

# IIX WOMEN'S LIVELIHOOD BOND™ 5

Summary Report – H1 2026



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Forward-looking statements in this announcement, including but not limited to those statements relating to the macro-economic update and the performance of the portfolio, as applicable, are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the Women’s Livelihood Bonds due 2026 (the “WLB5 Bonds”), changes in the business and financial condition of the borrowers in WLB5 (the “Borrowers”), changes and volatility in market prices of or demand for the products and services consumed by customers of the Borrowers, changes in the capital markets in general and other factors not yet known to us.

## Table of Contents

|                                                               |           |
|---------------------------------------------------------------|-----------|
| <i>I. Financial performance of the Issuer.....</i>            | <i>3</i>  |
| <i>II. Overview of the Portfolio .....</i>                    | <i>4</i>  |
| <i>III. Loan Management Highlights .....</i>                  | <i>7</i>  |
| <i>1. Lenana Innovative Solutions Ltd (“Lenana”) .....</i>    | <i>7</i>  |
| <i>2. Aviom India Housing Finance Pvt Ltd (“Aviom”) .....</i> | <i>9</i>  |
| <i>3. PT Bina Artha Ventura (“Bina Artha”) .....</i>          | <i>11</i> |
| <i>4. Kinara Capital Private Limited (“Kinara”) .....</i>     | <i>12</i> |
| <i>5. Svasti Microfinance Private Limited (“Svasti”).....</i> | <i>13</i> |

This summary report is issued on 2 October 2026. It includes financial information for the Issuer and the Borrowers through 30 June 2026.

## I. **Financial performance of the Issuer**

### Key Financial Highlights

- The Issuer of the Women's Livelihood Bond 5 (WLB5), WLB Asset II D Pte. Ltd., is in full compliance with its obligations under the Bond Indenture.
- The latest semi-annual coupon was paid to bondholders on 21 June 2026. The next semi-annual coupon is due and payable on 21 December 2026.
- There were no special redemption events between January 2026 and June 2026.
- All interest payments due from the Borrowers through June 30, 2026 have been received by the Issuer except for i) Aviom, which has defaulted on its interest payments since December 2024; ii) Kinara, which has defaulted on its interest payments since August 30, 2025; and iii) Lenana, which has defaulted on its interest payments since February 2025. Please refer to Section III: Financial Performance of the Borrowers for more information.
- Retirement in full of the Bonds will depend on recoveries of the Kinara, Aviom, and Lenana loans.
- Because of the defaults in the portfolio and the prior restructuring of the loan to Bina Artha, it is likely that full redemption of the Bonds will only be possible at the Long Stop Date, if at all.
- The Issuer filed a claim on 23 September 2026 with the U.S. International Development Finance Corporation (DFC) under the DFC Limited Guarantee in relation to WLB5's Loan to Kinara.

### BOND FACTS

|                                            |                              |
|--------------------------------------------|------------------------------|
| Principal Outstanding – Bonds              | US\$ 44.03mn <sup>1, 2</sup> |
| Principal Outstanding – Subordinated Notes | US\$ 5.00mn                  |
| Maturity                                   | 21 December 2026             |
| Coupon – Bonds                             | 6.50%                        |

### PORTFOLIO FACTS

|                                             |                                                                                                                                                                              |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of Loans                             | 9                                                                                                                                                                            |
| % Performing (by original principal amount) | 65%                                                                                                                                                                          |
| 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 DFC or the Swedish International Development Cooperation Agency (Sida) <sup>3</sup> . |

<sup>1</sup> Million is abbreviated as mn

<sup>2</sup> This represents the principal amount of Bonds outstanding on June 30, 2026 following the Special Redemption Event in December 2025 triggered by the acceleration of the Loans to Kinara and Svasti. Post June 30, there have been Special Redemptions Events in July 2026 and September 2026 triggered by voluntary prepayment of the Loans to Svasti and Maxima.

