Interim Financial Report

For the period from 1 January to 30 June 2024

ASA International Group plc

CONTENTS

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Guy Dawson	15 May 2018
Dirk Brouwer	15 May 2018
Johanna Kemna	28 June 2018
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Karin Kersten	25 April 2022
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ASA International Group plc, one of the world's largest international microfinance institutions, is pleased to announce its unaudited interim results for the six months period ended 30 June 2024.

Key performance indicators

(UNAUDITED) (USDm unless otherwise stated)	H1 24	FY 23	H1 23	FY 22	YTD Change	YTD Change (CC)	YoY Change
Number of clients (m)	2.4	2.3	2.2	2.3	2%		7%
Number of branches	2,091	2,016	2,073	2,028	4%		1%
Profit before tax(1)	28.3	32.2	13.8	46.3	76%	94%	105%
Net profit(1)	13.5	8.8	3.7	17.9	208%	252%	267%
OLP(2)	384.6	369.2	334.4	351.2	4%	10%	15%
Gross OLP(2)	394.9	377.2	346.8	367.5	5%	11%	14%
PAR>30 days(3)	2.3%	2.1%	3.8%	5.9%			

Highlights

- ASA International delivered strong operational performance in H1 2024 as the loan book grew following increased demand from clients. OLP increased year-on-year by 15% to USD 384.6m from USD 334.4m. This OLP growth was predominantly driven by improved performance in Pakistan, the Philippines, Ghana, Tanzania, and Kenya. Assets also surpassed the USD 500m mark in H1 for the first time since 2022.
- This operational performance translated into significantly improved profitability in H1 2024 with net profit increasing by 267% to USD 13.5m from USD 3.7m in H1 2023. This was achieved despite the negative impact of USD 3.5m from hyperinflation accounting for Ghana and Sierra Leone. Pakistan, the Philippines, Ghana, Tanzania, and Kenya made a key contribution to the Group's financial performance due to increased loan demand and high loan portfolio quality in all these markets.
- High portfolio quality was maintained alongside OLP growth. PAR>30 materially improved from 3.8% as at 30 June 2023 to 2.3% as at 30 June 2024, primarily due to write-offs of long overdue loans in India and Myanmar, combined with growth in OLP in US Dollar terms in other major countries. Ghana and Kenya recorded outstanding portfolio quality, with PAR>30 less than 0.5% as at 30 June 2024.
- Total equity increased to USD 81.1m as at 30 June 2024 from USD 69.2m as at 30 June 2023, despite the operating currency devaluation which contributed USD 8.7m in H1 2024 (H1 2023: USD 24.8m) to the foreign currency translation reserve (losses).
- Total funding increased to USD 443.4m as at 30 June 2024 from USD 424.2m at the end of 2023 with a stable sourcing profile. USD 101m of new debt at broadly similar rates was raised in H1 2024 in line with the overall funding strategy.
- The Board continues to monitor the timing of the resumption of the dividend policy. This assessment is being made in line with the existing capital allocation framework and is dependent upon delivery of the expected improved financial performance for the full year.

Outlook

Building on the sustained momentum seen in H1, the outlook for the remainder of 2024 remains positive with improved business performance expected given continued high demand for loans from clients. Accordingly, the expectation, including the assessed impact of hyperinflation accounting currently applicable for Ghana and Sierra Leone, is that reported net profit for 2024 is to exceed the current company compiled consensus for FY 2024. Company compiled consensus net profit on a reported basis as at the date of this announcement is USD 16.0m.

However, inflation and related foreign exchange movements are expected to continue to affect financial performance in 2024. Hyperinflation accounting, and in particular which countries will be classified as hyperinflationary at year end, will also affect reported net profit this current financial year. Based on the latest preliminary inflation projections as of the date of this announcement, it is expected that the hyperinflation accounting will continue to be applicable for Ghana (current three year cumulative inflation of 114%) and Sierra Leone (126%) in 2024. Pakistan (forecasted three year cumulative inflation at the year end of 81%) and Nigeria (96%) remain on the watchlist.

Karin Kersten, Chief Executive Officer of ASA International, commented:

“H1 2024 saw both operational growth as well as importantly increased profitability. The overall operating environment across most of our markets improved during the first half of the year. Encouragingly, demand remains high for our products from clients as economic conditions, while still challenging, have eased when compared to the same period in 2023. Clients and staff continue to demonstrate their resilience in these economic circumstances. In particular, we have demonstrated improved performance in our major operating countries - Pakistan, the Philippines, Ghana, Tanzania and Kenya - almost all of which recorded excellent portfolio quality, client and OLP growth, and profitability. The improved performance in our major operating markets was slightly offset by FX movements in certain markets. Currencies in most of our markets have been relatively stable against the USD in H1 2024.

“The team continues to focus on right-sizing average loan sizes to clients in view of the inflationary environment evident in many operating countries, while improving branch productivity as clients continue to demand loans, and staff remain committed and focused on supporting clients in what are still difficult operating circumstances.

“Following the successful migration of more than 600,000 clients in Pakistan to a new Temenos Transact Core Banking System, the team is now diligently working on the next crucial stage of the digital transformation journey. This involves rolling out the Core Banking System in both Ghana and Tanzania.

“We also continue 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 and Rwanda. We will also welcome a new local CEO of Nigeria, who will join in mid-October of this year. Their fresh perspectives alongside their significant professional, banking and leadership experience will be key in delivering growth in these markets and preparing ASA International for the future.

“Away from the clear operational impacts, the effects of inflation, including hyperinflation accounting, other currency movements, are expected to continue to dampen financial performance in USD terms in 2024. However, given the improved operating developments we have already seen in 2024, we are confident of being able to continue our strong performance for the remainder of 2024.

“While focusing on business growth and driving financial performance, we are strongly committed to investing in the social welfare needs of the communities where our clients work and live. In the past six months, we have contributed over USD 150,000, benefiting approximately 50,000 people through nearly 250 initiatives focused on education, healthcare, environmental protection, and disaster relief.

“We also have a deep environmental responsibility, particularly in relation to climate change. Accordingly, we have been delivering against our targets in areas such as increasing renewable energy through solar panel installation, reducing fuel consumption through vehicle electrification, and absorbing CO2 and protecting the environment through tree planting.”

CHIEF EXECUTIVE OFFICER'S H1 2024 REVIEW

Introduction

An improved operating environment was evident in most markets, where loan demand increased as clients experienced an upturn in business activity. While the macroeconomic backdrop remains challenging, given the global impact of increased food, commodities, and energy prices, conditions appear to have eased somewhat. Pakistan, the Philippines, Ghana, Tanzania and Kenya all made significant contributions to both loan portfolio growth and crucially profitability during the course of the first half.

From an operational footprint standpoint and in line with our strategy, the number of branches increased to 2,091 as at 30 June 2024 from 2,073 as at 30 June 2023, which reflects the opening of 18 net new branches across the various operating countries. Client numbers grew by 7% compared to H1 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 394.9m at the end of June 2024 from USD 346.8m at the end of June 2023. The growth in Gross OLP was not made at the expense of portfolio quality with this improving in most markets. PAR>30 stood at 2.3% as of June 2024 compared to 3.8% in June 2023.

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

South Asia

South Asia's financial and operational results improved in H1 2024 compared to H1 2023, with net profit increasing to USD 1.4m from USD 0.5m. OLP also increased vs H1 2023 to USD 127.4m from USD 112.1m while at the same time PAR>30 improved to 3.3% from 7.3%. The improvement was primarily due to the increased loan demand and high portfolio quality in Pakistan. There was a decrease in the number of branches, which reduced by 76 to 585 and the number of clients also decreased by 7k to 854k. The decreases were primarily due to the intentional shrinking of the loan portfolio in India over the past 6 months and focus on recovery of overdue loans while growing the off-book portfolio.

South East Asia

South East Asia's net profit increased to USD 2.3m in H1 2024 from USD 1.7m in H1 2023. The region's OLP increased in H1 2024 compared to H1 2023 by 10% from USD 68.1m to USD 74.8m, with the number of branches increasing by 6% from 463 to 489. However, PAR>30 increased from 1.7% to 3.5%. The improvements in profitability and OLP were driven by continued growth in loan demand in the Philippines and, notwithstanding the ongoing internal conflict, an improving operating environment in Myanmar.

West Africa

West Africa's financial and operational results improved in H1 2024, compared to H1 2023, with net profit increasing to USD 6.2m in H1 2024 from USD 4.2m in H1 2023, OLP slightly increasing from USD 60.3m to USD 60.4m, and PAR>30 significantly improving from 5.2% to 1.9%. Ghana made significant positive contributions to West Africa's financial and operational results, despite the application of hyperinflation accounting which reduced its net profit. In Nigeria and Sierra Leone, the operating environment improved in H1 2024 with portfolio quality and profitability improving. However, in particular, Nigeria was still behind in terms of performance and growth.

East Africa

East Africa's operational result improved in H1 2024 compared to H1 2023 with OLP increasing 30% from USD 93.9m to USD 121.9m, and the number of branches increasing by 59 to 556. The region's financial result in H1 2024 was higher than in H1 2023 with net profit increasing by 78% to USD 6.6m from USD 3.7m. All operating countries in East Africa contributed positively to the region’s operational and financial results, in particular, Tanzania and Kenya.

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. As announced alongside the FY23 results, a major milestone was reached in Q1 24 with the migration of more than 600,000 clients in Pakistan to a new Temenos Transact Core Banking System. This migration positions ASA Pakistan to be able to soon commence taking deposits and grow its client base beyond its core group of customers. In addition, it sets the stage for the rollout of the new Core Banking System to our other markets and provides a foundation for a broader, more sophisticated product offering in the near future.

The rollout of the Core Banking System combined with the implementation of the digital financial services app in Ghana and Tanzania (over 500,000 clients combined) is planned for 2025. The Supplier Market Place app is currently operating in Ghana, with more than 7,000 customers onboarded and placing their online orders. The service is expected to be expanded following the rollout of the digital loan and banking app.

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

Building on the commitment to social welfare and recognizing health and education as key drivers of socioeconomic progress, the Company implements a variety of programs within local communities. In partnership with reputable health organizations, nearly 9,000 individuals have been reached through health camps and medical screenings. The 'ASA Pathsala' tutoring program in India has supported over 2,000 students, and approximately USD 60,000 has been invested in educational materials and necessities for schools. Emergency response efforts, supporting over 6,000 people, have also been provided. These are just a few examples of the projects undertaken during the first half of the year.

As part of a commitment to environmental protection, annual targets have been set across six climate-related areas and ASA International is on track to meet them at the halfway point of the year. Over 150 office solar panels have been installed, nearly 200,000 clients, colleagues, and community members have received environmental awareness training, and close to 20,000 trees have been planted together with colleagues, clients, and local communities.

Notes

(1) Profit before tax and net profit for H1 2024 include an IAS 29 hyperinflation adjustments loss of USD 3.5 million, and profit before tax and net profit for H1 2023 excludes hyperinflation, as hyperinflation accounting was only applied for the first time in the FY 2023 consolidated financial statements. YTD percentage change is based on annualising H1 2024 profit before tax and net profit.

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

(3) PAR refers to ‘Portfolio at Risk’. PAR>30 is the percentage of on-book OLP that has one or more instalment of repayment of principal past due for more than 30 days and less than 365 days, divided by the Gross OLP.

(4) ‘ASA International’, the ‘Company’, the ‘Group’ all refer to ASA International Group plc and its subsidiaries.

(5) ‘Holdings’ or ‘Holding companies’ both refer to ASA International Holding and ASA International NV.

GROUP FINANCIAL PERFORMANCE

(UNAUDITED) (USD thousands unless otherwise stated)	**H1 24**	**FY 23**	**H1 23**	**FY 22**	**YTD Change**	**YTD Change (CC)**	**YoY Change**
Profit before tax[1]	28,348	32,195	13,815	46,281	*76%*	*94%*	*105%*
Net profit[1]	13,481	8,757	3,676	17,887	*208%*	*252%*	*267%*
Cost/income ratio	*62%*	*72%*	*77%*	*68%*			
Return on average assets (TTM)[2]	*5.5%*	*1.8%*	*1.5%*	*3.4%*			
Return on average equity (TTM)[2]	*35.9%*	*10.5%*	*8.7%*	*18.5%*			
Earnings growth (TTM)[2]	*267%*	*-51%*	*-72%*	*181%*			
OLP	384,568	369,215	334,400	351,151	*4%*	*10%*	*15%*
Gross OLP	394,939	377,219	346,804	367,535	*5%*	*11%*	*14%*
Total assets	520,060	490,027	452,332	489,752	*6%*		*15%*
Client deposits [3]	75,707	79,073	72,718	84,111	*-4%*		*4%*
Interest-bearing debt [3]	286,542	268,464	245,314	257,466	*7%*		*17%*
Share capital and reserves	81,104	76,611	69,249	89,661	*6%*		*17%*
Number of clients	2,375,114	2,330,498	2,224,542	2,299,558	*2%*		*7%*
Number of branches	2,091	2,016	2,073	2,028	*4%*		*1%*
Average Gross OLP per client (USD)	166	162	156	160	*3%*	*9%*	*7%*
PAR > 30 days	*2.3%*	*2.1%*	*3.8%*	*5.9%*			
Client deposits as % of loan portfolio	*20%*	*21%*	*22%*	*24%*			
Debt-to-equity ratio	3.5	3.5	3.5	2.9			

[1] Profit before tax and net profit for H1 2024 include an IAS 29 hyperinflation adjustments loss of USD 3.5 million, and profit before tax and net profit for H1 2023 excludes hyperinflation adjustments, as hyperinflation accounting was applied for the first time in the FY 2023 consolidated financial statements. YTD percentage change is based on annualising H1 2024 profit before tax and net profit.
[2] TTM refers to the previous 12 months.
[3] Excludes interest payable.

