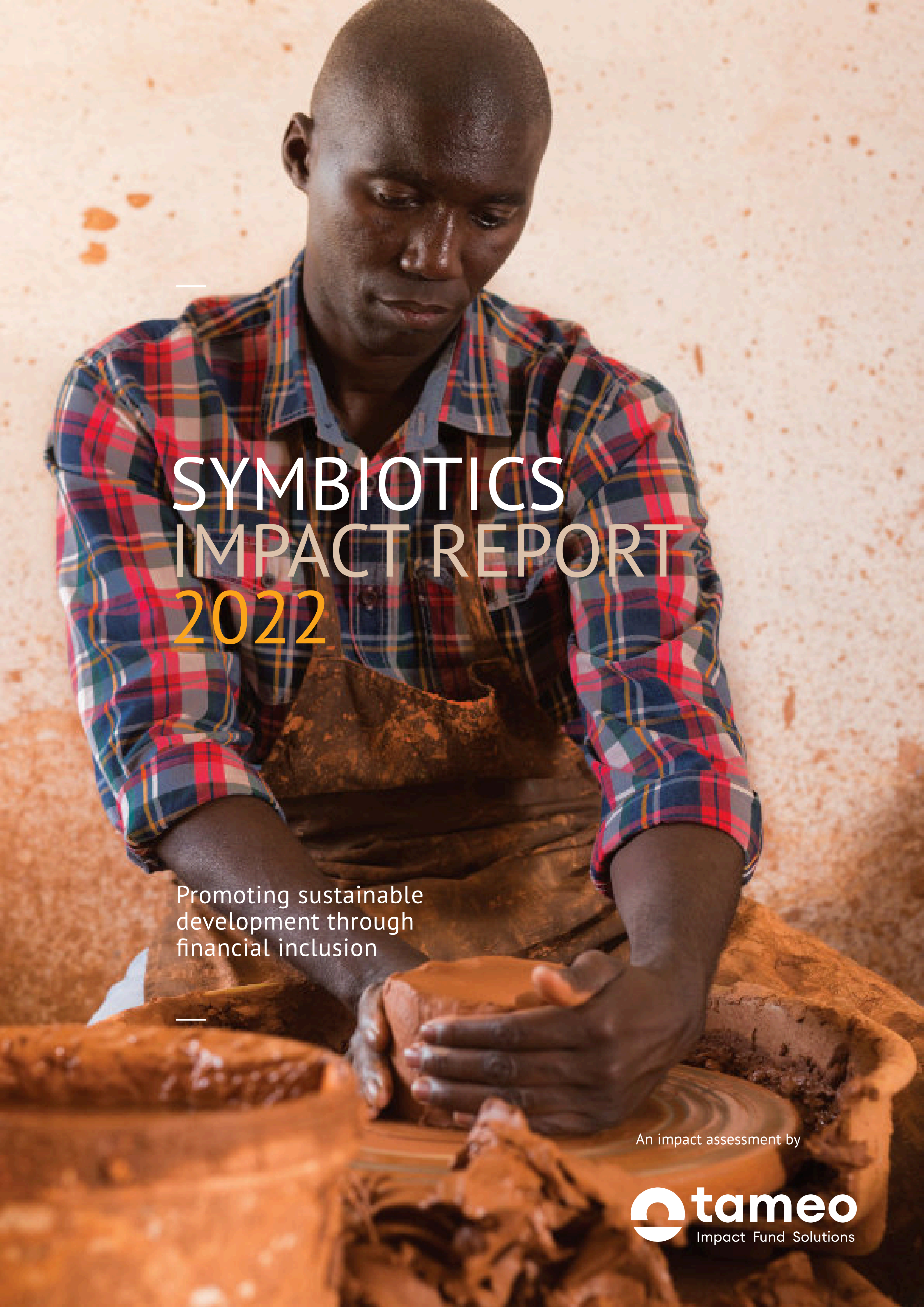

SYMBIOTICS IMPACT REPORT 2022

Promoting sustainable development through financial inclusion

An impact assessment by

tameo
Impact Fund Solutions

SYMBIOTICS IMPACT REPORT 2022

Promoting sustainable development through financial inclusion

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ABOUT TAMEO

Tameo Impact Fund Solutions SA 'Tameo' is a Swiss impact investing specialist serving the financial industry with independent expert solutions. Tameo guides investment funds, managers and investors through the entire impact investing journey. It offers the most comprehensive online database of impact funds, customized analyses and independent valuations. Through its research and advisory services, Tameo empowers clients to move towards best-in-class impact measurement and management. In this report, Tameo assesses the impact performance of Symbiotics as an independent third party, verifying the data collected by Symbiotics and analyzing it at a fund level.

EXECUTIVE SUMMARY

This annual Symbiotics Impact Report presents the social and environmental impact of the company's portfolio in 2022. Financial inclusion lies at the core of the Symbiotics mission, as the company strives to foster widespread access to finance for low-and middle-income households in emerging and frontier markets. As of the end of the reporting period, the volume of assets under management reached USD 2.9 billion. Symbiotics invested in 328 financial institutions in 79 countries.

Access to financial services acts as a catalyst for more inclusive growth. Financial inclusion is a major strategy in achieving the United Nations Sustainable Development Goals 'SDGs'. Symbiotics is responding to this increasing need for financial inclusion, contributing primarily to SDG 1: No Poverty, SDG 5: Gender Equality and SDG 8: Decent Work and Economic Growth, as well as other SDGs via specialized institutions.

In many emerging and frontier markets, there are significant obstacles to providing financial services to underserved communities. Symbiotics seeks to overcome these challenges by providing access to financial services for all, empowering individuals and businesses. In 2022, Symbiotics contributed to supporting about 3 million end-clients in developing countries, of whom 70% were women.

Symbiotics also continues to gather insights about how microfinance impacts end-clients and how it can engage with investees to improve their services in the future through the 60 Decibels Microfinance Index. This index is an industry-wide initiative, launched in 2022, to collect comparable client-level data on the impact of microfinance. Symbiotics is one of its founding partners and continues to support it. The results of the 2023 60 Decibels Microfinance Index show that financial services positively impact the majority of microfinance clients. Notably, over two-thirds of microfinance borrowers interviewed have experienced an increase in income, 80% reported an improvement in quality of life, and half have reduced their finance-related stress levels.

INTRODUCTION

Access to financial services enables micro-, small and medium enterprises 'MSMEs' to make valuable investments in their businesses, expanding their operations and generating job opportunities. In developing countries in particular, MSMEs play a crucial role as substantial sources of employment, contributing significantly to economic growth and poverty reduction.[1]

Additionally, financial inclusion plays a vital role in enhancing household resilience by providing individuals and families with access to financial services. This access empowers households to save and manage their finances with greater efficiency, creating a safety net during economic uncertainties or emergencies. It equips them with the necessary financial support to invest in education, healthcare and housing, ultimately improving their overall quality of life.[2]

In this impact report, Symbiotics aims to provide an overview of how its investments contribute to sustainable development through financial inclusion. The figures presented in this report are the average quarterly figures for the reporting period (April 2022 to March 2023) unless indicated otherwise.[3]

IMPACT PROMISE

The mission of Symbiotics is to promote sustainable development in emerging and frontier economies by facilitating the connection between investors and local financial intermediaries, enterprises and projects. Symbiotics updated its Impact Promise in 2022, maintaining its approach based on three main pillars:[4]

Emerging Economies	Responsible Investments	Sustainable Objectives
Symbiotics defines its investment universe as emerging and frontier economies, targeting low- and middle-income markets and beneficiaries. Symbiotics seeks to deploy capital to where it normally doesn't flow, reaching out through investments.	Symbiotics integrates in its investment process environmental, social and governance 'ESG' risks that might affect the value of its investments. Symbiotics also screens for environmental and social adverse impact that its activities may have on its target markets.	Symbiotics assigns sustainable objectives to each of its investments, and report on key impact indicators tracking them, aligned with the Sustainable Development Goals 'SDGs" framework. Symbiotics aims to measure the positive development and contributions of its activities.

These three main pillars guide and organize this report.

KEY IMPACT INDICATORS

USD 2.9 billion
ASSETS UNDER MANAGEMENT*

79
COUNTRIES

300+
INVESTEES

60 %
BANK ACCOUNT OWNERSHIP IN INVESTEE COUNTRIES

USD 5,000
GNI PER CAPITA** IN INVESTEE COUNTRIES

2.8 million
END-BORROWERS REACHED

70 %
WOMEN BORROWERS

43 %
RURAL BORROWERS

USD 2,700
MEDIAN AVERAGE LOAN

10 million
JOBS SUPPORTED

* *Assets under management include loans outstanding and cash as of the end of the reporting period (March 2023).*

** *GNI = gross national income*

1 EMERGING ECONOMIES

DEPLOYING CAPITAL TO WHERE IT NORMALLY DOESN'T FLOW

The first element of the Symbiotics Impact Promise focuses on deploying capital where it normally doesn't flow. Symbiotics fulfills this commitment by clearly defining its investment universe, which targets emerging and frontier economies, as well as low- and middle-income markets and end-beneficiaries. This section presents an overview of the countries where Symbiotics invests, clearly demonstrating how it deploys its capital.

I MARKET OUTREACH

As of March 2023, Symbiotics had USD 2.9 billion in assets under management. Throughout the reporting period, Symbiotics invested in 328 institutions in 79 countries. It invested the largest volumes in Latin America & the Caribbean (30.8% of the outstanding portfolio), followed by South & East Asia (28.4%), Eastern Europe, Central Asia & MENA (23.8%), and finally sub-Saharan Africa (13.5%).[5]

The top three countries of investment are India, Ecuador and Costa Rica, together representing 20.3% of the firm's exposure.

