



ASA International Group

Interim Financial Report

For the period from 1 January to 30 June 2025

ASA International Group plc



ASA INTERNATIONAL GROUP PLC
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ASA INTERNATIONAL GROUP PLC
GENERAL INFORMATION

DIRECTORS:	APPOINTED ON:	RESIGNED ON:
Guy Dawson	15 May 2018	
Dirk Brouwer	15 May 2018	
Johanna Kemna	28 June 2018	
Dr. Salehuddin Ahmed	08 December 2020	19 June 2025
Chris Low	01 February 2023	05 June 2025
Rob Keijzers	01 November 2024	
Sheila M'Mbijjewe	17 December 2024	
John Khabbaz	23 April 2025	

Rob Keijzers has been appointed as Group Chief Executive Officer ('CEO') effective from 01 April 2025 having previously been appointed as Interim CEO and member of the Board as an Executive Director since 01 November 2024.

John Khabbaz joined the Board as an Independent Non-Executive Director on 23 April 2025.

Chris Low resigned as Non-Executive Chairman and as a Director, with effect from 05 June 2025. Guy Dawson, who previously served as Non-Executive Chairman, has resumed this role.

Dr. Salehuddin Ahmed resigned from the Board with effect from 19 June 2025.

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

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ASA International Group plc (LSE: ASAI), one of the world's largest international microfinance institutions, is pleased to announce its unaudited interim results for the six month period ended 30 June 2025.

Highlights

- **Strong loan portfolio growth** – Gross Outstanding Loan Portfolio rose 37% YoY to USD 540.9m, driven by Ghana (+USD 59m in Q2 alone), supported by Pakistan, Tanzania, Uganda, and Myanmar
- **Profitability surge** – Reported net profit almost doubled to USD 26.8m (H1 2024: USD 13.5m). Underlying net profit of USD 24.2m, which excludes the impact of hyperinflation accounting, was up 73% (H1 2024: USD 14.0m). Return on average equity increased to 46%. This means that there is no longer material uncertainty in relation to the going concern in the interim financial report
- **Resilient portfolio quality** – Group PAR>30 improved to 2.0% (H1 2024: 2.2%), with Ghana, Uganda, Kenya and Myanmar all below 0.5%
- **Strengthened equity base** – Total equity up 41% to USD 136.2m, supported by profit growth and a USD 15.5m FX translation gain (vs. USD -4.3m in FY 2024). This contributed to total comprehensive income growing to USD 43.5m in H1 2025 compared to USD 4.1m in H1 2024 (FY 2024: USD 22.1m)
- **Stable funding position** – Total funding rose to USD 597.3m, supported by deposit growth and stable debt sourcing. A robust USD 229m funding pipeline is in place for H2 2025 to support future growth
- **Continued capital returns** – Interim dividend declared of USD 0.048 per share (+60% YoY) on underlying net profit, maintaining the 20% payout ratio in H1 2024

Rob Keijzers, ASA International Chief Executive Officer, said:

“ASA International’s outstanding performance in the first half of 2025 is a testament to the investment we have made in strengthening management, the dedication of our teams and the trust and resilience of our clients across our operating markets. Our strong operational growth, reflected by the significant increase in OLP and sustained improvements in portfolio quality, demonstrates our ability to deliver meaningful financial services to underserved female entrepreneurs. This has naturally translated into significantly improved profitability which has meant we can continue to make capital returns to our shareholders.

“An important milestone during the first half of the year was the launch of an innovative and groundbreaking partnership to offer microinsurance to our clients across Africa. Following a successful soft launch of ‘ASA LifeCare’ in Uganda in May, the product has now officially launched in Uganda, Kenya and Nigeria with plans to expand across all of ASA International’s African markets. The partnership embeds Enhanced Credit Life into ASA International’s loan products, providing affordable protection for clients from just USD 0.30 per month, covering credit, life, and health-related risks. We expect that will bolster client retention and generate additional non-interest income. This product brings added value and protection to our clients as we seek to deepen and broaden financial inclusion.

“Continuing the work undertaken throughout 2024, a core strategic focus for the Board has been on continuing to strengthen our leadership team. Both the Executive Committee at the Group-level and local leadership in Sri Lanka, Pakistan and Nigeria have been further reinforced. The positive impact they are already providing has been extremely encouraging in the form of fresh perspectives alongside significant professional, banking and leadership experience.

“We have also taken the important step of formally joining the Client Protection Pathway (CPP Pathway), a global initiative that helps financial institutions like ours demonstrate and continuously improve how we protect clients. This builds on what we already do every day and reinforces that client protection is at the heart of the ASA Model.

“Looking forward to the remainder of 2025, we expect to see the existing trend of growing demand for loans continue. We will also see ever greater productivity across the organisation as we drive efficiency in the branch network and therefore reduce our cost-income ratio. The next stage of our digital transformation effort is imminent as we roll-out the core banking system and digital platform to Ghana and Tanzania. We remain confident that our expanded reach and strengthened leadership will deliver increased financial inclusion for the communities we serve and sustainable growth for all stakeholders.”

Key performance indicators

(Unaudited - USDm unless otherwise stated)	H1 2025	H1 2024	Change (CC)	Change
Net profit ⁽¹⁾	26.8	13.5	51%	99%
Underlying net profit ⁽²⁾	24.2	14.0	27%	73%
PAR>30 days ⁽³⁾	2.0%	2.2%	-	(0.2ppt)
Number of clients (m)	2.6	2.4	-	9%
Number of branches	2,232	2,091	-	7%
Profit before tax ⁽¹⁾	47.8	28.3	37%	68%
OLP ⁽⁴⁾	527.4	384.6	25%	37%
Gross OLP ⁽⁴⁾	540.9	394.9	25%	37%

Outlook

Building on the sustained momentum seen during H1, the outlook for the remainder of 2025 remains positive with improved business and financial performance expected with continued robust demand expected. Accordingly, the expectation is that both underlying and reported net profit for 2025 is to significantly exceed the current company compiled consensus for FY 2025 of USD 37.5m (as of the date of this announcement). For H2 2025, the IMF no longer classifies Ghana and Sierra Leone as hyperinflationary, while Nigeria and Myanmar are on the watchlist. In addition, the Group continues to monitor FX and geopolitical risks.

CHIEF EXECUTIVE OFFICER'S H1 2025 REVIEW

Introduction

ASA International saw strong operational growth throughout H1 2025 as demand for our products from clients remained robust. Total number of clients reached 2.6m and Gross OLP increased by 18% compared to the year end 2024 with Ghana, Pakistan, Tanzania, Myanmar, Uganda, Kenya, and Nigeria 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 2.0% for the whole company at the end of the June 2025. We also saw Gross OLP per Client grow to USD 210 during the period as we seek to meet more of our clients' working capital needs. Efficiency also increased with Clients per Loan Officer increasing to 273 in H1 2025 from 265 in H1 2024. This operational performance also translated into significantly improved profitability with net profit almost doubling versus H1 2024 (H1 2025: USD 26.8m; H1 2024: USD 13.5m). This strong profitability enabled ASA International to continue making capital returns to shareholders in the form of an interim dividend.

From an operational footprint standpoint and in line with our strategy, the number of branches increased to 2,232 as at 30 June 2025 from 2,091 as at 30 June 2024, which reflects the opening of 140 net new branches across the various operating countries. Client numbers grew by 9% compared to H1 2024 as demand for loans increased in most markets.

Gross OLP grew to USD 540.9m at the end of June 2025 from USD 458.6m at the end of December 2024. This 18% growth was driven primarily by Ghana, where Gross OLP rose by USD 59m during Q2 2025 alone, reflecting both strong underlying portfolio expansion and also benefiting from a 32% appreciation of the Ghanaian cedi. Additional notable contributions came from Pakistan, Tanzania, Uganda and Myanmar. This growth in Gross OLP was not made at the expense of portfolio quality with this improving in most markets. PAR>30 days improved to 2.0% as at 30 June 2025 compared to 2.2% in 30 December 2024.

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 with Gross OLP increasing 8% to USD 161.3m as at 30 June 2025 from USD 148.9m as at 31 December 2024, and the number of branches increasing by 56 (YoY) to 612. This operational improvement translated into a significant growth in the region's financial performance in H1 2025, with net profit increasing by 37% to USD 9.1m from USD 6.6m. 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 materially improved in H1 2025, compared to H1 2024, with net profit more than doubling to USD 17.2m from USD 6.2m. Gross OLP significantly increased to USD 151.8m as at 30 June 2025 from USD 86.2m as at 31 December 2024, and PAR>30 significantly improved from 1.5% to 0.9% driven by the excellent portfolio quality in Ghana and a significant improvement of PAR>30 in Nigeria. Sierra Leone did experience increased PAR levels given lower collection efficiency. The strong operational and financial performance in the region was underpinned by Ghana which benefited from underlying growth combined with an appreciating currency. Both Nigeria and Sierra Leone made positive contributions following some more difficult recent periods.

South East Asia

South East Asia's net profit increased to USD 2.7m in H1 2025 from USD 2.3m in H1 2024 primarily supported by strong financial performance in Myanmar despite a challenging environment with the ongoing internal conflict and the impact of the earthquake that struck at the start of the year. As the loan demand continued to grow, the region's Gross OLP increased by 10% from USD 86.2m as at 31 December 2024 to USD 96.8m as at 30 June 2025, and PAR>30 improved to 6.3% to 6.8%. The number of branches increased by 7% from 489 to 524, resulting in an increased client reach of 480k, up by 2%.

South Asia

South Asia delivered stronger financial performance in H1 2025, with net profit increasing by 144% to USD 3.3m from USD 1.4m in H1 2024, supported by improved portfolio quality in Pakistan and Sri Lanka, which helped reduce the regional PAR>30 to 1.6% as at 30 June 2025 from 2.1% as at 31 December 2024. The branch network also expanded during the year, with number of branches increase by 40 new branches to reach 625, with Pakistan and Sri Lanka together contributing 57k new clients. However, the region's Gross OLP declined slightly by 4% to USD 131.0m as at 30 June 2025 from USD 135.9m as at 31 December 2024, mainly due to the intentional shrinking of the operations in India as the Group works to deconsolidate the business. This also affected the region's client growth trends with total clients decreasing by 7k to 847k.

Leadership

Continuing the work undertaken throughout 2024, a core strategic focus for the Board has been on continuing to strengthen our leadership team. In June 2025, Steven van Zuylen was promoted to Chief Technology Officer and joined the Executive Committee. In 2025, ASA International also welcomed Sivan Maron as Chief Human Resources Officer and a member of the Executive Committee. We were also delighted to welcome onboard new local CEOs for Sri Lanka and Pakistan in 2025 as well as CFOs in Nigeria and Sri Lanka. Furthermore, a number of other senior managers have been appointed across our operating countries, further strengthening the local finance teams.

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 which will drive efficiency and productivity gains.

The next stage of the digital transformation programme involves the roll-out of the Temenos Core Banking System and digital financial services app in Ghana and Tanzania and this is targeted to go-live later this year. Once this has been completed, nearly 50% of our clients will have been transferred to this new platform.

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, particularly in Myanmar. Competition from pure digital lenders has not had a meaningful impact thus far.

Sustainability

In the first half of 2025, we advanced our sustainability agenda by installing 71 solar systems, purchasing 28 electric motorbikes, planting 10,000 trees, training more than 60,000 stakeholders in environmental awareness, and removing over 100 kilos of plastic from the streets. Over the same period, 80,000 community members benefitted from initiatives in health, education, environment, and disaster relief, including health camps, hospital and maternal support, water tank donations, scholarships, and waste management campaigns. Client protection remains a cornerstone of our operating model, with policies and practices already aligned to the principles promoted by Cerise+SPTF and to further reinforce this commitment, we have now joined the Client Protection Pathway.

Interim dividend

In line with our commitment to make capital returns to shareholders, an interim dividend of USD 0.048 per share (H1 24: USD 0.03) is being declared by the Board. The Board has elected to declare the dividend over the underlying net profit of USD 24.2m, which excludes the impact from hyperinflation accounting, therefore implying a 20% dividend payout ratio, equivalent to the 20% payout ratio for H1 24.

Climate Week NYC

ASA International is featured in the Climate Week NYC Interview Series on CNBC.com with a segment titled Her Power. The video highlights how women across Africa and Asia are driving change through financial inclusion, supported by ASA International's unique lending approach, the ASA Model. Rooted in trust, accountability, and community engagement, the model helps women build businesses, strengthen families, and transform communities. An accompanying article further explores ASA International's approach and impact. View the video and associated content here - [Climate Week NYC](#)

Looking ahead

I would like to pay tribute to my colleagues who have been instrumental in delivering ASA International's successes in the first half of 2025. They will also be key to delivering the growth we see for the rest of this year and going forward.

Looking forward to the rest of 2025, 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 Ghana and Tanzania. In addition, we are encouraged by the launch of our microinsurance product 'ASA LifeCare', and look forward to expanding this across all of ASA International's African markets. We also expect to further strengthen the leadership teams at both the group and operating country level during the remainder of 2025.

CHIEF FINANCIAL OFFICER'S H1 2025 REVIEW

Tanwir Rahman, ASA International Chief Financial Officer, said:

"ASA International delivered a significantly improved financial performance in H1 2025 compared to the same period in 2024 both in terms of top-line growth and bottom-line profit. Financial resilience has improved materially with growth in the equity base.

"Robust profitability and enhanced equity levels were achieved in the first half which aligned with the focus on growing our asset base in a sustainable manner. Ghana and Pakistan were major contributors to this profitability and asset base growth, with Ghana not only seeing a significant growth in its loan book but also benefiting from the appreciation of its currency during the period. The net profit of USD 26.8m in H1 2025 includes a net positive impact from hyperinflation accounting for Ghana and Sierra Leone (USD 2.5m). Excluding this one-off item, the underlying net profit amounted to USD 24.2m which still represents an 73% increase compared to H1 2024. This robust profitability has meant that there is no longer material uncertainty in relation to the going concern in the financial statements. It is worth noting that Ghana and Sierra Leone are currently no longer expected to be considered hyperinflationary for the second half of 2025 as per the latest publication from the IMF.

"During H1 2025, the local currencies remained stable in most of the countries with the major exception being the significant appreciation of the Ghana cedi. This resulted in a favourable outcome in the income statement in USD terms and a net positive impact on the foreign currency translation reserve in equity compared to H1 2024. Accordingly, we achieved a materially stronger total comprehensive income in H1 2025 when compared to H1 2024.

"We also witnessed a strong growth in total equity at the end of H1 2025 even after the payment of the final dividend. This is mainly driven by the profit growth and positive translation impact from operating currency devaluation.

"From an efficiency standpoint, we also improved the cost to income ratio in H1 2025 mainly through higher income generation which outpaced the growth in operating costs. We are delighted by the momentum of the business and are extremely confident in the outlook for continued growth for the remainder of 2025."

Summary income statement

(USDm unless otherwise stated)	<u>H1 2025</u>	<u>H1 2024</u>	<u>YoY Change</u>
Interest and similar income	136.1	95.2	43%
Interest and similar expense	(24.8)	(20.1)	23%
Net interest income	111.3	75.1	48%
Other operating income	6.7	9.7	-31%
Credit loss expense	(3.2)	(2.4)	33%
Net operating income	114.8	82.4	39%
Personnel expenses	(38.3)	(30.3)	26%
Other operating expenses ⁽⁵⁾	(26.5)	(20.5)	29%
Total operating expenses	(64.8)	(50.8)	27%
Exchange rate result	(0.5)	(0.6)	-16%
Gain/(loss) on the net monetary position	(1.8)	(2.6)	-32%
Profit before tax	47.8	28.3	68%
Net profit	26.8	13.5	99%
<i>Cost-income ratio</i>	56.4%	61.7%	
<i>Net interest margin</i>	39.6%	32.3%	
<i>Return on average equity</i>	46.1%	34.2%	

Net interest income

Net interest income increased by 48% to USD 111.3m in H1 2025 from USD 75.1m in H1 2024. This is primarily driven by the YoY growth of 43% in interest and similar income, which increased to USD 136.1m from USD 95.2m attributable to the increased size of ASA International's loan portfolio, especially in Ghana, Pakistan, Tanzania, Myanmar and Kenya. Interest and similar expense increased to USD 24.8m in H1 2025 from USD 20.1m in H1 2024, due to an increase in external debt to help fund the growth in the loan portfolio and relatively higher cost of funding. Overall, net interest margin improved from 32.3% in H1 2024 to 39.6% in H1 2025.