Regional performance

South Asia

(UNAUDITED) (USD thousands unless otherwise stated)	**H1 24**	**FY 23**	**H1 23**	**FY 22**	**YTD Change**	**YTD Change (CC)**	**YoY Change**
Profit before tax	5,015	10,021	3,766	12,395	*0.1%*	*0.5%*	*33%*
Net profit	1,352	3,298	487	3,103	*-18%*	*-16%*	*178%*
Cost/income ratio	*70%*	*68%*	*72%*	*64%*			
Return on average assets (TTM)	*2.4%*	*2.8%*	*0.7%*	*1.9%*			
Return on average equity (TTM)	*13.6%*	*11.3%*	*3.4%*	*8.8%*			
Earnings growth (TTM)	*178%*	*6%*	*-90%*	*125%*			
OLP	127,432	117,460	112,089	118,590	*8%*	*8%*	*14%*
Gross OLP	131,701	119,730	119,869	128,460	*10%*	*10%*	*10%*
Total assets	121,086	102,803	106,979	133,894	*18%*		*13%*
Client deposits	1,915	1,663	1,718	1,345	*15%*		*11%*
Interest-bearing debt	67,601	53,569	65,357	85,878	*26%*		*3%*
Share capital and reserves	19,160	24,995	20,526	33,393	*-23%*		*-7%*
Number of clients	853,622	842,001	860,407	935,091	*1%*		*-1%*
Number of branches	585	589	661	670	*-1%*		*-11%*
Average Gross OLP per client (USD)	154	142	139	137	*9%*	*8%*	*11%*
PAR > 30 days	*3.3%*	*1.8%*	*7.3%*	*11.1%*			
Client deposits as % of loan portfolio	*2%*	*1%*	*2%*	*1%*			
Debt-to-equity ratio	3.5	2.1	3.2	2.6			

South Asia’s financial and operational results improved in H1 2024 compared to H1 2023, with net profit increasing to USD 1.4m by H1 2024 from USD 0.5m in H1 2023, OLP increasing to USD 127.4m from USD 112.1m, and PAR>30 improving to 3.3% from 7.3%, despite the number of branches decreasing by 76 to 585 and the number of clients decreasing by 7k to 854k.

Pakistan

ASA Pakistan grew its operations over the past 6 months:

- Number of clients increased from 616k to 618k (up 0.5% YTD).
- Number of branches remained at 345.
- OLP increased from PKR 19.4bn (USD 69.5m) to PKR 21.0bn (USD 75.5m) (up 8% YTD in *PKR*).
- Gross OLP/Client increased from PKR 31.6k (USD 113) to PKR 34.2k (USD 123) (up 8% YTD in *PKR).*
- PAR>30 increased from 0.3% to 0.6%.

India

ASA India intentionally shrank its operations over the past 6 months, as it focused on recovery of overdue loans while growing the off-book portfolio:

- Number of clients increased from 183k to 193k (up 5% YTD).
- Number of branches reduced from 180 to 176 (down 2% YTD).
- On-book portfolio decreased from INR 0.43bn (USD 5.2m) to INR 0.24bn (USD 2.9m) (down 45% YTD *in INR*).
- Off-book portfolio increased from INR 3.2bn (USD 38.3m) to INR 3.7bn (USD 44.8m) (up 17% YTD *in INR*).
- Gross OLP/Client increased from INR 20.8k (USD 251) to INR 22.0k (USD 264) (up 6% YTD *in INR*).
- PAR>30 increased from 16.4% to 53.0%, and PAR>30 amount increased from INR 83.4m (USD 1.0m) to INR 173.3m (USD 2.1m).
- ASA India's collection efficiency remained stable at 97% in June 2024. As of 30 June 2024, ASA India had collected USD 8.4 million from a total of USD 30.5 million in loans written-off since 2021.

*See note 13.2 to the consolidated financial statements 2023 for details on the off-book portfolio.

Sri Lanka

Lak Jaya saw a deterioration in its operations over the past 6 months:

- Number of clients decreased from 43k to 42k (down 3% YTD).
- Number of branches remained at 64.
- OLP decreased from LKR 1.43bn (USD 4.4m) to LKR 1.30bn (USD 4.3m) (down 9% YTD in *LKR*).
- Gross OLP/Client increased from LKR 31.5k (USD 97) to LKR 34.1k (USD 112) (up 8% YTD in *LKR*).
- PAR>30 increased from 5.0% to 5.6%.

South East Asia

(UNAUDITED) (USD thousands unless otherwise stated)	**H1 24**	**FY 23**	**H1 23**	**FY 22**	**YTD Change**	**YTD Change (CC)**	**YoY Change**
Profit before tax	3,211	4,627	2,342	4,217	*39%*	*42%*	*37%*
Net profit	2,327	3,376	1,694	1,910	*38%*	*40%*	*37%*
Cost/income ratio	*77%*	*84%*	*83%*	*82%*			
Return on average assets (TTM)	*4.0%*	*3.0%*	*3.1%*	*1.8%*			
Return on average equity (TTM)	*31.4%*	*23.0%*	*22.5%*	*12.0%*			
Earnings growth (TTM)	*37%*	*77%*	*891%*	*663%*			
OLP	74,758	73,979	68,073	63,316	*1%*	*10%*	*10%*
Gross OLP	77,924	76,988	70,067	66,955	*1%*	*10%*	*11%*
Total assets	122,713	119,510	111,703	102,917	*3%*		*10%*
Client deposits	26,616	26,146	23,871	22,069	*2%*		*11%*
Interest-bearing debt	69,913	69,804	66,178	58,416	*0%*		*6%*
Share capital and reserves	14,960	14,341	14,666	14,980	*4%*		*2%*
Number of clients	471,074	444,210	429,533	424,076	*6%*		*10%*
Number of branches	489	458	463	441	*7%*		*6%*
Average Gross OLP per client (USD)	165	173	163	158	*-5%*	*4%*	*1%*
PAR > 30 days	*3.5%*	*2.8%*	*1.7%*	*6.5%*			
Client deposits as % of loan portfolio	*36%*	*35%*	*35%*	*35%*			
Debt-to-equity ratio	4.7	4.9	4.5	3.9			

South East Asia's net profit increased to USD 2.3m in H1 2024 from USD 1.7m in H1 2023. The region's OLP increased in H1 2024 compared to H1 2023 by 10% from USD 68.1m to USD 74.8m, with the number of branches increasing by 6% from 463 to 489 and PAR>30 increasing from 1.7% to 3.5%.

The Philippines

Pagasa Philippines' operations grew over the last 6 months:

- Number of clients increased from 333k to 352k (up 6% YTD).
- Number of branches increased from 370 to 400 (up 8% YTD).
- OLP increased from PHP 3.0bn (USD 54.2m) to PHP 3.3bn (USD 56.0m) (up 9% YTD in *PHP*).
- Gross OLP/Client increased from PHP 9.2k (USD 166) to PHP 9.6k (USD 164) (up 4*%* YTD in *PHP).*
- PAR>30 increased from 3.8% to 4.6%.

Myanmar

ASA Myanmar's operations improved over the last 6 months:

- Number of clients increased from 111k to 119k (up 7% YTD).
- Number of branches increased from 88 to 89 (up 1% YTD).
- OLP increased from MMK 41.6bn (USD 19.8m) to MMK 46.7bn (USD 18.8m) (up 12% YTD *in MMK*).
- Gross OLP/Client increased from MMK 409.5k (USD 195) to MMK 422.7k (USD 170) (up 3*%* YTD *in MMK*).
- PAR>30 increased slightly from 0.2% to 0.3%.

West Africa

(UNAUDITED) (USD thousands unless otherwise stated)	**H1 24**	**FY 23**	**H1 23**	**FY 22**	**YTD Change**	**YTD Change (CC)**	**YoY Change**
Profit before tax[(1)]	10,200	14,632	6,952	27,799	*39%*	*81%*	*47%*
Net profit[(1)]	6,211	7,514	4,220	19,215	*65%*	*120%*	*47%*
Cost/income ratio	*35%*	*48%*	*57%*	*43%*			
Return on average assets (TTM)	*15.1%*	*7.6%*	*8.2%*	*15.8%*			
Return on average equity (TTM)	*32.3%*	*15.6%*	*16.0%*	*33.2%*			
Earnings growth (TTM)	*47%*	*-61%*	*-60%*	*-23%*			
OLP	60,432	72,260	60,349	82,380	*-16%*	*9%*	*0.1%*
Gross OLP	61,992	74,501	62,914	84,853	*-17%*	*9%*	*-1%*
Total assets	78,354	89,494	85,774	108,395	*-12%*		*-9%*
Client deposits	30,119	35,642	30,798	39,544	*-15%*		*-2%*
Interest-bearing debt	3,502	3,752	4,028	4,326	*-7%*		*-13%*
Share capital and reserves	34,428	41,912	42,551	54,591	*-18%*		*-19%*
Number of clients	375,918	425,058	379,467	433,897	*-12%*		*-1%*
Number of branches	461	452	452	446	*2%*		*2%*
Average Gross OLP per client (USD)	165	175	166	196	*-6%*	*24%*	*-1%*
PAR > 30 days	*1.9%*	*3.3%*	*5.2%*	*4.2%*			
Client deposits as % of loan portfolio	*50%*	*49%*	*51%*	*48%*			
Debt-to-equity ratio	0.1	0.1	0.1	0.1			

(1) Profit before tax and net profit for H1 2024 include an IAS 29 hyperinflation adjustments loss of USD 3.5 million, and profit before tax and net profit for H1 2023 excludes hyperinflation adjustments, as hyperinflation accounting was applied for the first time in the FY 2023 consolidated financial statements. YTD percentage change is based on annualising H1 2024 profit before tax and net profit.

West Africa's financial and operational results improved in H1 2024, compared to H1 2023, with net profit improving to USD 6.2m in H1 2024 from USD 4.2m in H1 2023, OLP slightly improving from USD 60.3m to USD 60.4m, and PAR>30 improving from 5.2% to 1.9%.

Ghana

ASA Savings & Loans operations continued to improve with excellent portfolio quality:

- Number of clients decreased from 201k to 192k (down 5% YTD).
- Number of branches increased from 143 to 150 (up 5% YTD).
- OLP increased from GHS 620.9m (USD 51.9m) to GHS 725.6m (USD 47.5m) (up 17*%* YTD in *GHS*).
- Gross OLP/Client increased from GHS 3.1k (USD 259) to GHS 3.8k (USD 248) (up 22% YTD in *GHS*).
- PAR>30 slightly increased from 0.1% to 0.2%.

Nigeria

ASA Nigeria saw a mixed operational performance:

- Number of clients reduced from 184k to 146k (down 21% YTD).
- Number of branches maintained at 263.
- OLP reduced from NGN 14.2bn (USD 15.8m) to NGN 11.8bn (USD 7.7m) (down 16% YTD *in NGN*).
- Gross OLP/Client increased from NGN 85.7k (USD 96) to NGN 93.4k (USD 61) (up 9% YTD *in NGN*).
- PAR>30 improved from 12.1% to 9.0%.

Sierra Leone

ASA Sierra Leone saw a mixed operational performance:

- Number of clients decreased from 39k to 37k (down 5% YTD).
- Number of branches increased from 46 to 48 (up 4% YTD).
- OLP increased from SLE 104.3m (USD 4.6m) to SLE 116.2m (USD 5.2m) (up 11% YTD *in SLE*).
- Gross OLP/Client increased from SLE 2.8m (USD 122) to SLE 3.2m (USD 144) (up 15% YTD *in SLE*).
- PAR>30 increased from 4.6% to 5.7%.

East Africa

(UNAUDITED) (USD thousands unless otherwise stated)	**H1 24**	**FY 23**	**H1 23**	**FY 22**	**YTD Change**	**YTD Change (CC)**	**YoY Change**
Profit before tax	10,849	11,859	5,993	11,241	*83%*	*79%*	*81%*
Net profit	6,620	6,781	3,717	6,913	*95%*	*90%*	*78%*
Cost/income ratio	*57%*	*69%*	*69%*	*68%*			
Return on average assets (TTM)	*9.5%*	*5.3%*	*6.8%*	*7.0%*			
Return on average equity (TTM)	*44.3%*	*24.7%*	*30.4%*	*29.8%*			
Earnings growth (TTM)	*78%*	*-2%*	*14%*	*49%*			
OLP	121,946	105,516	93,889	86,865	*16%*	*13%*	*30%*
Gross OLP	123,322	106,000	93,955	87,267	*16%*	*14%*	*31%*
Total assets	162,860	139,762	116,542	113,791	*17%*		*40%*
Client deposits	17,058	15,622	16,332	21,153	*9%*		*4%*
Interest-bearing debt	97,315	86,014	62,115	59,871	*13%*		*57%*
Share capital and reserves	32,863	28,360	26,878	26,445	*16%*		*22%*
Number of clients	674,500	619,229	555,135	506,494	*9%*		*22%*
Number of branches	556	517	497	471	*8%*		*12%*
Average Gross OLP per client (USD)	183	171	169	172	*7%*	*4%*	*8%*
PAR > 30 days	*1.2%*	*1.1%*	*1.1%*	*0.9%*			
Client deposits as % of loan portfolio	*14%*	*15%*	*17%*	*24%*			
Debt-to-equity ratio	3.0	3.0	2.3	2.3			

East Africa’s operational result improved in H1 2024 compared to H1 2023 with OLP increasing 30% from USD 93.9m to USD 121.9m, and the number of branches increasing by 59 to 556. The region’s financial result in H1 2024 was higher than in H1 2023 with net profit increasing by 78%.

Tanzania

ASA Tanzania expanded its operations over the last 6 months:

- Number of clients increased from 248k to 258k (up 4% YTD).
- Number of branches increased from 202 to 211 (up 4% YTD).
- OLP increased from TZS 162.5bn (USD 64.7m) to TZS 178.5bn (USD 67.8m) (up 10% YTD in *TZS*).
- Gross OLP/Client increased from TZS 660.4k (USD 263) to TZS 698.5k (USD 265) (up 6% YTD in *TZS*).
- PAR>30 increased from 0.9% to 1.3%.

Kenya

ASA Kenya expanded its operations over the 6-month period:

- Number of clients increased from 205k to 238k (up 16% YTD).
- Number of branches increased from 132 to 145 (up 10% YTD).
- OLP increased from KES 3.3bn (USD 20.9m) to KES 4.2bn (USD 32.2m) (up 27% YTD in *KES*).
- Gross OLP/Client increased from KES 15.9k (USD 101) to KES 17.7k (USD 137) (up 11% YTD in *KES*).
- PAR>30 improved from 0.3% to 0.2%.