<sup>3</sup> For 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 face a more fragile growth outlook amid global trade tensions and ongoing geopolitical disruptions compared to the developed economies. As per the recent ADB report<sup>1</sup>:
  - GDP growth of East Asia and Pacific (including, Cambodia, Indonesia, Vietnam and the Philippines) is projected at 4.6% in 2026 and 4.5% in 2027, following a growth rate of 5.0% in 2025.
  - GDP growth of South Asia (including India, Bangladesh and Sri Lanka) is projected at 6.0% in 2026 and 6.7% in 2027, following a growth rate of 6.9% in 2025. However, India's GDP is estimated to grow at 7% in 2026 supported by robust investment, resilient consumption and electronics export witnessed in the Jun'26 quarter<sup>2</sup>.
  - Regional inflation in Asia and the Pacific is projected to rise to 4.3% in 2026, reflecting the pass-through of higher oil, gas, food and transportation costs.
- Risks to the outlook are tilted to the downside, mainly due to the ongoing Middle East conflict:
  - The conflict continues to disrupt energy supply routes and shipping logistics, increasing input costs and weakening external demand.
  - This could adversely affect MSME profitability, household repayment capacity and asset quality, particularly in economies with high fuel-import dependence and vulnerable export sectors.
- MSME and microfinance sector conditions show a mixed picture across portfolio markets:
  - In India, the MFI sector is showing signs of improving asset quality as of Jun'26, despite continued portfolio contraction of 7% YoY, supported by tighter borrower caps and lending discipline.<sup>3</sup> MSME credit growth moderated significantly, with outstanding credit increasing only 3.1% between Dec'25 and Apr'26 (vs. 9.7% a year earlier). Early-stage delinquency (PAR 31–90 days) rose to 2.7%.<sup>4</sup>
  - In Cambodia, MSME lending remains under pressure, with small business credit applications declining 3.4% QoQ and active loan accounts falling 1.5% QoQ in Q1 2026. The 90+ day MSME NPL ratio remains elevated at 7.7%, reflecting continued borrower stress and tariff-related pressures on the garment sector.<sup>5</sup>
  - In Indonesia, Fitch and Moody's revised the sovereign outlook to Negative in March 2026 amid fiscal concerns and a weakening Rupiah. Bank Indonesia has since raised its policy rate by 100bps to 5.75% to support the currency<sup>6</sup>. MSME NPLs increased to 4.5% in 2025, and MSME credit growth is projected at 4 -5% in 2026, well below the 9 -11% forecast for overall banking credit as lenders remain focused on asset quality.<sup>7</sup>
  - In the Philippines, the macroeconomic outlook has weakened materially. ADB lowered its 2026 GDP growth forecast to 3.8%<sup>1</sup> amid delayed investments, softer private consumption, higher commodity prices and climate-related risks. The infrastructure corruption scandal has also led to tighter scrutiny

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<sup>1</sup> <https://www.adb.org/sites/default/files/publication/1155601/asian-development-outlook-july-2026.pdf>

<sup>2</sup> [https://www.business-standard.com/economy/news/adb-india-growth-forecast-gdp-rise-estimate-monsoon-fy27-data-inflation-126092300624\\_1.html](https://www.business-standard.com/economy/news/adb-india-growth-forecast-gdp-rise-estimate-monsoon-fy27-data-inflation-126092300624_1.html)

<sup>3</sup> <https://mfinindia.org/Resources/micrometer>

<sup>4</sup> <https://www.moneycontrol.com/news/business/small-biz-loan-growth-slows-early-signs-of-stress-visible-in-parts-amid-west-asia-war-report-13939104.html>

<sup>5</sup> <https://www.creditbureau.com.kh/directus/assets/155a9667-31fd-4d41-827c-0d62370922eb>

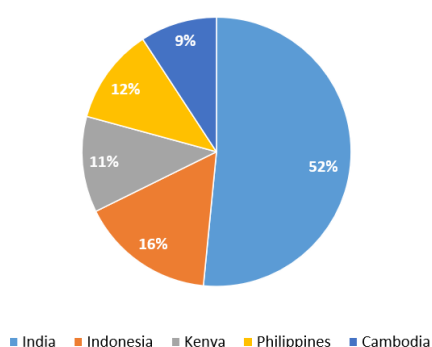
<sup>6</sup> <https://en.antaranews.com/news/432395/bi-maintains-key-benchmark-rate-at-575-percent-in-september>; <https://tradingeconomics.com/indonesia/currency>

<sup>7</sup> <https://batumbu.id/en/article/msme-credit-growth-in-2026-projected-at-45-a-realistic-outlook-amid-economic-headwinds>

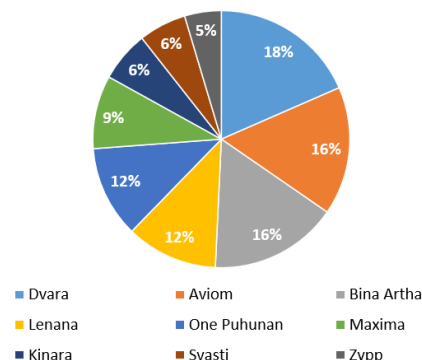
and delays in public spending, with the slowdown expected to remain a near-term drag on growth despite a gradual resumption in disbursements. Inflation remains elevated at 6.1% as of Aug'26<sup>8</sup>, with lower-income households facing significantly higher price pressures. In Jun'26, Fitch revised its banking sector outlook to "Deteriorating", citing rising credit risks and weaker profitability despite resilient domestic demand.<sup>9</sup>

