

IIX WOMEN'S LIVELIHOOD BOND™ 5

Summary Report – H2 2024



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This summary report is issued on 11 June 2025. It includes the latest financial information for the Issuer through 28 February 2025 and the Borrowers through 31 December 2024.

I. Financial Performance of the Issuer

Key Financial Highlights

- WLB Asset II D Pte. Ltd., the Issuer of the Women's Livelihood Bonds due 2026 (WLB5), is in full compliance with its obligations under the Trust Deed relating to the WLB5. Capitalized terms used but not defined herein have the meaning assigned to them in the Trust Deed.
- The latest semi-annual coupon payment for the WLB5 was paid to bondholders on 21 December 2024. The next semi-annual coupon is due and payable on 21 June 2025.
- All interest payments due to date from the Borrowers have been received by the Issuer except for payments from Aviom India Housing Finance Pvt Ltd, which defaulted on its interest payment for December 2024, and from Lenana Innovative Solutions, which defaulted on its interest payment for February 2025. For more information, please refer to the detailed write-ups on Aviom and Lenana, respectively.
- To date no claims have been made by the Issuer under the Limited Guarantees.

BOND FACTS

Principal Outstanding – Bonds	US\$45mn ¹
Principal Outstanding – Subordinated Notes	US\$5mn
Maturity	21 December 2026
Coupon - Bonds	6.50%

PORTFOLIO FACTS

Number of Loans	9
% Performing	75%
Geographic Diversification	East Africa, South Asia, and Southeast Asia
Limited Guarantees	Each Loan is supported by a partial guarantee of 50% of its principal amount by either the U.S. Government or the Swedish Government ³ . No claims have been filed under the Limited Guarantees

¹ Million is abbreviated as mn

³For the avoidance of doubt, the Bonds are not guaranteed by the U.S. Government, the Swedish government or any other party, and investors have no direct recourse to the Limited Guarantees or to the U.S. government or the Swedish Government.

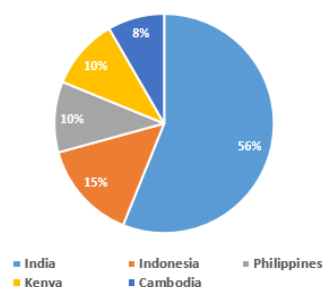
II. Overview of the Portfolio

Macro-economic Update and Other Portfolio Highlights

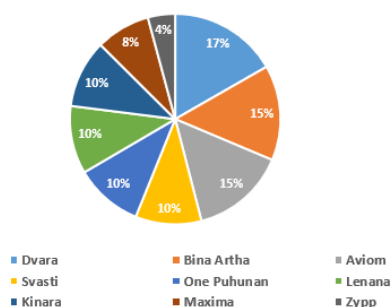
- Emerging Asian economies remain resilient, with gross domestic product (GDP) growth projected at 5.1% in 2025 and 2026, following an estimated growth rate of 5.2% in 2024¹. The growth is expected to be underpinned by strong domestic and regional demand, particularly in services such as tourism, IT, communication, and finance. The manufacturing sector, led by electronics, continues to perform well, while trade remains steady. However, factors such as geopolitical tensions, trade disputes, climate change, and rising private debt pose significant risks to sustained economic growth.
 - Climate change remains a critical concern, with potential economic disruptions including supply chain disruptions, infrastructure damage, and food insecurity. Additionally, policy changes in the U.S. may impact trade and immigration, potentially affecting growth and inflation in the region.
- The microfinance sectors in Cambodia and India are witnessing challenges:
 - In Cambodia, microfinance institutions (MFIs) have experienced rising delinquencies in their loan portfolios, in the aftermath of the COVID-19 pandemic as a modest economic rebound has made it difficult for many clients to recover from pandemic-era setbacks.
 - In India, after a period of rapid growth as the pandemic receded, delinquencies began to rise in FY 2025 triggered in part by adverse weather events, election-related disruptions, and high staff attrition but exacerbated by overly lenient lending standards in the preceding period. As per industry estimates², collection efficiencies are expected to stabilize by Q4 FY2025 (i.e., by 31 March 2025), with delinquencies normalizing by H2 FY2026. Loan growth has slowed as companies focus on recoveries and profitability has been impacted.
- Kenya reported a slower GDP growth of 5.2% in 2024, as compared to the growth of 5.6% recorded in 2023. The slower growth in GDP resulted from violent protests against a planned tax hike (subsequently withdrawn) and floods in April and May which negatively impacted the agriculture sector.
 - Subsequently in July 2024, Moody's downgraded Kenya's sovereign credit rating to Caa1 with a negative outlook, citing a diminished capacity to implement a fiscal consolidation strategy. On the other hand, in 2024, Kenya reported a decline in inflation in 2024 from 6.85% in January 2024 to 4.44% in August 2024. The Central Bank in response reduced the key rate in H2 FY 2024 from 13.00% to 11.25%. In a recent update, Moody's has updated the outlook for Kenya to positive.

