenges. While mobile money is being explored, the priority is to establish a robust digital framework that supports long-term growth and innovation across markets.

Stakeholder considerations and impact:

- **Clients:** Digital advancements will lead to improved service delivery, greater accessibility to financial services, and a more seamless user experience.
- **Shareholders:** Investing in digital transformation ensures long-term competitiveness and growth, ultimately enhancing shareholder returns.
- **Digital partners:** Strengthening digital infrastructure fosters collaboration with FinTech and technology providers, expanding opportunities for innovation and service enhancements.

Our strategy

Our growth strategy

ASA International aims to achieve sustainable growth and increased financial inclusion by growing its loan portfolio, digital advancement and broadening its products and services.

Increase financial inclusion	Increase number of branches and borrowers	Increase loan volumes	Introduce new loan products	Grow voluntary savings
Drive growth and efficiency	Maintain branch model and proven credit methodology	Maintain group meetings and active field presence	Improve branch and loan officer efficiency through digitised internal processes	Introduce a digital channel via mobile devices to enrich the high-touch service
Broaden products and services	Offer online loans	Offer payments, savings and other financial services	Provide non-financial value-added services to grow clients' businesses	Attract new clients

Our strategy (continued)

Our progress

Strategic pillars & KPIs	2024 progress	2025 priorities
Increase financial inclusion Clients: **2.5m** (2023: 2.3m) % voluntary savings to OLP: **3.5%** (2023: 3.4%) OLP: **USD 446.6m** (2023: USD 369.2m) Average gross OLP / client: **USD 182** (2023: USD 162)	• Continued operational growth in 2024. • Outstanding Loan Portfolio ('OLP') grew by 21% to USD 446.6m. • Number of clients grew slightly to 2.5m, representing a 8% growth versus the prior year. • Average Gross OLP per client increased by 13% resulting in USD 182 average Gross OLP per client. • Voluntary savings to OLP remains stable at 3.5%, as there has not been a new market that has started to take deposits.	• Further operational growth in existing markets. • Increase OLP per client. • Realise growth in number of clients.
Drive growth and efficiency Borrowers per loan officer: **292** (2023: 287)	• Completed implementation of the Core Banking System ('CBS') in Pakistan in Q1 2024 and continued the rollout preparation for other markets. • Continued development of the digital financial services ('DFS') platform in readiness for a 2025 launch in Ghana and Tanzania. • Increased borrowers per loan officer from 287 to 292.	• Leverage the benefits and additional product offering of the new CBS platform in Pakistan. • Work towards the implementation of the CBS combined with a digital proposition in Ghana. • Continued work and focus on the rollout of CBS in Tanzania and Kenya. • Further improve operational efficiency by increasing borrowers per loan officer.
Broaden products and services	• Additional progress made in launching deposit services in Pakistan.	• Start taking deposits from clients in Pakistan. • Launch DFS app that enables digital loans, payments and savings. • Progress obtaining microfinance banking licences in Tanzania and Kenya. • Grow savings and offer new products such as insurance.

Our strategy (continued)

Digital transformation

ASA International's digitalisation strategy aims to increase client-centricity, ease of use and efficiency for both clients and staff. This transformation will enable significant growth, open new client channels, improve our ability to offer a broader range of services and simplify customer journeys. In addition, it will provide enhanced resilience with a leading core banking system infrastructure.

Present → Future

Technology

Present:
- In-house developed loan system ('AMBS')

Future:
- Packaged Core Banking System ('CBS')
- Digital Financial Services ('DFS') system
- Supplier Market Place ('SMP') system
- Branch

Client channel

Present:
- Branch

Future:
- Banking app ('DFS')
- SMP app

Services

Present:
- Loans
- Savings

Future:
- Accounts
- Loans
- Savings
- Payments
- SMP

Manual and complex → Internal processes → Digital and simplified

Importance of digital transformation

For ASA International, the digital transformation that is currently under way is critical to unlocking our growth potential. It will ultimately create a scalable, efficient platform and a compelling offering for our clients and colleagues. The technological overhaul has two main components.

Resilience – Core Banking System

It is essential that we have a robust CBS in order to scale the client base. It is also a becoming a prerequisite from a regulatory compliance perspective in terms of reporting and audit rigour as well obtaining various microfinance licences. The new Temenos-sourced system replaces the existing AMBS platform which has already reached end-of-life. The modular and open architecture of the CBS allows for seamless integration with the Digital Financial Services component. It will also allow easier adaptation to regulatory changes such as the requirement to convert to Islamic banking in Pakistan.

Sustainable client and business impact – Digital Financial Services

DFS will enable additional business scaling by eliminating manual processes for staff. In addition, it is the foundation for a compelling client offering delivered via an app. It is also important that ASA International stays ahead of the competition by having a client-friendly front-end interface as well as efficient operations. Lastly, it will also help to further minimise fraud misappropriation.

Rollout approach

Following the implementation of the CBS in Pakistan, ASA International is taking a structured approach to further rollouts. Next in line will be Ghana and Tanzania. These operating subsidiaries were chosen primarily given their size and importance, as well as the fact that one is a microfinance bank (Ghana) and the other is a microfinance institution (Tanzania). These different set-ups can then be leveraged across other markets including Kenya, Nigeria, Uganda, and Rwanda.

Feature story – Our colleagues

Driving digital transformation: ASA Pakistan’s core banking evolution

In the evolving landscape of microfinance, digital innovation plays a crucial role in driving progress and expanding access to financial services. For ASA Pakistan, the implementation of a new core banking system marked a significant milestone, strengthening operational efficiency, compliance, and customer service. The transition, however, was a complex and demanding process that required meticulous planning, cross-functional collaboration, and unwavering commitment from colleagues across the organisation.

For Imran Ahmed, Head of Distribution, with 22 years of experience in microfinance, the need for change was clear.

Prior to this transformation, processes were largely manual—time-consuming, prone to compliance risks, and cumbersome for both employees and customers. With our microfinance banking licence in place, adopting a more robust and efficient system became a strategic step towards upholding credibility and optimising service delivery.”

IMRAN AHMED
HEAD OF DISTRIBUTION

Continued on next page

SDGs

8 Decent work and economic growth
9 Industry, innovation and infrastructure
10 Reduced inequalities
16 Peace, justice and strong institutions

Values

PROFESSIONALISM
INTEGRITY
TEAMWORK

Strategy

DRIVE GROWTH AND EFFICIENCY

Clients migrated to new CBS

600,000+

Feature story – Our colleagues (continued)

A collaborative effort in a high-stakes transition

Transitioning to a new Core Banking System was an intricate process involving extensive data migration, system restructuring, and workforce adaptation. With over a billion data points, thorough data validation and cleansing were critical to ensuring a seamless shift.

ASA Pakistan took a structured approach, gradually preparing employees across all levels. A dedicated Group Transformation Team worked closely with local colleagues, guiding them through the process, aligning expectations, and defining clear objectives. “Comprehensive training programmes were conducted, but given accessibility challenges, we had to innovate, using visual materials and theory-based training when live demonstrations were not feasible,” Imran explains.

Despite rigorous preparation, unexpected challenges arose. System accessibility was initially limited, particularly in rural branches, impacting early adoption. A lesson learnt was the need for stronger contingency measures to manage disruptions effectively.

“With our microfinance banking licence in place, adopting a robust and efficient system became a strategic step towards upholding credibility and optimising service delivery.”

Enhancing efficiency and customer experience

Today, with the system fully integrated, ASA Pakistan has seen significant operational improvements. Manual processes have been significantly reduced, compliance has strengthened, and internal controls have been enhanced. During the initial phase of the migration, loan officers required over an hour to complete a customer transaction as they adapted to the new system. With experience and system refinements, transactions are now processed in under 30 minutes, improving efficiency beyond previous levels.

This efficiency has translated into a better experience for customers, with reduced waiting times and more streamlined services. “The system’s flexibility allows us to introduce new products and services tailored to customer needs. We are actively developing offerings such as deposit and savings accounts, ensuring that we continue to evolve alongside our clients’ financial requirements,” Imran highlights.

Additionally, the improved system has empowered loan officers to focus on customer engagement rather than administrative tasks. ASA Pakistan maintains one of the lowest Portfolio at Risk (‘PAR’) ratios among microfinance institutions in Pakistan, largely due to its strong client relationships. “With automated processes in place, our teams can dedicate more time to the field, strengthening customer relationships and ensuring financial inclusion reaches those who need it most,” he adds.

Learning and growing through digital innovation

For Imran, this transformation has been both a professional and personal learning experience. “I have gained a deep understanding of IT systems and the importance of aligning processes with technology. This journey has reinforced the value of teamwork, adaptability, and strategic planning in any major digital transition. This transformation has been fuelled by dedication and collaboration. From Group IT Support and the local business teams to all staff in the field, every contribution mattered. I was inspired daily by the energy and can-do attitude of many.”

ASA Pakistan’s core banking transformation is a testament to the commitment, professionalism, and resilience of its people. By embracing digital innovation, the organisation is not only enhancing operational efficiency but also reinforcing its mission of providing accessible and sustainable financial services to underserved communities.

Key Performance Indicators

Financial

These Key Performance Indicators ('KPIs') reflect the financial metrics that ASA International deems as important to the achievement of its business objectives.

Outstanding Loan Portfolio ('OLP') (USD)

+21%

2024	446.6m
2023	369.2m

The figure depicts net Outstanding Loan Portfolio including off-book net Business Correspondence ('BC') loan portfolio from IDFC, Jana Small Finance Bank and Fincare and Direct Assignment (DA) loans with State Bank of India ('SBI').

In FY 2024 the loan book grew following increased demand from clients, OLP increased year-on-year by 21% to USD 446.6m. This OLP growth was predominantly driven by improved performance in Pakistan, Ghana, Tanzania, and Kenya.

Gross OLP/Client (USD)

+13%

2024	182
2023	162

Gross Outstanding Loan Portfolio including BC and DA loans divided by total number of clients.

Gross Outstanding Loan Portfolio per client grown significantly to USD 182 in 2024 from USD 162 in 2023 as the loan book also increased during the year.

PAR>30 days

+0.2ppt

2024	2.2%
2023	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 loans).

High portfolio quality was maintained alongside OLP growth. PAR>30 remained stable at 2.2% as at 31 December 2024 from 2.0% as at 31 December 2023.

Voluntary savings to OLP

+0.1ppt

2024	3.5%
2023	3.4%

Voluntary savings to OLP is calculated by dividing total voluntary savings by total OLP including BC and DA loans.

This ratio slightly increased to 3.5% in FY 2024 from 3.4% in FY 2023 year, as voluntary savings has grown in a similar manner as OLP due to an increased demand from clients.

Net Interest Margin ('NIM')

+4.0ppt

2024	35%
2023	31%

Net Interest Margin measures the difference between the interest income generated and the amount of interest expenses, relative to the amount of average outstanding net loan portfolio.

NIM increased to 35% in FY 2024 from 31% in 2023 as some subsidiaries increased interest rates and interest waiver periods were reduced during FY 2024.

Cost-to-income ratio

-10.7ppt

2024	61.4%
2023	72.1%

Cost-to-income ratio is calculated by dividing total operating expenses by total net operating income.

As our operational efficiency improved, the cost-to-income ratio is also improved from 72.1% in 2023 to 61.4% in 2024 as a result of the increased net operating income.

Return On Assets ('ROA')

+3.6ppt

2024	5.4%
2023	1.8%

Return on Assets is calculated by dividing the reported net profit after tax by the average of total assets.

Return on Assets improved to 5.4% during FY 2024 from 1.8% in FY 2023 mainly as a result of improved profitability across our operating markets.

Net profit (USD)

+226%

2024	28.5m
2023	8.8m

Consolidated net profit for the year as reported in the financial statements.

Consolidated net profit for the year increased to USD 28.5 million in FY 2024 from USD 8.8 million as a result of growth in our loan portfolio and improvement in our operational efficiency.

Earnings Per Share ('EPS') (USD)

+222%

2024	0.29¢
2023	0.09¢

Earnings per share is calculated by dividing the net profit after tax by the weighted average number of ordinary shares outstanding during the year. For 2023, number of shares is equivalent to the number of ASA International Group plc shares, which was 100 million.

Earnings Per Share is improved from USD 0.09¢ in 2023 to USD 0.29¢ in 2024 as a result of increased profitability of the Group.

Key Performance Indicators
(continued)

Non-financial

The non-financial KPIs reflect the operational efficiency and the social impacts of the Group.

Find more non-financial performance indicators in our ESG report on page 51

Number of clients

+8%

2024	**2.5m**
2023	2.3m

The number of clients in all operating markets.

The number of clients has increased during FY 2024 to 2.5 million from 2.3 million in FY 2023 as a result of increased demand in our operating markets.

Borrowers per loan officer

+2%

2024	**292**
2023	287

The borrowers per loan officer is calculated by dividing total number of clients by total number of loan officers.

The borrowers per loan officer increased to 292 during FY 2024 from 287 in FY 2023 as an effort to improve loan officer efficiency across the Group.

Social Performance Indicators ('SPI')

-5.0ppt

2024	**85%**
2023	90%

The Social Performance Indicator ('SPI') is a social audit tool by CERISE based on the Universal Standards for Social Performance Management, that assesses institutions across seven dimensions, including social goals, client and employee treatment, product design, governance, financial-social balance, and environmental performance.

The social performance score declined mainly due to lower results in environmental performance, driven by the absence of green products despite strong training efforts. As a self-assessment, some variation is expected, with a few countries taking a more conservative approach. The drop is under further review.

Financial review

"ASA International delivered a significantly improved financial performance in 2024 compared to that of 2023 both in terms of top line growth and bottom line profit. Financial resilience has improved materially with growth in equity and a resumption in dividend payments."

Robust profitability and enhanced equity levels were achieved when compared to 2023 whilst the Company also focused on growing its asset base sustainably. Ghana and Pakistan were major contributors to this profitability and asset base growth. This strong financial performance was achieved despite the downside impact of hyperinflation accounting in Ghana and Sierra Leone and not being able to book deferred tax assets for India. It is worth noting that Ghana, having had a significant negative accounting impact in 2023 and 2024 as a result of hyperinflation accounting, is currently no longer expected to be a hyperinflationary country in 2025 as per the latest publication from the IMF.

During 2024, the local currencies remained stable in most of the countries except for some of our larger countries including Ghana, Nigeria and Philippines. This resulted in a comparatively lower FX loss in the income statement for monetary items and a reduced impact on the foreign currency translation reserve in equity compared to 2023. Accordingly, we achieved a positive total comprehensive income[1] in 2024 compared to a substantial negative total comprehensive income last year.

We witnessed a strong growth in total equity at the end of 2024 even after the payment of the interim dividend. This is mainly driven by the profit growth and relatively smaller translation impact from currency devaluation.

The Group intends to minimize the impact of FX fluctuations by planning to introduce more frequent dividend declarations by its operating entities and explore potential equity hedging strategies. Hedging of operating entity equity has historically been hugely expensive and not deemed to offer the required cost-benefit dynamic. Furthermore, a strong focus on enhancing operational productivity will support improved financial performance and resilience against foreign currency volatilities.

From an efficiency standpoint, we also improved the cost to income ratio in 2024 mainly through higher income generation with minimal growth in operating costs. We are delighted by the momentum being seen by the Company in 2024 and are confident in the outlook for continued growth in 2025.

TANWIR RAHMAN
CHIEF FINANCIAL OFFICER

1 Total comprehensive income is the sum of the Company's net profit and other comprehensive income (OCI), which includes unrealized gains and losses from items like foreign currency translations and certain investment securities.

Financial review

Group financial performance

Summary income statement

(USDm unless otherwise stated)	FY 2024	FY 2023	YoY change
Interest and similar income	213.9	176.6	*21%*
Interest and similar expense	(43.5)	(37.8)	*15%*
Net interest income	**170.4**	**138.9**	***23%***
Other operating income	17.3	9.3	*85%*
Credit loss expense	(6.8)	(5.0)	*36%*
Net operating income	**180.9**	**143.2**	***26%***
Personnel expenses	(64.8)	(62.2)	*4%*
Other operating expenses[1]	(46.3)	(41.1)	*13%*
Total operating expenses	**(111.1)**	**(103.2)**	***8%***
Exchange rate result	(0.9)	(2.0)	*(56%)*
Gain/loss on the net monetary position	(5.4)	(5.8)	*(7%)*
Profit before tax	**63.5**	**32.2**	***97%***
Net profit	**28.5**	**8.8**	***226%***
Cost-income ratio	*61.4%*	*72.1%*	
Net interest margin	*35.2%*	*30.8%*	

1 Other operating expenses include depreciation and amortisation charges.

Net interest income

Net interest income increased by 23% to USD 170.4m in FY 2024 from USD 138.9m in FY 2023. This is primarily driven by the YoY growth of 21% in interest and similar income, which increased to USD 213.9m from USD 176.6m attributable to increase in the loan portfolio, especially in Pakistan, Ghana, Tanzania and Kenya. Interest rate increases in certain markets also contributed to this growth. Interest and similar expense increased to USD 43.5m in FY 2024 from USD 37.8m in FY 2023, as a result of increased external debt and relatively higher cost of funding. Overall, net interest margin improved from 30.8% in 2023 to 35.2% in 2024.

Net operating income

Net operating income grew by 26% to USD 180.9m in FY 2024 from USD 143.2m despite the adverse impact of 36% higher credit loss expenses (USD 6.8m compared with USD 5.0m YoY), The credit loss expenses tracked the growth in the loan portfolio. This adverse impact was mitigated by a significant increase of 85% in other operating income to USD 17.3m from USD 9.3m (YoY), primarily due to increase in document, application, and verification fee income, as well as the recognition of a USD 3.0m one-off gain related to a third-party loan assignment in Myanmar.

Total operating expenses

Total operating expenses increased moderately by 8% from USD 103.2m in FY 2023 to USD 111.1m in FY 2024. This was driven by the 4% increase in personnel expenses from USD 62.2m in FY 2023 to USD 64.8m, mainly as a result of a company-wide mid-year increment in compensation packages and an increase in staff numbers. Other operating expenses also contributed to overall increase, with a 13% growth from USD 41.1m in FY 2023 to USD 46.3 million in FY 2024, primarily as a result of increased amortisation charges and administrative expenses. Amortisation has increased due to the capitalisation of digital transformation items. Overall, as a result of enhanced operational efficiency, the cost-income ratio improved from 72.1% in 2023 to 61.4% in 2024.

Loss on the net monetary position

Loss on monetary position, reflecting the impact of the application of hyperinflation accounting for Ghana and Sierra Leone, reduced to USD 5.4m in 2024 compared to USD 5.8m 2023 given the improving inflation and macroeconomic situation seen in Ghana towards the end of 2024.

Profitability

Profit before tax increased by 94% to USD 63.5m in 2024 from USD 32.2m in 2023, given the improved income growth and cost dynamics outlined above. Accordingly, net profit also increased from USD 8.8m in 2023 to USD 28.5m in 2024.

Effective tax rate (ETR)

There was a favourable tax position in certain jurisdictions in 2024 compared to 2023. This, to some extent, contributed to the reduction in the effective tax rate (excluding withholding taxes) to 45% in 2024 from 63% in 2023. This reduction is mainly due to a favourable movement in the profit mix, with higher profit being generated in countries having a lower ETR such as, Ghana, Kenya and Philippines, thereby reducing the total average tax rate for the Group as a whole. There was also a one-off tax claim booked in 2023 for Tanzania. In addition, deferred tax assets for India and the Holdings entities (ASA International Holding and ASA International NV) cannot be booked and their corresponding allocation to profit before tax was lower in 2024 compared to 2023.

Financial review (continued)

Summary Balance Sheet

(USDm unless otherwise stated)	FY 2024	FY 2023	YoY Change
Cash and cash equivalents	108.4	118.5	(9%)
Loans to customers	410.0	330.2	24%
Other assets	50.1	41.3	21%
Total assets	**568.5**	**490.0**	**16%**
Client deposits	90.2	79.1	14%
Interest-bearing debt	312.7	268.5	16%
Other liabilities[1]	69.2	65.9	5%
Total liabilities	**472.0**	**413.4**	**14%**
Share capital and reserves	98.5	77.9	26%
Non-controlling interest	(2.0)	(1.3)	50%
Total equity	**96.5**	**76.6**	**26%**
Off-book Business Correspondence ('BC') and Direct Assignment Gross loan portfolio	38.0	39.8	(5%)
Gross OLP	**458.6**	**377.2**	**22%**
Less ECL reserves on loans and advances plus FV adjustments on loans under FVTPL	(12.0)	(8.0)	50%
OLP	**446.6**	**369.2**	**21%**
PAR>30 days[2]	2.2%	2.0%	

1 Other liabilities include the following liabilities: retirement benefit, current tax, deferred tax, lease and derivative liabilities, any other liabilities, provisions and interest payables.

2 PAR refers to 'Portfolio at Risk'. PAR>30 is the percentage of outstanding customer loans with at least one instalment payment overdue 30 days, excluding loans more than 365 days overdue, to Gross OLP including off-book loans.

Loans to customers

Loans to customers, a significant asset item on the balance sheet, increased by 24% from USD 330.2m at the end of 2023 to USD 410.0m at the end of 2024 due to higher demand from clients, especially in the countries of the East African region, as well as in Ghana and Pakistan. Accordingly, the Group's total Outstanding Loan Portfolio (Including off-book portfolio) also increased by 21% to USD 446.6m as at 31 December 2024 from USD 369.2m as at 31 December 2023.