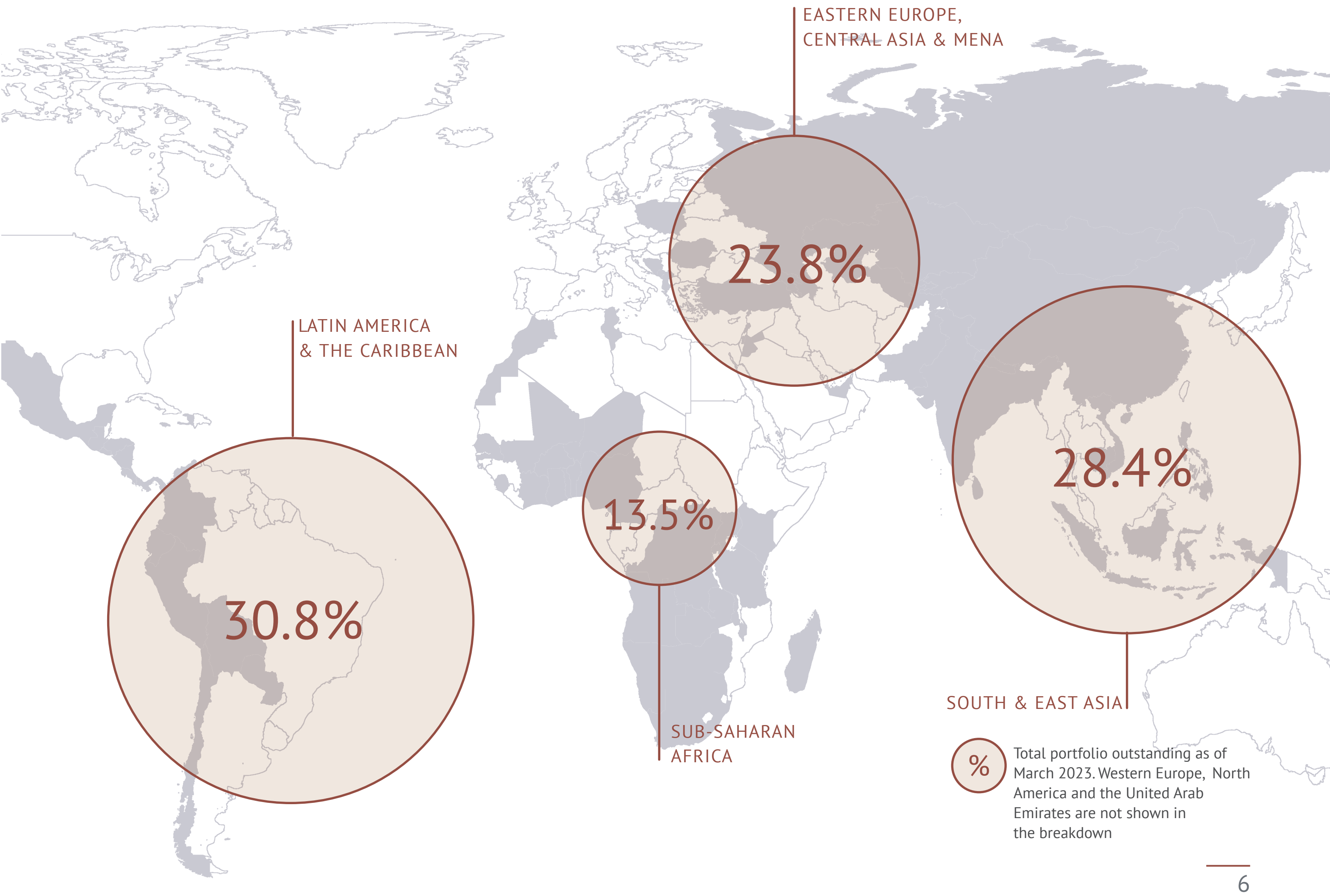


Figure 1
Top countries of investment

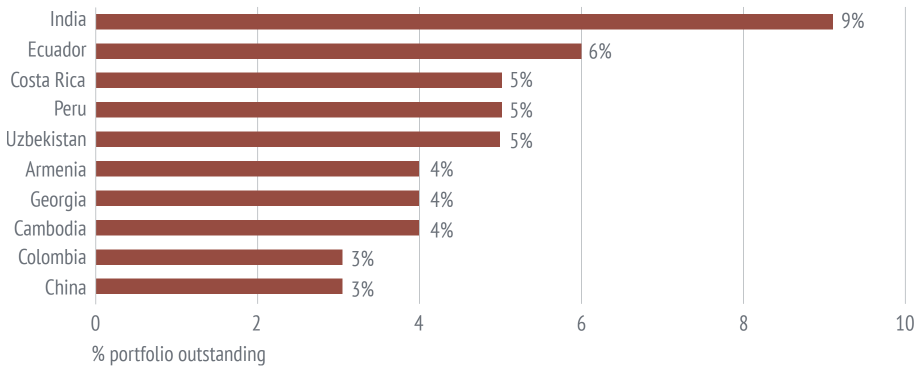
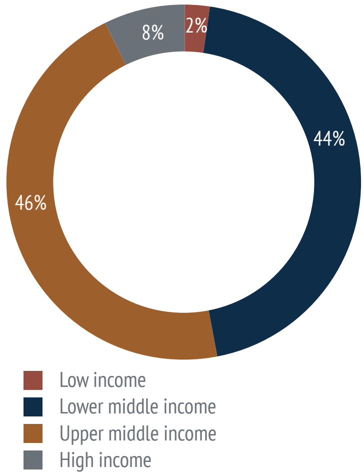


Figure 2
Portfolio breakdown by investee country income level



Reflecting the Symbiotics commitment to directing capital towards emerging and developing economies, the average income per person (gross national income 'GNI' per capita) of countries of investment stood at USD 5,054.[6] This aligns with the average income in low- and middle-income economies, which stands at USD 5,298, rather than the world's average of USD 12,070. Following the World Bank's classification,[7] 46% of Symbiotics investments are in low- and lower middle-income countries, 46% in upper middle-income countries and 8% in high-income countries.[8]

Additionally, 17 countries in the Symbiotics portfolio are considered least developed countries by the World Bank, representing 11.3% of the total portfolio.[9]

Account ownership is an important indicator in measuring financial inclusion progress. It enables people to access financial services and funding, providing them with the means to cope with financial difficulties, boost their spending in critical areas like education and health, and enhance their living standards.

The Global Findex Database, created in 2011, provides relevant information on access to finance and the overall use of financial services worldwide.[10] In 2021, the Findex showed an increase in account ownership globally, reaching 76% of adults (51% in 2011). Similarly, in low- and middle-income countries, it increased from 63% in 2011 to 71% in 2021. During those ten years, Symbiotics has been consistently contributing to this upward trajectory. When looking at the Symbiotics portfolio now, approximately 60% of individuals in investee countries have a bank account in a financial institution, highlighting that Symbiotics continues to direct investments towards regions where access to finance remains a significant challenge.

Figure 3
GNI per capita (USD) in investee countries

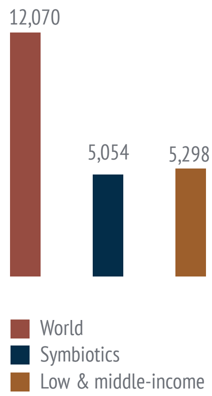


Figure 4
Size of financial institutions (quarterly average by number)

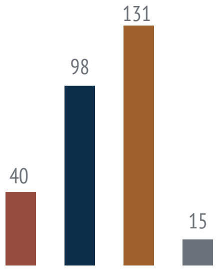
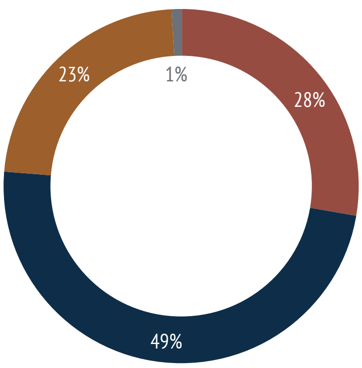


Figure 5
Size of financial institutions (quarterly average volume)



Percentage of adults with a bank account[11] (2021)

76%
WORLD

60%
SYMBIOTICS PORTFOLIO (QUARTERLY AVERAGE)

II INVESTEE OUTREACH

As part of its mission to channel capital to underserved areas, Symbiotics invests in local, specialized financial institutions in emerging and frontier markets. This is important to promote financial inclusion, as they primarily cater to individuals and communities with limited access to traditional banking services. Investments in these institutions contribute to their long-term sustainability by helping them build a solid financial foundation and enabling them to expand their outreach and develop new financial services. Additionally, small- and medium-sized institutions have strong connections to local communities, providing direct support to underserved areas and marginalized groups. Investing in them promotes economic development and social progress in the countries of investment.

Symbiotics invests in a diverse range of financial institutions, reaching different segments of the financially excluded population in emerging and frontier markets. In terms of investee size, the largest proportion of the portfolio by number (131 institutions) is in medium-sized institutions with total assets between USD 10 million and USD 100 million. Whereas, by volume, the largest proportion (49%) is in larger institutions with total assets between USD 100 million and USD 1 billion. This is partially because many long-standing Symbiotics investees have grown over the life of the investment, in terms of both asset size and institutional capacity.

2 RESPONSIBLE INVESTMENTS

MANAGING ENVIRONMENTAL, SOCIAL AND GOVERNANCE 'ESG' RISKS AND ADVERSE IMPACTS

The second element of the Symbiotics Impact Promise centers on the integration of environmental, social and governance risks throughout the investment process. This also includes the screening of adverse environmental and social impacts on target markets resulting from investment activities. By doing so, Symbiotics firmly embraces the double materiality principle outlined in the Sustainable Finance Disclosure Regulation 'SFDR'. This principle requires Symbiotics to address sustainability risks that could impact its financial performance, as well as consider how its investment choices affect broader sustainability factors that ultimately impact the world.

I SYMBIOTICS SOCIAL PERFORMANCE RATING

In 2010, Symbiotics introduced the Social Performance Rating 'SPR' to assess the likelihood that a financial institution would positively contribute to sustainable development and social impact. Since then, it has applied the SPR systematically to investment decisions. Symbiotics conducts the pre-investment rating during the investee due diligence process and on an annual basis afterward. The rating methodology digs deeply into seven key dimensions, covering 98 qualitative and quantitative indicators. The firm compiles all indicators into a weighted aggregated score that grades the institutions from zero stars (lowest) to five stars (highest). The seven dimensions of the rating are:

1. Social governance: Looking at the social orientation of shareholders and the financial institution's stated and effective commitment to its social mission, its target market and development objectives/stakeholders' needs.

2. Labor climate: Assessing policies regarding social responsibility to staff, looking at human resources policies, systems to monitor employee satisfaction and staff turnover rates as a measure of staff satisfaction.

3. Financial inclusion: Measuring whether the financial institution has an efficient and proactive strategy and good results in terms of financial inclusion, as well as its ability to serve low-income and excluded clients, especially those located in areas that lack other financial services.

4. Client protection: Looking at whether the financial institution treats clients in a fair and transparent way and if it prevents negative impacts that affect them (notably over-indebtedness) as much as possible. These indicators link to client protection standards.

5. Product quality: Looking at the financial institution's marketing strategy and activities, as well as the diversity and quality of its financial and non-financial products and services.

6. Community engagement: Assessing the steps that the financial institution takes in implementing policies and actions aimed at supporting community development at large and the social impacts of such steps on the community.

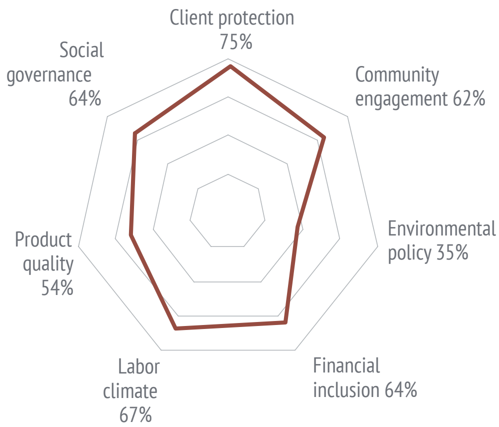
7 Environmental policy: Looking at whether the financial institution has any policies and initiatives in place to mitigate environmental impacts for its internal activities and, above all, for the enterprises it finances.

The portfolio weighted average SPR is 3.7 out of 5 stars, which has remained stable since 2015. Figure 6 shows the average scores by dimension. Overall, the institutions perform well on most dimensions. The highest scoring dimension is client protection (75%), demonstrating the firm's commitment to responsible lending practices.

Environmental policy is the lowest scoring dimension, with a score of 35%. This dimension primarily measures whether an investee has an environmental policy in place, whether for its own operations or lending activities. Certain institutions in the portfolio have improved their environmental scores through the implementation of environmental policies in their operations or by broadening their product offerings to include green products. Others already possess high scores thanks to the nature of the products they offer.

One example is CIFI Group, an institution in Panama that offers advisory and finance for infrastructure and energy projects in Latin America. It focuses on green projects such as solar, geothermal and hydropower. A second example is Zuoli in China, which is developing green financing with local authorities and aims to provide renovation loans to help businesses purchase energy-saving equipment and reduce emissions. Symbiotics is focused on increasing its green loans and products.

Figure 6
Portfolio-weighted average social responsibility rating



II UPDATED ESG RISK RATING METHODOLOGY

In 2022, Symbiotics launched a new ESG rating methodology to assess the sustainability of companies with an increased focus on environmental and social 'E&S' risks and how companies manage those risks. It will serve as a basis to align compliance requirements as established by the SFDR.

The ESG risk rating consists of nine dimensions classified into three categories depending on their impact:

E Risk of doing harm to the environment	S Risk of doing harm to people	G Risk of doing harm due to governance weaknesses
› Energy and natural resources › Air, water and land › Ecosystems and biodiversity	› Human capital › Customers › Communities	› Values › Transparency › Environmental and Social Management System 'ESMS'

As of today, Symbiotics is working on assessing all of its investees with the new methodology. The firm is in the midst of deploying it and, as of July 2023, has already used the rating for over 50% of investees. Future impact reports will present the new rating results.

