ASA International Group

A return to sustainable growth

Annual Report and Accounts 2024

ASA INTERNATIONAL

Who we are

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

Contents

→ Visit our website:
www.asa-international.com

2024 highlights

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

Accelerating growth

Highlights

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

→ Find the impact highlights on page 12

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

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

Clients

+8%

2024: 2.5m
2023: 2.3m

Branches

+6%

2024: 2,145
2023: 2,016

Outstanding Loan Portfolio (USD)

+21%

2024: 446.6m
2023: 369.2m

Gross Outstanding Loan Portfolio (USD)

+22%

2024: 458.6m
2023: 377.2m

PAR>30 days

+0.2ppt

2024: 2.2%
2023: 2.0%

Profit before tax (USD)

+97%

2024: 63.5m
2023: 32.2m

Net profit (USD)

+226%

2024: 28.5m
2023: 8.8m

Recognition

ASA Uganda

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

ASA Ghana

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

Company overview

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

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

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

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

→ Find our Key Performance Indicators (KPIs) on page 21

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

Our clients

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

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

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

Our colleagues

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

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

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

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

→ Read more about colleagues on page 57

Our products and services

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

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

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

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

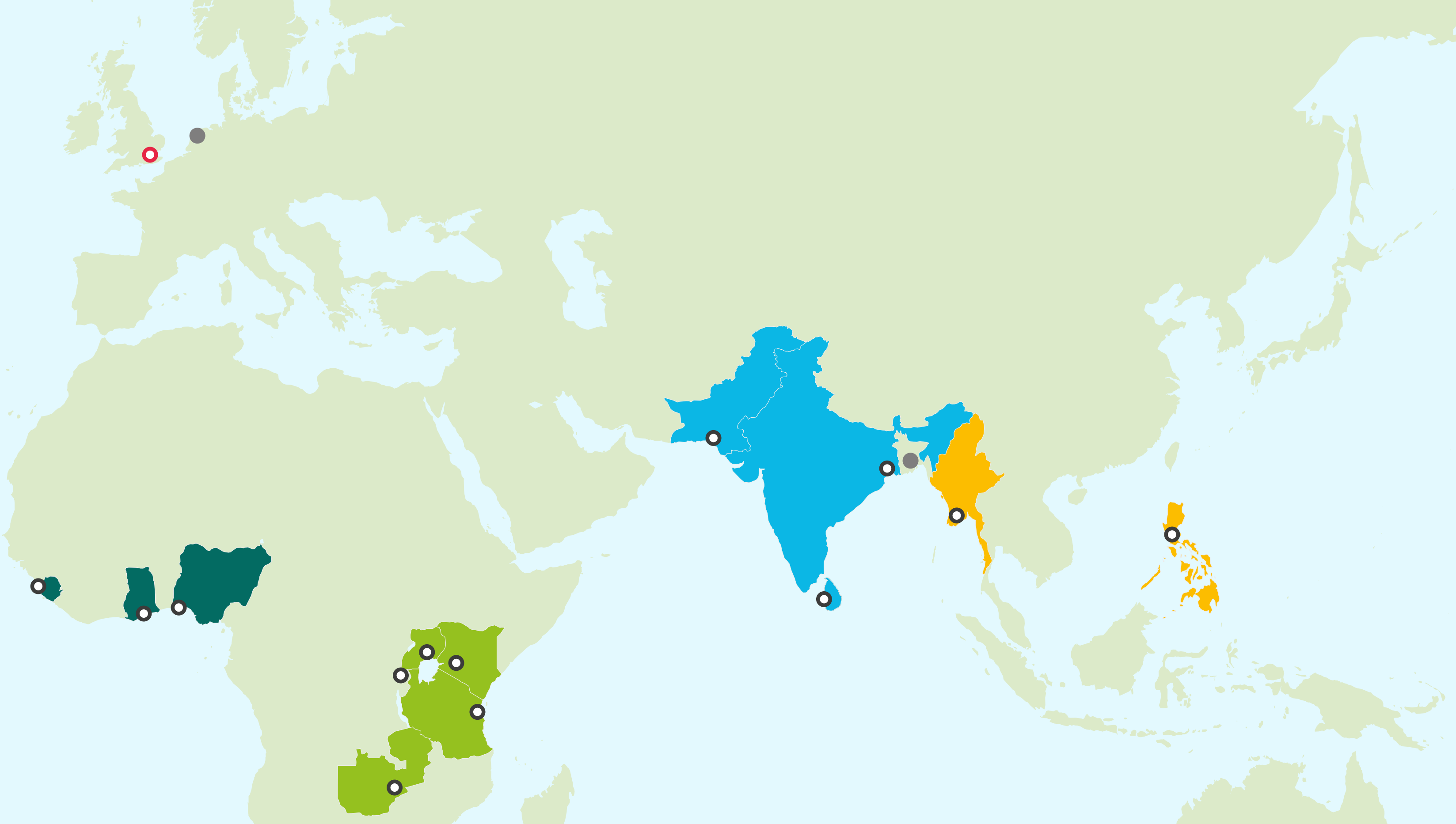
In countries where we hold a deposit-taking licence, we may also offer savings products.

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

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

Company overview (continued)

Where we operate



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

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

West Africa

Branches

471

Nigeria: 269
Ghana: 153
Sierra Leone: 49

Clients

416k

Outstanding Loan Portfolio (USD)

84.8m

Read more on page 34

East Africa

Branches

567

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

Clients

744k

Outstanding Loan Portfolio (USD)

147.3m

Read more on page 36

South Asia

Branches

618

Pakistan: 380
India: 175
Sri Lanka: 63

Clients

878k

Outstanding Loan Portfolio (USD)

130.5m

Read more on page 30

South East Asia

Branches

489

Philippines: 400
Myanmar: 89

Clients

475k

Outstanding Loan Portfolio (USD)

83.9m

Read more on page 32

Growth with purpose

Our purpose

Reducing poverty and enabling female empowerment

→ See our purpose in action on page 7

Assessed through outcome indicators

Financial inclusion

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

94%
understanding of financial management improved

Reduction of poverty

94%
of clients increasing their daily income level

94%
living conditions improved

Female empowerment

89%
increase of share in family income by females

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

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

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

Inspired by our vision

Just and financially inclusive societies.

Achieved through our mission

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

Supported by strategic priorities

Increase financial inclusion

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

Offer digital channel and digitise internal processes

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

Offer digital products and services

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

→ Read more about our growth strategy on page 16

Strategic report

Growth with purpose
(continued)

Delivered via our operational model

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

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

Committed to sustainable and responsible practices

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

Read more in our ESG report on page 51

- Contributing directly to the Sustainable Development Goals

Underpinned by values:

Professionalism

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

Integrity

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

Teamwork

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

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

Discover more
asa-international.com

Chair's statement

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

A return to sustainable growth

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

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

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

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

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

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

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

Chris Low
Chairman, ASA International Group plc
23 April 2025

Feature story – Our clients

Savings for stability: How ASA Myanmar empowers small business owners

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

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

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

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

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

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

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

SDGs

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

Values

PROFESSIONALISM · INTEGRITY

Strategy

INCREASE FINANCIAL INCLUSION

What our people say

Saving and investing smartly are key to financial stability.

MRS. PARAIYAR
CLIENT ASA MYANMAR

Voluntary savings to OLP in Myanmar

34%

Discover more
asa-international.com

Regaining strength, realising potential

Introduction

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

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

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

Regional footprint

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

East Africa

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

West Africa

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

Group CEO statement (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Rob Keijsers

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

Discover more
asa-international.com

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

Our key differentiators

Socially responsible services

Through the ASA Model of Microfinance

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

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

See our website for more information on our history

Microfinance experience	Social Performance Indicator
33yrs	85%

Diversified risk profile

Due to presence in thirteen emerging and frontier markets

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

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

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

See our website for more information on our addressable market

Prospects	Operating subsidiaries
376m	13

Proven credit methodology

As a result of staying close to clients

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

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

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

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

Dividend (per share)

USD 0.071

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

Client retention rate	PAR>30 days
80%	2.2%

Highly scalable

Decentralised business model

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

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

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

Deposit-taking licences
6

Operational model

Our blueprint for sustainable success

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

Read more about socially responsible services on page 55

Key features

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

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

Operational model (continued)

Impact on our stakeholders

Clients

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

Total loans disbursed (USD)

1,106.7m

Social Performance Indicator ('SPI')

85%

Client satisfaction

84%

Female clients

97%

Colleagues

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

Employee satisfaction

75%

Hours training[1]

77,350

Number of employees

14,232

1 Excludes on-the-job training.

Communities and the environment

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

Community project spend (USD)

439k

Branches opened

143

Environmental efforts spend (USD)

376k

Countries

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

Taxes (USD)

35.0m

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

Regulators and industry bodies

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

Membership at central banks and securities exchange

13

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

Shareholders, investors and lenders

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

Public float

54%

Dividend (per share)

USD 0.071

Return on Equity ('ROE')

33.0%

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

Read more on page 53

Discover more
asa-international.com

Section 172 statement

Engaging with our stakeholders

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

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

Section 172 statement
(continued)

CASE STUDY

Strengthening stakeholder engagement in key markets

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

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

Read more about our strategy on page 16

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

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Section 172 statement (continued)

Principal decisions and discussions

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

01

Enhancing leadership and executive talent

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

Stakeholder considerations and impact:

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

02

Expanding into microfinance banking

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

Stakeholder considerations and impact:

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

03

Advancing technology across key markets

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

Stakeholder considerations and impact:

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

Our strategy

Our growth strategy

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

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

Our strategy (continued)

Our progress

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

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Our strategy (continued)

Digital transformation

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

Present → Future

Technology

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

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

Client channel

Present:
- Branch

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

Services

Present:
- Loans
- Savings

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

Manual and complex → Internal processes → Digital and simplified

Importance of digital transformation

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

Resilience – Core Banking System

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

Sustainable client and business impact – Digital Financial Services

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

Rollout approach

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

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Feature story – Our colleagues

Driving digital transformation: ASA Pakistan's core banking evolution

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

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

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

IMRAN AHMED
HEAD OF DISTRIBUTION

Continued on next page

SDGs

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Values

PROFESSIONALISM
INTEGRITY
TEAMWORK

Strategy

DRIVE GROWTH AND EFFICIENCY

Clients migrated to new CBS

600,000+

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Feature story – Our colleagues (continued)

A collaborative effort in a high-stakes transition

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

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

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

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

Enhancing efficiency and customer experience

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

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

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

Learning and growing through digital innovation

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

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

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Key Performance Indicators

Financial

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

Outstanding Loan Portfolio ('OLP') (USD)

+21%

2024	446.6m
2023	369.2m

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

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

Gross OLP/Client (USD)

+13%

2024	182
2023	162

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

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

PAR>30 days

+0.2ppt

2024	2.2%
2023	2.0%

PAR>30 is the percentage of gross OLP that have one or more instalment repayments of principal past due for more than 30 days, but less than 365 days, divided by total outstanding gross loan portfolio (including both on-book and off-book loans).

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

Voluntary savings to OLP

+0.1ppt

2024	3.5%
2023	3.4%

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

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

Net Interest Margin ('NIM')

+4.0ppt

2024	35%
2023	31%

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

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

Cost-to-income ratio

-10.7ppt

2024	61.4%
2023	72.1%

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

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

Return On Assets ('ROA')

+3.6ppt

2024	5.4%
2023	1.8%

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

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

Net profit (USD)

+226%

2024	28.5m
2023	8.8m

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

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

Earnings Per Share ('EPS') (USD)

+222%

2024	0.29¢
2023	0.09¢

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

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

Key Performance Indicators
(continued)

Non-financial

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

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

Number of clients

+8%

2024	2.5m
2023	2.3m

The number of clients in all operating markets.

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

Borrowers per loan officer

+2%

2024	292
2023	287

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

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

Social Performance Indicators ('SPI')

-5.0ppt

2024	85%
2023	90%

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

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

Financial review

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

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

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

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

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

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

TANWIR RAHMAN
CHIEF FINANCIAL OFFICER

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

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Financial review

Group financial performance

Summary income statement

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

1 Other operating expenses include depreciation and amortisation charges.

Net interest income

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

Net operating income

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

Total operating expenses

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

Loss on the net monetary position

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

Profitability

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

Effective tax rate (ETR)

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

Financial review (continued)

Summary Balance Sheet

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

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

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

Loans to customers

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

Total assets

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

Client deposits

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

Interest bearing debt

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

Financial review (continued)

Equity movements

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

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

Foreign exchange rates by country

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

Total equity

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

Impact of foreign exchange rates

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

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

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

Financial review (continued)

Total comprehensive income

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

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

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

Funding

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

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

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

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

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

Financial review (continued)

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

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

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

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

Expected credit losses

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

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

Hyperinflation accounting

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

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

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

Regulatory capital

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

Financial review (continued)

Regional performance

Regional snapshot

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

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

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

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

Regional and Country-wise OLP and Portfolio quality

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

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

Financial review (continued)

South Asia

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

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

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

Growth of net operating income

13%

2024: USD 36.2m
2023: USD 32.0m

Growth of profit (after tax)

-23%

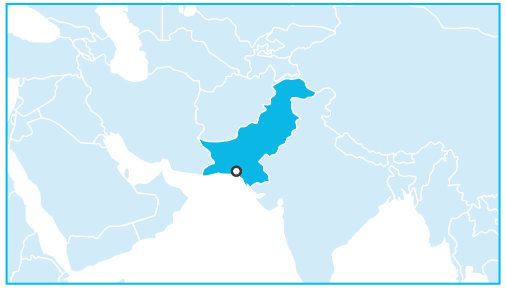
2024: USD 2.6m
2023: USD 3.3m

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

Financial review (continued)

Pakistan

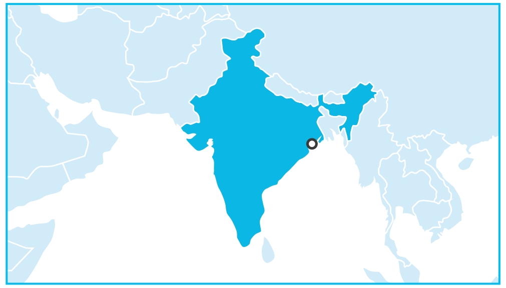
Regional head offices



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

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

India



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

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

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

Sri Lanka

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

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

Financial review (continued)

South East Asia

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

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

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

Growth of net operating income

19%

2024: USD 33.5m
2023: USD 28.3m

Growth of profit (after tax)

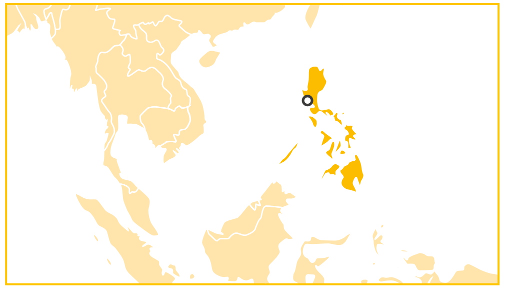
88%

2024: USD 6.4m
2023: USD 3.4m

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

Financial review (continued)

The Philippines



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

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

Myanmar

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

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

Financial review (continued)

West Africa

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

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

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

Growth of net operating income

15%

2024: USD 46.8m
2023: USD 40.6m

Growth of profit (after tax)

105%

2023: USD 15.4m
2023: USD 7.5m

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

ASA INTERNATIONAL

Financial review (continued)

Ghana

Regional head offices

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

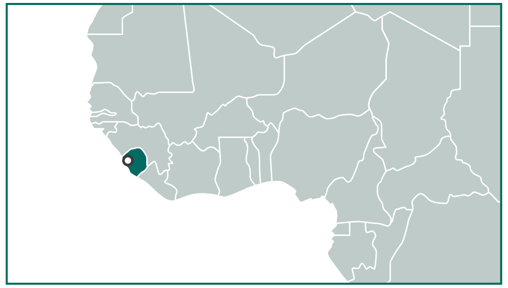
- Number of clients increased from 201k to 223k (up 11% YoY).
- Number of branches increased from 143 to 153 (up 7% YoY).
- OLP increased from GHS 620.9m (USD 51.9m) to GHS 993.3m (USD 67.5m) (up 60% YoY in GHS).
- Gross OLP/Client increased from GHS 3.1k (USD 259) to GHS 4.5k (USD 304) (up 45% YoY in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

Nigeria

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

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

Sierra Leone



ASA Sierra Leone saw a significantly improved operational performance:

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

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Financial review (continued)

East Africa

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

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

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

Growth of net operating income

42%

2024: USD 56.6m
2023: USD 39.7m

Growth of profit (after tax)

127%

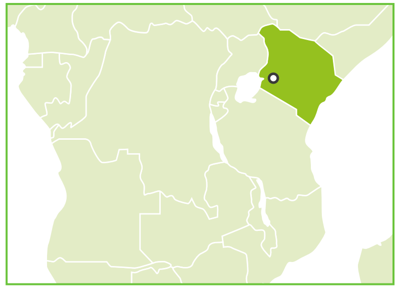
2024: USD 15.4m
2023: USD 6.8m

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

Financial review (continued)

Tanzania

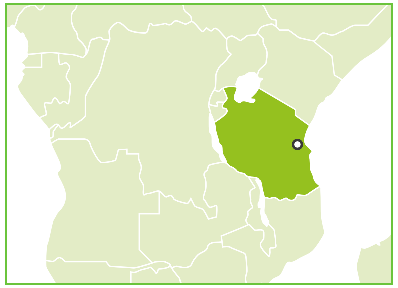
Regional head offices



ASA Tanzania expanded its operations over the last 12 months:

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

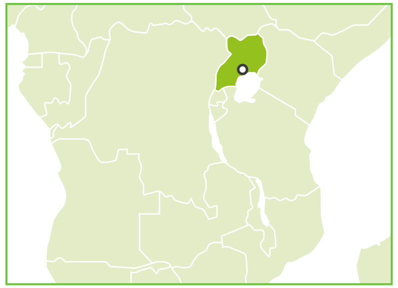
Kenya



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

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

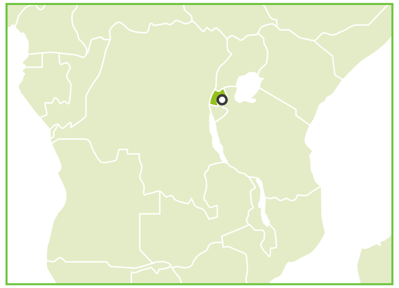
Uganda



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

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

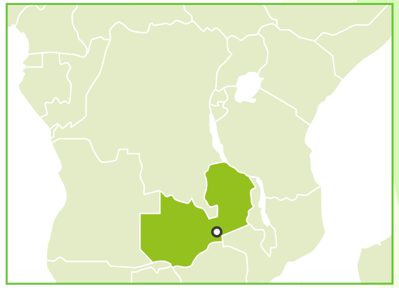
Rwanda



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

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

Zambia



ASA Zambia expanded its operations:

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

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Risk management

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

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

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

→ Read the principal risks on page 40

→ Read the viability statement on page 104

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

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

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

Risk management framework

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

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

3 Senior management determines risk appetite

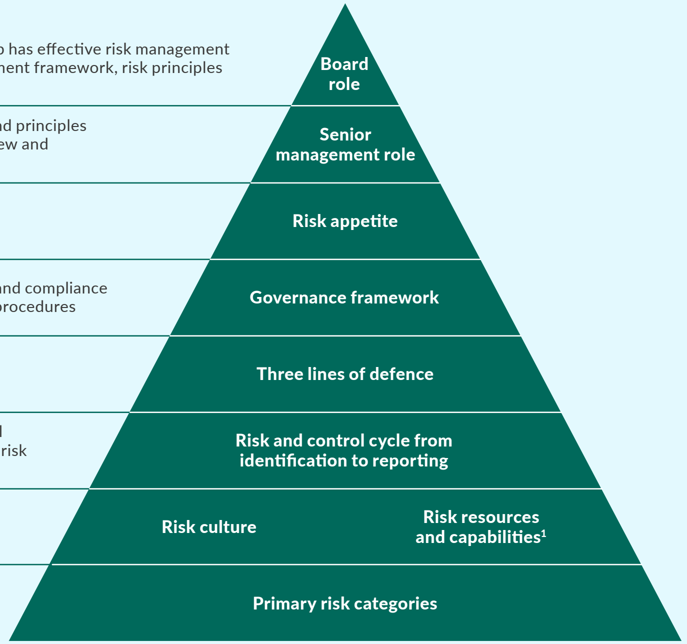
4 Senior management defines governance, risk and compliance framework including principal processes and procedures

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

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

7 Development of risk culture throughout the organisation

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



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

Risk management
(continued)

Three lines of defence

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

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

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

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

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

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

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

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

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

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

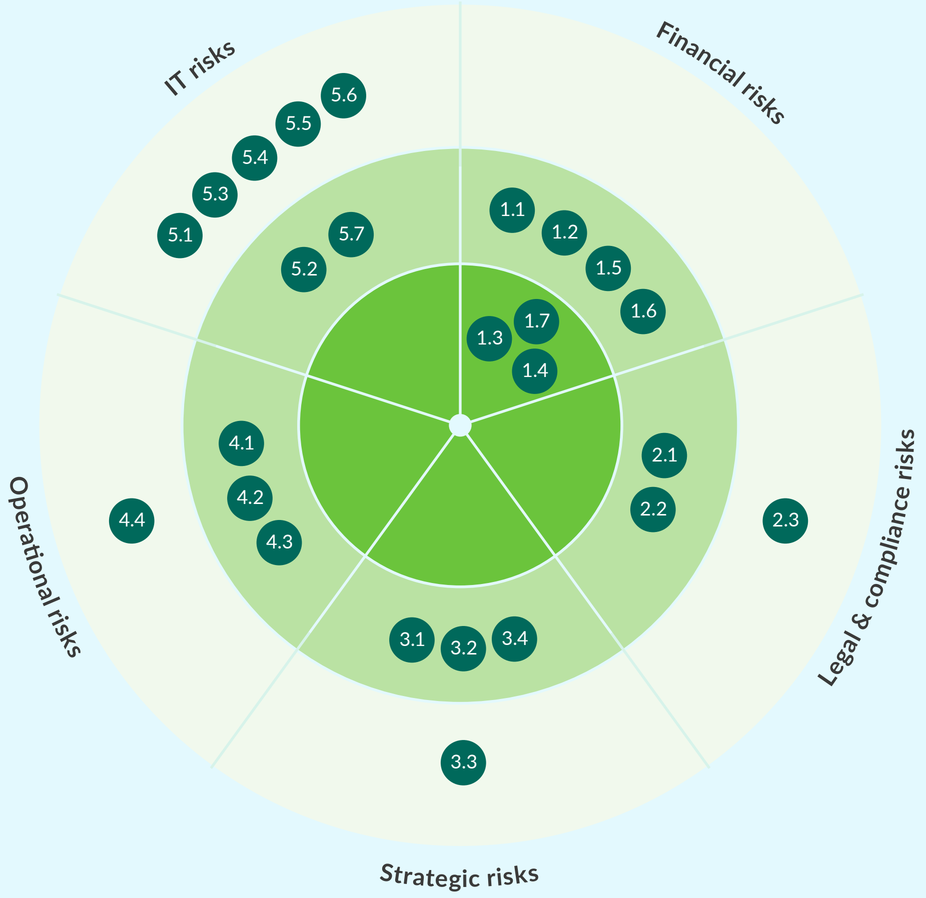
Risk management
(continued)

Principal risks

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

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

Risk map



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

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

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

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

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

Risk level

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

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Risk management (continued)
Principal risks (continued)

Level of change key

Risk decreasing | Risk remains stable | Risk increasing

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

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Risk management (continued)
Principal risks (continued)

Level of change key

Risk decreasing | Risk remains stable | Risk increasing

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

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Risk management (continued)
Principal risks (continued)

Level of change key

Risk decreasing — Risk remains stable — Risk increasing

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

Risk management (continued)
Principal risks (continued)

Level of change key

Risk decreasing | Risk remains stable | Risk increasing

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

Risk management (continued)
Principal risks (continued)

Level of change key

Risk decreasing | Risk remains stable | Risk increasing

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

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Risk management (continued)
Principal risks (continued)

Level of change key

Risk decreasing · Risk remains stable · Risk increasing

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

Risk management (continued)
Principal risks (continued)

Level of change key

Risk decreasing | Risk remains stable | Risk increasing

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

Discover more
asa-international.com

Risk management (continued)
Principal risks (continued)

Level of change key

Risk decreasing · Risk remains stable · Risk increasing

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

Feature story – Our communities

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

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

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

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

Continued on next page

SDGs

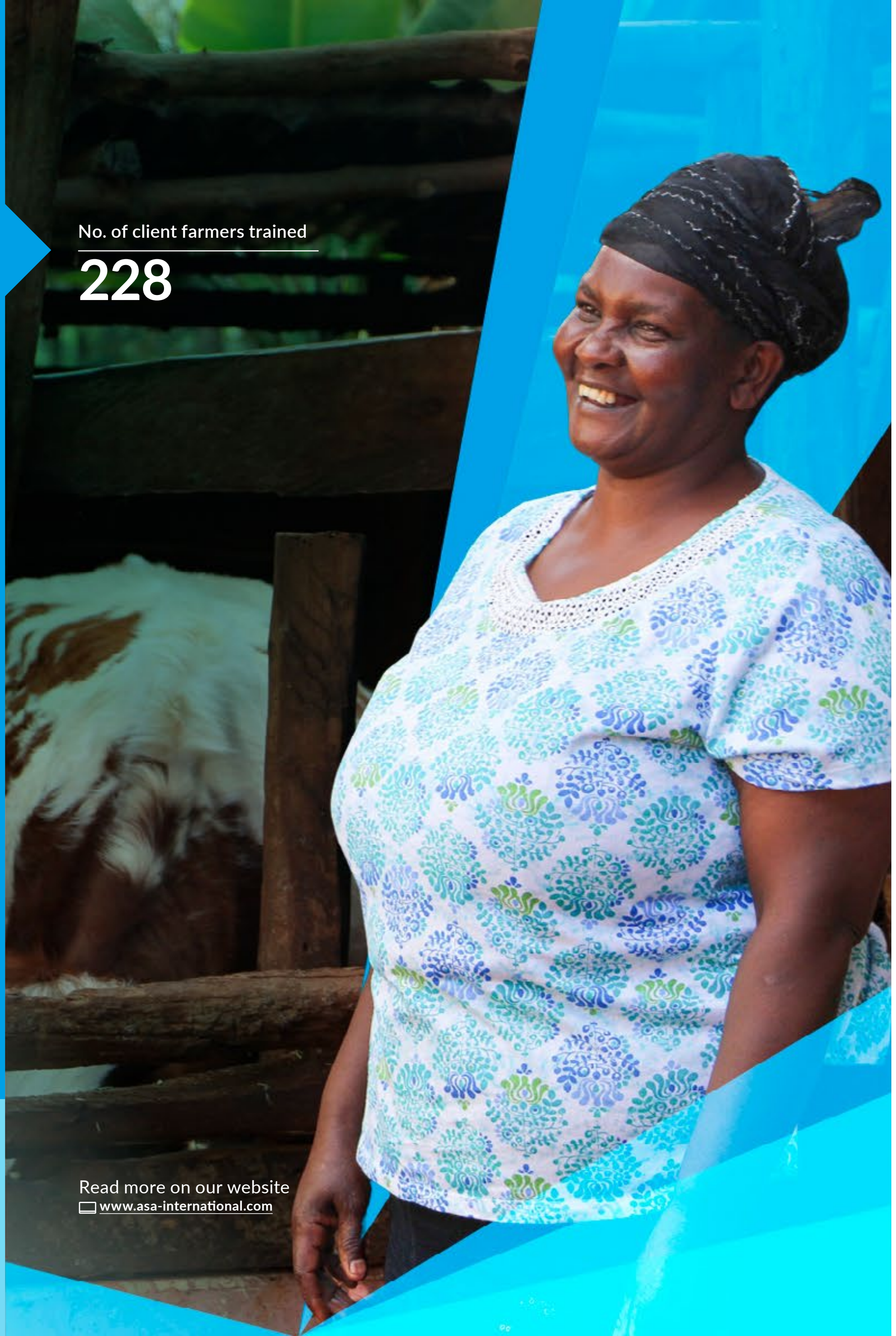
Values

PROFESSIONALISM

INTEGRITY

Strategy

BROADEN PRODUCTS AND SERVICES



No. of client farmers trained

228

Read more on our website
www.asa-international.com

Discover more
asa-international.com

Feature story – Our communities
(continued)

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

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

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

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

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

Discover more
asa-international.com

ESG Report

Responsible practices, sustainable growth

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

Environmental

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

Read more on page 63

Social

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

Read more on page 54

Governance

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

Read more on page 84

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

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

ESG Report (continued)

Advancing the SDGs

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

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

Other UN SDGs supported

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

→ Read more on pages 61 and 62

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

No poverty

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

Total loans disbursed (USD)

1,106.7m

Clients served

2.5m

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

Gender

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

→ Read about our DEI efforts on page 60

Female clients

97%

Gender diversity employees

38%

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

Decent work and economic growth

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

→ Read about how we support colleagues on page 57

Employees

14.2k

Employee satisfaction rate

75%

Target focus areas:
SDG 9: 9.3, 9.4

Industry, innovation and infrastructure

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

→ Read about our digital journey on page 18

Branches

2,145

Taxes (USD)

35.0m

Target focus areas:
SDG 10: 10.1, 10.2

Reduced inequalities

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

→ Read about our community initiatives on pages 61 and 62

Community projects spend (USD)

0.4m

Social Performance Indicator ('SPI')

85%

ESG Report (continued)

Socially responsible

Embedded social responsibility

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

Universal Standards for social performance

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

ESG Report (continued)

Prioritising our clients

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

Fostering financial inclusion

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

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

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

Empowering through responsible lending

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

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

Upholding Client Protection Principles

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

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

ESG CASE STUDY

Cultivating change through farming and finance

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

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

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

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

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

ESG Report (continued)

Prioritising our clients (continued)

Listening and responding to feedback

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

Measuring impact and ensuring client satisfaction

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

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

ESG CASE STUDY

Leading the way: Client group leadership training

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

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

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

→ See the score per dimension on page 54

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

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

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

Client retention rate

80%

2023: 77%

Client satisfaction rate

84%

2023: 90%

Social Performance Indicator ('SPI')

85%

2023: 90%

→ Read more on our KPIs on page 22

ESG Report (continued)

Supporting our colleagues

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

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

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

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

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

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

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

ESG CASE STUDY

Fostering excellence: Q3 Performance Recognition Event in Rwanda

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

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

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

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

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

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

ESG Report (continued)

Supporting our colleagues (continued)

Employee satisfaction rate

75%

2023: 81%

Staff retention rate

75%

2023: 74%

Gender diversity

38%

2023: 37%

Training hours

77,350

2023: 67,107

Read more on our KPIs on page 22

Implementing robust mechanisms for addressing employee concerns

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

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

Read more about how whistleblowing is overseen on page 102

Ensuring employee health and safety

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

Read more about health risks on page 46

ESG Report (continued)

Supporting our colleagues (continued)

Cultivating inclusive corporate culture

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

Core values driving our culture

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

Committees upholding sustainable growth, inclusion, and accountability

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

Monitoring progress and ensuring transparency

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

ESG CASE STUDY

Celebrating culture and unity: ASA Uganda's Independence Day

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

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

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

Discover more
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ESG Report (continued)

Supporting our colleagues (continued)

ESG CASE STUDY

ASA Tanzania breaking bias and empowering change through training

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

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

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

Programme participants

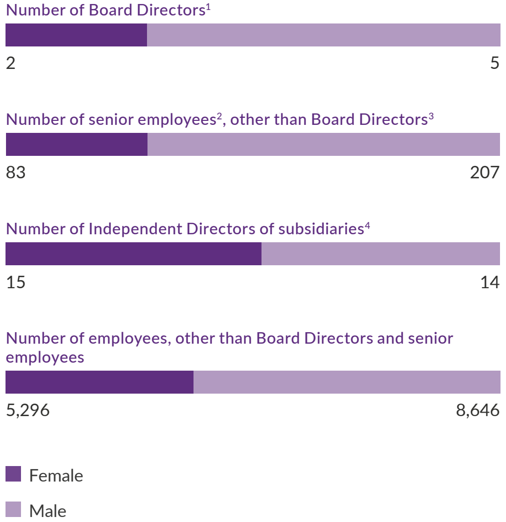
844

Promoting diversity and inclusion

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

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

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



Read the diversity listing rule disclosure on pages 107 and 108

1 Includes Non-Executive Directors, excluded from Group headcount calculations. Figures as at 31 December 2024.
2 Senior employees identified as material risk-takers who are not Directors or subsidiary Directors.
3 Includes subsidiary Directors who are excluded from Group headcount calculations.
4 Not including Directors appointed on the Board of the plc.

Strategic report

ESG Report (continued)

Engaging our communities

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

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

ASA Ghana: CSR Excellence Award by Centre for CSR

Health

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

Impact indicators 2024

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

Improving accessibility in Tanzania

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

Education

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

Impact indicators 2024

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

Empowering education in Ghana

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

Strategic report

ESG Report (continued)

Engaging our communities (continued)

2024 performance

USD spent

439k

Programme participants

151k

Initiatives

861

Environment

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

Impact indicators 2024

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

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

Powering communities in Pakistan

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

Disaster relief

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

Impact indicators 2024

- Over 20,000 natural disaster relief programme participants.

Flood relief in Myanmar

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

Strategic report

Environmental responsibility and resilience

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

ESG Report (continued)

Mitigation of emissions

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

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

Guided by ESMS and environmental policy

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

Responsible investment practices

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

Promoting sustainable travel

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

Measuring greenhouse gas ('GHG') emissions

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

Read the SECR report on pages 80 and 81

Adaptation to climate change

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

Read the report on pages 65 to 79

Assessing climate risks

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

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

Emergency preparedness and response

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

Read more about the environmental policies and practices on page 82

Carbon footprint

7,489

Tonnes of CO_2

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

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

Key activities in 2024

Governance

Continued Board oversight

Read more on page 66

Strategy

Conducted scenario analysis

Read more on page 67

Risk management

Climate risk considered quarterly

Read more on page 67

Metrics and targets

Met targets for 2024 and set targets for 2025

Read more on page 78

Governance

Board oversight

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

Role of senior management

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

Sustainability reporting structure

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

Strategy and risk management

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

Identifying risks

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

→ Read more about risk management on pages 38 and 39

Managing CRROs

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

Managing physical risks

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

Managing transition risks

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

→ Read more about targets on page 78

Integrating climate risks into overall risk management

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

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

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

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

ESG Report (continued)

Strategy and risk management (continued)

Time horizon key

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

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

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

Scenario analysis summary

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

Climate scenarios

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

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

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

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

Time horizon

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

Geographic and sectoral focus

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

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

Analysis scope

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

Operation

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

Assets

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

Value chain

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

ESG Report (continued)

Scenario analysis summary (continued)

Methodology

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

→ For further information read

Recommendations of the Task Force on Climate-related Financial Disclosures

TCFD-aligned disclosure Application guidance

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

Physical risk analysis

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

Transition risk assessment

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

Limitations

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

Strategic report

ESG Report (continued)

Scenario analysis summary (continued)

Scenario analysis result

Scenario 1: <2°C scenario

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

Summary of risk analysis for <2°C scenario

Time horizon: Long-term (10+ years); 2050				
Entity	**Average physical risk Score**	**Average transitional risk score from country perspective**	**Average transitional risk score from Group perspective**	**Group Portfolio Size (As of Dec 2024)**
Pakistan	7.6	7	5.5	21.4 %
Philippines	7.6	4	4.3	14.4 %
Tanzania	4.4	7	7.8	20.3 %
Ghana	5.6	7.5	7	16.0 %
Kenya	5.3	7	8.5	8.7%

Risk level

Low Medium High

Physical and transitional risks by country

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

Group perspective on transitional risks

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

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

Sectoral impact

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

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

ESG Report (continued)

Scenario analysis summary (continued)

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

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

Sectoral Vulnerability key

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

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

ESG Report (continued)

Scenario analysis summary (continued)

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

ESG Report (continued)

Scenario analysis summary (continued)

Scenario 2: > 3°C

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

Summary of risk analysis for "current policies" scenario

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

Entity	Average physical risk Score	Average transitional risk score from country perspective	Average transitional risk score from Group perspective	Group Portfolio Size (As of Dec 2024)
Pakistan	11.5	3.5	4.3	21.4 %
Philippines	11.6	3.5	3.5	14.4 %
Tanzania	6.6	4	4.8	20.3 %
Ghana	8.1	4	3.5	16.0 %
Kenya	8.4	4	4	8.7%

Risk level

Low Medium High

Physical and transitional risks by country:

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

Group perspective on transitional risk:

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

Sectoral impact

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

ESG Report (continued)

Scenario analysis summary (continued)

Scenario analysis result of NGFS "hot house world" and SSP2-4.5
Scenario 2: >3°C

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

Sectoral Vulnerability key

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

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

ESG Report (continued)

Scenario analysis summary (continued)

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

ESG Report (continued)

Scenario analysis summary (continued)

Conclusion

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

ESG Report (continued)

Metrics and targets

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

Management and disclosure

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

Progress Group targets 2024

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

Setting Group targets 2025

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

Climate targets

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

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

ESG CASE STUDY

Advancing climate goals by installing solar systems

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

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

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

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

→ Read more about another climate initiatives on page 49

ESG Report (continued)

Compliance statement

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

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

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

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

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

ESG Report (continued)

2023 Streamlined Energy and Carbon Reporting ('SECR')

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

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

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

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

Energy efficiency actions

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

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

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

ESG Report (continued)

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

Methodology and scope

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

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

Scope and subject matter

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

Energy and GHG sources included in the process

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

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

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

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

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

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

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

Verification

Internally by the Company.

ESG Report (continued)

Non-financial and sustainability information statement

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

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

Discover more
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ESG Report (continued)

Non-financial and sustainability information statement (continued)

→ Read the remaining reporting requirements
Business model on page 11
Principal risks on pages 40 to 48
Diversity and gender on page 60 and 107 – 108
Climate-related financial disclosures on pages 65 to 79

→ Find the description of the tools and indicators
ESG report on pages 55 to 60 and 64
Alternative Performance Measures ('APM') table on page 205

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

Corporate governance report

Discover more
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Chair's introduction

> **Our performance improved as the year progressed, reinforcing our confidence that the Group has returned to sustainable growth."**

CHRIS LOW
CHAIRPERSON

I am pleased to present our Board Report for 2024.

This year the Board worked diligently throughout the year to strengthen its governance and risk management frameworks that underpin the successful achievement of our strategic objectives, namely sustainable growth driven by our unwavering commitment to financial inclusion.

We continued to manage through a number of significant business challenges, particularly the ongoing effects of high inflation and currency devaluation in many of our markets. In addition, we have ensured that the leadership transitions in the second half of the year did not significantly affect the business. Indeed, our performance improved as the year progressed, adding to our confidence for 2025 and beyond, and as we continue to progress of our digital transformation strategy.

The Board is scheduled to meet five times a year at regular intervals. However, this year, it convened formally on eight occasions, with additional informal meetings held to address key issues as they arose. The various Board Committees that include the Audit and Risk Committee, Nomination Committee, Remuneration Committee and Independent Directors' Committee continued their regular meetings. I greatly appreciate the dedication of all Directors, who consistently commit their time and effort to ensuring the success of our organisation.

Karin Kersten stepped down as CEO, and the Board appointed Rob Keijsers as Interim CEO from 1 November 2024 till 1 April 2025. On 1 April 2025, Rob Keijsers was appointed Group CEO. Additionally, the Executive Committee has been strengthened in Q1, 2025, with the appointment of a new Chief Risk and Compliance Officer; Guy Dawson stepped down as Chairman; however he remains on the Board as a Non-Executive Director. Also we welcomed Sheila M'Mbijjewe as an Independent Non-Executive Director – her extensive experience as a former regulator at the Central Bank of Kenya is a valuable addition to the Board.

Furthermore, we strengthened our local leadership with the appointment of several country CEOs and CFOs who bring strong local market expertise and track records. These organisational enhancements reflect our commitment to strengthening leadership, reinforcing governance and ensuring that we are well positioned to achieve our long-term goals.

