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# The Symbiotics Bond Programme



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## Business Overview

**ESTABLISHED:** 2010

**LOCATION:** Luxembourg

**LISTING:** Unlisted

**TYPE OF COMPANY:**

Securitisation Vehicle is MSME Bonds SA. The Symbiotics Bond Programme is sponsored by Symbiotics SA

**BUSINESS AREA:**

Income and Financial Inclusion;  
International Development

**COMPANY WEBSITE:**

[www.symbioticsgroup.com](http://www.symbioticsgroup.com)

**BUSINESS OVERVIEW**

MSME Bonds SA (The Symbiotics Bond Programme) is a loan syndication platform sponsored by Symbiotics SA, an investment company dedicated to inclusive and sustainable finance in emerging markets. The programme brings together socially responsible investors and financial intermediaries (FIs) with the aim of funding micro, small and medium enterprises (MSMEs) in less developed countries, improving their access to finance. As of January 2017, the Symbiotics Bond Programme has arranged 64 impact bond transactions for a total notional amount of \$569 m, investing in 50 different intermediaries and 23 different developing countries.

Symbiotics SA is headquartered in Geneva with offices in Cape Town, Mexico City, Singapore, London and Zurich. It employs over 100 professionals and offers market research, investment advisory and asset management services. Since 2004, Symbiotics has invested over \$3.3 bn in more than 330 microfinance institutions in 71 emerging countries, working with more than 25 investment funds and many other institutional investors.

**SOCIAL MISSION**

The long-term impact goal of the Symbiotics Bond Programme is to improve the livelihood of the low and middle income population in developing and emerging countries. Emotional and financial stability, and hence access to jobs, is a precondition for such a goal. Given that MSMEs provide the largest share of private sector employment in developing and emerging countries, supporting their growth is key both to keeping the unemployment rate low and to generating more available jobs.

Access to finance is still the largest obstacle to growth for MSMEs in low and middle income markets. They largely depend on self-financing solutions, as mainstream commercial banks and financial institutions continue to under-serve their needs. The size of the funding gap faced by MSMEs globally has been estimated at around \$2.1 to \$2.6 trillion in developing economies.

The social purpose of the Symbiotics Bond Programme is to reduce this funding gap by bringing together socially responsible investors and FIs, which in turn provide funding to MSMEs.

**WHO BENEFITS?**

**MICRO, SMALL AND MEDIUM**

**ENTERPRISES:** The ultimate beneficiaries of the Symbiotics Bond Programme are MSMEs, by means of improved access to finance. FIs which receive funding through the Symbiotics Bond Programme must have at least half of their loan portfolio consisting of loan products or leases granted to MSME and/or contractually undertake to on-lend the financing received to MSME clients.

**FINANCIAL INTERMEDIARIES:**

FIs funded through the Symbiotics Bond Programme typically operate in less developed emerging economies, where financial markets are often less efficient. Many FIs are relatively small in size and the refinancing products and options available to them are typically limited when compared to FIs that are larger or are operating in more advanced economies.

**SOCIAL RESPONSIBLE INVESTORS:**

The Symbiotics Bond Programme provides socially responsible investors with investment opportunities that are presented in an easily accessible form (ISIN code, possibility to be listed, cleared and settled through Euroclear and Clearstream, possible third party valuation). These investments provide access to countries which are often difficult to reach due to very limited investment universe, enhancing diversification.

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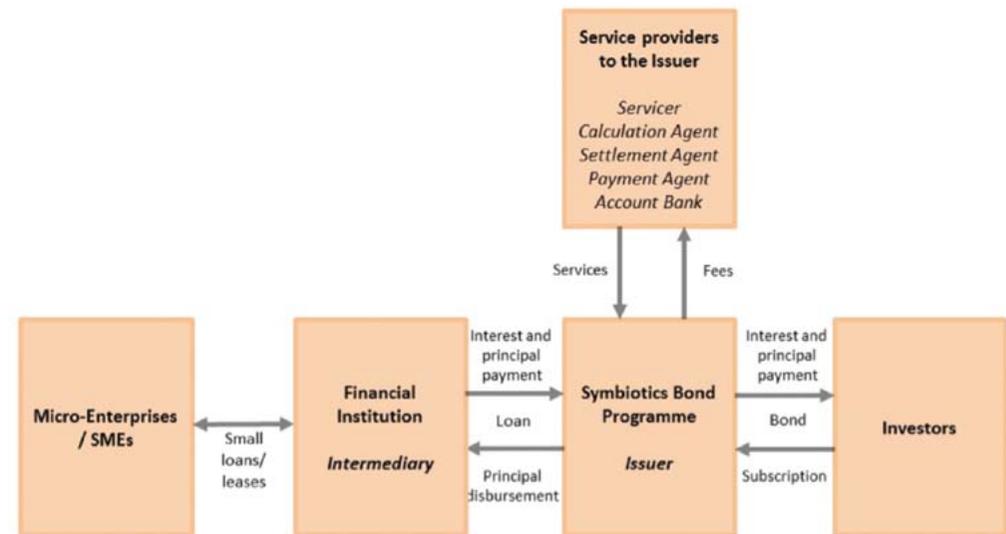
## Commercial and Financial Summary

### THE SYMBIOTICS BOND PROGRAMME STRUCTURE

The Symbiotics Bond Programme has been set up as a securitisation company, domiciled in Luxembourg and subject to supervision by the Luxembourg regulator, CSSF. It has been set up as a bankruptcy-remote entity, and operates on a pass-through basis. It provides debt financing to FIs located in emerging and developing economies, whereby such FIs on-lend the debt financing to MSMEs.

For each transaction, the Symbiotics Bond Programme enters into a loan agreement with the designated FI and issues a distinct bond. Issue proceeds of the bond are used to disburse the loan. Interest and principal received under the loan are passed through to the bondholders. Each bond is specific to the relevant financial intermediary and segregated from any other bond issue. The bonds are purchased by impact funds, traditional fixed income funds, pension funds, foundations or other socially responsible investors.

The Symbiotics Bond Programme has been sponsored by Symbiotics SA. Symbiotics SA also acts as the originating agent, selecting and assessing the FIs, and as servicer of the loans granted to the FIs, performing an ongoing monitoring of such FIs.



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## Impact Assessment Matrix

### ECONOMIC IMPACT

	MEASUREMENT	REPORTED DATA	
<b>End User (MSMEs)</b>	Number of Borrowers (MSMEs)	714,422	
	Number of rural borrowers	483,566 (68%)	
	Number of Agricultural Borrowers	248,791 (35%)	
<b>FIs</b>	Access to Finance	Indicator	Number
		Countries covered	23
		Transactions completed	64
		Number of FI financed	50
	Average Investment per FI	\$11.5 million	
Cumulative funding provided	\$569 million		

### SOCIAL IMPACT

	MEASUREMENT	REPORTED DATA
<b>Social Inclusion</b>	Presence of social exclusion list	Yes
<b>Community</b>	Investment compliance with social charter	Yes

### ENVIRONMENTAL IMPACT

	MEASUREMENT	REPORTED DATA
<b>Emissions</b>	Symbiotics SA has partnered with the Climate Neutral Group (CNG) in order to offset its carbon emissions footprint.	Not yet reported
<b>Environmental Exclusion</b>	Presence of Environmental exclusion list:	Yes

### GOVERNANCE

	MEASUREMENT	REPORTED DATA
<b>Diversity</b>	Number of Women Borrowers	640,770 (90%)
	% of female employees	40%
	% female Independent board	50%
<b>Shareholder Diversity</b>	% of shareholders who are staff members	65%

## MUST READ

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