III SUSTAINABLE FINANCE DISCLOSURE REGULATION 'SFDR'

In 2019, the European Commission published the SFDR. The SFDR aims to promote transparency in financial markets by standardizing rules for integrating and disclosing sustainability risks and overall sustainability-related information for financial products. It took effect in March 2021.

The regulation categorizes funds into different articles based on the nature of their products. It classifies financial products that promote environmental or social characteristics under Article 8 and those with sustainable investment objectives under Article 9. Each classification then has associated disclosure requirements. Symbiotics, as an impact investor focused on benefiting low- and middle-income households and MSMEs, fully aligns with the rigorous requirements of Article 9.

In 2023, Symbiotics published its entity-level disclosure, which outlines adverse impacts and how the company addresses them in its overall strategy. As all funds managed by Symbiotics are Article 9 funds, indicating their emphasis on sustainable objectives, the company also prepared all necessary regulatory disclosures for these funds.

IV ADVERSE IMPACTS

The SFDR defines principal adverse impacts 'PAIs' as "the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters." Currently, Symbiotics reports data on all mandatory indicators and two additional climate and social indicators gathered through direct or indirect data collection methods. Symbiotics foresees that it will increase both the coverage and the number of indicators reported on progressively over the years. The following section presents some of the key climate and social indicators covered.

Climate and other environment-related indicators

Using the Joint Impact Model, Symbiotics can estimate its portfolios direct and indirect greenhouse gas 'GHG' emissions (scopes 1, 2 and 3).[12] Scope 3 emissions consider the emissions generated by economic activities financed by investees in the Symbiotics portfolio and are, therefore, the most significant for investments in financial institutions (Table 1).

The estimated GHG emissions of the portfolio are about 2.2 million tons of CO2 equivalent (tCO2-eq). For context, this is equivalent to the annual CO2 emissions of about 270,280 people in China or about half a million people in Switzerland.[13] Considering the portfolios size, the firm's carbon footprint is just under 972 tCO2-eq per USD 1 million invested.

A significant share of the emissions stem from investees due to their end-client activity or the energy mix of the country where they operate. Seventeen (17) invest primarily in agriculture, financing smallholder farmers, representing on average 11% of the outstanding portfolio. The precise agricultural activities financed with these small loans are not always known and, in such cases, the agricultural portfolio distribution is by model, according to the national composition of agricultural income. This has led to a significant allocation in the portfolio of cattle and paddy rice, which have the highest impact on climate in the sector. This share is likely an overestimation compared to the actual involvement of end-borrowers in cattle, especially in India. Finally, 28 investees are located in countries where coal and oil represent a high share of the country's energy mix (ranging from 45% to 90% of the countries' total energy supply). These include Bolivia, Cambodia, China, Mexico, Mongolia, Botswana, Georgia, Indonesia, Kazakhstan, South Africa and Vietnam.

Symbiotics does not directly invest in companies active in the fossil fuel sector. However, there is narrow indirect exposure (0.2%) through investments in financial institutions exposed to fossil fuel sectors.

Table 1
Adverse impact indicators – Environmental

Principal adverse impact indicator	Metric	Impact 2022	Coverage rate[14]
GHG emissions (tCO_2-eq)	Scope 1 GHG emissions	5,821	81%
	Scope 2 GHG emissions	9,212	81%
	Scope 3 GHG emissions	2,147,214	81%
	Total GHG emissions	2,162,247	81%
Carbon footprint (tCO_2-eq per million USD invested)	Carbon footprint	972 (USD)	81%
Exposure to companies active in the fossil fuel sector	Share of investments in companies involved in the fossil fuel sector	0.2%	85%

Social and governance-related indicators

Symbiotics incorporates sustainability risks and the potential for positive impact into its core investment process using its Sustainability Risk framework, which guides its research, analysis and decision-making processes. All investments undergo a sustainability risk assessment incorporating key principles from various international frameworks, such as the United Nations Global Compact 'UNGC' principles and the Organisation for Economic Co-operation and Development 'OECD' Guidelines for Multinational Enterprises. This ensures that Symbiotics fully integrates the evaluation of investees' ability to adhere to these principles into the investment decision-making process.

This assessment notably provides an opinion on the following three procedures:

- Grievance mechanism for employees;
- Customer complaints and insurance claims;
- A complaints mechanism for people living in places where the company operates, for investees involved in project finance.

The findings show that 6.9% of investees currently have procedures lacking at least one of the three. Symbiotics has an ongoing engagement with these investees to address the issue.

Another set of indicators relates to gender equity in terms of pay gap and representation of women on the boards of investees. Symbiotics collects data on the average annual compensation of investee employees, disaggregated by gender, to calculate the gender pay gap, and finds an average gap of 17%. This figure is in line with global figures where on average women receive about 20% less in compensation than men. On average board gender diversity, Symbiotics uses data on the number of board members who are women and those who are men, as reported by the institution, to determine board gender diversity. For the reporting institutions, the findings show that one in five board members are women.

Table 2

Adverse impact indicators – Social

Adverse sustainability indicator	Metric	Impact 2022	Coverage rate[15]
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises	6.9%	48%
Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	17%	63%
Board gender diversity	Average ratio of board members who are women to board members who are men in investee companies, expressed as a percentage of all board members	23%	92%

3 SUSTAINABLE OBJECTIVES

CONTRIBUTING TO THE SDGs AND MEASURING POSITIVE CONTRIBUTIONS

The last element of the Symbiotics Impact Promise refers to the sustainable investment objectives assigned to each investment. This is measurable by defining key impact indicators and the firm's contribution to the SDGs. This section describes the sustainable objectives Symbiotics contributes to and aggregates data on the investments' key impact indicators.

I SDG CONTRIBUTION: MAIN SDGs TARGETED

Table 3

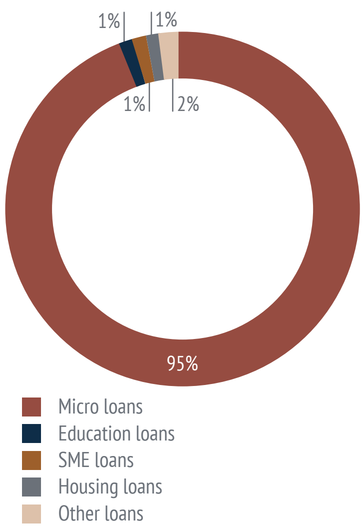
Symbiotics contribution to the SDGs

SUSTAINABLE DEVELOPMENT GOALS	How does Symbiotics contribute to the SDGs?	% of portfolio outstanding[16] (Quarterly weighted average)
	Main SDGs targeted	
1 NO POVERTY	Ensuring that low-income individuals have access to financial services, including microfinance and savings products.	27%
5 GENDER EQUALITY	Providing women with equal access to economic resources and opportunities.	20%
8 DECENT WORK AND ECONOMIC GROWTH	Strengthening the capacity of domestic financial institutions to expand access to banking and financial services for all and encouraging the growth of MSMEs.	34%
	Contribution to other SDGs	
2 ZERO HUNGER	Providing small-scale food producers access to productive resources through financial services and products.	5%
4 QUALITY EDUCATION	Ensuring equal access for all women and men to affordable and quality education.	1%
7 AFFORDABLE AND CLEAN ENERGY	Ensuring universal access to affordable, reliable and modern energy services and increasing the share of renewable energy.	5%
10 REDUCED INEQUALITIES	Contributing to remittances costs reduction.	2%
11 SUSTAINABLE CITIES AND COMMUNITIES	Ensuring access to adequate, safe and affordable housing and basic services.	3%
14 LIFE BELOW WATER	Providing small-scale and/or internationally certified fishing and aquaculture producers' access to productive resources through financial services and products.	1%

In 2022, Symbiotics successfully served a total of 2.8 million individuals, providing access to various financial products and services. Most of these clients – 95% of the total – acquired microfinance loans while the remainder accessed loans for education, MSME financing, housing and other loan categories. These diverse financial offerings collectively play a role in improving the quality of life of the end-borrowers. The following section provides context and illustrates how Symbiotics has contributed to the SDGs via the various products and services extended by its investees.

Figure 7

Loan use by Symbiotics end-borrowers



SDG 1 No poverty

The role of financial inclusion in strengthening households' resilience: education, housing, and healthcare

Enhancing financial inclusion can make a positive difference in the lives of low-income households. It empowers them to invest in essential aspects of life like education, housing and healthcare. When families have access to the right financial tools and services, it helps them navigate financial challenges and allows them to focus on what matters most, such as investing in their children's education.[17]

With the right financial resources, parents can actively contribute to their children's education and ensure their well-being by providing proper nutrition. This ultimately leads to improved educational outcomes and sets the stage for success. Access to formal financial services also means that families can make valuable home improvements, including enhancing energy efficiency, water supply and sanitation facilities. This is especially important as cities grow and adapt to changing climate conditions.

Families can also benefit from increased financial resources, which can lead to opportunities for entrepreneurship and long-term investments. This can help strengthen MSMEs and self-employed individuals, allowing them to expand their businesses, manage expenses and pursue new ventures.[18]

How does Symbiotics contribute to SDG 1?[19]

In 2022, Symbiotics investees financed 32 million microentrepreneurs in developing countries. Of these microentrepreneurs, Symbiotics financed 2.6 million with its investments. Throughout 2022, 113 of Symbiotics investees contributed to SDG 1 through their investments in microfinance.

The proportion of borrowers reached with a microloan was 95%. Institutions focused on microfinance can reach a larger number of end-borrowers due to the smaller loan sizes. The average loan size for microloans is USD 1,514.

% portfolio outstanding allocated to SDG 1	Number of investees
27.1%	113

Outreach and sustainability indicators	
95% of borrowers reached with microloans	USD 1,514 average microloan size

Outreach	Financed by investees	per USD 1 million invested	Symbiotics contribution
Number of end-borrowers reached with micro loans	32 million	967	2.6 million

The story of Erva Novaria is a great example of how Symbiotics supports women in Indonesia through its investees. Erva's food business survived the hardships experienced during the COVID-19 pandemic thanks to the flexibility offered by the institution. She can now invest in new ways to sell her products (Box 1).

Empowering women through finance

For many blue-collar workers in Indonesia, the morning routine consists of waking up at 4:00 am, grabbing a quick breakfast on the road and starting work before the sun rises. Erva Novaria, 37 years old and a mother of three children, is one of many early-morning street food vendors in Bekasi City, West Java. Many people rely on her tasty meals on their way to work.

In 2014, Erva was a cashier at a local supermarket and realized her salary could not cover her family's expenses anymore, so she decided to quit and open her own business. Together with her parents, Erva started selling Indonesian traditional breakfast meals from 4:30 am onwards. In 2018, Erva became a client of Mitra Bina Keluarga 'MBK' Ventura, a microfinancing institution in Indonesia, with a starting loan of IDR 2,000,000 (approximately USD 140).

Like many entrepreneurs around the world, Erva's business took a hard hit due to the pandemic. In March 2020, her daily revenue plummeted from IDR 400,000 (USD 28) to about IDR 200,000 (USD 14). In light of the situation, MBK rearranged Erva's payment schedule, allowing her more time to repay the loan. She has since paid back the loan in full to the institution and requested a new loan. Erva is grateful that business is back to normal. She is hoping that this year she will save enough money to buy a smartphone which will enable her to list her business on online food delivery platforms and potentially increase her income.