With these leadership and governance improvements in place, we can look ahead to 2025 with renewed confidence. I would like to extend my sincere appreciation to the Board and senior management team for their dedication and hard work, as well as to all our employees across our thirteen operating countries and head offices, for their unwavering commitment to deepening financial inclusion and empowering female entrepreneurship.

Chris Low
Chairperson
ASA International Group plc
23 April 2025

Board of Directors

Building on our Board leadership

The Board of ASA International combines leadership in microfinance with strong international finance and banking experience.

Committee membership key

A/R Audit and Risk
R Remuneration
A/R N R Committee Chair
N Nomination
ID Independent Directors

Chris Low
Chairperson

N ID

Appointed: 1 February 2023

Board roles

- Chairperson of the Board from 01 April 2025
- Non-Executive Director from February 2023 till 1 November 2024
- Executive Chairperson of the Board from 1 November 2024 till 31 March 2025
- Chairperson of the Audit & Risk Committee till 16 December 2024
- Chairperson of the Nomination Committee since 16 December 2024

Current Board memberships

- United Bank for Africa (UK) Ltd
- Ed Partners Africa Holdings Ltd
- Scottish Africa Business Association

Career and experience

With over 30 years in international financial services, risk management, and digital transformation, Chris Low has developed deep expertise in emerging markets. His career spans Africa, Asia, and the Middle East, where he has played a key role in financial innovation and strategic leadership. He previously served as Regional Director for East Africa at I&M Group Plc and advised FinTech start-ups.

Dirk Brouwer
Non-Executive Deputy Chairperson

Appointed: 15 May 2018

Board roles

- Co-founder of ASA International in 2007
- Served as Executive Director and CEO until 15 June 2023
- Appointed as Deputy Chairperson and Advisor to the Executive Committee on 15 June 2023

Career and experience

With over two decades in investment banking and 15 years in microfinance, Dirk Brouwer has been instrumental in driving financial inclusion through ASA International. His leadership and expertise have contributed to the growth of microfinance initiatives and investment strategies in emerging markets. He is the Managing Director of Catalyst Microfinance Investors ('CMI'), which he co-founded in 2006.

Rob Keijsers
Chief Executive Officer

Appointed: 1 November 2024

Board roles

- CEO of ASA International since 1 April 2025
- Interim CEO of ASA International from 1 November 2024 till 1 April 2025
- Holds non-executive board positions in ASA International subsidiaries

Previous experience

- Held key leadership roles at ABN AMRO, focusing on digital transformation and international business services
- Served on the board of Volt Nederland

Career and experience

With extensive experience as a transformation executive, Rob Keijsers has played a pivotal role in driving strategic and digital change across financial institutions. His leadership at ASA International, along with his tenure at ABN AMRO, demonstrates his ability to enhance business efficiency and foster innovation. His expertise in strategy, technology, and cross-functional collaboration has made a significant impact on the organisations he has served.

Guy Dawson
Independent Non-Executive Director

A/R N R ID

Appointed: 28 June 2018

Board roles

- Non-Executive Director of ASA International Holding since 2013
- Director of the Company since 28 June 2018
- Served as Chairperson of the Board from 1 January 2021 till 1 November 2024

Current Board memberships

- Non-Executive Director of Egerton Capital
- Non-Executive Director of Citywire Holdings

Career and experience

With extensive experience in corporate governance and financial management, Guy Dawson has played a key role in the leadership of ASA International. His expertise spans investment oversight, board governance, and strategic planning across various financial institutions.

Board of Directors (continued)

Hanny Kemna
Senior Independent Non-Executive Director

A/R N R ID

Appointed: 28 June 2018

Board roles
- Non-Executive Director since June 2018
- Appointed Senior Independent Director on 1 January 2021
- Chair of the Remuneration Committee
- Chair of Audit and Risk Committee since 16 December 2024

Board memberships & leadership roles
- Chair of the Board of Directors for Dutch pension provider and asset manager MN
- Chair of the Audit Committee at insurer Vivat – Athora NL
- Chair of the Audit Committee at healthcare insurer Menzis
- Chair of the Audit Committee at the National ICT Institute for Healthcare (The Netherlands)
- Supervisory Board member at ZGT (The Netherlands)
- Deputy member of the Board of the Dutch Court of Auditors since 2020

Career and experience
Hanny Kemna brings extensive expertise in audit, risk management, and governance, particularly in financial and government institutions. Her leadership in regulatory oversight and financial accountability has been pivotal in strengthening corporate governance frameworks.

Dr Salehuddin Ahmed
Independent Non-Executive Director

A/R N R ID

Appointed: 7 December 2020

Board roles
- Non-Executive Director since December 2020

Academic & advisory roles
- Professor at the Graduate School of Management, BRAC University
- Independent Director of Grameenphone Ltd
- Current adviser to Bangladesh's interim government specifically the Ministry of Finance and the Ministry of Science and Technology.
- Member of advisory bodies for multiple governmental and non-governmental agencies in Bangladesh
- Member of the board of trustees for three universities and a postgraduate institute

Consulting & research
- Consultant for various international agencies
- Author of over 90 publications

Career and experience
Dr. Salehuddin Ahmed is a distinguished academic and policy expert with a strong background in economics, governance, and financial sector development. His contributions to academia, public policy, and corporate leadership have made a significant impact in Bangladesh and beyond.

Sheila M'Mbijjewe
Independent Non-Executive Director

A/R R ID

Appointed: 17 December 2024

Board Roles
- Non-Executive Director since December 2024

Leadership roles & other memberships
- Deputy Governor, Central Bank of Kenya (2015–2023)
- Board Member, African Stability Board
- Director, Financial Reporting Centre (FRC), Kenya.
- Director, Capital Markets Authority of Kenya
- Director, Bamburi Cement Ltd.
- Director, Transparency International Kenya Chapter
- Vice Chair, Kenya Women's Finance Trust (Microfinance).
- Director, University of Nairobi Enterprise and Services (UNES) Ltd.
- Rhodes Scholarship Selection Committee (Kenya).

Career and experience
Sheila M'Mbijjewe's broad engagement across finance, education, and social welfare reflects her commitment to societal impact and diverse expertise. Her appointments highlight her influence in financial markets, corporate governance, education, and philanthropy, shaping Kenya's financial landscape and extending to regional and international platforms.

On 23 April 2025, the Board appointed a new Non-Executive Director, Mr. John G Khabbaz.

Board diversity

Board by gender

Board by age

Balance of the Board

Board by tenure

See our diversity listing rule table in our Nomination Committee report on page 108

Executive Committee

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

→ Full biographies are available
Executive Committee

Joint corporate headquarters in Dhaka and Amsterdam

Rob Keijsers
Chief Executive Officer

Joined: 2022
Years of financial services experience: 18

Azim Hossain
Chief of Operations

Joined: 2007
Years of financial services experience: 36

Tanwir Rahman
Chief Financial Officer

Joined: 2017
Years of financial services experience: 17

Martijn Bollen
Chief Legal Officer

Joined: 2007
Years of financial services experience: 18

Ezazul Islam
Head of Internal Audit

Joined: 2024
Years of financial services experience: 11

Grace Thiongo
Chief Risk and Compliance Officer

Joined: 2025
Years of financial services experience: 18

Country Heads

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

South Asia

India

Anjan Dasgupta
37 years of financial services experience

Appointed: April 2013

"Despite ongoing challenges, we remained resilient in 2024, strategic cost rationalization, branch mergers, and digital finance adoption strengthened operations. We upheld our financial commitments through strong collections. In 2025, ASA India will focus on innovation, and responsible growth while maintaining mission-driven service, expanding digital collections, and sustaining financial stability through diligent portfolio management and Business Correspondent partnerships."

Pakistan

Saeed Uddin Khan
42 years of financial services experience

Appointed: November 2019

"2024 was a watershed year, marked by the launch of banking operations and the rollout of the Temenos 24 Core Banking Software. Our footprint grew to 380 locations, and despite challenges, our client base reached 662k and OLP grew by 28% in USD term. We focused on solarising our network, reducing emissions, and advancing gender diversity as well. In 2025, we are well positioned to drive growth through deposit mobilisation, digital products, and technological investments."

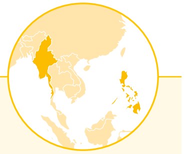
Sri Lanka

Nimesh Fernando
20 *years of financial services experience*

Appointment date: May 2025

"I am excited to be joining Lak Jaya on 1 May 2025. I look forward to contributing to the continued growth of its operations, which in 2024 reached a client base of 44k and an OLP of LKR 1.45bn (USD 5.0m)"

South East Asia



Philippines

T. I. M. Fakruzzaman
32 years of financial services experience

Appointed: August 2007

"We maintained steady achievements, despite challenges like natural calamities in 2024, while upholding sustainability and promoting diversity, equity, and inclusion. Our OLP reached PHP 3.4bn (USD 58.4m) and our client base grew to 353k. We began strengthening internal controls through technology, which will be further enhanced in 2025. Furthermore, we aim to improve discipline, reduce Portfolio At Risk ('PAR'), boost portfolio quality and profitability, and integrate digitalisation for long-term growth."

Myanmar

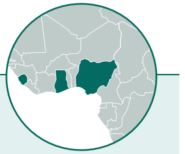
Md. Muzammel Haque
19 years of financial services experience

Appointed: November 2023

"Despite the challenges the country is facing, our dedicated team made remarkable progress this year. We grew client outreach by 10%, expanded our portfolio to MMK 53.7bn (USD 25.6m). Collection efficiency remained stable during 2024. In 2025, we'll focus on digitalisation to enhance safety, efficiency, and growth while maintaining strong portfolio quality and low risk."

Country Heads (continued)

West Africa



Nigeria

Funmilola Paseda
25 years of financial services experience

Appointed: October 2024

"2024 was a landmark year, with our results improving after overcoming past losses. We improved portfolio quality (PAR>30) from 12.1% in 2023 to 4.9% in 2024, grew OLP to NGN 17.0bn (USD 11.0m) and increased deposits as well. Effective stakeholder engagement drove these results. In 2025, we'll expand our client base, optimise service delivery, strengthen our productivity culture, and deepen relationships with clients and communities."

Ghana

Md. Aourongjeb
18 years of financial services experience

Appointed: March 2013

"2024 was a pivotal year, increasing portfolio to GHS 993.3m (USD 67.5m) and expanding our client base by 11%, which significantly enhanced our overall performance. I'm proud that our team improved efficiency, growing gross OLP per client by 45% in GHS. Investing in staff, clients, and communities drove our success. In 2025, we are targeting to launch our Digital App with a new T24 CBS, for a seamless experience and bringing services to our clients' doorsteps."

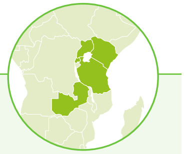
Sierra Leone

Shariful Islam Khan
15 years of financial services experience

Appointed: May 2018

"From 2023 to 2024, we saw remarkable growth, with OLP rising to SLE 143.4m (USD 6.3m), borrowers increasing by 10%, and Gross OLP per client growing by 26% YoY in SLE. In 2025, we'll expand our branch network, grow our portfolio, and reach more borrowers for sustainable growth."

East Africa



Kenya

Ahsan Habib
18 years of financial services experience

Appointed: July 2023

"In 2024, we rebounded from a challenging FY 2023, exceeding all KPIs, achieving several firsts and increasing our results. Our OLP grew to KES 4.7bn (USD 36.3m) and client base increased to 262k, meanwhile we kept portfolio quality highest level at PAR>30 below 0.3%. With a high talent retention rate and a high client satisfaction rate, our strong employee relations and teamwork will guarantee better performance in 2025."

Zambia

Leeth Gondwe
13 years of financial services experience

Appointed: March 2025

"In 2024, our OLP base grew to ZMW 87.8m (USD 3.1m) and number of clients increased to 29k. The company optimized financial stability. In 2025, we will expand our branch network, transition to cashless transactions, enhance financial inclusion, and boost employee engagement through incentives, marketing, and CSR, driving sustainable growth and digital transformation."

Rwanda

Christian Salifou
12 years of financial services experience

Appointed: September 2024

"It was transformative year, with a 10% client base growth YoY and an increase in results. In 2025, we'll focus on expanding outreach, improving efficiency, and investing in our people. Our strategy centres on sustainable growth, digital innovation, and community impact. Through our Community programmes, we addressed malnutrition by donating goats, planted 400 trees, and provided electric motorcycles to field staff, reinforcing our commitment to sustainability and long-term value for the communities we serve."

Uganda

Allen Semboze
22 years of financial services experience

Appointed: September 2024

"We achieved strong growth in 2024, with our results increasing. Our client base expanded by 24% YoY, reaching nearly 150k customers, driving growth in our loan portfolio, clients per loan officer and per branch. We also expanded our branch network to 125. These results reflect our team's dedication and commitment. In 2025, we'll continue investing in our people, enhancing customer service, diversifying our products, digitising operations, and expanding our branch network."

Tanzania

Muhammad Shah Newaj
15 years of financial services experience

Appointed: March 2014

"We achieved significant milestones in 2024, reaching 280k active clients and expanding to 221 branches. We improved results and efficiency, laying a solid foundation for growth. In 2025, we'll focus on performance, cost reduction, employee initiatives, and digital transformation, while driving sustainability, innovation and financial inclusion across Tanzania."

Board Activities

Governance and Leadership

- Rob Keijsers was appointed CEO on 1 April 2025. Before that, he served as Interim CEO from 1 November 2024 to 1 April 2025 after Karin Kersten stepped down.
- Sheila M'Mbijjewe was appointed to the Board on 17 December 2024.
- The Board oversaw a review of the composition of the subsidiaries' boards in order to improve governance there.
- The Board discussed the current position on Diversity, Equity and Inclusion and noted the plans for simplifying reporting and improving progress.
- The Board discussed changes in country leadership and benchmarking pay.
- A Chief Information Security Officer (CISO) function was established, with key staff in Amsterdam and Dhaka.

Financial And Operations Oversight

- Given the sustained improvement in business and financial performance seen over the course of 2024, management proposed the payment of dividends to ASA International Group plc shareholders with an initial interim dividend paid in December 2024.
- The Board reviewed key elements of the 2025 budget, including salary assumptions and growth expectations for clients and branches.
- As part of the Board's oversight of financial governance, Group Finance and country CFOs joined a CFO conference with audit teams to address key audit issues and explore ways the finance function can better support the Company's goals.
- The Board reviewed the strategy for India, and supported investigating options to divest India.

Strategic and Technological Initiatives

- The Company continued to focus on digital transformation, including the implementation of a Core Banking System (CBS) and a digital financial services platform (DFS app). The digitalization of client procedures was prioritized.
- CBS implementation was completed in Pakistan, with ongoing progress in Ghana and Tanzania.
- In anticipation of the further evolution and digitalization of the business, the Board oversaw the appointment of new CEOs in Rwanda, Uganda and Nigeria and new CFOs in a number of African countries.
- The digital transformation strategy was revised to focus on establishing in-country 'private cloud hosts' in African markets, while the existing infrastructure could be used in countries permitting the use of the public cloud.
- The CISO's roadmap includes improving the organization and security posture, enhancing global and local security standards, ensuring compliance with cybersecurity laws, and improving group reporting on security posture.

Stakeholder Engagement and Compliance

- The Board approved the Group's culture statement and emphasized engagement with shareholders and the workforce.
- Country Heads participated in meetings with regulatory bodies, strengthening relationships with local councils, law enforcement, government bodies, and microfinance networks.
- The Board reviewed a thematic audit on fraud risk and ensured that actions to enhance controls were followed through.
- As a socially responsible lender, the Company maintained policies and practices to comply with environmental, social, and legal requirements, including adhering to client protection principles and ethical standards.
- The Board discussed progress on diversity and sustainability targets, as well as community projects.
- Overall the board remained committed to ASA's strategic objectives while tackling operational challenges and strengthening financial resilience across key markets.

Meeting attendance

Member name	Meetings attended
Executive Director	
Rob Keijsers (from 1 Nov 2024)	3/3
Karin Kersten (Until 1 Nov 2024)	5/5
Non-Executive Director	
Chris Low	8/8
Dirk Brouwer	8/8
Guy Dawson	8/8
Hanny Kemna	8/8
Salehuddin Ahmed	8/8
Sheila M'Mbijjewe (from 17 Dec 2024)	1/1

Leadership from the Board

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

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

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

Board size and composition

The Board comprises: Chris Low (Chairperson), Dirk Brouwer (Deputy Chairperson), Rob Keijsers (Chief Executive Officer), Guy Dawson (Independent Non-Executive Director), Hanny Kemna (Independent Non-Executive Director), Dr Salehuddin Ahmed, (Independent Non-Executive Director), Sheila M'Mbijjewe (Independent Non-Executive Director). Salehuddin Ahmed will retire from the Board with effect from the conclusion of the 2025 AGM.

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

Biographical details of the Directors at the date of this report are set out on page 86-87 together with details of their membership of Board Committees.

Board balance and Non-Executive Directors' independence

In accordance with the Code, the Board maintains a well-balanced composition, with Non-Executive Directors deemed by the Board to be independent in character and judgment, free from any relationships or circumstances that may, or may appear to, influence their decision-making. The Board consists of seven Directors: a Non-Executive Chairperson, a Chief Executive Officer ('CEO'), and five Non-Executive Directors, four of whom are considered independent by the Board, which is satisfied that they are free from any business or other relationship that could materially interfere with the exercise of their independent judgement. Despite the fact that Mr Low is technically not considered as independent for the purpose of the balance requirement under the Code and despite his brief period (November 2024 – March 2025) as Executive Chairperson, he performs his role in an independent fashion. The Board remains fully satisfied with the performance of Mr Low, who in 2024 and early 2025 played a crucial part in ensuring a smooth transition between CEOs. While, Mr Dawson has served on the Board for over nine years, the Board is satisfied that he continues to meet the independence requirements under the Code.

Senior Independent Director

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

The Code further recommends that Directors should be subject to annual re-election. All the Directors of the Company (except Rob Keijsers and Sheila M'Mbijjewe who were appointed later) were re-elected at the AGM held on 20 June 2024.

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

See the Corporate Governance Statement in the Directors' report on page 124.

Matters reserved for the Board

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

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

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

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

Leadership from the Board (continued)

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

Relationship Agreement

The Company has entered into a relationship agreement (the 'Relationship Agreement') with its founders (the 'Controlling Shareholder Group'), the principal purpose of which is to ensure that the Company will be able, at all times, to carry out its business independently of the members of the Controlling Shareholder Group and their respective associates. The Relationship Agreement contains undertakings from each of the members of the Controlling Shareholder Group that (i) transactions and relationships with it and its associates will be conducted at arm's length and on normal commercial terms, (ii) neither it nor any of its associates will take any action that would have the effect of preventing the Company from complying with its obligations under the UK 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 UK Listing Rules. The Company is in compliance with the undertakings in the UK Listing Rules.

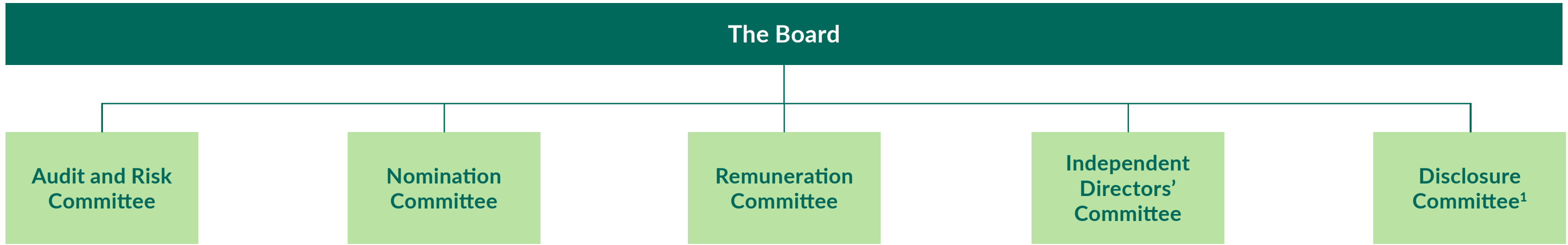
In accordance with the terms of the Relationship Agreement, for so long as Catalyst Microfinance Investors ('CMI') (currently holding 21.94%) and Catalyst Continuity (currently holding 18.13%) together retain (i) an aggregate interest of greater than or equal to 25% in the issued ordinary share capital of the Company, they shall together be entitled to appoint two Non-Executive Directors to the Board (but at present have not done so), and (ii) an aggregate interest of less than 25% but greater than or equal to 10% in the issued ordinary share capital of the Company, they shall together be entitled to appoint one Non-Executive Director to the Board. In addition, for so long as CMI and Catalyst Continuity together retain an interest of 10% or more in the issued ordinary share capital of the Company, they shall be entitled to appoint one Non-Executive Director to each of the Company's Nomination Committee and Remuneration Committee.

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

Management succession

Ms. Karin Kersten stepped down as CEO, and the Board appointed Rob Keijsers as Interim CEO from 1 November 2024 to 1 April 2025. Chris Low assumed the role of Executive Chairperson of ASA International Group plc during this period, from 1 November 2024 to 1 April 2025. On 1 April 2025, Rob Keijsers was appointed Group CEO, while Chris Low transitioned to Chairman (Non-Executive).

Governance Framework



1 The Disclosure Committee is not strictly speaking a Board committee, as it consists entirely of executive staff.

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

The Board Committees

The Board has established the three Committees envisaged by the Code: an Audit and Risk Committee, a Nomination Committee and a Remuneration Committee. The Board has also established an Independent Directors' Committee. If the need should arise, the Board may set up additional Committees as appropriate. Reports on the Committees' activities in 2024 appear later in this report.

Audit and Risk Committee

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

The Audit and Risk Committee was chaired by Chris Low till 16 December 2024 with Hanny Kemna and Salehuddin Ahmed as members. Thereafter, Hanny Kemna became Chair on an interim basis, with Sheila M'Mbijjewe set to take over in due course. As of 16 December 2024, the Committee comprises Hanny Kemna (as Chair), Sheila M'Mbijjewe (from 17 December 2024), Guy Dawson, and Salehuddin Ahmed. It meets at least four times a year and convened five times in 2024.

Nomination Committee

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

The Nomination Committee was chaired by Guy Dawson until 16 December 2024 after which it was chaired by Chris Low, and its other members during 2024 were Hanny Kemna and Salehuddin Ahmed.

The Nomination Committee meets at least twice a year, and met seven times in 2024.

Remuneration Committee

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

The Remuneration Committee is chaired by Hanny Kemna, with other members being Chris Low (until 16 December 2024) and Salehuddin Ahmed. As of 16 December 2024, the Remuneration Committee comprises Hanny Kemna, Guy Dawson, Salehuddin Ahmed and Sheila M'Mbijjewe (from 17 December 2024). The Remuneration Committee normally meets at least three times a year, and met six times in 2024.

Independent Directors' Committee

The Independent Directors' Committee identifies and manages matters involving conflicts of interest (including potential conflicts of interest) between any Group company, on the one hand, and any controlling shareholder or related party (each as defined under the UK Listing Rules), on the other hand. It is also responsible for overseeing and scrutinising the relationship between the Group, its related parties and its controlling shareholders (including evaluating, monitoring and approving any material transactions or arrangements between such parties and generally monitoring compliance with the Relationship Agreement (see page 93).

The Independent Directors' Committee comprises all of the Independent Non-Executive Directors, being Salehuddin Ahmed, Guy Dawson, Hanny Kemna, Chris Low and Sheila M'Mbijjewe. The Committee met three times in 2024.

Disclosure Committee

The Disclosure Committee is chaired by the Chief Executive Officer ('CEO'), and includes members of the Executive Committee and the Head of Investor Relations. The Committee supports the Board in identifying inside information and recommending its disclosure per the Company's procedures, ensuring compliance with the Market Abuse Regulation. Detailed reports on each Board Committee, including their roles, responsibilities, and yearly activities, are provided later in this report.

Meetings of the Board

At each scheduled meeting, the Board receives reports from the CEO, Chief of Operations ('COO') and the Chief Financial Officer ('CFO') on the performance and results of the Group. In addition, the Chief Risk & Compliance Officer ('CRCO') provides updates on regulatory and compliance matters, and the Chief Legal Officer ('CLO') provides updates on legal and corporate affairs. The Board also receives regular updates from the Head of Treasury and the Head of Internal Audit.

Governance Framework (continued)

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

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

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

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

A further aspect of reporting to the Board is Social Performance Management ('SPM'), which covers the handling of complaints, satisfaction surveys, and the achievement of social goals. (This is referred to in more detail in the Non-financial and sustainability information statement on pages 82 and 83.)

For further information on the Board's work during the year and a table of attendance at Board and Committee meetings, see 'Board activities' on page 91.

Chairperson and Chief Executive Officer

The division of responsibilities between the Chairperson and the CEO has been agreed by the Board. The Chair has responsibility for the leadership of the overall effectiveness of the Board, setting the Board's agenda, ensuring the maintenance of a proper balance of skills and experience on the Board, succession planning, and the provision to the Board of accurate, clear and timely information to support sound decision-making and to enable individual Directors to fulfil their duties. Between 1 November 2024 and 1 April 2025 there was an interim arrangement whereby Rob Keijsers was Interim CEO and Chris Low Executive Chairman. Upon Rob Keijsers' confirmation as CEO on 1 April 2025, Chris Low reverted to being in a non-executive role.

The Chairperson was Guy Dawson until 31 October 2024 and subsequently Chris Low who presently chairs the Board. Chris Low's other significant commitments are set out in his biography on page 86. The Board is satisfied that his other commitments do not restrict him in carrying out his duties effectively.

The CEO, Rob Keijsers, reports directly to the Chairperson of the Board and is responsible for all executive management within the Group on a day-to-day basis, within the authority granted by the Board. Dirk Brouwer continues his role as the Deputy Chairperson and Special Adviser.

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

Powers of Directors

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

Appointment and removal of Directors

The appointment of Directors is governed by the Company's Articles of Association, the Companies Act 2006 and other applicable regulations and policies. Directors may be elected by shareholders in general meeting or appointed by the Board of Directors in accordance with the provisions of the Articles of Association. All of the then Directors of the Company were re-elected at the AGM held on 20 June 2024. In accordance with the Code, all Directors retire and may stand for re-election at each AGM.

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

Board performance evaluation

The Board has recently carried out a self-assessment exercise about the performance of the Board, the Committees and the individual Directors in 2024. As in previous years, the procedure followed was that each Board and Committee member completed a questionnaire, adding comments where appropriate, the results of which were then circulated on an anonymised, aggregated basis to the Board. The Board discussed the points arising from the assessment and agreed several actions to address in 2025. In line with the requirements of the 2024 UK Corporate Governance Code, the Board will consider carrying out an externally facilitated review of its performance, and that of its Committees, in future.

The review showed that the Board, its Committees, and individual Directors continue to work well together and are effective, with progress in the areas identified for improvement from previous evaluations. In April 2024, the Board received a detailed presentation on the implementation of the Group's digital strategy which was a finding from the 2023 review. Throughout 2024, the Board continued to receive regular updates on the implementation of the Group's digital strategy as well as other key strategic initiatives detailed in this Report. The Nomination Committee continued to oversee and receive regular updates on changes to country Boards and executive leadership, and progress towards improving diversity, which is inherent in the Group's strategy to ensuring the ASA model is well-embedded throughout the Group.

Governance Framework (continued)

The recent Board assessment identified various areas for further improvement centred around improving Board reporting processes, focusing discussions on key strategic, risk management and people issues, reviewing the roles of the Committees and their composition following recent Board changes and considering the ongoing training needs of directors and staff. An update on progress towards these actions will be provided in the 2026 Annual Report.

Reappointment of Directors at the 2025 AGM

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

On the recommendation of the Nomination Committee, the Board will therefore be recommending all of the Directors for re-appointment at the AGM, except Salehuddin Ahmed who will retire at the 2025 AGM.

The Board has determined that the Non-Executive Directors with the exception of Dirk Brouwer, continue to meet the independence criteria set out in the Code.

Induction and professional development

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

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

Company Secretary

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

Conflicts of interest

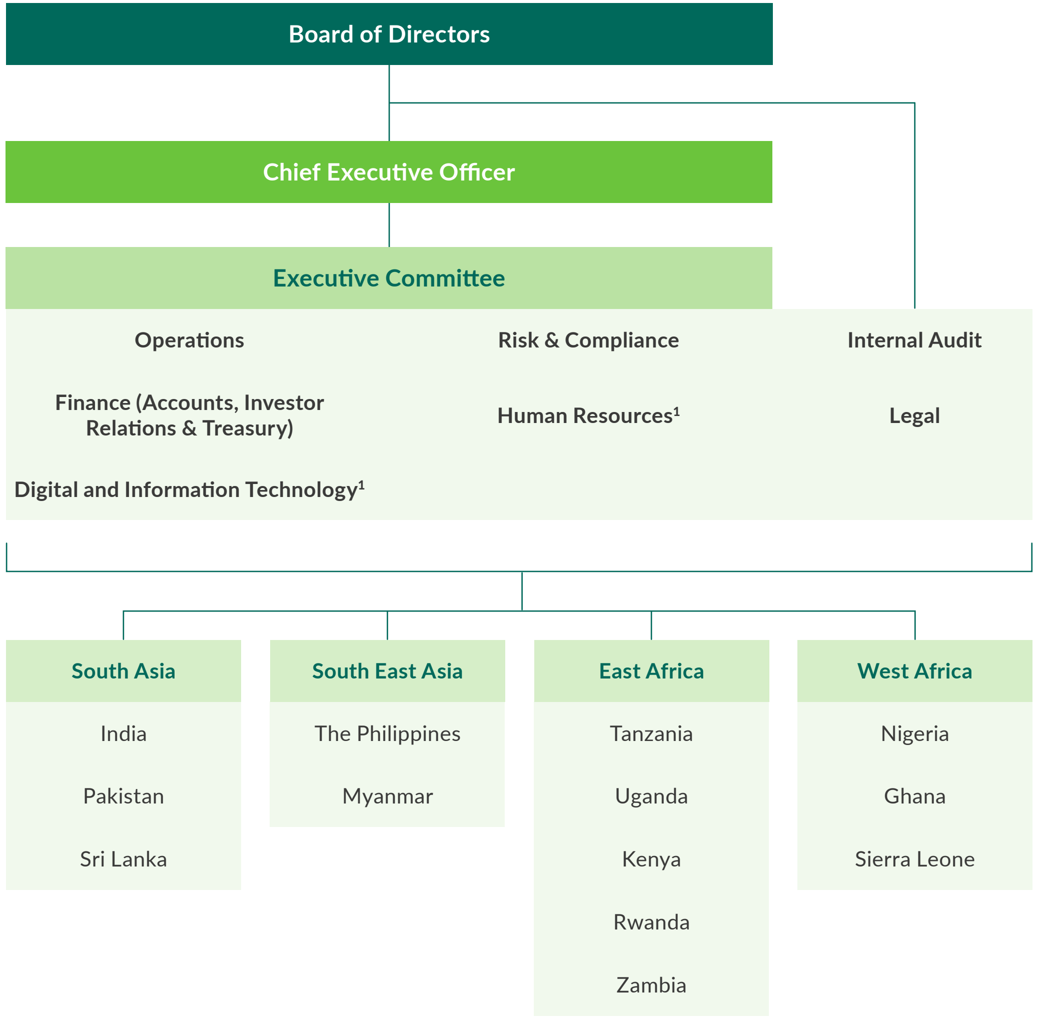
The Articles of Association include provisions giving the Directors authority to approve conflicts of interest and potential conflicts of interest as permitted under the Companies Act.

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

Board and Committee effectiveness

Annual Board and Committee evaluation

See 'Board performance evaluation' on page 95.



1. The positions in these two departments are expected to be filled shortly.

Governance Framework (continued)

Management and operational structure

The Executive Committee presently consists of the Chief Executive Officer ('CEO'), the Chief of Operations ('COO'), the Chief Financial Officer ('CFO'), the Chief Legal Officer ('CLO'), the Chief Risk & Compliance Officer ('CRCO'). The Head of Internal Audit is a non-voting member of the Executive Committee; he reports directly to the Audit & Risk Committee of the Board, with a 'dotted line' to the CEO.

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

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

The Group's microfinance institutions operate a total of 2,145 branches across 13 countries in South Asia, South East Asia, East Africa and West Africa. Limited administrative layers exist throughout each in-country branch network, which promotes the active participation of all staff, quick and autonomous decision-making capacity, and the efficient deployment and monitoring of loans. Each of the Group's microfinance institutions has its own Board of Directors (an 'MFI Board') which, in most countries, includes a number of Independent Directors, as well as members of the Company's senior management, such as the Chief Executive and/or Chief of Operations. The remaining Independent Directors often have extensive experience in the finance/microfinance industry or at central banks.

Local management and operational structure

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

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

The field staff of each MFI includes mid-level management and branch staff. Mid-level managers, such as district, regional, and area managers, travel across branch networks to perform supervisory functions, as they usually do not have separate offices. Larger institutions may also have assistant district managers or deputy heads of operations. These managers report to their supervisors and the Managing Director at the country head office, and are responsible for inspecting branches and attending client group meetings to ensure effective operations. At these meetings, they gather client feedback and follow up on prior complaints. Each branch is typically staffed by a branch manager, assistant branch manager, loan officers, and support staff.

Substantial shareholdings

The table to the right sets out details of the interests in voting rights of 3% or more notified to the Company as at 31 December 2024 under the provisions of the FCA's Disclosure Guidance and Transparency Rules. Information provided by the Company pursuant to the Disclosure Guidance and Transparency Rules is publicly available via the regulatory information services and on the Company's website.

The table reflects shareholding as of 31 December 2024. Substantial shareholders do not have different voting rights from other shareholders.

Name of Director	Number of shares	% holding
Catalyst Microfinance Investors[1]	29,217,826	29.2%
Conifer Capital Management[2]	19,527,159	19.53%
Catalyst Continuity[1]	16,806,390	16.81%
Phoenician Capital[2]	10,100,000	10.10%
Redwheel[2]	4,117,874	4.12%
Renta 4 Gestora	3,367,852	3.37%

1 As on 31 December 2024, Dirk Brouwer holds a 46.01% interest in the Company through CMIMC, which he ultimately controls. This interest is held via Catalyst Microfinance Investors (29.2%) and Catalyst Continuity (16.81%), both also under his ultimate control.

2 The holdings of Conifer Capital Management, Phoenician Capital and Redwheel have been built up over the years.

Engagement with shareholders

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

The Board values maintaining good relationships with shareholders. The Head of IR, reporting to the CFO, organizes meetings, calls, and presentations throughout the year. The team regularly collects investor feedback, which is shared with the Board and management. The CEO, Head of IR, and CFO meet with major institutional shareholders, and the Chair is available to discuss strategy, governance, and succession planning.

The Senior Independent Director is available for shareholders if concerns remain after contacting the Chair or CEO, or if such contact is inappropriate. Independent Directors are also available for discussions.

The Board receives regular IR updates from the Head of IR, including reports on share performance, register composition, and investor feedback. Key documents and announcements are available at asa-international.com/investors.

Stakeholder engagement

Regarding workforce engagement, given the substantial number of staff primarily located in branches, the Company appointed the Chair as designated director. The Chairperson made multiple visits to the head office and conducted numerous sessions with staff and their representatives. Refer to the S-172 statement on pages 13 to 15 for further details on stakeholder engagement.

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

Annual General Meeting

The Board views the AGM as a key opportunity for shareholders to engage directly, ask questions in person or in writing, and meet all Directors and Committee Chairs.

Audit and Risk Committee report summary

"In a dynamic regulatory and risk environment, our focus remains on safeguarding stakeholder trust through sound governance, transparent reporting, and a strong risk culture aligned with our mission to drive financial inclusion."

Hanny Kemna

HANNY KEMNA
CHAIR OF THE AUDIT AND RISK COMMITTEE

Audit and Risk Committee

The Audit and Risk Committee ('ARC') plays a critical role in overseeing financial reporting, risk management, and internal controls. It closely monitors liquidity, regulatory compliance, and audit processes to ensure the organization's financial stability. The Committee reviews accounting judgments, external audit findings, and governance adherence, maintaining transparency and accountability. Additionally, it provides oversight of internal and external audits, fraud prevention measures, and whistleblowing mechanisms. By assessing emerging risks, financial viability, and long-term business sustainability, the ARC helps safeguard the Company's integrity and resilience.

Meeting attendance

Member name and role	Meetings attended
Hanny Kemna, Chair[1]	4/5
Chris Low, NED[2]	4/4
Salehuddin Ahmed, NED	4/5
Guy Dawson, NED[3]	1/1
Sheila M'Mbijjewe NED	1/1

1 Chair as of 16 December 2024.
2 Chair and member until 16 December 2024.
3 Member as of 16 December 2024.

Key activities in 2024

- Focused on liquidity, inflation impact, and currency devaluation risks.
- Reviewed financial reporting, internal audit, and regulatory compliance.
- Assessed credit loss provisions, hyperinflation accounting, and efficient tax planning.
- Strengthened IT governance, cybersecurity, and digital transformation initiatives.
- Evaluated governance, risk management, and key leadership appointments.

Key areas of focus for 2025

- Strengthen financial controls, risk mitigation, and compliance frameworks.
- Enhance IT security, digital banking infrastructure, and cyber risk defences.
- Monitor liquidity risks, exchange rate fluctuations, and economic uncertainties.
- Improve tax strategy, regulatory compliance, and governance adherence.
- Oversee leadership succession planning and Board effectiveness evaluations.

Audit and Risk Committee report

As Chair of the Audit and Risk Committee, I am pleased to present the Committee's report for the financial year ended 31 December 2024.

Chair's overview

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

As in 2023, even this year the Committee spent substantial time in monitoring the cash and liquidity situation, evaluating the progress of the digitisation and digital transformation of the business operations, the impact of regulatory changes on the operating environment, and other related accounting judgements and disclosures. The Committee also closely monitored recoveries in India, licensing in Pakistan, funding across the Group, profitability and forecasts, covenant breaches and the changing risk environment including risks posed by inflation and devaluation of currencies in operating subsidiaries.

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

- Monitor the integrity of the Company's financial statements and external financial reporting.
- Review the effectiveness of the Group's internal controls.
- Monitor and review the activities and performance of both the Internal Audit function and external audit process.
- Monitor the adequacy and effectiveness of the risk management framework.
- Assess principal and emerging risks and help to focus the Board's attention on key risks, especially in view of inflation and devaluation of currencies.
- Consider key accounting matters and areas of judgement and changes.
- Discuss specific matters tabled at the request of the Committee to allow the Committee to zoom in on topics of interest or concern.

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

In 2024, the Committee continued to focus on the internal controls systems and processes and recovery from the challenges being faced due to the current economic scenario.

In particular, the Committee reviewed the provisioning for expected credit losses in line with IFRS 9 and whether adequate provisions have been made considering economic challenges faced by multiple operating subsidiaries. The Committee reviewed the application of IAS 29 on Hyperinflation as it was relevant for the second time for the operations in Ghana and Sierra Leone. The Committee considered accounting judgements and the framework established by senior management. More generally, the Committee also assessed the impact of the depreciation of the majority of the Group's operating currencies on the financial position of the Group to assess and calculate the expected credit loss for the Group.

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

Audit Focus Areas for 2024

- **Review and Approval Activities:** Included minutes, action taken reports, finance reports, and updates from EY.
- **ECL Provision:** Discussions on process for potential management overlay in the ECL provision
- **Internal Audit & Compliance:** Requested a mini-audit within two years for any audit outcomes marked as "Needs Improvement."
- **High-Risk Areas:** Identified issues in Group HR and Procurement audits, along with misappropriation figures in the Philippines.
- **Audit & Risk Committee Meetings:**
  - Reviewed audit opinion from EY for FY 2024, including going concern, viability, and ECL assessments.
  - Assessed audit reports from EY, risk and compliance reports, internal audit findings, GMC and FMPU reports, and whistleblowing incidents.
  - Discussed ASA's applications for deposit-taking licenses in Tanzania and Kenya.
  - Reviewed EY's audit control observations including those concerning the ASA India-IDFC First Bank dispute.