## Portfolio composition by Country, Borrower, Sector, and Sovereign credit rating

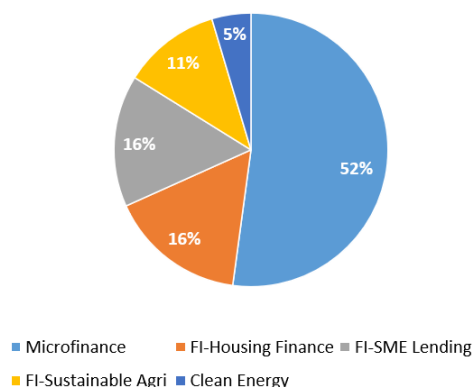
**Distribution of Loans by Country**



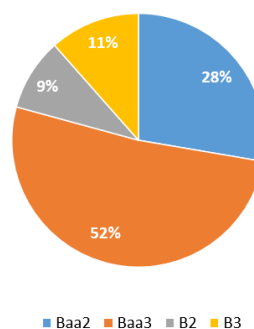
**Distribution of Loans by Borrower**



**Distribution of Loans by Sector**



**Distribution of Loans by Sovereign Credit Rating**



<sup>8</sup> <https://psa.gov.ph/price-indices/cpi-ir>

<sup>9</sup> <https://www.fitchratings.com/research/banks/fitch-ratings-philippine-banks-asset-quality-risks-rise-amid-economic-headwinds-25-06-2026>

## Summary Financial Performance of the Borrower

### Overview as of 30 June 2026 (US\$ '000s)

| Borrower              | One Puhunan | Lenana               | Maxima      | Dvara KGFS | Aviom Housing | PT Bina Artha | Kinara             | Svasti             | Zypp Electric |
|-----------------------|-------------|----------------------|-------------|------------|---------------|---------------|--------------------|--------------------|---------------|
| 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  |
| Original Principal    | 5,000       | 5,000                | 4,000       | 8,000      | 7,000         | 7,000         | 5,000 <sup>5</sup> | 4,850 <sup>4</sup> | 2,000         |
| % of portfolio        | 10%         | 10%                  | 8%          | 17%        | 15%           | 15%           | 10%                | 10%                | 4%            |
| Outstanding Principal | 5,000       | 5,000                | 4,000       | 8,000      | 7,000         | 7,000         | 2,750 <sup>5</sup> | 2,600 <sup>4</sup> | 2,000         |
| Performing            | Yes         | No                   | Yes         | Yes        | No            | Yes           | No                 | Yes                | Yes           |

### Financial Snapshot\* (US\$ '000s)

|                      |         |                  |        |         |                 |        |          |        |                 |
|----------------------|---------|------------------|--------|---------|-----------------|--------|----------|--------|-----------------|
| Revenue              | 55,138  | N/A <sup>2</sup> | 2,204  | 12,329  | NM <sup>1</sup> | 16,684 | 4,358    | 2,886  | 11,673          |
| Net Profit           | 13,301  | N/A              | (120)  | (1,565) | NM              | 217    | (2,708)  | 80     | (912)           |
| Total assets         | 224,803 | N/A              | 20,827 | 227,887 | NM              | 82,722 | 66,439   | 59,995 | 26,430          |
| Liabilities          | 162,891 | N/A              | 14,210 | 187,894 | NM              | 71,041 | 86,551   | 35,619 | 16,592          |
| Equity               | 61,911  | N/A              | 6,618  | 39,993  | NM              | 11,681 | (21,112) | 24,376 | 9,838           |
| Gross loan portfolio | 183,257 | N/A              | 19,964 | 182,155 | NM              | 70,491 | 60,948   | 48,513 | NA <sup>3</sup> |
| PAR 30 (%)           | 3.92%   | N/A              | 9.48%  | 6.86%   | NM              | 7.24%  | 27.43%^  | 1.29%  | NA              |
| CAR (%)              | 38.91%  | N/A              | 32.49% | 24.30%  | NM              | 18.10% | NA       | 43.58% | NA              |

\* For the 6 months ending 30 June 2026, except for Indian borrowers which are for the 3 months ending 30 June 2026.