Box 1
Client story – Erva Novaria, MBK, Indonesia

SDG 5 Gender equality

Financial inclusion and women's empowerment

Poverty disproportionately affects women, and they experience a significantly lower global labor force participation rate. Various social, economic, legal and regulatory barriers that consistently restrict women's opportunities are partially behind these disparities. Studies show that although some women entrepreneurs begin their businesses to provide for their families, a significant number do so to attain financial empowerment and self-reliance. As a result, they frequently pursue outside funding to preserve their independence.[20] Facilitating access to financial products and services can potentially allow women to have greater control over their financial resources, enhance their bargaining power within their household and ultimately increase their autonomy.[21] This can lead to an increase in household spending in areas such as health, food and education. Additionally, providing women with targeted financial literacy training is crucial in equipping them with the skills and tools to make the most of financial products. This is especially important given that they often lack the resources to acquire these skills.[22]

FINANCIAL INCLUSION AND ENHANCING WOMEN'S CLIMATE RESILIENCE

Climate change has a widespread impact on every individual, but women in developing countries are especially vulnerable to its consequences. This vulnerability is mainly due to two key factors. First, women often play a significant role in agricultural work, which means they directly experience climate change effects like extreme weather and shifting seasons. Second, because of the uneven distribution of household responsibilities, women frequently bear the brunt of tasks like traveling long distances to fetch water.

In addition, limited access to financial services compounds the difficulties women face in these areas. The need to prioritize work and family obligations over education can worsen the situation, making them even more susceptible to the challenges posed by climate-related issues.[23] Consequently, women find themselves dealing with dual setbacks: heightened exposure to climate-related risks and restricted financial resources to tackle these adversities.

Empowering women by providing them with better access to financial products and services equips them to handle risks, increase their resilience, and adapt to the impacts of climate change. It is essential to design financial products thoughtfully, considering the social, economic and political barriers that might hinder womens opportunities. This approach ensures that the support offered is effective and sensitive to their unique circumstances.

How does Symbiotics contribute to SDG 5?

Symbiotics contributes to SDG 5 by investing in institutions that continuously work to facilitate access to finance for women and empower them through financial products and services tailor-made for them. On average, 70% of end-borrowers served by Symbiotics investees were women. It achieved this partially through 76 investees that are women focused. The average loan size for women was USD 1,659, which is smaller than the men's average loan size of USD 2,490.

% portfolio outstanding allocated to SDG 5	Number of investees
20%	76

Outreach and sustainability indicators	
70% women borrowers served by institutions	USD 1,659 average loan size for women

Outreach	Financed by investees	per USD 1 million invested	Symbiotics contribution
Number of women borrowers reached	25 million	714	1.9 million

In Ecuador, Symbiotics provides finance to entrepreneurs like Ximena Toro. Thanks to the financial support provided by COAC CACPECO, Ximena can expand her business and support the education of her daughter. She is now financially independent (Box 2).

Supporting entrepreneurs in Ecuador

Ximena Toro owns her optical store in the historical center of Quito. She has been working there for 18 years. She is the daughter of an optician and was 23 years old when she started her business with her husband. They had both received their optician's license and decided to take out a loan to set up their first shop. A few years later, they opened a second shop in Quito, where Ximena still works today.

After her divorce, Ximena got a loan of USD 18,000 with COAC CACPECO. She used the loan to buy new medical material as her equipment became outdated. In addition to covering the family expenses, Ximena also pays for her oldest daughter's education as she is studying to get her optician's license and a degree in veterinary medicine. Ximena is proud to be financially autonomous and to provide for her daughters.

Following the outbreak of the pandemic, the clientele drastically decreased. Ximena had to close her business for four months following government restrictions. She was relieved as COAC CACPECO supported her in rescheduling her payment calendar. Even though the situation has recently improved, Ximena still sees her business operating at half capacity on most days. Thanks to her resilience and positive mindset, Ximena is hopeful and intends to travel to the United States to buy new frames and offer a wider range of options to her clients.

Box 2
Client story – Ximena Toro, COAC CACPECO, Ecuador

SDG 8 Decent work and economic growth

SME finance – supporting job creation and entrepreneurship

One of the primary obstacles to SME growth is the lack of access to finance. By offering suitable financial products and services, finance can enhance their ability to promote job creation and entrepreneurship. This is especially when considering that SMEs play a crucial role as a major employment provider in developing and emerging markets.[24] They fulfil this role by hiring mostly local and low-skilled labor, ultimately supporting low-income households in achieving a sustainable means of living[25]

In addition, products designed to target women-owned businesses can lead to improved entrepreneurship and overall business practices[26] When financial institutions offer SMEs tailored financial products such as credit and savings, along with non-financial services like training, it can lead to favorable outcomes for workplace safety and health, a reduction in average daily working hours, and an increase in overall productivity.[27]

How does Symbiotics contribute to SDG 8?

In 2022, Symbiotics investees financed over 1 million SMEs. Of these, Symbiotics financed almost 40,000 end-borrowers through its investments, which estimates show have supported more than 421,000 jobs in developing countries. Through 85 investees, Symbiotics supported SMEs providing loans with an average loan size of USD 18,000.

% portfolio outstanding allocated to SDG 8	Number of investees
34%	85
Outreach and sustainability indicators	
1% of borrowers reached with SME loans	USD 18,000 average loan size for SMEs

Outreach	Financed by investees	per USD 1 million invested	Symbiotics contribution
Number of end-borrowers reached with SME loans	1 million	14	39,000
Estimated jobs supported by SMEs[28]	10 million	153	421,000

Cissé is one of the many business owners acquiring loans from Symbiotics investees in Ivory Coast. Despite operating in a competitive market, he has successfully grown and diversified his service company (Box 3).

Promoting business growth in Ivory Coast

Cissé bdul Aziz is a 52-year-old entrepreneur living with his wife and five children in Abidjan, Ivory Coast's capital. He has a Master's degree in Business Administration and worked in two different companies before launching his own business. In 2001, he created AFRIBACOM, a service company in the fields of construction, electricity and telecommunications (cellular networks implantation, optical fibers, laying networks, etc.).

In 2017, Cissé received two mandates: the first one in telecommunication and the second one in the housing sector. He had heard of Compagnie Africaine de Crédit 'CAC', an institution that supports MSMEs by providing them with loans for their business endeavors. Initially, Cissé got a loan of CFA 50,000,000 (USD 89,000) to acquire telecommunication equipment. He was keen to diversify his activities and saw opportunities in the housing sector. He applied for another loan and received CFA 150,000,000 (USD 270,000), repayable over three years. Cissé is satisfied with the loan opportunities he got from CAC as he can seize business opportunities as they arise. He has made excellent profits from these two businesses and noticed a significant increase in income. The COVID-19 pandemic impacted the housing business as some equipment orders arrived late or are still missing. However, Cissé has managed to continue his activities in a very competitive market and is proud of his achievements.

Box 3

Client story – Cissé Aziz, CAC, Ivory Coast

II CONTRIBUTION TO OTHER SDGS

SDG 2 Zero hunger
Smallholder farmers and access to financial services

Achieving food security and alleviating poverty relies heavily on smallholder agriculture, as 70% of global poverty is concentrated in rural areas that depend significantly on agriculture for subsistence. Smallholder agriculture serves as a vital source of both food production and income.[29] Additionally, due to its labor-intensive nature, agriculture contributes to generating and maintaining employment opportunities.[30]

Smallholder farmers often face economic and environmental obstacles that hinder their progress. These challenges include poverty, high levels of risk, small land size, lack of institutional support, and restricted market access. Financial institutions can provide farmers with access to capital and technical support, allowing them to obtain inputs at a reduced cost and adopt innovative technologies to improve agricultural efficiency. Tailored financial products and services can help them overcome these challenges, increasing their risk tolerance and resilience. For instance, insurance products have proven to be an incentive for farmers to invest more in agricultural inputs, expand cultivated areas and employ additional labor.[31]

How does Symbiotics contribute to SDG 2?

In 2022, Symbiotics investees provided loans for agricultural activity for more than 9.6 million end-borrowers. Through 31 investees Symbiotics supported end-borrowers by providing loans with an average loan size of USD 2,490.

% portfolio outstanding allocated to SDG 2	Number of investees
5%	31

Outreach and sustainability indicators		
17% of borrowers reached with loans for agricultural purposes	USD 2,490 average loan size for the agricultural sector	43% of rural borrowers served

Outreach	Financed by investees	per USD 1 million invested	Symbiotics contribution
Number of end-borrowers reached with a loan for agricultural activity	9.6 million	218	600,000

Symbiotics invests in Patria Credit, a financial services provider focused on supporting smallholder farmers and businesses in rural regions. Thanks to its effective business model and extensive coverage, the institution reaches clients in even the most remote areas of the country (Box 4).

Institution: Patria Credit

Patria Credit's mission is to offer specialized financial services to smallholder farmers and small businesses with limited access to traditional banking products due to geographical and social limitations. It aims to do so by supporting the entrepreneurial efforts of rural clients with accessible financial services. The objective is to enhance the positive impact that clients have on local rural communities.

Unlike similar institutions, Patria Credit concentrates on unregistered businesses operating only via a simple agricultural producer license. With nearly one-third of Romanians being unbanked, the institution provides access to financial services in remote areas thanks to its nationwide coverage. To support such efforts, it created a mobile app and an online loan application service.

Patria Credit has implemented strong client protection practices to prevent over-indebtedness by analyzing repayment capacity and enforcing parallel loan limits. The institution obtained the EU Code of Conduct certification in 2020.

To further extend its community outreach, Patria Credit is creating a Foundation in 2022. It will be in charge of developing community engagement, financing social projects and offering centralized technical assistance to clients. The Foundation has already started helping small rural producers enter supermarkets with better conditions and offers financial literacy services such as agro and business training.

Box 4
Institution profile – Patria Credit, Romania

SG 7 Affordable and clean energy

Access to energy for excluded population

Achieving SDG 7 – 'ensure access to affordable, reliable, sustainable and modern energy for all' – is vital to improving the livelihoods and working conditions of people worldwide. This is especially important for the poorest and most vulnerable who currently lack access to modern energy services. Despite progress in expanding energy access over the past decade, there has been a slowdown in reaching remote and underserved populations in recent years, exacerbated by the impact of the COVID-19 pandemic.[32]

Pay-as-you-go solar providers offer a solution to this challenge through their infrastructure and business model, enabling low-income clients to affordably access solar home systems. End-borrowers receiving this type of service experience several benefits. They can access safer and higher quality lighting compared to alternative options, reducing the risk of house fires and injuries. They can charge their phones, TVs and computers to stay connected. The financing mechanism also allows them to engage in multiple projects simultaneously, which would be challenging if they had to pay upfront.[33]

How does Symbiotics contribute to SDG 7?

In 2022, Symbiotics investments supported 681,000 end-borrowers with renewable energy supply loans across 12 investees.

% portfolio outstanding allocated to SDG 7	Number of investees
5%	12

Outreach and sustainability indicators

24%

of borrowers reached with renewable energy supply loans

Outreach	Financed by investees	per USD 1 million invested	Symbiotics contribution
Number of end-borrowers reached with renewable energy supply loans	2.3 million	247	681,000

An illustration of the Symbiotics contribution to SDG 7 is Greenlight Planet 'GLP', a company offering tailored solar panels to cater to the requirements of low-income households. GLPs business model encompasses designing, distributing, installing and financing solar home energy products, ensuring reliable energy access. With a pay-as-you-go model, low-income households can have access to a range of solar energy products (Box 5).

Institution: Greenlight Planet

Founded in 2009, the main mission of Greenlight Planet Group 'GLP' is to facilitate access to affordable energy to off-grid families through products designed to meet their daily energy needs. The company designs, distributes and finances solar home energy products targeting underserved populations. GLP has provided solar-energy products to more than 60 million consumers located in rural areas in more than 65 countries throughout South Asia and sub-Saharan Africa. The company operates mainly in India, Myanmar, Kenya, Uganda, Tanzania and Nigeria.

GLP's products vary from small solar lanterns to solar home systems designed to provide lighting to a whole house, charge phones and run a radio. Thanks to its pay-as-you-go "PayGo" business model, GLP can offer solar products to clients who will pay over time. The PayGo model is a lease-like solution with an 18-month payment maximum and with repayment on a daily, weekly or monthly basis. Clients have the option to pay through mobile money or directly with a local agent.