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Audit and Risk Committee report (continued)

Audit Priorities for 2025

- **Review of Financial Statements:**
  - Approval of Interim Financial Statements and potential recommendation to the Board.
  - Addressing financial reporting requirements in hyperinflationary environments.
  - Better data flow from the subsidiaries.
- **Risk Management & Compliance:**
  - Continued monitoring of inflation, exchange rate risks (high-risk), and credit, liquidity, and growth risks (medium-risk).
  - Strengthening controls in response to EY's 2024 audit observations.
- **Whistleblowing & Fraud Prevention:**
  - Reviewing and acting on whistleblowing reports.
  - Strengthening internal controls to prevent fraud and misappropriation.
- **Internal Audit Oversight:**
  - Increased focus on branch audits, fraud testing in Pakistan, and addressing key risk areas.
  - Ensuring ongoing internal audit reviews align with risk and compliance priorities.
- Finance updates, risk reports, and a memo on whistleblowing incidents.

Membership and meetings

The Audit and Risk Committee, chaired by Chris Low in 2024, included Hanny Kemna and Salehuddin Ahmed as members. On 16 December 2024, Hanny Kemna became Chair on an interim basis, with Sheila M'Mbijjewe (who joined on 17 December 2024) set to take over in due course. The Committee now comprises Hanny Kemna, Guy Dawson, Salehuddin Ahmed and Sheila M'Mbijjewe.

The qualifications of each of the Board members are outlined in the biographies on page 86-87. The Board considers that the current members of the ARC have sufficient skills, qualifications and experience to discharge their duties in accordance with the Committee's terms of reference.

In 2024, the Committee met on five occasions. Full details of attendance by the Non-Executive Directors at these meetings are set out in the table on page 98. In addition to the members of the Committee, standing invitations to attend meetings are extended to the CFO, Chief Risk & Compliance Officer and Chief Legal Officer. All attend the committee meetings as a matter of course and have supported and informed the Committee's discussions. Invitations to attend are extended to other members of management as required, so that they can brief the Committee on specific issues under review.

The external auditor, Ernst & Young LLP ('EY'), attends each meeting, and the Committee Chair has regular contact with the lead audit partner throughout the year. The Committee also met with both internal and external auditors privately (i.e. without members of management present) during the year. Since the Committee has responsibility for both audit and risk monitoring, this report will address the activities of both functions during the financial year.

Audit overview

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

Other than the above, the Committee monitors:

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

Audit of 2024 financial year

Reporting by the external auditor

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

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

The Committee also reviewed the EY external audit findings and EY Control Observations and Recommendations Report and the management response and progress to each observation made by EY. The Committee had a discussion with management on the observations including going concern analysis, assessment of deferred tax assets, balance sheet and income statement attestation. The Committee also discussed the listing requirements to which the Company is subject to, UK Corporate Governance Rules, and adherence to planning, timelines and achievable due dates as a listed company. EY kept the Committee updated on developments in corporate governance regulation and practices that were expected to arise over the next few years, which may require the Company to produce new types of documentation, particularly with regard to the declaration of material controls' effectiveness.

Audit and Risk Committee report (continued)

Taking into account the external auditor's assessment of risk as well as the Committee's own understanding of the Group, the Committee reviewed and, where necessary, challenged management's actions, estimates and judgements in the preparation of the financial statements.

As part of its role in assessing the integrity of the Group's external reporting, the Committee has continued to pay particular attention to the key areas of management judgement underpinning the financial statements. The Committee reviewed the significant accounting judgements made during the year, the risks to which the Company was exposed and the systems in place to mitigate or manage them and the overall system of internal controls within the Company.

The Committee reviewed the analysis of the going concern emphasis of matter in light of the situation in India and the waivers received in respect of the Group's covenant breaches on its outstanding borrowings, and concluded that it remained appropriate to prepare accounts on a going concern basis.

The Committee closely monitored the Group's assets and liabilities as established by the Asset and Liability Committee ('ALCO'), chaired by the Group CFO.

The Group's liquidity with unrestricted cash and cash equivalents was approximately USD 50.2 million at year-end 2024. The Company secured approximately USD 193.8 million of new loans from local and international lenders in 2024.

External audit

The Committee assessed the external audit report and audit plan for 2024. The purpose of the report was to provide the Committee with an opportunity to review the proposed audit scope and approach for the 2024 audit of ASA International Group plc. The report aimed to ensure that the audit was aligned with the Committee's quality and service expectations, summarising the assessment of scope, materiality, key audit matters, and other items impacting the financial results of the Group.

The auditor identified the following significant risks inherent to the operations of the Group's subsidiaries, for the 2024 audit:

Expected credit loss ('ECL') provisions: This relates to the appropriateness of the ECL model and methodology, ongoing global economic challenges impacting the recoverability of loans, and forward-looking assumptions on overall credit risk. The audit will assess the assumptions and complex judgements applied, which give rise to the risk of management override of controls.

Risk of fraud in revenue recognition through the incorrect recording of revenue arising from fictitious loans and advances to customers: This involves the potential for misstatement of income due to fraudulently recorded interest income from loans to fictitious borrowers. Under ISA 240.32, the risk of management override of controls is considered a fraud risk on all audits. ISA 330 states that auditors are required to determine an overall response to the risk of fraud, in addition to the risk at an assertion level.

Going concern: This involves debt covenant breaches and the waivers obtained not covering the going concern horizon, as well as judgement in the forecast of profits, cash flows and debt breaches.

Other key areas of focus include capitalisation of software development costs, hyperinflation accounting, valuation of deferred tax assets, foreign currency translation, compliance with laws and regulations, IT systems migration, and retirement benefit plans.

The Committee concluded that EY remains independent and that its audit is effective. EY confirmed that it had carefully monitored the provision of non-audit services to EY has acted as the Group's external audit firm since appointment by the Board in 2018. The Committee approved EY's non-audit services for 2024, including the half-year 2024 review for ASAI Group plc, CAR certification, interim and final dividend certification for Pakistan. The Group's policy for auditor rotation and audit tender follows regulatory requirements, and the audit firm will be rotated after no more than 20 years, with an audit tender to be held after no more than ten years.

Other financial reporting and financial update

Interim announcement

The Committee reviewed the draft announcement and interim financial statements.

Financial update

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

The Committee requested and received presentations from management explaining the key issues raised by analysts, investors and press.

Audit and Risk Committee report (continued)

Policy oversight and review

Whistleblowing

The Committee and the Group place a high priority on all employees understanding the process for reporting concerns, so that they all feel able to speak out when appropriate. In respect of all operating subsidiaries, all concerns are reported directly to the head of the ARC of that country; and in respect of all headquarters/holding company staff (in Dhaka and the Netherlands) any instances are directed to me as the Chair of the Group ARC. The Chair passes the concern(s) to the Head of Internal Audit and discusses them with the Board; in this way we ensure that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action. In 2024, four whistleblowing incidents were reported across the Group. Each was investigated and submitted to the Whistleblowing Officer, with subsequent decisions made by the disciplinary committee. To enhance the framework, the whistleblowing policy and training materials are currently being revised.

Other policies

The Board regularly reviews key policies, including anti-bribery, anti-money laundering ('AML'), and transfer pricing. The Committee confirmed key manuals are in place and tasked the Compliance Officer with refining the compliance framework, addressing gaps, updating manuals, and prioritizing training. A zero-tolerance stance on sexual harassment and racial discrimination was reaffirmed. The Grievance Mitigation Policy supports accountability, with 22 appeals and ten direct complaints in 2024 resulting in corrective actions and ongoing preventive training.

Internal Audit

During the year, the Committee held several discussions with the Head of Internal Audit to ensure that they had enough resources and regular reports continue to be delivered to the Committee. The Internal Audit team was provided online access to the data of subsidiaries, although all information required for auditing transactions was not online. The Committee noted that internal audits Committee observed that the 2024 internal audit schedule was largely met, with 3,384 branch audits and 32 process and control audits, including IT audits at the group and entity levels, completed on time. Additionally, the Internal Audit Software was successfully implemented and launched across 12 entities as planned for 2024.

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

Internal Audit highlighted key concerns, including deficiencies in cash and bank management, financial reporting gaps, loan recovery issues, information security risks, and due diligence shortcomings in loan disbursement and collection. It also addressed HR, compliance, and health and safety matters. Detected fraud incidents were promptly escalated to management. The Committee worked to ensure that the management would resolve issues raised by Internal Audit within the agreed time.

The Committee had discussions with management to ensure adequate staffing of the Internal Audit department and had several discussions on the reasons for staff turnover. The Committee continues to keep the level of resources of the Internal Audit team under review and holds meetings with the Head of Group Internal Audit from time to time. The Committee reviewed and approved the risk-based branch audit plan for 2025, which includes a 15% increase in branch audit frequency and a 30% rise in process audits over 2024. The Internal Audit budget was also approved, and the Chair stressed the need to fill key audit vacancies across countries.

IT organisation and digital strategy

The Committee spent considerable time on the IT organisation and the digital strategy. The Committee continued to monitor the digitisation process and required the Company to prepare back-up plans in case of cyber-attacks and the disaster recovery arrangements in such an event. This process has been assisted by the appointment of a Chief Information Security Officer who, with his team, is conducting a programme of vulnerability and penetration testing and setting up of the Security Operations Center ('SOC') to increase our cyber resilience.

The Committee also monitored the progress of the digital strategy of the Group, including the development of the Digital Financial Services ('DFS') mobile app and its rollout, as well as the implementation of the Core Banking System – Temenos Transact in Ghana, Pakistan and Tanzania. The Company will continue to run its current AMBS systems in all the markets where Temenos Transact is not live yet. The deployment in other markets is expected to be a multi-year project.

The IT technology strategy is constantly under review by the Board and this Committee in order to ensure that we are keeping pace with, and responding to, the latest industry developments, especially in digital finance. IT capability will continue to be assessed in the context of risk appetite, being part of the Company's operational risk. The Committee considered the effectiveness of the internal control systems and believes that they are adequate. The Committee also discussed the preparedness of the Company to deal with cyber-attacks and disaster recovery procedures.

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

Audit and Risk Committee report (continued)

Risk management overview

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

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

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

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

This risk reporting process as well as the regular reviews by the Committee were in place and functioning effectively throughout 2024.

Risk management: activity in financial year 2024

The Risk function continued to evolve in 2024. We continue to work with senior management to ensure our three lines of defence model is fully embedded across our Group and that the governance and reporting structures continue to provide ever more effective oversight of our risk management. These actions have continued to improve the flow of management information to the Committee, increasing the effectiveness of its challenge and oversight and enhancing visibility on risk and compliance issues identified at all levels across the Group.

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

The risk taxonomy of the Group had been reviewed and updated during the year to achieve a comprehensive coverage of risks. The Committee reviewed the risk management reports presented by senior management and the actions being taken to manage or mitigate the key risks. The Committee was actively involved in improving risk reporting by management. The Committee noted that inflation risk and exchange rate risk were key risks during 2024, primarily attributed to elevated rates observed in a number of countries. Data migration risk remains medium due to a number of ongoing projects. However, the Group has enhanced IT capabilities and has seen successful advancement in the ongoing projects. It also noted that tax compliance was a high risk during 2024 due to high tax claims in a number of jurisdictions.

It further noted that liquidity risk and human resource risk were medium; and also discussed the climate risk reports including risk of flooding at head office locations and important health and safety measures.

The members discussed rising tax risks and regulatory challenges to transfer pricing charges.

Human resources, Health and safety, liquidity and IT (including data protection) risks were standing items for discussion at meetings held in 2023 and continued to be discussed in 2024. Assessment of emerging risks (required under the 2018 Code) were a standing agenda item for the Committee's discussions in 2024.

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

Looking ahead to 2025: risk priorities

Key risk priorities for the coming year include:

- Stabilising and improving the size and quality of the loan portfolio.
- Monitoring liquidity risk in light of delays in receiving dividends from subsidiaries and in the light of the significant currency devaluation to the USD in our largest operations.
- Effective management and reporting of key risks, specifically foreign exchange exposure, regulatory risks, as well as any other material developing concerns.
- Advancement and continuous assessment of the Group's IT infrastructure, including deployment of the Temenos Transact Core Banking System in selected markets and digital financial services, as well as maintaining and improving AMBS to meet new requirements for upgrades in the markets where it is still used.
- Evaluate the adequacy of human resources and ensure the appointment of duly qualified and experienced professionals in key markets.
- Reduce the overall tax burden by optimizing transfer pricing strategies.

Audit and Risk Committee report (continued)

Committee effectiveness

A formal evaluation of the Committee's performance took place as part of the wider Board evaluation of performance in 2024 and will be undertaken again at the end of 2025. The Committee considers that it possesses the right skills, and has access to the right resources, to enable it to carry out its duties, and that it has continued to perform effectively. It continues to have good relationships with the auditors, who provide helpful and thorough reports and advice at meetings. The Committee Chair is in frequent contact with the senior management of the Group to discuss business performance, emerging risks, and the competitive environment.

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

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

Monitoring liquidity plans

The Committee considered further reports from management on the Group's cash situation, which continued to be affected by delays in obtaining dividends from the operating subsidiaries due to central bank intervention, and by devaluation itself. Various potential scenarios for 2024 were discussed and the Committee has requested that senior management keep it informed of any developments in the liquidity situation.

Other matters

Other, more routine, matters discussed included:

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

Viability statement

During the year, the ARC has considered a wide range of information relating to present and future projections of profitability, liquidity, currency devaluations, inflations and operating costs. These considerations relate to the global economic uncertainty and its impact on Company's operations, as well as considering potential impacts from other top and emerging risks, and the related impact on profitability, capital and liquidity. In accordance with the UK Corporate Governance Code, the Directors carried out a robust assessment of the principal risks of the Group. In accordance with provision as set out in the Guidance on Board Effectiveness published alongside the UK Corporate Governance Code, the Board confirms that it has a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, for the three-year period up to 2027.

The Directors' assessment has been made with reference to:

- The Group's current position and prospects – please see the Financial review on pages 23 to 37;
- The Group's business model and strategy – please see our business model, our strategy and Key Performance Indicators on pages 11, 16 to 18 and 21-22;
- The Group's recent cash position, including access to funding from local and international sources on pages 23 to 37;
- The Board's risk appetite, and the robust assessment of the Group's principal risks and how these are managed on pages 38 to 48;
- The material uncertainty in relation to going concern as detailed in page 128 to 130 of the financial statements; and
- Risk management approach on pages 38 and 48.

Finally, the Directors reviewed the viability scenarios as well as the Group's strategy and five-year business plan on an annual basis. The viability scenarios sets forth the Group's monthly projections of profitability, cash flows, capital requirements and resources and other key financial and regulatory ratios for the period until December 2026 and annual projections for the period 2027–2029.

Hanny Kemna

Hanny Kemna
Chair of the Audit and Risk Committee
23 April 2025

Nomination Committee report summary

"This year's changes in leadership mark an important step in our journey to sustainable growth – strengthening governance, renewing our strategic focus, and enhancing our commitment to responsible and inclusive growth."

CHRIS LOW
CHAIR OF THE
NOMINATION COMMITTEE

Nomination Committee

The Nomination Committee oversees Board and executive succession planning, ensuring a strong leadership pipeline. It is responsible for promoting diversity, equity, and inclusion across senior management. The Committee also manages Board composition, appointments, and governance principles while reviewing and recommending leadership changes and succession strategies.

Meeting attendance

Member name and role	Meetings attended
Chris Low, Chair[1]	7/7
Hanny Kemna, NED	7/7
Salehuddin Ahmed, NED	5/7
Guy Dawson, NED[2]	7/7

1 Chair as of 16 December 2024.
2 Chair until 16 December 2024.

Staff retention

75%

Key activities in 2024

- Appointed Interim CEO, Chairperson, and key executive roles.
- Strengthened Board diversity and succession planning.
- Reviewed executive salaries and leadership training.
- Launched initiatives for gender diversity and deployment of expatriate managers within the Group

Key areas of focus for 2025

- Oversee Non-Executive Director succession planning.
- Enhance leadership development and performance evaluations.
- Strengthen diversity and inclusion across all levels.
- Monitor executive committee composition and governance improvements.

Nomination Committee report

This is the 7th annual report on the activities of the Nomination Committee following the listing of the Company.

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

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

Rob Keijsers, who was appointed as CEO on 1 April 2025, acted as interim CEO during the period 1 November 2024 until 1 April 2025. During this period Chris Low acted as Executive Chairperson and became Non-Executive Chairperson as of 1 April 2025. These changes followed the stepping down of Karin Kersten as CEO on 1 November 2024.

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

Key activities in the 2024 financial year

During the year the Committee discussed:

- Executive management succession planning, including the search process for the appointment of a CEO following the stepping down of Karin Kersten as CEO on 1 November 2024. This was conducted by the recruitment agency Korn Ferry, which culminated in the appointment of Rob Keijsers as CEO on 1 April 2025.
- Preparations for the changes to the Executive Committee including recruitment of a Chief Risk and Compliance Officer. The Committee also reviewed the composition of the Executive Committee headed by the CEO.
- The onboarding of new Independent Directors, to eventually replace retiring members, led to the appointment of Sheila M'Mbijjewe in December 2024.
- The assessment of senior executives, including their skill sets, knowledge and experience, in order to ensure that an appropriate balance of such qualities has been maintained.
- Following a review of senior management performance within the Group, the appointment of senior leadership including CEOs and CFOs in the operating subsidiaries and regular updates on their performance.
- The adoption of a set of governance principles for the boards at subsidiary level.
- Gender diversity targets, and increasing the proportion of female staff at the head office and country levels, including in senior management at the country level.

Committee roles and responsibilities

The Committee's key roles and responsibilities are:

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

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

Membership and meetings

The Nomination Committee is chaired by myself, and the other members are Guy Dawson, Hanny Kemna and Salehuddin Ahmed. The composition of the Committee satisfies the relevant requirements of the UK Corporate Governance Code ('the Code'). Guy Dawson was the Chair until 16 December 2024 when I took over this role.

Other individuals, such as the Group HR Director and external professional advisers, may be invited to attend all or part of any meeting, as and when appropriate and necessary. The Committee met seven times during the year. The details of members' attendance are set out on page 105.

Changes to the Board

Please refer to page 91.

Nomination Committee report (continued)

Directors' skill sets

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

Rob Keijsers has over 15 years' experience of banking, most recently at a senior level in ABN AMRO Bank where he gained experience in the cross section of business operations and IT in a multinational banking environment, specifically in large-scale digital transformations, post-merger and agile integrations, and setting up greenfield operations. The Committee also considered and reaffirmed the skill sets and experience of the Company's Non-Executive Directors, including their extensive experience within financial services.

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

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

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

Sheila M'Mbijjewe is a UK- and Kenyan-qualified accountant who retired in June 2023 as the first female Deputy Governor of the Central Bank of Kenya after completing her second four-year term. As a key member of the central bank leadership, she helped oversee Kenya's financial system and promoted pan-African financial stability, building extensive knowledge and contacts across the continent. Before joining the Central Bank of Kenya, she was Executive Director and Head of Consumer Banking, East Africa, at Standard Chartered Bank.

Dirk Brouwer is an experienced investment banker, having held senior roles in PaineWebber and Merrill Lynch as well as over 16 years of experience in microfinance as Director of ASA International. He was a director of ASA International from the incorporation of the Company in 2007 until 2024 and acted as CEO from 2018 to 2023.

Further information on the background and experience of each of the Directors can be found in their biographies on page 86-87.

Succession planning – Board and senior management

The Committee manages Board and senior management succession under a structured, proactive methodology. The Committee discussed and agreed on the appointment of a new CEO and Non-Executive Director. Following evaluations of the candidates, the Committee recommended the appointment of Sheila M'Mbijjewe as Independent Director, whose appointment was confirmed on 17 December 2024.

The Board appointed Rob Keijsers as interim CEO on 1 November 2024, following Karin Kersten's resignation. After an independent selection process, managed by the Committee and involving interviews with multiple candidates, he was confirmed as CEO on 1 April 2025. Chris Low acted as Executive Chairperson until formal appointment of the CEO.

The Committee supported the senior management in the appointment of CEOs and CFOs in the different countries as part of a succession plan designed to re-invigorate all local management teams. Emphasis was placed on hiring financial professionals with a strong banking or digital financial services background who had demonstrated that they were drivers for growth in previous roles.

In 2024, the Committee reviewed the succession plans for senior management across the Group, in the light of the evolving business outlook and the strategies adopted by the Company.

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

Diversity

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

The Committee discussed the increasing importance of gender, national and cultural diversity. Under the direction of the new Diversity Equity, and Inclusion ('DEI') Committee chaired by the CEO, the Company continues to focus on appointing more women in senior management roles, training female staff for leadership roles at the entity level and stepping up the hiring of women across the board; and the country managements are now working towards firm targets for increasing the proportion of female staff. Progress on this front, which varies according to local cultural norms, is tracked by the Committee.

Nomination Committee report (continued)

Numeric data – UK Listing Rule 9.8.6 (10)

	Number of Board directors	Percentage of the Board	Number of senior positions on the Board (CEO and Chair)	Number in executive management	Percentage of executive management
Sex					
Men	5	71%	2	5	100%
Women	2	29%	0	0	0%
Other Categories	0	0%	0	0	0%
Not specified/Prefer not to say	0	0%	0	0	0%
Ethnicity					
White British or other White (including minority-white groups)	5	71%	2	1	20%
Mixed/Multiple ethnic groups	0	0%	0	0	0%
Asian/Asian British	1	14%	0	3	60%
Black/African/Caribbean/Black British	1	14%	0	0	0%
Other ethnic group including Arab	0	0%	0	0	0%
Not specified/prefer not to say	0	0%	0	1	20%

Compliance – UK Listing Rule 9.8.6 (9)

UK Listing Rules Requirements	Outcome	ASA International Plc position as at 31 December 2024
At least 40% of Board directors are women	Target not met	29% of the Board directors are women. This matter will be taken into account when a new director is considered.
At least one senior Board position held by a woman	Target met	There are two female directors, one of whom is also a senior independent director.
At least one Board director from a minority ethnic background	Target met	Two Board directors are from a minority ethnic background.

1 All data as at 31 December 2024 (the reference date).

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

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

4 Changes since the reference date: Ms. Grace Thiongo joined the Executive Committee on 10 March 2025. Her presence has an impact on the numbers and percentages of the executive management.

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

The key ratio of female to male employees is increasing faster in some countries than in others, and therefore 'softer' targets, such as training and creating a more female-friendly working environment, are now also being implemented, as we work towards achieving our aim of having a workforce that reflects more closely our mostly female client base. Read about DEI efforts on page 60.

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

Non-Discrimination Policy

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

More detail on the Group's approach to diversity can be found in the ESG report on page 60.

Insurance

The Company renewed its D&O insurance.

Reappointment of Directors

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

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

Following this year's review in advance of the 2025 AGM, the Committee recommended to the Board that all serving Directors (other than Salehuddin Ahmed who will be retiring at the 2025 AGM) be recommended to the shareholders for re-election at the AGM.

Committee effectiveness

The annual evaluation of the Committee's effectiveness has been undertaken in respect of 2024. The Committee continued to function well during 2024, with succession planning and succession management as the main focus of attention against a background of senior management restructuring. Senior management is appreciative of the support given by the Committee and especially its Chair at that time. For further information, see 'Board performance evaluation' on page 95.

In 2025, the Committee will focus its attention once again on succession among the Non-executive Directors, taking into account as always the Board's and Committees' skills and balance requirements. The Committee considers that it has access to sufficient resources to enable it to carry out its duties.

Chris Low
Chair of the Nomination Committee
23 April 2025

Remuneration Committee report summary

The Committee remains committed to ensuring that remuneration supports our strategic priorities, reinforces accountability, and is aligned with shareholder expectations."

Hanny Kemna

HANNY KEMNA
CHAIR OF THE REMUNERATION COMMITTEE

Remuneration Policy

The Remuneration Policy, last approved in 2023 for a three-year period, will be revised and resubmitted at the 2025 AGM due to proposed updates on variable pay. In 2024, senior management focused on introducing principles for performance-based pay, talent development, updated hiring criteria, remuneration practices, and leadership culture. Staff retention remained strong at 75%.

Meeting attendance

Member name and role	Meetings Attended
Hanny Kemna, Chair	6/6
Salehuddin Ahmed, NED	4/6
Sheila M'Mbijjewe, NED[1]	0/0
Guy Dawson, NED[2]	1/1
Chris Low, NED[3]	4/4

1 Member as of 17 December 2024.
2 Member as of 16 December 2024.
3 Member until 16 December 2024.

Key activities in 2024

The Committee met six times and:

- Reviewed salary adjustments for key employees to align with inflation and market rates.
- Benchmarked executive salaries with an independent review by Willis Towers Watson.
- Oversaw the introduction of performance-based pay on a trial basis in few countries.
- Considered proposals for a Group-wide performance management system.
- Reviewed Executive Committee composition and pay structure.
- Considered a limited LTIP award for key executives and senior staff.

Key areas of focus for 2025

- Oversee LTIP awards under the stock option scheme.
- Benchmark salaries for the Executive Committee and key head office roles.
- Implement a staff performance evaluation system aligned with business needs.
- Ensure competitive rewards for key staff across the Group.
- Grant stock options to the CEO and key senior managers, with terms similar to past years, pending finalization.
- Revise the Remuneration Policy.

Remuneration Committee report

Annual statement from the Remuneration Committee Chair

On behalf of the Remuneration Committee, I am pleased to present the report on Directors' remuneration for the 2024 financial year.

Remuneration Policy

The Remuneration Policy set out in this report was last approved by the shareholders at the 2023 AGM, and applies to Board remuneration for three years from the date of approval. As the Board has proposed certain changes to the Remuneration Policy as set forth in this report, the policy will be presented for approval at the 2025 AGM.

How the Group performed

In 2024, the senior management focused on introducing principles for performance based pay for senior roles and nurturing talent across the Group, qualifications for new hires, updated remuneration policies and a focus on culture and leadership development. Staff retention continued to be strong at 75%.

Key activities in the 2024 financial year

During the year the Committee met on six occasions and:

- Reviewed certain salary adjustment to key employees (to adjust for inflation and markets rates) and discussed and agreed on the introduction of performance based on a trial basis.
- Discussed the development of a Group-wide performance management and evaluation system for staff.
- Reviewed the salaries of key executives against a peer group benchmark assessment (conducted by the independent consultants Willis Towers Watson), following changes in executive roles and responsibilities during the year.
- Discussed and agreed on a settlement agreement for Karin Kersten after her stepping down as CEO on 1 November 2024.
- Recommended to the Board for approval of a salary increases for the CEO. This included the new salary of Rob Keijsers when he stepped up as Interim CEO on 1 November 2024.
- Discussed the composition of the Executive Committee and pay structure for key members.
- Considered a limited Long-Term Incentive Plan ('LTIP') for selected group of Executive Committee members and key senior staff and reviewed the scope of the awards in 2024.
- Discussed a policy for the more effective deployment of expatriate staff.
- Reviewed eligibility of pension policy for all group head office staff.
- Discussed the pilot project for variable pay to be tested in Nigeria and Uganda.

Priorities for 2025

- To continue to oversee the making of awards under the stock option scheme.
- To continue the practice of commissioning independent benchmark reports on the salaries for the Executive Committee members and key head office roles.
- To oversee the development and implementation of a staff performance management and evaluation system that is supportive of the current business model while also being geared to the requirements of the future.
- To ensure that key staff across the Group continue to be rewarded appropriately.
- The Company intends to grant options to the CEO and key senior managers in 2025 but the basis for grant and the timing has not yet been determined. Such options are expected to be exercisable on substantially the same terms as those granted in 2022, 2023 and 2024.
- Update the Remuneration Policy.

Remuneration in 2024

ASA International has a long-established business model, and its human resources policies had traditionally been tailored to this model including its standardised remuneration policies. In 2024 the Company decided to steer towards a more broader performance-based Remuneration Policy across the Group which it will gradually introduce. In 2024 it ran a few trials on performance-based pay which will carry on in 2025.

Rob Keijser's salary increased to USD 350,000 when he was appointed Interim CEO. No other changes were made to Executive Directors' remuneration, except for a mid-year salary adjustment for the former CEO, in line with a prior understanding with the Board.

Employee base salaries are subject to an annual cost of living increase: average total compensation for employees of the Group increased by 0.3% in 2024.

Remuneration Committee report (continued)

1. Remuneration Committee roles and responsibilities

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

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

The Remuneration Committee also ensures compliance with the Code in relation to remuneration. The Committee's main responsibilities are to:

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

2. Remuneration Committee membership

The Code provides that a Remuneration Committee should comprise at least three members who are independent Non-Executive Directors (other than the Chairperson of the Board). The Remuneration Committee, chaired by Hanny Kemna comprises Salehuddin Ahmed and Chris Low until 16 December 2024. On that date the composition changed, with Guy Dawson replacing Chris Low. Sheila M'Mbijjewe joined the Committee on 17 December 2024. Chris Low will continue to attend meetings by invitation, as is commonly the case for all Directors.

All of the members of the Committee are independent. Details of members' attendance at meetings in 2024 are set out on page 109.

Remuneration Committee report (continued)

3. Directors' and key managers' salaries

On 1 November 2024, Rob Keijsers was appointed Interim CEO. His salary was increased by USD 100,000 per annum, by way of an acting allowance, to a total remuneration of the equivalent in Euros of USD 350,000 per annum. Mr Keijsers is employed under a Dutch employment agreement and in accordance with Dutch law requirements he is required to give 3 months' notice of termination of employment and receive 6 months' notice to terminate his employment.

On 22 July 2024, Rob Keijsers was awarded 150,000 share options under the LTIP (alongside a grant of 200,000 options to Karin Kersten who was still CEO at that time which options were subsequently reduced when she stepped down as CEO).

On 1 November 2024, Chris Low was appointed as Executive Chairperson and his remuneration was set at GBP 193,300 (approx USD 250,000) per annum pro rata until such date as a permanent CEO was appointed. The Executive Chairperson role was agreed to be fulfilled by a time commitment of 2.5 days per week.

The Committee approved a fee of GBP 55,000 per annum for Sheila M'Mbijjewe's appointment on 17 December 2024 as Non-Executive Director in line with the fees paid to the other Independent NEDs.

Dirk Brouwer's salary is USD 375,000. Over time, his salary will decrease, but will not fall below USD 200,000. He is not entitled to any pension contribution by the Company, and will not receive any further variable remuneration, including LTIP grants. Mr Brouwer is employed under a Dutch employment agreement as of June 15, 2023 and in accordance with Dutch law requirements he will be required to give 3 months' notice of termination of employment and receive 6 months' notice to terminate his employment. Mr Brouwer's change of role will not impact his outstanding LTIP award.

The salary levels for senior managers responsible for managing the Group were initially set in 2018 based on advice received from the remuneration consultants Willis Towers Watson who performed a benchmarking study of salaries in Dhaka and the Netherlands at the time of the IPO in 2018, which was updated in 2023. These salaries have over time been adjusted to reflect individual promotions. The majority of senior management was rewarded at the time of the IPO through the vesting of share options. In addition, as described below a selected group of employees was awarded stock options in 2022, 2023 and 2024.

Salaries at a country level are set by the local country management. Through our employee surveys, management collects insights on salary expectations. The Company also considers salary levels paid in the local markets including those paid by our competitors. In 2024, the average percentage increase in salaries in USD terms at the Group was 0.3% and the actual increase in expenditure was 4.2% (see table below).

Particulars	Total (2024) USD'000	Total (2023) USD'000	Increase in USD'000	%
Employees' remuneration	64,794	62,159	2,634	4.2

The Company has adopted an LTIP as more fully described on pages 114 and 118.

Key performance indicators

KPIs	2024	2023	2022	2021	2020	% change 2024 –2023	% change 2023 –2022	% change 2022 –2021	% change 2021 –2020
Number of clients (m)	2.5	2.3	2.3	2.4	2.4	8%	0%	-4%	0%
Number of branches	2,145	2,016	2,028	2,044	1,965	6%	-1%	-1%	4%
Net loss/profit	28.5	8.8	17.9	6.4	-1.4	226%	-51%	180%	-557%
OLP[1]	446.6	361.9	351.2	403.7	415.3	21%	3%	-13%	-3%
PAR>30 days[2]	2.2%	2.1%	5.9%	5.2%	13.1%	6%	-64%	13%	-60%

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

2 PAR>30 shown in the table is the percentage of on-book OLP that has one or more instalments of repayment of principal past due for more than 30 days and less than 365 days, divided by the Gross OLP (excluding off-book loans).

Remuneration Committee report (continued)

The annual percentage change in the Directors' pay over the five years to 2024, compared to the average for other employees, is set out below:

Annual salary/fee	Currency	2024	2023	2022	2021	2020	% change 2024 –2023	% change 2023 –2022	% change 2022 –2021
Executive Directors									
Rob Keijsers	USD	350,000	–	–	–	–	–	–	–
Chris Low	GBP	193,300[1]	–	–	–	–	–	–	–
Karin Kersten	EUR	386,183[2]	375,000	187,815	–	–	5%	99.6%	–
Non-Executive Directors									
Dirk Brouwer	USD	375,000	375,000	425,000	425,000	425,000	0%	-12%	0%
Guy Dawson	GBP	55,000[3]	75,000	70,000	70,000	60,000	-27%	7%	17%
Sheila M'Mbijjewe	GBP	55,000	–	–	–	–	–	–	–
Chris Low	GBP	65,000[4]	65,000	–	–	–	0%	–	–
Hanny Kemna	GBP	65,000	65,000	60,000	60,000	50,000	0%	8%	0%
Salehuddin Ahmed	GBP	55,000	55,000	50,000	50,000	50,000	0%	10%	0%
Average salary per staff[4]	USD	4,371	4,358	4,274	3,665	3,440	0.3%	2%	17%
Earnings growth[5]		226%	-51%	180%	557%	-104%			

1 GBP 193,300 from 1 November 2024, following his appointment as the Executive Chairperson.
2 Karin Kersten's salary increased in July 2024 until 1 May 2025 (as of 1 November 2024 she is no longer a Director).
3 Guy Dawson's salary changed from GBP 75,000 to GBP 55,000 from 1 November 2024.
4 All ASAI staff excluding Executive Directors.
5 ASAIG consolidated.

3.1 Other commitments

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

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

On 1 November 2024 Karin Kersten stepped down as CEO and it was agreed that the following payments would be made pursuant to a settlement agreement dated 17 October 2024 between her and the Company The Board acknowledges the CEO's departure on amicable terms and recognises her as a good leaver, appreciating her valuable service to the Company:

- Monthly salary (based on EUR 386,183.23 p.a. (gross) and normal benefits during her six-month notice period to 1 May 2025, together with a payment in lieu of accrued but not taken holiday entitlement as at that date
- In May 2025, a lump sum payment of EUR 38,439.55 (before deductions for tax and social security) equal to the transition fee (transitievergoeding), as required under Dutch law.
- Outstanding share option awards under the Long Term Incentive Plan ("LTIP"), reduced pro-rata to reflect her period of employment to 1 May 2025, will be allowed to vest on their original vesting dates (October 2025 to July 2029), in accordance with the rules of the LTIP (including malus and clawback provisions). This means a maximum of 225,638 shares will be delivered to the extent options are exercised as per the schedule in the table to the right:
- Up to EUR 40,000 (plus VAT) will be paid in respect of legal advice and outplacement support.
- Rob Keijsers was awarded 114,113 options under the LTIP on 28 October 2022 and 150,000 options on 22 July 2024.

Remuneration Committee report (continued)

4. Remuneration Policy

This section sets out the proposed Remuneration Policy, which will take effect subject to shareholders' approval at the 2025 AGM.

4.1 Review and implementation of policy

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

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

The Board is proposing the following change to the current Remuneration Policy: The Company intends to introduce a performance-based incentive scheme, which will not pay out more than 100% of salary in any year. The performance conditions will be determined by the Board.

4.2 Policy table for Executive Directors

The adjacent table sets out all the components of remuneration for the Executive Director from the date of the AGM as approved in 2024, other than recruitment packages. See also table in Para 5.3.

Policy table – Executive Directors

Component and rationale	Description	What is the maximum that may be paid in respect of the component?
Basic salary *Helps to recruit and retain high-calibre Directors.*	The Committee reviews basic salary annually, taking account of performance and market conditions. Basic salary will not normally be increased by more than the annual increase in basic salary of employees of the group except as described, in relation to new recruits, in paragraph 4.8.	Except upon promotion to a more senior post or a material increase in his or her responsibilities, or if the average annual basic salary increase of Group employees exceeds 10%, no Executive Director's basic salary may be increased by more than 10% in any year.
Benefits *Enables Directors to perform their roles effectively by contributing to their well-being and security. Provides competitive benefits consistent with the role.*	Benefits are set by the Committee from time to time and currently include: • 13th month bonus equal to one month salary. • Private medical cover. • Life assurance cover. • Expatriate benefits offered in connection with recruitment. • Reimbursement for reasonable expenses incurred in connection with duties, including travel expenses and any tax payable on travel expenses.	Any such incentive not to exceed 100% of salary in any year
Performance-based incentive	The performance conditions will be set by the Remuneration Committee. Any rewards or incentives may be a combination of cash (for any single year) and/or options under the existing LTIP Scheme. Leaver provisions will be treated in the same way as paragraph 4.9.	Any such incentive not to exceed 100% of salary in any year
Options *Aligns pay with longer-term returns to shareholders.*	Directors can be granted options under the ASA International Long-term Incentive Plan ('LTIP'). These are rights to acquire shares (or a cash equivalent) at any time after vesting for an exercise price set at grant which is based on the market value of a share at grant. Options will normally vest in three instalments starting on the third anniversary of grant (60%), and on the fourth and fifth anniversaries of grant (20% each). No performance conditions or post-vesting holding periods apply. Malus and clawback provisions apply as described below. Options have a term of ten years and can only be exercised to the extent they have vested. Dividend equivalents are not payable.	The fair value of options (as used for accounting purposes) granted to any one Director in any one financial year must not be more than 100% of their basic salary.
Pension *Helps to recruit and retain high-calibre directors.*	Executive Directors are entitled to an employer contribution to a pension scheme or a cash payment in lieu.	Payments in lieu of pension and employer contributions to defined contribution schemes are limited to 17% of each member's basic salary. This is equivalent to the contribution rate for the majority of the workforce.

Remuneration Committee report (continued)

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

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

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

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

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

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

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

Policy table – Non-Executive Directors

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

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

If a Non-Executive Director provides additional services to the Group (not in connection with directorial duties), they may be paid for those services on a basis agreed by the Board of Directors.

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

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

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

Remuneration Committee report (continued)

4.7 Approach to recruitment

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

When recruiting a new Executive Director, the starting point for negotiations would be the components described in the table in paragraph 4.5. The Committee may take into account benchmarking studies and industry salary levels for comparable roles. However, the Committee retains final discretion over setting such remuneration and may adjust it if deemed necessary for the recruitment of a particular individual.

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

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

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

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

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

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

When recruiting a Non-Executive Director (including a Chair), the remuneration offered would be consistent with the components described in the table in paragraph 4.5.

4.8 Service contracts and letters of appointment

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

Non-Executive Directors are appointed for an initial (and renewable) three-year term but are subject to annual re-election at the AGM.

4.9 Policy on notice periods and payments for loss of office

The Company's policy is that:

- The CEO contract (and the employment contract of Dirk Brouwer, being Deputy Chairperson and Special Adviser) requires a notice period of six months by the employer (and three months for the employee).
- Non-Executive Directors' letters of appointment require three months' notice from either party but are terminated immediately if Director is not re-elected at an AGM. For future Executive Directors, the notice period will not be more than twelve months.