Total assets

Total assets increased by 16% to USD 568.5m as at 31 December 2024 (31 December 2023: USD 490.0m) primarily due to expansion of the loan portfolio. Cash and cash equivalents declined slightly by 9% from USD 118.5m as at 31 December 2023 to USD 108.4m as at 31 December 2024 reflecting support for increased loan disbursements. Additionally, other assets increased by 21% to USD 50.1m as at 31 December 2024 (31 December 2023: USD 41.3m), mainly as a result of increase in intangible assets as a part of the Group's digital transformation initiatives and an increase in advance income tax payment.

Client deposits

Client deposits levels (excluding interest payables) improved by 14% to USD 90.2m as at 31 December 2024 from USD 79.1m as at 31 December 2023, mainly driven by an increase in security deposits (USD 74.5m as at 31 December 2024 and USD 66.7m as at 31 December 2023) in line with the growing customer loan portfolio. Additionally, voluntary savings increased to USD 15.7m as at 31 December 2024 compared to 2023 (USD 12.4m), reflecting a growing customer appetite for savings.

Interest bearing debt

Third-party interest-bearing debt (excluding interest payables) increased by 16% as at 31 December 2024 to USD 312.7m from USD 268.5m in 2023, mainly at the operating subsidiary level, with significant new transactions in Pakistan and Kenya.

Financial review (continued)

Equity movements

(USDm unless otherwise stated)	FY 2024	FY 2023
Balance at the beginning of period	76.6	89.7
Impact of reclassification at FVTPL	–	2.4
Net profit for the period	28.5	8.8
Change in FX translation reserve	(4.3)	(24.1)
Movement in hedge accounting reserve	(2.2)	(1.7)
Dividend	(3.0)	–
Others	0.8	1.6
Balance at the end of period	**96.5**	**76.6**

* See more details regarding the Foreign currency translation movements in the "Impact of foreign exchange rates" section.

Foreign exchange rates by country

Countries	31 Dec 2024	31 Dec 2023	YoY Change
Pakistan (PKR)	278.7	279.7	*0%*
India (INR)	85.6	83.2	*(3%)*
Sri Lanka (LKR)	293.1	323.9	*10%*
The Philippines (PHP)	58.1	55.4	*(5%)*
Myanmar (MMK)	2,098.9	2,101.2	*0%*
Ghana (GHS)	14.7	12.0	*(23%)*
Nigeria (NGN)	1,546.4	896.6	*(72%)*
Sierra Leone (SLE)	22.8	22.9	*1%*
Tanzania (TZS)	2,429.7	2,512.4	*3%*
Kenya (KES)	129.4	157.0	*18%*
Uganda (UGX)	3,680.0	3,780.2	*3%*
Rwanda (RWF)	1,388.0	1,259.5	*(10%)*
Zambia (ZMW)	27.9	25.8	*(8%)*

Total equity

The equity position strengthened by 26% to USD 96.5m as at 31 December 2024 from USD 76.6m as at 31 December 2023, supported by higher profitability (USD 28.5m in 2024 and USD 8.8m in 2023) and a lower negative impact in foreign currency translation reserve (USD 4.3m in 2024 and USD 24.1m in 2023) compared to last year. In 2024, the Group also reinstated its dividend policy, by declaring USD 3.0m interim dividend. The growth across our countries of activity outperformed the foreign currency devaluation in 2024.

Impact of foreign exchange rates

As a company with a reporting currency in US Dollars with operations in thirteen different currencies, there may be currency movements that can have a major impact on the consolidated USD financial performance and reporting.

The effect of this can be generally categorized in the equity section in two ways: (i) existing and future local currency earnings translate into fewer US Dollar earnings, and (ii) local currency capital of any of the operating subsidiaries will translate into a lower US Dollar capital.

During 2024, certain local currencies, notably the NGN (-72%), GHS (-23%), and PHP (-5%) particularly depreciated against the USD. This had an additional negative impact on the USD earnings of these subsidiaries and also contributed to an increase in the foreign currency translation reserve; however, to a lesser extent compared to the previous year. The total contribution (negative) to the foreign currency translation reserve during 2024 amounted to USD 4.3m (FY 2023: USD 24.1m). Out of this, a USD 5.9m movement (negative) related to the depreciation of the NGN, which is significantly lower impact compared to the USD 15.1m negative movement in 2023. This is because the local currency depreciation was still high, but it was less severe in 2024 compared to 2023. Ghana also experienced notable currency depreciation during 2024 (-23%), the GHS fluctuation contributed negatively to translation reserve (USD 5.4m) but with a USD 4.3m upside from hyperinflation accounting adjustment, it boiled down to a negative USD 1.1m impact.

Financial review (continued)

Total comprehensive income

(USDm unless otherwise stated)	FY 2024	FY 2023
Profit for the period	**28.5**	**8.8**
Change in FX translation reserve	(4.3)	(24.1)
Movement in hedge accounting reserve	(2.2)	(1.7)
Tax on OCI and other items	1.2	0.6
Actuarial gain on defined benefit liabilities and gain on MFX investment revaluation	(1.2)	0.5
Other comprehensive income/(loss)	**(6.5)**	**(24.8)**
Total comprehensive income/(loss) for the period, net of tax	**22.1**	**(16.0)**

ASA International is prioritising the management of its other comprehensive income movement which is significantly impacted by the foreign currency exchange differences on translation of foreign operations. Comprehensive income improved to USD 22.1m in 2024 from a loss of USD 16.0m in 2023. Increased profit for 2024 and actual currency devaluation lower than seen in 2023 specifically in Nigeria and Pakistan contributed to this variance between 2024 and 2023. Dividend expatriation was also higher in 2024 than in 2023. An area that the management is strongly addressing. Focus remains on working with local regulators on settling dividend payables to the Group.

The Group intends to minimize the impact of FX fluctuations by planning to introduce more frequent dividend declarations by its operating entities and explore potential equity hedging strategies. Hedging of operating entity equity has historically been hugely expensive and not deemed to offer the required cost-benefit dynamic. Furthermore, a strong focus on enhancing operational productivity will support improved financial performance and resilience against foreign currency volatilities.

Funding

Total funding increased to USD 499.3m as at 31 December 2024 from USD 424.2m at the end of 2023.

(USDm)	31 Dec 2024	31 Dec 2023
Local Deposits	90.1	79.1
Loans from Financial Institutions	259.8	214.7
Microfinance Loan Funds	11.0	28.2
Loans from Dev. Banks and Foundations	41.9	25.6
Equity	96.5	76.6
Total Funding	**499.3**	**424.2**

A favourable maturity profile has been maintained with the average tenor of all funding from third parties being substantially longer than the average tenor at issuance of customer loans which ranges from six to twelve months for the majority of the loans. Local deposits have increased YoY in USD terms. This increase was primarily due to significant increase in security deposits mainly in Ghana. Voluntary deposits have also increased during 2024, notably in Myanmar. The Group remains focussed on maintaining a healthy funding mix with a majority local sourced and local currency funding.

The cost of funding remained broadly stable at 11.4% on average across 2024 compared to 10.8% in 2023, which reflects a mix of fixed- and variable-rate loans as well as local deposits. Some of the outstanding borrowings have a fixed interest rate but a declining principal, which leads to an increasing cost of debt over time. On the other hand, the decrease in SOFR has lowered funding costs for certain variable-rate loans. These offsetting effects contributed to the overall stability in our effective funding costs.

Lenders demonstrated their confidence in the Group and continued to provide funding in 2024 as the Group was able to raise USD 193.8m (FY 2023: USD 179m) in total debt during 2024, and there is a substantial funding pipeline for 2025 amounting to USD 120.7m, with almost 99% having agreed terms and can be accessed in the short to medium term. There are existing credit relationships with more than 50 lenders across the world, which has provided reliable access to competitively priced funding for the growth of the loan portfolio.

Financial review (continued)

The Group has USD 79.1m (31 December 2023: USD 76.4m) of cash at bank and in hand as at 31 December 2024 of which USD 50.2m (31 December 2023: USD 48.2m) is unrestricted and can be utilized for operational and other working capital needs.

Net debt at the holding companies level slightly decreased to USD 62.9m as at 31 December 2024 from USD 63.8m as at 31 December 2023. The strategy of reducing the proportion of debt funding sourced at the holding companies over time is maintained.

As of 31 December 2024, the balance for credit lines with breached covenants amounts to USD 28.2m and the Group has received waivers for USD 17.6m. The Group is still under discussion to receive waivers for the remaining USD 10.6m.

The Group has also received temporary waivers, as well as no-action and/or comfort letters from some of its major lenders for expected covenant breaches. However, these waivers are not for the full going concern assessment period up to May 2026. The impact of these potential covenant breaches, particularly in India, was further assessed in the evaluation of the Group's going concern as disclosed in note 2.1.1 of the Annual Report. However, the current economic and market conditions make it difficult to assess the likelihood of further debt covenant breaches and whether the waivers necessary to avoid the immediate repayment of debt or further extension of loan terms will be forthcoming. As a result, senior management and the Directors, as in previous years, have concluded that this represents a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern. Nevertheless, given the historical and continuing support received from lenders evidenced by the last four years where the Group has been continuously able to raise new funds and receive waivers for such covenant breaches, and based on continued improved operating performance in most markets, the Group has a reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern assessment period.

Expected credit losses

The Group increased its reserves in the balance sheet for expected credit losses ('ECL') from USD 8.3m as at end of 2023 to USD 12.3m as at end of December 2024, for its OLP, including the off-book BC portfolio in India and interest receivables. The increase was primarily due to the growth of OLP and a management overlay for Pakistan, Philippines, Nigeria, Myanmar and India (Off-book) to provide for the adverse impacts from economic volatility, political instability, natural disaster and inflation.

Furthermore, the USD 12.3m of ECL reserves as at 31 December 2024 mainly relate to overdue loans in India (34%), the Philippines (17%) and Myanmar (14%), with the remainder spread across the other countries.

Hyperinflation accounting

The IFRS standard IAS 29 "Financial Reporting in Hyperinflationary Economies" ('IAS 29') requires the Group to adjust the FY 2024 financial information of operating entities, which expect to be in hyperinflationary economies with the main indicator being three-year cumulative inflation exceeding 100% in the period 2022-2024. All items are presented to reflect the current purchasing power at the reporting date. By the end of 2024, the three-year cumulative inflation in Ghana and Sierra Leone has exceed 100%.

Based on this, hyperinflation accounting is applied in the financial statement of the Group. The application of IAS 29 results in non-cash adjustments in the presentation of the financial information of the Group. In 2024, net profit decreased by USD 3.9m, however, total comprehensive income and total equity increased by USD 0.3m after the IAS 29 adjustments.

Based on third-party sources, the current assessment for 2025 is that only Sierra Leone will be subject to hyperinflationary accounting. Ghana, which contributed the vast majority of the hyperinflation accounting impact on the Group's accounts in 2023 and 2024, is currently forecasted not to be considered hyperinflationary in 2025. Should this be the case, it would mean that the overall impact of hyperinflation accounting on the Group's accounts in 2025 is expected to be materially reduced.

Regulatory capital

Currently, twelve out of thirteen operating subsidiaries are subject to minimum regulatory capital requirements. As of 31 December 2024, there was full compliance with all relevant minimum regulatory capital requirements.

Financial review (continued)

Regional performance

Regional snapshot

FY 2024 (in USDm)	South Asia	South East Asia	West Africa	East Africa
Net interest income	**35.2**	**33.2**	**47.7**	**59.5**
Credit loss expense	(2.3)	(2.5)	(0.9)	(1.3)
Net operating income	**36.2**	**33.5**	**46.8**	**56.6**
Total operating expenses*	**(25.0)**	**(25.2)**	**(22.6)**	**(32.1)**
Profit before tax	**11.2**	**8.3**	**24.2**	**24.5**
Net profit	**2.6**	**6.4**	**15.4**	**15.4**

FY 2023 (in USDm)	South Asia	South East Asia	West Africa	East Africa
Net interest income	**29.4**	**27.4**	**44.2**	**43.4**
Credit loss expense	0.4	(0.9)	(3.7)	(0.8)
Net operating income	**32.0**	**28.3**	**40.6**	**39.7**
Total operating expenses*	**(21.9)**	**(23.7)**	**(26.0)**	**(27.9)**
Profit before tax	**10.0**	**4.6**	**14.6**	**11.9**
Net profit	**3.3**	**3.4**	**7.5**	**6.8**

* Including gain/loss on net monetary position and exchange rate differences.

The Group's consolidated results includes intercompany transaction elimination, adjustment and result of non-operating entities. See more details about Regional financial performance in Note 3 on page 160.

Regional and Country-wise OLP and Portfolio quality

	OLP (in USDm)		PAR>30 days	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Pakistan	89.0	69.5	0.5%	0.3%
India (total)	36.5	43.6	5.4%	3.1%
Sri Lanka	5.0	4.4	4.9%	5.0%
South Asia	**130.5**	**117.5**	**2.1%**	**1.5%**
Philippines	58.4	54.2	6.8%	3.8%
Myanmar	25.6	19.8	0.3%	0.2%
South East Asia	**83.9**	**74.0**	**4.8%**	**2.8%**
Ghana	67.5	51.9	0.2%	0.1%
Nigeria	11.0	15.8	4.9%	12.1%
Sierra Leone	6.3	4.6	9.4%	4.6%
West Africa	**84.8**	**72.3**	**1.5%**	**3.3%**
Tanzania	84.4	64.7	1.3%	0.9%
Kenya	36.3	20.9	0.3%	0.3%
Uganda	18.6	13.0	0.2%	0.8%
Rwanda	4.9	4.0	5.1%	6.8%
Zambia	3.1	2.9	3.4%	2.6%
East Africa	**147.3**	**105.5**	**1.1%**	**1.1%**
Group[1]	**446.6**	**369.2**	**2.2%**	**2.0%**

1 OLP refers to 'Outstanding Loan Portfolio' and including off-book loans. PAR refers to 'Portfolio at Risk'. PAR>30 is the percentage of outstanding customer loans with at least one instalment payment overdue 30 days, excluding loans more than 365 days overdue, to Gross OLP including off-book loans.

Financial review (continued)

South Asia

Net interest income
Net interest income increased by 20% reaching USD 35.2m in 2024 from USD 29.4m in 2023 despite the downside impact of India's results. South Asia's net interest income is primarily driven by the strong operations of Pakistan where both the loan portfolio and effective interest yield showed an improvement. Meanwhile, interest and similar expenses remained in line with the previous year (2024: USD 12.6m, 2023: USD 12.5m), contributing to an overall improvement in the net interest margin.

Net operating income
Net operating income also improved by 13% to USD 36.2m in FY 2024 from USD 32.0m in FY 2023 as a result of operational expansion, minimizing the negative impact of increased credit loss expenses which decreased to USD 2.3m in FY 2024, from a positive contribution of USD 0.4m in FY 2023.

Total operating expenses
Total operating expenses grown by 14% to USD 25.0m in 2024 from USD 21.9m, which driven primarily by the personnel expenses increase from USD 15.4m in 2023 to USD 16.7m due to an expansion in the workforce to support operations, along with salary increases.

Growth of net operating income

13%

2024: USD 36.2m
2023: USD 32.0m

Growth of profit (after tax)

-23%

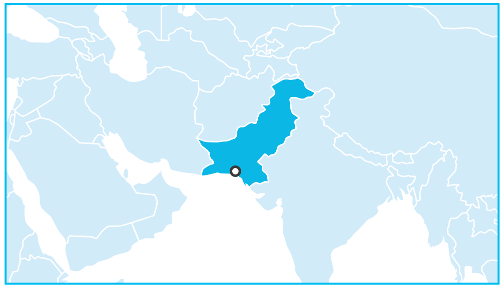
2024: USD 2.6m
2023: USD 3.3m

Profitability
Profit before tax grew by 12% to USD 11.2m in FY 2024 from USD 10.0m in FY 2023, mainly as a result of improved income trends with the cost-to-income ratio remaining broadly flat (69.1% in FY 2024, 68.1% in FY 2023). However, net profit declined by 23% to USD 2.6m in FY 2024, from USD 3.3m in FY 2023 due to an accrual for unsettled tax claims.

Financial review (continued)

Pakistan

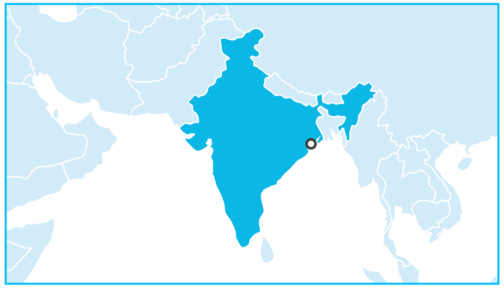
Regional head offices



ASA Pakistan grew its operations over the past 12 months with increased demand from clients:

- Number of clients increased from 616k to 662k (up 8% YoY).
- Branch network increased to 380 branches from 345, supporting the increase in client reach.
- OLP increased as result from PKR 19.4bn (USD 69.5m) to PKR 24.8bn (USD 89.0m) (up 28% YoY in PKR).
- Gross OLP/Client increased from PKR 31.6k (USD 113) to PKR 37.9k (USD 136) (up 20% YoY in PKR).
- PAR>30 slightly increased from 0.3% to 0.5% as certain branches experienced operational challenges.

India

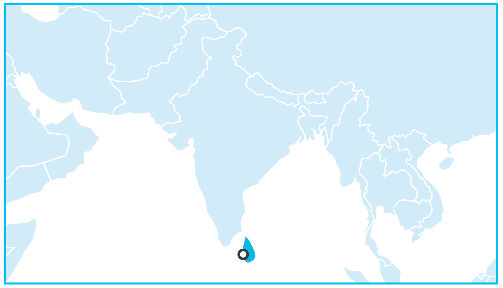


ASA India intentionally shrank its operations over the past 12 months, as it focused on recovery of overdue loans and settlement outstanding third-party debt obligations while maintaining the off-book portfolio:

- Number of clients decreased from 183k to 172k (down 6% YoY) due to limited focus on new loan disbursements.
- Number of branches reduced from 180 to 175 (down 3% YoY).
- On-book portfolio decreased from INR 0.43bn (USD 5.2m) to INR 0.06bn (USD 0.7m) (down 85% YoY in INR).
- Off-book portfolio decreased from INR 3.2bn (USD 38.3m) to INR 3.1bn (USD 35.8m) (down 4% YoY in INR).
- Gross OLP/Client decreased from INR 20.8k (USD 251) to INR 20.1k (USD 235) (down 3% YoY in INR).
- PAR>30 deteriorated from 3.1% to 5.4%.

* See note 13.2 to the consolidated financial statements 2024 for details on the off-book portfolio.

Sri Lanka



Lak Jaya's operations remained stagnant over the past 12 months due to heightened competition:

- Number of clients increased from 43k to 44k (up 2% YoY).
- Number of branches reduced by 1 to 63.
- OLP increased from LKR 1.43bn (USD 4.4m) to LKR 1.45bn (USD 5.0m) (up 2% YoY in LKR).
- Gross OLP/Client increased from LKR 31.5k (USD 97) to LKR 36.0k (USD 123) (up 14% YoY in LKR).
- PAR>30 slightly improved from 5.0% to 4.9% as collection efficiency is improving.

Financial review (continued)

South East Asia

Net interest income
Net interest income increased by 21% reaching USD 33.2m in FY 2024 (2023: USD 27.4m) as both Philippines and Myanmar contributed positively by expanding their operations and increasing their interest income. Net interest margin improved, as the interest expense remained stable (2024: USD 7.0m, USD 6.4m). Meanwhile, interest income grew from USD 33.8m in FY 2023 to USD 40.2m in FY 2024.

Net operating income
Net operating income improved by 19% to USD 33.5m in 2024 from USD 28.3m in FY 2023 as other operating income growth (2024: USD 6.4m, 2023: USD 5.0m) has mitigated the impact of increased credit loss expenses (2024: USD 2.5m, 2023: USD 0.9m) as a result of OLP growth in both countries and lower portfolio quality in Philippines.

Total operating expenses
Total operating expenses slightly increased by 7% to USD 25.2m in FY 2024 from USD 23.7m in FY 2023, primarily driven by elevated personnel expenses in the Philippines in efforts to improve employee retention. Overall, the cost-to-income ratio significantly improved to 74.2% in FY 2024 from 83.6% in FY 2023.

Growth of net operating income

19%

2024: USD 33.5m
2023: USD 28.3m

Growth of profit (after tax)

88%

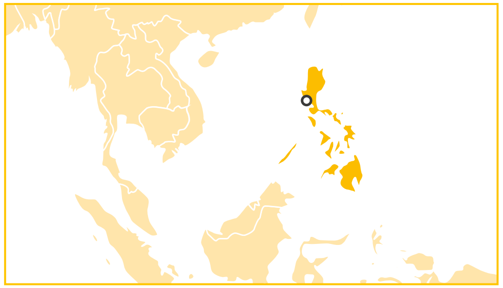
2024: USD 6.4m
2023: USD 3.4m

Profitability
Profit before tax significantly improved by 80% from USD 4.6m in 2023 to USD 8.3m in 2024 as a result of the growing operations of the region. Net profit increase of 88% to USD 6.4m in 2024 from USD 3.4m in 2023 is underpinned by a lower effective tax rate in the region compared to 2023. The Group remains unable to extract dividends from Myanmar.

Financial review (continued)

The Philippines

Regional head offices



Pagasa Philippines' operations grew over the last 12 months, despite of the natural calamities affecting the operations:

- Number of clients increased from 333k to 353k (up 6% YoY).
- Number of branches increased from 370 to 400 (up 8% YoY).
- OLP increased from PHP 3.4bn (USD 54.2m) to PHP 3.4bn (USD 58.4m) (up 13% YoY in PHP).
- Gross OLP/Client increased from PHP 9.2k (USD 165) to PHP 9.9k (USD 171) (up 9% YoY in PHP).
- PAR>30 increased from 3.8% to 6.8%, mainly due to the typhoons and heavy rainfalls impacting both the clients' repayment ability and the working ability of the branches.