Net operating income

Net operating income grew by 39% to USD 114.8m in H1 2025 from USD 82.4m despite the impact of 33% higher credit loss expenses (USD 3.2m compared with USD 2.4m YoY). The credit loss expenses tracked the growth in the loan portfolio. Other operating income decreased by 31% to USD 6.7m from USD 9.7m (YoY) with H1 2024 reflecting a one-off gain from a loan re-assignment in Myanmar.

Total operating expenses

Total operating expenses increased by 27% from USD 50.8m in H1 2024 to USD 64.8m in H1 2025, primarily due to impact of Ghana cedi appreciation on USD-denominated costs. There was also a 26% increase in personnel expenses from USD 30.3m in H1 2024 to USD 38.3m, driven by staff expansion. Other operating expenses also contributed to overall increase, with a 29% growth from USD 20.5m in H1 2024 to USD 26.5m in H1 2025, driven by higher administrative costs associated with ongoing business expansion. Overall, as a result of enhanced operational efficiency, the cost-income ratio improved from 61.7% in H1 2024 to 56.4% in H1 2025.

Gain/loss on the net monetary position

The loss on the net monetary position, reflecting the impact of the application of hyperinflation accounting for Ghana and Sierra Leone, reduced to negative USD 1.8m in H1 2025 compared to negative USD 2.6m in H1 2024 given the improving inflation and macroeconomic situation seen in Ghana towards the end of 30 June 2025. The impact of CPI adjustment on other income statement items resulted in a USD 4.3m gain, which meant that the total impact of IAS 29 on net profit amounted to USD 2.5m net gain.

Profitability

Profit before tax increased by 68% to USD 47.8m in H1 2025 from USD 28.3m in H1 2024, given the improved income growth and cost dynamics outlined above. Accordingly, net profit also increased from USD 13.5m in H1 2024 to USD 26.8m in H1 2025, while benefiting from improvements in the effective tax rate.

Effective tax rate (ETR)

There was a favourable tax position in certain jurisdictions in H1 2025 compared to H1 2024. This, to some extent, contributed to the reduction in the effective tax rate (excluding withholding taxes) to 38.7% in H1 2025 from 45.1% in H1 2024. Including withholding taxes, the effective tax rate decreased to 43.9% in H1 2025 from 52.4% in H1 2024. 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 the Philippines, thereby reducing the total average tax rate for the Group as a whole.

Summary balance sheet

(USDm unless otherwise stated)	30 Jun 2025	31 Dec 2024	YTD Change
Cash and cash equivalents	111.0	108.4	2%
Loans to customers	496.1	410.0	21%
Other assets	65.1	50.1	30%
Total assets	672.2	568.5	18%
Client deposits	119.6	90.1	33%
Interest-bearing debt	341.5	312.7	9%
Other liabilities ⁽⁶⁾	75.0	69.2	8%
Total liabilities	536.1	472.0	14%
Share capital and reserves	138.5	98.5	41%
Non-controlling interest	(2.3)	(2.0)	16%
Total equity	136.2	96.5	41%
Off-book Business Correspondence ('BC') and Direct Assignment Gross loan portfolio	29.7	38.0	-22%
Gross OLP	540.9	458.6	18%
Less ECL reserves on loans and advances plus FV adjustments on loans under FVTPL	(13.5)	(12.0)	12%
OLP	527.4	446.6	18%
PAR>30 days	2.0%	2.2%	

Loans to customers

Loans to customers, a significant asset item on the balance sheet, increased by 21% from USD 410.0m as at end of 31 December 2024 to USD 496.1m at the end of 30 June 2025 due to higher demand from clients, especially in the countries of the East African region, as well as in Pakistan and Ghana including the favourable FX impact. Accordingly, the Group's total Outstanding Loan Portfolio (Including off-book portfolio) also increased by 18% to USD 527.4m as at 30 June 2025 from USD 446.6m as at 31 December 2024.

Total assets

Total assets increased by 18% to USD 672.2m as at 30 June 2025 (31 December 2024: USD 568.5m) primarily due to expansion of the loan portfolio. Cash and cash equivalents (includes due from banks) increased by 2% from USD 108.4m as at 31 December 2024 to USD 111.0m as at 30 June 2025 reflecting active liquidity management. Additionally, other assets increased by 30% to USD 65.1m as at 30 June 2025 (31 December 2024: USD 50.1m), mainly as a result of increase in intangible assets as a part of the Group's digital transformation initiatives.

Client deposits

Client deposits (excluding interest payables) levels improved by 33% to USD 119.6m as at 30 June 2025 from USD 90.1m as at 31 December 2024, mainly driven by an increase in security deposits (USD 98.4m as at 30 June 2025 and USD 74.5m as at 31 December 2024) in line with the growing customer loan portfolio. Additionally, voluntary savings increased to USD 21.1m as at 30 June 2025 compared to 31 December 2024 (USD 15.7m), reflecting a growing customer appetite for savings.

Interest bearing debt

Third-party interest-bearing debt (excluding interest payables) increased by 9% as at 30 June 2025 to USD 341.5m from USD 312.7m as at 31 December 2024, primarily at the operating subsidiary level, with significant new transactions in Pakistan, Tanzania and Philippines, as well as at the holding, including major financing arrangements with OeEb, FMO and Oikocredit.

Total equity

The equity position strengthened by 41% to USD 136.2m as at 30 June 2025 from USD 96.5m as at 31 December 2024, supported by higher profitability (USD 26.8m in H1 2025 and USD 28.5m in FY 2024) and a positive impact in foreign currency translation reserve (USD 15.5m at the end of June 2025 and a negative impact of USD 4.3m at the end of December 2024) compared to year-end 2024.

Equity movements

(USDm)	<u>30 Jun 2025</u>	<u>31 Dec 2024</u>
Balance at the beginning of period	96.5	76.6
Impact of reclassification at FVTPL	-	-
Net profit for the period	26.8	28.5
Change in FX translation reserve	15.5	(4.3)
Movement in hedge accounting reserve	1.6	(2.2)
Dividend	(4.0)	(3.0)
Others	(0.2)	0.8
Balance at the end of period	136.2	96.5

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.

Countries	30 Jun 2025	30 Jun 2024	Δ YoY
Pakistan (PKR)	284.2	278.3	(2%)
India (INR)	85.7	83.4	(3%)
Sri Lanka (LKR)	299.9	306.0	2%
The Philippines (PHP)	56.4	58.4	3%
Myanmar (MMK)	2,098.9	2,488.7	16%
Ghana (GHS)	10.3	15.3	32%
Nigeria (NGN)	1,538.8	1,535.4	(0%)
Sierra Leone (SLE)	22.7	22.5	(1%)
Tanzania (TZS)	2,634.7	2,631.3	(0%)
Kenya (KES)	129.3	129.3	0%
Uganda (UGX)	3,594.7	3,710.0	3%
Rwanda (RWF)	1,439.0	1,315.7	(9%)
Zambia (ZMW)	23.8	24.0	1%

The Ghanaian cedi (GHS) appreciated by 32% YoY, which positively impacted the USD earnings of the Group's subsidiaries and contributed to an improvement in the foreign currency translation reserve. The total contribution to the foreign currency translation reserve in H1 2025 amounted to USD 15.5m, compared with a negative contribution of USD 8.7m in H1 2024. Of this, it is mainly attributable to the appreciation of the GHS with positive contribution of USD 16.8m, representing a significantly higher impact than the USD 3.3m negative movement recorded in H1 2024.

Total comprehensive income

(USDm)	H1 2025	H1 2024
Profit for the period	26.8	13.5
Change in FX translation reserve	15.5	(8.7)
Movement in hedge accounting reserve	1.6	(1.2)
Tax on OCI and other items	(0.5)	0.4
Actuarial gain on defined benefit liabilities and gain on MFX investment	0.03	0.03
Other comprehensive income/(loss)	16.7	(9.4)
Total comprehensive income/(loss) for the period, net of tax	43.5	4.1

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 43.5m in H1 2025 from USD 4.1m in H1 2024. Increased profit for H1 2025 and actual currency appreciation seen in H1 2025 specifically in Ghana contributed to this variance compared to H1 2024. Upstreaming of dividends to the Group was also higher in H1 2025 than in H1 2024 and this remains a key point of focus particularly when local regulatory approval is required.

The Group intends to minimize the impact of FX fluctuations by continuing with frequent dividend declarations by its operating entities and to 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 597.3m as at 30 June 2025 from USD 499.3m at the end of December 2024.

(USDm)	30 Jun 2025	31 Dec 2024
Local Deposits	119.6	90.1
Loans from Financial Institutions	294.3	259.8
Microfinance Loan Funds	9.8	11.0
Loans from Dev. Banks and Foundations	37.5	41.9
Equity	136.2	96.5
Total Funding	597.3	499.3

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. Equity increase was primarily due to operating currency appreciation year-on-year (GHS: 32%, MMK: 16%) and higher profits. The Group remains focussed on maintaining a healthy funding mix with a majority local sourced and local currency funding. The cost of funding improved to 11.2% at the end of June 2025 from 11.4% at the end of June 2024.

Lenders demonstrated their confidence in the Group and continued to provide funding as the Group was able to raise USD 117.7m at the end of June 2025 (31 December 2024: USD 193.8m), and there is a substantial funding pipeline for H2 2025 amounting to USD 229m, with almost 92% 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.

The Group has USD 85.8m (31 December 2024: USD 79.1m) of cash at bank and in hand as at 30 June 2025 of which USD 58.0m (31 December 2024: USD 50.2m) is unrestricted and can be utilized for operational and other working capital needs.

Net debt at the holding company level increased slightly to USD 66.8m as at 30 June 2025, compared with USD 62.9m as at 30 June 2024. Despite this increase, the Group remains committed to its strategy of gradually reducing the proportion of debt funding sourced at the holding company level over time.

As of 30 June 2025, the balance for credit lines with breached covenants amounts to USD 18.1m (excluding the USD 8.7m in ASA India NCDs purchased from Symbiotics) and the Group has received waivers for USD 16.7m. The Group is still under discussion to receive waivers for the remaining USD 1.4m.

The H1 2025 condensed consolidated financial statements have been prepared on a going concern basis. It should be noted that in the 2024 Annual Report and Accounts, approved on 24 April 2025, senior management and the Directors concluded that there was a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern relating to debt covenant breaches, and reputational risks leading to potential debt recalls. In performing the going concern assessment for the interim consolidated financial statements for H1 2025, the Directors have reviewed these prior concerns and considered current global economic challenges, while factoring the Group's improved operating and financial position for the first half of 2025 and expectations for the period up to 30 September 2026 (the 'Assessment Period'). The conclusion of this assessment reverses the previous view from the 2024 Annual Report and Accounts. Senior management and the Directors now conclude that there is no longer a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern.

Expected credit losses

The Group increased its reserves in the balance sheet for expected credit losses (ECL) from USD 10.1m as at end of June 2024 to USD 13.9m as at end of June 2025, for its OLP, including the off-book BC portfolio in India and interest receivables. The increase was primarily due to the growth of OLP.

Furthermore, the USD 13.9m of ECL reserves as at 30 June 2025 mainly relate to overdue loans in India (26%), The Philippines (25%) and Myanmar (12%), 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 H1 2025 financial information of operating entities, which are hyperinflationary economies with the main indicator being three-year cumulative inflation exceeding 100% in the period 2023-2025. All items are presented to reflect the current purchasing power at the reporting date.

Based on this, hyperinflation accounting is applied in the interim financial statements of the Group in relation to Ghana and Sierra Leone. The application of IAS 29 results in non-cash adjustments in the presentation of the financial information of the Group. In H1 2025, the net impact was an increase in net profit of USD 2.5m, comprising a loss on net monetary position of USD 1.8m, offset by the positive impact of CPI adjustments on other income statement items of USD 4.3m.

Based on the latest IMF publication, the current assessment for the remainder of 2025 is that both Ghana and Sierra Leone will not be subject to hyperinflationary accounting. 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. Nigeria and Myanmar are on the watchlist.

Regulatory capital

Currently, twelve out of thirteen operating subsidiaries are subject to minimum regulatory capital requirements. As of 30 June 2025, with the exception of ASA India, there was full compliance with all relevant minimum regulatory capital requirements.

REGIONAL PERFORMANCE

Regional snapshot

H1 2025 (in USDm)	<u>South Asia</u>	<u>South East Asia</u>	<u>West Africa</u>	<u>East Africa</u>
Net interest income	20.0	17.5	38.7	37.0
Credit loss expense	(0.3)	(1.6)	(0.1)	(1.1)
Net operating income	21.2	17.0	38.7	34.4
Total operating expenses*	(14.0)	(13.6)	(12.7)	(20.2)
Profit before tax	7.2	3.4	26.0	14.2
Net profit	3.3	2.7	17.2	9.1

H1 2024 (in USDm)	<u>South Asia</u>	<u>South East Asia</u>	<u>West Africa</u>	<u>East Africa</u>
Net interest income	16.1	15.0	20.5	26.2
Credit loss expense	(0.8)	(0.8)	(0.3)	(0.5)
Net operating income	16.8	15.6	20.2	25.1
Total operating expenses*	(11.8)	(12.4)	(10.0)	(14.3)
Profit before tax	5.0	3.2	10.2	10.8
Net profit	1.4	2.3	6.2	6.6

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

Regional and country OLP and portfolio quality

	<u>OLP (in USDm)</u>		<u>PAR>30 days</u>	
	<u>30 Jun 2025</u>	<u>31 Dec 2024</u>	<u>30 Jun 2025</u>	<u>31 Dec 2024</u>
Pakistan	93.5	89.0	0.5%	0.5%
India	27.2	36.5	5.9%	5.4%
Sri Lanka	5.5	5.0	4.5%	4.9%
South Asia	126.2	130.5	1.6%	2.1%
Philippines	61.7	58.4	6.3%	6.8%
Myanmar	29.9	25.5	0.2%	0.3%
South East Asia	91.6	83.9	4.3%	4.8%
Ghana	129.4	67.5	0.2%	0.2%
Nigeria	14.3	11.0	2.7%	4.9%
Sierra Leone	6.8	6.3	9.5%	9.4%
West Africa	150.4	84.8	0.9%	1.5%
Tanzania	84.6	84.4	1.6%	1.3%
Kenya	39.6	36.3	0.3%	0.3%
Uganda	24.7	18.6	0.2%	0.2%
Rwanda	6.0	4.9	4.9%	5.1%
Zambia	4.2	3.1	3.2%	3.4%
East Africa	159.1	147.3	1.3%	1.1%
Group	527.4	446.6	2.0%	2.2%

South Asia

Net interest income

Net interest income increased by 24% reaching USD 20.0m in H1 2025 from USD 16.1m in H1 2024 despite the low contribution from India. South Asia's net interest income is primarily driven by the strong operations of Pakistan where both the loan portfolio and interest income showed an improvement. Meanwhile, interest and similar expenses remained in line with the previous year (H1 2025: USD 5.6m, H1 2024: USD 5.6m), contributing to an overall improvement in the net interest margin.

Net operating income

Net operating income also improved by 26% to USD 21.2m in H1 2025 from USD 16.8m in H1 2024 as a result of operational expansion and reduced credit loss expenses.

Total operating expenses

Total operating expenses grown by 19% to USD 14.0m in H1 2025 from USD 11.8m in H1 2024, which was driven primarily by the personnel expenses increase from USD 8.3m in H1 2024 to USD 9.7m due to an expansion in the workforce to support operations.

Profitability

Profit before tax grew by 44% to USD 7.2m in H1 2025, compared to USD 5.0m in H1 2024, driven by improved income trends and better cost-to-income ratio (65.5% in H1 2025, 70.3% in H1 2024). Net profit increased by 144% to USD 3.3m in H1 2025, from USD 1.4m in H1 2024, supported by overall performance improvements, with Sri Lanka turning profitable during the period.

Pakistan

ASA Pakistan grew its operations in the period with increased demand from clients:

- Number of clients increased from 618k to 673k (up 9% YoY)
- Branch network increased to 405 branches from 345 (H1 2024), supporting the increase in client reach
- As a result, OLP increased as result from USD 89.1m to USD 93.5m (up 5% YTD)
- Gross OLP/Client also increased from USD 136 to USD 140 (up 3% YTD)
- PAR>30 remained at 0.5% compared to 31 December 2024

India

ASA India intentionally shrank its operations in the period to 30 June 2025, in line with the Group's decision to deconsolidate the business, including the reassignment of loans as part of the deconsolidation process. Accordingly, the focus in the period was on recovery of overdue loans while maintaining the off-book portfolio:

- Number of clients decreased from 193k to 129k (down 33% YoY) due to increase in new 'off book' loan disbursements
- Number of branches reduced from 176 to 157 (down 11% YoY)
- On-book portfolio decreased from USD 0.7m to USD 0.1m (down 86% YTD)
- Off-book portfolio decreased from USD 35.8m to USD 27.0m (down 24% YTD)
- Gross OLP/Client increased from USD 235 to USD 238 (up 1% YTD)
- PAR>30 (including off-book) deteriorated from 5.4% as at December 2024 to 5.9% as at June 2025.