Uganda

ASA Uganda saw an improvement in operations over the last 6 months:

- Number of clients increased from 121k to 131k (up 9% YTD).
- Number of branches increased from 120 to 125 (up 4% YTD).
- OLP increased from UGX 49.3bn (USD 13.0m) to UGX 53.5bn (USD 14.4m) (up 9% YTD in *UGX).*
- Gross OLP/Client increased from UGX 405.5k (USD 107) to UGX 414.5k (USD 112) (up 2% YTD in *UGX*).
- PAR>30 improved from 0.8% to 0.5%.

Rwanda

ASA Rwanda saw a modest improvement in operations over the last 6 months:

- Number of clients increased from 20.8k to 21.0k (up 1% YTD).
- Number of branches increased from 32 to 37 (up 16% YTD).
- OLP increased from RWF 5.1bn (USD 4.0m) to RWF 5.5bn (USD 4.2m) (up 8% YTD in *RWF*).
- Gross OLP/Client increased from RWF 253.0k (USD 201) to RWF 274.4k (USD 209) (up 8% YTD in *RWF*).
- PAR>30 remained stable at 6.9%.

Zambia

ASA Zambia expanded its operations:

- Number of clients increased from 25k to 27k (up 8% YTD).
- Number of branches increased from 31 to 38 (up 23% YTD).
- OLP increased from ZMW 73.8m (USD 2.9m) to ZMW 79.1m (USD 3.3m) (up 7% YTD in ZMW).
- Gross OLP/Client decreased from ZMW 3.1k (USD 119) to ZMW 3.0k (USD 127) (down 1% YTD in *ZMW*).
- PAR>30 increased from 2.6% to 3.2%.

Regulatory update

Pakistan

- Since 2022, a total dividend of c. PKR 4bn (c. USD 14m) has been declared out of which c. PKR 500m (c. USD 2m) has been paid and the balance will be paid upon regulatory clearance.

India

- Reserve Bank of India indicated by letter in June 2024 that certain interest rates being charged to clients by ASAI India are deemed usurious. Accordingly, it was agreed to decrease the interest rate range.
- Reserve Bank of India ('RBI') issued a letter dated 17 September 2024 concerning non-maintenance of certain regulatory thresholds. The Company is currently in discussions with the RBI to address these issues. These discussions are in an early stage and it is too early to make an assessment of the economic outflows.

Ghana

- The Bank of Ghana has approved the implementation of the new core banking software - 'Temenos T24'. This approval is conditional and ASA Ghana is currently working to meet these requirements.
- The interim dividend declared on 2023 results was approved by the Bank of Ghana in H1 2024 and was fully paid.

Kenya

- Application for Digital Credit Providers ('DCP') licence from Central Bank of Kenya submitted in October 2023 still pending due to high number of applications (500+).

Tanzania

- The Company is still working on acquiring a microfinance bank license in Tanzania.

Regulatory capital

12 operating subsidiaries are regulated and subject to minimum regulatory capital requirements. As of 30 June 2024, there was full compliance with all relevant minimum regulatory capital requirements.

Funding

Total funding increased to USD 443.4m as at 30 June 2024 from USD 424.2m at the end of 2023. Notwithstanding this movement, the funding profile has not materially changed during H1 2024.

(UNAUDITED) (USDm)	**30 Jun 24**	**31 Dec 23**	**30 Jun 23**	**31 Dec 22**
Local Deposits	75.7	79.1	72.7	84.1
Loans from Financial Institutions	236.0	214.7	204.9	216.6
Microfinance Loan Funds	21.8	28.2	22.9	21.5
Loans from Dev. Banks and Foundations	28.8	25.6	17.5	19.4
Equity	81.1	76.6	69.2	89.7
Total Funding	**443.4**	**424.2**	**387.2**	**431.3**

A favourable maturity profile has been maintained with the average tenor of all funding from third parties being substantially longer than the average tenor at issuance of customer loans which ranges from six to twelve months for the majority of the loans. Local deposits appeared to have declined YTD in USD terms. This reduction was primarily due to significant currency depreciation in Ghana and Nigeria, which have the bulk of deposits across the Group.

The cost of funding remained broadly stable at 11.3% on average across H1 2024. Funding costs across the Group stabilised in H1 2024 compared to 2023 as benchmark rate increases in some markets were tempered by improved pricing on funding from local sources.

The Group closed a loan facility to the Holdings of USD 15m with the OeEB (Austrian development bank) on 18 July 2024 as well USD 10m with Oikocredit on 3 September 2024. There is also a strong funding pipeline of USD 174m in place for fresh loans, with over 93% having agreed terms and can be accessed in the short to medium term. There are existing credit relationships with more than 60 lenders across the world, which has provided reliable access to competitively priced funding for the growth of the loan portfolio.

The Group has USD 95.3m (31 December 2023: USD 76.4m) of cash at bank and in hand as at 30 June 2024 of which USD 28.9m (31 December 2023: USD 27.9m) is restricted and cannot be readily available. The remaining USD 66.4m (31 December 2023: USD 48.5m) is unrestricted and utilised for operational needs in line with the capital allocation framework.

Net debt at the holding companies level reduced to USD 60m as at 30 June 2024 from USD 61m as at 31 December 2023 (30 June 2023: USD 69m). The strategy of reducing the proportion of debt funding sourced at the holding companies over time is maintained.

Since 2021, a number of loan covenants were breached across the Group, particularly related to the portfolio quality in India. As of 30 June 2024, the balance for credit lines with breached covenants amounts to USD 37.4 million and the group has received waivers for USD 12.2 million. The group is still under discussion to receive waivers for USD 25.2 million.

The Group has also received temporary waivers, 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 October 2025. 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 2.1.2 of the Interim Financial 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 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 Company increased its reserves in the balance sheet for expected credit losses (ECL) from USD 8.3m as at end of 2023 to USD 10.1m as at end of June 2024, for its OLP, including the off-book BC portfolio (in India) and interest receivables. The increase was preliminary due to the growth of OLP.

USD 10.1m ECL reserves as at 30 June 2024 mainly relate to overdue loans in India (34%), the Philippines (16%) and Myanmar (14%), with the remainder spread across the other countries. Further details on the ECL calculation, including the selected assumptions, are provided in note 2.3.1 to the Interim Financial Report.

Impact of foreign exchange rates

As a US Dollar reporting company with operations in thirteen different currencies, currency movements can have a major effect on the USD financial performance and reporting.

The effect of this is that generally (i) existing and future local currency earnings translate into fewer US Dollar earnings, and (ii) local currency capital of any of the operating subsidiaries will translate into a lower US Dollar capital.

Countries	**30 Jun 24**	**31 Dec 23**	**30 Jun 23**	**31 Dec 22**	***Δ 30 Jun 2023 - 30 Jun 2024***	***Δ 31 Dec 2023 - 30 Jun 2024***
Pakistan (PKR)	278.3	279.7	287.1	226.4	3%	0.5%
India (INR)	83.4	83.2	82.1	82.7	(2%)	(0.2%)
Sri Lanka (LKR)	306.0	323.9	308.2	366.3	1%	6%
The Philippines (PHP)	58.4	55.4	55.3	55.7	(6%)	(5%)
Myanmar (MMK)	2,488.7	2,101.2	2,102.2	2,100.0	(18%)	(18%)
Ghana (GHS)	15.3	12.0	11.4	10.2	(33%)	(28%)
Nigeria (NGN)	1,535.4	896.6	761.1	448.1	(102%)	(71%)
Sierra Leone (SLE)	22.5	22.9	18.9	18.9	(19%)	2%
Tanzania (TZS)	2,631.3	2,512.4	2,416.1	2,332.5	(9%)	(5%)
Kenya (KES)	129.3	157.0	140.4	123.5	8%	18%
Uganda (UGX)	3,710.0	3,780.2	3,673.8	3,717.6	(1%)	2%
Rwanda (RWF)	1,315.7	1,259.5	1,172.0	1,067.0	(12%)	(4%)
Zambia (ZMW)	24.0	25.8	17.6	18.1	(37%)	7%

During H1 2024, the local currencies NGN (-71%), GHS (-28%), and PHP (-5%) particularly depreciated against the USD. This had an additional negative impact on the USD earnings contribution of these subsidiaries and also contributed to an increase in the foreign currency translation reserve. The total contribution to the foreign currency translation reserve during H1 2024 amounted to USD 8.7m (H1 2023: USD 24.8m) of which USD 5.8m related to the depreciation of the NGN, USD 3.3m related to the depreciation of the GHS, and USD 0.7m related to the depreciation of the PHP.

Accounting for hyperinflation

The IFRS standard IAS 29 “Financial Reporting in Hyperinflationary Economies” (‘IAS 29’) requires the Group to adjust the H1 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 is still expected to exceed 100%.

Based on this, hyperinflation accounting is applied in the Interim Financial Report of the Group. The application of IAS 29 results in non-cash adjustments in the presentation of the financial information of the Group. Net profit decreased by USD 3.5m, however, total comprehensive income and total equity increased by USD 0.3m after the IAS 29 adjustments. Further details are provided in note 2.3.4 to the Interim Financial Report.

Based on current preliminary inflation projections, it is expected that the accounting for hyperinflation will be applicable for Ghana and Sierra Leone in 2024. Pakistan and Nigeria remain on the watchlist.

Effective tax rate

The Group did not recognise deferred tax assets amounting to USD 2.6m, which related to a) losses for India and the holding companies in H1 2024 which do not meet the future profitability threshold under IFRS and b) temporary differences for loan loss provision and depreciation mainly in India, Sri Lanka and Myanmar. The Group will be able to recognise these deferred tax assets provided these entities turn profitable again. Additionally, the loss from hyperinflation accounting in the P&L is disallowed for tax purposes thereby increasing the effective tax rate further. Further details are provided in note 10.4 to the Interim Financial Report.

Forward-looking statement and disclaimers

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

Principal risks and uncertainties

We have considered the principal risks and uncertainties faced by the Group for the remaining six months of the year and do not consider them to have changed from those set out on pages 39 to 47 of the 2023 Annual Report which is available on the Group's website at asa-international.com. These include but are not limited to: regulatory risk, credit risk, liquidity risk and foreign currency risk.

Going concern

The going concern assessment by the directors is described in detail in note 2.1.2 of these interim condensed financial statements. The directors have concluded that unavailability of waivers on certain loan covenant breaches represent a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern. Nevertheless, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the next 12 months from the date of approval of these interim condensed financial statements. Accordingly, the directors continue to adopt a going concern basis for the preparation of the interim condensed financial statements.

Directors' Responsibilities Statement in Respect of the Interim Results

We confirm that to the best of our knowledge:

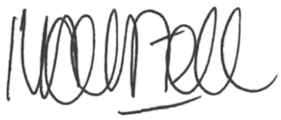
- The condensed set of financial statements has been prepared in accordance with UK endorsed IFRS;

- The interim management report includes a fair review of the information required by:

a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the Annual Report for the year ended 31 December 2023 for ASA International Group plc.

By order of the Board



Karin Kersten
CEO
26 September 2024

Conclusion

We have been engaged by ASA International Group plc (‘the Group’) to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 (‘the Interim Financial Report’) which comprises the Interim Condensed Consolidated Income Statement and Statement of Comprehensive Income, the Interim Condensed Consolidated Statement of Financial Position, the Interim Condensed Consolidated Statement of Changes in Equity, the Interim Condensed Consolidated Statement of Cash Flows and related notes 1 to 34. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to note 2.1.2 of the Interim Financial Report which describes that the Group is in breach of certain of its debt covenants. The current economic and market conditions make it difficult to assess the likely scale of debt covenant breaches and whether the waivers necessary to avoid the immediate debt repayment or further extensions of loan terms will be forthcoming. As stated in note 2.1.2 these conditions represent a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern. Our report is not modified in respect of this matter.

Basis for Conclusion

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

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

Responsibilities of the directors

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

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

Auditor’s Responsibilities for the review of the financial information

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

Use of our report

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

DocuSigned by:

Ernst & Young LLP

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Ernst & Young LLP
London
26 September 2024

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2024

	Notes	For the six months ended 30 June 2024 USD'000 Unaudited	2023 USD'000 Unaudited
Interest income calculated using the effective interest method	4.	91,212	69,904
Other interest and similar income	4.2.	3,957	13,832
Interest and similar income		**95,169**	**83,736**
Interest and similar expense	5.	(20,088)	(18,712)
Net interest income		**75,081**	**65,024**
Other operating income	6.	9,691	3,568
Total operating income		**84,772**	**68,592**
Credit loss expense	7.	(2,370)	(2,790)
Net operating income		**82,402**	**65,802**
Personnel expenses	8.	(30,346)	(31,573)
Depreciation on property and equipment		(1,235)	(777)
Depreciation on right-of-use assets	14.	(1,791)	(1,720)
Other operating expenses	9.	(17,466)	(16,334)
Exchange rate differences		(635)	(1,583)
Loss on net monetary position	2.3.4	(2,581)	-
Total operating expenses		**(54,054)**	**(51,987)**
Profit before tax		**28,348**	**13,815**
Income tax expense	10.	(12,772)	(8,936)
Withholding tax expense	10.6.	(2,095)	(1,203)
Profit for the period		**13,481**	**3,676**
Profit for the period attributable to:			
Equity holders of the parent		13,878	3,928
Non-controlling interest		(397)	(252)
		13,481	**3,676**
Other comprehensive income:			
Foreign currency exchange differences on translation of foreign operations		(8,669)	(24,778)
Movement in hedge accounting reserve	19.1.	(1,150)	(1,921)
Tax on OCI and other items		384	800
Total other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax		**(9,435)**	**(25,899)**
Actuarial (losses) on defined benefit liabilities		-	(33)
Gain on revaluation of MFX investment		20	29
Total other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of tax		**20**	**(4)**
Total comprehensive (loss) for the period, net of tax		**4,066**	**(22,227)**
Total comprehensive (loss) attributable to:			
Equity holders of the parent		4,457	(21,187)
Non-controlling interest		(391)	(1,040)
		4,066	**(22,227)**
Earnings per share	34		
Equity shareholders of the parent for the period:			
Basic earnings per share		0.14	0.04
Diluted earnings per share		0.14	0.04

The notes 1 to 34 form an integral part of the interim condensed consolidated financial statements.