Since its launch, GLP has developed a network of 186 branches selling 90,000 units per month. Some 6,000 agents in charge of prospection, installation, servicing and collection support this extensive presence. In 2020, GLP accounted for 46% of the total off-grid solar industry by number of units sold. The competitive advantages of GLP are its low prices, supply chain control and diversified delivery channels.

Box 5

Institution profile – Greenlight Planet, South Asia & Sub-Saharan Africa

Symbiotics also contributed to SDG 4 (Quality Education), SDG 10 (Reduced Inequalities), SDG 11 (Sustainable Cities and Communities) and SDG 14 (Life under Water) in 2022 through its investments in institutions that provide a specific product or service that supports the attainment of these goals. One example of its contribution to SDG 4 is through its investments in Laudex. The institution, based in Mexico, supports the financing of student loans specifically aimed at providing economically disadvantaged students with access to quality education that would otherwise be financially unattainable for them. Through this investment, Symbiotics actively contributes to SDG target 4.6, which focuses on ensuring equal access to quality education and promoting lifelong learning opportunities for all.

A second example is La Hipotecaria, a Symbiotics investee that supports the financing of mortgage loans and other related financial products aimed at providing affordable housing options for low- and middle-income families. By enabling access to home ownership, Symbiotics actively contributes to the achievement of SDG target 11.1, which focuses on ensuring access to adequate, safe and affordable housing for all.

Table 4

Symbiotics contribution to other SDGs

				No of end-borrowers		
SDG	% of portfolio allocated	No of investees	% borrowers	Financed by investees	Per 1 million USD invested	Symbiotics contribution
4 QUALITY EDUCATION	1%	4	1%	150,000	5	15,000
10 REDUCED INEQUALITIES	2%	7	n.a.	n.a.	n.a.	n.a.
11 SUSTAINABLE CITIES AND COMMUNITIES	3%	6	1%	657,000	13	35,000
14 LIFE BELOW WATER	1%	1	n.a.	n.a.	n.a.	n.a.

III FINTECH – THE FUTURE OF FINANCIAL INCLUSION

Fintech companies are a natural extension of the traditional financial institutions 'Fis' that Symbiotics investments typically target. In 2022, Symbiotics positioned itself as a dependable debt partner for fintech companies, focusing on companies with financial services as their core offering or integrated financial services designed to create a significant impact. To achieve this objective, Symbiotics consistently evaluates fintech opportunities within emerging markets. Symbiotics rigorously assesses key criteria to pinpoint high-performing fintech ventures, ensuring that investments align with the mission of promoting financial inclusion and innovation. This section offers an overview of the benefits presented by fintech companies, particularly in the context of enhancing financial inclusion.

The provision of reliable and safe access to financial services in underserved communities

Ownership of a bank or mobile money account has seen a global increase over the past decade, but this growth has not been consistent for all segments of the population. The traditional financial system continues to largely underserve women, the poor, the young and the unemployed.[34]

Companies using technology to facilitate access to financial services have the capacity to address the needs of that portion of the population who remain underserved. One of the obstacles to financial inclusion is the absence of adequate infrastructure, which prevents institutions from reaching people in remote regions. Digital solution providers have the necessary infrastructure to offer secure and convenient access to financial services promptly and efficiently.[35]

Contribution to gender equality

Fintech has the potential to significantly enhance gender equality by offering accessible and user-friendly financial solutions. Through digital platforms, fintech can reach women in underserved areas, providing them with easier access to banking services, credit and investment opportunities. However, various factors, including the limited availability of bank locations, resistance to adopting new technology, inadequate documentation, family obligations, and lower financial literacy, among other social and cultural barriers, pose challenges for womens access to financial services and products. Thanks to their business model, fintech companies can facilitate access to financial products and services and empower women.

Digital services, such as mobile money, offer women opportunities to boost their savings while reducing the expenses and risks associated with informal methods. This enhanced accessibility provides women with amplified independent income management, greater financial control, and increased participation in financial systems. Moreover, digital services have the potential to minimize the time spent on traveling to banks for payments, leading to overall banking transaction cost reductions.[36]

Institution: NeoGrowth

NEOGROWTH
Lending simplified. Growth amplified.

NeoGrowth has an innovative approach to expanding financial inclusion in India. In a country where a significant proportion of MSMEs lack the necessary documentation to qualify for bank loans, NeoGrowths initiative bridges the gap and provides opportunities for growth. NeoGrowth wants to reach the 50% of MSMEs denied access to loans because of traditional practices.

NeoGrowth's strategy revolves around the analysis and underwriting of digital payment data generated from daily sales. This groundbreaking approach empowers entrepreneurs who have been unable to secure loans from traditional banks to access financial support. Through NeoGrowths system, they can obtain a loan and repay it through small, automated daily instalments. Since its inception in 2013, the company has disbursed over USD 1 billion.

Socially inclusive, NeoGrowth strives to reach as many people as possible, without considering socio-economic status, gender or education – factors that could impede access to credit. By breaking down these barriers, the company fosters economic prosperity. Neogrowth is a founding member of the Digital Lender's Association in India, an ecosystem bringing together revolutionary minds in India's fintech space.

Box 6
Institutional profile – NeoGrowth, India

Boosting innovation in the financial inclusion sector

Investments in tech-enabled and fintech companies can drive the advancement of new business models, introduce innovative financing mechanisms, increase efficiency, lower transaction and operational costs in the sector, broaden access to financial services and potentially reduce information asymmetry.[37]

Digital finance offers promising solutions to address development challenges and life-changing opportunities for people living in developing and emerging countries. For example, the pay-as-you-go business model provides a means through which low-income customers can make small digital payments for essential services and finance assets. Digital payments can offer secure and reliable revenue for businesses and act as a platform for customers to access a new range of digital financial services.

Symbiotics invests in institutions such as Neogrowth, a digital lender that specializes in serving Indian MSMEs. The institution is a pioneer and leader in the Indian e-payment industry, having successfully integrated a technology platform across its operations (Box 6).

4 OUTCOME MEASUREMENT:
60 DECIBELS MICROFINANCE INDEX

Table 5
60 Decibels Microfinance Index – Symbiotics portfolio key results

9,407 SYMBIOTICS END-BORROWERS INTERVIEWED	**25** COUNTRIES
69% USED THEIR LOANS FOR BUSINESS PURPOSES	**44%** ACCESSED LOANS FOR THE FIRST TIME
80% REPORTED AN INCREASE IN INCOME	**85%** INDICATED AN IMPROVEMENT IN THEIR QUALITY OF LIFE
90% UNDERSTAND THE LOAN'S TERMS AND CONDITIONS	**80%** NEVER HAD TO SACRIFICE FOOD CONSUMPTION TO MAKE A LOAN REPAYMENT
95% AGREED THAT AGENTS FROM THEIR MFIs ALWAYS TREAT THEM WITH FAIRNESS AND RESPECT	**70%** REPORTED AN IMPROVED ABILITY TO COPE WITH MAJOR EXPENSES
62% INDICATED AN INCREASE IN SAVINGS	**67%** INDICATED LOAN REPAYMENT IS NOT A BURDEN

The 60 Decibels Microfinance Index is an initiative that aims to measure and compare impact data from microfinance clients worldwide. Its goal is to facilitate social performance comparisons on a broader scale and foster positive change for financial services providers in the sector. Symbiotics is one of 32 partners of this initiative launched in 2022.

For its second survey, the initiative collected data from 32,000 randomly selected microfinance clients from over 115 financial institutions in 32 countries in 2023. The survey includes qualitative and quantitative indicators and local researchers in each country conducted it. The index assessed investees' social performance across 21 indicators and six dimensions. The index ranks the performance of each investee by region.

The Microfinance Index includes six key dimensions:

- **Access** provides information on whether financial institutions are reaching underserved populations;
- **Business impact** shows how the loan is affecting the clients' income and their employees;
- **Household impact** measures the perceived changes in quality of life and how the clients allocate their financial resources in their household;
- **Client protection** assesses to what extent the clients are aware of the loan conditions prior to taking a loan and how their capacity to repay can potentially affect other household expenses;
- **Resilience** measures how clients anticipate unexpected events and how they manage their finances;
- **Agency** assesses client confidence and decision-making and their progress on achieving financial objectives.

This report is based on data from 35 microfinance institutions in the Symbiotics portfolio, for which it provided co-financing for the surveys. This section presents aggregated data from investees who participated in the first round of the Microfinance Index in 2022, as well as the second round in 2023.[38] The findings cover 9,407 end-borrowers from 23 countries. An analysis of how the microloans impacted them in terms of the six dimensions mentioned above summarizes the responses of these end-clients.

Table 6 provides a summary of the number of participating countries, institutions and total end-borrowers interviewed in each region. The regional classification used is in accordance with the existing Symbiotics categorization of countries of investment. The sample proportion represents the percentage of end-borrowers in the region who took part in the interviews compared to the total number of end-borrowers who participated.

Table 6
60 Decibels Microfinance Index – Symbiotics sample by region

Region	Countries	Financial Institutions	No. end-borrowers	% sample
Eastern Europe, Central Asia & MENA	4	5	1,321	14%
Latin America & the Caribbean	5	9	2,149	23%
Sub-Saharan Africa	4	9	3,331	35%
South & East Asia	10	12	2,606	28%
Total	23	35	9,407	100%

OVERVIEW OF RESULTS

Table 7
Symbiotics portfolio and 60 Decibels benchmark

	Symbiotics sample[39]	60dB benchmark
Access		
First access	56%	57%
Access to alternatives	47%	53%
Equitable access	0.57	0.61
Business Impact		
Changes in business income	23%	22%
Employment	14%	8%
Household Impact		
Quality of life change	32%	30%
Home improvement spending	16%	14%
Child education spending	16%	15%
Ability to access healthcare	12%	6%
Number and quality of meals	16%	14%
Client Protection		
Loan understanding	63%	67%
Financial stress	14%	16%
Reduced food consumption	79%	84%
Unexpected charge	91%	94%
Repayment burden	67%	75%
Resilience		
Ability to manage finances	26%	25%
Change in savings	16%	14%
Funding an emergency expense	23%	7%
Company role in resilience	21%	18%
Agency		
Financial goal attribution	26%	26%
Confidence in self-abilities	32%	30%
Decision making	25%	23%
Client profile		
% women	57%	66%
Average age	41	52

Three Symbiotics investees, located in Eastern Europe, South & East Asia and Latin America, received the 'Top Impact Award' for achieving top-three rankings in all six dimensions in their respective regions in the index: Humo in Tajikistan, Svasti in India and Génesis in Guatemala. In general, the investments made by Symbiotics were in line with 60 Decibels standards for most measures and exceeded expectations in three of six areas. However, they fell short in certain aspects, specifically in the access and client protection dimension.

Loan use

Most of the end-clients interviewed used their loans for business purposes, either to finance an existing business (69%) or to start a new business (4%). Among these clients, the main loan purpose was to buy inputs for their business, including inventory (47%), farming supplies (15%) and livestock (11%). Similarly, 15% of customers used their loans to buy machinery for their enterprises. About one third of respondents used their loans for non-business purposes.