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

Component	Determination
Salary and benefits	The Director receives salary and benefits and pension (if any) benefits during their notice period. The Company can decide to make a payment in lieu of notice equal to basic salary for the balance of the notice period and may decide to pay this in instalments subject to reduction if the Director enters alternative employment before the end of the notice period.
Options	An unvested option will normally lapse on leaving employment. Options which have already become exercisable may be exercised for up to 12 months from the date of leaving after which they will lapse. However, if the Executive Director dies or leaves because of disability, ill-health, injury, redundancy, retirement, sale of their employer (or in other circumstances if the Committee allows), the option will continue in effect and, unless the Committee decides otherwise, the number of shares in respect of which it can vest and be exercised will be reduced pro rata to reflect the fact that the Director left early. Alternatively, the Committee may allow the option to vest on leaving, or at some point thereafter, in which case (unless the Committee decides otherwise) the number of shares in respect of which the option can be exercised will be reduced pro rata to reflect the fact that it is vesting early. If the Executive Director dies, the option will vest on the date of death to the extent described above.
Other	• A departing Executive Director may also be paid some or all of the following on a reasonable basis to be determined by the Committee: • Reasonable legal tax or outplacement expenses. • Accrued holiday pay. • Payments in compensation for non-compete restrictions. • Relocation expenses. • Amounts required to satisfy or settle any actual or potential legal claim by the Director against any Group company. • Ex gratia retirement gifts and presentations. • Transition fees under Dutch law

Remuneration Committee report (continued)

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

4.10 Remuneration Policy for key executives

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

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

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

On 18 July 2018, a number of the senior managers, (including the then Executive Directors and Managing Directors of the subsidiaries) who were instrumental in the creation of ASA International, were awarded a beneficial interest in a portion of the shares of the Company following the exercise of the 10% stock option agreed by the Company pre-IPO.

The Company intends to introduce a performance-based incentive scheme which will not pay more than 100% of salary in any year. The performance conditions will be determined by the Board.

5. Directors' Remuneration Report 2024

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

The report also summarises the fees paid to Directors in 2024 as well as the current shareholding of the Chairperson and the Executive Directors in the Company.

The 2023-2026 Remuneration Policy was approved by 95.58% of the votes cast, with 4.42% against and 0 votes withheld, at the AGM held on 15 June 2023. The 2023 Remuneration Report was approved by 94.95% of the votes cast, with 5.05% against and 0 votes withheld at the AGM held on 20 June 2024.

Grant date	Exercise price (GBP)	Number of shares under option	Normally exercisable from	Vesting date	Number of shares under option tranche		Pro-rate to termination (1 May 2025)
10/28/22	0.93	157,253	60% – 28 October 2025	10/28/25	94,351	84%	78,855
10/28/22			20% – 28 October 2026	10/28/26	31,451	63%	19,718
10/28/22			20% – 28 October 2027	10/28/27	31,451	50%	15,777
7/3/23	0.84	125,088	60% – 3 July 2026	7/3/26	75,052	61%	45,743
7/3/23			20% – 3 July 2027	7/3/27	25,018	46%	11,438
7/3/23			20% – 3 July 2028	7/3/28	25,018	37%	9,147
7/22/24	0.82	200,000	60% – 22 July 2027	7/22/27	120,000	26%	31,013
7/22/24			20% – 22 July 2028	7/22/28	40,000	19%	7,748
7/22/24			20% – 22 July 2029	7/22/29	40,000	15%	6,199
Total		**482,341**			**482,341**		**225,638**

5.1 2024 Implementation of the Remuneration Policy

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

On 28 October 2022, the Company granted options ('Options') over about 2,500,000 ordinary shares of GBP 0.01 each in the Company ('Shares') under its LTIP to certain Executive Directors and executives at the Group and country level. As of 31 December 2024, the ASA International Group plc Employees Benefit Trust has acquired a total of 1,609,558 shares.

Karin Kersten was granted 157,253 options on 28 October 2022. Karin Kersten also received an exceptional award of 125,088 share options under the LTIP on 3 July 2023 and was awarded 200,000 share options under the LTIP on 22 July 2024. The Options were reduced upon her exit from the Company. Following entering into a Settlement Agreement, the number of Options were reduced. See table above.

Rob Keijsers was awarded 114,113 Options under the LTIP on 28 October 2022 and 150,000 Options on 22 July 2024. The Options will normally vest, subject to continued employment, on the following schedule: 20% on each anniversaries of the Grant Date. (In case of Rob Keijsers, it is noted that 40% of the options had already vested on 28 October 2024, before he became a Director.) To the extent they vest, the Options are exercisable at a average price of GBP 0.87 per ordinary share, being the average share price for the three business days before the Grant Date.

Remuneration Committee report (continued)

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

Name	Position	Salary/Fees paid	Pension	Benefits	Bonus	Total variable pay (2024)	Total variable pay (2023)	Total variable pay (2022)	Total fixed pay (2024)	Total fixed pay (2023)	Total fixed pay (2022)
Chris Low	Chairperson[1]	GBP 86,383		Travel expenses on actuals	0	0	0	0	GBP 65,000[1]	–	–
Guy Dawson	Non-Executive Director[2]	GBP 71,667		Travel expenses on actuals	0	0	0	0	GBP 75,000	GBP 70,000	GBP 70,000
Hanny Kemna	Non-Executive Director[3]	GBP 65,000		Travel expenses on actuals	0	0	0	0	GBP 65,000	GBP 60,000	GBP 60,000
Sheila M'Mbijjewe	Non-Executive Director[4]	GBP 2,218		Travel expenses on actuals	0	0	0	0	-	-	-
Salehuddin Ahmed	Non-Executive Director	GBP 55,000		Travel expenses on actuals	0	0	0	0	GBP 55,000	GBP 55,000	GBP 50,000
Rob Keijsers	Chief Executive Officer[5]	USD 58,333	USD 2,278	Travel expenses on actuals	0	0	0	0	USD 58,333	–	–
Dirk Brouwer	Deputy Chairperson and Special Adviser	USD 375,000		Travel expenses on actuals	0	0	0	0	USD 375,000	USD 425,000	USD 425,000
Karin Kersten	Former Director and CEO[6]	EUR 380,593	EUR 13,164	Travel expenses on actuals	0	0	0	0	EUR 375,000	EUR 187,815	-

Note: (a) No pension was provided to the Directors with the exception of Rob Keijsers and Karin Kersten. (b) No bonuses are paid to Non-Executive Directors under the policy and no long term incentives vested. (c) All salaries are paid on a pro rata basis.

1 Chris Low's annual fee was GBP 65,000 until 1 November 2024, after which it was increased to GBP 193,300 following his appointment as the Executive Chairperson. The increased salary (from November 2024) was settled in January 2025.
2 Guy Dawson's fee was changed from GBP 75,000 to GBP 55,000 effective 1 November 2024.
3 Hanny Kemna receives GBP 55,000 plus an additional GBP 10,000 for chairing two committees.
4 Sheila M'Mbijjewe joined the Board on 17 December 2024 and received her pro rata salary for December in January 2025.
5 Rob Keijsers' annual salary was USD 250,000. He received an additional annual acting allowance of USD 100,000 from 1 November 2024 following his appointment as Interim CEO.
6 Karin Kersten's annual salary was increased in July 2024. Karin Kersten was enrolled in the Company's pension plan until 1 November 2024.

5.3 Share Options granted in 2024 to Executive Directors

On 22 July 2024 the Company granted options ('Options') over 150,000 ordinary shares of £0.01 each in the Company ('Shares') under its LTIP to Rob Keijsers. The number of Options granted was a Board decision. The Options will normally vest, subject to continued employment, on the following schedule:

- 20% on each anniversaries of the Grant Date.

To the extent they vest, the Options are exercisable at a price of 82 pence per ordinary share, being the average share price for the three business days before the Grant Date. Options do not attract dividend equivalents. The face value of the Option is 123,000 based on the price of 82 pence per ordinary share.

In April 2022 the Employee Benefit Trust ('EBT') that is entitled to hold the Shares in relation to the LTIP was established. The EBT is managed by an independent Trustee. The EBT has acquired an additional 304,728 Shares of the Company by the end of 2024 to hold in reserve for employees who choose to exercise their option rights under the LTIP.

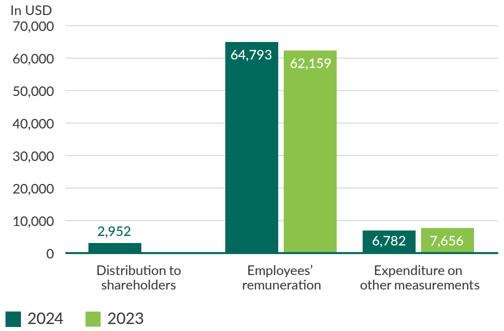
Malus and clawback provisions only apply to Options, and no component of remuneration is dependent on performance measures or targets (save for value being linked to share price increase, in relation to options). The Company does not have any in-employment or post-employment shareholding requirements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

The Company has selected a total vesting period of five years (with options normally vesting in instalments between years three and five) as the appropriate vesting period, as the Company believes that a phased, long-term vesting period (without any additional holding period) is warranted given the growth stage of the Company and the fact the market-value structure of the Option plan means the options' value depend on sustained share price growth.

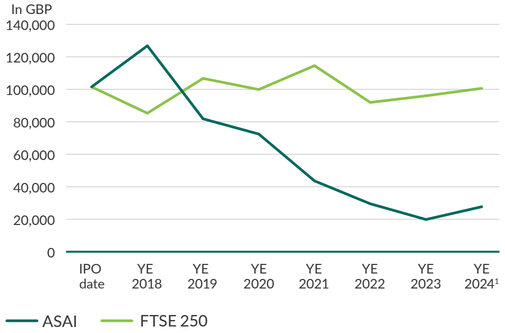
Remuneration Committee report (continued)

5.4 Other disclosures

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



Historical TSR performance (GBP '000s)



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

1 2024 calculation includes the interim dividend paid on 24 December 2024.

CEO annual salary and long term incentives	2024	2023
Annual salary	USD 350,000[1]	EUR 375,000

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

1 Paid in Euros.

6. Directors' shareholdings

The shareholdings of Directors in the Company as of 31 December 2024 are shown below.

Name of Director	Number of shares	% holding
Dirk Brouwer[1,2,3]	0	0%
Rob Keijsers	526,545	0.5%

1 Dirk Brouwer has undertaken a restructuring of his economic ownership of ASA International for the benefit of his four children effective 30 December 2024. Consequently, Dirk's economic interest went from 19.3 to 0%.

2 As of 31 December 2024, Dirk Brouwer holds a 46.01% controlling interest in the Company through CMIMC, which he ultimately controls. This interest is held via Catalyst Microfinance Investors (29.2%) and Catalyst Continuity (16.81%), both also under his ultimate control via CMIMC. Decisions taken by this company, including decisions as to the voting of the relevant shares, are made by the Board of Directors thereof (i.e. Dirk Brouwer).

3 On 5 March 2025, Dirk Brouwer's interest in the Company reduced to 40.07%. This interest is held via Catalyst Microfinance Investors (21.94%) and Catalyst Continuity (18.13%), both also under his ultimate control.

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

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

A consequence of the current aggregate shareholding of the Concert Party being 40,066,894 shares is that any increase in that aggregate shareholding (which could result from, among other things, any exercise of the Options granted to Dirk Brouwer), may result in a requirement under Rule 9 of the Takeover Code for the Concert Party to make a mandatory offer for the remainder of the share capital of the Company not already held by it. Therefore, in 2023 and 2024 the Independent Directors, being all of the directors of the Company who are not members of the Concert Party, sought and obtained a waiver from the Takeover Panel in respect of any requirement for the Concert Party to make such a mandatory offer under Rule 9 of the Takeover Code. The terms of this waiver were subsequently approved by the independent shareholders of the Company at the 2023 AGM and 2024 AGM.

Remuneration Committee report (continued)

7. Service contracts and letters of appointment

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

Chris Low – Non-Executive Director

Mr Low is the Non-Executive Chairperson and Director engaged through a letter of appointment dated 12 December 2022 and subsequently revised by a new letter dated 17 December 2024 w.e.f. 1 November 2024 when he was appointed as the Executive Chairman. His initial appointment took effect on 1 February 2023. He is a member of the Nomination, Audit and Risk and Independent Directors Committees. His fee as a Non-Executive Director was GBP 65,000 per annum until 1 November 2024. From 1 November 2024 until 1 April 2025 his fee is GBP 193,300 per annum paid on a pro rata basis. His engagement with the Company can be terminated with three months' notice.

Rob Keijsers – Chief Executive Officer

Mr Keijsers is employed through an employment agreement dated 27 February 2022 (effective from 9 May 2022). A new employment agreement dated 12 December 2024 (effective from 1 November 2024) was executed upon his appointment as Interim CEO. His current salary is USD 350,000 including an annual acting allowance of USD 100,000. Mr Keijsers employment is terminable in accordance with Dutch Law. The Company shall observe a notice period of six months and Mr Keijsers will observe a notice period of three months. The Company will consider making a payment under any such agreement on a case-by case basis, taking account of the contractual terms, the circumstances of the termination and any applicable duty to mitigate.

Dirk Brouwer – Deputy Chairperson and Special Adviser

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

Guy Dawson – Non-Executive Director

Mr Dawson is a Non-Executive Director engaged through a letter of appointment dated 28 June 2018 and served as Non-Executive Chairperson from 1 January 2021 until 1 November 2024. His fee as a Non-Executive Director is GBP 55,000 per annum and his engagement with the Company can be terminated with three months' notice.

Hanny Kemna – Non-Executive Director

Ms Kemna is a Non-Executive Director engaged through a letter of appointment dated 28 June 2018. She is the Chair of the Remuneration Committee, and the Audit and Risk Committee (and member of the Independent Directors' Committee). Her fee as a Senior Independent Director is GBP 65,000 per annum (including a GBP 10,000 fee for chairing the Audit & Risk Committee and Remuneration Committee) and her engagement with the Company can be terminated with three months' notice.

Salehuddin Ahmed – Non-Executive Director

Dr Ahmed is a Non-Executive Director engaged through a letter of appointment dated 7 December 2020. He is a member of the Nomination and Audit and Risk Committees (and the Independent Directors' Committee). His fee as a Non-Executive Director is GBP 55,000 per annum and his engagement with the Company can be terminated with three months' notice. His term was extended until 19 June 2025 by virtue of the letter of extension dated 17 December 2024.

Sheila M'Mbijjewe – Non-executive Independent Director

Ms. M'Mbijjewe is a Non-Executive Director through her letter of appointment dated 14 November 2024, effective from 17 December 2024. She is a member of the Remuneration Committee, Audit and Risk Committee and the Independent Directors' Committee. Her fee as a Non-Executive Director is GBP 55,000 per annum and her engagement with the Company can be terminated with three months' notice.

Annual Salary Executive Director (as at 31 December 2024)	Fee
Rob Keijsers	USD 350,000
Chris Low[1]	GBP 193,300

1 From 1 Nov 2024 until 1 April 2025.

Consideration of shareholders' views

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

Committee Effectiveness

The 2024 evaluation of the Committee's effectiveness indicated that it remained satisfactory, and the Committee was properly consulted on the remuneration implications of Executive Director and other senior management changes, with full briefings provided including independent peer group pay comparisons. In 2025, the Committee looks forward to discussing management's proposals for updated HR policies and the new Remuneration Policy, which includes a more structured system for staff performance evaluation.

This report was approved by the Board of Directors on 23 April 2025 and signed on its behalf by:

Hanny Kemna

Hanny Kemna
Chairperson of the Remuneration Committee
23 April 2025

Independent Directors' Committee report

The Independent Directors' Committee identifies and manages matters involving conflicts of interest (including potential conflicts of interest) between any Group company, on the one hand, and any controlling shareholder or related party (each as defined under the UK Listing Rules), on the other hand. It is also responsible for overseeing and scrutinising the relationship between the Group, its related parties and its controlling shareholders (including evaluating, monitoring and approving any material transactions or arrangements between such parties and generally monitoring compliance with the Relationship Agreement (see page 93).

In 2024, the Independent Committee discussed amongst other things succession planning, the hiring of a qualified internal auditor, as well as the potential appointment of a new Non-Executive Director in 2024 and 2025.

The Independent Directors' Committee comprises all of the Independent Non-Executive Directors, being Salehuddin Ahmed, Guy Dawson, Hanny Kemna, Sheila M'Mbijjewe and Chris Low. The Committee met three times in 2024.

Meeting attendance

Member name and role	Meetings attended
Hanny Kemna, NED	3/3
Chris Low, NED[1]	3/3
Salehuddin Ahmed, NED	3/3
Guy Dawson, NED	3/3
Sheila M'Mbijjewe, NED[2]	0/0

1 Member until 1 November 2024 due to appointment as Executive Chairperson of the Board.

2 Member as of 17 December 2024.

Disclosure Committee report

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

The Disclosure Committee had conference calls and meetings through the year in 2024 to assess developments in the Company and concluded on each occasion that there was no matter which could be considered as inside information or thought to be capable of becoming inside information.

Directors' report

The Directors of the Company present their report for the year ended 31 December 2024. The Company is a public limited company, incorporated in England and Wales with the registered number 11361159 and with its registered office situated at Highdown House, Yeoman Way, Worthing, West Sussex BN99 3HH, United Kingdom.

The Strategic Report, set out on pages 01 to 83 of this Annual Report, and Corporate governance report, Committee reports and the Directors' Remuneration Report, set out on pages 84 to 125 of this Annual Report, include information that would otherwise need to be included in this Directors' report. Relevant items are referred to below and incorporated by reference into this report.

Results and dividends

The consolidated results for the year are shown on page 137 to 140. The profit before tax of the Company was USD 63.5m in 2024, as against USD 32.2m for the previous year.

An interim dividend for 2024 of USD 0.03/share was paid to shareholders on 24 December 2024.

Directors

The names of the Directors of the Company at the date of this report, together with biographical details, are given on page 86-87 of this Annual Report. All of them served throughout the 2024 financial year except for Rob Keijsers and Sheila M'Mbijjewe, who joined the Board in November and December 2024, respectively. Additionally, Karin Kersten left the Board in November 2024. In accordance with the Code, all Directors will retire at the 2025 Annual General Meeting ('AGM') and, except Salehuddin Ahmed will offer themselves for re-election at that meeting.

Further details on the Directors' remuneration and service contracts or appointment letters (as applicable) can be found in the Directors' Remuneration Report on pages 109 to 120 of this Annual Report.

Directors' interests

The Directors' interests in the share capital of the Company as at 31 December 2024 are set out on page 119 of the Directors' Remuneration Report.

Powers and appointment of Directors

The Company's Articles of Association set out the powers of the Directors, and rules governing their appointment and removal. The Articles of Association can be viewed at the registered office of the Company. Further details on the powers, appointment and removal of Directors are set out in the Corporate governance report on page 120 of this Annual Report.

Directors' indemnities and insurance

In accordance with its Articles of Association, the Company has granted an indemnity to each of its Directors on terms consistent with the applicable statutory provisions. This indemnifies the Director in respect of (a) any liability incurred by or attaching to Directors in connection with any negligence, default, breach of duty or breach of trust by the Director in relation to the Company or any associated company, or (b) in the actual or purported execution and/or discharge of the Director's duties and/or the actual or purported exercise of the Director's powers and/or otherwise in relation to, or in connection with, the Director's duties, powers or office as an employee, officer, trustee or agent of the Company and/or any associated company other than any liability (i) to the Company or any associated company, (ii) to pay a fine imposed in criminal proceedings, (iii) to pay a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising), (iv) in defending any criminal proceedings in which they are convicted, where such conviction is final, (v) in defending any civil proceedings brought by the Company or an associated company in which judgement is given against him or her, where such judgement is final, or (vi) in connection with any application for relief under the provisions referred to in section 234(6) of the Companies Act, where the court refuses to grant the Director relief, and such refusal is final.

Furthermore, the third-party indemnity shall not apply:

(i) To the extent that it is not permitted by, or consistent with, law or statute from time to time in force, the Articles of Association of the Company or the rules and regulations of any regulatory body;

(ii) To the extent that the Director has been, or is entitled to be, indemnified or reimbursed by any Directors' or Officers' liability insurance or any other insurance;

(iii) Where there has been gross negligence, fraud or wilful default by the Director; nor

(iv) Where the Director has improperly derived a personal benefit or profit.

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

Share capital

The share capital of the Company as of 31 December 2024 consists of 100,000,000 ordinary shares of GBP 0.01 each.

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

Rights attaching to shares

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

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

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

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

Directors' report (continued)

Deadline for exercising voting rights at AGM

Full details of the deadlines for exercising voting rights in respect of the resolutions to be considered at the AGM, to be held on 17 June 2025, will be set out in the Notice of AGM.

Restrictions on the transfer of shares

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

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

Employee Long-Term Incentive Plan

The Company has adopted a Long-Term Incentive Plan (the 'Plan'). In 2022, 2023 and 2024, share options were granted to the Executive Directors and certain senior executives of the Company and also its subsidiaries as selected by the Remuneration Committee of the Board, but the Plan gives flexibility for the Company to grant a range of awards to take account of local legal and tax requirements and changing policy. In the case of Directors this will be subject to the current Directors' Remuneration Policy.

The Company made awards under the Plan on October 28, 2022 being within 42 days of September 20, 2022 in respect of employees and Executive Directors. In any ten-year period, not more than 10% of the issued ordinary share capital of the Company may be issued or be issuable under the Plan and all other employee share plans operated by the Company. The Company made an additional award under the Plan on 3 July 2023 being within 42 days of 20 June 2023 and also on 22 July 2024.

Substantial shareholdings

Details of substantial shareholdings in the Company are set out in the Corporate governance report on page 97 of this Annual Report.

Articles of Association

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

Going concern

As disclosed in note 2.1.1 of the financial statements, the Directors have concluded that a material uncertainty exists that may cast significant doubt over the Group's ability to continue as a going concern. This is due to loan covenant breaches and potential actions to mitigate them. However, none of our lenders have called in their debts in the past three years. Having assessed the projections, downtrend analysis and mitigations, senior management and the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the next 13 months from the date of approval of these consolidated financial statements, and through to 31 May 2026.

Directors' responsibility statement

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

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

In preparing these financial statements the Directors are required to:

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

Directors' report (continued)

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

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

Directors' responsibility statement (DTR 4.1)

The Directors confirm, to the best of their knowledge:

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

Hanny Kemna

Hanny Kemna
Chairperson
23 April 2025

Rob Keijsers

Rob Keijsers
Chief Executive Officer
23 April 2025

Corporate Governance Statement

The Company is required by the Disclosure and Transparency Rules and Guidance to prepare a Corporate Governance Statement including certain specified information. Information fulfilling the requirements of the Corporate Governance Statement can be found in this Directors' report and the Corporate governance report, Committee reports and Directors' Remuneration Report on pages 84 to 125 of this Annual Report. This information is incorporated by reference into this Directors' report.

The Company has complied throughout the year 2024 with all provisions of the UK Corporate Governance Code.

Strategic Report

The Company's Strategic Report can be found on pages 01 to 83 of this Annual Report.

Business activities

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

Information on the Company's employment practices (including with respect to employee involvement) and greenhouse gas emissions is set out on pages 80 and 81 and in the Non-financial and sustainability information statement on pages 82 and 83 of the Strategic Report.

Significant agreements affected by a change of control

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

Financial instruments

Details of the Group's financial instruments can be found in note 2.2.2 to the financial statements. The notes begin on page 141.

Financial risk management

The Group has procedures in place to identify, monitor and evaluate the significant risks it faces. The Group's risk management objectives and policies are described on pages 38 and 39, and the risks associated with the Group's financial instruments are analysed in note 2.2.2 on pages 144 and 145 of the financial statements.

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Directors' report (continued)

Post-balance sheet events
On 16 January 2025, ASA India informed the Reserve Bank of India of its intention to surrender its microfinance licence. This decision to surrender the microfinance licence aligns with the broader intention of Company to ultimately divest ASA India.

On 6 March 2025, the Group executed a USD 15 million loan facility agreement with FMO, with a maturity date of March 2030. The loan carries an annual interest rate of SOFR plus a margin of 3.5%.

On 28 March 2025 Myanmar was hit by a major earthquake. The direct impact on ASA Myanmar is limited, however the effect of severe damage to the infrastructure and the economy on ASA Myanmar and its clients remains unknown.

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

Political donations
No political donations were made during the year.

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

Listing Rule sub-section	Item	Location
9.8.4 (4)	Details of any long-term incentive schemes as required by LR 9.4.3 R	Remuneration Report on pages 110 to 120
9.8.4 (5)-(6)	Details of any waiver of emoluments by a Director	Remuneration Report on page 118
9.8.4 (10)	Details of any contract of significance to which the Company or a subsidiary is a party and in which a Director or a controlling shareholder is materially interested	ASA NGO Bangladesh and AMSL (a wholly indirectly owned subsidiary of the Company) entered into a lease agreement and a services agreement (for the lease of office spaces and related services) in 2023
9.8.4 (11)	Details of any contract for the provision of services to the Company or a subsidiary by a controlling shareholder, subsisting during the period under review, unless the services are part of the shareholder's main business	None
9.8.4 (14)	Statement that the Relationship Agreement between the Company and the controlling shareholder has been complied with throughout the year	Corporate governance report on page 92

Resolutions at the 2025 AGM
The Company's AGM will be held on 17 June 2025. Resolutions to be proposed at the AGM include the election of the Directors and the reappointment of Ernst & Young ('EY') as the auditor of the Group.

The full text of each of the resolutions to be proposed at the 2025 AGM will be set out in the Notice of AGM sent to the Company's shareholders. A letter from the Chairman and explanatory notes will accompany the Notice of AGM.

Auditor
The Board (following a recommendation from the Audit and Risk Committee) has recommended that EY be reappointed as the Group's auditor at the 2025 AGM, at which resolutions concerning EY's reappointment and authorising the Directors to set its remuneration will be proposed. The full text of the relevant resolutions will be set out in the Notice of AGM sent to the Company's shareholders.

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

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

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

By order of the Board

Prism Cosec
Company Secretary
23 April 2025

Financial statements

A return to sustainable growth

Financial statements

General Information

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

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

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

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

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

Company secretary: Prism Cosec Limited
Highdown House, Yeoman Way
Worthing, West Sussex BN99 3HH
United Kingdom

Registered office: Highdown House, Yeoman Way
Worthing, West Sussex BN99 3HH
United Kingdom

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Tel: +880 2 8119828, 8110934-35

Rembrandt Tower, 35th floor, Amstelplein 1
1096 HA Amsterdam, The Netherlands
Tel: +31 20 846 3554

Website: www.asa-international.com

Email address: Jonathan Berger
Head of Investor Relations
ir@asa-international.com

Auditor: Ernst & Young LLP
25 Churchill Place
Canary Wharf, London E14 5EY
United Kingdom

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

Opinion

In our opinion:

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

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

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

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

Basis for opinion

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

Independence

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

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

Material uncertainty related to Going Concern

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

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

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

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

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

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

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

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

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

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

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

Overview of our audit approach

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

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

Tailoring the scope

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

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

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

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

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

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

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

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

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

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

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

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

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

Involvement with component teams

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

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

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

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

Climate change

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

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

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

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

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

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

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

Key audit matters

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

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

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

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

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

Our application of materiality

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

Materiality

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

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

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

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

Performance materiality

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

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

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

Reporting threshold

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

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

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

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

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other matters we are required to address

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

Use of our report

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

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

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

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

	Notes	2024 USD'000	2023 USD'000
Profit for the period attributable to:			
Equity holders of the parent		29,249	9,206
Non-controlling interest		(716)	(449)
		28,533	8,757
Other comprehensive income:			
Foreign currency exchange differences on translation of foreign operations	24	(4,313)	(24,131)
Movement in hedge accounting reserve	23	(2,160)	(1,669)
Tax on OCI and other items		1,211	555
Total other comprehensive loss to be reclassified to profit or loss in subsequent periods, net of tax		(5,262)	(25,245)
Gain on revaluation of MFX investment	15	42	29
Actuarial gain on defined benefit liabilities	8.1	(1,243)	448
Total other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods, net of tax		(1,201)	477
Total comprehensive income/(loss) for the period, net of tax		22,070	(16,011)
Total comprehensive income/(loss) attributable to:			
Equity holders of the parent		22,727	(15,576)
Non-controlling interest		(657)	(435)
		22,070	(16,011)
Earnings per share	39	USD	USD
Equity shareholders of the parent for the period:			
Basic earnings per share		0.29	0.09
Diluted earnings per share		0.29	0.09

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

Consolidated statement of financial position
as at 31 December 2024

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

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

Approved by the Board of Directors on 23 April 2025.

Signed on behalf of the Board

Rob Keijsers
CEO

Tanwir Rahman
CFO

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

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

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

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

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

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

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

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

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

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

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

Abbreviation list

Definitions	Abbreviation
A1 Nigeria Consultancy Limited	A1 Nigeria
ASA Dwaso Limited	ASA Dwaso
ASA International Group plc	ASAIG
ASA International Holding	ASAIH
ASA International Group plc Employee Benefit Trust	ASAIG plc EBT
ASA International India Microfinance Limited	ASA India
ASA International (Kenya) Limited (formerly 'ASA International Microfinance (Kenya) Limited')	ASA Kenya
ASA International N.V.	ASAI NV
ASA Lanka Private Limited	ASA Lanka
ASA Microfinance (Myanmar) Limited	ASA Myanmar
ASA Microfinance (Rwanda) Limited	ASA Rwanda
ASA Microfinance (Sierra Leone)	ASA Sierra Leone
ASA Microfinance (Zanzibar) Limited	ASA Zanzibar
ASA Microfinance (Tanzania) Limited	ASA Tanzania
ASA Microfinance (Uganda) Limited	ASA Uganda
ASA Microfinance Zambia Limited	ASA Zambia
ASA NGO-MFI registered in Bangladesh	ASA NGO Bangladesh
ASA Microfinance Bank (Pakistan) Limited	ASA Pakistan
ASA Savings & Loans Limited	ASA S&L
ASHA Microfinance Bank Limited	ASA Nigeria
ASAI Investments & Management B.V	ASAI I&M
ASAI Management Services Limited	AMSL

Definitions	Abbreviation
Association for Social Improvement and Economic Advancement	ASIEA
C.M.I. Lanka Holding (Private) Limited	CMI Lanka
Catalyst Continuity Limited	Catalyst Continuity
Catalyst Microfinance Investment Company	CMIC
Catalyst Microfinance Investors	CMI
Corporate Social Responsibility	CSR
CMI International Holding	CMII
Lak Jaya Micro Finance Limited	Lak Jaya
Pagasa ng Masang Pinoy Microfinance, Inc	Pagasa
PagASA ng Pinoy Mutual Benefit Association, Inc.	MBA Philippines
Pagasa Consultancy Limited	Pagasa Consultancy
Pagasa Philippines Finance Corporation	PPFC
Pagasa Philippines Finance Corporation and Pagasa ng Masang Pinoy Microfinance, Inc	Pagasa Philippines
Pinoy Consultancy Limited	Pinoy
PT PAGASA Consultancy	PT PAGASA Consultancy
Microfinance Institution	MFI
Reserve Bank of India	RBI
State Bank of India	SBI
Standard & Poor's	S&P
Sequoia B.V.	Sequoia

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

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

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

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

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

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

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

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

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

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2024

2. Material accounting policies (continued)

2.1.1 Basis of preparation (continued)

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

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

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

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

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

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

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

2.1.2 Statement of compliance

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

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

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

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

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

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

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

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

Transactions and balances

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

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

Group companies

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

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

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

a) Financial assets – initial recognition and subsequent measurement

(1) Date of recognition

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

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

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

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

(3) Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in three categories:

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

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

Financial assets designated at fair value through OCI without recycling
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Investments at FVOCI are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited to the Investments at FVOCI reserve. Gains and losses on these financial assets are never recycled to profit or loss. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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

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

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

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

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

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

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

Loans and advances to customers at amortised cost

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

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

Write-off

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

Cash at bank, Due from banks and Related party

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

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

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

(2) Subsequent measurement

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

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

Financial liabilities at amortised cost

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

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

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

Derecognition

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

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

Offsetting of financial instruments

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

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

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item. The Group uses forward currency contracts and cross currency interest rate swaps agreements as hedges of its exposure to foreign currency risk and interest rate risk in forecast transactions and firm commitments.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element and cross currency basis risk is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve. The forward points and foreign exchange basis spreads are amortised throughout the contract tenure and reclassified out of OCI into profit and loss ('P&L') as interest expenses.

2.2.5 Recognition of income and expenses
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties. The Group has concluded that it is principal in all of its revenue arrangements except for loans under the Business Correspondence ('BC') model where the Group works as an agent.

The following specific recognition criteria must also be met before revenue is recognised:

(1) Interest and similar income and expense

Interest income and expense are recognised in the statement of profit or loss and other comprehensive income based on the EIR method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the EIR, the Group shall estimate cash flows considering all contractual terms of the financial instrument but shall not consider future credit losses. The calculation includes all amounts paid or received between parties to the contract that are an integral part of the EIR of a financial instrument including transaction costs, and all other premiums or discounts. Interest income also includes loan processing fees that are integral to the interest rate.

The Group recognises interest income on the stage 3 loans on the net loan balance.

(2) Dividend income

Dividend income is recognised when the Group's right to receive the payment is established.

(3) Other income

Other income includes group members' admission fees, document, application and verification fees, proceeds from sale of passbooks, distribution fee MBA Philippines and service fees from off-book loans under the BC model.

The Group earns other income from a diverse range of services it provides to its clients and BC Partners. Other income is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the services. The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract.

When the Group provides a service, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time unless otherwise specified.

The performance obligation related to members' admission, document, application and verification fees and proceeds from sale of passbooks are satisfied in point of time and revenue is recognised at that point.

Service fees from off-book loans under the BC model are recognised on the basis of loan disbursement as the amount is received only after completion of the service.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.2 Summary of material accounting policies (continued)
2.2.6 Cash and cash equivalents
Cash and cash equivalents as referred to in the statement of cash flows comprises of Cash in hand and Cash at bank, included in which is both restricted and unrestricted cash at bank. Restricted cash at bank relates to Loan Collateral Build Up ('LCBU') in the Philippines and security deposits from clients in Tanzania as disclosed in note 12. Unrestricted cash at bank relates to current accounts, on demand accounts and term deposits that have a maturity date of three months or less from the date of acquisition, held with commercial banks.

2.2.7 Property and equipment
Property and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the depreciation period or method, as appropriate, and are treated as changes in accounting estimates.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives.

The estimated useful lives are as follows:

Furniture and fixtures:	5 years
Vehicles:	5 years
Office equipment including IT:	3 years
Buildings:	50 years

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in 'Other operating income' or 'Other operating expenses' in the statement of profit or loss and other comprehensive income in the year the asset is derecognised.

2.2.8 Taxes
(1) Current tax
Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Senior management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(2) Deferred tax
Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except: (i) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination an d, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and (ii) in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be set off: (i) where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and (ii) in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities can only be offset in the statement of financial position if the Group has the legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same taxing authority on the same entity or different entities that intend to realise the asset and settle the liability at the same time.

The Group recognises deferred tax on undistributed dividends. Reference is made to note 2.5.7 and note 11.

2.2.9 Dividend distribution on ordinary shares
Dividends on ordinary shares will be recognised as a liability and deducted from equity when they are approved by the Group's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Group. Dividends for the year that were approved after the reporting date will be disclosed as an event after the reporting date.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.2 Summary of material accounting policies (continued)
2.2.10 Short-term employee benefits
Short-term benefits typically relate to the payment of salaries and wages. These benefits are recorded on an accrual basis.

2.2.11 Post-employment benefits
2.2.11.1 Defined benefit plan
The Group maintains a defined benefit plan in some subsidiaries, which leads to retirement benefit obligations. The defined benefit obligation and the related charge for the year are determined using assumptions required under actuarial valuation techniques. These benefits are unfunded.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding an amount included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of (i) the date of the plan amendment or curtailment, and (ii) the date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under operating expenses in the consolidated statement of comprehensive income: (i) service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and (ii) net interest expense or income. Reference is made to note 2.5.2.

2.2.11.2 Defined contribution plan
Defined contribution employee benefits are expensed as they are paid, with an accrual recorded for any benefits owed, but not yet paid. The expenses of the defined contribution plan are incurred by the employer. The contributions are to be remitted by the entities to the fund on a monthly basis. Employees are allowed to withdraw the accumulated contribution in their accounts from this fund as per the terms and conditions specified in the fund Acts.

2.2.12 Intangible assets
The Group has adopted a strategy of enriching the offering to its clients with product diversification by adding Digital Financial Services ('DFS'). The DFS will be offered to its clients through a smartphone app, where clients will be able to apply online for loans and other financial services like a current account and a savings or deposit account. They will be able to view their loan and account information and make payments including paying bills. The DFS app will also include additional functions and services such as digital group meetings and a chat function. As part of the DFS, the Group is also developing a Supplier Market Place app ('SMP') where clients can purchase goods for their businesses. SMP will be a separate app, but is part of the DFS model to retain and attract loan and savings clients and generate payment transactions that will generate commissions.

For the introduction of current accounts and savings and deposits accounts and other digital services to our clients, the Group has procured a licence for a Core Banking System ('CBS') for its IT infrastructure. The Group made upfront payments to buy the core banking software licence. The licence for the software is granted for ten years.

Research and development costs
Research costs are expensed as incurred. Development expenditures on an individual software project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use;
- Its intention to complete and its ability to use it or sell it;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset and use or sell it; and/or
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.
The breakdown is presented in note 20.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.2 Summary of material accounting policies (continued)
2.2.12 Intangible assets (continued)
Research and development costs (continued)

A summary of the policies applied to intangible asset is, as follows:

	Initial licence and set-up costs	Development costs
Useful life	Finite (eight years)	Finite (eight years)
Amortisation starts	After installation for use	After installation for use
Amortisation method used	Amortised on a straight-line basis over the period of licence	Amortised on a straight-line basis over the period of expected usage
Internally generated or acquired	Acquired	Internally generated

2.2.13 Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's ('CGU's') fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. For Property and equipment, the fair value less costs of disposal calculation is based on available data from similar assets or observable market prices less incremental costs of disposing of the asset. For right-of-use assets ('ROU') the fair value is determined based on estimated rental payments using the IBR used for each country where such ROU exists. If there is a significant change in discount rates, the fair value is reviewed to assess if there is impairment. The sensitivity analysis on account of incremental borrowing rate ('IBR') changes is shown in note 17.

The Group has identified the impairment of non-financial assets as one of the areas in which it could be exposed to the financial impacts of climate change risk, as a number of the Group's operating areas are prone to natural disasters. However, as the Group manages a frugal cost operating model with minimum investment in fixed assets and leases, the impact of climate-related financial loss is expected to be insignificant.

2.2.14 Liability for death and multipurpose risk funds
The Group collected 1–2% of disbursed loan amounts for death risk funds or multipurpose risk funds in certain markets (the Philippines, Uganda, Kenya and Sri Lanka). These funds covered settlement of the outstanding loan amount and other financial assistance when the borrower died or was affected by natural calamities. The collected amounts are recognised upfront as income and a liability was recognised in the statement of financial position for the claims resulting from these funds. Reference was made to note 2.5.3 on the key judgement used. The death risk fund or multipurpose risk fund were no longer included in new loan contracts from August 2023 in Uganda, September 2023 in the Philippines, December 2023 in Kenya and January 2024 in Sri Lanka.

2.2.15 Fair value measurement
The Group measures financial instruments such as derivatives, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (i) in the principal market for the asset or liability; or (ii) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.2 Summary of material accounting policies (continued)
2.2.15 Fair value measurement (continued)
When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs, such as liquidity risk, credit risk and volatility.

2.2.16 Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group determines the lease term as the non-cancellable term of the lease. Any period covered by an option to extend the lease is not considered unless it is reasonably certain to be exercised.

Right-of-use assets

The Group recognises ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset.

The ROU assets are also subject to impairment. Refer to the accounting policies in note 2.2.13 'Impairment of non-financial assets'.

Lease liabilities

(1) Initial measurement

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. There are no obligatory extension clauses in the rental agreements. Although some lease contracts comprise the optional extension clauses, these are not included on initial recognition because it is not always reasonably certain that the Group will take the option. In calculating the present value of lease payments, ASA International uses the IBR at the lease commencement date due to the reason that the interest rate implicit in the lease is not available. The IBR is calculated using a reference rate (derived as country-specific risk-free rate) and adjusting it with Company-specific financing spread and integrating lease-specific factors. Refer to note 2.5.6 on accounting estimates and assumptions used to determine the IBR rates.

(2) Subsequent measurement

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

2.2.17 Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.2.18 Share-based payments
The Group granted options ('Options') in the Group Company under its Long-Term Incentive Plan ('LTIP') to certain Executive Directors and Persons Discharging Managerial Responsibilities ('PDMRs') and other staff in 2022, 2023 and 2024. The Company's LTIP is designed to incentivise and retain Directors and senior staff, along with aligning them with shareholders' interest to create long-term value. The transaction is determined as an equity-settled transaction.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in note 32.1.

