

SPTF Social Investor Working Group



May 19, 2021

Before we get started

Connecting to audio

- Select “Audio” in the upper left-hand corner.
- Select “Audio connection” from the dropdown menu.

Muting yourself

- All participants have been muted upon joining.
- To unmute, click the red microphone icon to the right of your name.
- When you’re not speaking, please keep yourself on mute to minimize background noise.

Chat your questions

- The chat box is located on the bottom right side of your screen.
- You can send your comments and questions to everyone or send them directly to Social Performance Task Force.

Recording and minutes

- The session is being recorded. The recording and minutes will be available on <https://sptf.info/working-groups/investors>.

Discussion Agenda

16:30 – 16:35 Introduction

16:35 – 17:05 Investor discussion on challenges with the Responsible Covenants Guidelines

17:05 – 17:30 CP Pathway Commitment to Implement

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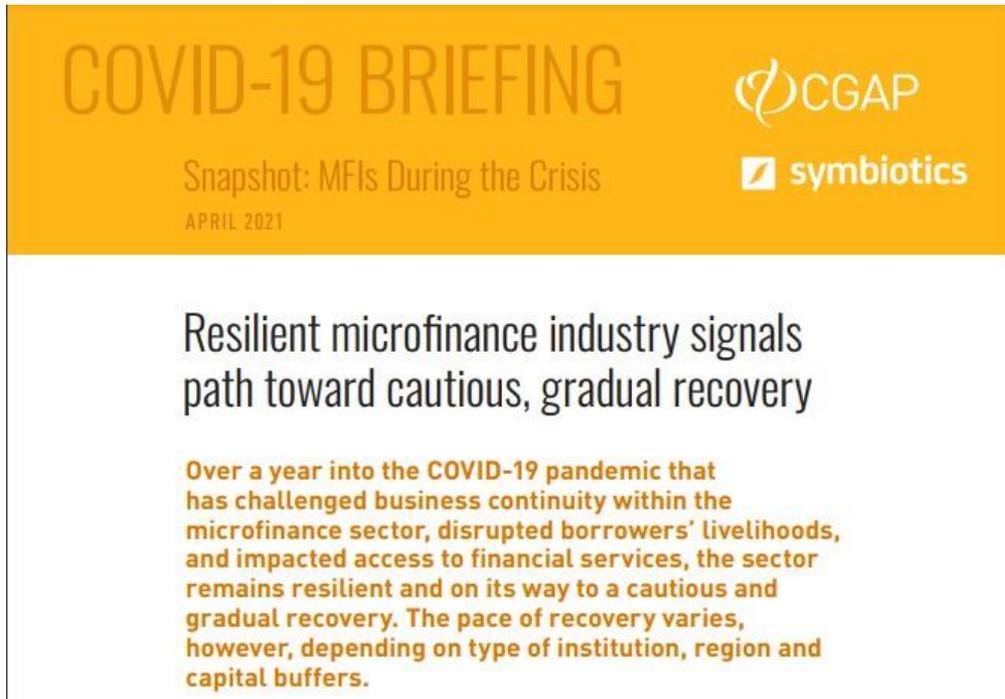


symbiotics

Strategic CGAP Report presentation

19 May 2021

Snapshots: MFIs During the COVID-19 Crisis



The image shows the cover of a report titled "COVID-19 BRIEFING". The main title is "Snapshot: MFIs During the Crisis" and the date is "APRIL 2021". The logos for CGAP and symbiotics are visible in the top right corner. The main headline reads "Resilient microfinance industry signals path toward cautious, gradual recovery". A summary paragraph states: "Over a year into the COVID-19 pandemic that has challenged business continuity within the microfinance sector, disrupted borrowers' livelihoods, and impacted access to financial services, the sector remains resilient and on its way to a cautious and gradual recovery. The pace of recovery varies, however, depending on type of institution, region and capital buffers."

COVID-19 BRIEFING

Snapshot: MFIs During the Crisis
APRIL 2021

CGAP
symbiotics

Resilient microfinance industry signals path toward cautious, gradual recovery

Over a year into the COVID-19 pandemic that has challenged business continuity within the microfinance sector, disrupted borrowers' livelihoods, and impacted access to financial services, the sector remains resilient and on its way to a cautious and gradual recovery. The pace of recovery varies, however, depending on type of institution, region and capital buffers.