Company Number: 11361159

ASA INTERNATIONAL GROUP PLC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	30 June 2024 USD'000 Unaudited	31 December 2023 USD'000 Audited
ASSETS			
Cash at bank and in hand	11.	95,258	76,429
Loans and advances to customers	12.	336,810	330,157
Due from banks	13.	48,485	42,097
Equity investments at Fair Value through Other Comprehensive Income ('FVOCI')		293	273
Property and equipment		6,887	7,237
Right-of-use assets	14.	4,794	4,785
Deferred tax assets	10.2.	4,574	5,769
Other assets	15.	14,352	13,490
Derivative assets	16.	436	2,450
Intangible assets	17.	8,171	7,340
TOTAL ASSETS		**520,060**	**490,027**
EQUITY AND LIABILITIES			
EQUITY			
Issued capital	18.	1,310	1,310
Retained earnings	19.	199,742	185,864
Other reserves	19.1.	2,434	2,758
Foreign currency translation reserve	20.	(120,667)	(111,998)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**82,819**	**77,934**
Total equity attributable to non-controlling interest		(1,715)	(1,324)
TOTAL EQUITY		**81,104**	**76,610**
LIABILITIES			
Debt issued and other borrowed funds	21.	292,160	273,411
Due to customers	22.	76,116	79,095
Retirement benefit liability		5,010	4,838
Current tax liability	10.1.	11,987	9,326
Deferred tax liability	10.3.	2,456	2,406
Lease liability	14.	3,506	3,272
Derivative liabilities	16.	1,335	78
Other liabilities	23.	44,139	39,563
Provisions	24.	2,247	1,428
TOTAL LIABILITIES		**438,956**	**413,417**
TOTAL EQUITY AND LIABILITIES		**520,060**	**490,027**

Approved by the Board of Directors on 26 September 2024
Signed on behalf of the Board

Karin Kersten - CEO

Tanwir Rahman - CFO

The notes 1 to 34 form an integral part of the interim condensed consolidated financial statements.

ASA INTERNATIONAL GROUP PLC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024

	Notes	Issued capital	Retained earnings	Other Reserves	Foreign currency translation reserve	Non-controlling interest	Total
		USD '000	USD '000	USD '000	USD '000	USD '000	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')		-	1,776	-	-	-	**1,776**
Adjusted balance at 1 January 2023		**1,310**	**175,073**	**3,324**	**(88,123)**	**(147)**	**91,437**
Profit for the six month period ending June 2023		-	3,928	-	-	(252)	**3,676**
Share-based payments				39			**39**
Other comprehensive income (loss)							
Actuarial gains and losses on defined benefit liabilities		-	-	(33)	-	-	**(33)**
Foreign currency translation of assets and liabilities of subsidiaries		-	-	-	(24,778)	-	**(24,778)**
Gain on revaluation of MFX investment				29			
Movement in hedge accounting reserve		-	-	(1,921)	-	-	**(1,921)**
Other comprehensive income (net of tax)		-	-	1,588	-	(788)	**800**
Total comprehensive income for the period		**-**	**3,928**	**(298)**	**(24,778)**	**(1,040)**	**(22,188)**
Dividend		-	-	-	-	-	**-**
At 30 June 2023 (Unaudited)		**1,310**	**179,001**	**3,026**	**(112,901)**	**(1,187)**	**69,249**
Profit for the six month period ending December 2023		-	5,278	-	-	(197)	**5,081**
Share-based payments		-	-	32	-	-	**32**
Impact of IAS 29 (hyperinflation)		-	-	-	256	-	**256**
Other comprehensive income (loss)							
Actuarial gains and losses on defined benefit liabilities		-	-	481	-	-	**481**
Foreign currency translation of assets and liabilities of subsidiaries			(14)		647	14	**647**
Movement in hedge accounting reserve		-	-	252	-	-	**252**
Other comprehensive income (net of tax)		-	1,599	(1,033)	-	46	**612**
Total comprehensive income for the period		**-**	**6,863**	**(268)**	**903**	**(137)**	**7,361**
Dividend		-	-	-	-	-	**-**
At 31 December 2023 (audited)		**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 six month period ending June 2024		-	13,878	-	-	(397)	**13,481**
Share based payments		-	-	428	-	-	**428**
Other comprehensive income (loss)							
Foreign currency translation of assets and liabilities of subsidiaries		-	-	-	(8,669)	-	**(8,669)**
Gain on revaluation of MFX investment		-	-	20	-	-	**20**
Movement in hedge accounting reserve		-	-	(1,150)	-	-	**(1,150)**
Tax on OCI and other items		-	-	378	-	6	**384**
Total comprehensive income for the period		**-**	**13,878**	**(324)**	**(8,669)**	**(391)**	**4,494**
Dividend		-	-	-	-	-	**-**
At 30 June 2024 (Unaudited)		**1,310**	**199,742**	**2,434**	**(120,667)**	**(1,715)**	**81,104**

The notes 1 to 34 form an integral part of the interim condensed consolidated financial statements.

	Notes	For the six months ended 30 June 2024 USD'000 Unaudited	2023 USD'000 Unaudited
OPERATING ACTIVITIES			
Profit before tax		28,348	13,815
Adjustment for movement in:			
Operating assets	25.1.	(42,060)	(27,036)
Operating liabilities	25.2.	17,837	876
Non-cash items	25.3.	15,006	18,167
Taxes paid		(11,528)	(8,976)
Net cash flows (used in)/from operating activities		**7,603**	**(3,154)**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,427)	(3,028)
Proceeds from sale of property, plant and equipment		25	43
Purchase of Intangible assets		(1,340)	(1,606)
Net cash flow used in investing activities		**(2,742)**	**(4,591)**
FINANCING ACTIVITIES			
Proceeds from debt issued and other borrowed funds		98,796	45,000
Payments of debt issued and other borrowed funds		(78,466)	(43,688)
Payment of principal portion of lease liabilities		(2,090)	(2,214)
Net cash flow (used in)/from financing activities		**18,240**	**(902)**
Cash and cash equivalents at 1 January		76,429	83,117
Net increase in cash and cash equivalents		23,101	(8,647)
Foreign exchange difference on cash and cash equivalents		(4,272)	(7,707)
Cash and cash equivalents as at 30 June		**95,258**	**66,763**
Operational cash flows from interest			
Interest received		95,946	87,847
Interest paid		21,147	19,620

The notes 1 to 34 form an integral part of the interim condensed consolidated financial statements.

1. CORPORATE INFORMATION

ASA International Group plc ('ASA International', 'Group', 'ASAIG', 'Company') is a public company limited by shares which was incorporated by Catalyst Microfinance Investors ('CMI') in England and Wales on 14 May 2018 for the purpose of the initial public offer of ASA International Holding.

The interim condensed consolidated financial statements of ASAIG for the six months ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors on 26 September 2024.

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

Abbreviation list

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

2. ACCOUNTING POLICIES

2.1.1 General

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

2.1.2 Going Concern

The condensed consolidated financial statements of the Group for H1 2024 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 H1 2024 condensed consolidated financial statements the Directors have considered the global economic challenges arising out of high inflation and the strengthening of the USD against operating currencies in major operating markets for the period up to 30 September 2025 (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 June 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.

The Group remains well capitalised and in compliance with minimum capital requirements in all markets. In terms of liquidity, the Group has USD 95.3 million (2023: USD 76.4 million) of cash at bank and in hand as of 30 June 2024. An amount of USD 28.9 million (2023: USD 27.9 million) is restricted and can not be readily available. The remainder of USD 66.4 million (2023: USD 48.5 million) is unrestricted and for operational needs. As on 30 June 2024, the Group has a strong funding pipeline of USD 173.8 million (2023: USD 152 million) with having agreed terms and which can be accessed in the short to medium term. This reaffirms the lenders confidence in the strength of the Group and senior management's ongoing strategies to steer the Group through the current economic situation. 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 stabilized. The PAR>30 days remains high for India (on-book portfolio), Sri Lanka, Nigeria, Sierra Leone and Rwanda, 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 improve collections in these markets. The management team is closely following up on the developments and expects to improve the PAR>30 situation.

The Group expects only few countries to be impacted by the breaches of loan covenants during the Assessment Period at subsidiary level. The breaches mainly relate to portfolio quality and potentially, capital adequacy ratio covenants. These breaches have not historically resulted in the 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 30 June 2024, out of the total outstanding debt of USD 286.5 million (2023: USD 268.5 million), credit lines with breached covenants amounted to USD 37.4 million (USD 23.0 million in December 2023). Of that amount, waivers have been received for USD 12.2 million. The Group had waiver of USD 3.7 million on the balance sheet date and remaining USD 8.5 million have been received subsequently. The waivers do not cover the whole loan or going concern period except for the waiver of USD 1.5 million for ASA Tanzania which covers the whole loan duration. 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, 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. The Group is also experiencing delays on the movement of funds from certain countries, due to the global USD crisis. The group has been servicing those loan repayments from the group level.

2. ACCOUNTING POLICIES (continued)

2.1.2 Going Concern (continued)

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 it has recently negotiated extension of loan terms in India which indicates that the chance of an early debt call is low. However, the current economic and market conditions make it difficult to assess its likely scale and impact on debt covenant breaches and whether the waivers necessary to avoid the immediate repayment of debt or further extension of loan terms will be forthcoming.

In terms of mitigations, 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 operation when unexpected repayments are requested by lenders. In India, additional focus has been on off-book disbursements and finding new business correspondent partners ('BC Partners') as this serves to increase the available cash in the business and retain clients. 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.

Senior management and the Directors have also assessed the probable impact of any subsidiary failing to maintain its required regulatory ratios. 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 overdue realisation and maintain operating profits. 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. On 17 September 2024, the RBI issued a letter highlighting concerns regarding non-maintenance of certain regulatory thresholds. The Company has responded back to the RBI letter and is currently in discussions with the RBI to address the points that they had raised. As stated earlier, the Group did not provide parent guarantees to funders of the operating subsidiaries and hence in case of dissolution, 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.

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 condensed consolidated financial statements for H1 2024, and through to 30 September 2025. For these reasons, they continue to adopt a going concern basis for the preparation of the condensed consolidated financial statements for H1 2024. 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.

2.1.3 Statement of compliance

The interim condensed consolidated financial statements of ASA International Group plc for the six months ended 30 June 2024 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and UK-adopted International Accounting Standard 34: Interim Financial Reporting. These condensed financial statements do not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and do not include all information and disclosures required in an Annual Report. They should be read in conjunction with the Group's Annual Report and Accounts for the year ended 31 December 2023.

Group's Annual Report and Accounts for the year ended 31 December 2023 included an unqualified audit report that made reference to material uncertainty related to going concern and did not contain any statements under sections 498 (2) and (3) of the Companies Act 2006. A copy of this annual report has been delivered to the Registrar of Companies.

In preparing the interim condensed financial statements, the same accounting policies, methods of computation and presentation have been applied as set out in the Annual Report and Accounts 2023 which is available on the Group's website at http://asa-international.com.

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

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

2. ACCOUNTING POLICIES (continued)

2.1.4 Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June for each half year. The financial statements of subsidiaries are similarly prepared for the half year ended 30 June 2024 applying similar accounting policies and on a going concern basis.

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

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023 other than the amendment disclosed in note 2.2.1 and 2.2.2. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective and none of those are material for the Group.

2.2.1 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;
- 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 twelve months.

The amendments do not impact the interim condensed consolidated financial statements, however the group has already provided the disclosures required for the annual financial statements.

2.2.2 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 right of use it retains.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

2. ACCOUNTING POLICIES (continued)

2.3 Significant accounting judgement and estimates

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

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

A) Determination of loan staging

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

<table>
<tr><td rowspan="5">Loan bucket based on overdue age</td><td>Overdue age</td><td>Staging</td></tr>
<tr><td>Current</td><td rowspan="2">Stage 1</td></tr>
<tr><td>1–30 days</td></tr>
<tr><td>31–90 days</td><td>Stage 2</td></tr>
<tr><td>> 90 days</td><td>Stage 3</td></tr>
</table>

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 1.1 million (2023: USD 0.9 million). If there were a relative increase in the loss rate of 1%, the ECL requirement would rise by USD 11K.

The forward looking element of the ECL model is constructed through looking at the trend in net write-off information from the prior three years and applying a scaled loss rate in order to anticipate future loss events. ECL as per the forward-looking element amounts to USD 17K (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 0.9 million.

2. ACCOUNTING POLICIES (continued)

2.3 Significant accounting judgement and estimates

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

C) Calculating ECL for stage 3 loans

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

ECL for stage 3 loans

	Loss %	
Overdue age	**2024**	**2023**
91-180 days	50 and 80%	50 and 80%
181-365 days	70 and 100%	70 and 100%
Over 365 days	100%	100%

In June 2024, management considered a higher loss rate (80% for the loans bucketed between 91-180 days and 100% for loans over 180 days overdue) in India, Myanmar, Pakistan, Nigeria, the Philippines, Sri Lanka, Tanzania, Sierra Leone and Zambia in view of operating challenges faced in these countries on account of high Portfolio at Risk (‘PAR’), market challenges and political instability which might lead to reduction in recoveries. In other countries, the loss rates considered are 50% for the loans bucketed between 91–180 days and 70% for loans over 180 days overdue. In 2023, 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.

Based on the above, ECL for stage 3 loans amounts to USD 6.1 million (2023: USD 5.2 million). An alternative assessment of stage 3 provisions would be to apply a 100% loss rate across the entire stage 3 population (net of security deposit), being all loans more than 90 days past due. This would increase the ECL on the stage 3 population to USD 6.6 million.

D) Management overlay

In prior periods and for the 2023 interim financials, the Group considered additional management overlay to reflect the impact of the economic crisis, inflation etc. across the countries where the Group operates. No management overlay is taken as of 30 June 2024 (2023: 837K for for the off-book BC portfolio with Jana Small Finance Bank (‘JSFB’).

E) Impact of macro-economic indicators

The Group provides small loans to clients who are self-employed but operate their own small businesses in the informal sector and are less impacted by macro-economic trends than other business sectors. In addition, the Group’s loans average 6 months until maturity at the period end and so the impact of macro-economic factors on the repayment of loans is inherently limited. Hence, management concluded that changes in macro-economic indicators do not have any direct correlation with the ASA business model and therefore, no adjustment was made to consider forecasts for such macro-economic indicators in the forward-looking element of its expected credit loss provision calculation.