Myanmar

ASA Myanmar's operations improved over the last 12 months despite facing military conscription law and an unstable economy. As most of the operational areas are located in relatively safer zones, ASA Myanmar was able to focus on effectively monitoring the operations, resulting in a quality growth:

- Number of clients increased from 111k to 122k (up 10% YoY).
- Number of branches increased from 88 to 89 (up 1% YoY).
- OLP increased from MMK 41.6bn (USD 19.8m) to MMK 53.7bn (USD 25.6m) (up 29% YoY in MMK).
- Gross OLP/Client increased from MMK 409.5k (USD 195) to MMK 467.6k (USD 223) (up 14% YoY in MMK).
- PAR>30 largely stable at 0.3%.

Financial review (continued)

West Africa

Net interest income

Net interest income increased by 8%, totalling USD 47.7m in 2024, compared to USD 44.2m in 2023. While interest income in Ghana rose due to increased demand from clients, Nigeria experienced a reduction in the number of clients, driven by economic challenges, which resulted in lower interest income. Additionally, significant local currency depreciation had an impact on the overall results.

Net operating income

Net operating income improved by 15% to USD 46.8m in 2024 from USD 40.6m in 2023, due to lower credit loss expenses (2024: USD 0.9m, 2023: USD 3.7m), mainly driven by a portfolio quality improvement in Nigeria.

Total operating expenses

The total operating expenses significantly decreased by 13%, standing at USD 22.6m in FY 2024 compared to USD 26.0m following a decrease in both personnel expenses (2024: USD 10.0m, 2023: USD 11.7m) and other operating expenses (2024: USD 6.1m, 2023: USD 6.8m). As a result, cost-to-income ratio developed to 36.2% in FY 2024 from 48.2% in FY 2023.

Growth of net operating income

15%

2024: USD 46.8m
2023: USD 40.6m

Growth of profit (after tax)

105%

2023: USD 15.4m
2023: USD 7.5m

Profitability

The profitability significantly improved regardless the negative impact of the application of hyperinflation accounting in both Ghana and Sierra Leone. Profit before tax increased by 65% to USD 24.2m in 2024 from USD 14.6m in 2023. An improvement in tax position further supports the net profit improvement, which has increased by 105% reaching USD 15.4m in FY 2024 (2023: USD 7.5m).

Financial review (continued)

Ghana

Regional head offices

ASA Savings & Loans operations overcame the economic challenges within the country and demonstrated tremendous performance with excellent portfolio quality:

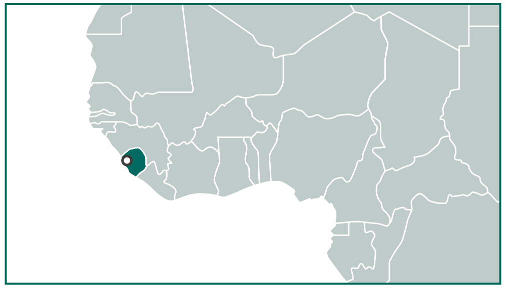
- Number of clients increased from 201k to 223k (up 11% YoY).
- Number of branches increased from 143 to 153 (up 7% YoY).
- OLP increased from GHS 620.9m (USD 51.9m) to GHS 993.3m (USD 67.5m) (up 60% YoY in GHS).
- Gross OLP/Client increased from GHS 3.1k (USD 259) to GHS 4.5k (USD 304) (up 45% YoY in GHS).
- PAR>30 remained largely stable at 0.2%.

Nigeria

ASA Nigeria saw a mixed operational performance despite high inflation levels, depreciating currency and an unstable economy:

- Number of clients reduced from 184k to 150k (down 19% YoY), as the price instability and increasing interest rates in the country are also affecting the willingness of clients to apply for new loans.
- Number of branches increased from 263 to 269 (up 2% YoY).
- OLP increased from NGN 14.2bn (USD 15.8m) to NGN 17.0bn (USD 11.0m) (up 19% YoY in NGN).
- Gross OLP/Client increased from NGN 85.7k (USD 96) to NGN 121.2k (USD 78) (up 41% YoY in NGN).
- PAR>30 improved from 12.1% to 4.9% as a result of improved KYC and due diligence practices.
- New CEO appointed in October 2024 with a deep financial services background.

Sierra Leone



ASA Sierra Leone saw a significantly improved operational performance:

- Number of clients increased from 39k to 43k (up 10% YoY).
- Number of branches increased from 46 to 49 (up 7% YoY) supporting the increase in client reach.
- OLP increased from SLL 104.3m (USD 4.6m) to SLE 143.4m (USD 6.3m) (up 37% YoY in SLE).
- Gross OLP/Client increased from SLL 2.8m (USD 122) to SLE 3.5m (USD 155) (up 26% YoY in SLE).
- PAR>30 increased from 4.6% to 9.4% as collection efficiency reduced.

Financial review (continued)

East Africa

Net interest income

Net interest income saw a significant improvement of 37%, reaching USD 59.5m in FY 2024 (2023: USD 43.4m) as a result of operational growth in all countries, supported by an OLP growth of 40% YoY basis. The positive effect of the increase in interest and similar income (2024: USD 74.9m, 2023: USD 54.6m) is slightly offset by an increase in interest and similar expenses (2024: USD 15.2m, 2023: USD 11.2m) due to higher level of third-part borrowings across markets.

Net operating income

Net operating income increased by 42% up to USD 56.6m in FY 2024 from USD 39.7m in FY 2023 mainly driven by an improvement in other operating income generated by member admission fee income in Kenya and a slightly lower credit loss expense in the region compared to last year (2024: USD 1.3m, 2023: USD 0.8m).

Total operating expenses

Total operating expenses increased by 15% during 2024 to USD 32.1m (2023: 27.9m) primarily due to increase in personnel expenses (2024: USD 19.3m, 2023: USD 17.0m) following a salary adjustment implemented after H1 2024. Despite of the increase in expenses, the operational efficiency improvement is proven by cost-to-income ratio decreasing to 56.7% at FY 2024 from 69.5% at FY 2023.

Growth of net operating income

42%

2024: USD 56.6m
2023: USD 39.7m

Growth of profit (after tax)

127%

2024: USD 15.4m
2023: USD 6.8m

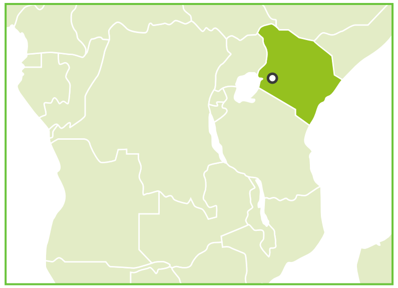
Profitability

Profit before tax improved from USD 11.9m in FY 2023 up to USD 24.5m in FY 2024 as a result of substantial interest income and other operating income increase. Net profit increased from USD 6.8m in FY 2023 to USD 15.4m in FY 2024, which is also supported by an improvement in effective tax rate.

Financial review (continued)

Tanzania

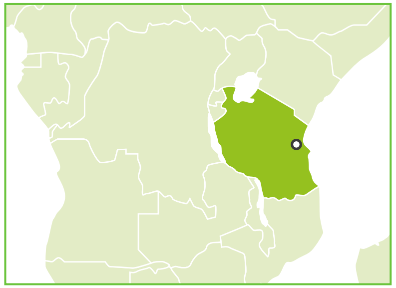
Regional head offices



ASA Tanzania expanded its operations over the last 12 months:

- Number of clients increased from 248k to 280k (up 13% YoY) as the more favourable loan terms are attracting an increased number of clients.
- Number of branches increased from 202 to 221 (up 9% YoY).
- OLP increased from TZS 162.5bn (USD 64.7m) to TZS 205.0bn (USD 84.4m) (up 26% YoY in TZS).
- Gross OLP/Client increased from TZS 660.4k (USD 263) to TZS 740.0k (USD 305) (up 12% YoY in TZS).
- PAR>30 slightly increased to 1.3% from 0.9%.

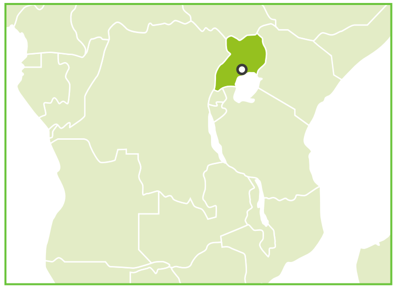
Kenya



ASA Kenya expanded its operations over the 12-month period overcoming stiff competition in the market:

- Number of clients increased from 205k to 262k (up 28% YoY).
- Number of branches increased from 132 to 145 (up 10% YoY) in order to respond to increased client demands.
- As a result, OLP increased from KES 3.3bn (USD 20.9m) to KES 4.7bn (USD 36.3m) (up 43% YoY in KES).
- Gross OLP/Client increased from KES 15.9k (USD 101) to KES 18.0k (USD 139) (up 13% YoY in KES).
- PAR>30 remained stable at 0.3% as ASA Kenya continued to monitor disbursement quality meanwhile increasing its loan portfolio.

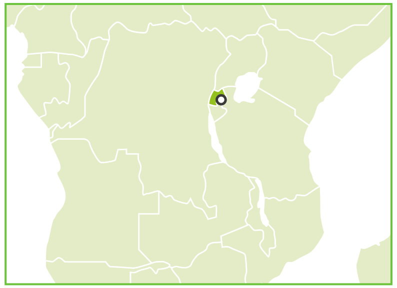
Uganda



ASA Uganda saw a significant improvement in operations over the last 12 months:

- Number of clients increased from 121k to 150k (up 24% YoY).
- Number of branches increased from 120 to 125 (up 4% YoY).
- OLP increased from UGX 49.3bn (USD 13.0m) to UGX 68.4bn (USD 18.6m) (up 39% YoY in UGX).
- Gross OLP/Client increased from UGX 405.5k (USD 107) to UGX 456.7k (USD 124) (up 13% YoY in UGX).
- PAR>30 improved from 0.8% to 0.2%.
- A new CEO was appointed in 2024 which has already resulted in a significant financial and operational improvement.

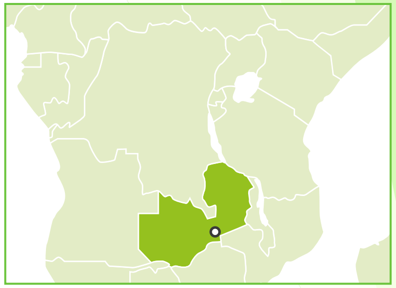
Rwanda



ASA Rwanda saw a strong improvement in operations over the last 12 months:

- Number of clients increased from 21k to 23k (up 10% YoY).
- Number of branches increased from 32 to 37 (up 16% YoY).
- OLP increased from RWF 5.1bn (USD 4.0m) to RWF 6.8bn (USD 4.9m) (up 34% YoY in RWF).
- Gross OLP/Client increased from RWF 253.0k (USD 201) to RWF 316.7k (USD 228) (up 25% YoY in RWF). There is an emphasis on branches located in urban areas to disburse to clients who have a capacity to take on higher loan sizes.
- PAR>30 improved from 6.8% to 5.1%.
- A new CEO was appointed in 2024 which has already resulted in a significant financial and operational improvement.

Zambia



ASA Zambia expanded its operations:

- Number of clients increased from 25k to 28k (up 15% YoY).
- Number of branches increased from 31 to 39 (up 26% YoY).
- OLP increased from ZMW 73.8m (USD 2.9m) to ZMW 87.8m (USD 3.1m) (up 19% YoY in ZMW).
- Gross OLP/Client increased from ZMW 3.1k (USD 119) to ZMW 3.2k (USD 114) (up 3% YoY in ZMW).
- PAR>30 increased from 2.6% to 3.4%, as branch operations were affected by the general country power deficit situation.

Risk management

Risk management is central to the Group's business model.

Risk management framework
The Group continuously strengthens its risk management framework to address evolving challenges and risks, ensuring it aligns with the needs of a sustainable financial institution. As a microfinance operator, the Group adopts a prudent and consistent approach to managing risk. Its risk culture is shaped by its core values, beliefs, knowledge, attitude, and risk awareness across its diverse operations. The Group evaluates its risk landscape by identifying and assessing both quantifiable and non-quantifiable risks, which are then embedded into its management and decision-making processes.

Identification and assessment
At the subsidiary level, the Risk Management Unit is responsible for continuously identifying and assessing both existing and emerging risks.
It collaborates with risk owners to implement mitigation measures and actively monitors risk levels. These efforts are documented in risk reports for management review. The subsidiary-level Risk Management Coordination Committee reviews the risk reports, which are then approved by the subsidiary CEO before being presented to the subsidiary Audit and Risk Committee ('ARC'). The Group Risk Management team consolidates these country risk reports to create a comprehensive Group risk report. This report is discussed at the Executive Committee meeting before being presented to the Group ARC, where it is thoroughly reviewed and recommendations are made to enhance risk management efforts.

→ Read the principal risks on page 40

→ Read the viability statement on page 104

Risk appetite
Risk appetite, or the amount and type of risk that the Group is willing to accept, tolerate, or expose itself to in pursuit of its business objectives, is set at a level to avoid material loss, fraud and operational inefficiencies. The Group establishes its risk appetite to provide direction and set boundaries for risk management across its microfinance institutions.
The Group targets more conservative financial and prudential ratios than required by regulators in the countries of operation whilst ensuring full compliance with all local regulations and laws. The Group also has zero tolerance for any unethical, illegal or unprofessional conduct and maintains a zero appetite for association with any disreputable individuals.

The Group reviews its risk appetite on a quarterly basis by preparing a comprehensive risk appetite report based on Key Risk Indicators (KRIs). These KRIs are assigned tolerance levels, which are established based on various factors, including the regulatory landscape, budget constraints, historical trends, and future projections. The tolerance levels are periodically reviewed and adjusted, if necessary, following recommendations from the Executive Committee ('ExCo'), Asset and Liability Committee ('ALCO'), or ARC. This dynamic approach ensures that the Group's risk appetite remains aligned with evolving business conditions and strategic objectives.

Risk appetite statement
ASA International has a moderate risk appetite.
We strive for a balanced approach, accepting risks associated with investing in microfinance operations in emerging markets while prioritising prudent risk management to safeguard the interests of our clients, investors, and stakeholders. Our commitment to a high level of compliance, strict adherence to well-defined operational procedures, and a focus on sustainable financial inclusion are the basis of our dedication to achieving social economic impact for our clients and generating sustainable financial returns for the Company.

Risk management framework

1 Defines high-level strategy. Ensures the Group has effective risk management policies in place. Approval of the risk management framework, risk principles and risk appetite.

2 Sets risk appetite and strategy, frameworks and principles to be recommended to the Board. Identifies new and emerging risks

3 Senior management determines risk appetite

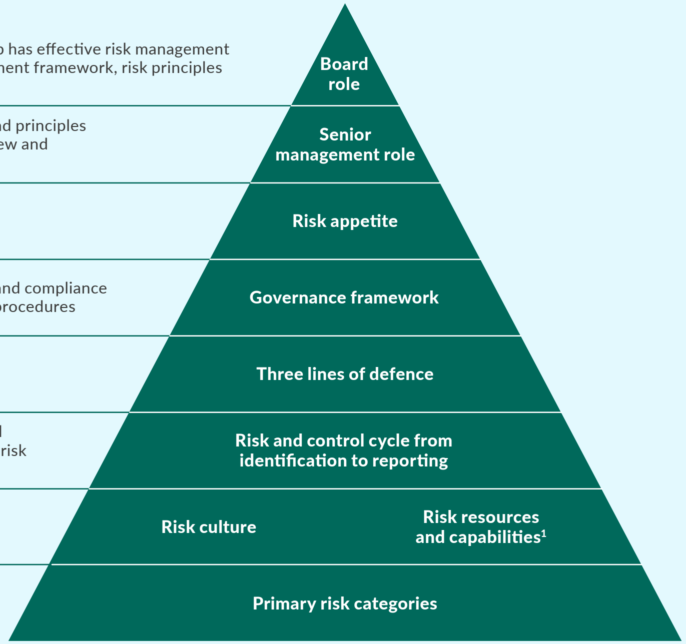
4 Senior management defines governance, risk and compliance framework including principal processes and procedures

5 Three lines of defence model implemented at all levels of the Group

6 Frequent reporting at the country level as well as from country to Group level to identify key risk areas and prioritise risks likely to occur

7 Development of risk culture throughout the organisation

8 Day-to-day management of risks as per three lines of defence model



1 Ensuring the resources are in place to effectively implement the risk management framework and that staff are equipped with necessary expertise.

Risk management
(continued)

Three lines of defence

Board of Directors
Establishes the risk strategy and regularly reviews risk appetite.
Approves frameworks, methodologies, policies and responsibilities.

Operational management	Risk management, Compliance and FMPU	Internal Audit
First line of defence	*Second line of defence*	*Third line of defence*
Line management in each business area	Internal oversight functions	Internal Audit function
The primary responsibility is to own and manage risks relating to daily operation	To identify risks in the daily operations and provide an independent oversight role to the first line	To provide objective and independent assurance on the first and second line functions
	Supports and challenges the first line	

Three lines of defence

The first line of defence in a microfinance company comprises operational staff, such as loan officers and branch managers, responsible for managing risks in daily activities. They ensure compliance with policies, conduct client due diligence to prevent fraud and over-indebtedness, and maintain accurate records to minimise errors. Internal controls, like dual approvals, are used to safeguard processes and enhance risk management.

The second line of defence at the Group's subsidiaries provides guidance and oversight of the activities performed by the first line of defence. It includes internal oversight functions such as Compliance, Risk Management, and the Fraud and Misappropriation Prevention Unit ('FMPU').

The third line of defence is Internal Audit at both the Group level and the microfinance institution level. In addition to regularly performing internal auditing activities, Internal Audit ensures that all units responsible for managing risk are performing their roles effectively and efficiently.

→ For more information about the Group's three lines of defence, visit the website

Principal risks

Details of the Group's key risk management areas can be found on page 40. This section should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties faced by the Group but rather those which the Group currently believes may have a significant impact on its performance and future prospects.

Emerging risks

Emerging risks are potential threats or uncertainties that have recently emerged or developed, often characterised by their unpredictability and potential for significant impact. ASA International conducts quarterly risk assessments at all entities, which are performed by the respective risk officers and reviewed by the entity-level Risk Management Coordination Committee. During these assessments, emerging risks are discussed and if a risk is identified that is not covered by the Group risk taxonomy, it is communicated to the Group. On an annual basis, the Group Risk Management function reviews and, if necessary, updates the risk taxonomy to include any newly identified emerging risks. The senior management discussions during the Group-level ExCo, ALCO or ARC meetings may also serve as a source for identifying emerging risks. In addition, the Group Risk Management function is subject to internal audit, which may result in recommendations to identify certain emerging risks as part of the internal audit review process.

Two emerging risks have been identified. In 2024, Ghana and Sierra Leone saw inflation surpassing 100% over three years, prompting the adoption of hyperinflation accounting in the Group's financial statements, leading to non-cash adjustments. Nigeria and Myanmar are on the watch list for potential hyperinflation in the coming year as they continue to experience high inflation rates.

We have seen an increase in physical climate risk during the year. The Philippines has been hit by an increased number of natural disasters, including 16 typhoons, which have impacted field operations. As a result, the Portfolio at Risk ('PAR') in the the Philippines has risen due to these calamities. Zambia faced a major drought, affecting agriculture and reducing hydroelectric power generation, prompting the government to lower its economic growth forecast for the year.

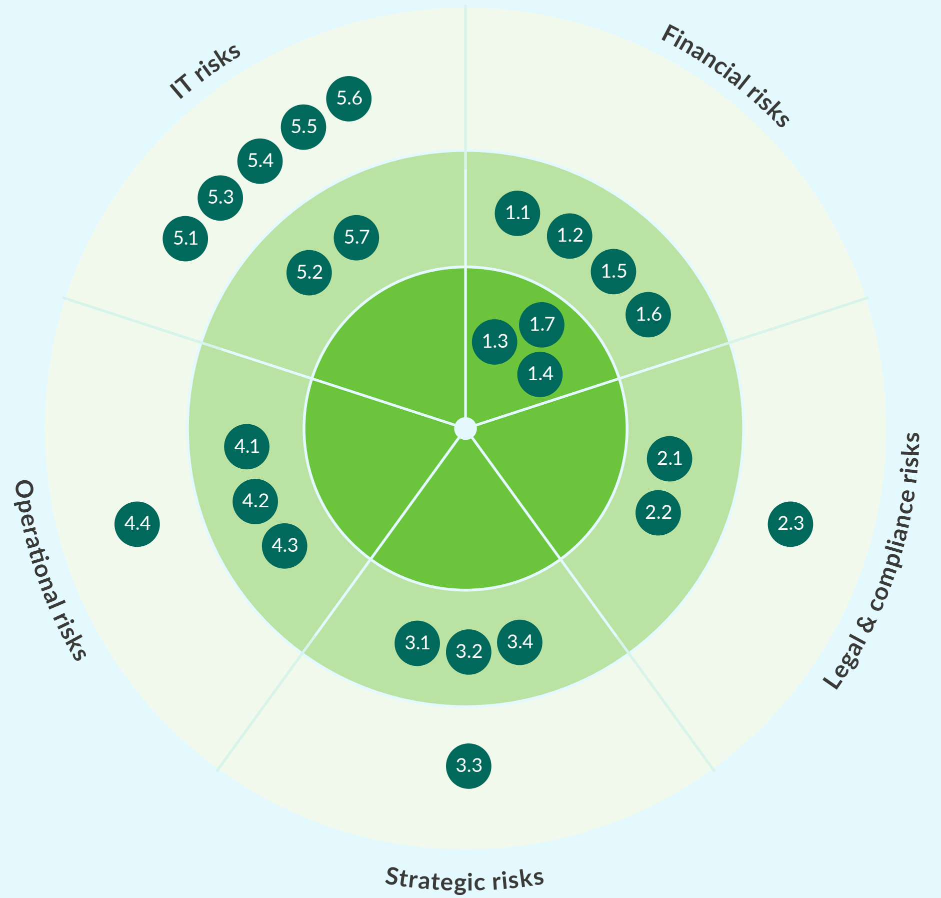
Risk management
(continued)

Principal risks

Principal risk refers to a key or significant risk that has the potential to materially impact the institution's financial stability, operational performance, or reputation.

