

Dear Clients and Partners,

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

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

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

- **Portfolio review:** We have gone through a thorough review of our portfolio, based on the stress test scenarios performed within the last two months by our regional and risk teams. We reckon that from a risk standpoint, we could increase exposure beyond renewals of maturing loans in nearly half of our 300 investees, depending of their needs.
- **Country situation:** The depth of the impact of the crisis to the real economy will be more precisely seen by Q3 2020 but as of now, the situation seems under control for the majority of the countries where we operate: lockdowns are softening or ending, IMF/World Bank support has already materialized for many countries enabling them to refinance upcoming sovereign debts maturities, large stimulus package (12 % of GDP for Peru for instance) are expected to boost the MSME activities and we have seen a stabilization on the currency front.
- **Liquidity cases:** There is a real willingness from all actors in our sector to help microfinance institutions to deal with their immediate liquidity stress situations amidst the Covid-19 crisis. As of today, 60 of our investees benefit or are about to benefit from coordinated efforts to ensure stable funding in the short to mid-term.
- **Solvency cases:** One new "solvency case" has been identified in West Africa. We have now 4 cases (1.2% of investees headcount, representing 0.4% of overall volumes) related to the impact of the COVID crisis. The impact on the funds performance remains overall really marginal at this stage.
- **Fundraising:** Our funds have not experienced any new outflows from private investors last week. Over last month, four DFIs and the EU have confirmed their coming subscriptions (renewal or increase) in first loss and mezzanine tranches of the 2 blended finance funds that Symbiotics manages, for a cumulated amount of 50 m\$. This will benefit private sectors investors in these funds.
- **Pipeline / New investments:** Disbursements have resumed as planned starting early May in all regions. For instance, our funds have invested in our first post Covid-19 impact bond for a volume of 9m\$ lent to a leading microfinance institution in China on May 8th.
- **Sector coordination:** Discussion are ongoing with the CGAP, the Social Performance Task Force and other industry associations to reinforce coordination of actions and gathering of data amongst the many MIVs and impact funds active in the sector.
- **Technical assistance support:** A technical assistance support to 8 microfinance institutions in Africa is under implementation. It aims at reinforcing their operations, taking into account logistical issues generated by measures taken by governments to address the Covid-19 pandemic. In particular, the program helps MFIs to reinforce the digitalization of their processes as a way to mitigate the impossibility to visit clients. Several other MFIs have expressed interest to receive a similar support and we are looking for funding to finance it.

Please liaise directly with your relationship manager for portfolio specific situations and perspectives.

Yours sincerely,
Symbiotics