That cost is recognised within personnel expenses, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cost is booked from the date that the beneficiary accepted the grant. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

2.3 New standards, interpretations and amendments adopted by the Group
The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.3. New standards, interpretations and amendments adopted by the Group (continued)
2.3.1 Amendments to IAS 1: Classification of liabilities as current or non-current
In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within 12 months.

These amendments lead to additional disclosures in the Group's consolidated financial statements.

2.3.2 Amendments to IFRS 16: Lease liability in a sale and leaseback
In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the ROU it retains.

These amendments had no impact on the Group's consolidated financial statements.

2.3.3 Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

These amendments had no impact on the Group's consolidated financial statements.

2.4 Standards issued but not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

2.4.1 Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments. The amendments include:

i) A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date;

ii) Additional guidance on how the contractual cash flows for financial assets with environmental, social and governance ('ESG') and similar features should be assessed;

iii) Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments; and

iv) The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through OCI.

The amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. These amendments are not expected to have a material impact on the financial statements, however, the assessment is yet to be concluded.

2.4.2 Lack of exchangeability – Amendments to IAS 21
In August 2023, the IASB issued Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

These amendments are not expected to have a material impact on the financial statements, however, the assessment is yet to be concluded.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.4. Standards issued but not yet effective (continued)
2.4.3 IFRS 18 Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements ('PFS') and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

2.4.4 IFRS 19 Subsidiaries without Public Accountability: Disclosures
In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

These amendments are not expected to have a material impact on the financial statements, however, the assessment is yet to be concluded.

2.5 Significant accounting judgements and estimates
In the process of applying the Group's accounting policies, judgements and estimates are applied in determining the amounts recognised in the financial statements. Significant use of judgements and estimates are as follows:

2.5.1 Allowance for ECL on loans and advances
The Group calculates the allowance for ECL in a three-step process as described below under A to D. The Group reviews its loans at each reporting date to assess the adequacy of the ECL as recorded in the financial statements. In particular, judgement is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on certain assumptions such as the financial situation of the borrowers, types of loan, maturity of the loans, ageing of the portfolio, economic factors, etc. The actual performance of loans may differ from such estimates resulting in future changes to the allowance. Due to the nature of the industry in which the Group operates, i.e. micro credit to low-income clients, the loan portfolio consists of a very high number of individual customers with low-value exposures. These characteristics lead the Group to use a provisioning methodology based on a collective assessment of similar loans. The Group's policy for calculating the allowance for ECL is described below:

A) Determination of loan staging
The Group monitors the changes in credit risk in order to allocate the exposure to the correct staging bucket. Given the nature of the Group's loan exposures (generally short-term exposures, <12 months) no distinction has been made between stage 1 (12 months ECL) and stage 2 loans (lifetime ECL) for calculating the ECL provision. The current and loans overdue below 31 days are considered as stage 1. Any loans overdue for 31–90 days are recognised as stage 2 loans. Loans overdue more than 90 days are recognised as stage 3 loans.

	Overdue age	Staging
Bucket based on overdue age	Current	Stage 1
	1–30 days	
	31–90 days	Stage 2
	> 90 days	Stage 3

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.5 Significant accounting judgements and estimates (continued)
2.5.1 Allowance for ECL on loans and advances (continued)
B) Calculating ECL for stage 1–2 loans

To avoid the complexity of calculating the separate probabilities of default and loss-given default, the Group uses a 'loss rate approach' for the measurement of ECLs under IFRS 9. Using this approach, the Group developed loss-rate statistics on the basis of the net amounts written off over the last five years (Gross write-off less subsequent recovery). The historical loss rates include the impact of security deposits held by the Group, which is adjusted with overdue amounts before loans are written off. ECL recorded purely based on historical loss comes to USD 1.5 million (2023: USD 0.9 million) on loans under stage 1 and stage 2. If the loss rate was increased by 1%, the ECL requirement under the historical default would be increased by USD 15K.

The forward-looking element of the ECL model is constructed through looking at the trend in net write-off information from the prior three years and applying a projected loss rate in order to anticipate future loss events. ECL as per the forward-looking element comes to USD 126K (2023: USD 637K). Changing the write-off trend to two years, rather than three years for the forward-looking assessment, would reduce ECL by USD 684K.

C) Calculating ECL for stage 3 loans

The Group considers a loan to be credit impaired when it is overdue for more than 90 days. The ECL applied to net stage 3 loans (after adjusting the security deposit which is held as collateral in certain countries) is at a rate below:

	Loss %	
ECL for stage 3 loans	**2024**	**2023**
Overdue age		
91-180 days	**50 and 80%**	50 and 80%
181-365 days	**70 and 100%**	70 and 100%
Over 365 days	**100%**	100%

In 2024, senior management considered a higher loss rate (80% for the loans bucketed between 91-180 days and 100% for loans over 180 days overdue) in India, Myanmar, Pakistan, Nigeria, the Philippines, Sri Lanka, Tanzania, Sierra Leone and Zambia in view of operating challenges faced in these countries on account of high Portfolio at Risk ('PAR'), market challenges and political instability which might lead to a reduction in recoveries. In other countries, the loss rates considered are 50% for the loans bucketed between 91–180 days and 70% for loans over 180 days overdue. These loss rates are consistent with last year.

Based on the above, the ECL for stage 3 loans comes to USD 7.4 million (2023: USD 5.2 million). A sensitivity analysis on the loss rates stage 3 loss rates considers that a 100% loss rate applied across the entire stage 3 population (net of security deposit) would increase total ECLs by USD 0.6 million.

D) Management overlay

The Group considers taking additional ECL provision as management overlay to reflect the impact of all possible risk exposures which are not covered under A–C above. The Group has taken an additional ECL provision of USD 0.9 million (2023: USD 0.8 million) as of current reporting date under management overlay. The additional risks include political, regulatory, environmental (climate) and other operational risks, as well as macroeconomic conditions in specific markets where the Group operates.

E) Impact of macro-economic indicators

The Group provides small loans to clients who are not employed but operate their own small businesses in the informal sector and are less impacted by macroeconomic trends than other business sectors. In addition, the Group's loans average six months until maturity at the year end and so the impact of macroeconomic factors on the repayment of loans is inherently limited. Hence, senior management concluded that changes in macroeconomic indicators do not have any direct correlation with the ASA business model and, therefore, no adjustment was made to consider forecasts for such macroeconomic indicators in the forward-looking element of its ECL provision calculation.

F) Impact of climate change

The Group and its customers are exposed to the physical risks from climate change and risks of transitioning to a net-zero economy. Most climate-related physical risks are expected to manifest over a term that is generally much longer than the maturity of most of the outstanding exposures. The following balances may be impacted by physical and transition risks.

The Group has identified the ECL provision as one of the main areas in which it could be exposed to the financial impacts of climate change risk, as a number of the Group's operating areas are prone to natural disasters such as typhoons, flash floods or droughts. The Group's ECL model captures the expected impact of the climate-related risks through the historical loss data that feeds the model, which also includes write-offs due to such natural disasters. In addition, senior management monitors the situation in each of its operating territories post the balance sheet date for any factors that should be considered in its year-end ECL calculations. As the Group's loans are short term, the impact of such events over the life of the loans would naturally be limited. Hence, no additional changes have been made in the existing model on account of climate-related risks. However, given the evolving risks associated with climate change, senior management will continue to monitor whether adjustments to its ECL models are required for future periods.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.5 Significant accounting judgements and estimates (continued)
2.5.1 Allowance for ECL on loans and advances (continued)
G) BC portfolio, Direct Assignment ('DA') Portfolio and Securitisation portfolio of ASA India

A similar assessment has been performed for the off-book BC portfolio of ASA India (see note 13 for details of the BC portfolio). The off-book BC portfolio consists of disbursements on behalf of IDFC First Bank ('IDFC'), JSFB, Fincare Small Finance Bank Limited ('Fincare'), Ujjivan Small Finance Bank Limited ('Ujjivan') and ESAF Small Finance Bank Limited ('ESAF'). IDFC BC and Fincare are subject to a maximum provision of 5% of Outstanding Loan Portfolio ('OLP'), which is the maximum credit risk exposure for ASA India as per the agreement with IDFC and Fincare. Credit risk exposure for ESAF is 5% and Ujjivan 100% of overdue portfolio. Risk exposure for JSFB is up to the loan outstanding. ECL for those portfolios are assessed in line with ASA India's own OLP. ECL for the off-book BC portfolio comes to USD 2.2 million (2023: USD 1.4 million).

The portion of the DA portfolio of ASA India which is on-book has also been treated the same as the regular portfolio. No provision for the off-book portion of the DA portfolio was made because, as per the agreement with the State Bank of India, ASA India has no credit risk on this part of the DA portfolio.

The Securitisation portfolio of ASA India has been assessed in line with ASA India's own portfolio.

H) ECL on interest receivable

ECL for interest receivable is assessed in the same line as OLP. ECL for interest receivable comes to USD 551K (2023: USD 225K). Based on the above assessment the total provision for ECLs for loans and advances to customers can be summarised as follows:

	2024			2023		
Particulars	**Own portfolio USD'000**	**Off-book portfolio USD'000**	**Interest receivable USD'000**	**Own portfolio USD'000**	**Off-book portfolio USD'000**	**Interest receivable USD'000**
ECL as per historical default rate	**1,480**	**1,185**	**3**	869	177	30
Forward considerations	**126**	**–**	**3**	637	159	15
ECL under stage 3 loans	**7,357**	**719**	**545**	5,181	255	180
Management overlay	**608**	**300**	**–**	–	837	–
	9,571	**2,204**	**551**	6,687	1,428	225

	2024			2023		
Allocated to:	**Gross outstanding USD'000**	**ECL USD'000**	**Coverage**	**Gross outstanding USD'000**	**ECL USD'000**	**Coverage**
Own portfolio (note 13.1 and 13.4)	**420,355**	**9,571**	**2%**	305,248	6,687	2%
Off-book BC portfolio (note 13.2 and note 28)	**37,255**	**2,204**	**6%**	38,796	1,428	4%
Interest receivable (note 13.1 and note 13.4)	**7,294**	**551**	**8%**	4,464	225	5%
	464,904	**12,326**	**3%**	348,508	8,340	2%

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.5 Significant accounting judgements and estimates (continued)
2.5.2 Defined benefit plans
The cost of the defined benefit plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, staff turnover and retirement age. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The assumptions used in December 2024 and December 2023 are as follows:

Assumptions defined benefit plan:

	2024						2023					
	Lak Jaya	ASA Pakistan	ASA India	ASA Nigeria	ASA Kenya	PPFC	Lak Jaya	ASA Pakistan	ASA India	ASA Nigeria	ASA Kenya	PPFC
Discount rate	10.0%	12.3%	7.0%	17.5%	13.8%	6.2%	13.7%	15.5%	7.4%	16.5%	15.8%	6.6%
Salary increment	10.0%	12.3%	6.3%	15.0%	11.0%	5.0%	5.0%	14.5%	9.0%	14.0%	13.8%	5.0%
Staff turnover	22.0%	18.2%	30.6%	5.0%	6.9%	43.4%	16.0%	14.3%	6.1%	5.0%	7.1%	44.0%
Retirement age	60 Years	60 Years	60–65 Years	60 Years	60 Years	60 Years	60 Years	60 Years	60–65 Years	60 Years	60 Years	60 Years

The parameter most subject to change is the discount rate. Management engages third-party actuaries to conduct the valuation. The defined benefit costs have been disclosed in note 8.2. The sensitivity analysis of the plan on account of any change in discount rate and salary increment is disclosed in note 8.3. Sensitivity analysis for changes in the other two assumptions were not done as the effect is determined immaterial.

2.5.3 Liability for death risk and multi-purpose risk fund
At the end of 2024, the balance of the DRF and MRF is zero as the related loans are measured at FVTPL from 1 January 2023. Mortality risk is included in the fair value measurement. The DRF/MRF were no longer included in new loan contracts as from August 2023 in Uganda, September 2023 in the Philippines, November 2023 in Kenya, and January 2024 in Sri Lanka.

2.5.4 BC and partnership models
The portfolios under the BC and partnership models in ASA India ('BC model') are recognised on the statement of financial position based on whether the entity has the right to receive rewards. ASA India operates a BC model with IDFC, JSFB, Fincare, Ujjivan and ESAF. ASA India operates as an agent, whereby ASA India selects borrowers based on the selection criteria of the BC Partner.

The loans to borrowers of IDFC, JSFB, Fincare, Ujjivan and ESAF and related funding are not recognised on the balance sheet since the loan agreements are made between the partners and the borrowers or the risk exposure related to the loans are capped at 5%. More information is available in note 13.

2.5.5 Direct Assignment
Between 2019 and 2020 ASA India entered into two DA agreements with the State Bank of India ('SBI'), through which the entity sold a pool of customers' loans amounting to USD 16.5 million against a purchase consideration of USD 14 million. The balance (15%) was kept as minimum retention as per guidelines issued by the Reserve Bank of India ('RBI'). Based on the agreements, 85% of the loans were derecognised on the books on the grounds that the entity transferred substantially all the risks and rewards of ownership of financial assets. 15% remained on-book. Further information is available in note 13.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.5 Significant accounting judgements and estimates (continued)
2.5.6 Leases – estimating the IBR

The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment.

The Group applied a discount rate per country based on leases with similar characteristics applying a portfolio approach instead of a lease-by-lease approach which had no material impact for the Group. The starting point for estimating the reference rate is the local risk-free rate. The Group developed an approach to determine IBR that is closely aligned with the definitions and requirements prescribed in IFRS 16. In this approach the Group first determined the country risk-free rate and adjusted that with the Group-specific financing spread and lease-specific adjustments to consider IBR rates.

The Group used country sovereign rates to determine the risk-free rate. If no sovereign risk-free rate is available, a build-up approach is applied that adjusts the USD based United States Treasury bond for: (i) the country risk premium, to capture country-specific risk, and (ii) the long-term inflation differential, to capture any currency risk.

The Group-specific financing spread is determined based on (i) the Group-specific perspective/credit rating, (ii) the credit rating of the legal entities (lessees) of ASA International, and (iii) the market interest rates/yields on industry-specific bonds.

The lease-specific adjustment depends on the type/ nature of asset, and relates to the fact that a secured bond will have a lower yield compared to an unsecured bond. However, the yield difference varies based on the type/nature of the asset that is used as collateral. The IBR used for different entities in 2024 and 2023 are as follows:

				2024				2023			
Country	Lease currency	Credit rating	Approach reference rate	IBR at different lease duration (year)				IBR at different lease duration (year)			
Tenure of lease				1	2–4	5–6	7–9	1	2–4	5–6	7–9
Ghana	GHS	BBB	Local	22.8%	27.4%	23.8%	20.4%	27.8%	27.2%	23.4%	20.1%
Nigeria	NGN	BBB	Local	20.6%	20.8%	20.6%	20.2%	10.2%	12.4%	14.3%	15.3%
Sierra Leone	SLE	BB+	Build–up	28.0%	27.8%	27.8%	27.8%	34.5%	33.4%	32.7%	32.6%
Kenya	KES	BB-	Local	18.4%	19.5%	19.7%	19.2%	14.5%	15.9%	16.8%	17.0%
Rwanda	RWF	B+	Build-up	18.6%	18.6%	18.5%	18.5%	19.6%	18.6%	18.0%	17.9%
Tanzania	TZS	BBB-	Local	8.9%	9.5%	10.7%	12.1%	9.2%	9.4%	10.1%	11.1%
Uganda	UGX	BB-	Local	15.9%	17.3%	18.2%	18.4%	14.2%	15.4%	16.3%	16.9%
Zambia	ZMW	BB-	Local	20.0%	24.2%	26.3%	27.6%	22.5%	24.2%	25.8%	27.5%
Bangladesh	BDT	BBB-	Local	13.0%	14.5%	14.7%	14.7%	10.1%	10.2%	10.4%	10.5%
India	INR	BB	Local	8.3%	8.9%	9.2%	9.2%	8.7%	8.8%	8.8%	8.9%
Pakistan	PKR	BBB	Local	19.9%	18.2%	17.2%	16.5%	23.0%	19.8%	17.5%	16.6%
Sri Lanka	LKR	BB	Local	11.6%	12.8%	13.7%	14.3%	28.4%	26.9%	24.2%	22.6%
Myanmar	MMK	BBB-	Build-up	28.2%	28.1%	28.1%	28.1%	29.7%	28.6%	28.0%	27.9%
Philippines	PHP	BBB-	Local	7.2%	7.9%	8.3%	8.4%	7.8%	7.7%	7.5%	7.7%

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.5 Significant accounting judgements and estimates (continued)
2.5.7 Taxes Deferred tax assets
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

In assessing the probability of recovery, the Group has used its five-year business plan which is consistent with last year's assessment. This business plan was also used for the Going concern and Viability assessment.

As at 31 December, the gross amount and expiry dates of losses available for carry forward are as follows:

2024	Expiring within 1 year	Expiring within 2–5 years	Expiring beyond 5 years	Unlimited	Total
Losses for which deferred tax asset is recognised	–	–	–	–	–
Losses for which deferred tax asset is not recognised	2,851	5,338	38,221	36,200	82,610
	2,851	5,338	38,221	36,200	82,610

2023	Expiring within 1 year	Expiring within 2–5 years	Expiring beyond 5 years	Unlimited	Total
Losses for which deferred tax asset is recognised	–	–	86	–	86
Losses for which deferred tax asset is not recognised	1,455	4,120	36,645	31,620	73,840
	1,455	4,120	36,731	31,620	73,926

If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by USD 18.9 million (2023: USD 17.1 million).

Deferred tax liabilities
As of 31 December 2024, the Group has undistributed profits in its subsidiaries amounting to USD 68.9 million (2023: USD 56.9 million). The Group recognised a deferred tax liability amounting to USD 4.4 million (see note 11.4) on USD 50.0 million (2023: USD 2.1 million on USD 23.3 million) of undistributed profits on the assessment that these will be distributed in the foreseeable future. No deferred tax liability was recognised on the balance of USD 19.0 million (2023: USD 33.6 million) due to regulatory uncertainty on when those can be distributed. If the Group recognises a deferred tax liability on these profits, profit and equity would decrease by USD 2.9 million (2023: USD 3.7 million).

2.5.8 Hyperinflation
Under IAS 29, 'Financial Reporting in Hyperinflationary Economies', consolidated financial statements prepared based on historical cost must be adjusted with the current purchasing power when operations are in an economy with hyperinflation. This involves applying a general price index that enables the financial information of the subsidiaries operating in a hyperinflationary economy to be presented in the measuring unit in force at the reporting date. All non-monetary assets and liabilities of the subsidiaries operating in a hyperinflationary economy must therefore be adjusted for inflation in order to reflect changes in purchasing power at the reporting date. Similarly, the income statement is adjusted for inflation during the period. Monetary items do not need to be restated/adjusted as they already reflect purchasing power at the reporting date.

IAS 29 does not establish an absolute rate at which hyperinflation is deemed to arise. It is a matter of judgement when restatement of financial statements in accordance with this Standard becomes necessary. One of the key quantitative indicators is that the cumulative inflation rate over three years is approaching, or exceeds, 100%.

ASA International operates in 13 countries across Asia and Africa, and monitors the inflation rates in an inflation dashboard which is used as one indication of the existence of hyperinflation, together with an assessment of other economic conditions.

Ghana and Sierra Leone have exceeded the three-year cumulative rate of inflation of 100% by the end of 2024 and 2023. The general price index used by ASAI for purposes of measuring inflation movements is the Consumer Price Index ('CPI') of the specific country and is obtained from the International Monetary Fund World Economic Outlook Database.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.5 Significant accounting judgements and estimates (continued)
2.5.8 Hyperinflation (continued)

The application of IAS 29 includes the following adjustments:

- Adjustment of historical cost non-monetary assets, liabilities and stated capital for the change in purchasing power caused by inflation from the date of initial recognition or contribution to the balance sheet date;
- Adjustment or contribution of the income statement for inflation during the year;
- The income statement is translated at the year-end foreign exchange rate instead of a monthly average rate;
- A net monetary gain or loss adjustment, recognised in the income statement, to reflect the impact of inflation on holding monetary assets and liabilities in local currency; and
- Adjustment in the cash flow statement to reflect the current purchasing power.

The impact of the implementation of IAS 29 in the consolidated financial statements of the Group is as follows:

	31 Dec 2024			31 Dec 2023		
Consolidated statement of financial position	**Before adjustment USD'000**	**Impact of IAS 29 adjustment USD'000**	**After adjustment USD'000**	**Before adjustment USD'000**	**Impact of IAS 29 adjustment USD'000**	**After adjustment USD'000**
Total assets	**567,759**	**743**	**568,502**	489,302	725	490,027
Total liabilities	**471,879**	**132**	**472,011**	413,286	131	413,417
Total equity	**95,880**	**611**	**96,491**	76,016	594	76,610

	2024			2023		
Consolidated income statement	**Before adjustment USD'000**	**Impact of IAS 29 adjustment USD'000**	**After adjustment USD'000**	**Before adjustment USD'000**	**Impact of IAS 29 adjustment USD'000**	**After adjustment USD'000**
Profit for the period	**32,434**	**(3,901)**	**28,533**	14,172	(5,415)	8,757
Total comprehensive income/(loss)	**21,459**	**611**	**22,070**	(16,037)	26	(16,011)
Breakdown of P&L impact for IAS 29						
Loss on net monetary position		**(5,401)**			(5,789)	
Impact of CPI adjustment on other P&L items		**1,500**			374	
Total impact of IAS 29 adjustments on net profit		**(3,901)**			(5,415)	

A net monetary loss of USD 5.4 million (2023: USD 5.8 million) is recognised in the income statement, to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency in the subsidiaries in Ghana and Sierra Leone. A contribution of USD 1.5 million (2023: USD 374K) is recognised in P&L resulting from the adjustment of other P&L items to the current purchasing power.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

2. Material accounting policies (continued)
2.5 Significant accounting judgements and estimates (continued)
Summary of material judgements and estimates
A summary of material judgements and estimates are as follows:

Policy	Judgements	Estimates	Note ref.
Allowance for ECL on loans and advances	• Identification of staging of the loan portfolio. • Criteria for a significant increase in credit risk. • Identification of credit-impaired loans. • Monitoring impact of climate change.	• Back-testing based on the historical default trend. • Forward-looking considerations. • Management overlay.	2.5.1
Defined benefit plans	• Changes in assumptions.	• Determination of discounting rate. • Salary increment rate.	2.5.2
BC models	• Recognition of the IDFC portfolio as off-book because the credit risk is limited to 5% of the portfolio.	• ECL related to the BC loans.	2.5.4 and 2.5.1
Direct Assignment	• Whether the transfer constitutes a sale and whether all risk and rewards of ownership have been transferred.	• ECL related to the DA loans retained by ASA India.	2.5.5
Leases – estimating the IBR	• Determining whether a contract contains a lease under IFRS 16.	• IBR used for the calculation of ROU assets and lease liabilities.	2.5.6
Deferred tax assets	• Determining whether it is probable that future profit will be available to utilise DTA.	• Estimating the amount of DTA based on timing and likelihood of future taxable profit. • Estimation of future tax rates for DTA.	2.5.7
Deferred tax liability	• Determining whether there are any constraints or regulatory restrictions to distribute retained earnings as dividend.	• Estimating the amount of DTL based on timing and likelihood of future taxable amount and undistributed dividends from subsidiaries. • Estimation of future tax rates for DTL.	2.5.7
Hyperinflation	• Determining whether the economy of a country meets the criteria for hyperinflation as per IAS 29. • Selection of appropriate sources for CPIs.	• Estimation of daily CPI rates.	2.5.8

3. Segment information
For management purposes, the Group is organised into reportable segments based on its geographical areas and has five reportable segments, as follows:

- West Africa, which includes Ghana, Nigeria and Sierra Leone.
- East Africa, which includes Kenya, Uganda, Tanzania, Rwanda and Zambia.
- South Asia, which includes India, Pakistan and Sri Lanka.
- South East Asia, which includes Myanmar and the Philippines.
- Holding and other non-operating entities, which includes holding entities and other entities without microfinance activities.

No operating segments have been aggregated to form the above reportable operating segments. The Company primarily provides only one type of service to its microfinance clients being small microfinance loans which are managed under the same ASA Model in all countries. The reportable operating segments have been identified on the basis of organisational overlap like common Board members, regional management structure and cultural and political similarity due to their geographical proximity to each other.

The Executive Committee is the Chief Operating Decision Maker ('CODM') and monitors the operating results of its reportable segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operational profits and losses and is measured consistently with profit or loss in the consolidated financial statements. Transfer prices between operating and non-operating segments are on an arm's length basis in a manner similar to transactions with third parties and are based on the Group's transfer pricing framework.

Revenues and expenses as well as assets and liabilities of those entities that are not assigned to the four reportable operating segments are reported under 'Holding and other non-operating entities'. Inter-segment revenues, expenses and balance sheet items are eliminated on consolidation.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2024 or 2023.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

3. Segment information (continued)
The following table presents operating income and profit information for the Group's operating segments for the year ended 31 December 2024.

As at 31 December 2024	West Africa USD'000	East Africa USD'000	South Asia USD'000	South East Asia USD'000	Holding and other non-operating entities USD'000	Total segments USD'000	Adjustments and eliminations USD'000	Consolidated USD'000
External interest and similar income	50,896	74,873	47,829	40,218	58	213,874	–	213,874
Inter-segment interest income	–	–	–	–	1,167	1,167	(1,167)	–
External interest expense	(2,919)	(15,204)	(12,318)	(6,632)	(6,378)	(43,451)	–	(43,451)
Inter-segment interest expense	(282)	(194)	(277)	(414)	–	(1,167)	1,167	–
Net interest income	47,695	59,475	35,234	33,172	(5,153)	170,423	–	170,423
External other operating income	376	3,835	3,552	6,381	3,144	17,288	–	17,288
Inter-segment other operating income[1]	–	–	–	–	57,266	57,266	(57,266)	–
Other inter-segment expense	(385)	(5,449)	(262)	(3,543)	368	(9,271)	9,271	–
Total operating income	47,686	57,861	38,524	36,010	55,625	235,706	(47,995)	187,711
Credit loss expense	(875)	(1,257)	(2,290)	(2,467)	62	(6,827)	–	(6,827)
Net operating income	46,811	56,604	36,234	33,543	55,687	228,879	(47,995)	180,884
Personnel expenses	(9,980)	(19,345)	(16,718)	(12,470)	(6,280)	(64,793)	–	(64,793)
Exchange rate differences	(351)	17	15	(346)	(209)	(874)	–	(874)
Depreciation of property and equipment	(278)	(519)	(732)	(340)	(105)	(1,974)	–	(1,974)
Amortisation of intangible assets	–	–	(183)	–	(674)	(857)	–	(857)
Amortisation of ROU assets	(564)	(1,205)	(653)	(1,169)	(119)	(3,710)	–	(3,710)
Other operating expenses	(6,124)	(11,044)	(6,753)	(10,897)	(4,922)	(39,740)	–	(39,740)
Gain/(loss) on net monetary position	(5,350)	–	–	–	(51)	(5,401)	–	(5,401)
Tax expenses	(8,794)	(9,127)	(8,656)	(1,968)	(6,457)	(35,002)	–	(35,002)
Segment profit after tax	15,370	15,381	2,554	6,353	36,870	76,528	(47,995)	28,533
Total assets	101,612	199,377	124,652	125,881	202,947	754,469	(185,967)	568,502
Total liabilities	58,254	159,435	108,451	109,479	58,439	494,058	(22,047)	472,011

Explanation: Segment profit is net profit after tax.

1 Inter-segment operating income includes intercompany dividends, transfer pricing charges and share in results of the subsidiaries.

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Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

3. Segment information (continued)
The following table presents operating income and profit information for the Group's operating segments for the year ended 31 December 2023.

As at 31 December 2023	West Africa USD'000	East Africa USD'000	South Asia USD'000	South East Asia USD'000	Holding and other non-operating entities USD'000	Total segments USD'000	Adjustments and eliminations USD'000	Consolidated USD'000
External interest and similar income	46,767	54,629	41,806	33,399	9	176,610	–	176,610
Inter-segment interest income	–	–	–	406	629	1,035	(1,035)	–
External interest expense	(2,260)	(11,169)	(12,305)	(6,251)	(5,771)	(37,756)	–	(37,756)
Inter-segment interest expense	(266)	(90)	(149)	(150)	(380)	(1,035)	1,035	–
Net interest income	44,241	43,370	29,352	27,404	(5,513)	138,854	–	138,854
External other operating income	452	1,116	2,574	5,010	197	9,349	–	9,349
Inter-segment other operating income[1]	–	–	–	–	35,226	35,226	(35,226)	–
Other inter-segment expense	(382)	(3,958)	(390)	(3,177)	357	(7,550)	7,550	–
Total operating income	44,311	40,528	31,536	29,237	30,267	175,879	(27,676)	148,203
Credit loss expense	(3,716)	(793)	423	(938)	–	(5,024)	–	(5,024)
Net operating income	40,595	39,735	31,959	28,299	30,267	170,855	(27,676)	143,179
Personnel expenses	(11,686)	(16,953)	(15,444)	(11,682)	(6,394)	(62,159)	–	(62,159)
Exchange rate differences	(730)	(272)	(180)	(20)	(766)	(1,968)	–	(1,968)
Depreciation of property and equipment	(315)	(566)	(536)	(317)	(136)	(1,870)	–	(1,870)
Amortisation of ROU assets	(775)	(1,062)	(703)	(1,114)	(68)	(3,722)	–	(3,722)
Other operating expenses	(6,806)	(9,023)	(5,075)	(10,539)	(4,033)	(35,476)	–	(35,476)
Gain/(loss) on net monetary position	(5,651)	–	–	–	(138)	(5,789)	–	(5,789)
Tax expenses	(7,118)	(5,078)	(6,723)	(1,251)	(3,268)	(23,438)	–	(23,438)
Segment profit after tax	7,514	6,781	3,298	3,376	15,464	36,433	(27,676)	8,757
Total assets	89,494	139,762	102,803	119,510	197,518	649,087	(159,060)	490,027
Total liabilities	47,582	111,403	77,808	105,169	79,472	421,434	(8,017)	413,417

Explanation: Segment profit is net profit after tax.

1 Inter-segment operating income includes intercompany dividends, transfer pricing charges and share in results of the subsidiaries.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

4. Interest and similar income
Interest and similar income consists of interest income on microfinance loans to customers, and interest income on bank balances and fixed-term deposits.

	Notes	2024 USD'000	2023 USD'000
Interest income calculated using EIR	4.1	**206,598**	147,410
Other interest and similar income	4.2	**7,276**	29,200
		213,874	176,610

4.1 Interest income calculated using EIR

	2024 USD'000	2023 USD'000
Interest income on loans and advances to customers	**187,772**	135,730
Loan processing fees	**18,826**	11,680
	206,598	147,410

The increase in interest income and loan processing fee compared to last year is mainly due to growth of the loan portfolio.

4.2 Other interest and similar income

	2024 USD'000	2023 USD'000
Interest income on short-term deposits	**4,470**	3,097
Fair value movement of financial assets at FVTPL	**2,712**	26,064
Other interest income	**94**	39
	7,276	29,200

ASA International entities in Uganda, the Philippines, Kenya and Sri Lanka ceased disbursements of loans with insurance arrangements from August 2023 to January 2024 and accordingly income relating to loans at FVTPL has decreased significantly.

5. Interest and similar expense
Included in interest and similar expense are accruals for interest payments to lenders, customers and other charges from banks.

	Notes	2024 USD'000	2023 USD'000
Interest expense on debt and other borrowed funds		**(35,068)**	(30,841)
Interest expense on security deposits and others		**(4,585)**	(3,707)
Interest expense on lease liability		**(479)**	(341)
Commitment and processing fees		**(104)**	(114)
Amortisation of forward points of forward contracts and currency basis spread of swap contracts	37	**(3,215)**	(2,753)
		(43,451)	(37,756)

6. Other operating income

	2024 USD'000	2023 USD'000
Document, application and verification fees	**6,965**	2,131
Members' admission fees	**1,410**	1,718
Proceeds from sale of passbooks	**195**	152
Income from DRFs and MRFs	**–**	1,068
Service fees income from off-book BC model (ASA India)	**3,120**	2,160
Distribution fee MBA Philippines	**1,695**	1,104
Gain on Myanmar loan purchase	**3,024**	174
Other	**879**	842
	17,288	9,349

ASA Kenya, PPFC and ASA Uganda introduced verification fees from the last quarter of 2023 and Lak Jaya from January 2024.

During the year, ASAI NV has entered into an assignment agreement with Symbiotics and Frankfurt School. Under the agreement, ASAI NV has purchased four loans and interest outstanding of USD 4.4 million from the lenders at a settlement value of USD 1.4 million. The Group has recognised a gain of USD 3.0 million.

Other includes a number of small items that are smaller than USD 150K on an individual basis.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

7. Expected credit loss expense

	Notes	2024 USD'000	2023 USD'000
ECL on loans and advances to customers	13.3	**(6,934)**	(5,804)
ECL on interest receivable		**(340)**	(174)
Other ECL expense		**(2,696)**	(3,148)
Recovery of previously written-off loans		**3,143**	4,102
		(6,827)	(5,024)

The key assumptions applied for the ECL provision and related expense are explained in note 2.5.1.

Other ECL includes loss allowance provided against the off-book portfolio in India and other receivables.

The Group was able to collect a significant amount of previously written off loans, mainly in India.

8. Personnel expenses

Personnel expenses include total base salary expenses and employee pension plans:

	Notes	2024 USD'000	2023 USD'000
Personnel expenses		**(58,337)**	(55,202)
Defined contribution plans		**(4,416)**	(4,277)
Defined benefit plans	8.2	**(2,040)**	(2,680)
		(64,793)	(62,159)

8.1 Retirement benefit liability

	Notes	2024 USD'000	2023 USD'000
Retirement benefit liability as at beginning of period		**4,838**	4,593
Payments made during the period		**(836)**	(700)
Charge for the period	8.2	**2,040**	2,680
Actuarial gains and losses on defined benefit liabilities (OCI)		**1,243**	(448)
Foreign exchange differences		**(429)**	(1,287)
Retirement benefit liability as at end of the period		**6,856**	4,838

ASA India, ASA Pakistan, Lak Jaya, Pagasa Philippines, ASA Nigeria, ASA Kenya, ASA Zambia, ASA Sierra Leone and AMSL are maintaining defined benefit pension plans in the form of gratuity plans at retirement, death, incapacitation and termination of employment for eligible employees. The funds for the plans in ASA Pakistan, Pagasa Philippines, Lak Jaya, ASA Nigeria, ASA Kenya, ASA Zambia, ASA Sierra Leone and AMSL are maintained by the entity itself and no plan assets have been established separately. The funds for the plan of ASA India are being maintained with Life Insurance Corporation of India and the entity's obligation is determined by actuarial valuation. There are no other post-retirement benefit plans available to the employees of the Group.

8.2 Charge for the period

	2024 USD'000	2023 USD'000
Current service cost for the period	**(1,353)**	(1,061)
Past service cost	**(80)**	(1,129)
Interest cost for the period	**(607)**	(490)
	(2,040)	(2,680)

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

8. Personnel expenses (continued)
8.3 Sensitivity analysis
A quantitative sensitivity analysis for significant assumptions as at 31 December 2024 and 31 December 2023 is shown below.

Assumptions

		Discount rate		Future salary increases	
Sensitivity level	Year	1% increase USD'000	1% decrease USD'000	1% increase USD'000	1% decrease USD'000
Impact on defined benefit obligation	2024	**(264)**	**1,209**	**1,218**	**(284)**
	2023	(96)	1,129	1,140	(115)

8.4 Share-based payments
Personnel expenses for 2024 includes an amount of USD 709K (2023: USD 71K) against share-based payment expenses.

In October 2022, July 2023 and July 2024, the Group granted options ('Options') for 3.5 million ordinary shares of GBP 0.01 each in the Group Company under its LTIP to certain Executive Directors and other senior staff. The Company's LTIP is designed to incentivise and retain Directors and senior staff, along with aligning them with shareholders' interest to create long-term value.

The Options will normally vest, subject to continued employment, on the following schedule:

a) 20% each year between the first and fifth anniversaries of the Grant Date; or

b) For Executive Directors only, 60% on the third anniversary and 20% on each of the fourth and fifth anniversaries of the Grant Date.

To the extent they vest, the Options are exercisable at a price of GBP 0.93, GBP 0.84 and GBP 0.82 per ordinary share for options granted in 2022, 2023 and 2024 respectively, being the average share price for the three business days before the Grant Date. The Group has issued certificates to the participants to the plan. During 2024 a total number of 0.56 million (2023: 0.46 million) Options lapsed due to staff leaving the Group. Since the grant dates, 1.0 million option rights have expired because the employees concerned have left the company.

The fair value of Options granted during the year 2024 was estimated on the Grant Date based on the Black-Scholes model using the following assumptions:

Expected volatility (%)	66%, 65% and 81%
Risk-free interest rate (%)	3.7%, 5.2% and 5.4%
Expected life of share options (years)	Ten years
Current share price (£)	0.81
Dividend yield (%)	0%

The weighted average fair value of the Options granted during the 12 months ended 31 December 2024 was GBP 0.69 (2023: GBP 0.69).

The following table illustrates the number and weighted average exercise prices ('WAEP') of, and movements in, share options during the year:

	2024		2023	
	Number	WAEP (in USD)	Number	WAEP (in USD)
Outstanding at beginning of the year	**2,137,282**	**1.27**	2,476,244	1.27
Granted during the year	**867,372**	**1.28**	125,088	1.27
Forfeited during the year	**–**	**–**	–	–
Exercised during the year	**–**	**–**	–	–
Expired during the year	**(563,304)**	**1.27**	(464,050)	1.27
Outstanding at end of the year	**2,441,350**	**1.28**	2,137,282	1.27
Exercisable at end of the year	**892,195**	**1.28**	337,290	1.27

9. Other operating expenses
Other operating expenses includes the following items:

	Notes	2024 USD'000	2023 USD'000
Administrative expenses	9.1	**(32,993)**	(29,148)
Professional fees	9.2	**(3,215)**	(3,408)
Audit fees	9.3	**(2,013)**	(1,763)
International travel		**(749)**	(606)
CSR expenses		**(209)**	(239)
Other		**(561)**	(312)
		(39,740)	(35,476)

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

9. Other operating expenses (continued)
9.1 Administrative expenses

	2024 USD'000	2023 USD'000
Transport and representation expenses	(10,320)	(10,303)
Office expenses	(5,867)	(5,152)
Telecommunications and internet expenses	(4,770)	(3,881)
VAT/Output tax/Service tax	(4,736)	(4,424)
Gas, water and electricity	(1,256)	(1,154)
Bank charges	(1,119)	(1,102)
Insurance expenses	(974)	(840)
Training and seminar expenses	(397)	(400)
Fines and penalties for tax	(621)	(11)
Other WHT expenses	(331)	(120)
Other administrative expenses	(2,602)	(1,761)
	(32,993)	(29,148)

Other administrative expenses includes several small items that are smaller than USD 300K on an individual basis.

9.2 Professional fees

	2024 USD'000	2023 USD'000
Legal services fees	(418)	(336)
Other professional fees	(2,797)	(3,072)
	(3,215)	(3,408)

Other professional fees includes fees for various consultants on tax, IT, accounting and actuary valuation services.

9.3 Audit fees
Auditor's remuneration is included within other operating expenses and comprises:

	2024 USD'000	2023 USD'000
Fees payable to the company's auditor for the audit of the company's annual accounts	(1,296)	(1,204)
Fees payable to the company's auditor and its associates for other services:		
Audit of the accounts of subsidiaries	(278)	(238)
Audit-related assurance services	(422)	(313)
Other assurance services	(17)	(8)
	(2,013)	(1,763)
Total audit	(1,574)	(1,442)
Total non-audit services	(439)	(321)
Total fees	(2,013)	(1,763)

10. Exchange rate differences
The Group incurred certain foreign exchange losses on monetary assets denominated in currencies other than the Group's functional currency.