F) Impact of climate change

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

2. ACCOUNTING POLICIES (continued)

2.3 Significant accounting judgement and estimates (continued)

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

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

A similar assessment has been performed for the off–book Business Correspondence (‘BC’) portfolio of ASA India (see note 12 for details on the BC portfolio). The off–book BC portfolio consists of disbursements on behalf of IDFC First Bank, Jana Small Finance Bank (JSFB), Fincare Small Finance Bank Limited (Fincare), Ujjivan Small Finance Bank Limited (Ujjivan) and ESAF Small Finance Bank Limited (ESAF). IDFC BC and Fincare is subject to a maximum provision of 5% of disbursement, 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 upto the loan outstanding. ECL for those portfolios are assessed in line with ASA India's own OLP. ECL for the off-book BC portfolio comes to USD 2.2 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 a regular portfolio. No provision for the off-book portion of the DA portfolio was made because, as per the agreement with the State Bank of India, ASA India has no credit risk on this part of the DA portfolio.

H) ECL on interest receivable

ECL for Interest receivable is assessed in the same line as OLP. ECL for interest receivable comes to USD 569K (2023: USD 225K).

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

	Unaudited				Audited			
	30 June 2024				31 December 2023			
	Own portfolio	Off-book portfolio	Interest receivable	Total	Own portfolio	Off-book portfolio	Interest receivable	Total
Particulars	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
ECL as per historical default rate	1,148	1,797	36	2,981	869	177	30	1,076
Forward considerations	17	-	-	17	637	159	15	811
ECL under stage 3 loans	6,121	450	533	7,104	5,181	255	180	5,616
Management Overlay	-	-	-	-	-	837	-	837
	7,286	**2,247**	**569**	**10,102**	**6,687**	**1,428**	**225**	**8,340**

	Unaudited			Audited		
	30 June 2024			31 December 2023		
	Gross outstanding	ECL	Coverage	Gross outstanding	ECL	Coverage
Allocated to:	USD'000	USD'000		USD'000	USD'000	
Own Portfolio (note 12.1 and 12.2)	345,692	7,286	2%	305,248	6,687	2%
Off book BC portfolio (note 12.1 and note 24)	46,299	2,247	5%	38,796	1,428	4%
Interest receivable (note 12.1 and note 12.2)	3,549	569	16%	4,464	225	5%
	395,540	**10,102**	**3%**	**348,508**	**8,340**	**2%**

2. ACCOUNTING POLICIES (continued)

2.3 Significant accounting judgements and estimates (continued)

2.3.2 Fair value measurement

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

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

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

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

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

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

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

2.3.3 Taxes

Deferred Tax Assets

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

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

2.3.3 Taxes (continued)

Deferred Tax Assets (continued)

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

	Unaudited				
30 June 2024	**Expiring within 1 year**	**Expiring within 2-5 years**	**Expiring beyond 5 years**	**Unlimited**	**Total**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Losses for which Deferred tax asset is recognised	-	-	-	-	-
Losses for which Deferred tax asset is not recognised	1,084	6,822	36,230	41,127	85,263
	1,084	**6,822**	**36,230**	**41,127**	**85,263**

	Audited				
31 December 2023	**Expiring within 1 year**	**Expiring within 2-5 years**	**Expiring beyond 5 years**	**Unlimited**	**Total**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**
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 19.4 million (2023: 17.1 million).

Deferred Tax Liabilities

As of 30 June 2024, the Group has undistributed profits in its subsidiaries amounting to USD 57.3 million. The Group recognised a deferred tax liability amounting to USD 2.2 million on USD 21.6 million of undistributed profits on the assessment that these will be distributed in the next 1 year. The judgement was used to determine the period on account of regulatory uncertainity on when the undistributed amounts can be distributed.

No deferred tax liability was recognised on the balance of USD 35.7 million. If the Group recognises a deferred tax liability on these profits, profit and equity would decrease by USD 3.6 million.

2.3.4 Hyperinflation

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

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

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

Ghana and Sierra Leone had exceeded the three year cumulative rate of inflation of 100% by the end of 2023 and hyperinflation accounting was first-time applied in 2023. As on 30 June 2024, both the countries are continued to be treated as hyperinflationary economics as the three year cumulative rate of inflation as on the date is 114% for Ghana and 126% for Sierra Leone. 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.

2.3.4 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 period-end foreign exchange rate instead of a monthly average rate;
- A net monetary gain or loss adjustment, recognised in the income statement, to reflect the impact of inflation on holding monetary assets and liabilities in local currency; and
- Adjustment in the cash flow statement to reflect the current purchasing power.

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

Consolidated statement of financial position	30 June 2024		
	Before adjustment	Impact of IAS 29 adjustment	After adjustment
	USD'000	USD'000	USD'000
Total assets	519,720	340	520,060
Total liabilities	438,870	86	438,956
Total equity	80,850	254	81,104

Consolidated income statement	HY 2024		
	Before adjustment	Impact of IAS 29 adjustment	After adjustment
	USD'000	USD'000	USD'000
Profit for the period	17,005	(3,524)	13,481
Total comprehensive income/(loss)	3,812	254	4,066

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

A summary of significant policy and judgement is presented below:

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.	2.3.1
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.	2.3.3 and 10.2
Deferred Tax Liability	- Determination 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.	2.3.3 and 10.3
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.	2.3.4

3. SEGMENT INFORMATION

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

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

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

The Executive Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its reportable segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operational profits and losses and is measured consistently with profit or loss in the consolidated financial statements. Intercompanies charges between operating and non-operating segments are on 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 'Non-operating entities'. Inter-segment revenues, expenses and balance sheet items are eliminated on consolidation.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue during the period ended 30 June 2024 or 2023.

3. SEGMENT INFORMATION (continued)

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

As at 30 June 2024 (Unaudited)	**West Africa**	**East Africa**	**South Asia**	**South East Asia**	**Non-operating entities**	**Total segments**	**Adjustments and eliminations[2]**	**Consolidated**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**
External interest and similar income	21,722	33,452	21,658	18,327	10	95,169	-	95,169
Inter-segment interest income	-	-	-	-	475	475	(475)	-
External interest expense	(1,084)	(7,146)	(5,467)	(3,211)	(3,180)	(20,088)	-	(20,088)
Inter-segment interest expense	(137)	(60)	(138)	(140)	-	(475)	475	-
Net interest income	**20,501**	**26,246**	**16,053**	**14,976**	**(2,695)**	**75,081**	**-**	**75,081**
External other operating income	156	1,738	1,675	3,087	3,035	9,691	-	9,691
Inter-segment other operating income[1]	-	-	-	-	22,518	22,518	(22,518)	-
Other inter-segment expense	(176)	(2,387)	(171)	(1,631)	1,929	(2,436)	2,436	-
Total operating income	**20,481**	**25,597**	**17,557**	**16,432**	**24,787**	**104,854**	**(20,082)**	**84,772**
Credit loss expense	(309)	(458)	(791)	(807)	(5)	(2,370)	-	(2,370)
Net operating income	**20,172**	**25,139**	**16,766**	**15,625**	**24,782**	**102,484**	**(20,082)**	**82,402**
Personnel expenses	(4,051)	(8,894)	(8,321)	(5,936)	(3,144)	(30,346)	-	(30,346)
Exchange rate differences	(340)	81	38	(324)	(90)	(635)	-	(635)
Depreciation of property and equipment	(140)	(273)	(343)	(166)	(313)	(1,235)	-	(1,235)
Amortisation of right-of-use assets	(267)	(581)	(332)	(577)	(34)	(1,791)	-	(1,791)
Other operating expenses	(2,620)	(4,623)	(2,793)	(5,411)	(2,019)	(17,466)	-	(17,466)
Loss on net monetary position	(2,554)	-	-	-	(27)	(2,581)	-	(2,581)
Tax expenses	(3,989)	(4,229)	(3,663)	(884)	(2,102)	(14,867)	-	(14,867)
Segment Profit	**6,211**	**6,620**	**1,352**	**2,327**	**17,053**	**33,563**	**(20,082)**	**13,481**
Total assets	**78,354**	**162,860**	**121,086**	**122,713**	**201,413**	**686,426**	**(166,366)**	**520,060**
Total liabilities	**43,926**	**129,997**	**101,926**	**107,753**	**76,063**	**459,665**	**(20,709)**	**438,956**

Explanation: Segment profit is net profit after tax

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

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

3. SEGMENT INFORMATION (continued)

The following table present operating income and profit information for the Group's operating segments for the six months ended 30 June 2023

As at 30 June 2023 (Unaudited)	West Africa	East Africa	South Asia	South East Asia	Non-operating entities	Total segments	Adjustments and eliminations2	Consolidated
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
External interest and similar income	20,759	26,299	20,106	16,566	6	83,736	-	83,736
Inter-segment interest income	-	-	-	122	271	393	(393)	-
External interest expense	(1,034)	(5,269)	(6,690)	(2,905)	(2,814)	(18,712)	-	(18,712)
Inter-segment interest expense	(115)	(40)	(41)	(75)	(122)	(393)	393	-
Net interest income	**19,610**	**20,990**	**13,375**	**13,708**	**(2,659)**	**65,024**	**-**	**65,024**
External other operating income	154	425	1,126	1,851	12	3,568	-	3,568
Inter-segment other operating income1	-	-	-	-	12,250	12,250	(12,250)	-
Other inter-segment expense	(175)	(1,329)	(230)	(1,172)	1,608	(1,298)	1,298	-
Total operating income	**19,589**	**20,086**	**14,271**	**14,387**	**11,211**	**79,544**	**(10,952)**	**68,592**
Credit loss expense	(2,422)	(268)	269	(369)	-	(2,790)	-	(2,790)
Net operating income	**17,167**	**19,818**	**14,540**	**14,018**	**11,211**	**76,754**	**(10,952)**	**65,802**
Personnel expenses	(6,089)	(8,798)	(7,691)	(5,678)	(3,317)	(31,573)	-	(31,573)
Exchange rate differences	(496)	(185)	(357)	8	(553)	(1,583)	-	(1,583)
Depreciation of property and equipment	(121)	(289)	(147)	(156)	(64)	(777)	-	(777)
Amortisation of right-of-use assets	(310)	(514)	(293)	(570)	(33)	(1,720)	-	(1,720)
Other operating expenses	(3,199)	(4,039)	(2,286)	(5,280)	(1,530)	(16,334)	-	(16,334)
Tax expenses	(2,732)	(2,276)	(3,279)	(648)	(1,204)	(10,139)	-	(10,139)
Segment Profit	**4,220**	**3,717**	**487**	**1,694**	**4,510**	**14,628**	**(10,952)**	**3,676**
As at 31 Dec 2023 (Audited)								
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 fees and share in results of the subsidiaries.*

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

4. INTEREST AND SIMILAR INCOME

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

	Notes	For the six months ended 30 June 2024 USD'000 Unaudited	2023 USD'000 Unaudited
Interest income calculated using EIR	4.1.	91,212	69,904
Other interest and similar income	4.2.	3,957	13,832
		95,169	**83,736**

4.1. **Interest income calculated using EIR**

	For the six months ended 30 June 2024 USD'000 Unaudited	2023 USD'000 Unaudited
Interest income on loans and advances to customers	83,292	64,148
Amortisation of loan processing fees	7,920	5,756
	91,212	**69,904**

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

4.2. **Other interest and similar income**

	For the six months ended 30 June 2024 USD'000 Unaudited	2023 USD'000 Unaudited
Interest income on short-term deposits	1,979	1,715
Fair value movement of financial assets under FVTPL	1,951	12,108
Other interest income	27	9
	3,957	**13,832**

Interest income of loans reclassified to FVTPL for Kenya, Uganda, Sri Lanka and the Philippines has been recognised under fair value movement of financial assets at FVTPL. The entities have stopped to disburse loans with insurance coverage and therefore, the balance of loans and advances at FVTPL and related income reduced significantly (Refer to note - 12.6).

5. INTEREST AND SIMILAR EXPENSE

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

	For the six months ended 30 June 2024 USD'000 Unaudited	2023 USD'000 Unaudited
Interest expense on loans	(16,394)	(15,218)
Interest expense on security deposits & others	(2,104)	(1,769)
Interest expense on lease liability	(202)	(141)
Commitment and processing fees	(50)	(63)
Amortisation forward points of forward contracts and currency basis spread of swap contracts	(1,338)	(1,521)
	(20,088)	**(18,712)**

6. OTHER OPERATING INCOME

	For the six months ended 30 June 2024 USD'000 Unaudited	2023 USD'000 Unaudited
Members' admission fees	844	840
Document, application and verification fees	3,236	492
Proceeds from sale of pass-books	89	52
Income on Death and Multipurpose Risk Funds	-	474
Service fees income from off-book BC model (ASA India)	1,507	924
Distribution fee MBA Philippines	734	455
Gain on Myanmar loan purchase	3,024	-
Other	257	331
	9,691	**3,568**

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

ASAI NV has entered into an assignment agreement with Symbiotics and Frankfurt. 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.

7. CREDIT LOSS EXPENSES

	Notes	For the six months ended 30 June 2024 USD'000 Unaudited	2023 USD'000 Unaudited
Expected credit loss expense on Own portfolio	12.3.	(2,549)	(5,074)
Other expected credit loss (charge)/release		(1,078)	238
Recovery of previously written off loans		1,257	2,046
		(2,370)	**(2,790)**

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

Other expected credit loss includes loss allowance provided against interest receivable from customers and BC model which are off-book. ECL on the off-book BC portfolio is increase due to the growth in off-book BC portfolio.
The majority of the write-off recovery is coming from India where significant amount has been written off in prior years.

8. PERSONNEL EXPENSES

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

	Notes	For the six months ended 30 June 2024 USD'000 Unaudited	2023 USD'000 Unaudited
Personnel expenses	8.1.	(27,340)	(28,465)
Defined contribution plans		(2,077)	(2,175)
Defined benefit plans		(929)	(933)
		(30,346)	**(31,573)**

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

No actuarial valuation was done during the period ended 30 June 2024.