The broad category of principal risks in the Group risk taxonomy consists of strategic risk, operational risk, financial risk, IT risk, and legal & compliance risk. Identifying and managing principal risks are critical to ensuring the sustainability and resilience of the organisation. Compared to the previous year, tax compliance risk has risen due to increased tax burdens in certain jurisdictions. Growth risk has reduced, driven by improved performance and profitability in operational entities. Additionally, IT business continuity and system vulnerability risks have increased due to new system implementations and the continuous evolution of cyber threats.

Risk map



1. Financial risks
1.1 Credit
1.2 Liquidity
1.3 Exchange rate
1.4 Inflation rate
1.5 Interest rate
1.6 Concentration
1.7 Tax

2. Legal & compliance risks
2.1 Regulation
2.2 Client protection
2.3 Anti-money laundering

3. Strategic risks
3.1 Growth
3.2 Competition
3.3 Reputation
3.4 Climate

4. Operational risks
4.1 Human resource
4.2 Fraud & Integrity
4.3 Business contingency
4.4 Health & Safety

5. IT risks
5.1 Business continuity
5.2 System vulnerability & cyber security
5.3 Data privacy & protection
5.4 IT support
5.5 System access control
5.6 IT fraud
5.7 Data migration & transformation

Risk level

Low	Medium	High
When the risk is within the tolerance level of the organisation and may cause insignificant impact on its ability to achieve its goals and objectives, or may have minor impact from a financial, legal, regulatory and reputational standpoint.	When the risk is at the boundary of the tolerance level of the organisation and may cause moderate impact on achieving the goals and objectives, or may have moderate impact from a financial, legal, regulatory and reputational standpoint.	When the risk crosses the tolerance level of the organisation and may significantly impact its ability to achieve goals and objectives, or may have a major impact from a financial, legal, regulatory and reputational standpoint.

Risk management (continued)
Principal risks (continued)

Level of change key

Risk decreasing | Risk remains stable | Risk increasing

Risk	Risk grade and level of change	Change in 2024	How we mitigate our risks/next steps
1. Financial risk			
1.1 Credit risk The risk that the Company will incur a loss because its clients or counterparties fail to discharge its contractual obligations. **Objective** To ensure that the portfolio at risk ('PAR') is kept at a minimum percentage at all times.	Medium Risk remains stable	The Group's PAR has slightly increased compared to the previous year due to deterioration in India, the Philippines and Sierra Leone. However, it is within the tolerance benchmark of the Company. Pakistan, Ghana, Kenya and Uganda achieved high portfolio quality with PAR>30 less than 1%.	Although PAR > 30 remains within an acceptable range, the Group is confident it can reduce it further based on past experience. Due to the economic challenges in some markets, including rising energy and food prices, the Company will remain prudent in disbursements and closely monitor clients' debt levels. The Company strictly follows the ASA Model's operating procedures, including setting risk limits per borrower, taking security deposits where possible, preventing over-borrowing and excessive geographic concentration. The Group continuously monitors portfolio changes and takes immediate action. Country-specific efforts to increase collections and reduce PAR are taken. The Company is highly supportive of the establishment of local credit bureaus.
1.2 Liquidity risk The Company's operations may be impacted if it is unable to meet its payment obligations when it falls due under normal and stress circumstances. **Objective** To manage liquidity risks and avoid loss of business, missed opportunities for growth, or legal or reputational consequences.	Medium Risk remains stable	The Group has maintained its liquidity position during the year and successfully met the liquid asset regulatory requirements in each jurisdiction. Meeting the funding requirements in some of the Asian countries, including India, Sri Lanka and Myanmar, proved difficult due to specific country circumstances. Exchange losses during the year affected the Group dividends received from operating subsidiaries. However, the Group continued to raise a substantial amount of debt funding both at the country and Group level during the year. Funding costs of the holding have improved in 2024 compared to 2023 because of improved pricing on funding. The Group has a strong funding pipeline of USD 121 million.	Although economic uncertainty may impact funding markets, the Company is diversified across thirteen countries with good access to a wide range of funding sources at both local and holding levels. The Company is approaching new potential funders to broaden partnerships across markets. The Company maintains solid relationships with its debt providers, who continued to show strong interest in funding its operations at both local and holding level. The Company remains vigilant towards the deterioration of its loan portfolio that may lead to liquidity concerns. The Asset Liability Committee ('ALCO') Committee regularly reviews the cash and liquidity position of the Group.
1.3 Exchange rate risk The Company may suffer a financial loss arising from adverse movements in foreign exchange rates. **Objective** To manage currency risks and minimise loss due to foreign currency exposure.	High Risk remains stable	The local currencies of some of the countries saw increased vulnerability against the USD. During the year, local currencies have sharply depreciated against the USD, mainly in Ghana, Nigeria, and Rwanda. Depreciation of currencies reduced the reported Outstanding Loan Portfolio ('OLP') and Gross OLP/ Client figures in USD. Overall, the currency movements resulted in an increase of the foreign exchange ('FX') translation reserve losses.	The Group has existing hedge relationships and manages its currency risk through natural hedging, i.e. by matching the relevant microfinance subsidiary's local currency assets with local currency liabilities, and by obtaining funding denominated in local currency. For USD funding to the subsidiaries, the Company continues to ensure that close to 100% of its currency exposure is hedged. The Group's equity positions are unhedged. The currency movements of the Company's operating currencies against the USD remain unpredictable. The ALCO regularly reviews exchange rate risk.

Risk management (continued)
Principal risks (continued)

Level of change key

Risk decreasing · Risk remains stable · Risk increasing

Risk	Risk grade and level of change	Change in 2024	How we mitigate our risks/next steps
1. Financial risk (continued)			
1.4 Inflation rate risk The Company's profitability or operational cost may be impacted by the rise in inflation rates. **Objective** To limit the impact by controlling expenditure and adjusting the loan size.	High Risk remains stable	There is high inflation rate in some of the countries including Myanmar, Nigeria, Ghana, Sierra Leone and Zambia. This situation is reducing the purchasing power of our target clients as well as employees and adversely impacting their day-to-day lives. High inflation is increasing the overall cost of the Company. Ghana and Sierra Leone saw inflation surpassing 100% over three years, prompting the adoption of hyperinflation accounting in the Group's financial statements, leading to non-cash adjustments. Nigeria and Myanmar are on the watch list for hyperinflation for 2025.	The loan size is reviewed on at regular intervals and increased if needed. Employees salaries are reviewed periodically and increments are given. Non-essential costs are avoided to control costs.
1.5 Interest rate risk The Company's profitability or results of operations may be impacted by fluctuations in interest rates. **Objective** To limit the impact of interest rate movements and exposure to financial counterparties.	Medium Risk increasing	Borrowing costs are increasing globally. They are expected to rise further, considering the global economic downturn. However, costs of borrowing for the Group have remained stable, although with increased hedging costs in some markets.	The Company continuously negotiates with its lenders and interacts with regulators. The interest rate caps in India and Sri Lanka were removed and the Company increased its rates in these markets. The Company's strategy in evaluating and managing its interest rate risk is to conduct a cost of funds analysis and to monitor interest rates in those countries where there is a limit on the amount of interest it may charge. The ALCO regularly reviews interest rate risk.
1.6 Concentration risk High concentration of portfolio in a specific geographic area may amplify the impact of adverse economic events. **Objective** To ensure that the portfolio of the Group is well diversified.	Medium Risk remains stable	A high percentage of the total OLP is concentrated in four countries; Pakistan, the Philippines, Ghana and Tanzania. Earnings Before Tax ('EBT') concentration is highest in Ghana. However, it does not exceed the tolerance benchmark of the Group. Senior management is focusing on growing the business in other countries to reduce the concentration level in the above-mentioned countries.	The portfolio of the Group is diversified across thirteen countries. Our country portfolio is diversified across various regions and sectors/industries. The Group has a concentration risk policy which monitors the concentration risk and aims to improve the diversification. The ALCO regularly reviews concentration risk.

Risk management (continued)
Principal risks (continued)

Level of change key

Risk decreasing | Risk remains stable | Risk increasing

Risk	Risk grade and level of change	Change in 2024	How we mitigate our risks/next steps
1. Financial risk (continued)			
1.7 Tax risk The Group may face adverse consequences due to failure to adhere to tax laws and regulations. **Objective** To ensure compliance to applicable tax regulations at all times.	High Risk increasing	The Group faces tax-related risks in several countries, including Pakistan, Ghana, Tanzania, and Rwanda, where tax authorities may impose high tax assessments. These challenges can reduce profits due to increased tax liabilities, and lead to potential financial exposure.	To mitigate these risks, the Group remains committed to staying updated on evolving tax regulations and ensures that detailed records are maintained to support compliance. Additionally, the Group engages external tax consultants for expert advice on critical matters and actively works with local tax authorities to resolve any issues and maintain a cooperative relationship.
2. Legal & compliance risk			
2.1 Regulation risk The Company may suffer losses or fail to optimise profitable growth due to regulatory changes or through political activism. **Objective** To ensure that effective arrangements are in place to comply with legal and regulatory obligations at all times.	Medium Risk remains stable	The Group continues to seek regulatory resilience in countries where licence limitations could negatively impact future growth and is seeking to be fully regulated across a number of markets and will progress obtaining microfinance banking licences in Tanzania and Kenya. ASA Pakistan received a microfinance banking licence from the State Bank of Pakistan, which comes with increased compliance requirements. The Group plans to divest its India operations in 2025 and has applied to the Reserve Bank of India to surrender its NBFC-MFI license.	ASA Pakistan will proactively continue to ensure compliance with the Central Bank. The Group will continue to enhance its Compliance monitoring activities with a focus on providing independent oversight over the appropriateness and effectiveness of regulatory controls within its businesses.
2.2 Client protection risk Risk of reputational loss for not ensuring client protection and transparency. **Objective** To ensure that business processes for product delivery and design adhere to the Client Protection Principles ('CPP').	Low Risk remains stable	There have been no significant changes in this area. However, in some countries there is increased scrutiny by regulators and markets regarding client protection. A client protection assessment of the Group confirmed overall alignment with the CPP set by Cerise+SPTF, with a few areas identified for improvement.	Our service is offered in a client-friendly and transparent manner. The Company adopted the SMART campaign principles, which are a common standard in the industry. The Company strives to meet the highest standard in terms of Client Protection Principles and business transparency. Client feedback is collected on a regular basis to improve client interaction. Address recommendations from CPP assessment.

Risk management (continued)
Principal risks (continued)

Level of change key

Risk decreasing — Risk remains stable — Risk increasing

Risk	Risk grade and level of change	Change in 2024	How we mitigate our risks/next steps
2. Legal & compliance risk (continued)			
2.3 Anti-money laundering risk Threat arising from inadequate measures to prevent and address anti-money laundering ('AML'). **Objective** To ensure that anti money laundering procedures are well established.	Low Risk remains stable	Risk is inherently low due to the nature of small loans. Money laundering-related incidents are very rare.	An AML policy is in place and AML officers are appointed at the entity level. A rigorous Know Your Customer ('KYC') procedure is established. A suspicious transactions reporting procedure is in place.
3. Strategic risk			
3.1 Growth risk All risks and challenges associated with the Company's operational expansion. **Objective** To meet our business expansion plan in a controlled manner.	Medium Risk decreasing	During the year, the majority of countries demonstrated improved performance. The Group plans to divest from India due to declining performance, as the entity is no longer supporting growth. The political situation in Myanmar and associated governmental measures have curbed business. In Sri Lanka, growth had been stalled due to political and economic instability, but the country situation is now showing strong signs of improvement. High inflation in the economy remains a challenge for portfolio growth in both Nigeria and Sierra Leone.	In January 2025, the Board of ASA India submitted an application to the Reserve Bank of India to relinquish its NBFC-MFI license. This decision was driven by the need to cut costs amid a weakening financial position, liquidity challenges, and ongoing lender defaults. New loans are not being disbursed in the high-risk zone of Myanmar. Branches in the high-risk zones have been closed or merged. Economic and political stability are returning to Sri Lanka, and the Group is focused on turning the business around. The Group continues to strengthen the Leadership and Management across the Group and appointed new CEOs in countries such as Nigeria, Rwanda and Uganda in 2024.
3.2 Competition risk The Company may suffer losses or fail to optimise profitable growth by not responding well to the competitive environment or failing to ensure its proposition meets customer needs. **Objective** To understand competition threats and stay client-focused.	Medium Risk remains stable	Competition has remained stable or is increasing in some markets, possibly due to stabilisation of the post pandemic economy and the increasing trend of digital lending. Digital lenders and services remain active in African countries, creating competition on the digital frontier. The Company's portfolio reduction strategy in India has resulted in the loss of clients to competitors.	The Company emphasises the importance of building and sustaining robust client relationships and customises its products and services to cater to clients' needs. The Company continuously monitors client satisfaction. In anticipation of a future with increasingly cashless transactions, the Company is developing a digital financial services platform, which over time also will include a range of digital financial services.

Risk management (continued)
Principal risks (continued)

Level of change key

Risk decreasing | Risk remains stable | Risk increasing

Risk	Risk grade and level of change	Change in 2024	How we mitigate our risks/next steps
3. Strategic risk (continued)			
3.3 Reputation risk The Company may suffer financial or reputational damage due to possible misconception of the quality of its services. **Objective** To be fully aligned with the long-term interests of clients.	Low Risk remains stable	The Company has not faced significant reputational issues. The Company strengthened its relationships with clients and communities through close interaction and by investing in community projects in operating subsidiaries.	The Company's clearly defined corporate values and ethical standards are communicated throughout the organisation, its customer base and other stakeholders. The Company's impact is measured via the Client Economic Yield survey ('CEY'). → Read more about impact on page 12 and in the ESG report on page 56 The Company maintains close relationships with clients and the broader communities in which it operates.
3.4 Climate risk The risk related to potential negative impact of climate change on the organisation. **Objective** Committed to sustainability, emission reduction, and climate risk response.	Medium Risk increasing	The Company monitors carbon emissions and implements GHG reduction initiatives across subsidiaries. In the Philippines, 16 typhoons have disrupted field operations, increasing PAR. Zambia's severe drought has impacted agriculture and hydroelectric power, leading to a power crisis. The Company analysed two climate scenarios (<2°C and >3°C by 2050), concluding that its strategy and financial position are well-equipped to remain resilient in the long term.	Operating subsidiaries proactively address climate risks through targeted actions and strong governance. This year's initiatives included tree planting, solar panel installation, electric motorbike adoption, and knowledge-sharing programmes. → Read more in the Taskforce for Climate-related Financial Disclosures ('TCFD') statement on pages 65 to 79 The Company stays in close contact with clients during calamities, providing relief. In the Philippines, the increase in PAR is addressed through enhanced collections via regular and digital channels, along with strengthened monitoring systems and internal controls. → Read more about how the Company supports clients during calamities on page 62
4. Operational risk			
4.1 Human resource risk The Company's strategy may be impacted by not having sufficient skilled people or being unable to retain key people and not treating them in accordance with the Company's values and ethical standards. **Objective** To have sufficient personnel to meet growth objectives.	Medium Risk remains stable	The Company strengthened leadership by appointing CEOs, CFOs, and key department heads across subsidiaries. Staff retention remained stable overall but was lower in the Philippines, Myanmar, and Rwanda. Skilled worker shortages were noted in Myanmar, Sri Lanka, and Sierra Leone. Additional IT staff were hired to support digital expansion. No employee strikes or disruptions occurred during the year.	The Company ensures that remuneration is competitive and carries out regular reviews as well as annual increments. The Company continuously monitors performance which allows career growth for high-performing employees. Staff can file any complaints or misconduct experienced at a Grievance Mitigation Committee.

Risk management (continued)
Principal risks (continued)

Level of change key

Risk decreasing | Risk remains stable | Risk increasing

Risk	Risk grade and level of change	Change in 2024	How we mitigate our risks/next steps
4. Operational risk (continued)			
4.2 Fraud & integrity risk The risk of incidents of fraud and misappropriation by staff or client. **Objective** To have procedure in place to prevent and detect fraud & misappropriation events carried out by staff or clients.	Medium Risk remains stable	As at December 2024, the overdue balance remains high in some of the countries which increases the risk exposure. Nigeria and the Philippines saw more incidents than other countries, while Myanmar's evolving security situation has increased the risk of robberies. The lack of biometrics in the IT platform increases the exposure to fraud and misappropriation. The escalation of living expenses due to inflation may lead to higher levels of attempted fraud.	Regular visits by the Fraud and Misappropriation Unit ('FMPU') and Internal Audit team take place to identify and prevent fraud. FMPU members conduct an awareness programme at branches to discourage fraud and misappropriation. FMPU members recommend appropriate disciplinary measures for the perpetrators in accordance with entity policy, take necessary actions to recover the misappropriated amount, and pursue legal action, if necessary. Biometric registration, use of OTP and SMS for disbursement/withdrawal was introduced in the Philippines.
4.3 Business contingency risk Potential adverse effects on operations resulting from unexpected events or disruptions. **Objective** To ensure that there is adequate business contingency planning for smooth running of operations.	Medium Risk remains stable	Business contingency risk is generally low, as the Group maintains redundant servers and data recovery sites at all entities. he use of real-time AMBS and Temenos core banking systems introduces a medium-level risk, primarily due to potential internet slowdowns, shutdowns, or unforeseen server issues. In the Philippines, natural calamities occasionally disrupt branch operations. These events are seasonal, and branch offices are well-prepared to manage such disruptions.	As per current practice, remote working will be enabled in case head office becomes inaccessible due to a catastrophic incident. We have secure Disaster Recovery ('DR') sites either on the premises or on cloud at all the entities. If a branch becomes inaccessible due to a disaster, activities can be conducted from the nearest safe branch.
4.4 Health & safety risk Potential harm or injury to employees arising from workplace conditions or activities. **Objective** To ensure a safe and secure work environment for staff.	Low Risk remains stable	There were no threats arising from epidemic or pandemic during the year. Workplace safety is ensured as a high priority. There were 222 health & safety incidents and accidents across the Group, the majority of which related to motorcycles. However, there were no incidents of fatality related to health and safety.	The Company ensures valid licences, safety equipment and road safety awareness among employees to mitigate the risk exposure of road accidents. Operating subsidiaries with increased incident rates will increase their vigilance on health and safety to minimise fatalities and accidents and will reiterate this during staff training. Movement restrictions are applicable to employees in areas that are very prone to robbery incidents.

Risk management (continued)
Principal risks (continued)

Level of change key

Risk decreasing · Risk remains stable · Risk increasing

Risk	Risk grade and level of change	Change in 2024	How we mitigate our risks/next steps
5. IT risk			
5.1 Business continuity risk The risk of system unavailability. **Objective** To ensure that systems are available within a reasonable time.	Medium Risk increasing	IT business continuity risk is now classified as medium due to increased likelihood of internet slowdown or shutdown next to server or datacentre related issues as we are working with real time banking system and Dhaka serves as the primary IT support provider for multiple countries, stable internet connectivity is crucial.	All countries have Disaster Recovery ('DR') sites, either on premise or on cloud. Yearly DR drills to ensure smooth functioning of the process. Reliable and seamless internet connectivity is maintained.
5.2 System vulnerability & cyber security risk This risk is associated with the vulnerability to different types of cyber-attacks. **Objective** To ensure that the IT stack is protected against vulnerabilities.	Medium Risk increasing	The risk is classified as medium due to the evolving nature of cyber threats. Some inherent system vulnerabilities in AMBS will be gradually mitigated with the planned migration to Temenos Transact ('T24').	Quarterly review of all firewall configurations and Vulnerability Assessment by the internal team. Yearly third-party Vulnerability Assessment and Penetration Testing is done. There is deployment of endpoint detection and response, regular patch management, and use of an intrusion prevention system in the firewall. Setup of Security Operations Center to strengthen ASA cybersecurity posture for monitoring, detecting and responding to cybersecurity threats in real time.
5.3 Data privacy & protection risk Risk arising from unauthorised access to sensitive information. **Objective** To ensure data security and confidentiality	Low Risk remains stable	Risk is low as customer data and other sensitive data are well protected and accessible to only authorised personnel and there is no online access by clients to any of the systems used by the Company.. However, with increased regulatory scrutiny on data protection, this risk is expected to rise.	Only authorised individuals are allowed to get access to sensitive data. System data is protected by password. Employee training includes the importance of customer data privacy. The active directory is regularly reviewed and the implementation of Privileged Access Management tool controls access to servers.
5.4 IT support risk Refers to speed and quality of resolving IT issues with operational impact. **Objective** To have procedures and resources in place to address and resolve IT support issues.	Low Risk remains stable	There may be delays in IT support sometimes due to the nature and complexity of problems. Sourcing and retaining experienced IT staff in Dhaka and across operating subsidiaries remains a challenge.	Blocking issues are resolved in the same or next working day. Other issues are resolved over a longer time frame, depending on the complexity of the problem.