Portfolio Composition by Country, Borrower, Sector, and Sovereign Credit Rating

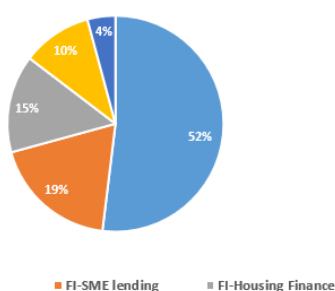
Distribution of Loans by Country



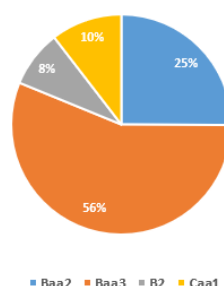
Distribution of Loans by Borrower



Distribution of Loans by Sector



Distribution of Loans by Sovereign Credit Rating



Source:

¹ IMF World Economic Outlook Update January 2025

² India Ratings Research Report on FY26 MFI Outlook dated January 7, 2025

IIX WLB5 Summary Report – H2 2024 (period July to December 2024)

As of or for the period ended on 31 December 2024 (US\$ '000s)									
Borrower	One Puhunan (Mgmt)	Lenana (Mgmt)	Maxima (Mgmt)	Dvara KGFS (Mgmt)	Aviom Housing (Mgmt)	PT Bina Artha (Mgmt)	Kinara (Mgmt)	Svasti (Mgmt)	Zypp Electric (Mgmt)
Country	Philippines	Kenya	Cambodia	India	India	Indonesia	India	India	India
Sector	MFI	FI-Sustainable Agri	SME Lending	MFI	FI-Housing	MFI	SME Lending	MFI	Clean Energy
Loan Amount	\$5,000	\$5,000	\$4,000	\$8,000	\$7,000	\$7,000	\$5,000	\$4,850	\$2,000
% of portfolio	10%	10%	8%	17%	15%	15%	10%	10%	4%
Performing	Yes	Yes**	Yes	Yes	No	Yes	Yes	Yes	Yes
Doubtful or Written Off	No	Doubtful	No	No	Doubtful	No	No	No	No
Financial Snapshot* (US\$ '000s)									
Revenue	\$77,547	N/A	\$5,675	\$52,839	NM	\$27,219	\$60,486	\$21,325	\$38,751
Net Profit	\$18,696	N/A	(\$1,967)	\$1,731	NM	(\$8,840)	(\$17,957)	\$709	(\$8,803)
Total assets	\$165,133	N/A	\$25,513	\$273,367	NM	\$88,434	\$355,695	\$118,035	\$25,687
Liabilities	\$115,010	N/A	\$19,159	\$226,217	NM	\$78,119	\$287,255	\$91,624	\$8,524
Equity	\$50,122	N/A	\$6,354	\$47,150	NM	\$10,315	\$68,440	\$26,411	\$17,201
Gross Loan Portfolio	\$124,420	N/A	\$26,203	\$210,763	NM	\$66,256	\$245,132	\$107,118	NA
PAR 30 (%)	4.76%	N/A	10.01%	9.37%	NM	9.64%	9.97%^	13.51%	NA
CAR (%)	34.26%	N/A	24.60%	22.30%	NM	17.94%	27.01%	23.97%	NA

* For the 12 months ending 31 December 2024, except for Indian borrowers which are for the 9-months ending 31 December 2024.

**The loan to Lenana was performing as of December 2024. As of April 2025, it is currently no longer performing.

^ Kinara does not report PAR30. The figure shown is PAR90

NM – not meaningful. Data has not been updated since the erstwhile auditors of the company intimated that no reliance should be placed on the Audited Financial Statements of FY March 2022, FY March 2023 and FY March 2024.