8.1. Share based payments

Personal expenses includes an amount of USD 428K against share based payment expenses.

In October 2022 and July 2023, the Group granted options ('Options') for 2.6 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. In July 2024, the Group has granted additional options for 0.9 million ordinary shares.

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. By June 2024 a total number of 0.6 million Options lapsed because of staff who left the Group.

The fair value of options granted during the six months ended 30 June 2024 was estimated on the date of grant based on the Black-Scholes model using the following assumptions:

Expected volatility (%)	66%
Risk-free interest rate (%)	3.70%
Expected life of share options (years)	10
Current Share Price (£)	0.92
Dividend yield (%)	0%

The weighted average fair value of the options granted during the six months ended 30 June 2024 was GBP 0.69.

9. OTHER OPERATING EXPENSES

Other operating expenses includes the following items:

	Notes	For the six months ended 30 June 2024 USD'000 Unaudited	2023 USD'000 Unaudited
Administrative expenses	9.1.	(14,775)	(13,645)
Professional fees		(850)	(1,223)
Audit fees		(1,197)	(964)
International travel		(364)	(313)
Corporate social responsibility		(108)	(99)
Other		(172)	(90)
		(17,466)	**(16,334)**

Others include several small items that are smaller than USD 150K on an individual basis.

9.1. Administrative expenses

	For the six months ended 30 June 2024 USD'000 Unaudited	2023 USD'000 Unaudited
Office expenses	(2,536)	(2,544)
Transport and representation expenses	(5,080)	(5,362)
Gas, water and electricity	(578)	(532)
Telecommunications and internet expenses	(1,131)	(1,159)
VAT/ Output tax/ Service tax	(2,153)	(1,727)
Bank charges	(529)	(531)
Other administrative expenses	(2,768)	(1,790)
	(14,775)	**(13,645)**

Other administrative expenses includes several small items that are smaller than USD 150K on an individual basis.

10. INCOME TAX AND WITHHOLDING TAX EXPENSE

	For the six months ended 30 June 2024 USD'000 Unaudited	2023 USD'000 Unaudited
Income tax expense		
Current income tax	(11,212)	(8,821)
Income tax for previous period	(597)	(1,517)
Changes in deferred income tax	(963)	1,402
	(12,772)	**(8,936)**

Income tax for previous periods mainly relates to Tanzania and Philippines.

10.1. Current tax liability

	30 June 2024 USD'000 Unaudited	31 December 2023 USD'000 Audited
Balance as at beginning of the period	9,326	8,873
Tax charge:		
Current Period	11,212	20,062
Previous Period	597	1,943
Tax paid	(8,218)	(18,290)
Foreign exchange adjustment	(930)	(3,262)
Balance as at end of the period	**11,987**	**9,326**

10.2. Deferred tax assets

	30 June 2024 USD'000 Unaudited	31 December 2023 USD'000 Audited
Balance as at beginning of the period	5,769	4,625
Impact of IAS 29 (hyperinflation)	-	(101)
Adjusted balance as at beginning of the period	**5,769**	**4,524**
Addition/(Utilised) during the period	(757)	2,544
Impact of hyperinflation for the period	2	28
Foreign exchange adjustment	(440)	(1,327)
Balance as at end of the period	**4,574**	**5,769**

10. INCOME TAX AND WITHHOLDING TAX EXPENSE (continued)

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

10.3. Deferred tax liability

	30 June 2024	31 December 2023
	USD'000	USD'000
	Unaudited	Audited
Balance as at beginning of the period	2,406	2,184
Impact of IAS 29 (hyperinflation)	-	1
Adjusted balance as at beginning of the period	**2,406**	**2,185**
Charge/(Adjustment) during the period	(19)	121
Impact of hyperinflation for the period	86	130
Foreign exchange adjustment	(17)	(30)
Balance as at end of the period	**2,456**	**2,406**

10.4. Reconciliation of the total tax charge

	For the six months ended 30 June	
	2024	2023
	USD'000	USD'000
	Unaudited	Unaudited
Accounting result before tax	**28,348**	**13,815**
Income tax expense at nominal rate of consolidated entities	(8,322)	(5,273)
Under provision for income tax previous year	(715)	(1,517)
Movement in unrecognised deferred taxes	(2,642)	(1,911)
Impact of hyperinflation for the period	(997)	-
Exempt income	336	77
Other permanent differences	(432)	(312)
Total income tax expense for the period	**(12,772)**	**(8,936)**

10.5. Income tax per region

	For the six months ended 30 June	
	2024	2023
	USD'000	USD'000
	Unaudited	Unaudited
Corporate income tax- West Africa	(3,989)	(2,922)
Corporate income tax- South Asia	(3,661)	(3,279)
Corporate income tax- East Africa	(4,229)	(1,915)
Corporate income tax- South East Asia	(873)	(710)
Corporate income tax- Non operating entities	(20)	(110)
Total income tax per region	**(12,772)**	**(8,936)**

10.6. Withholding tax expense

	For the six months ended 30 June	
	2024	2023
	USD'000	USD'000
	Unaudited	Unaudited
Withholding tax on interest income, dividend, royalties and service fees	(2,095)	(1,203)
Total withholding tax expense	**(2,095)**	**(1,203)**

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

11. CASH AT BANK AND IN HAND

	30 June 2024 USD'000 Unaudited	31 December 2023 USD'000 Audited
Cash at bank	94,713	76,215
Cash in hand	545	214
	95,258	**76,429**

An amount of USD 28.9 million (2023: USD 27.9 million) of cash at bank is restricted and can not be readily available. Out of this USD 18.8 million (2023: USD 18.4 million) in the Philippines is restricted as per Securities and Exchange Commission regulations as it relates to Loan Collateral Build Up ("LCBU"), the collection of security collateral from clients of a lending company. LCBU is placed into a segregated account. In Tanzania USD 10.1 million (2023: 9.5 million) is restricted and kept in a separate account as per the Bank of Tanzania requirement for Non-deposit taking Microfinance institutions as it relates to security deposits from clients.

12. LOANS AND ADVANCES TO CUSTOMERS

	Notes	30 June 2024 USD'000 Unaudited	31 December 2023 USD'000 Audited
Loans and advances to customers at amortised cost	12.1.	335,488	297,851
Loans and advances to customers at FVTPL	12.6.	1,322	32,306
		336,810	**330,157**

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

	Notes	30 June 2024 USD'000 Unaudited	31 December 2023 USD'000 Audited
Loan portfolio		345,692	305,248
Interest receivable on loans to customers		3,549	4,464
Unamortised processing fee		(5,898)	(4,949)
Gross loans		343,343	304,763
Allowance for expected credit loss	12.3.	(7,855)	(6,912)
Net loan portfolio		**335,488**	**297,851**

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

The outstanding loans to borrowers under the BC model and DA model which are not recognised on the balance sheet at 30 June 2024 amounted to USD 46.3 million and USD 789K respectively (December 2023: USD 38.8 million and USD 980K).

12.3. **Allowance for expected credit loss**

	Notes	30 June 2024 USD'000 Unaudited	31 December 2023 USD'000 Audited
Balance as at beginning of the period		(6,912)	(15,900)
Reclassification to FVTPL/other adjustments		-	252
Credit loss expense on loans and advances to customers	7.	(2,549)	(5,804)
ECL for interest receivable on loans from customers		(328)	(174)
Write-offs		715	12,894
Exchange rate differences		1,219	1,820
Balance as at end of the period		**(7,855)**	**(6,912)**

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

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

	30 June 2024 USD'000 Unaudited	31 December 2023 USD'000 Audited
ECL on OLP	(7,286)	(6,687)
ECL on Interest receivable	(569)	(225)
	(7,855)	**(6,912)**

12. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)

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

	Unaudited															
	Stage 1				Stage 2				Stage 3				Total			
	USD'000				USD'000				USD'000				USD'000			
	Gross OLP	Interest receivable	Total	ECL	Gross OLP	Interest receivable	Total	ECL	Gross OLP	Interest receivable	Total	ECL	Gross OLP	Interest receivable	Total	ECL
At 1 January 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	501,458	-	501,458	-	-	-	-	-	-	-	-	-	501,458	-	501,458	-
Interest revenue	-	70,606	70,606	-	-	4,616	4,616	-	-	8,071	8,071	-	-	83,292	83,292	-
Collections	(436,648)	(71,766)	(508,414)	-	(177)	(4,532)	(4,709)	-	(1,790)	(7,804)	(9,594)	-	(438,614)	(84,101)	(522,715)	-
ECL (charges)/releases	-	-		152	-	-		14	-	-		(3,043)	-	-		**(2,877)**
Transfers:	-	-		-	-	-		-	-	-		-	-	-		
Stage 1 to Stage 2	(2,410)	(218)	(2,628)	13	2,410	218	2,628	(13)	-	-	-	-	-	-	-	-
Stage 1 to Stage 3	(3,633)	(83)	(3,716)	19	-	-	-	-	3,633	83	3,716	(19)	-	-	-	-
Stage 2 to Stage 1	12	1	13	-	(12)	(1)	(13)	-	-	-	-	-	-	-	-	-
Stage 2 to Stage 3	-	-	-	-	(1,163)	(169)	(1,332)	8	1,163	169	1,332	(8)	-	-	-	-
Stage 3 to Stage 1	25	-	25	(20)	-	-	-	-	(25)	-	(25)	20	-	-	-	-
Stage 3 to Stage 2	-	-	-	-	10	-	10	(8)	(10)	-	(10)	8	-	-	-	-
Write off	-	-	-	-	-	-	-	-	(609)	(106)	(715)	715	(609)	(106)	(715)	**715**
Fx impact	(20,205)	-	(20,205)	185	(177)	-	(177)	2	(1,408)	-	(1,408)	1,032	(21,791)	-	(21,791)	**1,219**
At 30 June 2024	**335,474**	**2,667**	**338,141**	**(1,191)**	**2,802**	**288**	**3,090**	**(9)**	**7,416**	**594**	**8,010**	**(6,655)**	**345,692**	**3,549**	**349,241**	**(7,855)**

12. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)

	Audited															
	Stage 1				Stage 2				Stage 3				Total			
	USD'000				USD'000				USD'000				USD'000			
	Gross OLP	Interest receivable	Total	ECL	Gross OLP	Interest receivable	Total	ECL	Gross OLP	Interest receivable	Total	ECL	Gross OLP	Interest receivable	Total	ECL
At 1 January 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)**
Assets reclassified at 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)**

12. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST (continued)

12.6. Loans and advances to customers at FVTPL	**30 June 2024**	**31 December 2023**
	USD'000	**USD'000**
	Unaudited	**Audited**
Loans and advances to customers at FVTPL	1,322	32,306
	1,322	**32,306**

Loans and advances to customers with insurance products in the Philippines, Uganda, Kenya and Sri Lanka were reclassified from amortised cost to FVTPL. The entities have stopped disbursing loans with insurance coverage and therefore, the balance of loans and advances at FVTPL reduced significantly.

13. DUE FROM BANKS

	30 June 2024	**31 December 2023**
	USD'000	**USD'000**
	Unaudited	**Audited**
Due from banks	26,715	20,705
Escrow bank account at Citibank	21,770	21,392
	48,485	**42,097**

The Escrow amount was released to CMI on 5 August 2024 in line with the escrow deed. Please refer to the subsequent events in note 29.

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

	30 June 2024	**31 December 2023**
	USD'000	**USD'000**
	Unaudited	**Audited**
Right-of-use assets at the beginning of the period	4,785	4,589
Impact of IAS 29 (hyperinflation)	-	281
Adjusted balance at the beginning of the period	**4,785**	**4,870**
Additions during the period	2,092	3,335
Depreciation during the period	(1,791)	(3,722)
Impact of hyperinflation for the period	(6)	(15)
Exchange rate differences	(286)	317
Right-of-use assets at the end of the period	**4,794**	**4,785**

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

		30 June 2024	**31 December 2023**
		USD'000	**USD'000**
		Unaudited	**Audited**
Lease liability at the beginning of the period	-	3,272	3,091
Interest expense on lease liability		202	341
Additions of lease liabilities during the period		2,092	3,335
Payment of lease liabilities		(2,090)	(3,690)
Exchange rate differences		30	195
Lease liability at the end of the period		**3,506**	**3,272**

15. OTHER ASSETS

Other assets comprises of the following:	Notes	**30 June 2024**	**31 December 2023**
		USD'000	**USD'000**
		Unaudited	**Audited**
Receivables from related parties	15.1.	1,512	810
Prepayments		3,567	2,862
Employee advances		2,060	2,783
Advance income tax		4,117	2,902
Security deposit		296	272
Receivables under off-book BC model (ASA India)	15.2.	641	1,014
Insurance claim receivable		134	37
Interest receivable on due from banks		517	379
Advance to lenders	15.3.	-	955
Other receivables	15.4.	1,508	1,476
		14,352	**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.

15. OTHER ASSETS (continued)

15.1. **Receivables from related parties**

	30 June 2024	31 December 2023
	USD'000	USD'000
	Unaudited	Audited
Sequoia BV	40	41
MBA Philippines	733	61
Catalyst Investment Management services	25	22
Catalyst Continuity	18	-
Continuity EBT Ltd.	10	-
ASAIG plc EBT	686	686
	1,512	**810**

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

15.2. The receivable under off book BC model relates to the various BC partners of ASA India. This includes a receivable for service fees from IDFC First Bank, which is net of an impairment provision. The gross receivable for service fees from IDFC First Bank amounts to USD 2.6 million (2023: USD 2.57 million).

15.3. 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 the loans to ASAI NV. USD 45K was adjusted in December 2023 and the rest in April 2024 for the purchase value of the related loans actually being assigned to ASAI NV.

15.4. Other receivables includes various advances in relation to employee's insurance, receivable from VAT and service tax authorities. Individually none of the advances are over USD 150K.