Risk management (continued)
Principal risks (continued)

Level of change key

Risk decreasing | Risk remains stable | Risk increasing

Risk	Risk grade and level of change	Change in 2024	How we mitigate our risks/next steps
5. IT risk (continued)			
5.5 System access control risk Associated with misuse of system access. **Objective** To have strong password management system to prevent any misuse of access.	Low Risk remains stable	Implementation of two factor authentication ('2FA') in AMBS has reduced password sharing incidents. For login to the system, a One-Time-Password ('OTP') is sent via email for enhanced password security.	2FA is has been rolled out across all markets. Standard password policies are implemented in the system and software. The password policy is reviewed periodically and improved as appropriate. Awareness programmes on avoiding sharing passwords and other security concerns. Implement Privileged Access Management tool and Monitoring of suspicious login via SOC.
5.6 IT fraud risk Refers to the threat of fraud due to control gaps in IT systems and processes. **Objective** To ensure that discrepancies between system and procedures are identified and mitigated to prevent digital fraud.	Low Risk remains stable	No serious IT fraud incidents were reported across the subsidiaries during the year. Digital financial services may create scope for digital fraud in the future.	Incidents of digital fraud may happen in the future. All relevant teams will remain vigilant to prevent and escalate such cases. Maker checker system and audit trail feature are active in AMBS. Following roll-out of DFS App check Play Store to ensure no fraudulent ASA app. SOC and PAM are mitigations for fraud, monitoring access to our systems.
5.7 Data migration & transformation risk The risk of errors, data loss, or inconsistencies during data transfer and conversion to a new system. **Objective** To implement sufficient measures and backups to prevent data loss and ensure a smooth transition to the new system.	Medium Risk remains stable	All subsidiaries will migrate over time from AMBS to a full-fledged Core Banking System ('CBS'). Risk is medium due to the possibility of potential loss, inconvenience that may occur during migration or reporting challenges after migration due to report design or system understanding issues. Pakistan has already migrated to CBS (T24 – Financial Inclusion Suite). Ghana, Tanzania and Kenya are next in line for CBS implementation.	The Group is using an industry-leading migration tool. The Group has acquired a highly skilled implementation and migration vendor and has employed in-house migration experts. Migration runbook includes multiple validations of migrated data by business teams and sign-off by responsible head of departments. Essential reporting processes are tested after dress rehearsal.

Feature story – Our communities

Farming for the future: Climate-smart solutions empowering Kenyan farmers

In 2024, ASA Kenya launched its first-ever training program to equip farmers with climate-smart agriculture techniques, conducting four training events in Kajiado, Narok, Nanyuki, and Wote.

These regions, classified as arid or semi-arid, are among the hardest hit by unfavourable climate conditions. Through these sessions, 228 client-farmers were trained on innovative strategies to enhance resilience against drought and improve agricultural sustainability.

The first training took place on March 25, 2024, in Mashuru, Kajiado County, where 58 farmers participated. Led by Dr. Alice Ruto from the Kenya Professional Association of Women in Agriculture and Environment (KEPAWAE), the training focused on equipping farmers with practical knowledge on climate-smart agricultural practices. With drought being the region's greatest challenge, the training emphasized soil and water management, integrated soil fertility management, and both crop and livestock production strategies tailored to a changing climate.

Continued on next page

No. of client farmers trained

228

Read more on our website

www.asa-international.com

SDGs

Values

PROFESSIONALISM

INTEGRITY

Strategy

BROADEN PRODUCTS AND SERVICES

Feature story – Our communities
(continued)

Key topics included:

- Understanding climate change and its impact on the environment and human life.
- Techniques for conserving soil fertility and managing water resources.
- Climate-smart practices for crop and livestock production.
- Smart farming strategies, such as rotational grazing and diversifying farming practices.

Participants learned how to better manage their resources, such as constructing their own bio-digesters and utilizing low-cost methods for water collection and storage. They also gained valuable insights into profitable markets for agricultural products and the importance of reducing practices that harm the environment, such as deforestation.

Dr. Alice Ruto concluded the session by answering questions and connecting farmers to local agricultural extension officers for further guidance. This follow-up will ensure that participants have the ongoing support needed to implement what they've learned.

As a result of the positive reception and impact of these trainings, ASA Kenya has planned three additional training events in 2025 to reach more farmers in different locations. Additionally, two demonstration projects will be rolled out, including a rabbit farming initiative, set to begin in March 2025, which is considered a more sustainable livestock option due to its low resource requirements, fast reproduction rates, and minimal environmental impact. Through these ongoing programs, ASA Kenya aims to strengthen farmers' ability to adapt to climate change, protect their livelihoods, and ensure long-term agricultural sustainability in vulnerable regions.

ASA Kenya aims to strengthen farmers' ability to adapt to climate change, protect their livelihoods, and ensure long-term agricultural sustainability in vulnerable regions.

ESG Report

Responsible practices, sustainable growth

This Environmental, Social, and Governance ('ESG') report outlines the Company's commitment to responsible business practices and sustainable growth. It provides an overview of our ESG performance, showcasing our efforts to integrate sustainability into our operations while creating long-term value for stakeholders.

ESG Report (continued)

Environmental

Environmental encompasses areas that are affected by environmental factors, which is a two-way relationship that involves both the impact of the Company on the environment and the impact of the environment on the Company.

→ Read more on **page 63**

Social

Social denotes the Group's approach to managing relationships with colleagues, clients and communities.

→ Read more on **page 54**

Governance

Governance pertains to the various aspects that promote good governance practices and enable the Group to establish itself as a responsible business.

→ Read more on **page 84**

This Environmental, Social, and Governance ('ESG') report provides an overview of the ESG performance of the Company, highlighting its commitment to responsible practices.

Throughout 2024, the Company has achieved progress towards its climate goals and Diversity, Equity, and Inclusion ('DEI') targets while setting new objectives for 2025. Policies and surveys assessing client and employee impact and satisfaction have been thoroughly reviewed, with ongoing enhancements to improve practices, data quality and insights. The Company has also undertaken numerous initiatives to support and engage with the communities in which it operates. Additionally, a comprehensive scenario analysis was conducted to assess long-term implications and potential financial risks of climate change and the Company has started exploring the concept of double materiality to better understand the broader impact of its operations.

ESG Report (continued)

Advancing the SDGs

Through its responsible business model, the Group actively supports the sustainable development agenda, working most actively towards the five Sustainable Development Goals ('SDGs') below.

→ Read more about our Socially responsible business model on pages 11 and 55.

Other UN SDGs supported

Through its community projects and environmental commitments, the Company aims to contribute, albeit on a smaller scale, to the prevention of hunger, good health and well-being, quality education, clean water and sanitation, sustainable cities and communities, climate action and partnerships for the goals.

→ Read more on pages 61 and 62

Target focus areas:
SDG 1: 1.2, 1.4, 1.5

No poverty

The Company is committed to making a social impact, being a microfinance institution providing socially responsible financial services, such as loans, targeted at predominantly low-income female, small business owners. The Company is driven by advancing financial inclusion, by increasing the number of female low-income micro-entrepreneurs with little or no access to formalised credit resources, increasing self-employment opportunities, and thereby, alleviating poverty.

Total loans disbursed (USD)

1,106.7m

Clients served

2.5m

Target focus areas:
SDG 5: 5.5, 5.a, 5.b

Gender

As women generally have good loan repayment behaviour and money management, the Group is convinced that by serving primarily women through business loans, the Group enhances these women's independence and decision-making stature at home and in their communities. Additionally, the Company is committed to providing equal opportunities for employment and promotion.

→ Read about our DEI efforts on page 60

Female clients

97%

Gender diversity employees

38%

Target focus areas:
SDG 8: 8.3, 8.5, 8.10

Decent work and economic growth

The Company provides socially responsible employment opportunities to employees and services to its clients. The increased earnings of the Group's clients are used to expand their businesses. Many clients buy and sell goods and the increased trading activity boosts the local economy.

→ Read about how we support colleagues on page 57

Employees

14.2k

Employee satisfaction rate

75%

Target focus areas:
SDG 9: 9.3, 9.4

Industry, innovation and infrastructure

The Company supports industry, innovation and infrastructure by increasing the access of small-scale enterprises to financial services and through the establishment of an extensive branch network and operations across thirteen countries. Our move towards also offering digital financial services further enhances innovation and scalability.

→ Read about our digital journey on page 18

Branches

2,145

Taxes (USD)

35.0m

Target focus areas:
SDG 10: 10.1, 10.2

Reduced inequalities

By offering loans to women, the Group enables the use of disposable income for essential household needs, such as education, health, nutrition, sanitation, and housing. This supports economic development and leads to socioeconomic progress in the communities. Additionally, 0.5% to 1% of operating subsidiaries' profits fund projects related to health, education, and relief, benefiting the communities where our clients reside and work.

→ Read about our community initiatives on pages 61 and 62

Community projects spend (USD)

0.4m

Social Performance Indicator ('SPI')

85%

ESG Report (continued)

Socially responsible

Embedded social responsibility

In line with ASA International's purpose, the social aspect of ESG is engrained in its daily operations. The Company is committed to acting responsibly and safeguarding the interests of its stakeholders while adhering to human rights. The lending ASA Model is at the heart of how the Company serves its clients, community, and colleagues.

Universal Standards for social performance

Our average scores on the seven dimensions of the Universal Standards as part of internal SPI assessment.

	2024	2023
Social Strategy	87%	92%
Committed Leadership	92%	91%
Client-centred Products and Services	77%	85%
Client Protection	91%	94%
Responsible Human Resource Development	92%	96%
Responsible Growth and Returns	95%	96%
Environmental Performance Management	63%	77%

ESG Report (continued)

Prioritising our clients

The Group prioritises the well-being and empowerment of its clients. Through a holistic approach, it integrates principles of client protection and engagement across its operations.

Fostering financial inclusion

The Group recognises the importance of promoting financial inclusion as a catalyst for socioeconomic progress. To ensure its services remain accessible and affordable, the Group rigorously benchmarks its loan interest rates against equivalent providers in its operating subsidiaries, integrating competitive pricing as a core aspect of the ASA Model. Beyond affordability, the Group enhances access through its standardised, transparent lending model, which includes no collateral requirements, doorstep service, and group-based lending, without joint liability. Additionally, the Group continues to expand and explore digital solutions to further improve efficiency and accessibility. Its transparent pricing policies, aligned with market averages, reflect a commitment to providing value while safeguarding financial sustainability.

ASA Kenya: Pacesetters International Award for impacting lives through Digital Credit by Jubilant Stewards of Africa ('JSA').

ASA Uganda: Recognition for outstanding focus on advancing agribusiness finance to smallholder farmers in underserved regions of Northern and Eastern Uganda by aBi Finance Quarterly Stakeholder Engagement Awards.

Empowering through responsible lending

Empowering clients through responsible lending is central to the Group's ethos, embedded within the ASA Model. Loan officers assess the needs and capacities of potential clients, evaluating both repayment capabilities and the potential impact of loans on their businesses to prevent over-borrowing. The Group offers fair and transparent products with clear terms, no hidden fees, and financial education to help clients make informed decisions. Additionally, strict data security measures protect client information, fostering trust and ensuring long-term financial well-being. Through this approach, the Group empowers clients to unlock their full potential for economic growth.

ASA Ghana: Sustainable microfinance model and highest outreach in rural areas from Ghana Microfinance Institutions Network.

Upholding Client Protection Principles

Transparency and accountability are fundamental pillars of the Group's client-centric approach. It adheres to the Client Protection Principles ('CPP') developed by the SMART Campaign, which describe the minimum protection that microfinance clients should expect from their providers, as well as the protection that an institution should maintain to serve the best interests of its clients. As part of its commitment to upholding client protection, the Group evaluates its adherence to the CPP through the Client Protection Standards as a key component of its Social Performance Indicator assessment. By maintaining the highest standards of client protection across all aspects of their business, the Group fosters trust and confidence in its relationships with clients.

Read more on our website
https://kenya.asa-international.com/client-stories/lilaes-farming-venture/

ESG CASE STUDY

Cultivating change through farming and finance

In Ngatu Village, Kajiado, Kenya, 51-year-old Lilae Roika has transformed a four-acre plot into a thriving farm, growing maize, beans, potatoes, and bananas — an uncommon path in her Maasai community.

Inspired by a childhood friend, she embraced farming, using its proceeds to educate her six children through university.

In 2018, Lilae joined ASA, taking a KES 20,000 loan to expand her bead business. By 2020, she moved her shop closer to home and formed the Namunyak women's group, now 80+ members strong, enabling village women to access capital. With ASA's support, Lilae has grown her farm, investing in water systems and pesticides.

Challenges persist, from droughts that decimated her livestock to baboon invasions destroying crops. Still, she's implementing resilience strategies, including fodder storage and water conservation.

As a church leader and mentor, Lilae finds fulfilment in empowering women. "Our society thrives when women take charge of their finances," she says. Through farming and financial inclusion, she's changing lives, starting with her own.

ESG Report (continued)

Prioritising our clients (continued)

Listening and responding to feedback

The Group values the feedback of its clients and is committed to addressing their concerns promptly and effectively. Through mechanisms such as the Client Complaint Resolution Committee ('CCRC'), clients have a platform to voice their feedback and lodge complaints regarding services or staff behaviour. These open and transparent communication channels help the Group continuously improve its practices and better serve clients' needs. In 2024, a total of 416 complaints were received and resolved across the Group. Complaints were related to operational issues, such as service delivery, loan denials and loan officer behaviour. The reported issues were resolved through policy discussions and clarifications with clients and educating staff.

Measuring impact and ensuring client satisfaction

Measuring impact and ensuring client satisfaction are central to the Group's mission. True success lies in the tangible benefits clients gain from its services. Using tools like the Social Performance Indicator ('SPI') and Client Economic Yield ('CEY') survey, the Group internally assesses its impact on client well-being and economic empowerment.

Client satisfaction remains high, consistently above 80%, with clients valuing the loan approval process, loan duration, and the responsiveness and fair treatment by loan officers. A new data analysis methodology introduced this year has reduced bias and provided deeper insights. While this led to a slight decrease in reported satisfaction figures, it offers a more accurate view of client experiences. A detailed dashboard now helps each operating country identify and address key areas for improvement.

ESG CASE STUDY

Leading the way: Client group leadership training

In celebration of Independence Day, 170 client group leaders from across the Philippines gathered for an inspiring face-to-face training programme themed "Landas SA Pag-unlad", translating to "Pathway to Progress." This training, designed to share insights and enhance leadership skills, marked the beginning of a nationwide rollout across all 400 branches, reaching 37,000 (>50%) group leaders and loyal clients. During these gatherings personal success stories that reflect the impact of financial inclusion are shared. One such story is that of Ms. Lorna Lobo, a loyal client for 15 years. Through ASA International's support, her small sari-sari grocery store has expanded more than tenfold, enabling her to provide for her children's education. She attributes her success to the programme's client-friendly loan structure and accessible weekly payments. Group leaders play a vital role in the ASA Model, not only motivating their groups but also transferring valuable knowledge and best practices, creating a ripple effect of empowerment and progress.

In Uganda, for instance, client feedback led to adjustments in the loan ceiling, insurance policies, guarantor requirements, and complaint resolution process.

The Group scored 85% overall, with strong performance in client protection, leadership, HR, and growth. Environmental performance was the lowest, mainly due to no green loans, though training and risk awareness are in place. As this is a self-assessment, some variation is expected. The dimensions which have declined are under review.

→ See the score per dimension on page 54

Due to ongoing improvements to the CEY questionnaire, data quality issues prevented this year's disclosure. A revised questionnaire, addressing client challenges in bookkeeping, is now being piloted in Kenya alongside targeted training. If successful, a phased rollout across all entities may follow.

→ Read more about how the tools and indicators for protecting clients are calculated on pages 205 and 206 and see the impact of the loans on clients in our outcome indicators on page 7

→ Read more about the Group's policies and practices to protect clients on pages 82 and 83

Client retention rate

80%

2023: 77%

Client satisfaction rate

84%

2023: 90%

Social Performance Indicator ('SPI')

85%

2023: 90%

→ Read more on our KPIs on page 22

ESG Report (continued)

Supporting our colleagues

The Group is committed to fostering a supportive and inclusive workplace environment where colleagues can thrive and grow professionally. Through various initiatives and policies, the Group endeavours to recruit, develop, and retain talent while ensuring motivation, well-being and safety of all employees.

Recruiting young talent

The Group focuses on recruiting young graduates, often from rural or semi-urban backgrounds, who are passionate about working with low-income communities. Despite economic and political challenges in some regions, the Group successfully onboarded 5,085 new team members, of which 42% were female, across its operating subsidiaries in 2024. This recruitment strategy ensures the Group continues to bring fresh perspectives and energy to its mission of financial inclusion.

Training and development

To nurture this talent, the Group emphasises on-the-job training, supplemented by a comprehensive 12-day Pre-Service Orientation ('PSO') programme. During PSO, new colleagues are introduced to the Company's heritage, mission, core values, Code of Conduct, HR policies, loan appraisal process, client selection, and financial procedures, among other essential topics. In 2024, 7,718 employees underwent PSO, equipping them with the foundational knowledge and skills needed to excel in their roles.

Training continues to play a pivotal role as employees advance into senior positions, covering a wide range of areas such as anti-money laundering, diversity and inclusion, skill development, crisis management, cybersecurity, digitalisation, and role-specific training. In 2024, the Group recorded a total of 14,821 training attendees and 77,350 hours of training, underscoring its commitment to continuous learning and development.

ASA Tanzania/Zanzibar:
Contribution to Human Resources practice from the Higher Education Loan Board of the Government of Tanzania.

Encouraging growth and advancement

Promotion opportunities are offered to employees who demonstrate strong leadership qualities and embody the Company's values and core principles of the ASA Model. With a staff retention rate of 75%, retention is slightly improving. In some countries, turnover is already low, while in others it remains a focus area, with efforts aimed at supporting long-term careers and advancement within the Company. In 2024, 1788 promotions were recorded, with a notable percentage of loan officers advancing to assistant branch managers. 32% of the total promotions were awarded to female employees.

→ Read more about employee development and value embodiment on page 19

ESG CASE STUDY

Fostering excellence: Q3 Performance Recognition Event in Rwanda

In Q3, the Company held a Performance Recognition Event in Rwanda to celebrate outstanding achievements and reinforce a culture of professionalism and excellence. The initiative aimed to boost motivation, strengthen team morale, and inspire employees to strive for high performance.

A top-performing branch manager and loan officer were recognised based on key performance metrics, including customer growth, loan portfolio expansion, deposit mobilisation, and loan recovery. The selected employees were invited to the Head Office, where they received certificates of recognition from the CEO in the presence of staff.

The event fostered a sense of pride and healthy competition among employees. Several employees mentioned feeling inspired to improve their own performance and contribute more to the team's success.

By recognising excellence, the Company is also creating a more engaged work environment. Encouraged by its success, performance recognition will continue quarterly as a core part of employee engagement and motivation.

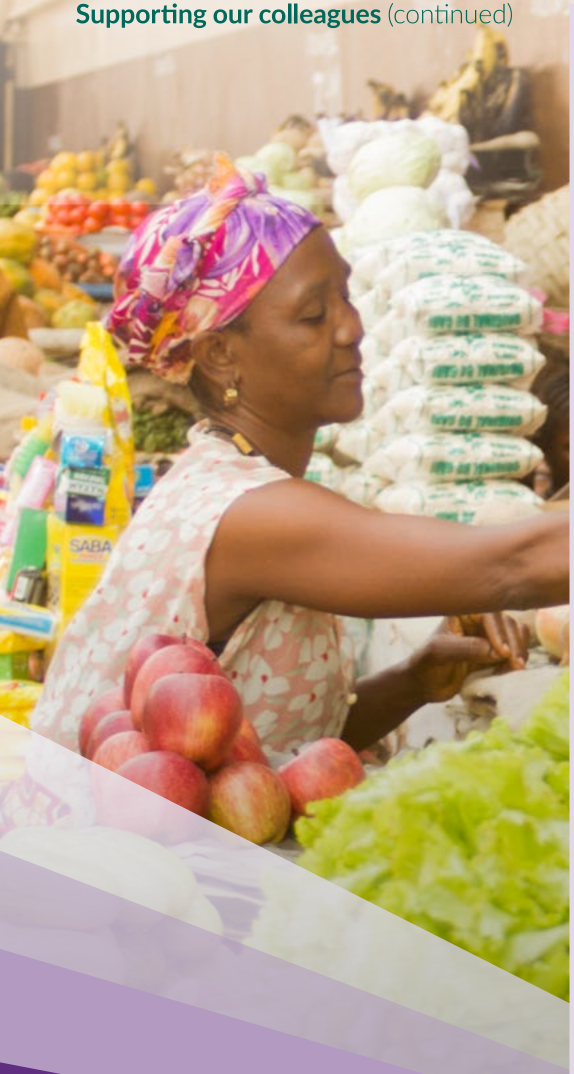
Prioritising employee satisfaction and well-being

Supporting colleague satisfaction and well-being is key to a positive work environment. The Group's annual employee satisfaction survey reports a 75% satisfaction rate, with most employees feeling valued, treated fairly, and connected to the Company's mission. However, feedback highlights areas for improvement, particularly in staff accommodation, benefits, work-life balance, and stress management, which remain priorities.

A new data analysis methodology introduced this year has reduced bias and provided deeper insights. While this led to a slight decrease in reported satisfaction figures, it offers a more accurate view of employee experiences. A detailed dashboard now helps each operating country identify and address key areas for improvement.