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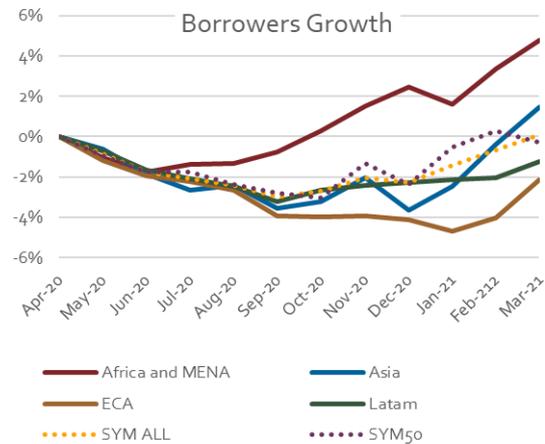
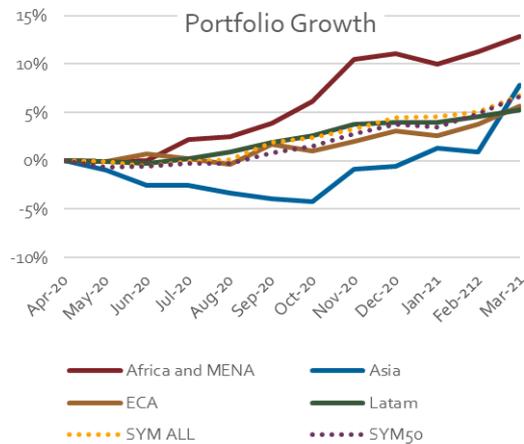
Strategic plan 2025

May 18, 2021

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<https://www.cgap.org/research/data/snapshots-mfis-during-covid-19-crisis>

Regional Trends 2020-2021: Portfolio growth



- The positive trend in portfolio growth continues with a high level of growth in Mar-21 (6.76%).
- USD 4 billion of portfolio created from our partners, or 6% increase in 2020.
- Signs of positive borrower growth are slowly emerging in Q1-21.

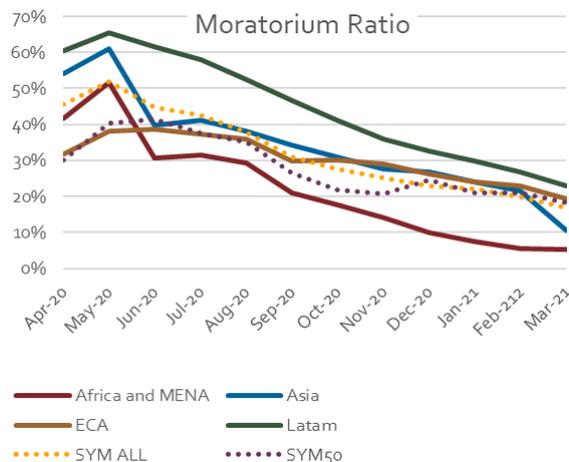
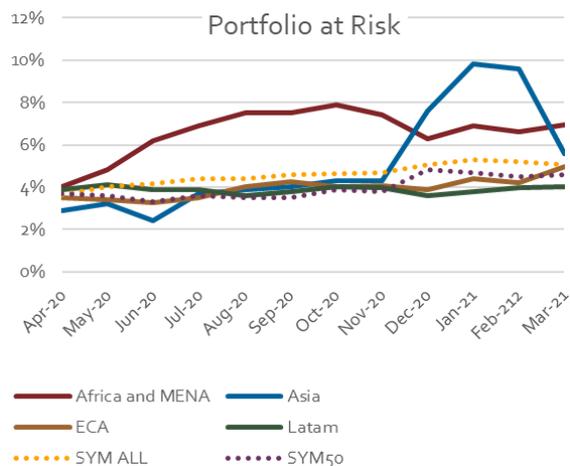


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Regional Trends 2020-2021: Portfolio at Risk



- While Asia has experienced fluctuating trends in Asia, particularly in South Asia, since Q4-20, PARgo has remained stable in the other regions since the end of Q4-20.
- The ratio of loans under moratorium continues to fall across all regions. Full visibility will not be available until later in 2021 due to remaining and reinstated moratoria.