16. DERIVATIVES

	Notes	30 June 2024	31 December 2023
		USD'000	USD'000
		Unaudited	Audited
Forward contracts	16.1.	183	884
Swap agreements		253	1,566
Derivative assets total		436	2,450
Forward contracts	16.1.	(359)	(78)
Swap agreements	16.2.	(976)	-
Derivative liabilities total		(1,335)	**(78)**
Total Derivatives at fair value		**(899)**	**2,372**

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

As of 30 June 2024	**Unaudited**				
	Maturity				
	<30 days	**1-3 months**	**3-12 months**	**>12 months**	**Total**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Pakistan					
Notional amount	-	750	22,972	-	23,722
Average forward rate (USD/PKR)	-	301	308	-	307
Carrying amount (in USD)	-	(40)	231	-	191
Sierra Leone					
Notional amount (in USD)	-	1,000	-	-	1,000
Average forward rate (USD/SLE)	-	23	-	-	23
Carrying amount (in USD)	-	(8)	-	-	(8)
Zambia					
Notional amount (in USD)	-	-	750	-	750
Average forward rate (USD/ZMW)	-	-	29	-	29
Carrying amount (in USD)	-	-	(68)	-	(68)
Kenya					
Notional amount	-	-	4,000	-	4,000
Average forward rate (USD/KES)	-	-	145	-	145
Carrying amount (in USD)	-	-	(257)	-	(257)
ASAI NV					
Notional amount (in USD)	-	-	-	991	991
Average forward rate (USD/INR)	-	-	-	92	92
Carrying amount (in USD)	-	-	-	(35)	(35)

16. DERIVATIVES (Continued)

As of 31 December 2023	Audited				
	Maturity				
	<30 days	1-3 months	3-12 months	>12 months	Total
	USD'000	USD'000	USD'000	USD'000	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)

16.2. **The Group also holds the below swap contracts:**

	30 June 2024	31 December 2023
	USD'000	USD'000
	Unaudited	Audited
Cross-currency interest rate swap- Notional Value	11,171	10,104
Cross-currency interest rate swap- Carrying amount	(723)	1,566

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.

17. INTANGIBLE ASSETS

	Intangible assets
	USD'000
Cost	
At 1 January 2023	**5,041**
Impact of IAS 29 (hyperinflation)	4
Adjusted balance at 1 January 2023	**5,045**
Additions	2,284
Amortisation	(10)
Impact of hyperinflation for the period	55
Fx movement	(34)
At 31 December 2023	**7,340**
Additions	1,340
Amortisation	(303)
Impact of hyperinflation for the period	120
Fx movement	(326)
At 30 June 2024	**8,171**

Intangible assets includes the development costs for the project to develop a digital financial services (DFS) platform. The first implementation is expected to take place in Ghana in 2024 and, if successful and upon approval from the regulator, 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 an 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 our clients, the Group decided to add a CBS to its IT infrastructure. The Group has procured a 10 year license to the Temenos Financial Inclusion suite, which is an off-the-shelf CBS system. In February 2024, clients in Pakistan were migrated from our incumbent loan system to the Temenos Core Banking System. Ghana will be the next country to implement the CBS alongside the DFS.

17. INTANGIBLE ASSETS (continued)

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

	30 June 2024			31 December 2023		
	USD'000			USD'000		
Particulars	**Capitalised**	**Charged to P&L**	**Total**	**Capitalised**	**Charged to P&L**	**Total**
Development fees	409	-	409	613	-	613
License fees	275	151	426	345	482	827
Implementation cost	504	-	504	921	-	921
Consultancy	17	-	17	40	-	40
Salary and other benefits	135	143	278	365	73	438
	1,340	**294**	**1,634**	**2,284**	**555**	**2,839**

18. ISSUED CAPITAL

	30 June 2024 USD'000 Unaudited	31 December 2023 USD'000 Audited
ASA International Group plc issued 100 million shares of GBP 0.01 each	1,310	1,310
	1,310	**1,310**

19. RETAINED EARNINGS

Total retained earnings are calculated as follows:

	30 June 2024 USD'000 Unaudited	31 December 2023 USD'000 Audited
Balance at the beginning of the period	185,864	173,297
Impact of loan reclassification at Fair Value Through Profit and Loss ('FVTPL')	-	2,392
Adjusted balance at the beginning of the period	**185,864**	**175,689**
Dividend declared	-	-
Transferred to NCI and others	-	969
Result for the period	13,878	9,206
Balance at the end of the period	**199,742**	**185,864**
Profit for the period		
Attributable to equity holders of the parent	13,878	9,206
Non-controlling interest	(397)	(449)
	13,481	**8,757**

Part of retained earnings relates to NGOs which are consolidated in these financial statements. The retained earnings of these NGOs cannot be distributed to their respective members. Retained earnings relating to NGOs amounted to USD 2.1 million at 30 June 2024 (December 2023: USD 2.1 million).

ASA S&L, ASA India and ASA Nigeria and ASAI NV have statutory requirements to add a percentage of the net profits to a legal reserve. Therefore, part of retained earnings cannot be distributed to shareholders. Retained earnings relating to these legal reserves amounted to USD 21.8 million at 30 June 2024 (December 2023: USD 22.4 million).

19.1. OTHER RESERVES

Other reserves are calculated as follows:

	30 June 2024 USD'000 Unaudited	31 December 2023 USD'000 Audited
Balance at the beginning of the period	2,758	3,324
Actuarial gains and losses on defined benefit liabilities	-	448
Share Based Payment	428	71
Movement in hedge accounting reserve	(1,150)	(1,669)
(Loss)/Gain on revaluation of MFX investment	20	29
Tax on OCI and other items	378	555
Balance at the end of the period	**2,434**	**2,758**

20. FOREIGN CURRENCY TRANSLATION RESERVE

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

	30 June 2024	31 December 2023
	USD'000	USD'000
	Unaudited	Audited
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	(8,669)	(24,131)
Balance at the end of the period	**(120,667)**	**(111,998)**

The entity wise breakdown of translation adjustment is as follows:

	30 June 2024	31 December 2023
	USD'000	USD'000
	Unaudited	Audited
Ghana	(3,300)	1,727
Nigeria	(5,768)	(15,058)
Tanzania	(656)	(962)
Philippines	(628)	64
Myanmar	(410)	(1)
Kenya	1,528	(1,487)
Pakistan	194	(7,729)
Sri Lanka	92	181
Sierra Leone	111	326
Zambia	138	(651)
Others	30	(541)
	(8,669)	**(24,131)**

21. DEBT ISSUED AND OTHER BORROWED FUNDS

	30 June 2024	31 December 2023
	USD'000	USD'000
	Unaudited	Audited
Debt issued and other borrowed funds by operating subsidiaries	225,959	204,653
Symbiotic-managed funds (ASAIH/ASAI NV)	15,500	21,019
BIO (ASAIH)	10,000	10,000
OeEB (ASAIH & ASAI NV)	3,750	5,625
Ninety one (ASAI NV)	10,000	10,000
responsibility (ASAI NV)	6,333	7,167
DFC (ASAI NV)	15,000	10,000
Interest payable on third-party loans	5,618	4,947
	292,160	**273,411**

Most of the loan agreements are subject to covenant clauses, whereby the subsidiary is required to meet certain key financial ratios. Some subsidiaries did not fulfil some of the ratios as required in agreements. As of 30 June 2024, out of the total outstanding debt of USD 286.5 million (2023: USD 268.5 million), the balance for credit lines with breached covenants that did not have waivers amounted to USD 33.7 million (2023: USD 23.0 million) on balance sheet date. The Group had waiver of USD 3.7 million on the balance sheet date and waivers for USD 8.5 million have been received subsequently (2023: USD 23.0 million), but for a period not covering the whole loan or going concern period except for the waiver of USD 1.5 million for ASA Tanzania which covers the whole loan duration. Due to these breaches of covenant clauses, the lenders are contractually entitled to request for immediate repayment of the outstanding loan amounts. The outstanding balance is presented as on demand as at 30 June 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. The management is in the process of renegotiating to obtain waivers for the remaining balance.

22. DUE TO CUSTOMERS

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

	30 June 2024	31 December 2023
	USD'000	USD'000
	Unaudited	Audited
Client's security deposits	64,737	66,675
Client's voluntary savings	10,969	12,398
Interest payable on deposits and savings	410	22
	76,116	**79,095**

Clients can deposit voluntary savings where the subsidiary has a licence to do so.

23. OTHER LIABILITIES

Other liabilities are as follows:	Notes	30 June 2024	31 December 2023
		USD'000	USD'000
		Unaudited	Audited
Security deposits		2,427	2,568
Other deposits		540	522
Accrued expenses		520	866
Accrued audit fees		1,264	1,279
Taxes payable, other than corporate income tax		5,846	5,457
Amount due to employees		2,319	2,016
Unpaid customer deposits		598	611
Amount due to related parties	23.1.	1,521	21
Liability to CMI regarding Escrow Account at Citibank		21,770	21,392
Liabilities under on-book and off-book BC model (ASAI India)		2,680	301
Industrial Training fund		10	14
Payable to Temenos and service providers		470	554
Social welfare fund		362	377
Other liabilities	23.2.	3,812	3,585
		44,139	**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. Please refer to the subsequent events in note 29.

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

23.1. Amount due to related parties	30 June 2024	31 December 2023
	USD'000	USD'000
	Unaudited	Audited
Sequoia BV	5	6
MBA Philippines	1,510	15
CMIC	6	-
	1,521	**21**

23.2. Other liabilities include various smaller accruals and provisions for various entities in the Company. Individually none of the payables are over USD 150K.

24. PROVISIONS

	30 June 2024	31 December 2023
	USD'000	USD'000
	Unaudited	Audited
Provision for financial guarantees under off-book BC model (ASA India)	2,247	1,428
	2,247	**1,428**

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

25. ADDITIONAL CASH FLOW INFORMATION

25.1. Changes in operating assets

	For the six month ended 30 June	
	2024	2023
	USD'000	USD'000
	Unaudited	Unaudited
Movement in Loans and advances to customers	(33,528)	(16,928)
Movement in due from banks	(7,374)	(6,072)
Movement in Right-of-use assets	(2,092)	(2,139)
Other assets excluding income tax advances	934	(1,897)
	(42,060)	**(27,036)**

25.2. Changes in operating liabilities

	For the six month ended 30 June	
	2024	2023
	USD'000	USD'000
	Unaudited	Unaudited
Due to customers	9,004	(3,157)
Other liabilities	6,280	2,270
Retirement benefit	(358)	(251)
Movement in lease liability	2,092	2,139
Movement in provisions	819	(125)
	17,837	**876**

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

	For the six month ended 30 June	
	2024	2023
	USD'000	USD'000
	Unaudited	Unaudited
Depreciation on:		
- Property and equipment	1,235	775
- Right-of-use assets	1,791	1,720
Interest expense on lease liability	202	141
Credit loss expense	2,370	2,790
Impairment loss	-	2
Write-offs	715	6,813
Fair value movement of forward contracts	2,121	2,050
Fair value movement of loans at FVTPL	1,999	1,360
Share-based payments	428	-
Charge against defined benefit plans	929	933
Foreign exchange result	635	1,583
Loss on net monetary position	2,581	-
	15,006	**18,167**

The comparative figure relating to movement of loans measured at FVTPL has been reclassified to conform to current period's presentation.

26. RISK MANAGEMENT

26.1 General

Risk management within the Group is structured around a comprehensive and multi-tiered approach to ensure resilience and compliance across all levels. At the board level, the risk strategy is defined, with a focus on ensuring effective risk management policies and frameworks are in place, and the approval of these frameworks and principles. The Group's risk appetite, procedures, and reporting structure are set by senior management. The Group risk management unit actively ensures implementation of these policies and requirements. A three lines of defense model is implemented across all levels, facilitating day-to-day risk management and ensuring thorough oversight. Regular reporting from country to Group level is conducted to identify and prioritize key risk areas. This structured approach fosters the development of a robust risk culture throughout the organization, aligning with the strategic risk management objectives.

26.2 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 organization 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 scrutinized by the Group ARC 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 defense model to manage risks effectively. The first line of defense comprises branch staff, area, regional, and district managers at the microfinance institution level, who are responsible for risk associated with filed 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 defense 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 IT, HR, and Finance/Accounts departments. The third line of defense 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.

Risks are also mitigated through standardized practices that are part of the ASA Model of microfinance. These include:
- Through new client assessment/KYC.
- Standardized 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 exclusively for income generating activities.
- Full repayment before eligibility for new loan.
- Ongoing assessment of client needs, benefits and satisfaction.

26.3 Risk Management

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

Strategic risk

Under strategic risk, the Group faces several key challenges. The primary focus is on how to sustainably grow its portfolio, digitalization, 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 prioritizes 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, recognizing their potential impact on the business. Additionally, ensuring business continuity is crucial, as unforeseen situations can arise.

26. RISK MANAGEMENT (Continued)

26.3 Risk Management (Continued)

IT risk

Information & technology risk encompasses several critical components, including business continuity, which entails 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 authorized 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 practices, 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, 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 advisors 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 proactively assesses and implements any new developments. 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 behavior, 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.

26.4 Financial risk

26.4.1 Credit risk

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

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

Customer security deposits are cash collateral and are presented as part of Due to customers in the statement of financial position. These security deposits are considered as collateral for the loans to customers and therefore reduce the credit risk on these loans. There are no significant concentrations of credit risk through exposures to individual customers, specific industry/sectors. However, Pakistan holds 20% of the Group's credit exposure in June 2024 (2023: 18%). Management regularly monitors the concentration risk and manages loan distribution if required.

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

26. RISK MANAGEMENT (Continued)

26.4 Financial risk (continued)

26.4.1 Credit risk (continued)

Credit risk from lending as at 30 June 2024

	Unaudited					
			Total direct lending/IFRS 9 stages			
	Due from banks[1]	Gross loans and advances to customer at amortised cost [2]	Total lending	Stage 1	Stage 2	Stage 3
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
West Africa	4,464	62,497	66,961	60,184	347	1,966
East Africa	10,703	123,876	134,579	122,146	413	1,317
South Asia	6,786	84,492	91,278	81,402	1,653	1,437
South East Asia	4,762	78,376	83,138	74,409	677	3,290
Non-operating entities	21,770	-	21,770	-	-	-
Total	**48,485**	**349,241**	**397,726**	**338,141**	**3,090**	**8,010**
ECL provision		**(7,855)**	(7,855)	(1,191)	(9)	(6,655)
Coverage ratio [2]		**2.2%**	**2.0%**	**0.4%**	**0.3%**	**83.1%**

[1] Due from banks are neither past due nor credit impaired.
[2] Includes interest receivable.
[3] Coverage ratio is calculated as the total ECL provision divided by the underlying assets' gross carrying amount.