ESG Report (continued)

Supporting our colleagues (continued)



Employee satisfaction rate

75%

2023: 81%

Staff retention rate

75%

2023: 74%

Gender diversity

38%

2023: 37%

Training hours

77,350

2023: 67,107

Read more on our KPIs on page 22

Implementing robust mechanisms for addressing employee concerns

The Group has implemented robust mechanisms to address employee concerns and maintain a constructive work environment. Employees are encouraged to report any actions that may violate laws, regulations, or Company policies through a whistleblowing system. In 2024, four whistleblowing incidents were reported across the Group. Investigations were completed and submitted to the Whistleblowing Officer, with a decision by the disciplinary committee following. To further strengthen the whistleblowing framework, the policy and training materials are currently undergoing revision.

To further enhance transparency and accountability, the Grievance Mitigation Committee (‘GMC’) addresses appeals and complaints related to workplace issues. In 2024, the GMC received a total of 22 appeals and ten direct complaints. Investigations into these cases led to corrective actions such as warnings, fund recoveries, transfers, summary dismissals, and termination of contracts. Preventative measures include ongoing training sessions and awareness programmes to ensure employees feel supported and valued.

Read more about how whistleblowing is overseen on page 102

Ensuring employee health and safety

The Group continues to prioritise the implementation of strict protocols to ensure the health and safety of its employees. These protocols include the regular monitoring and control of health and safety risks, the provision of safety and awareness training and the enforcement of preventive measures. In addition, a three-tiered accident and incident monitoring system is in place, as well as the integration of health and safety committees and occupational health checklists in each operating subsidiary, ensuring comprehensive supervision and monitoring throughout the Group. In response to workplace incidents or illnesses, the Group quickly implements emergency measures or corrective actions. It is worth noting that 222 accidents and two fatalities (health issues) were recorded during the year. In response to the number of accidents increasing, the Group has proactively engaged countries with high accident rates to improve safety measures. Despite robust safety measures, including traffic rule enforcement, license requirements, helmet use, vehicle maintenance, and awareness campaigns, 82% of accidents involved motorcycles.

Read more about health risks on page 46

ESG Report (continued)

Supporting our colleagues (continued)

Cultivating inclusive corporate culture

We foster a dynamic corporate culture built on our values of integrity, professionalism and teamwork.

Core values driving our culture

Professionalism	Integrity	Teamwork
We uphold responsible, reliable, and accountable leadership, ensuring operational efficiency, role ownership, and a commitment to continuous learning.	We maintain consistency, trust, transparency, respect, and equality, adhering to high ethical standards while fostering fairness in all interactions.	We cultivate a collaborative and supportive environment that encourages knowledge sharing and empowers team members to achieve common goals.

Committees upholding sustainable growth, inclusion, and accountability

Executive Committee	Diversity, Equity, and Inclusion ('DEI') Committee	Sustainability Committee	Grievance Mitigation Committee	Client Complaint Resolution Committee
Provides strategic leadership and decision-making to drive business growth, operational excellence, and alignment with organisational goals.	Promotes a diverse, inclusive, and equitable workplace by fostering policies and initiatives that support equal opportunities and representation.	Oversees the integration of ESG principles into business strategy and operations, ensuring long-term sustainability and responsible growth.	Facilitates a structured process for addressing employee concerns, ensuring a fair and transparent resolution mechanism to maintain a positive work environment.	Ensures prompt and fair resolution of client concerns, enhancing service quality and reinforcing customer trust and satisfaction.

Monitoring progress and ensuring transparency

Staff and client satisfaction surveys	Diversity and inclusion metrics	Stakeholder feedback	Grievances received	Health and safety data	Regular reporting to ExCo and Board	Internal and External Audits
Read more	Read more	Read more	Read more	Read more	Read more	Read more

ESG CASE STUDY

Celebrating culture and unity: ASA Uganda's Independence Day

To honour Uganda's rich heritage and promote national pride, ASA Microfinance Uganda Ltd celebrated the country's 62nd Independence Day by encouraging staff to wear cultural attire. This initiative highlighted the importance of diversity in fostering unity and strengthening Company culture.

Employees embraced the celebration, appreciating the opportunity to showcase their cultural backgrounds. The event fostered a sense of belonging, boosted morale, and strengthened team cohesion by encouraging collaboration and mutual understanding.

Beyond Independence Day, ASA Uganda continues to cultivate a dynamic and inclusive Company culture through initiatives that celebrate diversity and promote employee engagement. Events like "Back to School", where staff wear school uniforms, further reinforce a positive work environment. By integrating cultural appreciation into the workplace, ASA Uganda nurtures an engaged, motivated, and unified workforce that thrives on shared values and respect for diversity.

ESG Report (continued)

Supporting our colleagues (continued)

ASA Tanzania breaking bias and empowering change through training

To tackle the challenges of bias in decision-making, leadership, customer service, and culture, 844 employees engaged in the Bias-Free Training programme in 2024, bringing the total number of participants to 1,070.

This comprehensive training, delivered through interactive workshops and e-learning, focused on addressing unconscious biases and promoting inclusive leadership and service.

The programme has already driven significant changes in both behaviour and policy, enhancing leadership practices, improving customer interactions, and fostering gender inclusion. With continued support and ongoing initiatives, we remain committed to building a more inclusive and diverse workplace culture.

Programme participants

844

Promoting diversity and inclusion

As a global company active in 15 countries, the Group celebrates its culturally diverse workforce. In terms of gender, in 2024, the operating subsidiaries represent 37.6% of the Group's overall female representation, broken down into East Africa: 14.6%, West Africa: 9.5%, East Asia: 9.7% and South Asia: 3.9%. Due to cultural reasons in South Asia and safety issues related to travelling alone, hiring women continues to be a challenge in this region, which impacts the Group's overall gender representation. Female representation at the senior leadership level at subsidiary level is 28.6%. In terms of age, 45% of the Company's employees are under 30 years old and 1% over 50.

Efforts to improve gender representation include the formation of a Diversity, Equity, and Inclusion ('DEI') Committee, the approval of a DEI policy, and the establishment of goals and targets to improve gender representation at various organisational levels across all entities. Improving female representation is a key priority for us, aligned with our mission and commitment to female empowerment and creating inclusive opportunities for women. Progress on these targets is regularly evaluated through progress reports and biannual meetings with the DEI Committee and the CEOs of the operating subsidiaries. These meetings not only assess progress but also focus on addressing the challenges when targets are not met. These goals have led to significant achievements, including DEI training for over 1,000 leadership members, female representation in Committees and interview panels across nearly all countries, and bias-free training for more than 3,750 colleagues, reinforcing the Group's commitment to fostering an inclusive workplace where all employees feel valued and respected.

ASA India: Nominated for Elaben Memorial Award for best women-friendly microfinance institution by Sa-Dahn.

	Female	Male
Number of Board Directors[1]	2	5
Number of senior employees[2], other than Board Directors[3]	83	207
Number of Independent Directors of subsidiaries[4]	15	14
Number of employees, other than Board Directors and senior employees	5,296	8,646

→ Read the diversity listing rule disclosure on pages 107 and 108

1 Includes Non-Executive Directors, excluded from Group headcount calculations. Figures as at 31 December 2024.

2 Senior employees identified as material risk-takers who are not Directors or subsidiary Directors.

3 Includes subsidiary Directors who are excluded from Group headcount calculations.

4 Not including Directors appointed on the Board of the plc.

ESG Report (continued)

Engaging our communities

The branches of the operating subsidiaries, being an integral part of the communities in which they operate, undertake social impact initiatives to fulfil their commitment to social welfare.

The initiative of these projects predominantly lies with the field staff at the branch level, as they maintain regular contact with clients and the community and understand their needs. To fund these activities, the Company's subsidiaries allocate a percentage of their profits, typically between 0.5% and 1%, except in countries such as India, where regulations stipulate a higher percentage of 2%. The projects are highly regarded by colleagues, clients and the wider community, and focus on improving health, education, environment or providing disaster relief.

ASA Ghana: CSR Excellence Award by Centre for CSR

Health

Contributing to the health and well-being of the community, especially to that of the most vulnerable, is a vital aspect of improving their lives. The Company conducts many different projects in this field, such as wheelchair distributions, health camps and medical screenings in collaboration with reputable health organisations. To reduce waterborne diseases, the installation of water filters, tanks, treatment plants and boreholes at schools or in the communities are organised.

Impact indicators 2024

- 2,813 people with disabilities supported.
- 1,500 individuals benefited from borehole installations.
- 53 health camps conducted reaching approximately 7,901 people.
- Over USD 34k spent on health-related donations to individuals and hospitals.

Improving accessibility in Tanzania

In Tanzania, we provided essential building materials, such as cement, blocks, and sand, to support the construction of accessible homes and schools for people with disabilities. The design includes ramps with handrails, wide corridors for wheelchairs, and enhanced lighting and colour for those with low vision. In 2024, 25 individuals benefited, bringing the total to 150 people supported since its inception. The project will continue to expand, with the school still under construction, ensuring greater accessibility and opportunities for students with disabilities.

Education

Receiving quality education is a key factor in advancing socioeconomic progress and escaping poverty, since higher levels of education are associated with increased financial independence and greater ability to create wealth and participation in the economy. Therefore, various projects have been initiated which encourage learning and development, such as student bursaries, distributing educational materials and necessities to schools and a tutoring programme called ASA Pathsala.

Impact indicators 2024

- Over 5,500 attendees of ASA Pathsala classes.
- 382 students received a bursary or scholarship fund, amounting to almost USD 25k.
- USD 145k spent on donations to schools directly reaching 23,000 children.

Empowering education in Ghana

Education transforms lives, but financial barriers often limit access. To bridge this gap, the Student Bursary Programme was launched in Ghana, supporting students from families in need. Since 2022, it has benefited 369 students across primary, secondary, and tertiary levels. In 2024, 170 children of active loan clients received GHS 1,000 each, easing educational costs and reducing dropout rates. With plans to support 375 students in 2025, the programme continues to grow, ensuring brighter futures through education.

ESG Report (continued)

Engaging our communities (continued)

2024 performance

USD spent

439k

Programme participants

151k

Initiatives

861

Environment

The Company is dedicated to cultivating resilient communities, promoting environmental stewardship, and building sustainable environments for future generations. In alignment with its environmental sustainability initiatives, the Company spearheads tree planting projects and recycling initiatives. These collaborative efforts involve clients, colleagues, communities, local governments, forestry commissions, and schools. Together, they combat carbon emissions, rejuvenate surroundings, and fortify environmental resilience against natural challenges.

Impact indicators 2024

- 27,700 trees planted.
- Four solar systems installed in communities.

→ Read more about Kenya's climate smart agriculture training on page 49 and solar panel installations in Nigeria on page 78

Powering communities in Pakistan
In 2024, ASA-MFB installed solar energy systems in two government Girls' High Schools, addressing frequent power outages that previously disrupted learning for hours. By ensuring uninterrupted electricity, the initiative has extended study hours, improved the educational environment, and reduced operational costs. Focused on schools in low-income areas, it also promotes sustainability by replacing diesel generators with clean energy, lowering carbon emissions. With positive feedback from students and staff, ASA-MFB plans to install solar systems in six more schools this year.

Disaster relief

Efforts are diligently undertaken to promptly respond to emergency situations, ensuring the safety and well-being of our clients during times of distress through robust capacity-building initiatives. This entails equipping individuals with essential resources to enhance their resilience in the face of adversity. In the event of natural disasters, our support encompasses the provision of vital necessities, including food, shelter, and medicine. Our commitment to relief extends beyond immediate emergencies, addressing foundational needs, such as food security and access to adequate housing.

Impact indicators 2024

- Over 20,000 natural disaster relief programme participants.

Flood relief in Myanmar
In 2024, ASA Myanmar provided urgent relief to 569 clients across eight branches affected by Typhoon Yagi in Bago division. Families facing severe food and medicine shortages received essential supplies, including rice, noodles, onions, salt, and medical aid. ASA Myanmar's swift response helped stabilise communities, ensuring immediate food security and easing the burden of recovery. With over five years of disaster relief experience, the organisation remains committed to supporting vulnerable clients in rebuilding their lives after crises.

ESG Report (continued)

Environmental responsibility and resilience

Operating in an environmentally responsible manner requires the Group to consider both its impact on the environment and the environment's impact on the Company. This dual perspective is crucial, particularly considering the urgent need to address climate change.

Mitigation of emissions

The Group is actively working to reduce its environmental impact as part of its sustainability commitment. By identifying key areas, they have implemented targeted short-term measures to lower carbon emissions, improve energy efficiency, and conserve vital resources.

→ Read more about the Company's emissions on page 81 and its climate targets on page 78

Guided by ESMS and environmental policy

Guided by its Environmental and Social Management System ('ESMS') and environmental policy, the Group is committed to responsible environmental stewardship. These frameworks outline clear policies and procedures to minimise negative impacts and promote sustainable practices across its operations.

Responsible investment practices

Through its exclusion list, the Group upholds rigorous standards for responsible investment. By refraining from financing activities that could harm biodiversity or the environment, the Group ensures that its business practices align with its environmental values and adhere to international conventions.

Promoting sustainable travel

The Company actively promotes responsible and sustainable travel practices, particularly emphasising eco-conscious decisions in air travel, as outlined in its travel policy effective December 2022. While acknowledging the importance of visiting operations and engaging with clients and colleagues in person, the Company remains committed to minimising its environmental impact. Through these efforts, the Company aims to align its travel decisions with its sustainability goals.

Measuring greenhouse gas ('GHG') emissions

The Company adheres to the Streamlined Energy and Carbon Reporting ('SECR') standard. This initiative enables the Company to disclose its energy and carbon data, facilitating the monitoring of emissions and energy efficiency efforts over time. Through SECR, the Company ensures transparent and consistent reporting of its environmental impact, thereby identifying opportunities for further improvements in sustainability performance.

→ Read the SECR report on pages 80 and 81

Adaptation to climate change

The Group recognises that climate change poses a risk to its operations and acknowledges the need to address this risk. To ensure transparency and accountability, the Company is committed to aligning with the Task Force on Climate-related Financial Disclosures ('TCFD') framework, enabling disclosure to investors and stakeholders regarding its strategies to manage climate-related risks and opportunities.

→ Read the report on pages 65 to 79

Assessing climate risks

In 2024, the Company conducted two key assessments. First, a scenario analysis was carried out to assess both transitional and physical risks related to climate change. This included evaluating the potential impact of natural disasters such as floods and earthquakes on its resources and overall operations. The second assessment, the Natural Calamity Impact Assessment ('NCIA'), offers further insights into the Company's susceptibility to natural disasters. Six operating subsidiaries were impacted by natural calamities this year, affecting both operations and finances. The Philippines faced frequent typhoons, disrupting field activities and increasing Portfolio at Risk ('PAR'), while Zambia's severe drought impacted agriculture and hydroelectric power generation. These assessments help the Company identify adaptation needs, mitigate risks, and enhance resilience.

→ Read the scenario analysis on page 69 and read more about disaster response on page 62

Emergency preparedness and response

The Emergency Preparedness and Response Plan ('EPRP') is crucial for the Company's adaptation efforts, particularly in the face of increasing natural disasters. Its objective is to protect resources, clients, and staff, ensuring the integrity of critical information and sustaining essential operations and services. The plan outlines strategies and procedures for emergency management and response. With the EPRP in place, the Company can effectively prepare for and mitigate the impacts of emergency situations, enhancing resilience in times of adversity.

→ Read more about the environmental policies and practices on page 82

Carbon footprint

7,489

Tonnes of CO_2

ESG Report (continued)

Task Force on Climate-related Financial Disclosures ('TCFD')

As required by the Financial Conduct Authority ('FCA') Listing Rules, ASA International aligns with the TCFD on a comply or explain basis to provide transparent data to investors and other stakeholders about the material risks and opportunities of climate change for the Company. Disclosures are made consistent with the FCA's Listing Rule 9.8.6R(8) and the TCFD recommendations and disclosures. This is the fourth year the Group is implementing and reporting on the recommendations of the TCFD and we are continuing to mature our approach. In this report, the Group shares the key developments and the status of the four core elements of the TCFD recommendations.

Key activities in 2024

Governance

Continued Board oversight

→ Read more on page 66

Strategy

Conducted scenario analysis

→ Read more on page 67

Risk management

Climate risk considered quarterly

→ Read more on page 67

Metrics and targets

Met targets for 2024 and set targets for 2025

→ Read more on page 78

Governance

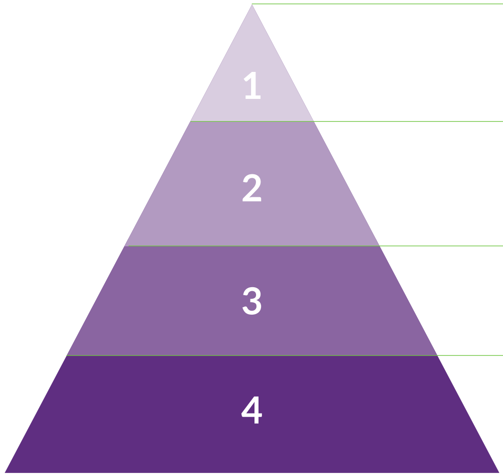
Board oversight

- Board oversight of and engagement with the Company's sustainability efforts is a key priority and is ensured through the active involvement of the Chief Executive Officer in the Sustainability Committee ('SC').
- Two SC meetings were held to discuss progress and performance on Climate-related Risks and Opportunities ('CRROs') in 2024.
- The Board has considered CRROs by reviewing the climate risk as part of the principal risks in the Company's risk taxonomy and risk framework.
- Progress on sustainability efforts is reported to the Board in quarterly Board meetings.
- All subsidiaries have committed to Board oversight of their climate targets.

Role of senior management

- Senior management plays an important role in assessing and managing the Company's CRROs. This involves cross-functional management at both the Group and subsidiary level.
- All ExCo members with the exception of the Head of Internal Audit are part of the Sustainability Committee.
- The Sustainability Working Group, which includes leadership team members across various functions such as risk, finance, legal and sustainability, supports the SC by providing regular updates on the Company's sustainability strategy. In 2024, two meetings were held with the SC and subsidiary Managing Directors to (i) present progress on climate targets for 2024 and (ii) present climate targets plans for 2025. Bi-annual progress meetings are scheduled going forward.
- Senior management receives regular progress reports towards meeting the Company's climate targets, allowing it to make informed decisions and to ensure that the Company's operations and initiatives are aligned with the targets.
- The SC has an approved the Terms of Reference ('ToR').

Sustainability reporting structure



Sustainability Committee	Discusses progress and performance on climate-related topics and decision making bi-annually.
Sustainability Working Group	Assesses and cross-functionally manages the CRROs. Proposes and implements climate-related strategic decisions to drive improvement. Reports to the SC.
Subsidiary Managing Directors	Responsible for the climate action plan and the achievement of climate targets at subsidiary level. Presents to the SC bi-annually on progress.
Sustainability and risk managers	Assesses the CRROs on the ground and manages the implementation of the climate targets. Reports to the subsidiary Managing Director and to the Group sustainability manager on a quarterly basis.

Strategy and risk management

The Group has implemented measures to identify climate-related risks, assess their impact, and incorporate them into financial planning. These risks are embedded within the Group's risk management framework and are actively monitored.

Identifying risks

- The Group uses a TCFD subscribed framework to classify climate risk and has implemented standardised templates for identifying and assessing climate risks across all its subsidiaries.
- Each subsidiary has a risk management unit and sustainability manager responsible for identifying climate risks using the standardised template.
- Climate risks are assessed internally using a risk scoring method based on both likelihood and impact, as defined in the Group's risk management framework. Data related to operational and financial damage (assessing materiality) caused by natural calamities is also collected as part of the assessment process. See the Natural Calamity Impact Assessment on page 64.
- The above-mentioned reports are reviewed by the local risk management coordination committee and approved by the Country Head before being submitted to the Group.
- The Group climate risk management report is prepared on the basis of the country reports and presented to the Audit and Risk Committee ('ARC') quarterly. Climate-related risks are identified, assessed and reported quarterly.
- The Group has identified short-term, medium- and long-term climate risks. Long-term scenario planning was conducted in 2024, with a strategic view towards 2050.
- Climate risk is identified and included as a distinct principal risk as part of the broader risk framework due to the prevalence of natural disasters in operational countries, with potential further escalation due to climate change. Enhanced monitoring is necessary for both physical and transition aspects of climate risk. This risk intersects with other principal risks: adverse climate events can impact client payment capacity, affecting credit risk; emission control failures can impact reputation risk; and non-compliance with emerging environmental regulations can affect local regulation risk.

→ Read more about risk management on pages 38 and 39

Managing CRROs

The Company's current focus is on risk management of physical and transition risks, as climate-related opportunities such as resource efficiency are being explored as part of the emissions mitigation efforts.

Managing physical risks

- Natural calamities such as floods, cyclones, droughts, earthquakes, volcanic eruptions, etc. are common in some of the countries where the Group operates.
- Risk management protocols are built into the Group's operational procedures, including site selection of potential new branches, taking into account the vulnerability to natural calamities.
- Natural disaster management procedures are in place at the entity level, including staff training for emergency response plans, postponement of disbursement and collection until the situation stabilises, and loan repayment rescheduling or moratoriums for borrowers in extreme cases. Assistance/relief is offered to borrowers under community projects. Read more on page 62.

Managing transition risks

- The Group proactively monitors and addresses regulatory or stakeholder requirements related to greenhouse gas ('GHG') emissions in its operational countries. So far, the operational countries are not facing any strict regulatory or stakeholder requirements in this field.
- The Group is committed to reducing its carbon emissions across all subsidiaries to be an environmentally sustainable organisation and uphold its reputation.
- The Group has approved SMART ('Specific, Measurable, Achievable, Realistic and Time-bound') targets for all its subsidiaries, including initiatives for reducing emission's such as solar panel installation, use of E-bikes, use of LED lights and tree plantation.
- A travel policy has been adopted to ensure air travel is limited as much as possible to reduce the Group's carbon footprint.