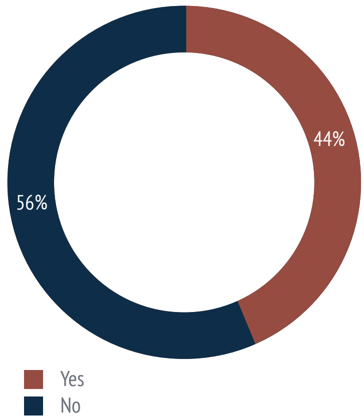
I ACCESS

In terms of access, 44% of end-borrowers reported accessing loans provided by their microfinance institutions 'MFIs' for the first time (Figure 8). While there are no significant gender-based differences in the results, notable disparities emerged when assessing responses by region. In sub-Saharan Africa, 70% of respondents indicated having no access to similar loans, while in South & East Asia, the proportion of end-borrowers with no access to similar loans was 47%. This aligns with the account ownership proportions in each region, which is 40% in sub-Saharan Africa and 82% in East Asia and the Pacific, according to the Global Findex.[40]

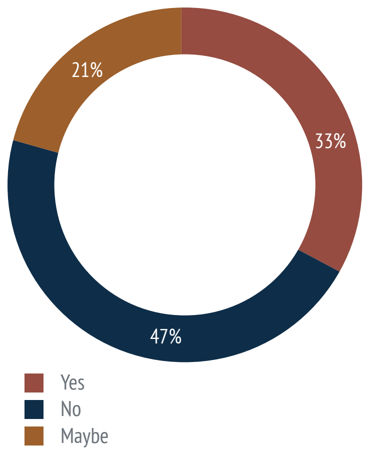
Almost half of respondents indicated having no good alternative to their MFI. This suggests that Symbiotics investees are serving a population that would otherwise not have access to suitable alternatives and may resort to informal and riskier methods to finance their needs. Gender-disaggregated results show that women were more likely to indicate a lack of access to good alternatives, with 51% compared to 42% of responses from men. In terms of regions, there was a higher percentage of end-borrowers who indicated no access to alternatives from Eastern Europe, Central Asia & MENA (55%), while Latin America had a lower percentage (36%). Notably, institutions in Latin America reported similar figures (41% reported no access) in the regional benchmark, indicating a highly competitive market for MFIs.

Figure 8
Access to finance and good alternatives

Did you have access to a loan like the one your financial institution provides? (n=9,406)



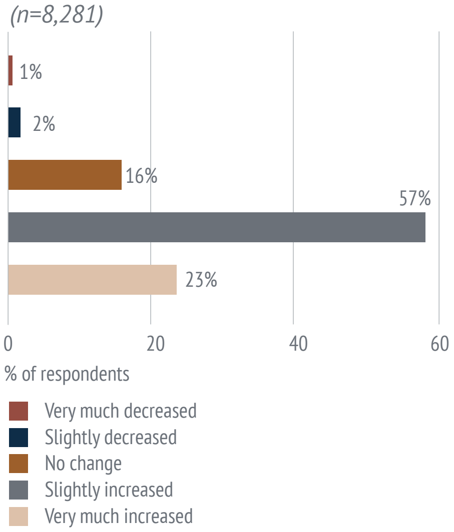
Could you easily find a good alternative to your financial institution? (n=9,397)



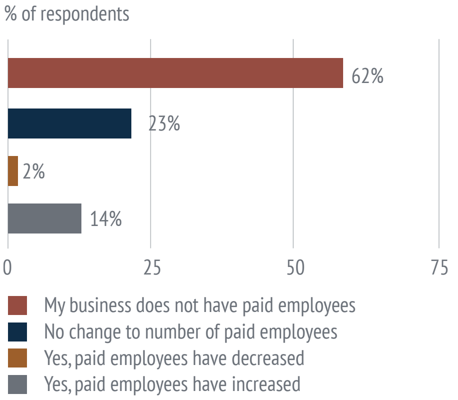
> "The MFI is the first organization that I have taken a loan from. I got this loan easily; the money was also received immediately. There are no issues with the loan. I regularly make repayments on the due dates. The group is very good; so is the… staff."

Figure 9
Business impact - Income and employment

Has the money you earn from your business changed because of the loan provided by your financial institution? (n=8,281)



Has the number of paid employees working for your business changed because of the loan provided by your financial institution? (n=8,272)



II BUSINESS IMPACT

When asked about changes in their income due to the loan acquired through their MFI, 80% of the end-borrowers reported an increase, either slightly or significantly, while 16% indicated no change and 3% experienced a decrease in income (Figure 9). Sub-Saharan Africa had the highest proportion of end-borrowers (91%) indicating an increase in income, while Eastern Europe, Central Asia & MENA had the smallest proportion reporting an increase (68%) and had the highest number reporting no change in income (28%).

Regarding employment, on average 62% of all respondents reported that they do not have any paid employees (Figure 9). Only 14% of respondents reported an increase in employees. However, women reported a lower increase in employees compared to men (10% vs 21%) and were also more likely to report not having any paid employees (70% vs 46% for men). MFIs in sub-Saharan Africa had the highest share of end-borrowers indicating an increase in employees (26%), while South & East Asia reported the smallest share of increase (5%).

> “It provides opportunity to people like me to grow in life; because of the MFI loan I have bought cows, which helps me to increase my business.”

III HOUSEHOLD IMPACT

With respect to the household impact dimension, respondents were asked about the impact of loans on several aspects of household well-being, including overall quality of life, spending on food, education, household improvements, the ability to go for medical check-ups and the ability to achieve financial goals. Altogether, these aspects give an idea of how access to microfinance affects a borrower's household. Measuring the perceived changes in quality of life for microfinance borrowers allows an assessment of the impact and effectiveness of microfinance products and services. On average, 85% of respondents in the sample indicated an improvement in their quality of life (Figure 10). Of the 35 institutions in the sample, 15 performed better than the global benchmark and three institutions ranked in the top 20% of performers of their respective region.

Regarding changes in household spending as a result of loans, end-borrowers reported an increase in all four categories, ranging from 36% indicating an increase in healthcare provider visits to 53% reporting an increase in home improvements (Figure 11). In all four categories of household spending, women reported a slightly higher increase in their household spending, ranging between two to three percentage points, compared to men.

> "The MFI is the only company who gave us the loan to provide school fees for our students and to repair the walls that were getting damp every day. I have asked for a personal loan at various banks, but they rejected my application because I don't have the proper assets."

Figure 10

Changes in quality of life

Has your quality of life changed because of your financial institution? (n=9,403)

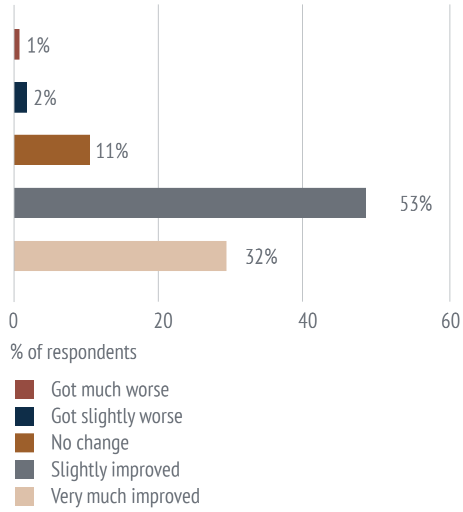
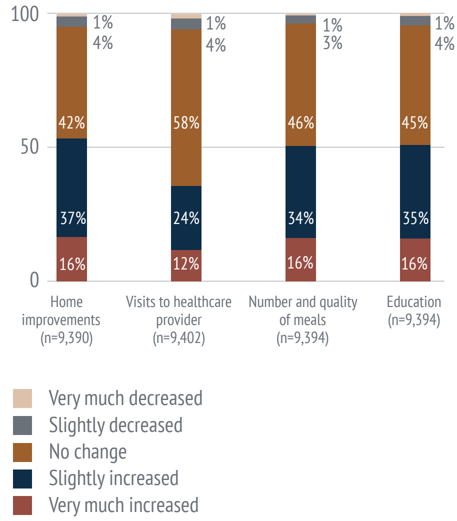


Figure 11

Changes in household spending



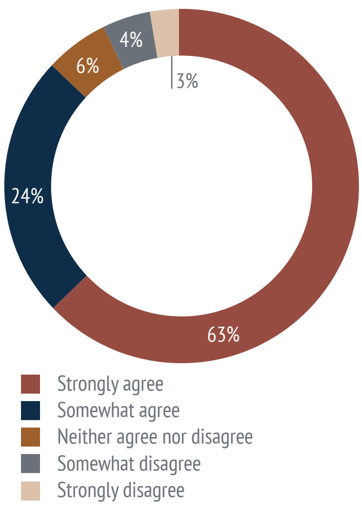
IV CLIENT PROTECTION

Understanding the loans terms and conditions is vital for microfinance clients as it empowers them to make informed financial decisions, assess associated risks, and avoid unfavorable agreements that may lead to over indebtedness or financial stress. Approximately 90% of end-borrowers agreed that fees, interest rates and penalties were easy to understand and clear, while 7% of respondents disagreed with this statement (Figure 12). In the sample, 16 out of the 35 of Symbiotics investees performed better than the benchmark (67%). Institutions in South & East Asia had the lowest performance, while those in Eastern Europe, Central Asia & MENA performed the best. This indicates that, while Symbiotics investees are generally clear and transparent with their clients, there is a need for further improvement in explaining these aspects to clients during the loan process.

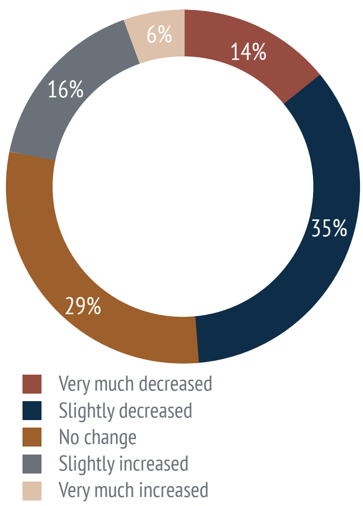
When examining financial stress, nearly half of respondents reported a reduction in finance-related stress, while one-third indicated no change and 22% experienced an increase in financial stress. Latin American and Caribbean end-borrowers reported the highest increase in financial stress. These findings are consistent with the results of other institutions in Latin America that participated in the index.

Figure 12
Client protection – Loan understanding and financial stress

To what extent do you agree or disagree with the following statement: 'The Financial institution's fees, interest rates, and penalties are easy to understand and clear.' (n=9,405)



Has the amount of time you spend worrying about your finances changed because of the financial institution (n=9,405)



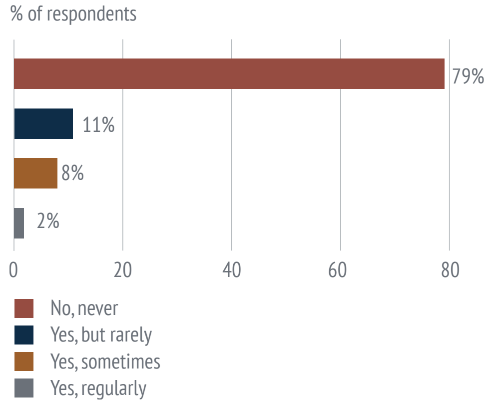
When clients must resort to limiting essential needs like food to repay loans, it suggests that the loan repayment burden is too heavy and unsustainable for their income level. It is essential for microfinance institutions to ensure that loan terms are manageable and aligned with clients financial capacity to prevent such adverse outcomes and promote responsible lending practices. Nearly 80% of respondents have never had to sacrifice food consumption to make a loan repayment, while 21% of all respondents indicated that they have done so at least once (Figure 13).

In terms of repayment burden, two-thirds of respondents indicated loan repayment was not a problem and 33% indicated it was a burden. Similar to the finance-related stress indicator, respondents from Latin America represented the largest share of respondents indicating the need to reduce food consumption (28%) and perceiving their loan to be a burden (45%).

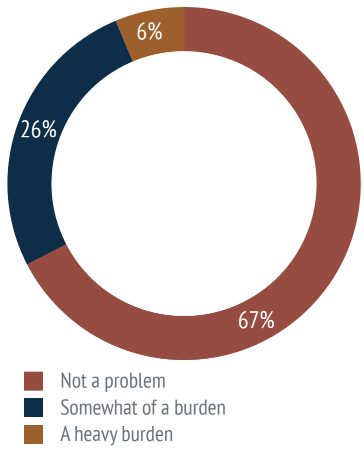
Over the years, there has been much focus on ensuring the protection of microfinance clients and client protection is a dimension that Symbiotics carefully assesses during its due diligence process. While the results show that most clients have benefited from the products and services offered by these institutions, the surveys findings indicate that even though only a small number of clients are affected, its important to pay special attention to how the institutions treat these clients, how they handle complaints, and the ability of borrowers to repay loans. This type of research helps impact investors identify areas for improvement and engagement with investees to manage risks.

