

Dear Clients and Partners,

This message follows our ten previous memos, which you can all consult here:

<https://symbioticsgroup.com/covid-19/>

The key overview elements of this thirteenth week into the pandemic for us are the following:

- **Market situation:** The volatility on the financial markets remained at high levels in the last 14 days with a rally on both US and Europe Stock market but also on EM ones (EM local-currency-denominated assets posting their biggest weekly gains in four years). While the pandemic seems now under control in most developed countries (in Europe, North America, Japan and Oceania) and in several emerging or developing ones (East Asia, MENA, Caucasus), it is still progressing in Latin America (Brazil particularly), Russia or South Asia (Iran, India, Pakistan, etc.). Yet almost everywhere lockdowns measures are stopped or strongly softened.
- **Economic impact:** Multilateral agencies (notably the IMF and the World Bank) have shown support in many new countries. For example in West Africa, supporting lines to Nigeria (3.4 bd\$), Cote d'Ivoire (886 m\$) Senegal (442 m\$), Mali (200 m\$), Togo (131 m\$), Niger (USD 115 m\$ ) and Benin (125 m\$) were announced in the last 14 days. That may still not be enough in quite a few cases to compensate for the decrease in revenues from exports of oil and other commodities (despite the recent rebound), remittances or tourism. Moody downgrades India last week and several other emerging and frontier countries also experienced a downgrade of their rating recently.
- **Microfinance institutions situation:** While increasing, the level of portfolio at risk remains so far manageable (i.e. PAR30 at 5.3 % in Asia for instance), notwithstanding a high level of restructured loans for the MFIs that have implemented payment moratoriums. Many institutions have revised down their projections and some even foresee a reduction of their portfolio this year. After a surge in March-April, interest rates are generally lowering thanks to Central banks softening measures.
- **Liquidity cases:** In the last 14 days, we have not seen new requests for standstill or moratorium by our investees. Meanwhile a dozen agreements were finalized among international lenders. Out of the 79 organizations that required close monitoring upon liquidity or solvency issues since March, only 18 cases remain under discussion.
- **Solvency cases:** 2 new solvency cases happened in Africa, related to affiliates of large and strong microfinance networks that can provide them with financial support. We therefore now have 5 of these solvency cases.
- **Fundraising:** Investors withdrawals from microfinance funds remain limited and several of our clients have continued fundraising during the past weeks. A first Covid 19 support basket bonds with a European DFI is under finalization and should be closed in June.
- **Pipeline / New investments:** We disbursed 50m\$ in May as planned. We expect a similar level of disbursements for June.

Please liaise directly with your relationship manager for portfolio specific situations and perspectives. We have moved to bi-weekly updates; therefore, the next update will be sent around June 24<sup>th</sup>.

Yours sincerely,  
Symbiotics