→ Read more about targets on page 78

Integrating climate risks into overall risk management

To include climate-related risks into overall risk management, the following steps have been taken:

- Risk taxonomy includes climate risk as a separate risk category.
- The risk management framework has a separate section for climate risk management.
- A standard template is implemented in all subsidiaries for identifying, assessing and reporting on climate risks on a quarterly basis.
- The climate risk report is included in the risk reporting pack presented to the ARC on a quarterly basis.

Impact of CRROs on the organisation's businesses, strategy and financial planning

- Climate change is a part of the Group's approach to sustainability approved by the Board in 2021.
- Major sources of the Group's emissions within Scope 1, 2 and 3 have been identified. A feasibility study was completed in 2022 to determine the opportunities to mitigate these major sources of emissions. Feasibility indicators assessed included market, economic, operational, scheduling and target feasibility.
- With guidance of the Group, based on the outcomes of the feasibility study, concrete mitigation proposals have been defined and approved at entity level for 2023, 2024 and 2025. The consolidated targets at Group level can be found on page 78.
- The impact on financial reporting judgements and estimates are presented in note 2.5.1 on page 154.
- Directors have concluded that currently the impact of the risks in the Group's financial statement is not material. Certain additional investments planned to reduce the carbon footprint of the Group – amounting to approximately USD 600 thousand – have been considered in the financial plans.

ESG Report (continued)

Time horizon key

ST – Short term (<5 years) **MT** – Medium term (5-10 years)

Strategy and risk management (continued)

Climate risk	Risk description	Risk level	Financial impact	Time horizon	Comment
Transition risk					
Credit risk	Risk of failing to comply with regulatory requirement related to carbon footprint/GHG emissions.	Low	None	ST, MT	Risk grade is low as none of the subsidiaries have stringent regulatory requirements from the local governments/central banks related to carbon footprint/GHG emissions at present. However, at Group level the SECR UK standard is followed for reporting carbon footprint. Also, the Group needs to follow TCFD requirements for assessing climate risks.
Technological	Risk associated with transitioning to lower emission technology.	Low	Not material	ST, MT	Risk grade is low as the Group's plan to lower the emissions does not involve complex and expensive technologies. The focus remains on increasing the use of renewable energy, increasing energy efficiency, reducing fuel consumption and using environmentally friendly vehicles. This may present opportunities, such as reduced operating costs through efficiency gains and less exposure to fossil fuel price increases.
Market	Risk associated with changes to the market resulting from climate change, such as changing customer behaviour and an uncertain market.	Low	None	ST, MT	Risk grade is low as the Company's clients are micro-entrepreneurs who deal with essential goods and services. It is highly unlikely to see any change in customer behaviour related to transitioning to a low-carbon economy.
Reputational	Risk associated with not being able to meet stakeholder concerns in terms of sustainability and carbon emissions.	Low	None	ST, MT	The Group has approved SMART targets for all its subsidiaries, including initiatives for reducing emissions such as through solar panel installation, use of E-bikes, use of LED lights and tree planting. Subsidiaries have met their targets for 2024.
Physical risk					
Acute risk	Risk associated with extreme weather events such as flooding, cyclone, heat waves, etc.	Medium	Not material	ST, MT	The Philippines has experienced an increased frequency of typhoons, which have severely affected our field operations. Consequently, the PAR in the Philippines has risen due to these calamities. Zambia has experienced a severe drought this year, which has impacted the agriculture sector and has reduced the hydroelectric power generation of the country.
Chronic risk	Risk associated with a long-term shift in climate pattern, such as rising mean temperatures and rising sea level.	Low	Not material	ST, MT	The risk is perceived to be low at present, although natural calamities like droughts and floods are expected to increase over the long term. As the Group's branches are low cost and are on short term rental agreements (2-3 years), there is an option to relocate from areas prone to natural disasters. Long-term scenario planning has been completed in 2024, where further details and forecast on this risk can be found.

Risk levels and financial impact for the long term (LT) have been assessed in the scenario analysis report.

ESG Report (continued)

Scenario analysis summary

Climate change is anticipated to have far-reaching systemic effects, impacting governments, businesses, and households across all geographies and sectors. Scenario analysis is a valuable tool for understanding the potential impacts of climate risks across a range of possible pathways. To assess our exposure, we conducted a scenario analysis, performing a high-level assessment of short-term risks by our risk department while conducting an in-depth evaluation of physical and transitional risks over the long term with interdepartmental engagement. The analysis strengthened our ability to anticipate challenges, plan for mitigation and integrate climate resilience into our strategic planning. The findings indicate that climate change presents a low to medium level of risk to our organisation.

Climate scenarios

For this scenario analysis, we selected two Network for Greening the Financial System ('NGFS') scenarios to evaluate transition and physical risks under different climate futures. From the NGFS scenarios, we opted for one scenario representing an orderly transition pathway, characterised by higher transitional risks due to accelerated policy and market changes. Additionally, we chose a "hot house world" scenario, which emphasises heightened physical risks driven by severe climate impacts, paired with comparatively lower transitional risks. This dual-scenario approach allows for a balanced evaluation of both transition and physical risks under varying climate futures.

NGFS climate scenario	SSP[1] alignment	RCP[2] alignment	Scenario description	Assumptions	Estimated warming	Time period	Transition risks	Physical risks
Below 2°C.	SSP2-2.6	RCP2.6	Orderly transition: Global efforts limit warming to well below 2°C.	Stringent climate policies, robust carbon pricing, significant technological advancements, rapid transition to renewables.	~1.5-2°C	2050	Increased regulatory and compliance risks due to stricter climate policies.	Lower acute and chronic risks due to effective climate mitigation.
Current policies	SSP2-4.5	RCP4.5	Current policies: Impact of current policies with moderate climate action.	Inconsistent carbon pricing, gradual adoption of green technologies, existing policy frameworks.	~2.5-3°C	2050	Reduced regulatory and compliance risks with gradual policy changes.	Moderate acute risks, some chronic changes in climate patterns.

1 NGFS to SSP: NGFS climate scenarios generally use SSP2 socioeconomic assumptions, providing a standard basis for comparison. SSP1-2.6 is aligned with more aggressive climate targets, while SSP2-4.5 reflects a more moderate pathway.

2 NGFS to RCP: The alignment with RCPs reflects general temperature pathways. Specific details of temperature rise and implications can vary slightly due to different assumptions within RCPs.

Time horizon

We conduct annual climate risk analysis, and this year, for the first time, we performed a long-term scenario analysis. We selected 2050 as our time horizon aligning with TCFD guidance, where it is categorised as long-term, and UK government TCFD-aligned disclosure guidance, which defines it as mid-century. We have not yet conducted a medium-term analysis, as our initial assessment indicated strong similarities between medium- and short-term risks, reinforcing our focus on long-term projections for now.

Geographic and sectoral focus

We have selected Pakistan, the Philippines, Tanzania, Ghana, and Kenya for long-term scenario planning due to their strategic significance within the Group's portfolio and their vulnerability to climate change. As of August 2024, these five countries collectively account for approximately 81% of the Group's total portfolio, making them the largest contributors in terms of portfolio size. Their inclusion also ensures a balanced geographical distribution across our operations in Asia and Africa, providing a diversified perspective on climate-related risks and opportunities.

We offer a diverse range of loans catering to various sectors, though the majority of our clients are primarily engaged in trading, agricultural and service sectors. For this scenario analysis, we assessed borrower distribution and principal outstanding across all sectors. Subsequently, we focused on these three sectors – excluding the others – as they collectively represent 90.7% of our total client base.

Analysis scope

Our scenario analysis focused on understanding the impact of climate change on ASAI's operational elements, while also considering key components of our value chain and financial assets that are closely interlinked with our operations.

Operation

The boundary of our analysis primarily included Our Own Operations, which refer to the internal processes and activities directly managed within our offices and branches. This encompasses critical areas such as client services, loan management, employee and client health, safety, and well-being, as well as maintaining ethical business practices within our operation.

Assets

We prioritised financial assets, evaluating their exposure to both physical and transition risks, including extreme weather and regulatory shifts. Fixed assets were deemed not material, as most infrastructures are leased and can be relocated.

Value chain

Our downstream analysis centred on clients, particularly those in low-income communities vulnerable to climate-related disruptions. Climate risks affect livelihoods, loan repayment capacity, and economic stability, making this a critical focus area.

ESG Report (continued)

Scenario analysis summary (continued)

Methodology

For identification of the physical and transitional risk, and the likelihood of the risk, we obtained information from multiple public credible sources. For the analysis we sought guidance from the TCFD Final Report Recommendations of the Task Force on Climate-related Financial Disclosures, TCFD-aligned disclosure Application guidance published by the UK government and Technical Supplement of The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities. In alignment with our risk management framework, we analysed the risks based on the likelihood and consequences of each identified risk and decided which risk factors will potentially have the greatest effect and should, therefore, receive priority concerning how they will be managed. The level of risk is analysed by multiplying estimates of likelihood and consequences. The risk rating is categorised as Low Risk for scores between 1 and 6, Moderate Risk for scores between 7 and 12, and High Risk for scores between 13 and 25. We applied the scenario analysis across ten material physical risks and 11 material transition risks. Upon collecting the data and assessing risk as per our risk rating framework, we validated findings through the entity sustainability managers, risk managers and finance department.

→ For further information read

Recommendations of the Task Force on Climate-related Financial Disclosures

TCFD-aligned disclosure Application guidance

Technical Supplement of The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities

Physical risk analysis

Physical risk refers to the direct and indirect impacts of weather as a result of climate change on businesses, infrastructure, and communities. It includes acute risks such as extreme weather events like floods, droughts and wildfires and chronic risks such as long-term changes like rising temperatures and sea-level rise, both of which threaten operational stability and resilience.

Transition risk assessment

Transitional risk refers to the financial, operational, and strategic risks businesses face as economies shift towards a low-carbon future. These risks arise from evolving policies, regulations, market dynamics, technological advancements, and changing stakeholder expectations. For the transitional risk assessment, we considered both country-specific and Group-level regulatory requirements. As ASA International Group plc is incorporated in the UK and listed on the London Stock Exchange, and ASA International N.V. operates at the holding level in the Netherlands, we are subject to UK and Dutch/EU regulations. These regulations have a cascading impact on our entities across various jurisdictions.

Limitations

As this is our first scenario analysis, we acknowledge some limitations in our approach. The assessment was conducted from publicly available information from established data models rather than developing an in-house model. In some instances, the analysis of physical risks was constrained by data availability, underlying assumptions, and regional gaps. Additionally, transitional risks and financial impact were evaluated qualitatively due to the absence of accurate direct data sources for certain parameters. Moving forward, we will seek opportunities to strengthen our methodology, contingent on feasibility and data improvements.

ESG Report (continued)

Scenario analysis summary (continued)

Scenario analysis result

Scenario 1: <2°C scenario

Countries in our portfolio will experience low to medium physical risks, with the Philippines most vulnerable to extreme weather events. Transition risks are medium, driven by regulatory shifts, carbon pricing, and stricter sustainability requirements, affecting agriculture, retail, and energy-dependent businesses. Proactive planning and investments in sustainable practices will be key to mitigating long-term risks.

Summary of risk analysis for <2°C scenario

Time horizon: Long-term (10+ years); 2050

Entity	Average physical risk Score	Average transitional risk score from country perspective	Average transitional risk score from Group perspective	Group Portfolio Size (As of Dec 2024)
Pakistan	7.6	7	5.5	21.4 %
Philippines	7.6	4	4.3	14.4 %
Tanzania	4.4	7	7.8	20.3 %
Ghana	5.6	7.5	7	16.0 %
Kenya	5.3	7	8.5	8.7%

Risk level

Low Medium High

Physical and transitional risks by country

- **Pakistan:** Faces medium physical and transition risks, with a limited number of clients in Punjab and Sindh regions exposed to extreme heat, drought, rising temperatures, and water stress.
- **Philippines:** Medium physical risk due to typhoons, floods, landslides, and earthquakes, but low transition risk due to less regulatory pressure for rapid decarbonisation.
- **Tanzania:** Low to medium physical risk and medium transition risk; drought remains a primary concern, while decarbonisation efforts could impact its traditional energy dependence.
- **Ghana:** Low physical risk but medium transition risk; Greater Accra and Ashanti regions are expected to face extreme heat, drought, and water stress which will affect a small number of agricultural clients.
- **Kenya:** The assessment indicates low physical risk but medium transition risk, with anticipated climate-related challenges including rising temperatures, water stress, and extreme heat. Regionally, Kisumu is expected to face flood risks, while Mombasa is projected to experience drought and extreme heat. However, these factors are expected to have an insignificant impact on overall operations.

Group perspective on transitional risks

In the <2°C scenario, global regulations will become more stringent, impacting financial reporting, emissions reductions, and operational costs:

- EU regulations: Tighter sustainability reporting (CSRD, SFDR), methane reduction targets, and stricter emission controls may increase costs, especially in Pakistan, Kenya, and the Philippines.
- **UK regulations:** A stronger Net Zero Strategy, stricter carbon pricing (UK ETS), and expanded TCFD reporting may drive higher compliance costs and investment in clean energy.

Sectoral impact

- **Agriculture:** Moderate vulnerability due to weather extremes, but compliance with emission regulations, sustainable farming, and reduced fuel subsidies may increase operational costs.
- **Trade/Retail:** Supply chain disruptions, rising costs for sustainable sourcing, and energy efficiency investments may impact small traders but create new opportunities in low-carbon markets.
- **Services:** Minimal business risk, but push for clean energy adoption and energy efficiency improvements may require upfront investments.

This summary presents an overview of key climate-related risks, their associated parameters, and potential implications for our operations and financial performance. The risks have been categorised into broader groups to provide a structured overview, while individual parameters have also been assessed separately to ensure a comprehensive assessment.

ESG Report (continued)

Scenario analysis summary (continued)

Scenario analysis result of NGFS "Orderly Transition" & SSP1-2.6
Scenario 1: < 2°C

Alignment: NGFS "Orderly Transition" & SSP2-2.6
Timeframe: 10+ years (long-term)

Sectoral Vulnerability key

Agriculture	Low	Medium	High
Trade	Low	Medium	High
Service	Low	Medium	High

Risk and related parameters	Assumptions	Operational impact	Sectoral vulnerability	Financial impact	Rationale	Potential mitigation strategy
Policy and legal (Carbon pricing trajectory, Emission reduction targets and policies, litigation landscape, subsidies reduction on fossil fuel)	Stricter global climate policies, carbon pricing, and emission regulations. Reduction in fossil fuel subsidies.	Increased compliance costs, operational adjustments, and potential litigation risks for us and our agricultural clients.		**Low to medium** (Score: 3-8)	Given our business growth trajectory, a limited increase in emissions is anticipated. The estimated financial exposure to carbon pricing ranges between EUR 400k – 1,000k, which remains below 1% of the expected PBT. The group's total emissions, recorded at 5,721 tCO_2 in 2024, are subject to the EU ETS pricing, anticipated to rise from EUR 70-75/tCO_2 in 2030 to EUR 130/tCO_2 in 2040. Additionally, the microfinance business has historically not been subject to ESG litigations, minimising legal risks. However, the reduction of fossil fuel subsidies may lead to a moderate increase in operational costs, particularly for vehicle, generator, and electricity expenses. Notably, transportation costs alone are projected to reach USD 10 million in 2050, making it a significant operational expenditure for the Group. Such values can result in low to medium impact in the long term.	Monitor regulations, implement emission reduction strategies, and consider financing for clean energy solutions.
Technology (Change in Energy Mix, Availability of low-carbon technologies)	Transition to clean energy and adoption of energy-efficient systems.	Upfront investment costs for integrating new technologies.		**Low** (Score: 3)	Require higher investment for both clients and Company. The expected budget for shifting to solar systems and installing in 204 branches is USD 0.5 million for the year 2025. Changes in the energy mix will push the operating costs down.	Invest in renewable energy and partner with green technology providers.

ESG Report (continued)

Scenario analysis summary (continued)

Risk and related parameters	Assumptions	Operational impact	Sectoral vulnerability	Financial impact	Rationale	Potential mitigation strategy
Market (The increased cost of material, client behaviours)	Changing material costs and evolving client behaviour in response to climate policies.	Potential financial instability for clients in fossil-fuel-dependent sectors like agriculture and trade.		**Low** (Score: 2-6)	The increased production cost for clients will lead to higher demand for microfinance loans. The Company's clients are micro-entrepreneurs who deal with essential goods and services. It is highly unlikely to see any change in customer behaviour related to transitioning to a low-carbon economy. Increased loan disbursement requirement will drive the need for additional funding from external sources and this might have an impact on the costs of funding.	Support client adaptation to market changes.
Reputation (Meeting regulatory demands, lenders perception, sustainability benchmarks and trends)	Growing regulatory demands and sustainability expectations from investors, lenders and other stakeholders.	Need for enhanced ESG reporting and compliance efforts.		**Low** (Score: 4)	The group is actively engaging with investors, lenders and other stakeholders to align with corporate sustainability and climate action expectations. Furthermore, global sustainability benchmarks may have limited impact on our clients' small-scale businesses.	Strengthen ESG reporting, stakeholder engagement, and benchmarking against industry standards.
Acute physical risks (Floods, cyclones, extreme heat, drought, wildfire, landslides)	Reduced frequency of extreme weather events due to climate mitigation efforts. However, most regions in the Philippines remain prone to floods and cyclones.	The Company's and clients' improved resilience to physical risks enhances financial stability and reduces default rates, boosting overall performance.	None (considering resilience by 2050)	**Low** (Score: 6)	Business operations will remain stable due to the reduced frequency of extreme weather events.	Develop a risk assessment framework for clients, support client adaptation, and strengthen resilience efforts in vulnerable areas.
Chronic physical Risks (Rising temperature, Sea-level rise, increased precipitation, water stress)	Gradual climate changes with moderate long-term impacts. Some regions in Kenya and Pakistan may face water stress, while parts of the Philippines may suffer from sea-level rise.	While most clients across our regions successfully adapt to moderate climate changes in this scenario, some may still face challenges, leading to increased credit risk and potential impacts on portfolio quality.	None (considering resilience by 2050)	**Low** (Score: 6)	Gradual climate changes will impact client repayment behaviour. This might lead to increased credit loss expenses for the Group. However, the total value would not be significant.	Offer (financial) products to support resilience, focus on adaptation measures, and strengthen risk assessments for high-risk branches.

ESG Report (continued)

Scenario analysis summary (continued)

Scenario 2: > 3°C

In this scenario, delayed or insufficient climate action leads to a global temperature rise of over 3°C, resulting in severe physical risks such as extreme weather events, economic instability, and increased financial risks for the Company. While transitional risks remain low due to less stringent regulations, operational disruptions and increased costs are expected.

Summary of risk analysis for "current policies" scenario

Time Horizon: Long-term (10+ years); 2050				
Entity	Average physical risk Score	Average transitional risk score from country perspective	Average transitional risk score from Group perspective	Group Portfolio Size (As of Dec 2024)
Pakistan	11.5	3.5	4.3	21.4 %
Philippines	11.6	3.5	3.5	14.4 %
Tanzania	6.6	4	4.8	20.3 %
Ghana	8.1	4	3.5	16.0 %
Kenya	8.4	4	4	8.7%

Risk level

Low Medium High

Physical and transitional risks by country:

- **Pakistan:** Medium physical risks due to rising temperatures and water stress, particularly in Punjab and Sindh which will impact our client in the agriculture sector. Low transitional risk due to slow decarbonisation efforts.
- **The Philippines:** High exposure to extreme weather events, impacting infrastructure and livelihoods. Low transitional risk due to minimal regulatory pressure.
- **Kenya:** Medium physical risks, particularly droughts and rising temperatures. Low transitional risk due to renewable energy advancements.
- **Ghana:** Medium physical risks, especially extreme heat and droughts affecting agriculture. Low transitional risk with moderate policy changes.
- **Tanzania:** Low to medium physical risks, with some flood-prone regions. Low transitional risk as sustainability adoption progresses slowly.

Group perspective on transitional risk:

- **EU & UK regulations:** Climate policies remain less stringent, allowing for gradual adoption of sustainable practices. Lower compliance costs for the Group, reduced financial burden for low-carbon technologies, and more flexibility in sustainability reporting (CSRD, SFDR, TCFD).

Sectoral impact

- **Agriculture:** Highly vulnerable to droughts, extreme heat, and floods, threatening crop yields and food supply chains.
- **Trade/Retail:** Moderate disruptions from extreme weather affecting logistics and supply chains, causing price volatility.
- **Services:** Moderate impact as a result of infrastructure damage or business disruptions from extreme weather events.