	2024 USD'000	2023 USD'000
Foreign currency losses	(7,527)	(4,923)
Foreign currency gains	6,653	2,955
	(874)	(1,968)

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

11. Income tax and withholding tax expense

	2024 USD'000	2023 USD'000
Income tax expense		
Income tax for current period	**(27,477)**	(20,062)
Income tax for previous period	**(2,061)**	(1,943)
Changes in deferred income tax	**980**	1,856
	(28,558)	(20,149)

11.1 Current tax liability

	2024 USD'000	2023 USD'000
Balance as at beginning of period	**9,326**	8,873
Tax charge:		
Current period	**27,477**	20,062
Previous period	**2,061**	1,943
Tax paid	**(24,481)**	(18,290)
Foreign exchange adjustment	**(204)**	(3,262)
Balance as at end of period	**14,179**	9,326

11.2 Deferred tax assets

	2024 USD'000	2023 USD'000
Balance as at beginning of period	**5,769**	4,625
Impact of IAS 29 (hyperinflation)	**–**	(101)
Adjusted balance at beginning of period	**5,769**	4,524
Addition during the period	**1,998**	2,544
Impact of hyperinflation for the period	**(52)**	28
Foreign exchange adjustment	**(438)**	(1,327)
Balance as at end of period	**7,277**	5,769

Deferred tax assets are temporary differences recognised in accordance with local tax regulations and with reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

11.3 Deferred tax liability

	2024 USD'000	2023 USD'000
Balance as at beginning of period	**2,406**	2,184
Impact of IAS 29 (hyperinflation)	**–**	1
Adjusted balance at beginning of period	**2,406**	2,185
Charge during the period	**2,110**	121
Impact of hyperinflation for the period	**132**	130
Foreign exchange adjustment	**(13)**	(30)
Balance as at end of period	**4,635**	2,406

11.4 Deferred tax relates to

	2024			2023		
Deferred tax relates to:	**Deferred tax assets USD'000**	**Deferred tax liabilities USD'000**	**Income statement USD'000**	**Deferred tax assets USD'000**	**Deferred tax liabilities USD'000**	**Income statement USD'000**
Allowance for ECL	**1,951**	**–**	**832**	1,511	–	813
Provision for retirement liabilities	**1,544**	**–**	**240**	1,443	–	760
Provision on FX loss	**184**	**–**	**3**	267	–	235
Other temporary differences	**2,738**	**(124)**	**(137)**	2,954	(169)	457
IFRS 16 Lease	**–**	**416**	**67**	–	284	(185)
Undistributed profit of subsidiary	**–**	**4,388**	**(2,258)**	–	2,130	53
Modification loss	**–**	**–**	**–**	–	–	(224)
Impact of hyperinflation	**–**	**(27)**	**(209)**	(72)	131	(203)
Other comprehensive income/Revaluation of cash flow hedge	**860**	**(18)**	**1,166**	(334)	30	513
	7,277	**4,635**	**(296)**	5,769	2,406	2,219

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

11. Income tax and withholding tax expense (continued)
11.5 Reconciliation of the total tax charge

	2024 USD'000	2023 USD'000
Accounting result before tax	63,535	32,195
Income tax expense at nominal rate of consolidated entities	(20,967)	(12,039)
(Under) provision for income tax previous year	(2,061)	(2,970)
Movement in unrecognised deferred taxes	(3,410)	(2,866)
Exempt income	294	59
Tax impact on elimination	528	527
Impact for hyperinflation	(1,572)	(1,356)
Permanent differences (non-deductible expenses)	(1,370)	(1,504)
Total income tax expense for the period	(28,558)	(20,149)
Weighted average nominal rate of consolidated entities	33%	37%
Consolidated effective tax rate (without withholding taxes)	45%	63%

11.6 Income tax per region

	2024 USD'000	2023 USD'000
Corporate income tax – West Africa	(8,794)	(7,402)
Corporate income tax – South Asia	(8,650)	(6,721)
Corporate income tax – East Africa	(9,127)	(4,422)
Corporate income tax – South East Asia	(1,926)	(1,422)
Corporate income tax – Holding and other non-operating entities	(61)	(182)
Total income tax per region	(28,558)	(20,149)

11.7 Withholding tax expense

	2024 USD'000	2023 USD'000
Withholding tax on interest income, dividend, royalties and service fees	(1,521)	(3,342)
Deferred tax on undistributed dividend	(4,923)	53
Total withholding tax expense	(6,444)	(3,289)

Interest income, dividends, royalties and service fees are subject to withholding tax in certain jurisdictions. The applicable withholding tax rates vary per country and per type of income.

12. Cash at bank and in hand

	2024 USD'000	2023 USD'000
Cash at bank	78,906	76,215
Cash in hand	239	214
	79,145	76,429

An amount of USD 28.9 million (2023: USD 27.9 million) of cash at bank is restricted and cannot be readily available. Out of this USD 18.4 million (2023: USD 18.4 million) in the Philippines is restricted as per the Securities and Exchange Commission ('SEC') regulations as it relates to LCBU, the collection of security collateral from clients of a lending company. LCBU is placed into a segregated account. In Tanzania USD 10.5 million (2023: USD 9.5 million) is restricted and maintained in a separate account as per the Bank of Tanzania's requirement for non-deposit-taking microfinance institutions ('MFIs') as it relates to security deposits from the clients.

13. Loans and advances to customers

	Notes	2024 USD'000	2023 USD'000
Loans and advances to customers at amortised cost	13.1	409,910	297,851
Loans and advances to customers at FVTPL	13.6	67	32,306
		409,977	330,157

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

13. Loans and advances to customers (continued)
13.1 Loans and advances to customers at amortised cost
Loans and advances to customers are net of allowance for ECL.

	Notes	2024 USD'000	2023 USD'000
Gross loan portfolio	13.2	420,355	305,248
Interest receivable on loans to customers		7,294	4,464
Unamortised processing fee		(7,617)	(4,949)
Gross loans		420,032	304,763
Allowance for expected credit loss	13.3	(10,122)	(6,912)
Net loan portfolio		409,910	297,851

13.2 Gross loan portfolio
As of 31 December 2024, the gross loan portfolio amounts to USD 420.4 million (31 December 2023: USD 305.2 million). Interest receivable on loans to customers is realisable in line with the loan repayment schedules.

ASA India operates a BC model with IDFC, JSFB, FSFB, Ujjivan and ESAF. ASA India operates as an agent, whereby ASA India selects borrowers based on the selection criteria of the BC Partner. After approval of the selected borrowers, the BC Partners disburse the loans through ASA India and ASA India collects the interest and repayments from the borrowers on behalf of the BC Partners. In exchange for these services, ASA India receives service fees and processing fees.

The loans to borrowers of IDFC, JSFB, FSFB, Ujjivan and ESAF and related funding are not recognised on the balance sheet since the loan agreements are made between the partners and the borrowers. In the case of IDFC, Fincare and ESAF, ASA India has a limited liability for the non-performing loans under this agreement. The service fees received are reported under 'Other operating income' in note 6.

Under the agreements with the BC Partners, ASA India is liable for payment of non-performing loans, which is regarded as a financial guarantee. This liability for BC Partners is reported under 'Provisions' in note 28. This liability is based on the Group's ECL policy as explained in note 2.5.1, taking into account any limits in the liability towards the BC Partners, because it is the best estimate for the expected outflow of cash at reporting date. The related expense is reported under credit loss expenses in note 7.

ASA India provided security deposits to the BC Partners as collateral for the financial guarantees provided. These security deposits are reported under 'Due from banks' in note 14. Other receivables and payables related to the BC model are reported under 'Other assets' and 'Other liabilities'. More information is available in note 2.5.

ASA India entered into DA agreement with the SBI. Under the agreement the entity transferred a pool of its loans to customers amounting to USD 16.5 million to the SBI against a purchase consideration of USD 14 million which is 85% of the loan portfolio. 15% is retained by ASA India as the Minimum Retention Rate ('MRR') as per the guidance of the RBI. ASA India will continue to collect the instalments from all the borrowers and transfer the amount to the SBI where the SBI will retain collections from 85% of the clients and adjust that with the purchase consideration (borrowings) and repay collections from 15% of the customers to ASA India. The 85% of the pool is hence not recognised in the books of ASA India as the Company transferred all significant risks and rewards of such loans to the SBI.

The outstanding loans to borrowers under the BC model and DA model which are not recognised on the balance sheet at 31 December 2024 amounted to USD 37.3 million and USD 717K respectively (2023: USD 38.8 million and USD 980K).

13.3 Allowance for ECL

	Notes	2024 USD'000	2023 USD'000
Balance as at beginning of the period		(6,912)	(15,900)
Reclassification to FVTPL		–	252
ECL charge on loans and advances	7	(6,934)	(5,804)
ECL charge on interest receivable		(340)	(174)
Write-off of loans and interest		3,478	12,894
Adjustment for interest on stage 3 loans		(348)	–
Exchange rate differences		934	1,820
Balance at end of the period		(10,122)	(6,912)

The key assumptions applied for the ECL provision are explained in note 2.5.1.

13.4 The breakdown of the allowance for ECL is as follows:

	2024 USD'000	2023 USD'000
ECL on loans and advances	(9,571)	(6,687)
ECL on interest receivable	(551)	(225)
	(10,122)	(6,912)

ECL provision has been increased mainly due to the increase of the portfolio.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

13. Loans and advances to customers (continued)
13.5 The following tables explain the movement of gross OLP and Interest receivable and related provisions in stages.

	Stage 1 (USD'000)				Stage 2 (USD'000)				Stage 3 (USD'000)				Total (USD'000)			
	Gross OLP	Interest receivable	Total	ECL	Gross OLP	Interest receivable	Total	ECL	Gross OLP	Interest receivable	Total	ECL	Gross OLP	Interest receivable	Total	ECL
At 1 January 2024	**296,875**	**4,127**	**301,002**	**(1,540)**	**1,911**	**156**	**2,067**	**(12)**	**6,462**	**181**	**6,643**	**(5,360)**	**305,248**	**4,464**	**309,712**	**(6,912)**
New assets originated	**1,079,502**	**–**	**1,079,502**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,079,502**	**–**	**1,079,502**	**–**
Interest revenue	**–**	**169,120**	**169,120**	**–**	**–**	**6,079**	**6,079**	**–**	**–**	**12,573**	**12,573**	**(348)**	**–**	**187,772**	**187,772**	**(348)**
Collections	**(944,794)**	**(165,890)**	**(1,110,684)**	**–**	**(1,180)**	**(6,148)**	**(7,328)**	**–**	**(4,584)**	**(12,596)**	**(17,180)**	**–**	**(950,558)**	**(184,634)**	**(1,135,192)**	**–**
ECL (charges)/releases	**–**	**–**	**–**	**(912)**	**–**	**–**	**–**	**9**	**–**	**–**	**–**	**(6,371)**	**–**	**–**	**–**	**(7,274)**
Transfers:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Stage 1 to stage 2	**(2,614)**	**(223)**	**(2,837)**	**15**	**2,614**	**223**	**2,837**	**(15)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Stage 1 to stage 3	**(10,168)**	**(669)**	**(10,837)**	**55**	**–**	**–**	**–**	**–**	**10,168**	**669**	**10,837**	**(55)**	**–**	**–**	**–**	**–**
Stage 2 to stage 1	**56**	**–**	**56**	**–**	**(56)**	**–**	**(56)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Stage 2 to stage 3	**–**	**–**	**–**	**–**	**(668)**	**(86)**	**(754)**	**4**	**668**	**86**	**754**	**(4)**	**–**	**–**	**–**	**–**
Stage 3 to stage 1	**34**	**–**	**34**	**(28)**	**–**	**–**	**–**	**–**	**(34)**	**–**	**(34)**	**28**	**–**	**–**	**–**	**–**
Stage 3 to stage 2	**–**	**–**	**–**	**–**	**3**	**–**	**3**	**(2)**	**(3)**	**–**	**(3)**	**2**	**–**	**–**	**–**	**–**
Write-off	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,170)**	**(308)**	**(3,478)**	**3,478**	**(3,170)**	**(308)**	**(3,478)**	**3,478**
FX impact	**(10,026)**	**–**	**(10,026)**	**203**	**(123)**	**–**	**(123)**	**1**	**(518)**	**–**	**(518)**	**730**	**(10,667)**	**–**	**(10,667)**	**934**
At 31 December 2024	**408,865**	**6,465**	**415,330**	**(2,207)**	**2,501**	**224**	**2,725**	**(15)**	**8,989**	**605**	**9,594**	**(7,900)**	**420,355**	**7,294**	**427,649**	**(10,122)**
At 1 January 2023	324,354	5,739	330,093	(1,235)	3,825	763	4,588	(859)	16,806	762	17,568	(13,806)	344,985	7,264	352,249	(15,900)
Reclassification to FVTPL	(44,131)	(934)	(45,065)	248	(241)	(17)	(258)	1	(526)	59	(467)	3	(44,898)	(892)	(45,790)	252
New assets originated	637,305	–	637,305	–	–	–	–	–	–	–	–	–	637,305	–	637,305	–
Interest revenue	–	111,859	111,859	–	–	11,308	11,308	–	–	12,563	12,563	–	–	135,730	135,730	–
Collections	(552,631)	(111,913)	(664,544)	–	(2,217)	(11,988)	(14,205)	–	(14,355)	(13,175)	(27,530)	–	(569,203)	(137,076)	(706,279)	–
ECL (charges)/releases	–	–	–	(235)	–	–	–	909	–	–	–	(6,652)	–	–	–	(5,978)
Transfers:	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Stage 1 to stage 2	(1,779)	(157)	(1,936)	7	1,779	157	1,936	(7)	–	–	–	–	–	–	–	–
Stage 1 to stage 3	(19,685)	(593)	(20,278)	76	–	–	–	–	19,685	593	20,278	(76)	–	–	–	–
Stage 2 to stage 1	775	60	835	(156)	(775)	(60)	(835)	156	–	–	–	–	–	–	–	–
Stage 2 to stage 3	–	–	–	–	(419)	(42)	(461)	86	419	42	461	(86)	–	–	–	–
Stage 3 to stage 1	761	66	827	(650)	–	–	–	–	(761)	(66)	(827)	650	–	–	–	–
Stage 3 to stage 2	–	–	–	–	348	35	383	(301)	(348)	(35)	(383)	301	–	–	–	–
Write-off	–	–	–	–	–	–	–	–	(12,331)	(562)	(12,893)	12,894	(12,331)	(562)	(12,893)	12,894
FX impact	(48,094)	–	(48,094)	405	(389)	–	(389)	3	(2,127)	–	(2,127)	1,412	(50,610)	–	(50,610)	1,820
At 31 December 2023	296,875	4,127	301,002	(1,540)	1,911	156	2,067	(12)	6,462	181	6,643	(5,360)	305,248	4,464	309,712	(6,912)

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

13. Loans and advances to customers (continued)
13.6 Loans and advances to customers at FVTPL

	2024 USD'000	2023 USD'000
Loans and advances to customers at FVTPL	67	32,306
	67	32,306

ASA International entities in Uganda, the Philippines, Kenya and Sri Lanka ceased disbursements of loans with insurance arrangements from August 2023 to January 2024 and accordingly loans and advances to customers balances at FVTPL have decreased significantly.

14. Due from banks

	Notes	2024 USD'000	2023 USD'000
Due from banks		29,263	20,705
Escrow bank account at Citibank	14.1	–	21,392
		29,263	42,097

14.1 Escrow bank account at Citibank
In certain countries in which the Group operates, Non-Resident Capital Gains Tax ('NRCGT') regimes were enacted which might give rise to an NRCGT liability if there was a change of control ('COC') of more than 50% of the underlying ownership of a subsidiary of the Company resident in that country as measured over a rolling three-year period. In each case, the liability was payable by the local subsidiary. A COC of certain of the Group's subsidiaries resulting from the offering to certain institutional and professional investors in view of the admission of the Group to the London Stock Exchange in 2018 (the 'Global Offer'), or thereafter, might trigger NRCGT liabilities in certain jurisdictions for the affected subsidiaries.
In connection with the potential NRCGT liability, CMI, being the selling shareholder at the time of the listing of the Group on 13 July 2018, agreed upon admission to place USD 20 million (the 'Escrow Amount') of its net proceeds from the sale of shares in the Global Offer in an escrow account for the sole benefit of the Company (the 'Escrow Account'). The Escrow Amount might be applied to fund NRCTG liabilities in accordance with the escrow deed dated 29 June 2018 between, inter alia, CMI and the Company.
The Escrow Account was established in the name of the Company and was therefore presented as part of 'Due from banks'. The beneficial ownership of these funds, including any interest accrued thereon and less any expenses, rested with CMI in accordance with the terms of the escrow deed.

The Escrow Amount has been released to CMI on 5 August 2024 after the six-year period as defined in the terms of the escrow deed.

15. Equity investments at FVOCI

	2024 USD'000	2023 USD'000
MFX Solutions, LLC		
Balance at the beginning of the period	273	244
Gain on revaluation through OCI	42	29
Balance at the end of the period	315	273

The Group purchased 153,315 shares of MFX Solutions, LLC USA on 7 April 2017. This represents 1% of the total number of issued shares of 15,331,330. The purchase price per share was USD 1.3045. These unlisted equity investments were irrevocably designated at initial recognition as held at FVOCI. Their fair value has been classified as Level 2. The valuation technique used to assess the fair value is the book value of MFX Solutions.

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Notes to the consolidated financial statements (continued)
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16. Property and equipment
Property and equipment consists of land and buildings, office furniture and equipment. Depreciation policies are described in detail in the accounting policies. The movements are as follows.

	2024					2023				
	Furniture and fixtures USD'000	Vehicles USD'000	Office equipment including IT USD'000	Buildings USD'000	Total USD'000	Furniture and fixtures USD'000	Vehicles USD'000	Office equipment including IT USD'000	Buildings USD'000	Total USD'000
Cost at the beginning of the period	1,395	346	10,180	3,266	15,187	1,565	405	9,006	1,127	12,103
Accumulated depreciation at the beginning of the period	(935)	(214)	(7,114)	(159)	(8,422)	(1,120)	(218)	(7,085)	(167)	(8,590)
Carrying value at the beginning of the period	460	132	3,066	3,107	6,765	445	187	1,921	960	3,513
Impact of IAS 29 (hyperinflation)	25	11	142	294	472	11	30	53	–	94
Adjusted balance at the beginning of period	485	143	3,208	3,401	7,237	456	217	1,974	960	3,607
Additions during the period at cost	325	60	1,355	483	2,223	23	5	2,237	2,107	4,372
Foreign currency adjustment	(58)	(12)	(440)	(545)	(1,055)	(193)	(64)	(1,029)	32	(1,254)
Disposal during the period	(3)	–	(69)	–	(72)	–	–	(34)	–	(34)
Depreciation during the period	(184)	(55)	(1,650)	(26)	(1,915)	(186)	(53)	(1,472)	(22)	(1,733)
Adjustment of depreciation for disposals	(4)	4	156	–	156	210	28	605	31	874
Impact of hyperinflation for the period	7	(1)	(1)	473	478	14	(19)	89	294	378
Foreign currency differences	57	2	479	7	545	161	29	838	(1)	1,027
Carrying value at the end of the period	625	141	3,038	3,793	7,597	485	143	3,208	3,401	7,237
Cost at the end of the period	1,659	394	11,026	3,204	16,283	1,395	346	10,180	3,266	15,187
Accumulated depreciation at the end of the period	(1,066)	(263)	(8,129)	(178)	(9,636)	(935)	(214)	(7,114)	(159)	(8,422)
Impact of IAS 29 (hyperinflation)	32	10	141	767	950	25	11	142	294	472
Carrying value at the end of the period	625	141	3,038	3,793	7,597	485	143	3,208	3,401	7,237

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

17. ROU assets and lease liabilities

	2024 USD'000	2023 USD'000
ROU assets at the beginning of the period	4,785	4,589
Impact of IAS 29 (hyperinflation)	–	281
Adjusted balance at beginning of period	4,785	4,870
Additions during the period	3,616	3,335
Depreciation during the period	(3,710)	(3,722)
Impact of hyperinflation for the period	(17)	(15)
Exchange rate differences	698	317
ROU assets at the end of the period	5,372	4,785

	2024 USD'000	2023 USD'000
Lease liabilities at the beginning of the period	3,272	3,091
Interest expense of lease liabilities	479	341
Additions on lease liabilities during the period	3,616	3,335
Payment of lease liabilities	(3,916)	(3,690)
Exchange rate differences	474	195
Lease liabilities at the end of the period	3,925	3,272

The Group recognises leased office premises under ROU assets.

Between January and December 2024, the Group entered into 1,243 new contracts and renewal contracts (2023: 1,163). This excludes the new/renewal contracts of Ghana, Nigeria and Tanzania as they have fully prepaid contracts and are not impacted by IBRs.

18. Other assets

Other assets comprises of the following:

	Notes	2024 USD'000	2023 USD'000
Receivables from related parties	18.1	1,858	810
Prepayments		3,907	2,862
Employee advances		2,844	2,783
Advance income tax		6,884	2,902
Security deposit		310	272
Receivables under off-book BC model (ASA India)	18.2	399	1,014
Insurance claim receivable		317	37
Interest receivable on due from banks		873	379
Advance to lenders	18.3	–	955
Other receivables	18.4	1,394	1,476
		18,786	13,490

Prepayments and employee advances are in line with security against housing contracts, funding agreements and employee receivables. Advance income tax will be set off against current tax payable after completion of the tax assessment.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

18. Other assets (continued)
18.1 Receivables from related parties

	2024 USD'000	2023 USD'000
CMI	58	–
Sequoia BV	65	41
MBA Philippines	709	61
Catalyst Investment Management services	27	22
ASAIG plc EBT	972	686
Catalyst Continuity	18	–
Continuity EBT Ltd.	9	–
	1,858	810

The receivables from related parties are short term in nature and do not accrue interest.

18.2 Receivables under off-book BC model (ASA India)

Receivables under off-book BC model is presented net of impairment. Gross amount receivable under off-book BC model is USD 2.5 million (2023: USD 3.4 million)

18.3 Advance to lenders
ASAI NV paid an advance amounting to USD 1.0 million to Symbiotic and Frankfurt School Financial Services in May 2023 on behalf of ASA Myanmar as per the loan restructuring agreed in March 2023. This was an advance for a future assignment of various loans by the lenders to ASAI NV which was adjusted with the purchase value of the Symbiotics loans assigned to ASAI NV.

18.4 Other receivables
Other receivables includes various advances in relation to employee's insurance, receivable from VAT and service tax authorities etc. Individually none of the advances are over USD 500K.

19. Derivatives

	2024 USD'000	2023 USD'000
Forward contracts	–	884
Swap agreements	258	1,566
Derivative assets total	258	2,450
Forward contracts	(1,869)	(78)
Swap agreements	(1,383)	–
Derivative liabilities total	(3,252)	(78)
Total derivatives at fair value	(2,994)	2,372

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

19. Derivatives (continued)
19.1 The Group is holding the following foreign exchange forward contracts:

As of 31 December 2024	Maturity <30 days USD'000	Maturity 1-3 months USD'000	Maturity 3-12 months USD'000	Maturity >12 months USD'000	Total USD'000
Pakistan					
Notional amount (in USD)	–	519	21,500	–	22,019
Average forward rate (USD/PKR)	–	324	310	–	312
Carrying amount (in USD)	–	(74)	(1,551)	–	(1,625)
Sierra Leone					
Notional amount (in USD)	–	–	–	1,000	1,000
Average forward rate (USD/SLE)	–	–	–	31	31
Carrying amount (in USD)	–	–	–	(127)	(127)
Zambia					
Notional amount (in USD)	–	–	750	500	1,250
Average forward rate (USD/ZMW)	–	–	30	35	32
Carrying amount (in USD)	–	–	(17)	(42)	(59)
Kenya					
Notional amount (in USD)	–	–	1,000	–	1,000
Average forward rate (USD/KES)	–	–	144	–	144
Carrying amount (in USD)	–	–	(28)	–	(28)
ASAI NV					
Notional amount (in USD)	–	–	–	965	965
Average forward rate (USD/INR)	–	–	–	92	92
Carrying amount (in USD)	–	–	–	(30)	(30)

As of 31 December 2023	Maturity <30 days USD'000	Maturity 1-3 months USD'000	Maturity 3-12 months USD'000	Maturity >12 months USD'000	Total USD'000
Pakistan					
Notional amount (in USD)	–	552	17,094	–	17,646
Average forward rate (USD/PKR)	–	312	302	–	300
Carrying amount (in USD)	–	(29)	(40)	–	(69)
Sierra Leone					
Notional amount (in USD)	–	–	1,000	–	1,000
Average forward rate (USD/SLE)	–	–	23	–	23
Carrying amount (in USD)	–	–	105	–	105
Zambia					
Notional amount (in USD)	–	250	250	–	500
Average forward rate (USD/ZMW)	–	23	28	–	26
Carrying amount (in USD)	–	33	4	–	37
Kenya					
Notional amount (in USD)	–	–	4,000	–	4,000
Average forward rate (USD/KES)	–	–	145	–	145
Carrying amount (in USD)	–	–	743	–	743
ASAI NV					
Notional amount (in USD)	–	–	–	993	993
Average forward rate (USD/INR)	–	–	–	92	92
Carrying amount (in USD)	–	–	–	(9)	(9)

Please see note 36 and 37 for more information.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

19. Derivatives (continued)
19.2 The Group also holds the below swap contracts:

		2024 USD'000	2023 USD'000
Cross-currency interest rate swap	Notional value	**17,031**	10,104
	Carrying value	**(1,125)**	1,566

At 31 December 2024, the Group had ten cross-currency interest rate swap agreements in place.

Three swap agreements are in ASA Sierra Leone with a total notional amount of USD 1.8 million. On 2 February 2022, ASA Sierra Leone entered into another swap agreement of USD 500K where ASA Sierra Leone pays a fixed rate of interest of 19.22% in SLE and receives at 8% in USD notional amount. The entity entered into another swap agreement of USD 300K on 10 October 2023 where ASA Sierra Leone pays a fixed rate of interest of 29.78% in SLE and receives at 12% in USD notional amount. The entity also entered another swap of USD 1 million on 30 October 2024 where ASA Sierra Leone pays a fixed rate of interest of 23.57% in SLE and receives interest at a fixed rate of 8.5% in USD notional amount.

ASA Kenya also has seven swap agreements in place. A swap agreement with notional amount of USD 2 million where ASA Kenya pays at a fixed interest rate of 17.90% in KES and receives at 6.25% in USD notional amount. A swap agreement of USD 3 million where ASA Kenya pays at 20.95% in KES and receives at 7.5% in USD. A swap agreement of USD 1.5 million where ASA Kenya pays at 19.85% in KES and receives at 7.5% in USD. Another swap agreement of USD 2 million where ASA Kenya pays at 19.35% in KES and receives at 7.5% in USD. Another swap agreement of USD 3 million where ASA Kenya pays at 21.25% in KES and receives at 7.5% in USD. ASA Kenya has another swap agreement of USD 1 million. ASA Kenya's swap arrangements also include a swap of EUR 1.5 million where ASA Kenya pays at a fixed interest rate of 17.85% in KES and receives at 5% in EUR notional amount. The swaps are being used to hedge the exposure to changes in the cash flow of its interest on USD and EUR loans.

Observable market data is used for the valuation of the derivative contracts. The applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows using future exchange rates and discounting them with the appropriate interest rate curves. These derivative contracts are classified as Level 2 financial instruments.

20. Intangible assets

	2024 USD'000	2023 USD'000
Balance as at beginning of the period	**7,340**	5,041
Impact of IAS 29 (hyperinflation)	**–**	4
Adjusted balance at beginning of period	**7,340**	5,045
Additions	**3,918**	2,284
Amortisation	**(857)**	(10)
Impact of hyperinflation for the period	**332**	55
Exchange rate differences	**(221)**	(34)
Balance at end of the period	**10,512**	7,340

Intangible assets includes the development costs for the project to develop a digital financial services (DFS) platform. The first implementation is in progress in Ghana. Upon successful implementation, this will be followed by the launch of a range of digital financial and other services to support the growth of small businesses. The platform will add a digital channel to the existing branch model. The DFS will be offered to its clients through a smartphone app, where clients will be able to apply online for loans and other financial services like a current account and a savings or deposit account. As part of the DFS, the Group is also developing a Supplier Market Place app ('SMP') where clients can purchase goods for their small businesses. SMP will be a separate app but is part of the DFS model to retain and attract loan and savings clients and generate payment transactions that generate commissions.

For the introduction of current accounts and savings and deposits accounts and other digital services to the clients, the Group decided to add a CBS to its IT infrastructure. The Group has procured a ten-year licence to the Temenos Financial Inclusion suite, which is an off-the-shelf CBS system. In February 2024, clients in Pakistan were migrated from the incumbent loan system to the Temenos Core Banking System. Implementation of the CBS in Ghana is in progress alongside the DFS.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

20. Intangible assets (continued)
Total spent during the year against DFS and CBS are as follows:

	2024 USD'000			2023 USD'000		
Particulars	**Capitalised**	**Charged to P&L**	**Total**	**Capitalised**	**Charged to P&L**	**Total**
Development fees	828		828	613	–	613
Licence fees	697	384	1,081	345	482	827
Implementation cost	2,004	39	2,043	921	–	921
Consultancy	17		17	40	–	40
Salary and travelling	372	16	388	365	73	438
	3,918	439	4,357	2,284	555	2,839

21. Issued capital

	2024 USD'000	2023 USD'000
ASA International Group plc 100 million shares of GBP 0.01 each	1,310	1,310
	1,310	1,310

No movements in issued capital during 2024 and 2023.

22. Retained earnings
Total retained earnings are calculated as follows:

	2024 USD'000	2023 USD'000
Balance at the beginning of the period	185,864	173,297
Impact of loan reclassification at FVTPL	–	2,392
Adjusted balance at the beginning of the period	185,864	175,689
Dividend	(2,952)	–
Transferred to NCI and others	(59)	969
Result for the period	29,249	9,206
Balance at the end of the period	212,102	185,864
Profit for the period		
Attributable to equity holders of the parent	29,249	9,206
Non-controlling interest	(716)	(449)
	28,533	8,757

Part of retained earnings relates to Non-governmental Organisations ('NGOs') which are consolidated in these financial statements. The retained earnings of these NGOs cannot be distributed to their respective members. Retained earnings relating to NGOs amounted to USD 2.3 million at 31 December 2024 (2023: USD 2.1 million).

ASA S&L, ASA India, ASA Nigeria have statutory requirements to add a percentage of the net profits to a legal reserve. Therefore, part of retained earnings cannot be distributed to shareholders. Retained earnings relating to these legal reserves amounted to USD 24.8 million in December 2024 (2023: USD 22.4 million).

An interim dividend of USD 3.0 million was declared and paid out in December 2024 (2023: nil).

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

23. Other reserves
Total other reserves are calculated as follows:

	Notes	2024 USD'000	2023 USD'000
Balance at the beginning of the period		2,758	3,324
Actuarial gains and losses on defined benefit liabilities	8.1	(1,243)	448
Share-based payments		709	71
Movement in hedge accounting reserve		(2,160)	(1,669)
Gain on revaluation of MFX investment	15	42	29
Tax on OCI and others		1,265	555
Balance at the end of the period		1,371	2,758

Tax on OCI and others includes USD 1,210K of tax on OCI.

24. Foreign currency translation reserve
The translation of the Company's subsidiaries and overseas branches from local currency into the Group's presentation currency (USD) results in the following currency translation differences that reduces overall equity and total comprehensive income:

	2024 USD'000	2023 USD'000
Balance at the beginning of the period	(111,998)	(88,123)
Impact of IAS 29 (hyperinflation)	–	256
Adjusted balance at the beginning of the period	(111,998)	(87,867)
Translation of assets and liabilities of subsidiaries to USD	(4,313)	(24,131)
Balance at the end of the period	(116,311)	(111,998)

The entity wise breakdown of the translation adjustment is as follows:

	2024 USD'000	2023 USD'000
Ghana	(1,087)	1,727
Pakistan	138	(7,729)
Nigeria	(5,819)	(15,058)
Sri Lanka	126	181
Philippines	(559)	64
Myanmar	5	(1)
Sierra Leone	127	326
Kenya	1,524	(1,487)
Rwanda	(144)	(261)
Zambia	(163)	(651)
Tanzania	889	(962)
Others	650	(280)
	(4,313)	(24,131)

Foreign currency translation reserve movement for Ghana and Sierra Leone is reduced due to the application of IAS 29.

25. Debt issued and other borrowed funds

	Notes	2024 USD'000	2023 USD'000
Debt issued and other borrowed funds by operating subsidiaries	25.1	249,804	204,653
Symbiotics-managed funds (ASAI NV)	25.2	1,500	21,019
Oikocredit (ASAI NV)	25.3	5,000	–
BIO (ASAIH)	25.4	10,000	10,000
OeEB (ASAIH/ASAI NV)	25.5	16,875	5,625
Ninety one (ASAI NV)	25.6	10,000	10,000
responsAbility-managed funds (ASAI NV)	25.7	4,500	7,167
DFC (ASAI NV)	25.8	15,000	10,000
Interest payable on third-party loans		8,171	4,947
		320,850	273,411

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

25. Debt issued and other borrowed funds (continued)
25.1 Breakdown of borrowings by operating subsidiaries are shown below:

	2024 USD'000	2023 USD'000
ASA India	**14,764**	21,127
PPFC	**53,334**	54,246
ASA Pakistan	**48,554**	28,696
ASA Tanzania	**59,225**	52,541
ASA Kenya	**44,427**	25,424
ASA S&L	**6,209**	–
ASA Myanmar	**8,576**	12,892
ASA Uganda	**8,717**	5,592
Lak Jaya	**2,176**	1,503
Others	**3,822**	2,632
	249,804	204,653

Most of the loan agreements are subject to covenant clauses, whereby the subsidiary is required to meet certain key financial ratios. Some subsidiaries did not fulfil some of the ratios as required in agreements. As of 31 December 2024, out of the total outstanding debt of USD 312.7 million (2023: USD 268.5 million), the balance for credit lines with breached covenants that did not have waivers amounted to USD 11.3 million (2023: USD 23.0 million). Waivers have been received subsequently for USD 0.7 million (2023: USD 23.0 million), but for a period of less than 12 months going forward. Due to these breaches of covenant clauses, the lenders are contractually entitled to request for immediate repayment of the outstanding loan amounts. The outstanding balance is presented as on demand as at 31 December 2024. The lenders have not requested any early repayment of loans as of the date when these financial statements were approved by the Board of Directors. Substantial growth of debt issued and borrowed funds in ASA Pakistan and ASA Kenya is mainly due to the business expansion.

25.2 Symbiotics-managed funds (ASAI NV)
In October 2019, ASAI NV entered into a loan agreement with one investment fund managed by Symbiotics SA. In November 2021, ASAI NV received USD 10.0 million at six months Libor plus 4.75% per annum. In April 2022 ASAI NV received an additional USD 4.0 million at six months SOFR plus 4.75% per annum with an adjustment spread of 0.4283%. The loans are repaid during 2024. ASAIH is a guarantor for these loans.

In June 2023, ASAI NV entered into a loan agreement with one investment fund managed by Symbiotics SA. In June 2023, ASAI NV received EUR 5 million at 8.75% per annum and the loan was repaid in 2024. In December 2023 ASAI NV received an additional USD 1.50 million at 9% per annum. The loans will be repaid within two years of disbursement. ASAIH is a guarantor for these loans.

25.3 Oikocredit (ASAI NV)
On 3 September 2024, ASAI NV entered into a loan agreement with Oikocredit for a credit facility of USD 10 million of which USD 5 million has been drawn as of December 2024. The term of this credit facility is 24 months. Interest on the loans is six-month term SOFR plus 3.25% margin per annum.

25.4 BIO (ASAIH)
ASAIH entered into a USD 10.0 million subordinated loan agreement with Belgian Investment Company for Developing Countries SA/NV ('BIO') in December 2019. The term of this loan is seven years. Interest amounts to six-month term SOFR plus 5.9% margin per annum with an adjustment spread of 0.42826%.

25.5 OeEB (ASAIH/ ASAI NV)
ASAIH entered into a USD 15.0 million loan agreement with Oesterreichische Entwicklungsbank Ag ('OeEB') in March 2020 of which USD 10 million is drawn up to June 2020. The loan is repayable in eight equal instalments and the term of this loan is five years. Total seven instalments are repaid up to 2024. Interest amounts to six-month term SOFR plus 3.5% margin per annum with an adjustment spread of 0.42826%. ASAI NV is also a co-borrower of the loan.

ASAI NV entered into a USD 15.0 million loan agreement with Oesterreichische Entwicklungsbank Ag ('OeEB') in July 2024. The loan is repayable in eight equal instalments and the term of this loan is five years. Interest amounts to six-month term SOFR plus 3.5% margin per annum. ASAI NV is also a co-borrower of the loan.

25.6 Ninety one (ASAI NV)
ASAI NV entered into a USD 10.0 million loan agreement with Ninety one Proprietary Limited in October 2022. The loan is repayable in ten equal instalments and the term of this loan is four years. Interest amounts to three-month term SOFR plus 5.5% per annum. ASAIH is also a co-borrower of the loan.

25.7 responsAbility managed fund (ASAI NV)
ASAI NV entered into a USD 5 million loan agreement with responsAbility managed fund and received the loan in March 2023. The loan is repayable in six equal instalments and the term of the loan is three years. Interest amounts to three-month term SOFR plus 5.5% per annum. ASAIH is also a co-borrower of the loan.

ASAI NV entered another USD 3 million loan agreement with responsAbility managed fund and received the loan in December 2023. The loan is repayable in six equal instalments and the term of the loan is three years. Interest amounts to three-month term SOFR plus 5.5% per annum. ASAIH is also a co-borrower of the loan.

25.8 DFC (ASAI NV)
ASAI NV entered into a USD 15.0 million loan agreement with United States International Development Finance Corporation ('DFC') in September 2023 of which USD 15.0 million is drawn up to December 2024. The loan is repayable in four equal instalments and the term of this loan is five years. Interest amounts to 6% per annum. ASAIH is also a co-borrower of the loan.

Notes to the consolidated financial statements (continued)
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25. Debt issued and other borrowed funds (continued)
25.9 Debt issued and borrowed funds linked with covenants
The Group has 60 lenders and various covenants were agreed. The main covenants include capital adequacy ratio (CAR), liquidity ratio, cost-to-income ratio, solvency ratio, loan portfolio quality ratio, debt to equity ratio, return on assets ('ROA'), current ratio etc. As at 31 December 2024, 61.6% (2023: 72.5%) of outstanding debts are linked with covenants.

	2024 USD'000	2023 USD'000
Principal outstanding debt issued and borrowed funds	312,679	268,464
Principal outstanding debt issued and borrowed funds linked with covenants	192,472	194,739
% of debts linked with covenants	61.6%	72.5%

As of 31 December 2024, the Group has USD 28.2 million (2023: USD 23.0 million) of debts with covenant breaches, of which the waiver received within the reporting date amounting to USD 16.9 million (2023: nil). The Group also received waivers of USD 0.7 million (2023: USD 23.0 million) after the balance sheet date. For further information regarding compliance with covenants after the balance sheet date, refer to note 2.1.1.

26. Due to customers
Clients of the Company's subsidiaries contribute to a 'security deposit fund'. These deposits can be withdrawn partly by clients but not in the full amount unless the client has fully repaid the outstanding loan balance.

	2024 USD'000	2023 USD'000
Clients' security deposits	74,470	66,675
Clients' voluntary savings	15,668	12,398
Interest payable on deposits and savings	33	22
	90,171	79,095

Clients can deposit voluntary savings where the subsidiary has a licence to do so. The rate of interest on clients' security deposits and clients' voluntary savings amount to 8% in ASA Ghana and 7% in ASA Nigeria. In ASA Myanmar the interest rate on voluntary savings is 10% and for compulsory savings 14%. ASA Rwanda provides 6% interest on voluntary savings.