The Board continues to work towards a full deconsolidation of ASA India from the Group by the end of December 2025.

Sri Lanka

Lak Jaya's operations improved in the period despite heightened competition in the country:

- Number of clients increased from 42k to 45k (up 6% YoY)
- Number of branches reduced by 1 to 63, due to the merger of two branches to improve efficiency and cost management
- OLP increased from USD 5.0m to USD 5.5m (up 10% YTD)
- Gross OLP/Client increased from USD 123 to USD 132 (up 7% YTD)
- PAR>30 improved from 4.9% to 4.5% as collection efficiency is improved compared to year-end 2024

South East Asia

Net interest income

Net interest income increased by 17% reaching USD 17.5m in H1 2025 (H1 2024: USD 15.0m) as Philippines demonstrated resilience of their operations despite being affected from typhoons and increasing their interest income. Net interest margin improved, as the interest expense remained stable (H1 2025: USD 3.8m, H1 2024: USD 3.4m). Meanwhile, interest income grew from USD 18.3m in H1 2024 to USD 21.4m in H1 2025.

Net operating income

Net operating income improved by 9% to USD 17.0m in H1 2025 from USD 15.6m in H1 2024. However, it resulted in lower other operating income (H1 2025: USD 2.9m; H1 2024: USD 3.1m) and higher credit loss expenses (H1 2025: USD 1.6m; H1 2024: USD 0.8m), driven by OLP growth in both countries and a decline in portfolio quality in the Philippines.

Total operating expenses

Total operating expenses increased by 10% to USD 13.6m in H1 2025 from USD 12.4m in H1 2024, primarily driven by elevated personnel expenses in The Philippines in efforts to improve employee retention.

Profitability

Profit before tax increased by 5% from USD 3.2m in H1 2024 to USD 3.4m in H1 2025, primarily due to higher personnel and credit loss expenses in the Philippines. Net profit increased by 17% to USD 2.7m in H1 2025 from USD 2.3m in H1 2024.

The Philippines

Pagasa Philippines' operations grew in the period, despite challenges created in the country by typhoons:

- Number of clients remained stable at 352k
- Number of branches increased from 400 to 433 (up 8% YoY)
- OLP increased from USD 58.4m to USD 61.7m (up 6% YTD)
- Gross OLP/Client increased from USD 171 to USD 185 (up 8% YTD)
- PAR>30 improved compared to 31 December 2024 from 6.8% to 6.3%

Myanmar

ASA Myanmar's operations improved in the period despite the Group having to contend with the military conscription law, the large earthquake occurrence that hit the country in March 2025 and unstable political situation. With most of the Group's operations located in relatively safer zones, ASA Myanmar maintained effective monitoring, resulting in quality portfolio growth

- Number of clients increased from 118k to 128k (up 8% YoY)
- Number of branches increased from 89 to 91 (up 2% YoY)
- OLP increased from USD 25.6m to USD 29.9m (up 17% YTD)
- Gross OLP per client increased from USD 223 to USD 247 (up 11% YTD)
- PAR>30 slightly improved compared to 31 December 2024 from 0.3% at 0.2%

West Africa

Net interest income

Net interest income increased by 89%, totalling USD 38.7m in H1 2025, compared to USD 20.5m in H1 2024. While interest income rose due to increased demand from clients in Ghana and Nigeria. Additionally, significant currency appreciation in Ghana had a positive impact on the overall results.

Net operating income

Net operating income improved by 92% to USD 38.7m in H1 2025 from USD 20.2m in H1 2024, due to lower credit loss expenses (H1 2025: USD 0.1m, H1 2024: USD 0.3m), mainly driven by a portfolio quality improvement in Nigeria.

Total operating expenses

The total operating expenses slightly increased by 27%, standing at USD 12.7m in H1 2025 compared to USD 10.0m, following an increase in personnel expenses to support business growth (H1 2025: USD 6.7m, H1 2024: USD 4.0m) and other operating expenses (H1 2025: USD 4.1m, H1 2024: USD 3.4m). Despite the increase in expenses, the cost-to-income ratio improved to 28.4% in H1 2025 from 35.1% in H1 2024, reflecting strong income growth.

Profitability

Ghana underpinned the region's strong performance, supported by operational growth and favourable FX movements. Profit before tax increased by 155% to USD 26.0m in H1 2025 from USD 10.2m in H1 2024. An improvement in tax position further supports the net profit growth, which has increased by 177% reaching USD 17.2m in H1 2025 (H1 2024: USD 6.2m) including a positive impact of hyperinflation accounting of USD 2.5m in H1 2025 (H1 2024: Negative USD 3.5m).

Ghana

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

- Number of clients increased from 192k to 237k (up 23% YoY)
- Number of branches increased from 150 to 153 (up 2% YoY)
- OLP increased from USD 67.5m to USD 129.3m (up 92% YTD) supported by currency appreciation of the Ghanaian cedi versus the USD
- Gross OLP/Client increased from USD 304 to USD 547 (up 80% YTD)
- PAR>30 remained stable at 0.2% compared to 31 December 2024

Nigeria

ASA Nigeria saw an improved operational performance despite high inflation levels and an unstable economy:

- Number of clients increased from 146k to 158k (up 8% YoY)
- Number of branches increased from 263 to 269 (up 2% YoY)
- OLP increased from USD 11.0 to USD 14.2m (up 29% YTD)
- Gross OLP/Client increased from USD 78 to USD 95 (up 21% YTD)
- PAR>30 significantly improved from 4.9% as at 31 December 2024 to 2.7% as a result of improved KYC and due diligence practices

Sierra Leone

ASA Sierra Leone saw an improved operational performance:

- Number of clients increased from 37k to 43k (up 15% YoY)
- Number of branches increased from 48 to 49 (up 2% YoY) supporting the increase in client reach
- OLP increased from USD 6.3m to USD 6.8m (up 8% YTD)
- Gross OLP/Client increased from USD 155 to USD 172 (up 11% YTD)
- PAR>30 slightly increased compared to 31 December 2024 from 9.4% to 9.5%

East Africa

Net interest income

Net interest income saw a significant improvement of 41%, reaching USD 37.0m in H1 2025 (H1 2024: USD 26.2m) as a result of operational growth in all countries, supported by an OLP growth of 30% YoY basis. The positive effect of the increase in interest and similar income (H1 2025: USD 46.7m, H1 2024: USD 33.4m) is slightly offset by an increase in interest and similar expenses (H1 2025: USD 9.7m, H1 2024: USD 7.2m) reflecting the increased level of funding deployed to support the region's ongoing expansion

Net operating income

Net operating income increased by 37% to USD 34.4m in H1 2025 from USD 25.1m in H1 2024 mainly driven by higher interest income, partly offset by an increase in credit loss expense in the region compared to last year (H1 2025: USD 1.1m, H1 2024: USD 0.5m).

Total operating expenses

Total operating expenses increased by 41% during H1 2025 to USD 20.2m (H1 2024: 14.3m) primarily due to an increase in personnel expenses (H1 2025: USD 11.6m, H1 2024: USD 8.9m) to support the region expansion. Despite of the increase in expenses, the operational efficiency improvement is proven by the cost-to-income ratio remaining stable at 57.7% in H1 2025 from 57.2% at H1 2024.

Profitability

Profit before tax improved from USD 10.8m in H1 2024 to USD 14.2m in H1 2025 as a result of substantial interest income. Net profit increased from USD 6.6m in H1 2024 to USD 9.1m in H1 2025.

Tanzania

ASA Tanzania expanded its operations in the period:

- Number of clients increased from 258k to 300k (up 17% YoY) as the more favourable loan terms are attracting an increased number of clients
- Number of branches increased from 211 to 241 (up 14% YoY) supporting the increased client reach
- OLP slightly increased from USD 84.4m to USD 84.6m (up 0.2% YTD)
- Gross OLP/Client decreased from USD 305 to USD 286 (down 6% YTD)
- PAR>30 increased slightly to 1.6% from 1.3% (31 Dec 2024) due to operational challenges

Kenya

ASA Kenya also expanded its operations in the period overcoming stiff competition in the market:

- Number of clients increased from 237k to 279k (up 18% YoY)
- Number of branches increased from 145 to 160 (up 10% YoY) in order to respond to increased client demands
- As a result, OLP increased from USD 36.3m to USD 39.6m (up 9% YTD)
- Gross OLP/Client increased from USD 139 to USD 142 (up 2% YTD)
- PAR>30 remained stable at 0.3% compared to 31 December 2024

Uganda

ASA Uganda also saw a significant improvement in operations in the period:

- Number of clients increased from 131k to 179k (up 36% YoY)
- Number of branches increased from 125 to 133 (up 6% YoY)
- OLP increased from USD 18.6m to USD 24.7m (up 33% YTD).
- Gross OLP/Client increased from USD 124 to USD 139 (up 12% YTD)
- PAR>30 remained stable at 0.2% compared to 31 December 2024

Rwanda

ASA Rwanda saw a strong improvement in operations in the period:

- Number of clients increased from 21k to 24k (up 16% YoY)
- Number of branches remained at 37
- OLP increased from USD 4.9m to USD 6.0m (up 22% YTD).
- Gross OLP/Client increased from USD 228 to USD 263 (up 15% YTD). There is an emphasis on branches located in urban areas to serve to clients who have the capacity to take on higher loan sizes
- PAR>30 improved to 4.9% from 5.1% as at 31 December 2024

Zambia

ASA Zambia expanded its operations in the period:

- Number of clients increased from 27k to 30k (up 13% YoY)
- Number of branches increased from 38 to 41 (up 8% YoY)
- OLP increased from USD 3.1m to USD 4.2m (up 34% YTD)
- Gross OLP/Client increased from USD 114 to USD 145 (up 27% YTD)
- PAR>30 improved to 3.2% from 3.4% as at 31 December 2024

Forward-looking statement and disclaimers

This announcement does not constitute or form part of any offer or invitation to purchase, otherwise acquire, issue, subscribe for, sell or otherwise dispose of any securities, nor any solicitation of any offer to purchase, otherwise acquire, issue, subscribe for, sell, or otherwise dispose of any securities. The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore, persons in such jurisdictions into which this announcement is released, published or distributed should inform themselves about and observe such restriction.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated by the Market Abuse Regulation (EU) No.596/2014, as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"). Upon the publication of this announcement, this inside information is now considered to be in the public domain.

The person responsible for the release of this announcement on behalf of the Company for the purposes of MAR is Tanwir Rahman, Chief Financial Officer.

Notes

(1) Profit before tax and net profit for H1 2025 include an IAS 29 hyperinflation positive impact of USD 2.5m (negative impact of USD 3.5m in H1 2024) in the consolidated financial statements

(2) Underlying net profit excludes the IAS 29 hyperinflation positive impact of USD 2.5m in H1 2025 (negative impact of USD 3.5m in H1 2024) and one-off gain from loan re-assignment in Myanmar of USD 3.0m in H1 2024

(3) 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

(4) Outstanding loan portfolio ('OLP') includes off-book Business Correspondence ('BC') loans and Direct Assignment loans, and loans valued at fair value through profit and loss ('FVTPL'), excludes interest receivable, unamortized loan processing fees, and deducts ECL reserves from Gross OLP

(5) Other operating expenses include depreciation and amortisation charges

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

(7) 'ASA International', the 'Company', the 'Group' all refer to ASA International Group plc and its subsidiaries

(8) 'Holdings', 'Holding companies' or 'Holding entities' all refer to ASA International Holding and ASA International NV

Principal risks and uncertainties

We have considered the principal risks and uncertainties faced by the Group for the remaining six months of the year and do not consider them to have changed from those set out on pages 40 to 48 of the 2024 Annual Report which is available on the Group's website at asa-international.com. These include but are not limited to: regulatory risk, credit risk, liquidity risk and foreign currency risk.

Going concern

The going concern assessment by the directors is described in detail in note 2.1.2 of these interim condensed financial statements. The directors have concluded that there is no longer a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the directors continue to adopt a going concern basis for the preparation of the interim condensed financial statements.

Directors' Responsibilities Statement in Respect of the Interim Results

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with UK endorsed IFRS;
- The interim management report includes a fair review of the information required by:
 - a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the Annual Report for the year ended 31 December 2024 for ASA International Group plc.

By order of the Board



Rob Keijsers
CEO
23 September 2025

Conclusion

We have been engaged by ASA International Group plc ('the Group') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 ('the Interim Financial Report') which comprises the Interim Condensed Consolidated Income Statement and Statement of Comprehensive Income, the Interim Condensed Consolidated Statement of Financial Position, the Interim Condensed Consolidated Statement of Changes in Equity, the Interim Condensed Consolidated Statement of Cash Flows and related notes 1 to 35. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2.1.3, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

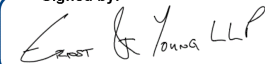
In preparing the half-yearly financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the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

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Group a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Group in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group, for our work, for this report, or for the conclusions we have formed.

Signed by:

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Ernst & Young LLP
London
23 September 2025

ASA INTERNATIONAL GROUP PLC
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2025


	Notes	For the six months ended 30 June	
		2025	2024
		USD'000	USD'000
		Unaudited	Unaudited
Interest income calculated using the effective interest method	4.1.	134,279	91,212
Other interest and similar income	4.2.	1,811	3,957
Interest and similar income		136,090	95,169
Interest and similar expense	5.	(24,795)	(20,088)
Net interest income		111,295	75,081
Other operating income	6.	6,682	9,691
Total operating income		117,977	84,772
Credit loss expense	7.	(3,156)	(2,370)
Net operating income		114,821	82,402
Personnel expenses	8.	(38,284)	(30,346)
Depreciation on property and equipment	14.	(1,254)	(932)
Amortisation on intangible assets		(586)	(303)
Depreciation on right-of-use assets	15.	(2,177)	(1,791)
Other operating expenses	9.	(22,469)	(17,466)
Exchange rate differences		(535)	(635)
Loss on net monetary position	2.3.4	(1,755)	(2,581)
Total operating expenses		(67,060)	(54,054)
Profit before tax		47,761	28,348
Income tax expense	10.	(18,504)	(12,772)
Withholding tax expense	10.6.	(2,472)	(2,095)
Profit for the period		26,785	13,481
Profit for the period attributable to:			
Equity holders of the parent		27,104	13,878
Non-controlling interest		(319)	(397)
		26,785	13,481
Other comprehensive income:			
Foreign currency exchange differences on translation of foreign operations	21.	15,518	(8,669)
Movement in hedge accounting reserve		1,598	(1,150)
Tax on OCI and other items		(454)	384
Total other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net of tax		16,662	(9,435)
Gain on revaluation of MFX investment		30	20
Total other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of tax		30	20
Total comprehensive income for the period, net of tax		43,477	4,066
Total comprehensive income attributable to:			
Equity holders of the parent		43,791	4,457
Non-controlling interest		(314)	(391)
		43,477	4,066
Earnings per share	35.		
Equity shareholders of the parent for the period:			
Basic earnings per share		0.27	0.14
Diluted earnings per share		0.27	0.14

The notes 1 to 35 form an integral part of the interim condensed consolidated financial statements.

ASA INTERNATIONAL GROUP PLC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Notes	30 June 2025 USD'000 Unaudited	31 December 2024 USD'000 Audited
Assets			
Cash at bank and in hand	11.	85,802	79,145
Loans and advances to customers	12.	496,082	409,977
Due from banks	13.	25,214	29,263
Equity investments at Fair Value through Other Comprehensive Income ('FVOCI')		345	315
Property and equipment	14.	15,299	7,597
Right-of-use assets	15.	6,187	5,372
Deferred tax assets	10.2.	6,842	7,277
Other assets	16.	20,131	18,786
Derivative assets	17.	852	258
Intangible assets	18.	15,479	10,512
Total assets		672,233	568,502
Equity and liabilities			
Equity			
Issued capital	19.	1,310	1,310
Retained earnings	20.	235,172	212,102
Other reserves		2,769	1,371
Foreign currency translation reserve	21.	(100,793)	(116,311)
Total equity attributable to equity holders of the parent		138,458	98,472
Total equity attributable to non-controlling interest		(2,295)	(1,981)
Total equity		136,163	96,491
Liabilities			
Debt issued and other borrowed funds	22.	350,600	320,850
Due to customers	23.	120,352	90,171
Retirement benefit liability		7,431	6,856
Current tax liability	10.1.	6,663	14,179
Deferred tax liability	10.3.	5,308	4,635
Lease liabilities	15.	4,142	3,925
Derivative liabilities	17.	1,574	3,252
Other liabilities	24.	37,329	25,939
Provisions	25.	2,671	2,204
Total liabilities		536,070	472,011
Total equity and liabilities		672,233	568,502

Approved by the Board of Directors on 23 September 2025
Signed on behalf of the Board



Rob Keijsers
CEO



Tanwir Rahman
CFO

The notes 1 to 35 form an integral part of the interim condensed consolidated financial statements.