ESG Report (continued)

Scenario analysis summary (continued)

Scenario analysis result of NGFS "hot house world" and SSP2-4.5

Scenario 2: >3°C

Alignment: NGFS "hot house world" and SSP2-4.5
Timeframe: 10+ years (long-term)

Sectoral Vulnerability key

Agriculture	Low	Medium	High
Trade	Low	Medium	High
Service	Low	Medium	High

Risk and related Parameters	Assumptions	Operational impact	Sectoral vulnerability	Financial impact	Rationale	Potential mitigation strategy
Policy and legal (Carbon pricing trajectory, Emission reduction targets and policies, litigation landscape, subsidies reduction on fossil fuel)	Climate policies remain inconsistent and reactive, with minimal acceleration in national emission targets and region-specific reporting requirements. Legal risks may rise due to increasing climate-related lawsuits and financial penalties in vulnerable regions. Meanwhile, fossil fuel subsidies are gradually decreasing, but immediate impacts on energy prices remain limited.	Compliance costs and regulatory uncertainty would rise slowly, causing minimal financial strain, while emission tracking and reporting efforts would remain moderate. Clients in energy-intensive sectors would face limited impact, with only a slight increase in default risks.	None	**Low** (Score 3–4)	The slower implementation of the Carbon Pricing policy across five subsidiaries by 2050 is expected to have minimal financial impact on the Group's assets, revenue, and expenditures. With a projected 2% annual emissions growth, the estimated carbon pricing exposure remains under 0.5% of expected PBT. Regulatory changes are not expected to be significant, and ESG litigation risks remain low based on past trends. Operational costs, including vehicle and generator expenses, are expected to remain stable, with total transportation costs projected at USD 10 million for 2050.	Adaptive pricing strategies, carbon exposure tracking, promoting energy efficiency among clients, ensuring compliance readiness.
Technology (Change in energy mix, availability of low-carbon technologies)	Slow transition towards renewables; fossil fuels remain a dominant source. Low-carbon technology development is available in a limited manner.	Minor operational changes; investments in renewable energy may develop at a slower pace.	None	**Low** (Score 3–4)	Require lower investment for both clients and Company. Additionally, changes in the energy mix will push the operating costs down.	Monitor trends, phase in energy-efficient solutions, and explore renewables financing.
Market (The increased cost of material, client behaviours)	Costs for raw materials gradually rise due to climate change impacts on supply chains. MFIs are increasingly expected to offer services that promote resilience against climate impacts, especially in high-risk areas.	Some clients may struggle with cost increases, but demand for microfinance loans remains stable.	None	**Low** (Score 4)	The demand for microfinance loans will remain the same. The Company's clients are micro-entrepreneurs who deal with essential goods and services. It is highly unlikely to see any change in customer behaviour related to transitioning to impact resilient economy.	Promote supply chain diversification and support client adaptation to market changes.

ESG Report (continued)

Scenario analysis summary (continued)

Risk and related Parameters	Assumptions	Operational impact	Sectoral vulnerability	Financial impact	Rationale	Potential mitigation strategy
Reputation (Meeting regulatory demands, lenders perception, sustainability benchmarks and trends)	Greater scrutiny from the public and stakeholders on climate alignment, especially in developed and high-impact regions. Slow shift towards integrating ESG risk in lender evaluations. Industry shift towards climate action as impacts are more visible, increasing pressure for climate risk strategies and competitive sustainability practices.	Increased reporting workload; potential long-term funding challenges if ESG performance lags.	None	**Low** (Score 3–6)	The Group is already working with the investors, lenders and other stakeholders to cater their expectations to corporate sustainability and climate action. The global sustainability benchmarks are less likely to impact our clients' business or us.	Invest in ESG compliance tools, communicate efforts to lenders, align with sustainability benchmarks.
Acute physical risks (Floods, cyclones, extreme heat, drought, wildfire, landslides)	Increased frequency and severity of extreme weather events, especially in Pakistan and the Philippines where cyclones may become more frequent. Extreme heat and drought might also be prevalent. Although there is medium risk of landslides as well in Kenya, Pakistan and the Philippines on a country level, the hazard might not have much impact on regional level.	Medium default rates and financial instability may occur due to increased disruptions. However, disaster recovery products could stabilise client operations and provide new revenue streams for the Company.		**Medium** Score 12 (Impact 3, Likelihood 4)	Business operations will be impacted by the increased frequency of extreme weather events.	Invest in resilience-building initiatives and targeted (financial) products. Maintain partnerships with local organisations to support disaster preparedness and recovery plans.
Chronic physical risks (Rising temperature, sea-level rise, increased precipitation, water stress)	Significant long-term changes in climate, including rising temperature, accompanied by water stress is expected in Ghana, Kenya and Pakistan. All the countries are in medium to high vulnerable zones in terms of rising temperature as well.	Clients may face persistent challenges in managing long-term risks, increasing their financial burden and impacting their ability to repay loans. However, climate adaptation financing could offset some of these risks and support long-term growth.		**Medium** Score 12 (Impact 3, Likelihood 4)	Gradual changes in climate will heavily impact on the client repayment behaviour. This might lead to increased credit loss expense for the Group.	Offer (financial) products to support resilience, support client adaptation to increased water stress, salinity and heatwaves.

ESG Report (continued)

Scenario analysis summary (continued)

Conclusion

While climate scenario analysis does not predict the future, it serves as a valuable tool for evaluating the potential implications of various climate pathways on our operations, downstream value chain, and financial assets. The outcome of the analysis suggests that our strategy and financial position are well positioned to remain resilient to climate change in the long term. Under a <2°C scenario, risk management, regulatory compliance, and credit assessment will be impacted due to stricter climate policies and ESG regulations. In a >3°C scenario, loan disbursement, collections, branch operations, and portfolio management will face disruptions from extreme weather. However, under all evaluated scenarios, capital and operational expenditures are expected to have minimal financial impact for the Group. We continue to actively mitigate risks, refine our business strategy for the transition to a low-carbon economy, and increase the resilience of our clients over time. Going forward, we will continue to update this analysis as needed, integrating mid-term assessments and considering more detailed financial projections to further enhance our risk evaluation and strategic planning.

ESG Report (continued)

Metrics and targets

The Group has taken its first steps towards mitigating emissions by defining and achieving targets. Its next objective is to enhance its metrics for performance measurement to advance its efforts and increase transparency.

Management and disclosure

- Feasibility study assessing opportunities to reduce emissions at subsidiary level conducted.
- Disclosure of GHG emissions according to Scope 1 and 2, and category 6 'business travel' and category 7 'employee commuting' of Scope 3 in the SECR report. See page 81
- Energy use, loan management, financial assets, and the value chain are expected to face low long-term transition risk, though specific vulnerabilities remain under analysis.
- Climate-related metrics are not yet included in Remuneration policies.
- Internal carbon pricing mechanism not yet considered for targets.
- Forward-looking metrics have not been used.
- Emission sources identified. Subsidiaries propose and implemented feasible reduction initiatives for own operations, forming the basis for the disclosed 2023, 2024 and 2025 Group targets.
- Based on the climate targets of all subsidiaries, the 2025 Group targets have been approved by the Sustainability Committee. Performance is tracked and reported quarterly.
- Exploring adoption of metrics to measure performance and alignment with frameworks such as the Science Based Targets initiative.

Progress Group targets 2024

- Quarterly progress reports were submitted, complemented by bi-annual meetings with the subsidiary Managing Directors to assess progress.
- Targets were met within the designated ranges, with the exception of knowledge sharing.
- Knowledge sharing faced logistical and external challenges. Entities remained committed, adjusting timelines as needed.

Setting Group targets 2025

- Maintain continuity by addressing similar key areas as the previous year.
- The target for solar system installations has been reduced due to expansion opportunities, investment viability, supply chain constraints, and maintenance challenges. The Company continues to assess the market to ensure future installations remain accessible and sustainable.

Climate targets

Topic	2024 target	2024 achievement	2025 target
Increase the use of renewable energy by installing solar panels	200-300 panels	**305 panels**	150-200 panels
Reduce fuel consumption by introducing electric motorbikes	15-25 electric bikes	**38 electric bikes**	20-30 electric bikes
Absorb CO_2 and protect the environment by planting trees	20-30k trees	**27.7k trees**	30-40k trees

Topic	2024 target	2024 achievement	2025 target
Increase energy efficiency by replacing regular lights with LEDs	2-2.5k LEDs	**3.5k LEDs**	N/A
Share knowledge and create awareness by training clients, colleagues and communities	300-400k trainees	**222k trainees**	300-400k trainees
Improve waste management through various reduce, reuse and recycle initiatives	Various initiatives	**N/A**	Various initiatives

ESG CASE STUDY

Advancing climate goals by installing solar systems

In 2024, ASA Nigeria equipped 78 branches with solar systems, bringing the total to 106 branches—approximately 40% of all locations. This initiative aligns with the Group's climate goals, reducing reliance on fossil fuels and lowering carbon emissions.

Solar systems have replaced traditional generators across all equipped branches, saving an estimated 20,000 litres of fuel in 2024 alone. These systems, which include solar panels, inverters, and battery storage, provide a reliable backup during grid outages, ensuring uninterrupted operations while reducing energy costs.

Branch staff and management have reported increased efficiency, cost savings, and a stronger sense of environmental responsibility. While challenges such as installation logistics and staff training arose, these were addressed through partnerships with experienced solar providers and comprehensive training programs.

Looking ahead, ASA Nigeria plans to expand this initiative, installing solar systems in 80 more branches in 2025, further strengthening their commitment to sustainability and energy efficiency.

→ Read more about another climate initiatives on page 49

Compliance statement

In meeting the requirements of Listing Rule 9.8.6R(8), we have concluded that

- The Group complies with TCFD Recommended Disclosures: Governance a and b; Strategy C; Risk a, b and c; and Metrics and targets a and b.
- The Group partially complies with TCFD Recommended Disclosures: Strategy a and b and Metrics and targets c.
- The Group does not comply with TCFD Recommended Disclosures: none

In assessing compliance, the documents referred to in the guidance notes to the Listing Rule were taken into consideration. In the table to the right, cross-references are added to where the disclosures are located or a reason is provided for non-compliance with an expected timeframe to achieve compliance. Compliance with the Companies Act 2006, s414CB(2a)-(2h), is demonstrated in the column to the right.

TCFD elements	TCFD recommended disclosures	Cross-reference or reason for non-compliance	Next steps and other comments	CA 414CB[1]
Governance	• Board oversight • Management's role	• See 'Board oversight' on page 66. • See 'Role of management' on page 66.		• CA s414CB(a)
Strategy	• Climate-related risks and opportunities • Impact on the organisation's business, strategy and financial planning • Resilience of the organisation's strategy	• See 'Identifying risks' on page 67. • See 'Impact of CRRO's on the organisation's businesses, strategy and financial planning' on page 67. • See 'Scenario analysis' on pages 69 to 77.	• Further develop scenario analysis and consider additional time horizons over the 1–3 years.	• CA s414CB(d) • CA s414CB(e) • CA s414CB(f)
Risk management	• Risk identification and assessment processes • Risk management process • Integration into overall risk management	• See 'Identifying risks' on page 67. • See 'Managing CRROs' on page 67. • See 'Integrating climate risks into overall risk management' on page 67.		• CA s414CB(b) • CA s414CB(c)
Metrics and targets	• Climate-related metrics in line with strategy and risk management process • Scope 1, 2 and 3 greenhouse gas ('GHG') metrics and the related risks • Climate-related targets and performance against targets	• See 'Management and disclosure' on page 78. • See 'Streamlined Energy Carbon Reporting' on page 80 and 81. • See 'Climate targets' on page 78.	• The Group will be taking steps over the next 1-3 years to have closer alignment with Universal Standards.	• CA s414CB(h) • CA s414CB(g)

1 Companies Act 2006, s414CB(2a)-(2h).

ESG Report (continued)

2023 Streamlined Energy and Carbon Reporting ('SECR')

In 2024, the Group continued to collect data on energy use and business travel for operations covering 15 countries, including 14,231[1] full-time employees ('FTEs') and 2,151 offices[2]. The table includes the Group's energy use and associated carbon emissions in 2023 and 2024, broken down by Scopes 1, 2 and 3.

The Group is required to report annual global GHG emissions in line with the UK government's Streamlined Energy and Carbon Reporting ('SECR') guideline, implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These regulations came into force on 1 April 2019 and require organisations to publicly report on carbon emissions and energy use.

The Group's emissions calculations and reporting follow the Greenhouse Gas Protocol Corporate Standard (operational control approach) covering its energy usage in 2024.

In 2024, the Group continued to collect data on energy use and business travel for operations covering 15 regions, including 14,231 FTEs (as per Group HR data, excluding one staff of MU office) and 2,151 offices (including the Company's headquarters in the Netherlands and Bangladesh). The table includes the Group's energy use and associated carbon emissions in 2024, broken down by Scopes 1, 2 and 3.

Energy efficiency actions

Actions taken in 2024	Planned action in 2025
Continued to monitor and maintain office buildings (both leased and owned) to ensure energy-efficient operation. This includes annual maintenance and cleaning of air conditioning systems, and checking for misuse of water, electricity and office vehicles. Such maintenance also keeps fire hazards at bay.	Action to continue.
Subsidiaries are digitising processes and printing less.	Continue to minimise the use of paper in all offices with the aim of achieving zero printing in the future.
Most operating subsidiaries successfully met their 2024 climate targets, which included phased installation of solar panels, tree planting, adoption of electric motorcycles, installation of LED lighting, improved waste management practices, and enhanced knowledge sharing initiatives.	Climate targets for 2025 have been set, maintaining a strong focus on the key areas addressed in 2024. Read more about setting and achieving targets on page 78.

1 Excluding one staff member from the ASAI Holding office in Mauritius because of negligible impact.

2 Including the head offices and the Company's headquarters in the Netherlands and Bangladesh.

ESG Report (continued)

2023 Streamlined Energy and Carbon Reporting ('SECR') (continued)

Methodology and scope

The Group is responsible for the internal management controls governing the data collection process, data aggregation, any estimations and extrapolations applied (as required), the GHG calculations performed and the emissions statements.

GHG emissions were calculated according to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

Scope and subject matter

The boundary of reporting includes all operating subsidiaries and facilities owned, leased or actively managed by the Group, as well as business travel in Company-owned vehicles or employee-owned or hired vehicles where the Company is responsible for purchasing the fuel. This also includes air travel.

Energy and GHG sources included in the process

- Scope 1: Direct emissions from owned or controlled assets of the Company. Emissions from combustion of fuel in owned or controlled vehicles and generators have been included.
- Scope 2: Indirect emissions from the generation of purchased electricity consumed by the Company. A location-based method has been applied.
- Scope 3: Indirect emissions that occur as a result of the Company's activities but are not directly owned or controlled by the Company. This includes emissions from business travel and employee commuting.

Waste and fugitive emissions from refrigeration (e.g. air conditioning) are omitted from the report due to lack of data.

Types of GHGs included, as applicable: CO_2, N_2O, CH_4, HFCs, PFCs, SF_6 and NF_3.

The figures were calculated using UK government 2023 conversion factors, expressed as tonnes of carbon dioxide equivalent (tCO_2e).

The Company does not disclose emissions for the UK or offshore areas as it does not have any operations in those regions.

Particulars	2024	2023
Energy consumption used (kWh)		
Electricity (kWh)	3,773,080	3,864,000
Gas (kWh)	1,350,431	1,216,605
Transport fuel (kWh)	31,475,169	45,605,160
Other energy sources (kWh)	1,379,929	2,016,146
Total (kWh)	**37,978,609**	**52,701,911**
Emissions (tCO_2e)		
Scope 1		
Emissions from combustion of gas (tCO_2e)	277	247
Emissions from combustion of fuel for transport purposes (tCO_2e)	3,023	4,818
Emissions from combustion of fuel for generators (tCO_2e)	310	469
Scope 2[1]		
Emissions from purchased electricity (tCO_2e)	1,790	747
Scope 3		
Category 7: Employee commuting[2] (tCO_2e)	1,610	1,687
Category 6: Business travel[3] (tCO_2e)	479	606
Total location based tCO_2e	**7,489**	**8,574**
Intensity ratio		
Number of FTE within financial year[4]	14,231	13,432
Intensity ratio: tCO_2e from Scope 1, 2 and 3/FTE location based	0,53	0.64

1 Location-based method applied.
2 Includes travel in rental cars and public transport.
3 Includes flight data.
4 One staff member from the Mauritius office is excluded.

Verification

Internally by the Company.

ESG Report (continued)

Non-financial and sustainability information statement

As a socially responsible lender, the Group has a wide range of policies and practices to ensure that the Company and its staff comply with environmental, social and legal requirements, including respecting human rights, and adhere to the highest professional and ethical standards in dealing with clients, suppliers, communities and each other. This statement provides an overview of topics and related reporting references as required by sections 414CA and 414CB of the Companies Act 2006.

ESG	Our policies and practices	Description	Page reference
	**Exclusion list**	Our exclusion list prevents financing businesses that harm biodiversity or the environment, aligning with international conventions where applicable.	Read more on page 64
	Environment and Social Management System ('ESMS')	Our ESMS sets out plans, policies, and procedures to manage environmental and social risks, aiming to minimise negative impacts and promote good governance. It aligns with industry standards, including IFC Performance Standards 1 and 2, the SMART Campaign, and the Universal Standards for Social Performance Management.	Read more on page 64
	Environmental policy	Our environmental policy outlines the actions that its staff must take to minimise and prevent any harmful impacts on the environment.	Read more on page 64
	Travel policy	Our travel policy promotes responsible and sustainable travel practices, with a particular focus on air travel. It outlines the necessary factors to consider and steps to take before undertaking air travel for business purposes.	Read more on page 64
	Natural Calamity Impact Assessment ('NCIA')	The Group assesses the impact of natural disasters, such as floods and earthquakes, on its resources and overall operations. This analysis provides valuable insights into the Company's susceptibility to such calamities, identifying areas that may require adaptation to mitigate risks.	Read more on page 64
	Emergency Preparedness and Response Plan ('EPRP')	The EPRP aims to protect people, resources, and critical information while ensuring continuity of essential operations. It sets out the Company's emergency response strategies to prepare for and mitigate the impact of crises.	Read more on page 64
	**Client Protection Principles ('CPP')**	The CCP, developed by the SMART Campaign, is an industry standard that outlines the minimum client protection expectations for microfinance providers, ensuring institutions serve clients' best interests.	Read more on page 55
	Client Complaint Resolution Committee ('CCRC')	Through the CCRC clients can provide direct feedback on services or lodge complaints about inappropriate behaviour or treatment by any of the Group's staff. Every quarter a report is shared with senior management by the CCRC with the nature of complaints and actions taken.	Read more on page 56
	Grievance Mitigation Committee ('GMC')	The Group has established an effective grievance mechanism for all employees, allowing them to raise any work-related concerns or complaints without fear of reprisal.	Read more on page 58
	Health and safety	The Group monitors health and safety risks, provides regular training, and takes preventive and corrective actions on incidents. Each subsidiary has a health and safety committee and an integrated checklist to ensure ongoing supervision and monitoring.	Read more on page 58
	Diversity, Equity and Inclusion ('DEI') policy	The DEI policy integrates diversity, equity, and inclusion into internal practices, guiding the implementation and monitoring of initiatives to foster a thriving, diverse workforce.	Read more on page 60
	Social Policy	The Company's Social Policy ensures the protection of social and environmental interests, focusing on uplifting clients' social standards and safeguarding employees' rights in a responsible work environment.	Read more on page 55
	Human Resource ('HR') Policy	The Company's HR Policy governs staff conditions and practices, promoting fairness, transparency, and equal treatment through consistent rules and procedures.	Read more on page 57
	Corporate Social Responsibility ('CSR') Policy	The CSR policy provides a framework for planning and evaluating community initiatives in health, education, environment, and disaster relief, ensuring alignment with the Company's mission and fostering sustainable social and environmental impact.	Read more on page 61

ESG Report (continued)

Non-financial and sustainability information statement (continued)

→ Read the remaining reporting requirements

Business model on page 11

Principal risks on pages 40 to 48

Diversity and gender on page 60 and 107 – 108

Climate-related financial disclosures on pages 65 to 79

→ Find the description of the tools and indicators

ESG report on pages 55 to 60 and 64

Alternative Performance Measures ('APM') table on page 205

ESG	Our policies and practices	Description	Page reference
	Whistleblowing	Employees are strongly encouraged to speak up about any actions that might violate laws, regulations, or Company policies. They can do so by using a designated complaint box or reaching out directly to the local Chair of the Audit and Risk Committee, as well as at the Group level. Examples of such actions encompass improper or unethical business practices, concerns related to health, safety, and the environment, or breaches of the Code of Conduct.	Read more on pages 58 and 102 and our website
	Child Labour and Protection	The Group is dedicated to safeguarding children directly or indirectly affected by its operations. It implements strict policies to prevent child labour, collaborates on education and welfare initiatives, and promptly addresses any identified cases, ensuring children's rights and well-being are protected.	Read more on our website
	Sexual Harassment Elimination	The Company promotes a safe work environment and has a zero-tolerance policy towards harassment of any kind, particularly sexual harassment.	Read more on page 102 and on our website
	Non-Discrimination	Unfair discrimination in any form is unacceptable. Management and employees must ensure a fair and sympathetic work environment for all, regardless of marital status, religion, disability, sexuality, gender, race, or ethnicity. This policy of equal opportunities and diversity extends to recruitment, remuneration, training, development, promotion, discipline, and all aspects of employment, including volunteers, interns, clients, suppliers, and others with whom ASA International or its employees engage.	Read more on page 108 and on our website
	Code of Conduct and Ethics	The Group's Code of Conduct and Ethics is designed to be ethical, dignified, transparent, equitable and cost-effective, and expresses the core values of microfinance practice.	Read more on our website
	Anti-Bribery and Anti-Corruption	This policy is to combat improper payments or inducements and provide basic guidance to all employees, wherever they are located. The Group adopts a zero-tolerance approach to bribery and corruption, ensuring compliance with all applicable anti-bribery and anti-corruption laws and regulations, including the UK Bribery Act 2010.	Read more on page 103 and on our website
	Fraud and Misappropriation Protection ('FMPU') Policy	The FMPU Policy outlines procedures for preventing and reducing financial risks from fraud and misappropriation, focusing on continuous review, investigation, and promoting a culture of fraud awareness and accountability. FMPU is part of the Group's second line of defence.	Read more on page 39 and on our website
	Anti-Money Laundering	The Company and its subsidiaries are firmly committed to preventing money laundering and any activity that facilitates it or supports terrorist or criminal endeavours in their operations.	Read more on page 44 and on our website