N/A refers to Not Available

NA refers to Not applicable

III. Loan Management Highlights

This section presents information on select Borrowers that have undergone credit events that may have a material effect on an investor's decision whether to trade in the WLB5 Bond.

Information is not included on Borrowers which have not experienced such material credit events. The information that is included is not intended to be comprehensive but to provide an overview of events that the Portfolio Manager considers material, including, but not limited to, events that have led to changes in the Portfolio Manager's internal classification of the Loan to the Borrower, loan management updates, and significant changes in the financial or operating results of the Borrower. Information is not included on every Borrower which is in breach of a covenant on its Loan from the Issuer.

a. Lenana Innovative Solutions Ltd ("Lenana")

Country: Kenya

Sector: Sustainable Agriculture

Loan Amount: US\$5.00 million

Business Description: Lenana, established in 2014, is a Kenyan Agri-lending institution. Lenana offers unsecured loans to smallholder farmers, financing to off-takers, and payment processing solutions to off-takers. As of September 2024, through its network of 3 branches, Lenana serves 47,216 clients of which 79% are women.

Loan Management Update

- **Restructuring Request:** In 4Q 2024, Lenana requested a 24-month suspension of interest payments and a 24-month deferral of principal repayments for both its WLB5 and WLB6 loans citing liquidity constraints brought about by hedging losses and adverse macroeconomic factors. IIX declined the restructuring request but engaged in constructive dialog with the company to find a solution to allow Lenana to manage these challenges while continuing to service its loan obligations.
- **Litigation:** On 19 February 2025, Lenana unexpectedly filed a lawsuit seeking to invalidate the WLB loans and secured an ex-parte stay order from the High Court of Kenya. The stay order temporarily freezes obligations under the WLB5 and WLB6 loans and prevents enforcement actions while it remains in place. IIX has retained Kenyan counsel to represent the Issuer and the WLB6 Issuer in contesting this action and is seeking to remove the case from the High Court of Kenya to international arbitration in Singapore. Based on the initial advice of counsel, IIX believes that the company's claims are without merit. IIX has also appointed other recovery advisors and is actively considering a range of additional actions to contest Lenana's actions and protect the interests of the Issuer and the WLB6 Issuer.
- **Loan Performance and Covenant Breaches:** Subsequently, on 28 February 2025, Lenana defaulted on interest payments due on both the WLB5 and WLB6 loans. Lenana has also been in breach of a covenant requiring it to maintain a debt service reserve account for WLB6 since 5 January 2025 and other financial covenants. Lenana has ceased to share financial data as required under its loan agreements.

b. Aviom India Housing Finance Pvt Ltd (“Aviom”)

Country: India

Sector: Housing Finance

Loan Amount: US\$7.00 million

Business Description: Founded in 2016, Aviom India Housing Finance Pvt Ltd (“Aviom”) is a housing finance company registered as an NBFC-HFC. Aviom provides small ticket size housing loans to low-income households in semi-urban areas and focuses on providing loans to woman borrowers who do not have any formal income documentation.

Loan Management Update

Background and Key Updates

- Owing to a whistleblower email citing irregularities in the company's operations, the National Housing Bank (NHB), regulator for NBFC-Housing Finance Companies in India, initiated a snap audit on the company in September 2024.
- During this snap audit, multiple irregularities were discovered, pertaining to manipulation of loan accounts through generation of fictitious entries, discrepancy in borrower bank account details, book entry disbursements, an alternate loan management system being maintained in excel, false representation of insurance receivables as mutual fund investments, etc.
- Previous Statutory Auditors intimated that no reliance should be placed on the Audited Financial Statements of FY March 2022, FY March 2023 and FY March 2024.
- As a result of the above findings, the NHB initiated a third-party forensic audit on the company. Though a clear outcome report of the audit is not available, market news confirms the existence of financial irregularities and financial misrepresentation.
- In the wake of these revelations, the MD / CEO was placed on leave. Post certain other revelations of financial mismanagement, the nominee directors and independent directors resigned from the Board.
- On January 27, 2025, the Reserve Bank of India (RBI) superseded the Board of Aviom as per the recommendation of the National Housing Bank (NHB), citing governance concerns and defaults in meeting various payment obligations. The RBI also appointed an Administrator under Section 45-IE(2) of the Reserve Bank of India Act, 1934.
- The RBI also filed an application seeking initiation of the Corporate Insolvency Resolution Process (“CIRP”) against Aviom on January 29, 2025. This application was subsequently heard on February 13, 2025, and admitted on February 20, 2025. Resultantly, Aviom is now under the CIRP. An advisory committee has been set-up by the RBI to advise the Administrator in the operations of Aviom during the insolvency resolution process.
- CIRP is a procedure under the Indian Insolvency and Bankruptcy Code, 2016 (“IBC”) aimed at resolving the insolvency of a corporate debtor. The process seeks to either revive the distressed company through a resolution plan or, if revival is unfeasible, liquidate its assets to repay creditors. CIRP involves appointing an Interim Resolution Professional, suspending the board of directors, and inviting resolution plans from potential investors. The ultimate goal is to maximize asset value, balance stakeholder interests, and ensure efficient resolution.