Credit risk from lending as at 31 December 2023

	Audited					
			Total direct lending/IFRS 9 stages			
	Due from banks[1]	Gross loans and advances to customer at amortised cost [2]	Total lending	Stage 1	Stage 2	Stage 3
	USD'000	USD'000	USD'000	USD'000	USD'000	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 [2]		**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.

26. RISK MANAGEMENT (Continued)

26.4 Financial risk (continued)

26.4.2 Liquidity risk

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

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

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

- The main class of assets 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 30 June 2024, the Group has USD 95.3 million (2023: USD 76.4 million) of cash at bank and in hand as of 30 June 2024. An amount of USD 28.9 million (2023: USD 27.9 million) is restricted and can not be readily available. The remainder of USD 66.4 million (2023: USD 48.5 million) is unrestricted and for operational needs. The Group is able to fund its operations and budgeted growth of its loan portfolio from new loan facilities supplied by third parties, security collateral and/or savings provided by its clients, and internally generated cash flows.

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

Liabilities	Unaudited								
As at 30 June 2024	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**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Debt issued and other borrowed funds	33,732 [1]	44,513	104,328	**182,573**	109,587	-	**109,587**	-	**292,160**
Due to customers	13,504	31,212	31,400	**76,116**	-	-	**-**	-	**76,116**
Lease liability	-	16	338	**354**	3,123	29	**3,152**	-	**3,506**
Derivative liabilities	-	-	23	**23**	1,312	-	**1,312**	-	**1,335**
Other liabilities	1,534	26,630	13,215	**41,379**	687	-	**687**	2,073	**44,139**
Provisions	-	-	2,247	**2,247**	-	-	**-**	-	**2,247**
	48,770	**102,371**	**151,551**	**302,692**	**114,709**	**29**	**114,738**	**2,073**	**419,503**

This includes loans amounting to USD 33.7 million on which waivers had not been received at the balance sheet date. Subsequently waivers for breached loans amounting to USD 8.5 million have been received.

26. RISK MANAGEMENT (Continued)

26.4 Financial risk (continued)

26.4.2 Liquidity risk (continued)

Liabilities As at 31 December 2023	Audited								
	On demand	<3 months	3-12 months	**Sub-total 1-12 months**	1-5 years	Over 5 years	**Sub-total >12 months**	No fixed maturity	**Total**
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Debt issued and other borrowed funds	24,680 [1]	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**

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.

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

Assets As at 30 June 2024	Unaudited								
	On demand	<3 months	3-12 months	**Sub-total 1-12 months**	1-5 years	Over 5 years	**Sub-total >12 months**	No fixed maturity	**Total**
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cash at bank and in hand	66,408	-	28,850	**95,258**	-	-	**-**	-	**95,258**
Loans and advances to customers	10,065	174,272	152,232	**336,569**	241	-	**241**	-	**336,810**
Due from banks	-	2,652	9,709	**12,361**	14,354	-	**14,354**	21,770	**48,485**
Equity investments at FVOCI	-	-	-	**-**	-	-	**-**	293	**293**
Derivative assets	-	-	436	**436**	-	-	**-**	-	**436**
Other assets	-	4,146	8,347	**12,493**	1,859	-	**1,859**	-	**14,352**
	76,473	**181,070**	**199,574**	**457,117**	**16,454**	**-**	**16,454**	**22,063**	**495,634**

Assets As at 31 December 2023	Audited								
	On demand	<3 months	3-12 months	**Sub-total 1-12 months**	1-5 years	Over 5 years	**Sub-total >12 months**	No fixed maturity	**Total**
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	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**

26. RISK MANAGEMENT (Continued)

26.4 Financial risk (continued)

26.4.2 Liquidity risk (continued)

Changes in liabilities arising from financing activities in 2024.

	Unaudited				
For the six month ended 30 June 2024	**1 January**	**Cash flows**	**Non cash movement**	**Foreign exchange movement**	**30 June**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Debt issued and borrowed funds	273,411	20,330	-	(1,581)	292,160
Lease liabilities	3,272	(2,090)	2,294	30	3,506
Total liabilities from financing activities	**276,683**	**18,240**	**2,294**	**(1,551)**	**295,666**

	Audited				
For the year ended 31 December 2023	**1 January**	**Cash flows**	**Non cash movement**	**Foreign exchange movement**	**31 December**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Debt issued and borrowed funds	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**

26.4.3 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 loca currency assets consisting of the MFI’s loan portfolio with local currency liabilities. The Group’s risk policy allows the Group treasurer the possibility of hedging with instruments such as swaps and forward contracts if and when appropriate. In order to mitigate the foreign exchange risk on foreign currency loans, ASA Pakistan, ASA Myanmar, ASA Sierra Leone, ASA Kenya and ASA Zambia have entered into hedging agreements. Th Group applies hedge accounting to the foreign currency loans and related hedge contracts.

While the Group faces significant translation exposure on its equity investments in local MFIs (as the functional currency of the Group is USD), the Group has implemented an equity hedging policy. The policy entails a frequent review of expected currency devaluations compared to the costs for equity hedging instruments. The Group has not used equity hedging instruments in 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 certain country.
- Excess retained earnings in the operating entities are distributed to the holding entities. Equity hedgin 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.

26. RISK MANAGEMENT (Continued)

26.4 Financial risk (Continued)

26.4.4 Interest rate risk

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

The credit methodology of the MFIs determines that loans to microfinance clients have short-term maturities of less than one year and at fixed interest rates. Third-party loans to MFIs, sourced from both local and international financial institutions, mostly have relatively short terms between one and three years. 33% (2023: 29%) of the consolidated debt has variable interest rates. Depending on the extent of the exposure and hedging possibilities with regard to the availability of hedging instruments and related pricing, the Group might actively hedge its positions to safeguard the Group's profits and to reduce the volatility of interest rates by using forwards, futures and interest rate swaps. The very short tenor of the loans provided to microfinance dampens the effect of interest rate fluctuations.

26.4.5 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.

27. COMMITMENTS

The Group agreed certain commitments to BC Partners under the BC model in ASA India. Reference is made to note 12. As per the current model ASA India holds 5% risk on the portfolio managed on behalf of IDFC and Fincare. As of 30 June 2024, the risk of the Group on such BC portfolio stands at USD 0.5 million (2023: USD 0.6 million).

28. RELATED PARTY DISCLOSURES

28.1 Key management personnel

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

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

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

Remuneration of Directors

During the first half of 2024, the Directors of the Company received total compensation of USD 379K (HY 2023: USD 643K).

Total remuneration to key management personnel of the Company

Total remuneration takes the form of short-term employee benefits. In the first half of 2024, total remuneration amounted to USD 1.1 million (HY 2023: USD 1.2 million). No retirement benefits are accruing to Directors under defined benefit schemes. The aggregate of emoluments and amounts receivable under incentive schemes of the highest paid Director during the period was USD 217K.

28.2 Reporting dates of subsidiaries

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

28.3 Relationship Agreement

Relationship agreement with the Controlling Shareholder Group

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

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

28. RELATED PARTY DISCLOSURES (Continued)

28.4 Other related parties

A list of related parties with which ASA International has transactions is presented below. The transactions in for six month ended 30 June 2024 and year end 31 December 2023 and the balances as at 30 June 2024 and 31 December 2023 with related parties are presented in the notes below. Related party transactions take place at arm's length.

Name of related party	**Relationship**
CMI	Major shareholder (29.2%)
Sequoia	Service provider to the Company
MBA Philippines	Business partner
IDFC	Minority shareholder in ASA India
CIMS BV	Service provider to the CMI

		Income from related parties	Expenses to related parties	Amount owed by related parties	Amount owed to related parties
		USD'000	USD'000	USD'000	USD'000
CMI	30 June 2024	-	-	-	21,770
	31 December 2023	-	-	-	21,392
CMIC	30 June 2024	-	-	-	6
	31 December 2023	-	-	-	-
Sequoia	30 June 2024	65	8	40	5
	31 December 2023	165	25	41	6
CIMS BV	30 June 2024	4	-	25	-
	31 December 2023	-	-	22	-
MBA Philippines	30 June 2024	734	-	733	1,510
	31 December 2023	1,104	-	61	15
Jana	30 June 2024	-	-	1,910	1
	31 December 2023	-	-	1,500	11
Fincare	30 June 2024	-	-	401	-
	31 December 2023	-	-	97	-
ESAF	30 June 2024	-	-	13	-
	31 December 2023	-	-	-	-
Ujjivan	30 June 2024	-	-	13	-
	31 December 2023	-	-		-
IDFC	30 June 2024	1,497	-	33	163
	31 December 2023	2,160	-	4,740	1,257
Catalyst Continuity	30 June 2024	-	-	18	-
	31 December 2023	-	-	-	-
Continuity EBT	30 June 2024	-	-	10	-
	31 December 2023	-	-	-	-
ASAIG plc EBT	30 June 2024	-	-	686	-
	31 December 2023	-	-	686	-

29. SUBSEQUENT EVENTS DISCLOSURE

The Escrow amount of USD 21.8 million was released to CMI on 5 August 2024 after the six year period as defined in the terms of the Escrow deed. Please refer to note 14.1 of the 2023 Annual Report for further information on the Escrow.

The Group closed Holding financing facilities of USD 15 million with the OeEB on 18 July 2024 and USD 10 million with Oikocredit on 3 September 2024.

The Reserve Bank of India ("RBI") issued a letter dated 17 September 2024 concerning non-maintenance of certain regulatory thresholds. The Company is currently in discussions with the RBI to address these issues. These discussions are in an early stage and it is too early to make an assessment of the economic outflows.

30. CONTINGENT LIABILITIES

ASA India
A demand was raised by income tax authorities after the disallowance of some expenditures such as the misappropriation of funds, gratuity etc. for the assessment years (AY) 2012-2013. The disallowance amount for AY 2011-2012 is USD 177K and for AY 2012-2013 is USD 69K. The matters are pending before the Commissioner of Taxes (Appeals). In addition, another demand has been raised by the income tax authorities for USD 1.1 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 USD 1.4 million against tax refund for AY 2013-2014 to 2022-2023 for such demand. ASA India has submitted to file a writ petition against such adjustment. The entity took a provision of USD 560K against such demand.

Lak Jaya
A demand was raised by the Department of Inland Revenue ('IRD') for 2016-2017 and 2017-2018 amounting to USD 332K and USD 412K, respectively, by disallowing certain expenses. The Company has filed an appeal and submitted necessary documentation. The matter is pending to the Commissioner of IRD. The entity too a provision of USD 36K against such demand.

IRD has raised another tax demand, including a penalty of LKR 74 million (USD 412K) regarding Corporate Income Tax for the tax year 2017/2018 by disallowing the truncated rate applied by the entity. The Company filed an appeal against that demand which is pending with Commissioner Appeal. A provision of USD 93K has been taken against such demand.

ASA Pakistan
The WHT monitoring notice (audit) came for the Tax year 2020. The Physical Hearing is done, waiting for further notification. No provision is made against this.

ASA Uganda
A demand of USD 200K was raised by the Uganda Revenue Authority ('URA') regarding applicability of withholding tax on dividend payment to ASAI NV. The Company is in the process of appeal against the URA. No provision has been taken against such demand as management concludes that the merit of the demand is unlikely to be successful.

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. The entity has taken a provision of USD 1.7 million in 2023 and USD 0.8 million in 2024 against the claim. The Company appealed against the TRA and subsequently received a reassessed order with a reduced claim of USD 0.6 million.

TRA has conducted another audit on ASA Transfer Pricing policy and related transactions. After inspection they claimed approx. USD 550K disallowing the TP expenses. The company make objection against this demand and did not take any provision for this demand.

ASA Nigeria
ASA Nigeria is in breach of a regulatory limit of PAR 30 ratio at the balance sheet date. 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.

31. CAPITAL MANAGEMENT

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

Many of the Group's operating subsidiaries are regulated and subject to minimum regulatory capital requirements. As of 30 June 2024, the Group and its subsidiaries were in full compliance with minimum regulatory capital requirements.

32. FINANCIAL INSTRUMENTS

The carrying value of the Group's financial assets and liabilities as of 30 June 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 twelve months) and therefore, the carrying value of these loans are 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 funding interest rates have not materially changed over the recent years.

33. 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.

	Unaudited		
As at 30 June 2024	Within 12 months	After 12 months	Total
	USD'000	USD'000	USD'000
Assets			
Cash at bank and in hand	95,258	-	95,258
Loans and advances to customers	336,569	241	336,810
Due from banks	12,361	36,124	48,485
Equity investment at FVOCI	-	293	293
Property and equipment	-	6,887	6,887
Right-of-use assets	779	4,015	4,794
Deferred tax assets	-	4,574	4,574
Derivative assets	436	-	436
Other assets	12,493	1,859	14,352
Intangible assets	-	8,171	8,171
Total assets	**457,896**	**62,164**	**520,060**
Liabilities			
Debt issued and other borrowed funds	182,573	109,587	292,160
Due to customers	76,116	-	76,116
Retirement benefit liability	39	4,971	5,010
Current tax liability	11,987	-	11,987
Deferred tax liability	-	2,456	2,456
Lease liability	354	3,152	3,506
Derivative liabilities	23	1,312	1,335
Other liabilities	41,379	2,760	44,139
Provisions	2,247	-	2,247
Total liabilities	**314,718**	**124,238**	**438,956**
Net	**143,178**	**(62,074)**	**81,104**

	Audited		
As at 31 December 2023	Within 12 months	After 12 months	Total
	USD'000	USD'000	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
Right-of-use 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**

34. EARNINGS PER SHARE

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

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

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

	30 June 2024 USD'000 Unaudited	30 June 2023 USD'000 Unaudited
Net profit attributable to ordinary equity holders of the parent	13,878	3,928
Weighted average number of ordinary shares for basic earnings per share	100,000,000	100,000,000

	30 June 2024 USD	30 June 2023 USD
Earnings per share	**Unaudited**	**Unaudited**
Equity shareholders of the parent for the year:		
Basic earnings per share	0.14	0.04
Diluted earnings per share	0.14	0.04

No dividend was distributed in 2024 and 2023.