27. Other liabilities
Other liabilities are as follows:

	Notes	2024 USD'000	2023 USD'000
Taxes payable, other than corporate income tax		7,722	5,457
Security deposits		2,552	2,568
Other deposits		604	522
Amount due to employees		2,594	2,016
Accrued expenses		919	866
Accrued audit fees		1,432	1,279
Amounts due to related parties	27.1	77	21
Liability to CMI regarding Escrow Account at Citibank	14.1	–	21,392
Liabilities under off-book BC model (ASA India)		4,943	301
Industrial training fund		21	14
Payable to Temenos		697	554
Social welfare fund		548	377
Other liabilities	27.2	3,830	4,196
		25,939	39,563

Security deposits mainly relate to deposits taken from employees as a form of security. Other deposits relate to various smaller deposits in different countries.

The Escrow Amount was released to CMI on 5 August 2024 in line with the escrow deed.

Liabilities under on-book and off-book BC model includes amounts collected from BC clients but yet not transferred to the BC Partners.

27.1 Amounts due to related parties

	2024 USD'000	2023 USD'000
Sequoia BV	4	6
MBA Philippines	66	15
CMI	1	–
CMIC	6	–
	77	21

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

27. Other liabilities (continued)
27.2 Other sundry liabilities
Other liabilities include various smaller accruals and provisions for various entities in the Company.

28. Provisions

	2024 USD'000	2023 USD'000
Provision for off-book BC model portfolio (ASA India)	**2,204**	1,428
	2,204	1,428

This includes ECL provision against the off-book BC portfolio in India. For details on the Group's ECL policy see note 2.5.1.

29. Additional cash flow information
29.1 Changes in operating assets

	2024 USD'000	2023 USD'000
Loans and advances to customers	**(100,793)**	(66,298)
Movement in due from banks	**13,113**	(6,845)
Movement in ROU assets	**(3,616)**	(3,335)
Other assets excluding income tax advances	**(1,067)**	(2,898)
	(92,363)	(79,376)

29.2 Changes in operating liabilities

	2024 USD'000	2023 USD'000
Due to customers	**19,627**	7,732
Other liabilities	**(14,595)**	1,982
Retirement benefit	**(836)**	(700)
Movement in lease liability	**3,616**	3,335
Movement in provisions	**776**	390
	8,588	12,739

29.3 Non-cash items

	2024 USD'000	2023 USD'000
Depreciation/amortisation on:		
• Property and equipment	**1,915**	1,733
• Intangible assets	**857**	10
• ROU assets	**3,710**	3,722
Interest expense on lease liability	**479**	341
Credit loss expense	**6,827**	5,024
Write-off of portfolio	**3,478**	12,894
Fair value movement of forward contracts	**3,206**	3,358
Fair value movement of loans at FVTPL	**–**	2,392
Share-based payments	**709**	71
Charge against defined benefit plan	**2,040**	2,680
Foreign exchange result	**874**	1,968
Loss on net monetary position	**5,401**	5,789
	29,496	39,982

30. Risk management
30.1 General
Risk is inherent in the Group's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to certain risk limits and other controls as described in the paragraphs below. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to their responsibilities. The Group is, amongst others, exposed to business risk, operational risk, IT risk, finance risk, and legal and compliance risk.

The independent risk control process does not include business risks such as changes in demand, technology and industry. These changes are monitored through the Group's strategic planning process.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.2 Risk management structure
The risk management structure within the Group begins at the subsidiary level, where a designated risk officer is tasked with preparing periodic risk reports by assessing the likelihood and impact of various risks facing the Company. This includes continuous identification, monitoring and reporting of risks facing the organisation including emerging risks. While the risk officer captures mitigation activities, the responsibility for these actions lies with the process owner. The Group risk management team compiles these country-specific risk reports into a comprehensive Group risk report, which is discussed in the Executive Committee meeting before being scrutinised by the Group Audit and Risk Committee for recommendations on improved risk management practices.

The Group's risk appetite, which defines the level of risk the Group is willing to accept in pursuit of its business objectives, is carefully calibrated to avoid loss, fraud and operational inefficiencies. This appetite is established at a level that exceeds regulatory requirements, ensuring conservative financial and prudential ratios while maintaining full compliance with local regulations and laws. The Group adopts a zero-tolerance policy towards unethical, illegal or unprofessional conduct, as well as any association with disreputable individuals.

The Group employs a 'three lines of defence' model to manage risks effectively. The first line of defence comprises branch staff, area, regional and district managers at the microfinance institution level, who are responsible for risk associated with field work such as client risk assessment, client retention, and credit risk etc. Country Heads and senior management ensure the proper implementation of control activities, policies and procedures. The second line of defence challenges the first line and includes internal oversight functions such as Compliance, Risk Management, and the Fraud and Misappropriation Prevention Unit ('FMPU'), along with support from the IT, HR and Finance and Accounts departments. The third line of defence is the Internal Audit reporting independently to the Board, which operates at both the Group and microfinance institution levels. Internal Audit regularly performs auditing activities and ensures that all units responsible for managing risk are performing their roles effectively and continuously.

30.3 Key risk management areas and mitigation
The Group's key risk management areas are strategic risk, operational risk, IT risk, finance risk, and legal and compliance risk.

Risk category	Definition	Risks	Description
Strategic risk	Strategic risk refers to the potential threats that could hinder the achievement of long-term goals and mission of serving low-income clients sustainability.	Growth risk	Risks and challenges associated with the Group's operational expansion.
		Competition risk	Risk that the Group might face for not responding to the competitive environment or failing to meet customer needs.
		Reputation risk	Risk to earnings or capital arising from negative public opinion.
		Climate risk	Risk related to potential negative impact of climate change on the organisation.
Operational risk	Operational risk refers to uncertainties a company faces when it attempts to do its day-to-day business activities. It can result from breakdowns in internal procedures, people and systems.	Human resource risk	Likelihood of negative results due to a failure within its human resource department.
		Fraud and integrity risk	Risk of incidents of fraud and misappropriation by staff or client.
		Business contingency	Potential adverse effects on operation resulting from unexpected events or disruptions.
		Health and safety risk	Potential harm or injury to employees arising from workplace conditions or activities.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.3 Key risk management areas and mitigation (continued)

Risk category	Definition	Risks	Description
IT risk	Information technology risk is any threat to business data, critical systems and business processes due to IT failure. It is the risk associated with the use, ownership, operation, involvement, influence and adoption of IT within an organisation.	IT business continuity	This risk refers to loss of data in case of a catastrophic event.
		System vulnerability and cyber security	This risk refers to the vulnerability of our IT system to different types of cyber-attacks.
		Data privacy and protection	Risk arising from unauthorised access to sensitive information.
		IT support	Risk of delay in resolving IT-related issues which may negatively impact the operations.
		System access control	Risk of misuse of system access.
		IT fraud	Risk of fraud due to control gap in IT system and processes.
		Data migration and transformation	Risk of loss of data during the time of data migration and challenges pertaining to digital transformation.

Risk category	Definition	Risks	Description
Finance risk	The Group experiences financial risks such as credit risk, liquidity risk, exchange rate/currency risk and interest rate risk which can adversely impact the earnings of the Company.	Credit risk	Risk that the Group will incur a loss because its clients or counterparties fail to discharge their contractual obligations.
		Liquidity risk	Risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances.
		Exchange rate risk	Possibility of financial loss to the Group arising from adverse movements in foreign exchange rates.
		Inflation rate risk	Rising cost of living diminishing the borrowers' repayment capacity; affecting the institution's overall financial health.
		Interest rate risk	Risk arising from the possibility of change in the value of assets and liabilities because of changes in market interest rates.
		Concentration risk	High concentration of portfolio in a specific geographic area amplifying the impact of adverse economic events.
		Tax compliance risk	Adverse consequences faced by an entity due to failure to adhere to tax laws and regulations.
Legal and compliance risk	Financial and other losses the Group may suffer as a result of regulatory changes or failure to comply with applicable laws and regulation.	Local regulation risk	Risk of non-compliance to local regulation.
		Client protection risk	Risk of negative public opinion for not adhering to client protection principles.
		AML risk	Threat arising from inadequate measures to prevent and address money laundering.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.3 Key risk management areas and mitigation (continued)
Strategic risk
Under strategic risk, the Group faces several key challenges. The primary focus is on how to sustainably grow its portfolio, digitalise, enhance service quality, and increase earnings particularly in the context of emerging economies. This also includes upholding the Company's reputation and strengthening its competitive advantages. Climate strategy is also a critical component, as the Group is committed to controlling its greenhouse gas ('GHG') emissions and mitigating the adverse impacts of climate change on its operations. Given the prevalence of extreme weather events in some of the countries where the Group operates, disaster management is meticulously considered to ensure resilience and continuity.

Operational risk
Operational risk encompasses several critical areas essential to the Company's success. Human resources play a pivotal role, with training, development and staff retention being vital for effective operations. The Company prioritises providing industry-standard compensation packages and clear career paths to employees, ensuring their motivation and commitment. Maintaining the health and safety of staff is also a top priority, reflecting the Company's commitment to a supportive and secure working environment. Preventing fraud and misappropriation is another significant aspect of operational risk management, given the occasional occurrence of such incidents. The Company employs stringent measures to safeguard against these risks, recognising their potential impact on the business. Additionally, ensuring business continuity is crucial, as unforeseen situations can arise.

IT risk
Information & technology risk encompasses several critical components, including business continuity, which includes ensuring server redundancy, disaster recovery sites, and swift restoration in the event of incidents. Reducing system vulnerability to protect against cyber risks remains a top priority, with robust measures in place to safeguard data privacy. Data is secured through password protection and is accessible only to authorised users, ensuring confidentiality and integrity. Prompt resolution of IT issues by the central IT team is crucial for maintaining smooth operational workflows. To prevent data loss during data migration projects, comprehensive precautions are taken.

Additionally, an audit trail is maintained to facilitate the investigation of any digital fraud incidents. Through these rigorous processes, the Company ensures robust IT risk management, safeguarding its technological infrastructure and data assets.

Finance risk
Under financial risk management, maintaining low credit risk is a top priority. The Group ensures the high quality of its portfolio through rigorous client assessments, robust weekly collection efforts, and continuous evaluations of client's ability to pay. To manage liquidity risk, the Group remains well funded, and has strong access to a diverse range of funding sources at both the local and holding levels. The Company maintains solid relationships with its debt providers, who continue to show strong interest in funding its operations.

The Group manages currency risk by predominantly securing funding in local currencies and matching local currency assets with local currency liabilities at its microfinance subsidiaries. For foreign currency funding, the Company ensures that nearly 100% of its currency exposure is hedged. While the Group is exposed to inflation rate changes in certain regions, its diversified operations across thirteen jurisdictions help reduce this exposure.

To manage interest rate risk, the Group conducts a cost of funds analysis and monitors interest rates in countries where interest rate caps are imposed. Interest rate risk is typically lower in microfinance companies due to their short-term and fixed-rate loans. The Group also implements a policy on concentration risk, monitoring portfolio concentration to encourage a well-diversified portfolio across different geographical regions, thereby limiting exposure to adverse country specific economic events. The Group ensures tax compliance by engaging competent external tax advisers at the entity level and ensuring full compliance with all applicable tax laws in the jurisdictions where it operates.

Legal and Compliance risk
Compliance with local regulations is a top priority for the Group. The Group ensures adherence to all local laws and regulations, including central bank requirements and assessments along with its implementation. Except for the Philippines, all entities are regulated by their respective central banks. Operating within a stringent regulatory environment encourages robust internal controls within the Group.

While the overall risk of anti-money laundering ('AML') is low in microfinance due to the small loan sizes, the Group manages AML risks through adequate Know Your Customer ('KYC') policies, continuous supervision of client behaviour, and rigorous implementation of AML policies and procedures. Additionally, the Group is committed to upholding client protection principles, ensuring that client complaints are regularly addressed and resolved promptly.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.3 Key risk management areas and mitigation (continued)
Legal and Compliance risk (continued)
Risks are mitigated through standardised practices that are part of the ASA Model of microfinance. These include:

- Through new client assessment/KYC.
- Standardised loan products.
- Frequent client interactions through weekly collections.
- Individual loan given in a group setting.
- Loan is protected by guarantor.
- Zero-tolerance on the late deposit of loan instalments for loan officers.
- Loans granted primarily for income-generating activities.
- Full repayment before eligibility for new loans.
- Ongoing assessment of client needs, benefits and satisfaction.

30.4 Financial risks
30.4.1 Credit risk
Credit risk is the risk that the Group will incur a loss because its customers, clients or counterparties failed to discharge their contractual obligations. The Group manages and controls credit risk by adhering strictly to the operating procedures outlined in the operational manual which includes setting limits on the amount of risk it is willing to accept for individual counterparties and geographical concentrations, and by monitoring exposures in relation to such limits.

Maximum exposure to credit risk
The maximum credit exposure is equal to the carrying amounts of the financial instruments on the Group's statement of financial position except the off-book BC portfolio where the risk is determined as per the contract with BC Partners. As mentioned above, the Group reduces its concentration risk by ensuring a widely diverse portfolio, distributed amongst various countries and continents. At present the Group invests in West Africa, East Africa, South Asia and South East Asia.

Customer security deposits are cash collateral and presented as part of Due from customers in the statement of financial position. These security deposits are considered as collateral for the loans to customers and therefore reduce the credit risk on these loans.

There are no significant concentrations of credit risk through exposures to individual customers and specific industries/sectors. However, Pakistan holds 20% of the Group's credit exposure in 2024 (2023: 18%). Senior management regularly monitors the concentration risk and manages loan distribution if required.

Maximum exposure to credit risk

	2024 USD'000	2023 USD'000
Cash and cash equivalents (excluding cash in hand)	78,906	76,215
Loans and advances to customers	409,977	330,157
Customer security deposit	(74,470)	(66,675)
Off-book portfolio (BC model)[1]	343	1,428
Due from banks	29,263	42,097
Other assets[2]	8,253	10,176
Maximum credit exposure	**452,272**	**393,398**

1 Credit risk on IDFC off-book BC model portfolio is restricted to 5% of the outstanding portfolio.
2 Other assets includes net financial derivatives and excludes prepayments and advance tax.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.4 Financial risks (continued)
30.4.1 Credit risk (continued)
Maximum exposure to credit risk (continued)

Geographic distribution of maximum credit exposure as at 31 December 2024.

	Cash and cash equivalents (excluding cash in hand) USD'000	Loans and advances to customers USD'000	Customer security deposit USD'000	Due from banks USD'000	Other assets USD'000	Off-book portfolio (BC model) USD'000	Total USD'000
West Africa	5,283	84,000	(33,341)	2,625	1,008	–	59,575
East Africa	26,146	144,223	(17,404)	16,630	1,835	–	171,430
South Asia	9,928	96,180	(2,165)	5,246	2,026	343	111,558
South East Asia	29,841	85,574	(21,560)	4,762	1,804	–	100,421
Non-operating entities	7,708	–	–	–	1,580	–	9,288
Maximum credit exposure	**78,906**	**409,977**	**(74,470)**	**29,263**	**8,253**	**343**	**452,272**

Geographic distribution of maximum credit exposure as at 31 December 2023.

	Cash and cash equivalents (excluding cash in hand) USD'000	Loans and advances to customers USD'000	Customer security deposit USD'000	Due from banks USD'000	Other assets USD'000	Off-book portfolio (BC model) USD'000	Total USD'000
West Africa	6,019	71,644	(29,286)	3,700	1,756	–	53,833
East Africa	21,934	103,325	(14,681)	6,991	2,246	–	119,815
South Asia	5,590	80,353	(1,663)	5,252	3,069	1,428	94,029
South East Asia	35,139	74,835	(21,045)	4,762	1,046	–	94,737
Non-operating entities	7,533	–	–	21,392	2,059	–	30,984
Maximum credit exposure	76,215	330,157	(66,675)	42,097	10,176	1,428	393,398

The Group provides direct lending to customers through the MFIs (owned and controlled by it). In addition, the Group accepts savings in the countries where it has a deposit-taking licence.

Credit risk from lending as at 31 December 2024.

	Due from banks[1] USD'000	Gross loans and advances to customer[2] USD'000	Total lending USD'000	Total direct lending/IFRS 9 stages: Stage 1 USD'000	Stage 2 USD'000	Stage 3 USD'000
West Africa	2,625	86,788	89,413	84,953	326	1,509
East Africa	16,630	151,512	168,142	149,422	393	1,697
South Asia	5,246	99,728	104,974	97,077	314	2,337
South East Asia	4,762	89,621	94,383	83,878	1,692	4,051
Non-operating entities	–	–	–	–	–	–
Total	**29,263**	**427,649**	**456,912**	**415,330**	**2,725**	**9,594**
ECL provision	**–**	**(10,122)**	**(10,122)**	**(2,207)**	**(15)**	**(7,900)**
Coverage ratio[3]		**2.4%**	**2.2%**	**0.5%**	**0.6%**	**82.3%**

1 Due from banks are neither past due nor credit impaired.

2 Includes interest receivable.

3 Coverage ratio is calculated as the total ECL provision divided by the underlying assets' gross carrying amount. ECL between stage 1 and stage 2 has been allocated in proportion to OLP.

Credit risk from lending as at 31 December 2023.

	Due from banks[1] USD'000	Gross loans and advances to customer[2] USD'000	Total lending USD'000	Total direct lending/IFRS 9 stages: Stage 1 USD'000	Stage 2 USD'000	Stage 3 USD'000
West Africa	3,700	75,263	78,963	72,349	425	2,489
East Africa	6,992	81,229	88,221	80,160	258	811
South Asia	5,252	77,065	82,317	75,649	740	676
South East Asia	4,761	76,155	80,916	72,844	644	2,667
Non-operating entities	21,392	–	21,392	–	–	–
Total	42,097	309,712	351,809	301,002	2,067	6,643
ECL provision	–	(6,912)	(6,912)	(1,540)	(12)	(5,360)
Coverage ratio[3]		2.2%	2.0%	0.5%	0.6%	80.7%

1 Due from banks are neither past due nor credit impaired.

2 Includes interest receivable.

3 Coverage ratio is calculated as the total ECL provision divided by the underlying assets' gross carrying amount. ECL between stage 1 and stage 2 has been allocated in proportion to OLP.

Notes to the consolidated financial statements (continued)
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30. Risk management (continued)
30.4 Financial risks (continued)
30.4.2 Liquidity risk
Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. Most subsidiaries of the Group are now able to attract third-party funding and various local currency and USD loans are in place.

Liquidity management is evaluated at the MFI level and on a consolidated Group basis. Each of the Group's MFIs is required to meet the financial obligations of their internal and external stakeholders. Failure to manage liquidity risks may cause the Group to lose business, miss opportunities for growth, or experience legal or reputational consequences. To mitigate its liquidity management risk, the Group has established liquidity management policies, published in its operation manual, finance and treasury manual.

The Group is confident it will be able to meet the payment obligations under the aforementioned loans for various reasons, including but not limited to:

- The main class of assets are loans to customers. Due to the nature of the microfinance business the Group is engaged in, these loans to customers have short-term maturities, hence the Group is in a position to generate a constant stream of cash inflows.
- The Group is in the position to accumulate sufficient funds to cover its obligations, although this may entail limitations on new loan disbursements.
- The Group has been able to receive most of the waivers against covenant breaches from the lenders and no indication received from lenders for any early repayment.

As at 31 December 2024, the Group has USD 79.1 million (2023: USD 76.4 million) of cash at bank and in hand. An amount of USD 28.9 million (2023: USD 27.9 million) is restricted and cannot be readily available. The remaining USD 50.2 million (2023: USD 48.2 million) is unrestricted and for operational needs. The Group is able to fund its operations and budgeted growth of its loan portfolio from new loan facilities supplied by third parties, security collateral and/or savings provided by its clients, and internally generated cash flows.

The table below shows undiscounted cash flow analysis of liabilities according to when they are expected to be recovered or to be settled.

Liabilities FY 2024 (USD'000)	On demand	<3 months	3-12 months	Sub-total 1-12 months	1-5 years	Over 5 years	Sub-total >12 months	No fixed maturity	Total
Debt issued and other borrowed funds	12,579[1]	45,193	99,006	156,778	164,072	–	164,072	–	320,850
Due to customers	17,941	32,553	39,643	90,137	34	–	34	–	90,171
Lease liability	–	19	411	430	3,394	101	3,495	–	3,925
Derivative liabilities	–	473	2,921	3,394	(142)	–	(142)	–	3,252
Other liabilities	4,225	5,310	8,899	18,434	2460	-	2,460	5,045	25,939
Provisions	–	–	2,204	2,204	–	–	–	–	2,204
	34,745	83,548	153,084	271,377	169,818	101	169,919	5,045	446,341
Liabilities FY 2023 (USD'000)									
Debt issued and other borrowed funds	24,680[2]	44,250	89,156	158,086	115,325	–	115,325	–	273,411
Due to customers	33,045	20,576	25,466	79,087	8	–	8	–	79,095
Lease liability	–	98	554	652	2,611	9	2,620	–	3,272
Derivative liabilities	–	29	40	69	9	–	9	–	78
Other liabilities	2,633	6,307	6,644	15,584	302	144	446	23,533	39,563
Provisions	–	–	1,428	1,428	–	–	–	–	1,428
	60,358	71,260	123,288	254,906	118,255	153	118,408	23,533	396,847

1 This includes loans amounting to USD 11.3 million on which waivers had not been received at the balance sheet date. Subsequently waivers for breached loans amounting to USD 0.7 million have been received.
2 This includes loans amounting to USD 23.0 million on which waivers had not been received at the balance sheet date. Subsequently waivers for all breached loans amounting to USD 23.0 million have been received.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.4 Financial risks (continued)
30.4.2 Liquidity risk (continued)

The table below shows undiscounted cash flow analysis of assets according to when they are expected to be recovered or to be settled.

Assets FY 2024 (USD'000)	On demand	<3 months	3-12 months	Sub-total 1-12 months	1-5 years	Over 5 years	Sub-total >12 months	No fixed maturity	Total
Cash at bank and in hand	50,245	–	28,900	79,145	–	–	–	–	79,145
Loans and advances to customers	10,141	196,211	203,417	409,769	208	–	208	–	409,977
Due from banks	–	2,156	12,755	14,911	14,352	–	14,352	–	29,263
Equity investments at FVOCI	–	–	–	–	–	–	–	315	315
Derivative assets	–	258	–	258	–	–	–	–	258
Other assets	–	3,637	13,383	17,020	1,766	–	1,766	–	18,786
	60,386	202,262	258,455	521,103	16,326	–	16,326	315	537,744
Assets FY 2023 (USD'000)									
Cash at bank and in hand	46,819	1,733	27,877	76,429	–	–	–	–	76,429
Loans and advances to customers	10,698	189,612	129,455	329,765	392	–	392	–	330,157
Due from banks	–	3,859	5,960	9,819	10,886	–	10,886	21,392	42,097
Equity investments at FVOCI	–	–	–	–	–	–	–	273	273
Derivative assets	–	105	2,345	2,450	–	–	–	–	2,450
Other assets	–	2,784	9,117	11,901	1,589	–	1,589	–	13,490
	57,517	198,093	174,754	430,364	12,867	–	12,867	21,665	464,896

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Notes to the consolidated financial statements (continued)
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30. Risk management (continued)
30.4 Financial risks (continued)
30.4.2 Liquidity risk (continued)
Changes in liabilities arising from financing activities

FY 2024	1 January 2024 USD'000	Cash flows USD'000	Non-cash movement USD'000	Foreign exchange movement USD'000	31 December 2024 USD'000
Debt issued and borrowed funds	273,411	41,783	–	5,656	320,850
Lease liabilities	3,272	(3,916)	4,095	474	3,925
Total liabilities from financing activities	276,683	37,867	4,095	6,130	324,775

FY 2023	1 January 2023 USD'000	Cash flows USD'000	Non-cash movement USD'000	Foreign exchange movement USD'000	31 December 2023 USD'000
Debt issued and borrowed funds	261,301	31,251	–	(19,141)	273,411
Lease liabilities	3,091	(3,690)	3,676	195	3,272
Total liabilities from financing activities	264,392	27,561	3,676	(18,946)	276,683

30.4.3 Foreign exchange rate risk
Currency risk is the possibility of financial loss to the Group arising from adverse movements in foreign exchange rates. Currency risk is a substantial risk for the Group, as most loans to MFIs and borrowers are in local currency in countries where currency depreciation against the USD is often considered less predictable. At present the Group manages currency risk mainly through natural hedging, i.e. by matching the MFI's local currency assets consisting of the MFI's loan portfolio with local currency liabilities. The Group's risk policy allows the Group treasurer the possibility of hedging with instruments such as swaps and forward contracts if and when appropriate. In order to mitigate the foreign exchange risk on foreign currency loans, ASA Pakistan, ASA Sierra Leone, ASA Kenya and ASA Zambia have entered into hedging agreements. The Group applies hedge accounting to foreign currency loans and related hedge contracts. Reference is made to note 37.

While the Group faces significant translation exposure on its equity investments in local MFIs (as the functional currency of the Group is USD), the Group has implemented an equity hedging policy. The policy entails a frequent review of expected currency devaluations compared to the costs for equity hedging instruments. The Group has not used equity hedging instruments in 2024 and 2023. In addition, the Group has a policy to distribute excess retained earnings at its subsidiaries to the holding entities while maintaining a sufficient capital adequacy ratio.

In summary, the Group takes a number of measures to manage its foreign currency exposure:

- Investments are only made in countries that show a reasonable level of macroeconomic stability. A detailed macroeconomic and socio-political assessment is carried out before the Group decides to invest in a certain country.
- Excess retained earnings in the operating entities are distributed to the holding entities. Equity hedging instruments are considered as part of the equity hedging policy.
- The Group endeavours to procure its MFIs to secure local currency loans (instead of foreign currency loans) to the extent possible or deemed commercially advantageous.
- The Group applies hedging instruments on foreign currency loans in any of its operating and holding entities.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.4 Financial risks (continued)
30.4.3 Foreign exchange rate risk (continued)
Simulation: Foreign currency translation reserve

	FX translation reserve actual 2024 USD'000	FX translation reserve after -10% rate 2024 USD'000	FX translation reserve after +10% rate 2024 USD'000	Movement after -10% rate 2024 USD'000	Movement after +10% rate 2024 USD'000	FX translation reserve actual 2023 USD'000	FX translation reserve after -10% rate 2023 USD'000	FX translation reserve after +10% rate 2023 USD'000	Movement after -10% rate 2023 USD'000	Movement after +10% rate 2023 USD'000
West Africa	(66,424)	(70,375)	(61,590)	(3,953)	4,832	(59,644)	(63,480)	(54,954)	(3,836)	4,689
East Africa	(3,734)	(7,486)	770	(3,752)	4,504	(6,012)	(8,735)	(2,824)	(2,724)	3,188
South Asia	(40,028)	(41,825)	(37,832)	(1,797)	2,195	(40,792)	(43,257)	(37,777)	(2,465)	3,015
South East Asia	(5,688)	(7,198)	(3,843)	(1,510)	1,845	(5,134)	(6,452)	(3,523)	(1,318)	1,611
Non-operating entities	(437)	(461)	(408)	(24)	29	(416)	(433)	(396)	(17)	20
Total	(116,311)	(127,345)	(102,903)	(11,036)	13,405	(111,998)	(122,357)	(99,474)	(10,360)	12,523

Analysis of the actual exchange rate fluctuations against the USD for the period 2024 shows different trends for all the operating currencies. The annual exchange rate fluctuations are between 0.1% to 72.5%, but most moved within 1% to 10%. For the simulation of foreign currency effects, the Company has therefore assumed an additional 10% movement year-on-year in these currencies as compared to USD.

The following overview shows the actual foreign currency exchange results by country for 2024 as well as the simulation of the impact of a 10% downward movement and a 10% upward movement of the FX rates on the foreign exchange results.

As at 31 December 2024, a 10% downward movement of FX rates against the USD has an impact on the foreign currency exchange result of USD -1.1 million (2023: USD -78K). A 10% upward movement of FX rates results in an impact of USD 1.4 million (2023: USD 92K). The lower impact on the result of the Company results from the decrease in short-term intercompany USD loans, which cannot be hedged.

Simulation: Foreign exchange profit and loss

	Foreign exchange profit and loss actual 2024 USD'000	Foreign exchange profit and loss after -10% rate 2024 USD'000	Foreign exchange profit and loss after +10% rate 2024 USD'000	Movement after -10% rate 2024 USD'000	Movement after +10% rate 2024 USD'000	Foreign exchange profit and loss actual 2023 USD'000	Foreign exchange profit and loss after -10% rate 2023 USD'000	Foreign exchange profit and loss after +10% rate 2023 USD'000	Movement after -10% rate 2023 USD'000	Movement after +10% rate 2023 USD'000
West Africa	(388)	(521)	(254)	(133)	133	(739)	(861)	(617)	(122)	122
East Africa	17	280	(246)	263	(263)	(272)	(313)	(231)	(41)	41
South Asia	15	(14)	45	(29)	29	(180)	(182)	(177)	(2)	2
South East Asia	(346)	(472)	(220)	(126)	126	(20)	239	(279)	259	(259)
Non-operating entities	(172)	(1,279)	1,183	(1,106)	1,355	(757)	(930)	(571)	(172)	186
Total	(874)	(2,006)	508	(1,131)	1,380	(1,968)	(2,047)	(1,875)	(78)	92

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.4 Financial risks (continued)
30.4.4 Interest rate risk
Interest rate risk is the risk that profitability is affected by fluctuations in interest rates. The greatest interest rate risk the Group experiences occurs when the cost of funds increases faster than the Group can or is willing to adjust its lending rates. The Group's strategy in evaluating and managing its interest rate risk is to consider any risk at the pre-investment stage, to conduct a cost of funds analysis and to consider interest rates in particular, where there is a limit on the amount of interest it may charge, such as in Myanmar and Tanzania.

The credit methodology of the MFIs determines that loans to microfinance clients have short-term maturities of less than one year and at fixed interest rates. Third-party loans to MFIs, sourced from both local and international financial institutions, mostly having short terms between one and three years. 33% (2023: 29%) of the consolidated debt has variable interest rates. Depending on the extent of the exposure and hedging possibilities with regard to availability of hedging instruments and related pricing, the Group might actively hedge its positions to safeguard the Group's profits and to reduce the volatility of interest rates by using forwards, futures and interest rate swaps. The very short tenor of the loans provided to microfinance dampens the effect of interest rate fluctuations. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase in basis points	Decrease in basis points	2024 Effect on profit before tax		2023 Effect on profit before tax	
			USD'000	USD'000	USD'000	USD'000
USD	+100	-100	**690**	**(690)**	687	(687)
PKR	+100	-100	**263**	**(263)**	98	(98)

30.5 Managing interest rate benchmark reform and associated risks
Following the decision by global regulators to phase out Interbank Offered Rates ('IBORs') and replace them with alternative reference rates, the Group has established a project led by Group Treasury to manage the transition for any of its contracts that could be affected. The project provides periodic updates to senior management and the Board. The Group has already completed the transition of its LIBOR exposure to risk free rates ('RFRs') and other benchmark rates.

30.6 Climate-related risks
The Group faces climate risks in both its Asian and African markets, primarily in the form of physical and transition risks, which can impact operations and market conditions.

Physical risks such as storms, floods, heavy rains, droughts, and earthquakes are common in the countries where we operate. During the year, the Philippines experienced an increased number of storms, which significantly affected field operations and the livelihoods of clients. Similarly, Zambia faced a severe drought that disrupted hydroelectric power generation, resulting in an electricity crisis. These climate-related challenges are expected to intensify in the future, posing operational and economic risks.

Transition risks arise from evolving climate regulations and greenhouse gas (GHG) emission policies. Currently, regulatory frameworks in our markets are not highly stringent. However, under a 2°C scenario, climate-related regulatory requirements are expected to become stricter, increasing compliance obligations for financial institutions. Adapting to these regulatory changes will be crucial to ensuring operational stability and long-term sustainability.

To mitigate climate impact, the Group has set SMART targets aimed at reducing emissions through various initiatives, including tree plantation programs, the use of LED lighting for energy efficiency, the adoption of electric motorbikes to reduce fuel consumption, and the installation of solar panels to promote sustainable energy use. Additionally, the Group actively encourages environmentally friendly initiatives across all entities. Any climate-related directives from central banks are promptly adopted to ensure regulatory compliance. A long-term climate risk assessment was conducted this year to evaluate how climate risks will affect the Group's sustainability and operations in the coming years. Refer to page 65 for details in relation to climate-related risks.

30.7 Legal and compliance risk
The Group mitigates legal and compliance risks in the countries where its subsidiaries and microfinance institutions (MFIs) operate through continuous monitoring of regulatory and legal developments. This is achieved by engaging tier-one law firms, working closely with local corporate secretaries and compliance officers, and maintaining direct relationships with regulators, including central banks. The Group's extensive local and international network ensures it remains well-positioned to identify and adapt to legal changes that could materially impact its operations.

A number of MFI investments are made through ASAI NV in the Netherlands, which benefits from an extensive network of Bilateral Investment Treaties. These treaties provide protection, including compensation, in the event of nationalization or expropriation of investments in countries where ASAI NV operates, such as the Philippines, Sri Lanka, Uganda, Kenya, and Ghana.

Product transparency is a key component of the Group's compliance strategy. Given that many of its target clients have limited financial education, the Group prioritises clear communication of product terms and pricing. The Group ensures that clients fully understand loan conditions, fees, and repayment schedules to promote responsible borrowing and financial inclusion.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

30. Risk management (continued)
30.7 Legal and compliance risk (continued)
The General Counsel of the Group is responsible for overseeing all legal matters. The Compliance Manager is responsible for implementing the Group's compliance framework, including the Compliance Policy, which defines principles and standards for managing compliance risks. The Group ensures that compliance policies align with its strategy and core values while considering the nature, scale, and complexity of its business.

31. Commitments
The Group agreed certain commitments to BC Partners under the BC model in ASA India. Reference is made to note 13. As per the current model ASA India holds 5% risk on the portfolio managed on behalf of IDFC. As of 31 December 2024, the risk of the Group on such BC portfolio stands at USD 0.3 million (2023: USD 0.6 million).

To improve robustness of the Temenos Implementation the Group has signed agreement with Validata Holdings Ltd on 17 April 2024 to provide Managed Regression Testing Services. Agreement is for five years starting in 2024 with total commitment of USD 330K.

On 27 June 2024 the Group signed an amendment to the Master Agreement with System Ltd. Services included in the amendment are development of Reporting tools, Transact Managed Application Services and Implementation support for Temenos Transact and Digital Financial Services App in four additional countries. Total cost of implementation of services and development of a reporting tool is USD 2.4 million of which USD 264K had been paid by December 2024. The committed amount for Application Services is USD 1 million for three years. In addition, ASA Savings & Loans Ltd signed four change requests during 2024 with System Ltd with a total value of USD 667K of which USD 261K has been paid in 2024.

On 22 October 2024 the Group agreed a change request with CSHARK Spółka z ograniczoną odpowiedzialnością (Ltd.) to develop, roll-out and support the digital financial services application to our clients in 2025. The total value of the change request is EUR 1 million.

As part of setup of the ASA private cloud in Ghana, ASA Savings & Loans Ltd signed an agreement with Enterprise Computing Limited on 13 December 2024. The total value is USD 2.2 million.

There are no other contingent liabilities at the balance sheet date except for the pending litigation claims disclosed in note 34.

32. Related party disclosures
32.1 Key management personnel
The Dhaka office is managed by a team of experienced experts who have many years of expertise in managing and supporting MFIs across Asia and Africa. In addition to supervising the performance of the Group's local MFIs, executive management in Dhaka is primarily responsible for finance and accounts (including the Chief Financial Officer), risk management, audit, IT, human resource management, and corporate secretarial functions for the Group. All key management personnel stationed in Dhaka are on the payroll of ASAI NV.

The Amsterdam office comprises key management personnel who provide support on treasury, investor relations, legal, specialised accounting support and the management of business development projects. They are on the payroll of ASAI NV.

The experienced CEOs who are deployed in the countries are part of key management personnel. They are paid by their respective entities.

The Group CEO (based in Amsterdam) is a member of the Board and paid by ASA International Group plc.

Remuneration of Directors
In 2024, the Directors of the Group received total compensation of USD 1.4 million (2023: USD 1.1 million).

Total remuneration to key management personnel of the Group

	2024 USD'000	2023 USD'000
Short-term employee benefits	**2,002**	1,890
	2,002	1,890

Total remuneration takes the form of short-term employee benefits for the Group. In 2024, total remuneration paid to key management personnel of the Group amounted to USD 2.0 million (2023: USD 1.9 million). No-post employment pension and medical benefits are accruing to Directors under defined benefit schemes. The aggregate of emoluments of the highest paid Director was USD 391K (2023: USD 414K).

Long-Term Incentive Plan
Please refer to note 8.4 for details of the LTIP.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

32. Related party disclosures (continued)
32.2 Subsidiaries

	Country of Incorporation	2024 ownership	2023 ownership
ASAIH subsidiaries			
ASA India	India	**90.02%**	90.02%
Pagasa Consultancy	India	**99.99%**	99.99%
Pinoy	India	**99.99%**	99.99%
Pagasa ng Masang Pinoy Microfinance, Inc	Philippines	**N/A[1]**	N/A[1]
PT PAGASA Consultancy	Indonesia	**99.00%**	99.00%
A1 Nigeria	Nigeria	**100%**	100%
ASHA MFB	Nigeria	**99.99%**	99.99%
ASIEA	Nigeria	**N/A**	N/A
ASA Pakistan	Pakistan	**99.99%**	99.99%
ASA Tanzania	Tanzania	**99.99%**	99.99%
ASA Zanzibar	Tanzania	**99.99%**	99.99%
ASA Myanmar	Myanmar	**99.99%**	99.99%
ASA Zambia	Zambia	**99.99%**	99.99%
ASA Rwanda	Rwanda	**99.99%**	99.99%
ASA Sierra Leone	Sierra Leone	**99.99%**	99.99%
ASAI NV subsidiaries			
PPFC	Philippines	**100%**	100%
ASA S&L	Ghana	**100%**	100%
CMI Lanka	Sri Lanka	**100%**	100%
Lak Jaya	Sri Lanka	**97.14%**	97.14%
ASA Lanka	Sri Lanka	**100%**	100%
ASA Kenya	Kenya	**100%[2]**	100%[2]
ASA Uganda	Uganda	**99.99%**	99.99%
AMSL	Bangladesh	**95%**	95%
ASAI I&M	Netherlands	**100%**	100%
ASA Dwaso	Ghana	**100%**	100%

1 ASAI officials/representatives control the governing body and the Board.
2 ASAIH holds 0.5% of the shares.

32.3 Relationship agreement
Relationship agreement with the Controlling Shareholder Group
The Group, its founders and Catalyst Continuity (jointly the 'Controlling Shareholders') have entered into a relationship agreement (the 'Relationship Agreement'), the principal purpose of which is to ensure that the Group will be able, at all times, to carry out its business independently of the members of the Controlling Shareholder Group and their respective associates. The Relationship Agreement contains undertakings from each of the members of the Controlling Shareholder Group that (i) transactions and relationships with it and its associates will be conducted on normal commercial terms, (ii) neither it nor any of its associates will take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules, and (iii) neither it nor any of its associates will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules. The Relationship Agreement also sets forth the conditions for appointment of Non-Executive Directors by Controlling Shareholders. For so long as the Group has a controlling shareholder, the UK Listing Rules require the election of any independent Director to be approved by majority votes of both (i) the shareholders as a whole and (ii) the shareholders excluding any controlling shareholder.

32.4 Other related parties
A list of related parties with which the Group has transactions is presented below. The transactions in 2024 and 2023 and the balances per the end of the years 2024 and 2023 with related parties can be observed in notes below.