ASA INTERNATIONAL GROUP PLC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2025

Notes	Issued capital USD '000	Retained earnings USD '000	Other reserves USD '000	Foreign currency translation reserve USD '000	Non-controlling interest USD '000	Total USD '000
At 1 January 2024	1,310	185,864	2,758	(111,998)	(1,324)	76,610
Profit for the six month period ending June 2024	-	13,878	-	-	(397)	13,481
Share-based payments	-	-	428	-	-	428
<i>Other comprehensive income (loss)</i>						
Foreign currency translation of assets and liabilities of subsidiaries	-	-	-	(8,669)	-	(8,669)
Gain on revaluation of MFX investment	-	-	20	-	-	20
Movement in hedge accounting reserve	-	-	(1,150)	-	-	(1,150)
Other comprehensive income (net of tax)	-	-	378	-	6	384
Total comprehensive income for the period	-	13,878	(324)	(8,669)	(391)	4,494
Dividend	-	-	-	-	-	-
At 30 June 2024 (Unaudited)	1,310	199,742	2,434	(120,667)	(1,715)	81,104
Profit for the six month period ending December 2024	-	15,371	-	-	(319)	15,052
Share-based payments	-	-	281	-	-	281
<i>Other comprehensive income (loss)</i>						
Actuarial gains and losses on defined benefit liabilities	-	-	(1,243)	-	-	(1,243)
Foreign currency translation of assets and liabilities of subsidiaries	-	(59)	-	4,356	59	4,356
Movement in hedge accounting reserve	-	-	(1,010)	-	-	(1,010)
Other comprehensive income (net of tax)	-	-	909	-	(6)	903
Total comprehensive income for the period	-	15,312	(1,063)	4,356	(266)	18,339
Dividend	-	(2,952)	-	-	-	(2,952)
At 31 December 2024 (Audited)	1,310	212,102	1,371	(116,311)	(1,981)	96,491
At 1 January 2025	1,310	212,102	1,371	(116,311)	(1,981)	96,491
Profit for six month period ending June 2025	-	27,104	-	-	(319)	26,785
Share based payments	-	-	229	-	-	229
<i>Other comprehensive income (loss)</i>						
Foreign currency translation of assets and liabilities of subsidiaries	-	-	-	15,518	-	15,518
Gain on revaluation of MFX investment	-	-	30	-	-	30
Movement in hedge accounting reserve	-	-	1,598	-	-	1,598
Tax on OCI and other items	-	-	(459)	-	5	(454)
Total comprehensive income for the period	-	27,104	1,398	15,518	(314)	43,706
Dividend	-	(4,034)	-	-	-	(4,034)
At 30 June 2025 (Unaudited)	1,310	235,172	2,769	(100,793)	(2,295)	136,163

The notes 1 to 35 form an integral part of the interim condensed consolidated financial statements.

ASA INTERNATIONAL GROUP PLC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2025

		For the six months ended 30 June	
	Notes	2025	2024
		USD'000	USD'000
		Unaudited	Unaudited
OPERATING ACTIVITIES			
Profit before tax		47,761	28,348
<i>Adjustment for movement in:</i>			
Operating assets	26.1.	(63,117)	(42,060)
Operating liabilities	26.2.	19,427	17,837
Non-cash items	26.3.	12,184	15,006
Taxes paid		(22,789)	(11,528)
Net cash flows (used in)/from operating activities		(6,534)	7,603
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(7,238)	(1,427)
Proceeds from sale of property, plant and equipment		3	25
Purchase of Intangible assets		(3,103)	(1,340)
Net cash flow used in investing activities		(10,338)	(2,742)
FINANCING ACTIVITIES			
Proceeds from debt issued and other borrowed funds		87,406	98,796
Payments of debt issued and other borrowed funds		(58,622)	(78,466)
Payment of principal portion of lease liabilities		(2,390)	(2,090)
Dividend paid		(4,034)	-
Net cash flow (used in)/from financing activities		22,360	18,240
Cash and cash equivalents at 1 January		79,145	76,429
Net increase in cash and cash equivalents		5,488	23,101
Foreign exchange difference on cash and cash equivalents		1,169	(4,272)
Cash and cash equivalents as at 30 June		85,802	95,258
Operational cash flows from interest			
Interest received		137,752	95,946
Interest paid		26,430	21,147

The notes 1 to 35 form an integral part of the interim condensed consolidated financial statements.

ASA INTERNATIONAL GROUP PLC
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2025

1. CORPORATE INFORMATION

ASA International Group plc ('ASA International', 'Group', 'ASAIG', 'Company') is a public company limited by shares which was incorporated by Catalyst Microfinance Investors ('CMI') in England and Wales on 14 May 2018 for the purpose of the initial public offer of ASA International Holding. ASA International Group plc has a listing on the Main Market of the London Stock Exchange, within the equity shares (commercial companies) category.

The interim condensed consolidated financial statements of ASAIG for the six months ended 30 June 2025 were authorised for issue in accordance with a resolution of the directors on 23 September 2025.

Investment strategy

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

Abbreviation list

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

2. ACCOUNTING POLICIES

2.1.1 General

The interim condensed consolidated financial statements of ASA International Group plc have been prepared on a historical cost basis, except for loans that failed SPPI tests, derivative instruments and equity instruments, which have been measured at fair value. Additionally, the financial information of subsidiaries operating in hyperinflationary economies have been adjusted to reflect their current purchasing power. The operational and presentation currency is USD. All values are rounded to the nearest USD thousand except where otherwise indicated.

2.1.2 Going Concern

The H1 2025 condensed consolidated financial statements have been prepared on a going concern basis. It should be noted that in the 2024 Annual Report and Accounts, approved on 24 April 2025, senior management and the Directors concluded that there was a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern relating to debt covenant breaches, and reputational risks leading to potential debt recalls. In performing the going concern assessment for the interim consolidated financial statements for H1 2025, the Directors have reviewed these prior concerns and considered current global economic challenges, while factoring the Group's improved operating and financial position for the first half of 2025 and expectations for the period up to 30 September 2026 (the 'Assessment Period'). The conclusion of this assessment reverses the previous view from the 2024 Annual Report and Accounts. Senior management and the Directors now conclude that there is no longer a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern.

The Group has updated its detailed financial model for its budget and projections (the 'Projections') using the actual numbers up to June 2025 and revised its forecasts for the Assessment Period. These forecasts were based on a detailed set of key operating and financial assumptions, including the minimum required cash balances, capital and debt funding plan per operating subsidiary, senior management's estimation of increased credit and funding risks, and current economic challenges faced by operating subsidiaries. Given the continued increase in demand for its financial products and services across markets, which provides resources and access to capital to the financially underserved, the Group has a high degree of confidence that the additional risks posed by any particular challenges in any of its markets will not increase arrears materially, however, this remains a risk.

The Group remains well capitalised and in compliance with capital requirements in all markets, with the exception of India, as is further disclosed. In terms of liquidity, the Group has USD 58.0 million (2024: USD 50.2 million) of unrestricted cash and cash equivalents which is freely available for operational needs as of 30 June 2025, and a strong funding pipeline of USD 223.7 million (2024: USD 120.7 million) with 97% having agreed terms and which can be accessed in the short to medium term. This reaffirms the confidence lenders have in the strength of the Group's business model and forward guidance. Additionally, given the improved operating and financial performance in H1 2025, the Group is confident it will continue to internally generate positive cash flows which will contribute to fully fund the projected loan portfolio throughout the Assessment Period.

The Group does not expect a significant increase in credit loss expenses with collections in the high 95% range and the proportion of loans with overdue payments greater than 30 days ('PAR>30 days') improving to 1.8% as of June 2025. This improvement is highlighted by significant decreases of PAR>30 in the Philippines, Sri Lanka, Nigeria and Rwanda compared to YE 2024. Although PAR>30 days remains high in India and Sierra Leone, management expects improvement in second half of 2025 through targeted collection strategies.

ASA India's ability to operate a sustainable business remained a concern, while Management made progress with its Board approved mandate to divest ASA India. ASA India has since submitted a formal request to the State Bank of India to withdraw its NBFI license, the process is currently ongoing. The Group also acquired a significant portion of ASA India's debt to help the business better manage its outstanding obligations. Management expects that the proposed process to divest ASA India will improve the Group's sustainability as the entity's IFRS losses will cease to detract from the Group's future net results and the divestment will have a positive effect on the Group's equity, since the level of equity value in ASA India is negative under IFRS.

While there remains uncertainty about how international lenders will react should the proposed actions by the Group to divest ASA India fail to materialize, or in case of potential dissolution of the business, the Management views this risk as low given: (i) developments around India have been consistently communicated with the market through multiple channels, including the Group's Annual Report, and Quarterly Business Updates, and throughout 2024 and H1 2025 giving ample time and clarity for lenders to assess the situation and act if deemed necessary, (ii) The Group successfully purchased the sub-debt held by the last outstanding international lender to ASA India, which has continued to provide funding to the Group, (iii) continued flow of funding to other ASA International entities and Holdings (USD 117m in new debt funding received in H1 2025) and consistent transaction pricing reflects sustained lender confidence and unchanged risk perception, and (iv) the Group does not provide parent guarantees to funders of the operating subsidiaries and hence in case of dissolution of ASA India, the Group's risk is limited to its capital investment and intercompany loans to the entity.

2. ACCOUNTING POLICIES (Continued)

2.1.2 Going Concern (Continued)

Moreover, as there are no cross-default clauses in the loan agreements with the Group holdings or other Group MFIs, any potential lender response would likely be limited to delaying or declining new funding. Though the likelihood of such actions is seen as low as outlined above, management has assessed this possibility in its stress tests which demonstrated the Group's ability to sustain its operations under such funding constraints over the assessment period.

As of 30 June 2025, out of the total outstanding debt of USD 341.5 million (2024: USD 312.7 million), credit lines with breached covenants amounted to USD 26.8 million (USD 28.2 million in December 2024) of which waivers have been received for USD 25.4 million, though they do not cover the complete period through to 30 September 2026. Such breaches have not historically resulted in an immediate repayment request from lenders, of which about 58% are impact investors with more lenient approach to such breaches compared to commercial FIs, further evidenced by the supportive attitude of lenders in the last five years with provision of requested waivers and additional funding.

Unless the covenant breach waivers are obtained as and when required the debt may be called due, which could impact the ability of subsidiaries and the Group to meet its debt obligations. The Group has a history of negotiating covenant waivers, where required, and has eventually received waivers for all breaches in the past following the post-balance sheet date, which indicates that the chance of an early debt call is low. Though, this does not guarantee that waivers necessary to avoid the immediate repayment of debt or further extension of loan terms will be forthcoming in the future.

In terms of mitigation of such potential debt recall, the Group can utilize its existing unrestricted cash, or raise additional liquidity by focusing on the collection of existing loans from clients while curtailing disbursements, which can generate up to USD 118 million in cash monthly as of June 2025 across its operating entities. This is not a preferred action but can be utilised to quickly raise liquidity in any country's operations to settle any debt recalls. This capacity has been demonstrated in practice in the Philippines, Myanmar, Sierra Leone and Pakistan in the last 5 years when there were events that created funding gaps, with the institutions shrinking their loan portfolios to pay down maturing debt. Further, the holding entities within the Group did not provide parent guarantees nor cross default clauses to funders of the operating subsidiaries, which protects the Group.

Senior management and the Board of Directors extensively challenged the Projections and their underlying assumptions including the above considerations. They also considered the risks around economic uncertainties resulting from high inflation, devaluation of local currencies, delays in dividend distributions, and increased operational costs. The Group also prepared stress and reverse stress scenarios for cash flows including the mitigating actions which include distribution of dividends and short-term loans from subsidiaries with sufficient cash reserves.

Having assessed the Projections, downtrend analysis and mitigation plans, senior management and the Directors have a reasonable expectation that the Group has adequate resources to continue its operations for at least twelve months from the date of approval of the condensed consolidated financial statements for H1 2025, and through to 30 September 2026. Therefore, they continue to adopt a going concern basis for the preparation of the interim condensed consolidated financial statements for 2025. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Group was unable to continue as a going concern.

2. ACCOUNTING POLICIES (Continued)

2.1.3 Statement of compliance

The interim condensed consolidated financial statements of ASA International Group plc for the six months ended 30 June 2025 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and UK-adopted International Accounting Standard 34: Interim Financial Reporting. These condensed financial statements do not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and do not include all information and disclosures required in an Annual Report. They should be read in conjunction with the Group's Annual Report and Accounts for the year ended 31 December 2024.

Group's Annual Report and Accounts for the year ended 31 December 2024 included an unqualified audit report that made reference to a material uncertainty related to going concern and did not contain any statements under sections 498 (2) and (3) of the Companies Act 2006. A copy of this annual report has been delivered to the Registrar of Companies.

In preparing the interim condensed financial statements, the same accounting policies, methods of computation and presentation have been applied as set out in the Annual Report and Accounts 2024 which is available on the Group's website at <https://www.asa-international.com>.

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

After the issue of the financial statements the Company's owners or others do not have the power to amend the financial statements.

2.1.4 Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June for each half year. The financial statements of subsidiaries are similarly prepared for the half year ended 30 June 2025 applying similar accounting policies and on a going concern basis.

2.2. New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024 other than the amendment disclosed in note 2.2.1.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective and none of those are material for the Group.

2.2.1 Lack of exchangeability – Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have any impact on the Group's interim financial statements.

2. ACCOUNTING POLICIES (Continued)

2.3 Significant accounting judgement and estimates

2.3.1 Allowance for expected credit loss (ECL) in loans and advances

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

A) Determination of loan staging

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

Loan bucket based on overdue age	Overdue age	Staging
	Current	
	1-30 days	Stage 1
	31-90 days	Stage 2
	> 90 days	Stage 3

B) Calculating ECL for stage 1-2 loans

To avoid the complexity of calculating the separate probabilities of default and loss-given default, the Group uses a 'loss rate approach' for the measurement of ECLs under IFRS 9. Using this approach, the Group developed loss-rate statistics on the basis of the net amounts written off over the last five years (Gross write-off less subsequent recovery). The historical loss rates include the impact of security deposits held by the Group, which is adjusted with overdue amounts before loans are written off. ECL recorded purely based on historical loss comes to USD 1.6 million (2024: USD 1.5 million). If there were a relative increase in the loss rate of 1%, the ECL requirement would rise by USD 16K.

The forward looking element of the ECL model is constructed through looking at the trend in net write-off information from the prior three years and applying a scaled loss rate in order to anticipate future loss events. ECL as per the forward-looking element amounts to USD 621K (2024: USD 126K). Changing the write-off trend to two years, rather than three years for the forward-looking assessment, would reduce ECL by USD 426K.

C) Calculating ECL for stage 3 loans

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

ECL for stage 3 loans		
Overdue age	Loss %	
	2025	2024
91-180 days	50 and 80%	50 and 80%
181-365 days	70 and 100%	70 and 100%
Over 365 days	100%	100%

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

Based on the above, ECL for stage 3 loans amounts to USD 8.3 million (2024: USD 7.4 million). An alternative assessment of stage 3 provisions would be to apply a 100% loss rate across the entire stage 3 population (net of security deposit), being all loans more than 90 days past due. This would increase the ECL on the stage 3 population to USD 8.8 million.

2. ACCOUNTING POLICIES (Continued)

2.3 Significant accounting judgement and estimates (Continued)

2.3.1 Allowance for expected credit loss (ECL) in loans and advances (Continued)

D) Management overlay

The Group considers taking additional ECL provision as management overlay to reflect the impact of all possible risk exposures which are not covered under A-C above. These risks mainly include political, regulatory, environmental (climate) and other operational risks in specific markets where the Group operates.

The Group has taken an additional ECL provision of USD 0.3 million (2024: USD 0.9 million) as of current reporting date under management overlay.