Figure 13
Client protection – Reduced food consumption and repayment burden

Do you have to reduce your households food consumption for any family member in order to make loan repayments from the financial institution? (n=9,401)



Thinking about your loan repayments from the financial institution, are they a heavy burden, somewhat of a burden, or not a problem? (n=9,404)



Client protection module: Highlights

In this second edition of the survey, 60 Decibels introduced questions to evaluate investees' client protection practices, including collection methods, management of personal data, and respectful and fair treatment of the investee's clients. It collected data from 4,608 end-borrowers from 16 microfinance institutions in Symbiotics portfolio for this purpose.

- 3% of end-borrowers acknowledged facing pressure from their MFI to sell anything they did not wish to make a repayment. Notably, the highest proportion of end-borrowers indicating this was among institutions in Sub-Saharan Africa. Conversely, end-borrowers from Eastern Europe, Central Asia & MENA reported no instances of similar pressure.

- Among the end-borrowers surveyed, 9% reported being unaware of the type of personal data their MFI collects and how it uses this data. The region with the highest proportion of end-borrowers indicating this lack of awareness was Latin America and the Caribbean, accounting for 21%.

- 95% of end-borrowers agreed that agents from their MFIs always treat them with fairness and respect, 2% neither agree nor disagree and 3% indicated they could not agree with the statement.

- Nearly half of the respondents in the sample admitted to being uncertain about the procedures for reporting harassment or mistreatment from a representative of their MFI. The highest proportion of end-borrowers indicating this uncertitude is in Eastern Europe, Central Asia & MENA (57%) and South & East Asia (51%).

Box 7
Client protection module

V RESILIENCE

Measuring the resilience of end-borrowers in microfinance provides valuable insights into their ability to withstand and recover from adverse economic shocks and uncertainties. By assessing their capacity to cope with challenges such as economic downturns, natural disasters or health crises, MFIs can tailor their products and services to better suit the needs of their clients. Nearly 80% of end-borrowers reported an improvement in their ability to manage their finances, while 20% indicated no change and 3% experienced a deterioration. End-borrowers from sub-Saharan Africa primarily drove this trend, where the highest share (88%) indicated an improvement.

More than half of end-borrowers indicated an increase in savings because of the services they receive from the MFIs (Figure 14). When assessing borrowers ability to gather sufficient funds for an emergency in the next month, half of the end-borrowers found it an easy task, whereas one-third considered it difficult. Notably, the proportion of women indicating ease in gathering funds is lower than that of men (43% vs 53%).

Nearly 70% of all end-borrowers reported that their ability to cope with major expenses had improved thanks to the support provided by their MFI. In both cases, end-borrowers from sub-Saharan Africa constituted the majority, indicating that they found it easier to handle such expenses and acknowledged the positive impact resulting from their institutions support.

> "The financial training that I received from the MFI during the monthly meeting was good. I was taught how I can save, take a loan and start a business that can generate income."

Figure 14

Resilience – Savings

Has you your savings changed because of your financial institution? (n=9,403)

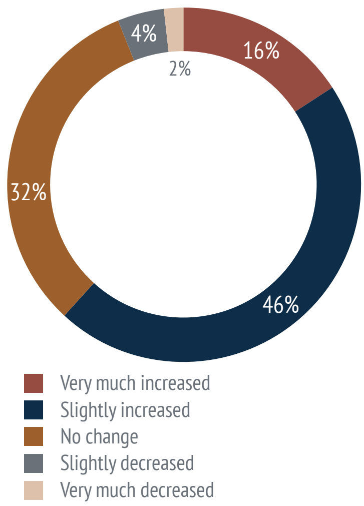


Figure 15

Resilience – Unexpected emergency

Imagine that tomorrow you have an unexpected emergency and need to come up with [1/20 gross national income per capita in local currency] within the next month. How easy or difficult would it be to come up with this money? (n=9,404)

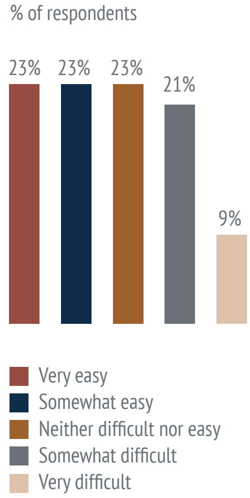


Figure 16

Agency - Ability to make decisions

Has your ability to make decisions on what you do with your money (i.e. spend or save) without consulting your spouse/another adult changed because of your financial institution?

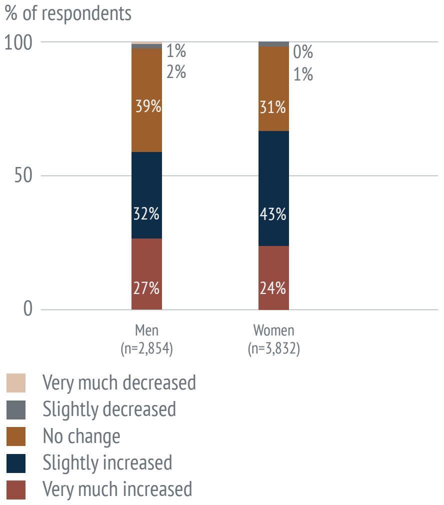
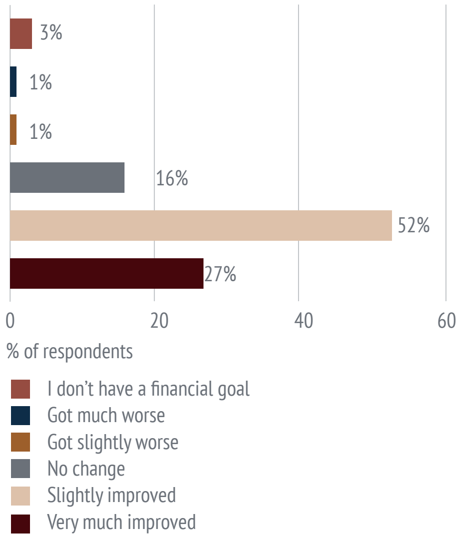


Figure 17

Agency – Ability to achieve financial goals

Has your ability to achieve this goal changed because of your financial institution? (n=8,657)



VI AGENCY

> After much thought, I decided to start a nursery. Finally, it is possible because of the MFI. I got the loan and I have started my business. They always supports women, they want to make women independent so they can grow in life.

The agency dimension measures the impact of MFIs on their clients' confidence, ability to make decisions about their money, and ability to achieve their financial goals. Overall, almost 80% of end-borrowers indicate an increase of confidence in their abilities because of their MFI. Notably, when queried about their capacity to make financial decisions independently, without consulting their spouse, almost 70% of women reported an increase attributed to their MFI, in contrast to 59% of men (Figure 16). This indicates that access to finance enables women to attain greater financial independence and empowers them to make autonomous choices.

Regarding their most significant financial goal, one-third of end-borrowers expressed a desire to invest in their business, while another third mentioned their aim to increase their income. Other essential financial goals include affording a house or property (16%), pursuing education (14%), covering household expenses (12%), starting a new business (10%) and increasing savings (3%). Close to 80% of end-borrowers indicate their ability to achieve this financial goal has improved because of the MFI (Figure 17). This could potentially mean that the loans have improved their financial situation and helped them achieve financial stability and meet their financial goals.

5 ENVIRONMENTAL SUSTAINABILITY, CAPACITY BUILDING AND MEMBERSHIPS

At Symbiotics, sustainable development is a top priority that starts with implementing sustainable practices within the company. Symbiotics has been advocating for environmental responsibility by measuring and offsetting travel-related carbon emissions. More recently, the company has also been working with an external provider to calculate its overall corporate carbon footprint. Moreover, Symbiotics has taken eco-friendly measures within its offices, such as using water dispensers rather than plastic water bottles and recycling paper. The company is also actively promoting diversity and inclusion initiatives among its employees. This section delves into how Symbiotics realizes these objectives in greater detail.

I ENVIRONMENTAL SUSTAINABILITY AT SYMBIOTICS

Symbiotics has committed to the UN Race to Zero via the SME Climate Hub, leading the company to assess its 2021 corporate carbon footprint. With the help of Climate Services, an external provider, Symbiotics has quantified its carbon emissions of its offices worldwide by collecting data on heating, electricity, water use, waste management, business travel, paper use, printing and emails. As part of the assessment of its carbon footprint, Symbiotics also conducted a mobility survey with staff worldwide. The survey revealed that commuting is the fourth largest contributor to emissions production, following electricity, heating and business travel, which account for the majority of emissions.

In 2021, the firm's carbon emissions reached 200 tCO_2. To offset this, Symbiotics partnered with On a Mission, a Swiss non-profit organization committed to sustainable reforestation projects. On a Mission managed the planting of 2,823 trees in several locations where Symbiotics has investments, such as Kenya, Madagascar, Colombia, Zambia, Ivory Coast and the Democratic Republic of Congo.

Reducing its carbon footprint is a key priority for Symbiotics. The firm is committed to taking action to minimize CO_2 emissions and contribute to a more sustainable future by continuing to track and report on carbon emissions, set reduction targets and engage internally with employees to raise awareness and encourage individual actions to reduce the carbon footprint. Symbiotics is implementing various measures, such as improving energy efficiency in offices and facilities, using renewable energy sources, promoting sustainable transportation options, and reducing waste generation.

At the office level, Symbiotics has introduced the use of recycled paper in most of its hubs, reinforcing the commitment to sustainability and environmentally friendly practices.

In addition, the company is drafting an environmental policy to spell out the guidelines addressing and managing environmental challenges and to promote sustainable practices among employees.

II DIVERSITY AND INCLUSION AT SYMBIOTICS

Symbiotics is actively driving initiatives aimed at fostering diversity and inclusion 'D&I' throughout the organization, extending beyond financial investments. In 2022, the company continued its commitment to promoting D&I. To lead these efforts and encourage active employee involvement, it established a dedicated D&I Steering Committee comprised of staff members. Information and updates related to these initiatives are easily accessible through a dedicated intranet page.

In 2021, Symbiotics conducted a comprehensive inclusion survey, with external evaluation. The insights gained from this survey informed the development of a D&I Learning Curriculum in 2022, which the firm integrated into its training calendar.

As part of its efforts, Symbiotics launched a focus group centered on women's inclusion in conjunction with International Womens Day 2022. This group discussed strategies for cultivating a more inclusive work environment at Symbiotics. Furthermore, the firm produced an engaging video titled '10 Women at Symbiotics talk about Inclusion' featuring 10 women employees from diverse backgrounds, positions and offices. The video showcases their career journeys, professional aspirations and visions.

To monitor and track progress on D&I initiatives, the Human Resources department has introduced a D&I dashboard. This dashboard incorporates key performance indicators 'KPIs' like the percentage of women achieving promotions and the proportion of women in senior roles, among others. It seamlessly integrates into the firm's Business Intelligence tool for ongoing monitoring and evaluation of D&I progress.

38	54%
NATIONALITIES	WOMEN EMPLOYEES

Table 8
Diversity among Symbiotics staff

III SPOTLIGHT ON CAPACITY BUILDING

In 2022, Symbiotics Capacity Building, responsible for technical assistance 'TA' and capacity building projects, expanded its core mandate from the Regional MSME Investment Fund for Sub-Saharan Africa 'REGMIFA TAF' to include other mandates.

Symbiotics Capacity Building focused on two mandates funded by the Swiss Agency for Development and Cooperation: the Smallholder Safety Net Up-Scaling Programme 'SSNUP' and the Swiss Capacity Building Facility 'SBCF'. With the support of new funding from British International Investment 'BII', Symbiotics Capacity Building initiated a program to aid 15 partner finance institutions participating in the BII Green Basket Bond. The program aims to enhance each participants compliance with the Green Loan Principles.[41]

Symbiotics Capacity Building launched three new technical assistance packages 'TAPs' in 2022 for REGMIFA. The first one supports six investees to encourage them to finance MSMEs. The second package, on Crisis Impact Mitigation, assists investees in digital financial services. Finally, the Environmental Social Performance Management focuses on supporting 10 investees with the adoption of the Universal Standards for Social and Environmental Performance management.