Legal Action Undertaken by Portfolio Manager

- **Demand Notice to Aviom:** WLB5 issued a demand notice to the Company on December 18, 2024 demanding payment of overdue interest and reserving all rights.
- **IIX conducted a scrub on the receivables** hypothecated to WLB5 in order to identify the extent of enforceability of this security and the recoveries that could be made from this pool against the outstanding exposure. The results of the scrub are not conclusive but do suggest some degree of “ghost loans”.
- **Engaged Indian Litigation Counsel:** IIX engaged PSL Advocates & Solicitors as Indian counsel to assist with undertaking enforcement actions against Aviom and provide general advisory in relation to this matter. PSL is an esteemed litigation law firm based out of New Delhi.
- **Acceleration of the Loan:** On February 1, 2025, WLB5 accelerated the redemption of the WLB5 Loan under the Debenture Trust Deed due to the occurrence of multiple Events of Default, with the issuance of an Acceleration Notice.
- **Filing of claim in the CIRP**
 - On March 6, 2025, WLB5 filed a consolidated claim with the Administrator for recovery of its dues. WLB5 will be treated as a secured financial creditor under IBC.

IIX WLB5 Summary Report – H2 2024 (period July to December 2024)

- As part of the CIRP, a Committee of Creditors (CoC) has been constituted, of which WLB5 is a part. The first meeting of the CoC took place on March 21, 2025.
- ***Actions Related to Personal Guarantee***
 - On February 6, 2025, IIX issued a Demand Notice to Mrs. Kajal Ilmi (MD and CEO) calling upon her to pay the WLB5 outstanding dues under her Personal Guarantee for the facility by February 20, 2025.
 - Not receiving any response from her, on March 10, 2025, IIX filed a petition invoking her personal guarantee. Upon admission of our application, a moratorium under Section 101 of the IBC will come into effect, thereby freezing her assets.

c. PT Bina Artha Ventura (“Bina Artha”)

Country: Indonesia

Sector: Microfinance

Loan Amount: US\$7.00 million

Business Description: PT Bina Artha Ventura is a regulated non-bank financing company with a venture capital license from the Financial Services Authority (“OJK”). It started commercial operations in 2011 and is domiciled in Jakarta, Indonesia. The company’s ultimate parent entity is Credit-Access South East Asia BV (“CASEA”) a global microfinance investment company with a shareholding of 32.8% directly and 53.70% through an SPV. A local shareholder, PT. Borealis Sosial Prinsipal holds a 13.4% stake. Bina Artha offers working capital loans exclusively to women who do not have or have only partial access to the formal financial sector through a modified version of the traditional Grameen group microfinance methodology that accounts for 70% of the Gross Loan Portfolio. In addition, Bina Artha provides access to larger individual loans to women operating more substantial small enterprises.

Loan Management Update

- On 18 March 2025, Bina Artha and its lenders and shareholders entered into a Restructuring Agreement to ensure the company has sufficient liquidity while it continues to implement measures to further reduce PAR and restore profitability. Key terms are as below:
 - Lenders agreed to defer principal on all outstanding debt for 15 to 18 months;
 - For the WLB5 Loan, 50% of the principal repayment will be deferred by 15 months while the remaining 50% of the principal will be deferred by 18 months.
 - Shareholders committed to injecting equity of EUR 2 million by March 2025 and an additional EUR 2 million by July 2025.
 - The 1st tranche of EUR 2 million equity contribution was received by the company by 18 March 2025.
 - Shareholders committed to maintaining CAR above 17%.
 - Harmonization of financial and operating covenants among all lenders.



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