E) Impact of macro-economic indicators

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

F) Impact of climate change

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

G) Business Correspondence ('BC') portfolio and Direct Assignment ('DA') Portfolio of ASA India

An ECL assessment has been also performed for the off-book Business Correspondence ('BC') portfolio of ASA India (see note 12 for details on the BC portfolio). The off-book BC portfolio consists of disbursements on behalf of IDFC First Bank, Jana Small Finance Bank (JSFB), Ujjivan Small Finance Bank Limited (Ujjivan) and ESAF Small Finance Bank Limited (ESAF). IDFC BC is subject to a maximum provision of 5% of Outstanding Loan Portfolio ('OLP'), which is the maximum credit risk exposure for ASA India as per the agreement with IDFC. Credit risk exposure for ESAF is 5% and Ujjivan 100% of overdue portfolio. Risk exposure for JSFB is upto the loan outstanding. ECL for those portfolios are assessed in line with ASA India's own OLP. ECL for the off-book BC portfolio comes to USD 2.7 million (2024: USD 2.2 million).

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

H) ECL on interest receivable

ECL for Interest receivable is assessed in the same line as OLP. ECL for interest receivable comes to USD 477K (2024: USD 551K).

2. ACCOUNTING POLICIES (Continued)

2.3 Significant accounting judgements and estimates (Continued)

2.3.1 Allowance for expected credit loss (ECL) in loans and advances (Continued)

Based on the above assessment the total provision for expected credit losses for loans and advances to customers can be summarised as follows:

Particulars	Unaudited				Audited			
	30 June 2025				31 December 2024			
	Own portfolio	Off-book portfolio	Interest receivable	Total	Own portfolio	Off-book portfolio	Interest receivable	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
ECL as per historical default rate	1,553	1,588	13	3,154	1,480	1,185	3	2,668
ECL for forward considerations	621	-	8	629	126	-	3	129
ECL under stage 3 loans	8,264	1,083	456	9,803	7,357	719	545	8,621
ECL under management overlay	284	-	-	284	608	300	-	908
	10,722	2,671	477	13,870	9,571	2,204	551	12,326

Allocated to:	Unaudited			Audited		
	30 June 2025			31 December 2024		
	Gross outstanding	ECL	Coverage	Gross outstanding	ECL	Coverage
	USD'000	USD'000	%	USD'000	USD'000	%
Own portfolio (note 12.1 and 12.4)	511,003	10,722	2%	420,355	9,571	2%
Off book BC portfolio (note 12.2 and note 25)	29,035	2,671	9%	37,255	2,204	6%
Interest receivable (note 12.1 and note 12.4)	5,600	477	9%	7,294	551	8%
	545,638	13,870	3%	464,904	12,326	3%

2.3.2 Fair value measurement

The Group measures financial instruments such as derivatives, equity investments at fair value at each balance sheet date. Apart from that certain loans which failed the SPPI test on account of the application of IFRS 17 are also measured at Fair Value.

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

2. ACCOUNTING POLICIES (Continued)

2.3 Significant accounting judgements and estimates (Continued)

2.3.3 Taxes

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

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

As at 30 June, the gross amount and expiry dates of losses available for carry forward are as follows:

	Unaudited				
	Expiring within 1 year	Expiring within 2-5 years	Expiring beyond 5 years	Unlimited	Total
30 June 2025	USD'000	USD'000	USD'000	USD'000	USD'000
Losses for which deferred tax asset is recognised	-	-	-	-	-
Losses for which deferred tax asset is not recognised	1,740	7,379	39,887	39,076	88,082
	<u>1,740</u>	<u>7,379</u>	<u>39,887</u>	<u>39,076</u>	<u>88,082</u>
	Audited				
	Expiring within 1 year	Expiring within 2-5 years	Expiring beyond 5 years	Unlimited	Total
31 December 2024	USD'000	USD'000	USD'000	USD'000	USD'000
Losses for which deferred tax asset is recognised	-	-	-	-	-
Losses for which deferred tax asset is not recognised	2,851	5,338	38,221	36,200	82,610
	<u>2,851</u>	<u>5,338</u>	<u>38,221</u>	<u>36,200</u>	<u>82,610</u>

If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by USD 20.0 million (2024: 18.9 million).

Deferred tax liabilities

As of 30 June 2025, the Group has undistributed profits in its subsidiaries amounting to USD 102.3 million (2024: USD 68.9 million). The Group recognised a deferred tax liability amounting to USD 4.7 million on USD 65.3 million (2024: USD 4.4 million on USD 50.0 million) of undistributed profits on the assessment that these will be distributed in the next 1 year. The judgement was used to determine the period on account of regulatory uncertainty on when the undistributed amounts can be distributed.

No deferred tax liability was recognised on the balance of USD 37.0 million (2024: USD 19.0 million). If the Group recognises a deferred tax liability on these profits, profit and equity would decrease by USD 3.3 million (2024: USD 2.9 million).

2. ACCOUNTING POLICIES (Continued)

2.3 Significant accounting judgements and estimates (Continued)

2.3.4 Hyperinflation

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

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

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

As of the end of 2023, Ghana and Sierra Leone were classified as hyperinflationary economies. The Group implemented hyperinflation accounting for the first time that year, in accordance with the reporting standard. This accounting treatment was carried forward into 2024 due to persistent hyperinflationary situation in both countries. As of 30 June 2025, Ghana and Sierra Leone continue to meet the criteria for hyperinflationary economies, and as such, the Group has maintained hyperinflation accounting for its operations in these jurisdictions.

The application of IAS 29 includes the following adjustments:

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

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

	30 June 2025			31 December 2024		
	Before adjustment	Impact of IAS 29 adjustment	After adjustment	Before adjustment	Impact of IAS 29 adjustment	After adjustment
Consolidated statement of financial position	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Total assets	671,737	496	672,233	567,759	743	568,502
Total liabilities	535,863	207	536,070	471,879	132	472,011
Total equity	135,874	289	136,163	95,880	611	96,491

	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Before adjustment	Impact of IAS 29 adjustment	After adjustment	Before adjustment	Impact of IAS 29 adjustment	After adjustment
Consolidated income statement and statement of comprehensive income	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Profit for the period	24,241	2,544	26,785	17,005	(3,524)	13,481
Total comprehensive income/(loss)	43,188	289	43,477	3,812	254	4,066

Break-down of impact for IAS 29 in income statement			
Loss on net monetary position		(1,755)	(2,581)
Impact of CPI adjustment on other P&L items		4,299	(943)
Total impact of IAS 29 adjustments on net profit		2,544	(3,524)

2. ACCOUNTING POLICIES (Continued)

2.3 Significant accounting judgements and estimates (Continued)

A summary of material judgements and estimates is as follows:

Policy	Judgements	Estimates	Note ref.
Allowance for ECL on loans and advances	<ul style="list-style-type: none"> - Identification of staging of the loan portfolio. - Criteria for a significant increase in credit risk. - Identification of credit-impaired loans. - Monitoring impact of climate change. 	<ul style="list-style-type: none"> - Back-testing based on the historical default trend. - Forward-looking considerations. - Management overlay. 	2.3.1
Deferred tax assets	<ul style="list-style-type: none"> - Determining whether it is probable that future profit will be available to utilise DTA. 	<ul style="list-style-type: none"> - Estimating the amount of DTA based on timing and likelihood of future taxable profit. - Estimation of future tax rates for DTA. 	2.3.3 and 10.2
Deferred tax liability	<ul style="list-style-type: none"> - Determination whether there are any constraints or regulatory restrictions to distribute retained earnings as dividend. 	<ul style="list-style-type: none"> - Estimating the amount of DTL based on timing and likelihood of future taxable amount and undistributed dividends from subsidiaries. - Estimation of future tax rates for DTL. 	2.3.3 and 10.3
Hyperinflation	<ul style="list-style-type: none"> - Determining whether the economy of a country meets the criteria for hyperinflation as per IAS 29. - Selection of appropriate sources for CPIs. 	<ul style="list-style-type: none"> - Estimation of CPI rates. 	2.3.4

3. SEGMENT INFORMATION

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

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

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

The Executive Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its reportable segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operational profits and losses and is measured consistently with profit or loss in the consolidated financial statements. Intercompanies charges between operating and non-operating segments are on normal commercial terms and are based on the Group's service charges framework.

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

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue during the period ended 30 June 2025 or 2024.

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3. SEGMENT INFORMATION (Continued)

The following table presents operating income and profit information for the Group's operating segments for the six months ended 30 June 2025.

As at 30 June 2025 (Unaudited)	West Africa	East Africa	South Asia	South East Asia	Non-operating entities	Total segments	Adjustments and eliminations ²	Consolidated
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
External interest and similar income	42,315	46,713	25,591	21,364	107	136,090	-	136,090
Inter-segment interest income	-	-	-	-	863	863	(863)	-
External interest expense	(3,487)	(9,465)	(5,473)	(3,563)	(2,807)	(24,795)	-	(24,795)
Inter-segment interest expense	(130)	(298)	(162)	(273)	-	(863)	863	-
Net interest income	38,698	36,950	19,956	17,528	(1,837)	111,295	-	111,295
External other operating income	265	1,746	1,683	2,864	124	6,682	-	6,682
Inter-segment other operating income ¹	-	-	-	-	38,556	38,556	(38,556)	-
Other inter-segment expense	(188)	(3,254)	(99)	(1,795)	1,829	(3,507)	3,507	-
Total operating income	38,775	35,442	21,540	18,597	38,672	153,026	(35,049)	117,977
Credit loss expense	(124)	(1,086)	(346)	(1,600)	-	(3,156)	-	(3,156)
Net operating income	38,651	34,356	21,194	16,997	38,672	149,870	(35,049)	114,821
Personnel expenses	(6,723)	(11,562)	(9,680)	(6,854)	(3,465)	(38,284)	-	(38,284)
Exchange rate differences	74	(393)	(72)	(11)	(133)	(535)	-	(535)
Depreciation of property and equipment	(332)	(272)	(418)	(191)	(41)	(1,254)	-	(1,254)
Amortisation of intangible assets	-	-	(118)	-	(468)	(586)	-	(586)
Amortisation of right-of-use assets	(378)	(662)	(393)	(657)	(87)	(2,177)	-	(2,177)
Other operating expenses	(3,551)	(7,317)	(3,277)	(5,906)	(2,418)	(22,469)	-	(22,469)
Loss on net monetary position	(1,747)	-	-	-	(8)	(1,755)	-	(1,755)
Tax expenses	(8,815)	(5,095)	(3,940)	(652)	(2,474)	(20,976)	-	(20,976)
Segment profit	17,179	9,055	3,296	2,726	29,578	61,834	(35,049)	26,785
Total assets	178,647	204,049	135,410	136,041	259,401	913,548	(241,315)	672,233
Total liabilities	101,199	160,927	123,350	118,109	76,406	579,991	(43,921)	536,070

Explanation: Segment profit is net profit after tax

¹ Inter-segment operating income includes intercompany dividends, service charge fees and share in results of the subsidiaries.

² Adjustment and eliminations include eliminations of Inter-segment income, expenses, Investments and borrowings.

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3. SEGMENT INFORMATION (Continued)

The following table present operating income and profit information for the Group's operating segments for the six months ended 30 June 2024.

As at 30 June 2024 (Unaudited)	West Africa	East Africa	South Asia	South East Asia	Non-operating entities	Total segments	Adjustments and eliminations ²	Consolidated
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
External interest and similar income	21,722	33,452	21,658	18,327	10	95,169	-	95,169
Inter-segment interest income	-	-	-	-	475	475	(475)	-
External interest expense	(1,084)	(7,146)	(5,467)	(3,211)	(3,180)	(20,088)	-	(20,088)
Inter-segment interest expense	(137)	(60)	(138)	(140)	-	(475)	475	-
Net interest income	20,501	26,246	16,053	14,976	(2,695)	75,081	-	75,081
External other operating income	156	1,738	1,675	3,087	3,035	9,691	-	9,691
Inter-segment other operating income ¹	-	-	-	-	22,518	22,518	(22,518)	-
Other inter-segment expense	(176)	(2,387)	(171)	(1,631)	1,929	(2,436)	2,436	-
Total operating income	20,481	25,597	17,557	16,432	24,787	104,854	(20,082)	84,772
Credit loss expense	(309)	(458)	(791)	(807)	(5)	(2,370)	-	(2,370)
Net operating income	20,172	25,139	16,766	15,625	24,782	102,484	(20,082)	82,402
Personnel expenses	(4,051)	(8,894)	(8,321)	(5,936)	(3,144)	(30,346)	-	(30,346)
Exchange rate differences	(340)	81	38	(324)	(90)	(635)	-	(635)
Depreciation of property and equipment	(140)	(273)	(296)	(166)	(57)	(932)	-	(932)
Amortisation of intangible assets	-	-	(47)	-	(256)	(303)	-	(303)
Amortisation of right-of-use assets	(267)	(581)	(332)	(577)	(34)	(1,791)	-	(1,791)
Other operating expenses	(2,620)	(4,623)	(2,793)	(5,411)	(2,019)	(17,466)	-	(17,466)
Loss on net monetary position	(2,554)	-	-	-	(27)	(2,581)	-	(2,581)
Tax expenses	(3,989)	(4,229)	(3,663)	(884)	(2,102)	(14,867)	-	(14,867)
Segment profit	6,211	6,620	1,352	2,327	17,053	33,563	(20,082)	13,481
As at 31 Dec 2024 (Audited)								
Total assets	101,612	199,377	124,652	125,881	202,947	754,469	(185,967)	568,502
Total liabilities	58,254	159,435	108,451	109,479	58,439	494,058	(22,047)	472,011

Explanation: Segment profit is net profit after tax

¹ Inter-segment operating income includes intercompany dividends, service charge fees and share in results of the subsidiaries.

² Adjustment and eliminations include eliminations of Inter-segment income, expenses, Investments and borrowings.

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4. INTEREST AND SIMILAR INCOME

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

	Notes	For the six months ended 30 June	
		2025	2024
		USD'000	USD'000
		Unaudited	Unaudited
Interest income calculated using EIR	4.1.	134,279	91,212
Other interest and similar income	4.2.	1,811	3,957
		136,090	95,169

4.1. Interest income calculated using EIR

		For the six months ended 30 June	
		2025	2024
		USD'000	USD'000
		Unaudited	Unaudited
Interest income on loans and advances to customers		120,833	83,292
Loan processing fees		13,446	7,920
		134,279	91,212

Interest income increased from the first half of last year mostly due to portfolio growth.

4.2. Other interest and similar income

		For the six months ended 30 June	
		2025	2024
		USD'000	USD'000
		Unaudited	Unaudited
Interest income on short-term deposits		1,625	1,979
Fair value movement of financial assets under FVTPL		59	1,951
Other interest income		127	27
		1,811	3,957

Interest income of loans reclassified to FVTPL for Kenya, Uganda, Sri Lanka and the Philippines has been recognised under fair value movement of financial assets at FVTPL. The entities have stopped to disburse loans with old insurance product.

5. INTEREST AND SIMILAR EXPENSE

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

		For the six months ended 30 June	
		2025	2024
		USD'000	USD'000
		Unaudited	Unaudited
Interest expense on debt and other borrowed funds		(19,650)	(16,394)
Interest expense on security deposits and others		(3,077)	(2,104)
Interest expense on lease liabilities		(266)	(202)
Commitment and processing fees		(140)	(50)
Amortisation of forward points of forward contracts and currency basis spread of swap contracts		(1,662)	(1,338)
		(24,795)	(20,088)

6. OTHER OPERATING INCOME

		For the six months ended 30 June	
		2025	2024
		USD'000	USD'000
		Unaudited	Unaudited
Document, application and verification fees		3,485	3,236
Members' admission fees		522	844
Proceeds from sale of pass-books		115	89
Service fees income from off-book BC model (ASA India)		1,113	1,507
Distribution fee from MBA Philippines		652	734
Gain on loan purchase		-	3,024
Other		795	257
		6,682	9,691

ASA Uganda has entered into an arrangement with Turaco Micro Insurance Company Limited in May 2025, where ASA Uganda acts as an agent on a commission basis.

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

7. CREDIT LOSS EXPENSES

	Notes	For the six months ended 30 June	
		2025	2024
		USD'000	USD'000
		Unaudited	Unaudited
Expected credit loss expense on own portfolio	12.3.	(2,782)	(2,549)
Other expected credit loss (charge)/release		(1,185)	(1,078)
Recovery of previously written off loans		811	1,257
		<u>(3,156)</u>	<u>(2,370)</u>

The key assumptions applied for the expected credit loss provision and related expense are explained in note 2.3.1.

ECL expense on own portfolio has been increased mainly due to portfolio growth.

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

The majority of the write-off recovery came from India where significant amount has been written off in prior years.

8. PERSONNEL EXPENSES

Personnel expenses includes base salary of the employees, employer's contribution to the defined contribution and benefit plans and share based payments.