In 2022, Symbiotics Capacity Building saw 10 projects approved for a total value of CHF 1 million. Since inception (in 2011) it has implemented 130 projects with CHF 16.5 million in donor contributions. They also awarded 58 scholarships to the staff of investees to attend digital financial services courses.

Institutional profile: CIDRE

The Bolivian institution CIDRE received CHF 120,000 from the Swiss Capacity Building Facility, secured by Symbiotics Capacity Building. This grant supports the implementation of two new financial products.

The first product, called 'scheduled savings', aims to increase the number of saving accounts for CIDRE while allowing clients to have access to a microloan after reaching 50% of the targeted deposit. CIDRE conducted market research, design, viability analysis and pilot testing before receiving the final approval from its board in October 2022.

The second product is a green loan with the aim to register climate impact data in Bolivia. Farmers often suffer from repeating periods of drought, a situation that has grown more critical since 2015. This product enables the categorization of clients into three drought risk exposure profiles and proposes technical solutions adapted to each category. Loan officers collect data during field visits, which they transfer into a baseline for impact measurement. The data goes into the climate impact database, with updates every six months. This methodology enables loan officers to offer tailored solutions to clients and at lower costs for CIDRE.

Both products have received positive feedback, and CIDRE has planned their launch for 2023.

Box 8
Institutional profile – CIDRE, Bolivia

IV MEMBERSHIPS, NETWORKS AND INDUSTRY INITIATIVES

As a key actor in the impact investing industry, Symbiotics is a member of the following industry initiatives and participated in various events in 2022.

B CORP

Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency and legal accountability to balance profit and purpose. The non-profit organization B Lab CH certified Symbiotics on 22 March 2021 with 116.1 points, rated among the highest in Switzerland, making it a Certified B Corporation. The results of the B Lab assessment have provided an important benchmark for the company to further improve certain areas. One of the areas Symbiotics has been focusing on in 2022 is its environmental impact in the workplace. It did so by quantifying the firm's CO_2 emissions and assessing its carbon footprint with the aim of reducing its emissions.

European Microfinance Platform 'e-MFP'

With more than 130 members, e-MFP is the leading network of European organizations active in the financial inclusion sector in developing countries. e-MFP fosters activities that increase global access to affordable, quality, sustainable and inclusive financial services for the un(der)banked by driving knowledge-sharing, partnership development and innovation. Symbiotics joined the e-MFP in 2014 as a member organization and has been an active participant and speaker at the annual e-MFP conference in Luxembourg.

European Venture Philanthropy Association 'EVPA'

EVPA is a community of organizations with the objective of achieving societal impact through social investment and high engagement grantmaking. Symbiotics has been a member since 2014 and actively participates in events organized by EVPA.

Global Impact Investing Network 'GIIN'

The GIIN focuses on reducing barriers to impact investment so more investors can fund solutions to the worlds most pressing challenges. The GIIN works on developing activities, education and research that help accelerate the development of a coherent impact investing industry. Symbiotics has been a member of the GIIN since 2014 and has played an active role in the network's research activities. Symbiotics staff regularly participate in conferences and workshops to further develop and support the mission of the GIIN.

Operating Principles for Impact Management 'OPIM'

The Operating Principles for Impact Management (Impact Principles) are a framework for investors for the design and implementation of their impact management systems. They draw on emerging best practices from a range of asset managers, asset owners and development finance institutions. Symbiotics became a signatory to the Impact Principles in 2019. The company has since published an annual disclosure statement, describing its impact measurement and management processes (August 2020, 2021 and 2022). In accordance with Principle 9, Symbiotics completed a third-party independent verification of its alignment with the Impact Principles in July 2021 through Tameo Impact Fund Solutions and intends to do the next verification in 2024.

Luxflag Microfinance

LuxFLAG is an agency that aims to promote the raising of capital for the responsible investment sector by awarding a recognizable label to eligible investment vehicles. The LuxFLAG Microfinance Label's objective is to reassure investors that a fund invests in the responsible investment sector. Symbiotics has supported the initiative with the labelling of some funds since 2011. Today, 11 Symbiotics-managed funds have the LuxFLAG Microfinance Label.

Principles for Responsible Investment 'PRI'

PRI is a United Nations-supported international network of investors working together to implement its six aspirational principles. Its goal is to understand the implications of sustainability for investors and support signatories to facilitate incorporating these issues into their investment decision-making and ownership practices. In implementing these principles, signatories contribute to the development of a more sustainable global financial system. Symbiotics became a signatory of the PRI in 2010 and holds an A rating as of 2020.

Swiss Capacity Building Facility 'SCBF'

Symbiotics became a SCBF member in 2016 under the umbrella of the Symbiotics Association for Sustainable Development 'SASD'. Symbiotics is an active SCBF member as it allocates time and resources to monitoring some projects. Since Symbiotics joined, SCBF has also supported several technical assistance projects of the Symbiotics Association for Sustainable Development with grant funding.

SME Climate Hub

The SME Climate Hub is a global initiative that empowers SMEs to take climate action through the United Nations Race to Zero campaign. Through this initiative, SMEs commit to halving emissions by 2030, achieving net-zero emissions by 2050 and reporting on progress yearly. Symbiotics confirmed its commitment to reducing emissions on the SME Climate Hub site, thereby joining the United Nations Race to Zero campaign and formally committing to its targets.

Social Performance Task Force 'SPTF'

The SPTF is a non-profit membership organization with more than 4,600 members from all over the world. It engages with stakeholders to develop and promote standards and good practices for social and environmental performance management. It also aims to make financial services safer and more beneficial for clients, as well as to ensure that the interests of employees, local communities and the environment have priority. Symbiotics has been a paying member of SPTF since 2018 and Emmanuelle Javoy, Head of Blended Portfolios at Symbiotics, has been a board member since 2020. Team members have also participated in the annual meeting since 2014.

Sustainable Finance Geneva 'SFG'

SFG is a non-profit organization with the mission to connect, support and promote the sustainable finance community. It complements its core activities with special projects aimed at maximizing synergies across the sustainable finance ecosystem. Symbiotics is a founding member and active participant in SFG. The firm contributes to and uses the platform to meet and discuss with industry peers and highlight the key role Geneva plays in sustainable investment on a global level.

Swiss Sustainable Finance 'SSF'

SSF's mission is to strengthen Switzerlands position as a leading voice and actor in sustainable finance. By shaping and informing on best practices and creating supportive frameworks and tools, SSF supports its members and cooperates with other actors to assist the Swiss financial center in achieving a leading position in sustainable finance. Symbiotics CEO Roland Dominicé was a board member from 2016 to 2022 and led the impact investing workgroup from 2019 to 2022, with the agenda to fulfill the Swiss development finance declaration.

ENDNOTES

1 International Labour Organization (2019). *Small matters: Global evidence on the contribution to employment by the self-employed, micro-enterprises and SMEs.* Retrieved from: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_723282.pdf.

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3 Results presented in the report calculated using data from the end of June, September, December 2022 and March 2023.

4 Symbiotics Group (2022). Impact Promise.

5 Symbiotics indirectly invests 3.5% of total exposure in emerging and frontier economies through institutions located in Austria, Spain, France, Germany, Luxembourg, the Netherlands, the United Arab Emirates and the United States.

6 This value does not consider countries of indirect investment.

7 The World Bank defines country income levels according to gross national income 'GNI' per capita as follows:
- Low-income: USD 1,085 or less
- Lower middle-income: USD 1,086 to USD 4,255
- Upper middle-income: USD 4,256 to USD 13,205
- High-income: USD 13,205 or more

8 Investments in high-income countries include 1) indirect investments, 2) investments in Chile, Panama, Poland and Romania. Despite having higher per capita income, the International Monetary Fund (IMF) World Economic Outlook classifies these countries as "emerging and developing economies".

9 These countries are Angola, Bangladesh, Benin, Burkina Faso, Cambodia, Haiti, Madagascar, Malawi, Mali, Myanmar, Nepal, Rwanda, Senegal, Sierra Leone, Uganda, Tanzania and Zambia

10 Demirgüç-Kunt, A., Kalpper, L., Singer, D., Ansar, S. (2022). *The Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19.* Retrieved from: https://globalfindex.worldbank.org/

11 Ibid.

12 Using input data such as revenue and power production from investment portfolios, the Joint Impact Model enables users to estimate financial flows through the economy and its resulting economic (value added), social (employment) and environmental (greenhouse gas emissions) impact. Individual institutions can use these impacts to measure and report on their contribution to the Paris Agreement and the UN Sustainable Development Goals. See Joint Impact Model (JIM) Foundation (n.d.). About the Joint Impact Model. Retrieved from: https://www.jointimpactmodel.org/about.

13 Source: Hannah Ritchie, Max Roser and Pablo Rosado (2020). "CO_2 and Greenhouse Gas Emissions" [Online Resource]. Retrieved from: https://OurWorldInData.org/co2-and-greenhouse-gas-emissions.

14 The table reports the coverage rate of each indicator as a share of sustainable investments (as a weighted average of quarterly portfolio outstanding). The rate indicates the share of investments for which data is available.

15 The table reports the coverage rate of each indicator as a share of sustainable investments (as a weighted average of quarterly portfolio outstanding). The rate indicates the share of investments for which data is available.

16 Investments aligned with an SDG constitute 98.3% of the total. The remaining 1.7% pertains to transactions lacking a specific SDG target, mainly related to activities initiated prior to 2022. Since March 2023, Symbiotics has linked all new transactions to an SDG and its corresponding target.

17 Chiapa, C., Prina, S., & Parker, A. (2016). The effects of financial inclusion on childrens schooling, and parental aspirations and expectations. *Journal of International Development*, 28(5), 683-696.

18 Dunn, E., & Arbuckle, J. G. Jr (2001). The impacts of microcredit: A case study from Peru. USAID Office of Microenterprise Development. Washington DC: USAID AIMS Project.

19 The metrics provided are the weighted average of each specific indicator based on the portfolio composition at end of each quarter of the reporting period. The annual figure is the average of the four quarterly figures.
- Total outreach of the investees financed by Symbiotics: This indicator represents the number of end-borrowers reached by the investee for each category of product.
- Symbiotics contribution: This indicator estimates the contribution of Symbiotics to the outreach of its investees. It represents the number of end-borrowers of this category divided by the total gross loan portfolio of the investee and multiplied by the amount of the loans.
- Outreach per USD 1 million invested: This indicator measures the investor's contribution to the activity of the funds when investing USD 1 million into it. It approximates the contribution of each million of US dollars on each of the categories of products offered by Symbiotics investees.

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27 Ibid.

28 The calculation of this estimate assumes that each SME employs nine workers.

29 The High Level Panel of Experts on Food Security and Nutrition (2013). Investing in smallholder agriculture for food security. Food and Agriculture Organization (FAO) of the United Nations. Retrieved from: https://www.fao.org/3/i2953e/i2953e.pdf.

30 Ibid.

31 Karlan, D., Osei, R. D., Osei-Akoto, I., & Udry, C. (2014). Agricultural decisions after relaxing credit and risk constraints. *The Quarterly Journal of Economics*, 129 (2): 597–652.

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[38] The first wave of interviews took place between December 2021 and May 2022. The second wave between November 2022 and June 2023.

[39] The average of the Symbiotics portfolio considers the share of responses in each category for all 35 institutions.

[40] Demirgüç-Kunt, A., Kalpper, L., Singer, D., Ansar, S. (2022). The Global Findex Database 2021: *Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19.* Retrieved from: https://globalfindex.worldbank.org/.

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