Name of related party	Relationship
CMI	Major shareholder (29.2%)
Sequoia	Service provider to the Company
ASA NGO Bangladesh	Service provider to the Company
MBA Philippines	Business partner
IDFC	Minority shareholder in ASA India
ASAICH and CMIIH	Subsidiary of CMI
CMIMC	Holding company of founders CMI
ASAIG plc EBT	Trust to hold LTIP shares
CMIC	Investment manager of CMI
CMII	Subsidiary of CMI
ASA Social Services	Service provider to the parent
CIMS BV	Service provider to the parent

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

32. Related party disclosures (continued)
32.4 Other related parties (continued)

Name of related party		Income from related parties USD'000	Expenses to related parties USD'000	Amount owed by related parties USD'000	Amount owed to related parties USD'000
CMI	**31 December 2024**	**–**	**–**	**58**	**1**
	31 December 2023	–	–	–	21,392
CMIC	**31 December 2024**	**–**	**–**	**–**	**6**
	31 December 2023	–	–	–	–
Sequoia	**31 December 2024**	**121**	**14**	**65**	**4**
	31 December 2023	165	25	41	6
MBA Philippines	**31 December 2024**	**1,695**	**–**	**709**	**66**
	31 December 2023	1,104	–	61	15
IDFC	**31 December 2024**	**3,120**	**–**	**38**	**146**
	31 December 2023	2,160	–	4,740	1,257
Catalyst Continuity	**31 December 2024**	**–**	**–**	**18**	**–**
	31 December 2023	–	–	–	–
CIMS BV	**31 December 2024**	**6**	**–**	**27**	**–**
	31 December 2023	–	–	22	–
Continuity EBT	**31 December 2024**	**–**	**–**	**9**	**–**
	31 December 2023	–	–	–	–
ASAIG plc EBT	**31 December 2024**	**–**	**–**	**972**	**–**
	31 December 2023	–	–	686	–

32.5 Reporting dates of subsidiaries
All of the Group's subsidiaries have reporting dates of 31 December, with the exception of ASA India, Pinoy, Pagasa Consultancy and ASA Myanmar (where the market standard reporting date is 31 March). These entities have provided financial statements for consolidation purposes for the year ended 31 December.

32.6 Non-controlling interest
The Company reports non-controlling interest ('NCI') in its subsidiaries ASA India and Lak Jaya. The NCI in ASA India, having its principal place of business in India, amounts to 9.98%. ASA India did not pay any dividend in 2024 and 2023. The NCI in Lak Jaya, having its principal place of business in Sri Lanka, amounts to 2.86%. Lak Jaya did not declare any dividend in 2024 and 2023.

The summarised financial information of Lak Jaya and ASA India as at 31 December 2024 and 2023 is as follows:

	31 December 2024		31 December 2023	
	Lak Jaya USD'000	ASA India USD'000	Lak Jaya USD'000	ASA India USD'000
Current assets	**7,573**	**6,388**	6,556	13,096
Non-current assets	**120**	**197**	131	295
Current liabilities	**6,826**	**25,782**	5,065	26,143
Non-current liabilities	**417**	**767**	293	888
Net operating Income	**1,165**	**506**	2,090	4,554
Net loss	**(882)**	**(6,920)**	(40)	(4,489)
Non-controlling interest	**13**	**(1,994)**	38	(1,362)

The following table summarises financial information for each subsidiary that has material NCI to the Group. The voting rights are similar to NCI's shareholding percentage in India but in the case of Lak Jaya the Group holds 91.3% of the voting rights. The amounts disclosed for each subsidiary are before intercompany eliminations:

	31 December 2024		31 December 2023	
	Lak Jaya	ASA India	Lak Jaya	ASA India
Total no. of shares	**10,704,955**	**195,950**	10,704,955	195,950
Shares held by ASAI Group	**10,398,950**	**176,369**	10,398,950	176,369
Shares held by NCI	**306,005**	**19,581**	306,005	19,581
NCI %	**2.86%**	**9.98%**	2.86%	9.98%

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

32. Related party disclosures (continued)
32.6 Non-controlling interest (continued)

	31 December 2024		31 December 2023	
	Lak Jaya USD'000	ASA India USD'000	Lak Jaya USD'000	ASA India USD'000
Summarised statement of financial position:				
Net assets	450	(19,964)	1,329	(13,640)
Net assets attributable to NCI	13	(1,994)	38	(1,362)
Summarised statement of profit or loss and other comprehensive income:				
Net operating income	1,165	506	2,090	4,554
Net loss after tax	(882)	(6,920)	(40)	(4,489)
Loss allocated to NCI	(25)	(691)	(1)	(448)
Summarised statement of cash flow:				
Cash flow from operating activities	(4,819)	4,791	4,520	12,710
Cash flow from investing activities	4,345	(27)	(4,406)	17
Cash flow from financing activities	571	(4,023)	(75)	(7,181)
Net cash flow attributable to NCI	3	74	1	554

With reference to note 32.3, the remaining shares in Pagasa Consultancy, Pinoy, A1 Nigeria, ASHA Nigeria, ASA Pakistan, ASA Tanzania, PPFC, ASA Uganda, CMI Lanka and AMSL are held either by employees nominated by the Group or by ASAI I&M, CMI or CMII. Hence those are not treated as non-controlling shares.

33. Subsequent events disclosure
Recently, the State Bank of Pakistan has notified all Microfinance Banks including ASA Pakistan to prepare and submit a plan for the conversion from conventional banking to Islamic banking. ASA Pakistan is preparing the plan.

On 16 January 2025, ASA India informed the Reserve Bank of India of its intention to surrender its microfinance licence. This decision to surrender the microfinance licence aligns with the broader intention of ASA International to ultimately divest ASA India.

On 06 March 2025, the Group executed a USD 15 million loan facility agreement with FMO, with a maturity date of March 2030. The loan carries an annual interest rate of SOFR plus a margin of 3.5%.

Myanmar was struck by a 7.7 magnitude earthquake on 28 March 2025 which affected six regions and states and led to significant casualties. Aftershocks may also persist for the next two to three months and the country as a whole continues to experience issues relating to water supply, electricity and communication services. The direct impact of the earthquake on ASA Myanmar was limited from a client and employee perspective as well as from an office and branch infrastructure standpoint. ASA Myanmar is currently not facing any loan collection or portfolio quality issues as there are no ASA branches in the affected areas but this situation will continue to be closely monitored.

All of the subsequent events are non-adjusting.

34. Contingent liabilities and uncertain tax positions
34.1 Contingent liabilities
ASA Nigeria
ASA Nigeria is in breach of a regulatory limit of PAR 30 ratio at the balance sheet date. PAR 30 stood at 6.2%, where the regulatory limit is 5%. The matter was reported to Central Bank of Nigeria (CBN). No provision was created in this regard as management concludes that any penalty imposition by CBN in this regard is unlikely.

34.2 Uncertain tax positions
The evaluation of uncertain tax positions involves an interpretation of local tax laws which could be subject to challenge by a tax authority, and an assessment of whether the tax authorities will accept the position taken. The Group does not currently consider that assumptions or judgements made in assessing tax liabilities have a significant risk of resulting in a material adjustment within the next financial year. The accrual of interest and penalty amounts in respect of uncertain income tax positions is recognised as an expense within profit before tax.

ASA India
A demand notice of INR 12.6 million (USD 0.15 million) was raised by the income tax authorities for the assessment years ('AY') 2012-2013 by disallowing of certain expenditures such as the misappropriation of funds and gratuity. This case is pending before the Commissioner of Taxes (Appeals). In addition, another demand notice was been raised by the income tax authorities for INR 79 million (USD 0.94 million) for the AY 2012-2013 in December 2019 which has been challenged before the relevant assessing officer. ASA India has also applied for a stay order of the demand.

In November 2022, the revenue authority adjusted INR 117 million (USD 1.4 million) against a tax refund for AY 2013-2014 to 2022-2023 for the above demands. ASA India has submitted a writ petition against that adjustment. ASA India has taken a 50% provision amounting to INR 46 million (USD 0.56 million) against the demands in 2022. Since ASAI management is in the process of selling its shares in ASA India, for a true reflection in the financial statements, management decided to also provide for the remaining 50% of such demands.

Lak Jaya
A demand was raised by the Department of Inland Revenue ('IRD') for 2016-2017 and 2017-2018 A demand notice was raised by the Department of Inland Revenue ('IRD') for 2016-2017 and 2017-2018 amounting to LKR 59 million (USD 0.18 million) and LKR 74 million (USD 0.23 million) respectively, by disallowing certain expenses. The Company has filed an appeal and submitted the necessary

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for the year ended 31 December 2024

documentation. The matter is pending to the Commissioner of IRD for a long period. The entity had several discussions with IRD staff and they did not accept our arguments. As result, the entity management decided to settle these cases. The entity already requested for the process of settlements to IRD. Considering the situation, the entity had taken a provision of LKR 28 million (USD 0.09 million) in previous year and the remaining amount of LKR 108 million (USD 0.33 million) in the current year.

ASA Uganda
A demand notice of USD 0.16 million was raised by the Uganda Revenue Authority ('URA') regarding applicability of withholding tax on dividend payments to ASAI NV. The Company is in the process of appeal against this demand. In the mean time we have taken several steps to convince to URA, but they are very firm to their position. The group has taken a provision of USD 0.26 million for the past dividend payments as withholding tax payable and a liability of USD 0.27 million for withholding tax on future dividend distributions in the deferred tax liability as on December 2024.

ASA Tanzania
The Tanzania Revenue Authority ('TRA') claimed a tax demand of USD 2.5 million regarding applicability of excise duty on loan processing fees, VAT on intercompany transactions, withholding tax on stock dividend and tax on deferred income for the years 2021 and 2022. The Company appealed against the TRA. The entity has taken the full provision splitting the amount in current tax liability and other tax liability.

Another regular tax audit has been conducted by TRA in 2024 covering the year 2023, where the TRA claimed approx. USD 1.0 million, mainly for excise duty. The company made an objection against the claim and has taken a full provision as other taxes payable in the year 2024.

TRA has another claim against transfer pricing charges during the year 2024 covering the FY year 2021 and 2022 amounting to USD 0.5 million. The entity is in the process of appeal. The entity has taken a full provision splitting the amount in current tax liability and other tax liability.

ASA Rwanda
The Rwandan Central Bank ('BNR') conducted an audit on transfer pricing transactions covering the period from 1 January 2020 to 30 September 2022. ASA Rwanda sent a claim letter to BNR for reconsidering their recommendations on TP issues. However, BNR restricted the company to pay and recognize any kind of management fees. The entity is planning to appeal against this order. Since this is not a tax case, ASAI management did not take any provision. We continue to monitor the appeal process and if a tax liability would be required in the future.

35. Capital management
ASA International Group plc is registered as a public limited company, incorporated in England and Wales with the registered number 11361159 and with its registered office situated at Highdown House, Yeoman Way, Worthing, West Sussex BN99 3HH, United Kingdom. It has a listing on the main market of the London Stock Exchange since 13 July 2018. The Group is not subject to externally imposed capital requirements and has no restrictions on the issue and repurchase of ordinary shares.

Many of the Group's operating subsidiaries are regulated and subject to minimum regulatory capital requirements. As of 31 December 2024, the Group and its subsidiaries were in full compliance with minimum regulatory capital requirements.

36 Financial instruments
The carrying value of the Group's financial assets and liabilities as of 31 December 2024 are the best approximation of the fair value.

- The carrying amounts of Cash and cash equivalents, Due from banks, Due to customers, Other assets and Other liabilities approximate the fair value due to the short-term maturities of these items.
- Loans and advances to customers are short term and small ticket loans (six to 12 months) and, therefore, the carrying value of these loans are the best approximate of their fair value.
- Regarding the Debt issued and other borrowed funds, this amount reflects the loans from third parties on a holding level, as well as the loans provided by third parties directly to the subsidiaries of ASA International. The loans are held at amortised cost. The carrying amount is the best approximation of the fair value because the EIR of funding is mostly equal to the market interest rate.

37. Hedge accounting
Forward contracts
The Group applies hedge accounting to USD and EUR loans provided to subsidiaries reporting in foreign currencies and the related forward contracts. The foreign currency risk exposure of the USD and EUR loans and the potential negative impact on net result of the subsidiaries are being mitigated by way of these forward contracts. Any positive impact is therefore also limited. ASA International has only entered into non-deliverable forward contracts. Senior management considers the hedges as cash flow hedges. The formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge are documented for every forward contract.

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for the year ended 31 December 2024

37. Hedge accounting (continued)
Swaps
As at 31 December 2024, the Group has ten cross-currency interest rate swap agreements in place. Please refer to note 19.2 for details.

The Group applies the qualitative approach for prospective testing effectiveness because the critical terms of the hedged items and hedging instruments are identical. The Group applies a rollover hedge strategy when no forward instruments are available at reasonable pricing for the full term of the hedged item. In those cases, the Group accepts a rollover risk. Retrospective effectiveness is measured by comparing the change in the fair value of the actual derivative designated as the hedging instrument and the change in the fair value of a hypothetical derivative representing the hedged item.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the forward contracts and swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap and forward contracts are identical to the hedged risk component. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Different interest rate curve applied to discount the hedged item and hedging instrument; and
- Differences in the timing of the cash flows of the hedged items and the hedging instruments.

The Group assessed it had no ineffectiveness during 2024 in relation to the foreign currency hedges.

Reference is made to note 30.4.3 for the strategy for currency exchange risk. Additional information on the hedged items and hedging instruments as per 31 December 2024 is provided below:

As at 31 December 2024	ASA Pakistan USD'000	ASA Sierra Leone USD'000	ASA Kenya USD'000	ASAI NV USD'000	ASA Zambia USD'000	Total USD'000
Fair value of derivative assets	–	258	–	–	–	258
Fair value of derivative liabilities	1,625	127	1,410	30	59	3,251
Notional amount hedged foreign currency loans	22,019	2,977	16,053	965	1,250	43,264
Period in which the cash flows are expected to occur:						
cash flows in 2025	22,019	905	7,209	–	750	30,883
cash flows in 2026	–	–	–	965	–	965
cash flows in 2027	–	–	2,507	–	–	2,507
Total cash flows	**22,019**	**905**	**9,716**	**965**	**750**	**34,355**
Expected period to enter into the determination of profit or loss:						
amortisation of forward points in 2025	936	248	371	41	128	1,724
amortisation of forward points in 2026	–	–	–	18	–	18
amortisation of forward points in 2027	–	–	65	–	–	65
Total amortisation of forward points	**936**	**248**	**436**	**59**	**128**	**1,807**
Amounts recognised in OCI during the period:						
for amortisation of forward points/currency basis spread	2,326	228	506	41	114	3,215
for adjustment of net interest on swap	–	47	938	–	–	985
for changes in fair value of the forward contracts/ swaps	(3,576)	(421)	(4,604)	(21)	(90)	(8,712)
for recycling of FX result of foreign currency loans	67	20	2,368	(28)	(75)	2,352
Total amounts recognised in OCI during the period	**(1,183)**	**(126)**	**(792)**	**(8)**	**(51)**	**(2,160)**

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

37. Hedge accounting (continued)
Swaps (continued)

As at 31 December 2023	ASA Pakistan USD'000	ASA Sierra Leone USD'000	ASA Myanmar USD'000	ASA Kenya USD'000	ASAI NV USD'000	ASA Zambia USD'000	Total USD'000
Fair value of derivative assets	–	959	–	1,320	–	171	2,450
Fair value of derivative liabilities	69	–	–	–	9	–	78
Notional amount hedged foreign currency loans	17,646	2,925	–	11,653	993	1,026	34,243
Period in which the cash flows are expected to occur:							
cash flows in 2024	17,646	2,105	–	4,992	–	1,026	25,769
cash flows in 2025	–	–	–	–	–	–	–
cash flows in 2026	–	–	–	3,743	993	–	4,736
Total cash flows	17,646	2,105	–	8,735	993	1,026	30,505
Expected period to enter into the determination of profit or loss:							
amortisation of forward points in 2024	724	107	–	302	41	40	1,214
amortisation of forward points in 2025	–	–	–	–	41	–	41
amortisation of forward points in 2026	–	–	–	21	18	–	39
Total amortisation of forward points	724	107	–	323	100	40	1,294
Amounts recognised in OCI during the period:							
for amortisation of forward points/currency basis spread	2,139	155	7	320	15	117	2,753
for adjustment of net interest on swap	–	(11)	–	285	–	16	290
for changes in fair value of the forward contracts/ swaps	3,596	343	(42)	1,356	(9)	29	5,273
for recycling of FX result of foreign currency loans	(7,671)	(428)	–	(1,648)	(20)	(218)	(9,985)
Total amounts recognised in OCI during the period	(1,936)	59	(35)	313	(14)	(56)	(1,669)

	Changes in fair value of hedging instruments		
As at 31 December 2024	Effective portion: recognised in OCI USD'000	Hedge ineffectiveness: recognised in income statement USD'000	Total USD'000
Cash flow hedge			
Forward contracts	(1,724)	–	(1,724)
Cross-currency interest rate swaps	(436)	–	(436)
	(2,160)	–	(2,160)

	Changes in fair value of hedging instruments		
As at 31 December 2023	Effective portion: recognised in OCI USD'000	Hedge ineffectiveness: recognised in income statement USD'000	Total USD'000
Cash flow hedge			
Forward contracts	(1,735)	–	(1,735)
Cross-currency interest rate swaps	66	–	66
	(1,669)	–	(1,669)

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

38. Maturity analysis of assets and liabilities
The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled. Loans and advances to customers are based on the same expected repayment behaviour as used for estimating the EIR. Debt issued and other borrowed funds reflect the contractual repayments except for debts, where no waivers have been received against breached covenants at the balance sheet date. Those borrowings are presented on demand.

As at 31 December 2024	Within 12 months USD'000	After 12 months USD'000	Total USD'000
Assets			
Cash at bank and in hand	79,145	–	79,145
Loans and advances to customers	409,769	208	409,977
Due from banks	14,911	14,352	29,263
Equity investment at FVOCI	–	315	315
Property and equipment	–	7,597	7,597
ROU assets	882	4,490	5,372
Deferred tax assets	–	7,277	7,277
Derivative assets	258	–	258
Other assets	17,020	1,766	18,786
Intangible assets	–	10,512	10,512
Total assets	521,985	46,517	568,502
Liabilities			
Debt issued and other borrowed funds	156,778	164,072	320,850
Due to customers	90,137	34	90,171
Retirement benefit liability	–	6,856	6,856
Current tax liability	13,997	182	14,179
Deferred tax liability	–	4,635	4,635
Lease liability	430	3,495	3,925
Derivative liabilities	3,394	(142)	3,252
Other liabilities	18,434	7,505	25,939
Provisions	2,204	–	2,204
Total liabilities	285,374	186,637	472,011
Net	236,611	(140,120)	96,491

As at 31 December 2023	Within 12 months USD'000	After 12 months USD'000	Total USD'000
Assets			
Cash at bank and in hand	76,429	–	76,429
Loans and advances to customers	329,765	392	330,157
Due from banks	9,819	32,278	42,097
Equity investment at FVOCI	–	273	273
Property and equipment	–	7,237	7,237
ROU assets	808	3,977	4,785
Deferred tax assets	–	5,769	5,769
Derivative assets	2,450	–	2,450
Other assets	11,901	1,589	13,490
Intangible assets	–	7,340	7,340
Total assets	431,172	58,855	490,027
Liabilities			
Debt issued and other borrowed funds	158,086	115,325	273,411
Due to customers	79,087	8	79,095
Retirement benefit liability	22	4,816	4,838
Current tax liability	9,326	–	9,326
Deferred tax liability	–	2,406	2,406
Lease liability	652	2,620	3,272
Derivative liabilities	69	9	78
Other liabilities	15,584	23,979	39,563
Provisions	1,428	–	1,428
Total liabilities	264,254	149,163	413,417
Net	166,918	(90,308)	76,610

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2024

39. Earnings per share
Basic Earnings Per Share ('EPS') is calculated by dividing the net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

There are no share options which will have a dilutive effect on EPS. Therefore, the Company does not have dilutive potential ordinary shares, and diluted earnings per share calculation is not applicable.

The following table shows the income and share data used in the basic and diluted EPS calculations:

	2024 USD'000	2023 USD'000
Net profit attributable to ordinary equity holders of the parent	29,249	9,206
Weighted average number of ordinary shares for basic earnings per share	100,000,000	100,000,000

	USD	USD
Earnings per share		
Equity shareholders of the parent for the year:		
Basic earnings per share	0.29	0.09
Diluted earnings per share	0.29	0.09

The Company has applied the number of shares issued by ASA International Group plc as at 31 December 2024 and 31 December 2023. There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the completion of financial statements which would require the restatement of EPS. An interim dividend of USD 3.0 million was declared for the year 2024 (2023: nil).

The following table shows the dividend per share:

	2024 USD'000	2023 USD'000
Dividend per share	0.03	N/A

Statutory statement of profit and loss and other comprehensive income
for the year ended 31 December 2024

	Notes	2024 USD'000	2023 USD'000
Interest and similar income		3	–
Dividend income		8,083	4,670
Net revenue		8,086	4,670
Personnel expenses	40	(1,710)	(1,212)
Professional fees		(2,387)	(2,446)
Administrative expenses		(1,219)	(1,144)
Exchange rate differences		(45)	(45)
Total operating expenses		(5,361)	(4,847)
Profit/(loss) before tax		2,725	(177)
Profit/(loss) and total comprehensive profit/(loss) for the period, net of tax		2,725	(177)

The notes 40 to 47 form an integral part of these financial statements.

Statutory statement of financial position
as at 31 December 2024

	Notes	2024 USD'000	2023 USD'000
Assets			
Cash at bank and in hand		337	359
Due from banks	14.1	–	21,392
Investment in subsidiaries	41	120,684	120,684
Other assets	42	1,285	898
Total assets		122,306	143,333
Equity and liabilities			
Equity			
Issued capital	43	1,310	1,310
Retained earnings	44	119,234	119,461
Other reserves		780	71
Total equity attributable to equity holders of the parent		121,324	120,842
Liabilities			
Other liabilities	45	982	22,491
Total liabilities		982	22,491
Total equity and liabilities		122,306	143,333

Approved by the Board of Directors on 23 April 2025

Signed on behalf of the Board

Rob Keijsers

Rob Keijsers
CEO

Tanwir Rahman
CFO

The notes 40 to 47 form an integral part of these financial statements.

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Statutory statement of changes in equity
for the year ended 31 December 2024

	Issued capital USD'000	Retained earnings USD'000	Other reserves USD'000	Total USD'000
At 1 January 2023	1,310	119,638	–	120,948
Loss for the period	–	(177)	–	(177)
Total comprehensive loss for the period	1,310	119,461	–	120,771
Share-based payments	–	–	71	71
At 31 December 2023	1,310	119,461	71	120,842
At 1 January 2024	**1,310**	**119,461**	**71**	**120,842**
Profit for the period	**–**	**2,725**	**–**	**2,725**
Total comprehensive loss for the period	**1,310**	**122,186**	**71**	**123,567**
Share-based payments	**–**	**–**	**709**	**709**
Dividend	**–**	**(2,952)**	**–**	**(2,952)**
At 31 December 2024	**1,310**	**119,234**	**780**	**121,324**

The notes 40 to 47 form an integral part of these financial statements.

Statutory statement of cash flows
for the year ended 31 December 2024

	Notes	2024 USD'000	2023 USD'000
Operating activities			
Profit/(loss) before tax		**2,725**	(177)
Adjustment for movement in:			
Operating assets	46	**21,005**	(1,373)
Operating liabilities	46	**(21,509)**	1,060
Non-cash items	46	**709**	71
Net cash flows used in operating activities		**2,930**	(419)
Financing activities			
Dividend paid		**(2,952)**	–
Net cash flows used in financing activities		**(2,952)**	–
Net increase in cash and cash equivalents		**(22)**	(419)
Cash and cash equivalents at the beginning of the period		**359**	778
Cash and cash equivalents as at 31 December		**337**	359

The notes 40 to 47 form an integral part of these financial statements.

Notes to the statutory financial statements
for the year ended 31 December 2024

Separate financial statements
The accounting policies applied in the statutory financial statements are similar to those used in the consolidated financial statements except for investments in subsidiaries. Investments in subsidiaries are accounted in the separate financial statements, using the cost method.

At each reporting date it is determined whether there is objective evidence that the investment in the subsidiaries is impaired. If there is such evidence, a calculation will be made for the impairment amount as the difference between the recoverable amount of the subsidiaries and its carrying value.

40. Total other operating expenses
Total operating expenses include the following items:

	2024 USD'000	2023 USD'000
Personnel expenses	(1,710)	(1,212)
Professional fees	(2,387)	(2,446)
Administrative expenses	(1,219)	(1,144)
	(5,316)	(4,802)

41. Investments in subsidiaries

	2024 USD'000	2023 USD'000
Investments in subsidiaries		
ASA International Holding	75,195	75,195
ASA International NV	45,489	45,489
	120,684	120,684

Name of company	Country	Nature of business	2024 ownership	2023 ownership
ASA International Holding	Mauritius	MFI Holding Company	100%	100%
ASA International NV	Netherlands	MFI Holding Company	100%	100%

42. Other assets
The other assets comprised the following:

	2024 USD'000	2023 USD'000
Other receivables	1,208	863
Advances and prepayments	77	35
	1,285	898

43. Issued capital
100 million ordinary shares of GBP 0.01 each. No movement occurred during 2024 and 2023.

44. Retained earnings
Total retained earnings are calculated as follows:

	2024 USD'000	2023 USD'000
Balance at the beginning of the period	119,461	119,638
Dividend	(2,952)	–
Result for the period	2,725	(177)
Balance at the end of the period	119,234	119,461
Profit for the period		
Attributable to equity holders of the parent	2,725	(177)

Notes to the statutory financial statements (continued)
for the year ended 31 December 2024

45. Other liabilities

	Notes	2024 USD'000	2023 USD'000
Short-term liabilities			
Accrued audit fees		717	628
Accrued cost		265	113
Other intercompany payables		–	358
		982	1,099
Long-term liabilities			
Escrow liability to CMI	14.1	–	21,392
		982	22,491

46. Additional cash flow information

	2024 USD'000	2023 USD'000
Changes in operating assets		
Due from banks	21,392	(700)
Other assets	(387)	(673)
	21,005	(1,373)
Changes in operating liabilities		
Other liabilities	(21,509)	1,060
	(21,509)	1,060
Changes in non-cash items		
Share-based payments	709	71
	709	71

47. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled.

As at 31 December 2024	Within 12 months USD'000	After 12 months USD'000	Total USD'000
Assets			
Cash at bank and in hand	337	–	337
Due from banks	–	–	–
Investment in subsidiaries	–	120,684	120,684
Other assets	1,285	–	1,285
	1,622	120,684	122,306
Liabilities			
Other liabilities	982	–	982
Net	640	120,684	121,324

As at 31 December 2023	Within 12 months USD'000	After 12 months USD'000	Total USD'000
Assets			
Cash at bank and in hand	359	–	359
Due from banks	–	21,392	21,392
Investment in subsidiaries	–	120,684	120,684
Other assets	898	–	898
	1,257	142,076	143,333
Liabilities			
Other liabilities	1,099	21,392	22,491
Net	158	120,684	120,842

Alternative performance measures

KPI	2024	2023	Definition
Outstanding loan portfolio ('OLP')	$446.6m	$369.2m	The figure depicts the consolidated outstanding loan portfolio, including off-book net BC loan portfolio from IDFC, Jana Small Finance Bank, Fincare, Ujjivan, ESAF and Direct Assignment loans with SBI. It excludes interest receivables and unamortised loan processing fees, as included in the loans and advances to customers in note 13 to the financial statements, and maintains the deduction of modification losses and ECL provisions from the gross outstanding loan portfolio.
Gender diversity	38%	37%	Number of female employees compared to total employees.
Gross OLP/ Client	$182	$162	Gross outstanding loan portfolio including BC and DA loans divided by total number of clients.
Debt-to-equity ratio	3.2	3.5	The ratio is calculated by dividing closing balances of interest-bearing debt with total equity. Interest-bearing debt includes debt issued and other borrowed funds in note 25, less interest payables.
Profit before tax	$63.5m	$32.2m	Consolidated profit before tax for the year as reported in the financial statement.
Reported net profit after tax	$28.5m	$8.8m	Consolidated profit for the year as reported in the financial statements.
Net interest margin ('NIM')	35%	31%	Net interest margin ('NIM') is calculated as net interest income divided by average interest-earning assets on consolidated basis. Average interest-earning assets is calculated as the sum of cash at bank and in hand, due from banks and loans and advances from customers.
Return on assets ('ROA')	5.4%	1.8%	Return on assets ('ROA') is calculated by dividing the net profit after tax by the average of total assets. ROA is displayed as a percentage.
Return on equity ('ROE')	33.0%	10.5%	Return on equity ('ROE') is calculated by dividing the net profit after tax by the average of shareholders' equity. ROE is displayed as a percentage.
EPS (USD)	0.29	0.09	Earnings per share ('EPS') is calculated by dividing the Company's net profit after tax by the weighted average number of ASAI Group plc ordinary shares outstanding during the year. For 2022, number of shares is equivalent to the number of ASA International Group plc shares, which was 100 million.

KPI	2024	2023	Definition
Total DPS (USD)	0.07	NIL	The figure is calculated by dividing the total dividends paid out by ASAI, including interim dividends, over a period of time by the weighted average number of ASAI Group plc ordinary shares outstanding during the year.
Cost to income	61.4%	72.1%	Cost to income ratio is calculated by dividing total operating expenses by total net operating income on consolidated basis.
% Voluntary savings to OLP	3.5%	3.4%	Voluntary savings to OLP is calculated by dividing total voluntary savings by total outstanding loan portfolio including BC and DA loans.
Taxes	35.0m	23.4m	Sum of the consolidated income tax expense and consolidated withholding tax expense for the year as reported in the financial statement.
Client economic yield ('CEY')	N/A	N/A	The Client Economic Yield ('CEY') is calculated by deducting the clients' weekly interest costs from their average weekly income, derived from their business activities. The survey is undergoing revision, preventing disclosure.
Client retention rate	80%	77%	Determined by subtracting the total number of new clients in a period from the number of clients at the end of that period divided by the total number of clients at the beginning of the period. Periods based on tenor of client loans (6, 10, or 12 months). The Group's total client retention rate is calculated as the weighted average of the country client retention rates.
Number of new branches	143	77	The number of new branches commencing operations in the period in all operating markets.
Client satisfaction survey	84%	90%	This survey is conducted by interviewing at least two clients per loan officer (long-term and newer clients with loans of greater than 6/12 months as applicable) with yes/no, closed and open-ended questions. The responses are coded and converted into percentages to estimate client's satisfaction with the products and with the services delivered by ASAI.
Carbon footprint	7489 tonnes CO_2	8,574 tonnes CO_2	Carbon footprint is measured as the sum of direct emissions of greenhouse gases, carbon emissions from direct purchase of electricity and fuel combustion for transportation purposes.

Alternative performance measures (continued)

KPI	2024	2023	Definition
Social performance index ('SPI')	85%	90%	SPI4 is a social audit tool made by CERISE as per Universal Standards managed by SMART CAMPAIGN. The assessment is divided into seven dimensions with both qualitative and quantitative questions. Each dimension carries a score of 100. See https://en.spi-online.org/ for more details.
Number of clients	2.5m	2.3m	The number of clients in all operating markets.
Number of branches	2,145	2,016	The number of branches in all operating markets.
PAR>30	2.2%	2.0%	PAR>30 is the percentage of gross OLP that have one or more instalment repayments of principal past due for more than 30 days, but less than 365 days, divided by total outstanding gross loan portfolio (including both on-book and off-book portfolio).
Number of staff	14,232	13,433	The number of people directly employed by the Company. Under this definition, we use colleagues, staff and employees interchangebly in the annual report.
Client per branch	1,172	1,156	Client per branch is the total number of clients divided by the total number of branches.
Borrowers per loan officer	292	287	The borrowers per loan officer is calculated by dividing total number of clients by total number of loan officers.
Employee recruitment	38%	33%	Number of staff hired in current period/number of staff at start of current period.
Employee satisfaction rate	75%	81%	Using qualitative methods, staff satisfaction analyses employee satisfaction rate along three main areas: professional satisfaction, facility satisfaction and department service satisfaction.
Hours training	77,350	67,107	Total hours of in-house, online and external training at the entity level, excluding on-the-job training.
Clients accessing a financial service for the first time	70%	70%	This outcome indicator was derived from clients' responses to question "Are you accessing a formal financial service, for the first time, through taking ASAI loan? (Formal means a financial institution) – Yes/No" in the Client Economic Yield survey of 2023, reflecting their interpretation and input. This answer is considered valid for 2024.

KPI	2024	2023	Definition
Clients increasing their daily income level	94%	94%	This outcome indicator was derived from clients' responses to question "Has your daily income increased after taking the loan? – Increased/No Change/Decreased" in the Client Economic Yield survey of 2023, reflecting their interpretation and input. This answer is considered valid for 2024.
Increase of share in family income by females	89%	89%	This outcome indicator was derived from clients' responses to question "Has your share in family income increased after taking the loan? – Increased/No Change/Decreased" in the Client Economic Yield survey of 2023, reflecting their interpretation and input. This answer is considered valid for 2024.
Financial management improved	94%	94%	This outcome indicator was derived from clients' responses to question "Has your understanding of managing finances improved since you took loan from the company? – Improved/No/Worsen" in the Client Economic Yield survey of 2023, reflecting their interpretation and input. This answer is considered valid for 2024.
Living conditions improved	94%	94%	This outcome indicator was derived from clients' responses to question "Has your living conditions improved after taking the loan? – Improved/No/Worsen" in the Client Economic Yield survey of 2023, reflecting their interpretation and input. This answer is considered valid for 2024.
Increase of leadership or decision-making role	82%	82%	This outcome indicator was derived from clients' responses to question "Has your leadership or decision-making role within your household or community increased after taking the loan? – Improved/No/Worsen" in the Client Economic Yield survey of 2023, reflecting their interpretation and input. This answer is considered valid for 2024.

List of abbreviations

Abbreviation	Definition
2FA	Two-factor authentication
A1 Nigeria	A1 Nigeria Consultancy Limited
Admission	Admission of the Company to the Main Market of the London Stock Exchange
AGM	Annual General Meeting
ALCO	Asset-Liability Committee
AMBS	ASA Microfinance Banking System
AML	Anti-Money Laundering
AMSL	ASAI Management Services Limited
ARC	Audit and Risk Committee
ASA NGO Bangladesh	ASA NGO-MFI registered in Bangladesh
ASA Kenya	ASA Limited
ASA Lanka	ASA Lanka Private Limited
ASA Myanmar	ASA Microfinance (Myanmar) Ltd
ASA Model	The ASA model of microfinance as developed by ASA NGO Bangladesh
ASA Pakistan	ASA Pakistan Limited
ASA Rwanda	ASA Microfinance (Rwanda) Limited
ASA Savings & Loans	ASA Savings & Loans Limited (Ghana)
ASA Sierra Leone	ASA Microfinance (Sierra Leone)
ASA Tanzania	ASA Microfinance (Tanzania) Ltd
ASA Uganda	ASA Microfinance (Uganda) Limited
ASA Zambia	ASA Microfinance Zambia Limited
ASAIH	ASA International Holding
ASAI I&M	ASAI Investments & Management B.V.
ASA India	ASA International India Microfinance Limited
ASAI NV	ASA International N.V.

Abbreviation	Definition
ASA International	ASA International Group plc
ASA Nigeria	ASHA Microfinance Bank Limited
ASIEA	Association for Social Improvement and Economic Advancement (Nigeria)
BC	Business Correspondent
BEPS	Base Erosion and Profit Shifting
BIO	Belgian Investment Company for Developing Countries SA/NV
Board	Board of Directors of ASA International Group plc
CBS	Core Banking System
Citi	Citibank N.A., Jersey Branch
CBN	Central Bank of Nigeria
CCRC	Client Complaint Resolution Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash-generating unit
COO	Chief Operating Officer
Companies Act/CA	Companies Act 2006 (UK)
Company	ASA International Group plc
CMI	Catalyst Microfinance Investors
CMI Lanka	C.M.I. Lanka Holding (Private) Limited
CMIC	Catalyst Microfinance Investment Company
CMII	CMI International Holding
CO_2	Carbon dioxide
The Code	UK Corporate Governance Code 2016 published by the Financial Reporting Council
COB	Commencement of Business
COC	Change of control

List of abbreviations (continued)

Abbreviation	Definition
CODM	Chief Operating Decision Maker
CPI	Consumer Price Index
CPP	Client Protection Principles
CRRO	Climate-Related Risks and Opportunities
CSR	Corporate Social Responsibility
DA	Direct Assignment
DCF	Discounted cash flow
DCP	Digital Credit Provider
DEI	Diversity, Equity and Inclusion
DFS	Digital Financial Services
DFS app	Digital Financial Services platform
DR	Disaster Recovery
DRF/MRF	Death Risk Fund/Multipurpose Risk Fund
EBT	Employee Benefit Trust or Earnings Before Tax
ECL	Expected Credit Losses
ED	Executive Director
EIR	Effective Interest Rate
EPRP	Emergency Preparedness and Response Plan
ESG	Environmental Social and Governance
ESMS	Environment and Social Management System
EXCO	Executive Committee
EY	Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited
FCA	Financial Conduct Authority
FMPU	Fraud and Misappropriation Prevention Unit

Abbreviation	Definition
FTE	Full-Time Employee
FVOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
FX	Foreign Exchange
GBP	Pound Sterling
GHG	Greenhouse Gas
GMC	Grievance Mitigation Committee
Group	ASA International and its consolidated subsidiaries and subsidiary undertakings from time to time
HR	Human Resources
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBR	Incremental Borrowing Rate
IFRS	International Financial Reporting Standards
INED	Independent Non-Executive Director
IR	Investor Relations
IDFC	IDFC First Bank
IRD	Department of Inland Revenue
ISDA	International Swaps and Derivatives Association
IT	Information Technology
JSFB	Jana Small Finance Bank
KPI	Key Performance Indicator
KYC	Know Your Customer
Lak Jaya	Lak Jaya Micro Finance Limited (Sri Lanka)
LCBU	Loan Collateral Build Up

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List of abbreviations (continued)

Abbreviation	Definition
Listing Rules	The listing rules relating to admission to the Official List made under section 73A(2) of the FSMA
LO	Loan officer
LTIP	Long-term incentive plan
MBA Philippines	PagASA Ng Pinoy Mutual Benefit Association, Inc.
MFB	Microfinance Banking
MFI	Microfinance Institution
MRR	Minimum Retention Rate
NCI	Non-controlling interest
NCIA	Natural Calamity Impact Assessment
NBFC-MFI	Non-Banking Financial Company – Micro Finance Institutions
Non-Executive Directors	The Non-Executive Directors of ASA International
NRCGT	Non–Resident Capital Gains Tax
OeEB	Oesterreichische Entwicklungsbank Ag
OeCD	Organisation for Economic Co-operation and Development
Oikocredit	Oikocredit, Ecumenical Development Co-Operative Society U.A.
OCI	Other Comprehensive Income
Pagasa	Pagasa ng Masang Pinoy Microfinance, Inc.
Pagasa Consultancy	Pagasa Consultancy Limited
Pagasa Philippines/PPFC	Pagasa Philippines Finance Corporation, Inc.
PDMRs	Persons Discharging Managerial Responsibilities
PD	Probability of Default
Pinoy	Pinoy Consultancy Limited
PSO	Pre-Service Orientation
PT PAGASA Consultancy	PT PAGASA Consultancy
RBI	Reserve Bank of India

Abbreviation	Definition
RMF	Risk Management Framework
Relationship Agreement	The relationship agreement entered into by ASA International, Catalyst Microfinance Investors, Catalyst Continuity Limited, Dirk Brouwer and Md Shafiqual Haque Choudhury
RFRs	Risk free rates
ROU	Right-of-use
SAAS	Software as a service
SBI	State Bank of India
SBP	State Bank of Pakistan
SC	Sustainability Committee
SDG	Sustainable Development Goals
SEC	Securities and Exchange Commission
SECR	Streamlined Energy Carbon Reporting
Sequoia	Sequoia B.V.
SMART targets	Specific, Measurable, Achievable, Relevant, and Time-Bound targets
SME loans	Small-Medium Enterprise loans
SMP	Supplier Market Place
SPPI	Solely Payments of Principal and Interest
SPM	Social Performance Management
Symbiotics	Symbiotics SA
TCFD	Task Force on Climate-Related Financial Disclosures
ToR	Terms of Reference
UK	The United Kingdom of Great Britain and Northern Ireland
UKLA	United Kingdom Listing Authority
US or United States	The United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia
USD	United States Dollar

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