	Notes	For the six months ended 30 June	
		2025	2024
		USD'000	USD'000
		Unaudited	Unaudited
Personnel expenses	8.1.	(34,692)	(27,340)
Defined contribution plans		(2,572)	(2,077)
Defined benefit plans		(1,020)	(929)
		<u>(38,284)</u>	<u>(30,346)</u>

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

No actuarial valuation was done during the period ended 30 June 2025.

8.1. Share based payments

Personal expenses includes an amount of USD 229K against share based payment expenses.

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

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

- a) 20% each year between the first and fifth anniversaries of the Grant Date; or
- b) for Executive Directors only, 60% on the third anniversary and 20% on each of the fourth and fifth anniversaries of Grant Date.

To the extent they vest, the Options are exercisable at a price of GBP 0.93, GBP 0.84 and GBP 0.82 per ordinary share for options granted in 2022, 2023 and 2024 respectively, being the average share price for the three business days before the Grant Date. The Group has issued certificates to the participants to the plan. During the half-year of 2025, a total number of 0.07 million (2024: 0.56 million) Options lapsed due to staff leaving the Group. Since the grant dates, 1.07 million option rights have expired because the employees concerned have left the company.

The fair value of options granted during the six months ended 30 June 2025 was estimated on the date of grant based on the Black-Scholes model using the following assumptions:

Expected volatility (%)	66%, 65% and 81%
Risk-free interest rate (%)	3.7%, 5.2% and 5.4%
Expected life of share options (years)	Ten years
Current share price (£)	1.3
Dividend yield (%)	0%

The weighted average fair value of the options granted during the six months ended 30 June 2025 was GBP 0.65.

	HY 2025		2024	
	Number	WAEP (in USD)	Number	WAEP (in USD)
Outstanding as at beginning of the period	2,441,350	1.28	2,137,282	1.27
Granted during the period	-	-	867,372	1.28
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	(73,875)	1.27	(563,304)	1.27
Outstanding as at end of the period	2,367,475	1.28	2,441,350	1.28
Exercisable at end of the period	891,201	1.28	892,195	1.28

9. OTHER OPERATING EXPENSES

Other operating expenses includes the following items:

	Notes	For the six months ended 30 June	
		2025	2024
		USD'000 Unaudited	USD'000 Unaudited
Administrative expenses	9.1.	(19,330)	(14,775)
Professional fees		(1,200)	(850)
Audit fees		(1,296)	(1,197)
International travel		(349)	(364)
Corporate social responsibility expenses		(173)	(108)
Other		(121)	(172)
		(22,469)	(17,466)

9.1. Administrative expenses

	For the six months ended 30 June	
	2025	2024
	USD'000 Unaudited	USD'000 Unaudited
Transport and representation expenses	(6,015)	(5,080)
Office expenses	(2,867)	(2,536)
Gas, water and electricity	(649)	(578)
Telecommunications, internet and IT expenses	(2,765)	(2,211)
VAT/ output tax/ service tax	(3,803)	(2,153)
Bank charges	(613)	(529)
Insurance expense	(544)	(447)
Other administrative expenses	(2,074)	(1,241)
	(19,330)	(14,775)

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

10. INCOME TAX AND WITHHOLDING TAX EXPENSE

	For the six months ended 30 June	
	2025	2024
	USD'000 Unaudited	USD'000 Unaudited
Income tax expense		
Current income tax	(18,744)	(11,212)
Income tax for previous period	(21)	(597)
Changes in deferred income tax	261	(963)
	(18,504)	(12,772)

10.1. Current tax liability

	30 June 2025	31 December 2024
	USD'000 Unaudited	USD'000 Audited
Balance as at beginning of the period	14,179	9,326
Tax charge:		
Current period	18,744	27,477
Previous period	21	2,061
Tax paid	(24,839)	(24,481)
Foreign exchange adjustment	(1,442)	(204)
Balance as at end of the period	6,663	14,179

10.2. Deferred tax assets

	30 June 2025	31 December 2024
	USD'000 Unaudited	USD'000 Audited
Balance as at beginning of the period	7,277	5,769
Addition/ (utilised) during the period	(175)	1,998
Impact of hyperinflation for the period	(198)	(52)
Foreign exchange adjustment	(62)	(438)
Balance as at end of the period	6,842	7,277

10. INCOME TAX AND WITHHOLDING TAX EXPENSE (Continued)

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

10.3. Deferred tax liability	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
Balance as at beginning of the period	4,635	2,406
Charge/ (adjustment) during the period	366	2,110
Impact of hyperinflation for the period	207	132
Foreign exchange adjustment	100	(13)
Balance as at end of the period	5,308	4,635

10.4. Reconciliation of the total tax charge	For the six months ended 30 June	
	2025	2024
	USD'000	USD'000
	Unaudited	Unaudited
Accounting result before tax	47,761	28,348
Income tax expense at nominal rate of consolidated entities	(15,477)	(8,322)
Under provision for income tax previous year	(21)	(715)
Movement in unrecognised deferred taxes	(1,733)	(2,642)
Impact of hyperinflation for the period	(702)	(997)
Exempt income	196	336
Other permanent differences	(767)	(432)
Total income tax expense for the period	(18,504)	(12,772)

10.5. Income tax per region	For the six months ended 30 June	
	2025	2024
	USD'000	USD'000
	Unaudited	Unaudited
Corporate income tax- West Africa	(8,815)	(3,989)
Corporate income tax- South Asia	(3,940)	(3,661)
Corporate income tax- East Africa	(5,095)	(4,229)
Corporate income tax- South East Asia	(641)	(873)
Corporate income tax- Non operating entities	(13)	(20)
Total income tax per region	(18,504)	(12,772)

10.6. Withholding tax expense	For the six months ended 30 June	
	2025	2024
	USD'000	USD'000
	Unaudited	Unaudited
Withholding tax on interest income, dividend, royalties and service fees	(2,472)	(2,095)
Total withholding tax expense	(2,472)	(2,095)

Interest income, dividends, royalties and service fees are subject to withholding tax in certain jurisdictions. The applicable withholding tax rates vary per country and per type of income. This includes an adjustment of deferred withholding tax for undistributed retained earnings.

11. CASH AT BANK AND IN HAND

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
Cash at bank	85,026	78,906
Cash in hand	776	239
	85,802	79,145

An amount of USD 27.8 million (2024: USD 28.9 million) of cash at bank is restricted and can not be readily available. Out of this USD 19.6 million (2024: USD 18.4 million) in the Philippines is restricted as per Securities and Exchange Commission regulations as it relates to Loan Collateral Build Up ("LCBU"), the collection of security collateral from clients of a lending company. LCBU is placed into a segregated account. In Tanzania USD 8.2 million (2024: 10.5 million) is restricted and kept in a separate account as per the Bank of Tanzania requirement for non-deposit taking microfinance institutions as it relates to security deposits from clients.

12. LOANS AND ADVANCES TO CUSTOMERS

	Notes	30 June 2025	31 December 2024
		USD'000	USD'000
		Unaudited	Audited
Loans and advances to customers at amortised cost	12.1.	496,045	409,910
Loans and advances to customers at FVTPL	12.6.	37	67
		496,082	409,977

12.1. Loans and advances to customers are net of allowance for expected credit loss.

	Notes	30 June 2025	31 December 2024
		USD'000	USD'000
		Unaudited	Audited
Gross loan portfolio		511,003	420,355
Interest receivable on loans to customers		5,600	7,294
Unamortised processing fee		(9,359)	(7,617)
Gross loans		507,244	420,032
Allowance for expected credit loss	12.3.	(11,199)	(10,122)
Net loan portfolio		496,045	409,910

12.2. Interest receivable on loans to customers is realisable in line with the loan repayment schedules.

The outstanding loans to borrowers under the BC model and DA model which are not recognised on the balance sheet at 30 June 2025 amounted to USD 29.0 million and USD 688K respectively (December 2024: USD 37.3 million and USD 717K).

12.3. Allowance for expected credit loss

	Notes	30 June 2025	31 December 2024
		USD'000	USD'000
		Unaudited	Audited
Balance as at beginning of the period		(10,122)	(6,912)
Credit loss expense on loans and advances to customers	7.	(2,782)	(6,934)
ECL for interest receivable on loans from customers		182	(340)
Write-offs of loans and interest		1,880	3,478
Adjustment for interest on stage 3 loans		(251)	(348)
Exchange rate differences		(106)	934
Balance as at end of the period		(11,199)	(10,122)

The key assumptions applied for the expected credit loss provision are explained in note 2.3.1.

12.4. The breakdown of the expected credit loss is as follows:

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
ECL on loans and advances	(10,722)	(9,571)
ECL on interest receivable	(477)	(551)
	(11,199)	(10,122)

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12. LOANS AND ADVANCES TO CUSTOMERS (Continued)

12.5. The following tables explain the movement of gross OLP and Interest receivable and related provisions in stages. Management overlay in ECL has been allocated among the stages based on risk.

	Unaudited															
	Stage 1				Stage 2				Stage 3				Total			
	USD'000				USD'000				USD'000				USD'000			
	Gross OLP	Interest receivable	Total	ECL	Gross OLP	Interest receivable	Total	ECL	Gross OLP	Interest receivable	Total	ECL	Gross OLP	Interest receivable	Total	ECL
At 1 January 2025	408,865	6,465	415,330	(2,207)	2,501	224	2,725	(15)	8,989	605	9,594	(7,900)	420,355	7,294	427,649	(10,122)
New assets originated	653,297	-	653,297	-	-	-	-	-	-	-	-	-	653,297	-	653,297	-
Interest revenue	-	107,249	107,249	-	-	3,237	3,237	-	-	10,347	10,347	(251)	-	120,833	120,833	(251)
Collections	(587,522)	(108,685)	(696,207)	-	(1,684)	(3,365)	(5,049)	-	(3,112)	(10,322)	(13,434)	-	(592,318)	(122,372)	(714,690)	-
ECL (charges)/releases	-	-	-	(222)	-	-	-	27	-	-	-	(2,405)	-	-	-	(2,600)
Transfers:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stage 1 to Stage 2	(1,520)	(104)	(1,624)	9	1,520	104	1,624	(9)	-	-	-	-	-	-	-	-
Stage 1 to Stage 3	(5,070)	(13)	(5,083)	27	-	-	-	-	5,070	13	5,083	(27)	-	-	-	-
Stage 2 to Stage 1	5	19	24	-	(5)	(19)	(24)	-	-	-	-	-	-	-	-	-
Stage 2 to Stage 3	-	-	-	-	(513)	(61)	(574)	3	513	61	574	(3)	-	-	-	-
Stage 3 to Stage 1	14	50	64	(52)	-	-	-	-	(14)	(50)	(64)	52	-	-	-	-
Stage 3 to Stage 2	-	-	-	-	20	1	21	(17)	(20)	(1)	(21)	17	-	-	-	-
Write off	-	-	-	-	-	-	-	-	(1,726)	(155)	(1,881)	1,880	(1,726)	(155)	(1,881)	1,880
FX impact	31,326	-	31,326	(23)	(2)	-	(2)	-	71	-	71	(83)	31,395	-	31,395	(106)
At 30 June 2025	499,395	4,981	504,376	(2,468)	1,837	121	1,958	(11)	9,771	498	10,269	(8,720)	511,003	5,600	516,603	(11,199)

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12. LOANS AND ADVANCES TO CUSTOMERS (Continued)

	Audited															
	Stage 1				Stage 2				Stage 3				Total			
	USD'000				USD'000				USD'000				USD'000			
	Interest				Interest				Interest				Interest			
	Gross OLP	receivable	Total	ECL	Gross OLP	receivable	Total	ECL	Gross OLP	receivable	Total	ECL	Gross OLP	receivable	Total	ECL
At 1 January 2024	296,875	4,127	301,002	(1,540)	1,911	156	2,067	(12)	6,462	181	6,643	(5,360)	305,248	4,464	309,712	(6,912)
New assets originated	1,079,502	-	1,079,502	-	-	-	-	-	-	-	-	-	1,079,502	-	1,079,502	-
Interest revenue	-	169,120	169,120	-	-	6,079	6,079	-	-	12,573	12,573	(348)	-	187,772	187,772	(348)
Collections	(944,794)	(165,890)	(1,110,684)	-	(1,180)	(6,148)	(7,328)	-	(4,584)	(12,596)	(17,180)	-	(950,558)	(184,634)	(1,135,192)	-
ECL (charges)/releases	-	-	-	(912)	-	-	-	9	-	-	-	(6,371)	-	-	-	(7,274)
Transfers:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stage 1 to Stage 2	(2,614)	(223)	(2,837)	15	2,614	223	2,837	(15)	-	-	-	-	-	-	-	-
Stage 1 to Stage 3	(10,168)	(669)	(10,837)	55	-	-	-	-	10,168	669	10,837	(55)	-	-	-	-
Stage 2 to Stage 1	56	-	56	-	(56)	-	(56)	-	-	-	-	-	-	-	-	-
Stage 2 to Stage 3	-	-	-	-	(668)	(86)	(754)	4	668	86	754	(4)	-	-	-	-
Stage 3 to Stage 1	34	-	34	(28)	-	-	-	-	(34)	-	(34)	28	-	-	-	-
Stage 3 to Stage 2	-	-	-	-	3	-	3	(2)	(3)	-	(3)	2	-	-	-	-
Write off	-	-	-	-	-	-	-	-	(3,170)	(308)	(3,478)	3,478	(3,170)	(308)	(3,478)	3,478
FX impact	(10,026)	-	(10,026)	203	(123)	-	(123)	1	(518)	-	(518)	730	(10,667)	-	(10,667)	934
At 31 December 2024	408,865	6,465	415,330	(2,207)	2,501	224	2,725	(15)	8,989	605	9,594	(7,900)	420,355	7,294	427,649	(10,122)

12. LOANS AND ADVANCES TO CUSTOMERS (Continued)

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
Loans and advances to customers at FVTPL	37	67
	<u>37</u>	<u>67</u>

The ASAI entities in in the Philippines, Uganda, Kenya and Sri Lanka have stopped disbursing loans with old insurance product and therefore, the balance of loans and advances at FVTPL reduced.

13. DUE FROM BANKS

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
Due from banks	25,214	29,263
	<u>25,214</u>	<u>29,263</u>

Due from banks includes term deposits in different banks.

14. PROPERTY AND EQUIPMENT

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
Balance as at beginning of the period	7,597	7,237
Additions during the period	7,238	2,223
Disposal during the period	(3)	(72)
Depreciation during the period	(1,254)	(1,915)
Impact of hyperinflation for the period	141	478
Adjustment during the period	101	156
Exchange rate differences	1,479	(510)
Balance at end of the period	<u>15,299</u>	<u>7,597</u>

Capital expenditures for the period are primarily related to acquiring equipment and installing CBS and DFS infrastructure in Ghana and Tanzania. It also includes capital expenditures related to office equipment, furniture & fixtures, motor cycles etc.

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
Right-of-use assets at the beginning of the period	5,372	4,785
Additions during the period	2,380	3,616
Depreciation during the period	(2,177)	(3,710)
Impact of hyperinflation for the period	251	(17)
Exchange rate differences	361	698
Right-of-use assets at the end of the period	<u>6,187</u>	<u>5,372</u>

The Group recognises leased office premises under Right-of-use assets

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
Lease liabilities at the beginning of the period	3,925	3,272
Interest expense on lease liabilities	266	479
Additions of lease liabilities during the period	2,380	3,616
Payment of lease liabilities	(2,390)	(3,916)
Exchange rate differences	(39)	474
Lease liabilities at the end of the period	<u>4,142</u>	<u>3,925</u>

16. OTHER ASSETS

Other assets comprises of the following:

	Notes	30 June 2025 USD'000 Unaudited	31 December 2024 USD'000 Audited
Receivables from related parties	16.1.	2,457	1,858
Prepayments		5,417	3,907
Employee advances		3,087	2,844
Advance income tax		2,362	6,884
Security deposit		360	310
Receivables under off-book BC model (ASA India)	16.2.	171	399
Insurance claim receivable		395	317
Interest receivable on due from banks		905	873
Investment in securitised notes	16.3.	2,916	-
Other receivables	16.4.	2,061	1,394
		20,131	18,786

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

16.1. Receivables from related parties

	30 June 2025 USD'000 Unaudited	31 December 2024 USD'000 Audited
CMI	58	58
Sequoia BV	9	65
MBA Philippines	1,390	709
CMIS BV	-	27
Catalyst Continuity	18	18
Continuity EBT Ltd.	10	9
ASAIG plc EBT	972	972
	2,457	1,858

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

16.2. The receivable under off book BC model relates to the various BC partners of ASA India.

16.3. ASAI NV has purchased securitised notes linked to the non-convertible debentures (NCDs) issued by ASA India amounting to USD 11.0 million from a fund managed by Symbiotics at a settlement value of USD 2.9 million. The securitised notes purchased are issued by a fund managed by Symbiotics and relate to investments in two Luxemburg based Securities Purchase Vehicles named Masala Investments Sarl and AAV Sarl that serve as pass-through entities which purchased the NCDs issued by ASA India.