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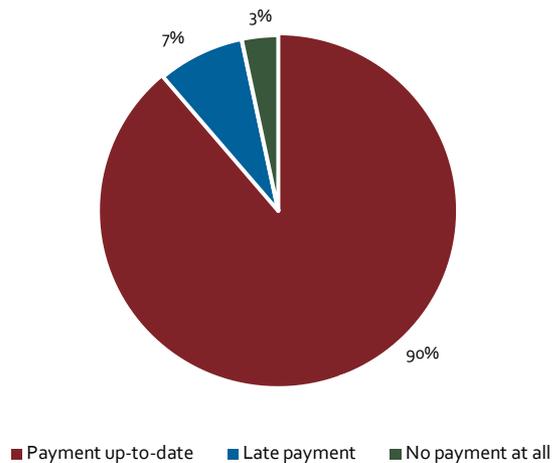
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Regional Trends 2020-2021: Latam Focus Dec-20

State of Loans Under Payment Moratoria in Latin America (Data as of Dec 31, 2020)



These results presented in the Covid-19 Brief 3 are based on a sample of MFIs representing 50% of Symbiotics portfolio in Latin America.

- 41% of the outstanding portfolio (around \$3 billion) is subject to a moratorium payment agreement.
- Loans under payment moratorium are in good state of recovery with 90% of those having their payment up-to-date.
- Despite 10% of loans under moratorium with late or no payments, 50% of MFIs do not report any arrears or defaults in their portfolio under payment moratorium.
- Almost no loans under payment moratorium were written off (< 1%).
- Those results show encouraging signs of recovery, but the situation remains uncertain with lockdowns and the end of moratorium periods in several countries.



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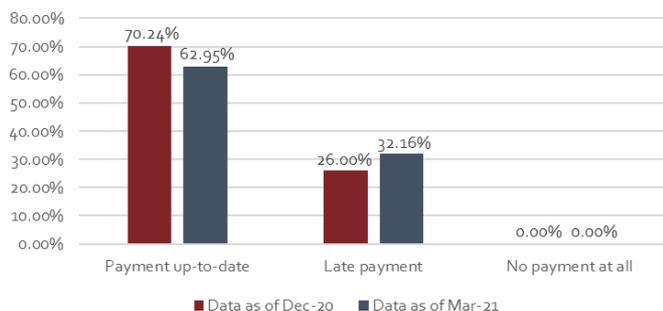
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Regional Trends 2020-2021: African Focus Q1-21

Draft

State of Loans Under Payment Moratoria (M40) in Africa



These results which will be presented in the Covid-19 Brief 4 are based on a sample of MFIs representing 50% of Symbiotics portfolio in Latin America.

- Few countries in Africa has applicated special regulations due to the pandemic.
- 20.97% of Symbiotics' portfolio in Africa did not grant any payment moratorium
- The MFIs not giving moratorium had a PAR at 6.1% in Dec-20 while those from the sample giving a moratorium had a PAR at 4.6%.
- PAR in Africa (90+R, 6.6%) is higher than other regions
- Only 4% of GLP is today under Moratorium
- More than two-third of the loans under payment moratorium are paid on time
- Those results show potential difficulties in repayment with around 30% (compared to 7% in LATAM)



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Regional Trends 2020-2021: 9 indicators

1. Portfolio growth
2. Borrowers growth
3. Monthly disbursements (year over year)
4. Monthly repayments (year over year)
5. Portfolio at risk (PAR₉₀ incl. restructured)
6. Moratorium ratio (incl. PAR)
7. Liquidity
8. Solvency
9. ROE



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Open questions

1. Should we change the type indicators to better monitor the second or third wave?
2. Should we change the definition of the Moratorium portfolio?
3. Suggestions?



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Thank you

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The Client Protection Pathway

- describes the steps that a FSP can take to improve its client protection practices and communicate this progress to investors.
- gives providers a roadmap for implementing the Client Protection Standards and helps them stay on track.
- SPTF-CERISE share training materials and case studies to support FSP's path of improvement



The Client Protection Pathway

Achieving client protection, one step at a time



Step 1: Commit to Implement - for discussion

CERISE + SPTF are launching the **Client Protection Pathway**, which replaces the Smart Campaign. Developed with MFIs, the SPTF Social Investor Working Group and raters, the **Client Protection Pathway** addresses **financial service providers** who wish to demonstrate their commitment to implement client protection practices and for **investors** to identify committed partners.

1. Financial service providers will be invited to sign up to the Pathway and declare their commitment to implement client protection on the SPTF website.
2. FSPs will be requested to submit proof of a self-assessment, assessment, rating or certification on client protection within 6 months. Providers who don't submit an assessment within 6 months will be "unlisted."
3. FSP profile on the webpage will be updated to indicate the date the information was submitted. A contact will be provided so that investors can contact the provider.



The Client Protection Pathway

Achieving client protection, one step at a time



Thank you!