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

17. DERIVATIVES

	Notes	30 June 2025 USD'000 Unaudited	31 December 2024 USD'000 Audited
Forward contracts	17.1.	791	-
Swap agreements		61	258
Derivative assets total		852	258
Forward contracts	17.1.	(676)	(1,869)
Swap agreements	17.2.	(898)	(1,383)
Derivative liabilities total		(1,574)	(3,252)
Total Derivatives at fair value		(722)	(2,994)

17. DERIVATIVES (Continued)

17.1. The Group is holding the following foreign exchange forward contracts:

As of 30 June 2025	Unaudited				
	Maturity				Total
	<30 days	1-3 months	3-12 months	>12 months	
	USD'000	USD'000	USD'000	USD'000	USD'000
Pakistan					
Notional amount	-	-	14,000	-	14,000
Average forward rate (USD/PKR)	-	-	296	-	296
Carrying amount (in USD)	-	-	651	-	651
Sierra Leone					
Notional amount (in USD)	-	-	1,000	500	1,500
Average forward rate (USD/SLE)	-	-	31	27	29
Carrying amount (in USD)	-	-	(173)	(45)	(218)
Zambia					
Notional amount (in USD)	-	-	500	1,350	1,850
Average forward rate (USD/ZMW)	-	-	31	33	32
Carrying amount (in USD)	-	-	(99)	(244)	(343)
Kenya					
Notional amount	-	-	10,000	-	10,000
Average forward rate (USD/KES)	-	-	144	-	144
Carrying amount (in USD)	-	-	(65)	-	(65)
Tanzania					
Notional amount	-	-	2,500	2,500	5,000
Average forward rate (USD/TZS)	-	-	2,893	3,018	2,955
Carrying amount (in USD)	-	-	(31)	(12)	(43)
Uganda					
Notional amount	-	-	500	1,500	2,000
Average forward rate (USD/PKR)	-	-	3,762	3,901	3,866
Carrying amount (in USD)	-	-	11	58	69
ASAI NV					
Notional amount (in USD)	-	-	964	-	964
Average forward rate (USD/INR)	-	-	92	-	92
Carrying amount (in USD)	-	-	(7)	-	(7)
ASAIH					
Notional amount (in USD)	-	-	4,751	-	4,751
Average forward rate (USD/PKR)	-	-	292	-	292
Carrying amount (in USD)	-	-	71	-	71

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

17.2. The Group also holds the below swap contracts:

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
Cross-currency interest rate swap- Notional Value	19,436	17,031
Cross-currency interest rate swap- Carrying amount	(837)	(1,125)

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

18. INTANGIBLE ASSETS

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
Balance as at beginning of the period	10,512	7,340
Additions during the period	3,103	3,918
Amortisation during the period	(586)	(857)
Impact of hyperinflation for the period	301	332
Exchange rate differences	2,149	(221)
Balance at end of the period	15,479	10,512

Addition of intangible assets includes the development and implementation costs for the project to develop a digital financial services (DFS) platform. The implementation is currently in progress in Ghana and Tanzania.

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

Total spent during the period against DFS and CBS are as follows:

	30 June 2025			31 December 2024		
	USD'000			USD'000		
Particulars	Capitalised	Charged to P&L	Total	Capitalised	Charged to P&L	Total
Development fees	460	-	460	828	-	828
License fees	1,777	208	1,985	697	384	1,081
Implementation cost	588	-	588	2,004	39	2,043
Consultancy	1	-	1	17	-	17
Salary and other benefits	277	-	277	372	16	388
	3,103	208	3,311	3,918	439	4,357

19. ISSUED CAPITAL

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
ASA International Group plc issued 100 million shares of GBP 0.01 each	1,310	1,310
	1,310	1,310

20. RETAINED EARNINGS

Total retained earnings are calculated as follows:

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
Balance at the beginning of the period	212,102	185,864
Dividend	(4,034)	(2,952)
Transferred to NCI and others	-	(59)
Result for the period	27,104	29,249
Balance at the end of the period	235,172	212,102
Profit for the period		
Attributable to equity holders of the parent	27,104	29,249
Non-controlling interest	(319)	(716)
	26,785	28,533

Part of retained earnings relates to NGOs which are consolidated in these financial statements. The retained earnings of these NGOs cannot be distributed to their respective members. Retained earnings relating to NGOs amounted to USD 2.2 million at 30 June 2025 (December 2024: USD 2.3 million).

ASA S&L, ASA India and ASA Nigeria and ASAI NV have statutory requirements to add a percentage of the net profits to a legal reserve. Therefore, part of retained earnings cannot be distributed to shareholders. Retained earnings relating to these legal reserves amounted to USD 33.0 million at 30 June 2025 (December 2024: USD 24.8 million).

21. FOREIGN CURRENCY TRANSLATION RESERVE

The translation of the Company's subsidiaries from local currency into the Company's presentation currency (USD) results in the following currency translation differences that effects the equity in USD terms:

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
Balance at the beginning of the period	(116,311)	(111,998)
Translation of assets and liabilities of subsidiaries to USD	15,518	(4,313)
Balance at the end of the period	<u>(100,793)</u>	<u>(116,311)</u>

The country-wise breakdown of translation adjustment is as follows:

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
Ghana	16,818	(1,087)
Nigeria	42	(5,819)
Tanzania	(1,574)	889
Philippines	407	(559)
Myanmar	-	5
Kenya	9	1,524
Pakistan	(683)	138
Sri Lanka	(25)	126
Sierra Leone	29	127
Zambia	377	(163)
Others	118	506
	<u>15,518</u>	<u>(4,313)</u>

The significant strengthening of the Ghanaian Cedi by the end of June 2025 resulted in a positive impact in the foreign currency translation reserve for the period.

22. DEBT ISSUED AND OTHER BORROWED FUNDS

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
Debt issued and other borrowed funds by operating subsidiaries	274,788	249,804
Symbiotic-managed funds (ASAI NV)	750	1,500
FMO (ASAI NV)	12,000	-
BIO (ASAIH)	7,500	10,000
OeEB (ASAI NV)	15,000	16,875
Oikocredit (ASAI NV)	7,500	5,000
Ninety one (ASAI NV)	7,500	10,000
responsAbility (ASAI NV)	1,501	4,500
DFC (ASAI NV)	15,000	15,000
Interest payable on third-party loans	9,061	8,171
	<u>350,600</u>	<u>320,850</u>

Most of the loan agreements are subject to covenant clauses, whereby the subsidiary is required to meet certain key financial ratios. Some subsidiaries did not fulfil some of the ratios as required in agreements. As of 30 June 2025, out of the total outstanding debt of USD 341.5 million (2024: USD 312.7 million), the balance for credit lines with breached covenants that did not have waivers amounted to USD 1.4 million (2024: USD 11.3 million) on balance sheet date. The Group had waiver of USD 16.7 million on the balance sheet date and no waivers have been received subsequently (2024: USD 0.7 million), but for a period not covering the whole loan or going concern period. Due to these breaches of covenant clauses, the lenders are contractually entitled to request for immediate repayment of the outstanding loan amounts. The outstanding balance is presented as on demand as at 30 June 2025. The lenders have not requested any early repayment of loans as of the date when these financial statements were approved by the Board of Directors.

Debt issued and borrowed funds increased primarily in ASA Pakistan, ASA Ghana, and ASA Tanzania, driven by business expansion and currency appreciation in Ghana.

22.1 Debt issued and borrowed funds linked with covenants

The Group has 53 lenders and various covenants were agreed. The main covenants include capital adequacy ratio (CAR), liquidity ratio, cost-to-income ratio, solvency ratio, loan portfolio quality ratio, debt to equity ratio, return on assets ('ROA'), current ratio etc. As at 30 June 2025, 70.3% (31 December 2024: 61.6%) of outstanding debts are linked with covenants.

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
Principal outstanding debt issued and borrowed funds	341,539	312,679
Principal outstanding debt issued and borrowed funds linked with covenants	240,147	192,472
% of debts linked with covenants	<u>70.3%</u>	<u>61.6%</u>

23. DUE TO CUSTOMERS

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

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
Client's security deposits	98,459	74,470
Client's voluntary savings	21,115	15,668
Interest payable on deposits and savings	778	33
	<u>120,352</u>	<u>90,171</u>

Clients can deposit voluntary savings in Ghana, Nigeria, Rwanda and Myanmar.

24. OTHER LIABILITIES

Other liabilities are as follows:

	Notes	30 June 2025	31 December 2024
		USD'000	USD'000
		Unaudited	Audited
Taxes payable, other than corporate income tax		8,237	7,722
Security deposits		2,825	2,552
Other deposits		690	604
Accrued expenses		983	919
Accrued audit fees		1,359	1,432
Amount due to employees		3,438	2,594
Amount due to related parties	24.1.	2,403	77
Liabilities under on-book and off-book BC model (ASAI India)		5,807	4,943
Industrial Training fund		30	21
Payable to Temenos and service providers		1,544	697
Social welfare fund		658	548
Other liabilities	24.2.	9,355	3,830
		<u>37,329</u>	<u>25,939</u>

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

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

24.1. Amount due to related parties

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
CMI	1	1
Sequoia BV	5	4
MBA Philippines	2,387	66
CMIC	8	6
CIMS BV	2	-
	<u>2,403</u>	<u>77</u>

24.2. Other liabilities include various smaller accruals and provisions for various entities in the Company. Other liabilities as of 30 June 2025 also includes USD 4.5m of amount due to clients in Ghana and USD 1.1m advance collection from client in Pakistan.

25. PROVISIONS

	30 June 2025	31 December 2024
	USD'000	USD'000
	Unaudited	Audited
Provision for financial guarantees under off-book BC model (ASA India)	2,671	2,204
	<u>2,671</u>	<u>2,204</u>

This includes ECL provision against the off-book BC portfolio in India. For details on the Group's ECL policy see note 2.3.1.

26. ADDITIONAL CASH FLOW INFORMATION

26.1. Changes in operating assets

	For the six month ended 30 June	
	2025	2024
	USD'000	USD'000
	Unaudited	Unaudited
Movement in loans and advances to customers	(59,745)	(33,528)
Movement in due from banks	4,303	(7,374)
Movement in right-of-use assets	(2,380)	(2,092)
Other assets excluding income tax advances	(5,295)	934
	(63,117)	(42,060)

26.2. Changes in operating liabilities

	For the six month ended 30 June	
	2025	2024
	USD'000	USD'000
	Unaudited	Unaudited
Due to customers	13,669	9,004
Other liabilities	3,229	6,280
Retirement benefit	(318)	(358)
Movement in lease liability	2,380	2,092
Movement in provisions	467	819
	19,427	17,837

26.3. Non-cash items included in the statement of comprehensive income

	For the six month ended 30 June	
	2025	2024
	USD'000	USD'000
	Unaudited	Unaudited
Depreciation on:		
- Property and equipment	1,840	1,235
- Right-of-use assets	2,177	1,791
Interest expense on lease liability	266	202
Credit loss expense	3,156	2,370
Write-offs	1,880	715
Fair value movement of forward contracts	(674)	2,121
Fair value movement of loans at FVTPL	-	1,999
Share-based payments	229	428
Charge against defined benefit plans	1,020	929
Foreign exchange result	535	635
Loss on net monetary position	1,755	2,581
	12,184	15,006

27. RISK MANAGEMENT

27.1 General

The Group continuously enhances its risk management framework to keep pace with emerging challenges and to support the long-term stability of the institution. Operating in the microfinance sector, the Group maintains a cautious and consistent strategy for managing risks. Its risk culture is driven by its fundamental values, shared beliefs, collective knowledge, and overall awareness of risk throughout its various operations. The Group assesses its risk environment by identifying and analyzing both measurable and non-measurable risks, which are then integrated into its management practices and decision-making processes.

27.2 Risk management structure

ASA International has established a comprehensive and structured risk management framework to ensure the effective identification, assessment, mitigation, and monitoring of risks across its operations. This framework supports the Group's goal of maintaining financial stability, operational efficiency, and strong governance as a microfinance institution operating in emerging markets. At the subsidiary level, the Risk Management Unit plays a central role in identifying both existing and emerging risks on an ongoing basis. This unit works closely with risk owners to implement mitigation strategies and continuously monitor the risk environment. Risk reports generated at the subsidiary level are reviewed by the Risk Management Coordination Committee and approved by the subsidiary CEO. These reports are then submitted to the subsidiary-level Audit and Risk Committee (ARC) for further oversight. Consolidated country-level risk reports are prepared by the Group Risk Management team to form a comprehensive Group risk report, which is reviewed by the Group Executive Committee before being presented to the Group ARC for thorough evaluation and further recommendations.

The Group's risk appetite defines the amount and type of risk it is willing to accept in pursuit of its strategic objectives. ASA International adopts a moderate risk appetite, reflecting its focus on balancing growth with risk control. The Group aims to avoid material losses, operational inefficiencies, and fraud, while ensuring compliance with all legal and regulatory requirements. It follows zero tolerance for unethical, illegal, or unprofessional conduct. The risk appetite benchmarks are reviewed quarterly through a detailed report built around Key Risk Indicators (KRIs), which assigns tolerance levels based on regulatory expectations, past trends, and forward-looking business projections. These levels are reviewed and updated as necessary, based on inputs from the Executive Committee, Asset and Liability Committee (ALCO), or the ARC. This ensures that the Group's risk appetite remains flexible and responsive to changing conditions.

ASA International's risk governance follows a "Three Lines of Defence" model. The first line consists of operational staff, such as loan officers and branch managers, who manage day-to-day risks. The second line includes oversight functions like Risk Management, Compliance, and the Fraud and Misappropriation Prevention Unit. The third line is the Internal Audit function at both Group and subsidiary levels, which independently reviews the effectiveness of all risk management activities. This layered approach ensures accountability, transparency, and resilience across the Group.

Risks are also mitigated through standardized practices that are part of the ASA Model of microfinance. These include:

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

27.3 Risk Management

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

Strategic risk

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

27. RISK MANAGEMENT (Continued)

27.3 Risk Management (Continued)

Operational risk

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

IT risk

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

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

Finance risk

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

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

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

Legal and Compliance risk

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

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

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27. RISK MANAGEMENT (Continued)

27.4 Financial risk

27.4.1 Credit risk

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

Maximum exposure to credit risk

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

Customer security deposits are cash collateral and are presented as part of Due to customers in the statement of financial position. These security deposits are considered as collateral for the loans to customers and therefore reduce the credit risk on these loans. There are no significant concentrations of credit risk through exposures to individual customers, specific industry/sectors. However, Pakistan holds 18% of the Group's credit exposure in June 2025 (2024: 20%). Management regularly monitors the concentration risk and manages loan distribution if required.

The Group provides direct lending to customers through its subsidiaries. In addition, the Group accepts savings in the entities where it has a deposit taking license.

Credit risk from lending as at 30 June 2025.

	Due from banks ¹	Gross loans and advances to customer at amortised cost ²	Unaudited			
			Total direct lending/IFRS 9 stages			
	USD'000	USD'000	Total lending	Stage 1	Stage 2	Stage 3
			USD'000	USD'000	USD'000	USD'000
West Africa	2,321	153,297	155,618	151,314	384	1,599
East Africa	12,760	162,396	175,156	159,400	689	2,307
South Asia	5,371	103,321	108,692	101,565	364	1,392
South East Asia	4,762	97,589	102,351	92,097	521	4,971
Non-operating entities	-	-	-	-	-	-
Total	25,214	516,603	541,817	504,376	1,958	10,269
ECL provision		(11,199)	(11,199)	(2,468)	(11)	(8,720)
Coverage ratio³		2.2%	2.1%	0.5%	0.6%	84.9%

¹ Due from banks are neither past due nor credit impaired.

² Includes interest receivable.

³ Coverage ratio is calculated as the total ECL provision divided by the underlying assets' gross carrying amount.

Credit risk from lending as at 31 December 2024.

	Due from banks ¹	Gross loans and advances to customer at amortised cost ²	Audited			
			Total direct lending/IFRS 9 stages			
	USD'000	USD'000	Total lending	Stage 1	Stage 2	Stage 3
			USD'000	USD'000	USD'000	USD'000
West Africa	2,625	86,788	89,413	84,953	326	1,509
East Africa	16,630	151,512	168,142	149,422	393	1,697
South Asia	5,246	99,728	104,974	97,077	314	2,337
South East Asia	4,762	89,621	94,383	83,878	1,692	4,051
Non-operating entities	-	-	-	-	-	-
Total	29,263	427,649	456,912	415,330	2,725	9,594
ECL provision		(10,122)	(10,122)	(2,207)	(15)	(7,900)
Coverage ratio³		2.4%	2.2%	0.5%	0.6%	82.3%

¹ Due from banks are neither past due nor credit impaired.

² Includes interest receivable.

³ Coverage ratio is calculated as the total ECL provision divided by the underlying assets' gross carrying amount.

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27. RISK MANAGEMENT (Continued)

27.4 Financial risk (continued)

27.4.2 Liquidity risk

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

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

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

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

As at 30 June 2025, the Group has USD 85.8 million (2024: USD 79.1 million) of cash at bank and in hand. An amount of USD 27.8 million (2024: USD 28.9 million) is restricted and can not be readily available. The remaining USD 58.0 million (2024: USD 50.2 million) is unrestricted and for operational needs. The Group is able to fund its operations and budgeted growth of its loan portfolio from new loan facilities supplied by third parties, security collateral and/or savings provided by its clients, and internally generated cash flows.

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

Liabilities As at 30 June 2025	Unaudited							No fixed maturity	Total
	On demand	<3 months	3-12 months	Sub-total 1-12 months	1-5 years	Over 5 years	Sub-total >12 months		
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Debt issued and other borrowed funds	4,881 ¹	59,991	88,803	153,675	196,925	-	196,925	-	350,600
Due to customers	12,503	51,961	55,775	120,239	113	-	113	-	120,352
Lease liability	-	15	535	550	3,522	70	3,592	-	4,142
Derivative liabilities	-	347	1,212	1,559	15	-	15	-	1,574
Other liabilities	4,932	10,024	14,079	29,035	2,055	-	2,055	6,239	37,329
Provisions	-	-	2,671	2,671	-	-	-	-	2,671
	22,316	122,338	163,075	307,729	202,630	70	202,700	6,239	516,668

¹ This includes loans amounting to USD 1.4 million on which waivers had not been received at the balance sheet date. No waivers have been received for those loans subsequently. It also includes a mature loan in India amounting to USD 2.9 million which was not repaid by the balance sheet date.

Liabilities As at 31 December 2024	Audited							No fixed maturity	Total
	On demand	<3 months	3-12 months	Sub-total 1-12 months	1-5 years	Over 5 years	Sub-total >12 months		
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Debt issued and other borrowed funds	12,579 ¹	45,193	99,006	156,778	164,072	-	164,072	-	320,850
Due to customers	17,941	32,553	39,643	90,137	34	-	34	-	90,171
Lease liability	-	19	411	430	3,394	101	3,495	-	3,925
Derivative liabilities	-	473	2,921	3,394	(142)	-	(142)	-	3,252
Other liabilities	4,225	5,310	8,899	18,434	2,460	-	2,460	5,045	25,939
Provisions	-	-	2,204	2,204	-	-	-	-	2,204
	34,745	83,548	153,084	271,377	169,818	101	169,919	5,045	446,341

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

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27. RISK MANAGEMENT (Continued)

27.4 Financial risk (continued)

27.4.2 Liquidity risk (continued)

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

Assets As at 30 June 2025	Unaudited							
	On demand	<3 months	3-12 months	Sub-total 1-12 months	1-5 years	Over 5 years	Sub-total >12 months	No fixed maturity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	Total USD'000
Cash at bank and in hand	58,001	-	27,801	85,802	-	-	-	85,802
Loans and advances to customers	8,175	269,902	217,559	495,636	446	-	446	496,082
Due from banks	-	1,488	12,036	13,524	11,690	-	11,690	25,214
Equity investments at FVOCI	-	-	-	-	-	-	-	345
Derivative assets	-	-	852	852	-	-	-	852
Other assets	-	3,950	14,868	18,818	1,313	-	1,313	20,131
	66,176	275,340	273,116	614,632	13,449	-	13,449	628,426

Assets As at 31 December 2024	Audited							
	On demand	<3 months	3-12 months	Sub-total 1-12 months	1-5 years	Over 5 years	Sub-total >12 months	No fixed maturity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	Total USD'000
Cash at bank and in hand	50,245	-	28,900	79,145	-	-	-	79,145
Loans and advances to customers	10,141	196,211	203,417	409,769	208	-	208	409,977
Due from banks	-	2,156	12,755	14,911	14,352	-	14,352	29,263
Equity investments at FVOCI	-	-	-	-	-	-	-	315
Derivative assets	-	258	-	258	-	-	-	258
Other assets	-	3,637	13,383	17,020	1,766	-	1,766	18,786
	60,386	202,262	258,455	521,103	16,326	-	16,326	537,744

Changes in liabilities arising from financing activities

For the six month ended 30 June 2025	Unaudited				
	1 January	Cash flows	Non cash movement	Foreign exchange movement	30 June
	USD'000	USD'000	USD'000	USD'000	USD'000
Debt issued and borrowed funds	320,850	28,784	-	966	350,600
Lease liabilities	3,925	(2,390)	2,646	(39)	4,142
Total liabilities from financing activities	324,775	26,394	2,646	927	354,742

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

27. RISK MANAGEMENT (Continued)

27.4 Financial risk (continued)

27.4.3 Foreign exchange rate risk

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

While the Group faces significant translation exposure on its equity investments in local MFIs (as the functional currency of the Group is USD), the Group has implemented an equity hedging policy. The policy entails a frequent review of expected currency devaluations compared to the costs for equity hedging instruments. The Group has not used equity hedging instruments in 2025. In addition the Group has a policy to distribute excess retained earnings at its subsidiaries to the holding entities while maintaining a sufficient capital adequacy ratio.

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

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

27.4.4 Interest rate risk

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

The credit methodology of the MFIs determines that loans to microfinance clients have short-term maturities of less than one year and at fixed interest rates. Third-party loans to MFIs, sourced from both local and international financial institutions, mostly have relatively short terms between one and three years. 37% (2024: 33%) of the consolidated debt has variable interest rates. Depending on the extent of the exposure and hedging possibilities with regard to the availability of hedging instruments and related pricing, the Group might actively hedge its positions to safeguard the Group's profits and to reduce the volatility of interest rates by using forwards, futures and interest rate swaps. The very short tenor of the loans provided to microfinance dampens the effect of interest rate fluctuations.

28. COMMITMENTS

The Group agreed certain commitments to BC Partners under the BC model in ASA India. Reference is made to note 12. As per the current model ASA India holds 5% risk on the portfolio managed on behalf of IDFC. As of 30 June 2025, the risk of the Group on such BC portfolio stands at USD 0.3 million (2024: USD 0.3 million).

29. RELATED PARTY DISCLOSURES

29.1 Key management personnel

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

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

The experienced CEO's who are deployed in the countries are part of key management personnel. They are paid by their respective entities. The Group CEO (based in Amsterdam) is a member of the Board and paid by ASA International Group plc.

Remuneration of Directors

During the first half of 2025, the Directors of the Company received total compensation of USD 589K (HY 2024: USD 379K).

Total remuneration to key management personnel of the Company

Total remuneration takes the form of short-term employee benefits. In the first half of 2025, total remuneration amounted to USD 1.2 million (HY 2024: USD 1.1 million). No retirement benefits are accruing to Directors under defined benefit schemes. The aggregate of emoluments and amounts receivable under incentive schemes of the highest paid Director during the period was EUR 185K.

29.2 Reporting dates of subsidiaries

All of the Company's subsidiaries have reporting dates of 31 December, with the exception of ASA India, ASA Myanmar, Pinoy, Pagasa Consultancy (where the market standard reporting date is 31 March). All the subsidiaries have provided financial statements for this consolidation purposes for the six month period ended 30 June.

29.3 Relationship agreement

Relationship agreement with the Controlling Shareholder Group

The Company, its founders and Catalyst Continuity (jointly the "Controlling Shareholders") have entered into a relationship agreement in 2018 (the 'Relationship Agreement'), the principal purpose of which is to ensure that the Company will be able, at all times, to carry out its business independently of the members of the Controlling Shareholder Group and their respective associates. The Relationship Agreement contains undertakings from each of the members of the Controlling Shareholder Group that (i) transactions and relationships with it and its associates will be conducted on normal commercial terms, (ii) neither it nor any of its associates will take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules, and (iii) neither it nor any of its associates will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules. The Relationship Agreements also sets forth the conditions for appointment of Non-Executive Directors by Controlling Shareholders.

For so long as the Company has a controlling shareholder, the UK Listing Rules require the election of any independent Director to be approved by majority votes of both (i) the shareholders as a whole and (ii) the shareholders excluding any controlling shareholder.

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29. RELATED PARTY DISCLOSURES (Continued)

29.4 Other related parties

A list of related parties with which ASA International has transactions is presented below. The transactions in for six month ended 30 June 2025 and year end 31 December 2024 and the balances as at 30 June 2025 and 31 December 2024 with related parties are presented in the notes below.

Name of related party	Relationship
CMI	Major shareholder (21.9%)
Sequoia	Service provider to the Company
MBA Philippines	Business partner
IDFC	Minority shareholder in ASA India
CIMS BV	Service provider to CMI

		Income from related parties USD'000	Expenses to related parties USD'000	Amount owed by related parties USD'000	Amount owed to related parties USD'000
CMI	30 June 2025	-	-	58	1
	31 December 2024	-	-	58	1
CMIC	30 June 2025	-	-	-	8
	31 December 2024	-	-	-	6
Sequoia	30 June 2025	31	7	9	5
	31 December 2024	121	14	65	4
CIMS BV	30 June 2025	-	-	-	2
	31 December 2024	6	-	27	-
MBA Philippines	30 June 2025	652	-	1,390	2,387
	31 December 2024	1,695	-	709	66
IDFC	30 June 2025	-	-	8	5,813
	31 December 2024	3,120	-	38	146
Catalyst Continuity	30 June 2025	-	-	18	-
	31 December 2024	-	-	18	-
Continuity EBT	30 June 2025	-	-	10	-
	31 December 2024	-	-	9	-
ASAIG plc EBT	30 June 2025	-	-	972	-
	31 December 2024	-	-	972	-

30. SUBSEQUENT EVENTS DISCLOSURE

During the last week of August 2025, floods affected certain regions of Pakistan. The most severe impact was observed around the Sutlej and Chenab river basins in the Punjab province. The floods only had a very limited impact on the loan portfolio of around 10 hub branches of ASA Pakistan, and currently no issues in loan collections and portfolio quality. There was no damage to its infrastructure and no safety concerns for clients and staff. In isolated cases, operations were temporarily relocated and quickly resumed. Forecasts indicate possible floodings in parts of the Sindh province. Management is closely monitoring these developments.

On 16 September 2025, ASA International entered into a loan agreement with Micro, Small & Medium Enterprises Bonds S.A. - a company managed by Symbiotics, for USD 6 million, with a provision to increase the facility up to USD 10 million by request. The proceeds will be used to invest in ASA's operating subsidiaries and to meet the Group's general working capital requirements. The loan has a tenor of 3 years, with 2 equal principal repayments after 24 and 36 months, semi-annual interest payments and carries an interest rate of 8.25% per annum.

All of the subsequent events are non-adjusting.

31. CONTINGENT LIABILITIES AND UNCERTAIN TAX POSITIONS

31.1 Contingent liabilities

There is no contingent liability as of 30 June 2025.

31.2 Uncertain tax positions

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

ASA India

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

In November 2022, the revenue authority adjusted INR 117 million (USD 1.4 million) against a tax refund for AY 2013-2014 to 2022-2023 for the above demands. ASA India has submitted a writ petition against that adjustment. ASA India took a 50% provision amounting to INR 46 million (USD 0.56 million) against the demands in 2022 and remaining 50% in 2024.

Lak Jaya

A demand notice was raised by the Department of Inland Revenue ('IRD') for 2016-2017 and 2017-2018 amounting to LKR 59 million (USD 0.18 million) and LKR 74 million (USD 0.23 million) respectively, by disallowing certain expenses. The Company has filed an appeal and submitted the necessary documentation. The matter is pending to the Commissioner of IRD for a long period. The entity had several discussions with IRD staff and they did not accept our arguments. As result, the entity management decided to settle these cases. The entity already requested for the process of settlements to IRD. Considering the situation, the entity had taken a provision of LKR 28 million (USD 0.09 million) in 2023 and the remaining amount of LKR 108 million (USD 0.33 million) in the 2024.

ASA Uganda

A demand notice of USD 0.16 million was raised by the Uganda Revenue Authority ('URA') regarding applicability of withholding tax on dividend payments to ASAI NV. The Company is in the process of appeal against this demand. In the mean time we have taken several steps to convince to URA, but they are very firm to their position. The group has taken a provision of USD 0.26 million for the past dividend payments as withholding tax payable and a liability of USD 0.27 million for withholding tax on future dividend distributions in the deferred tax liability as on December 2024. These have been reversed in 2025 considering the double taxation agreement.

ASA Tanzania

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

Another regular tax audit has been conducted by TRA in 2024 covering the year 2023, where the TRA claimed approx. USD 1.0 million, mainly for excise duty. The company made an objection against the claim and has taken a full provision as other taxes payable in the year 2024. TRA has another claim against service charges during the year 2024 covering the FY year 2021 and 2022 amounting to USD 0.5 million. The entity is in the process of appeal. The entity took a full provision splitting the amount in current tax liability and other tax liability.

ASA Rwanda

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

ASA Nigeria

A tax claim of NGN 104 million (USD 68K) is received in related to year 2023. The entity has objected to the assessment. The entity is currently awaiting for an amended assessment from the tax authority. No provision is taken yet.

32. CAPITAL MANAGEMENT

The Company is a public limited company, incorporated in England and Wales with the registered number 11361159 and with its registered office situated at High down House, Yeoman Way, Worthing, West Sussex, BN99 3HH United Kingdom. The Company listed its shares on the premium listing segment of the London Stock Exchange on 18 July 2018. The Company is not subject to externally imposed capital requirements and has no restrictions on the issue and re-purchase of ordinary shares.

Many of the Group's operating subsidiaries are regulated and subject to minimum regulatory capital requirements. As of 30 June 2025, the Group and its subsidiaries were in full compliance with minimum regulatory capital requirements.

33. FINANCIAL INSTRUMENTS

The carrying value of the Group's financial assets and liabilities as of 30 June 2025 are the best approximation of the fair value.

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

34. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled. Loans and advances to customers are based on the same expected repayment behaviour as used for estimating the EIR. Debt issued and other borrowed funds reflect the contractual repayments.

As at 30 June 2025	Unaudited		
	Within 12	After 12	Total
	months	months	
	USD'000	USD'000	USD'000
Assets			
Cash at bank and in hand	85,802	-	85,802
Loans and advances to customers	495,636	446	496,082
Due from banks	13,524	11,690	25,214
Equity investment at FVOCI	-	345	345
Property and equipment	-	15,299	15,299
Right-of-use assets	999	5,188	6,187
Deferred tax assets	-	6,842	6,842
Derivative assets	852	-	852
Other assets	18,818	1,313	20,131
Intangible assets	-	15,479	15,479
Total assets	615,631	56,602	672,233
Liabilities			
Debt issued and other borrowed funds	153,675	196,925	350,600
Due to customers	120,239	113	120,352
Retirement benefit liability	14	7,417	7,431
Current tax liability	6,663	-	6,663
Deferred tax liability	-	5,308	5,308
Lease liability	550	3,592	4,142
Derivative liabilities	1,559	15	1,574
Other liabilities	29,035	8,294	37,329
Provisions	2,671	-	2,671
Total liabilities	314,406	221,664	536,070
Net	301,225	(165,062)	136,163

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34. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Continued)

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

35. EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

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

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

	30 June 2025	30 June 2024
	USD'000	USD'000
	Unaudited	Unaudited
Net profit attributable to ordinary equity holders of the parent	27,104	13,878
Weighted average number of ordinary shares for basic earnings per share	100,000,000	100,000,000
	30 June 2025	30 June 2024
	USD	USD
	Unaudited	Unaudited
Earnings per share		
Equity shareholders of the parent for the period:		
Basic earnings per share	0.27	0.14
Diluted earnings per share	0.27	0.14

A final dividend of USD 4.1 million for 2024 was declared during HY 2025 in addition to the interim dividend of USD 3.0 million distributed in December 2024 (HY 2024: nil).

	30 June 2025	30 June 2024
	USD	USD
	Unaudited	Unaudited
Dividend per share	0.041	-