<sup>1</sup> 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.

<sup>2</sup> N/A refers to Not Available. Data for Lenana has not been provided by the Borrower.

<sup>3</sup> NA refers to Not applicable

<sup>4</sup> The current outstanding is US\$ 2.60mn following a voluntary partial prepayment of US\$ 0.75mn in November 2025 and US\$ 1.50mn in May 2026.

<sup>5</sup> The current outstanding principal, following partial recovery, is US\$ 2.75mn.

### III. Loan Management Highlights

This section presents information on select Borrowers that have undergone credit events since the date of the last report 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 during that time period. 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.

## 1. Lenana Innovative Solutions Ltd ("Lenana")

### Key Financial Indicators & Developments

**Country:** Kenya

**Sector:** Sustainable Agriculture

**Loan Amount:** US\$ 5.00mn

**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. Latest data from Lenana is not available due to ongoing litigation.

### Loan Management Updates

- **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 dialogue with the company to find a solution to allow Lenana to manage these challenges while continuing to service its loan obligations.
- **Loan performance and Covenant breaches:** 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 DSRA for WLB6 since 5 January 2025 and other financial covenants. Lenana has ceased to share financial data as required under its loan agreements.
- **Litigation:** On 19 February 2025, Lenana filed a petition seeking to invalidate the WLB loans on the grounds of them being in contravention of certain provisions of Kenya's constitutional law, among other grounds, and secured a stay order from the High Court of Kenya pending the proceedings. The stay order froze obligations under the WLB5 and WLB6 loans and prevented enforcement actions. WLB5 and WLB6 opposed the petition and the stay order and, on 9 July 2026, the High Court delivered a judgment (the "Constitutional Judgement") in favour of WLB5 and WLB6, holding that: (i) WLB5 and WLB6 have the legal capacity to enter into contract and enforce rights in Kenya; (ii) WLB5 and WLB6 were not required to be registered in Kenya to execute the promissory notes or obtain the related security; (iii) the stay orders were lifted; and (iv) the petition was dismissed with costs. An order of the High Court directing that the status quo be maintained expired on 3 August, 2026, leaving WLB5 and WLB6 free to pursue recovery efforts.

Lenana's counsel have filed an appeal before the Court of Appeal in relation to the Constitutional Judgment. Lenana also applied for a conservatory stay order seeking enforcement to be stayed pending the final determination by the Court of Appeal. The High Court rejected the application made by Lenana, entitling WLB5 and WLB6 to exercise their rights under the WLB5 and WLB6 loan and security documents.

- **Enforcement actions:** WLB5 and WLB6 issued loan acceleration notices to Lenana on 14 August 2026; issued personal guarantee demand letters to the personal guarantors of Lenana on 20 August, 2026; and

issued letters to Ecobank dated 14 August 2026 and 11 September 2026 requesting Ecobank to share account details of the bank accounts charged by Lenana in favour of WLB5 and WLB6.

- **Subsequent legal proceedings initiated by Lenana and the Personal Guarantors:**

- **Litigation initiated by the Personal Guarantors:** The three personal guarantors of Lenana challenged the validity of the loan acceleration notices and the demand notices for the enforcement of the personal guarantees, and sought to restrain enforcement against them personally and against their shares in Lenana. On 7 September 2026, the High Court granted the personal guarantors an ex-parte injunction restraining recovery and enforcement under the personal guarantees. The matter was listed for mention on 24 September 2026. On 23 September 2026, the Personal Guarantors withdrew the petition. Accordingly, the said petition stands withdrawn, and the ex-parte order dated 7 September 2026 stands vacated.
- **Litigation initiated by Lenana:** Upon lifting of the status quo regarding the Constitutional Judgment, Lenana commenced separate proceedings before the commercial bench of the Milimani High Court seeking to restrain WLB5 and WLB6 from enforcing the security package, including the secured shares, receivables and bank accounts, and from taking insolvency-related steps, on the grounds that the dispute is subject to being resolved by arbitration. The High Court issued ex-parte orders on 10 August 2026 restraining enforcement by the WLB5 and WLB6 entities pending further consideration of the matter. The matter was listed for mention on 24 September 2026. On 22 September 2026, Lenana withdrew the petition. Accordingly, the said petition stands withdrawn, and the ex-parte order dated 10 August 2026 stands vacated.
- **Litigation initiated by Lenana before the Murang'a High Court:** Lenana has filed a new petition challenging the WLB5 and WLB6 Entities' signatories' authority, the breach notices, the alleged covenant breaches under the promissory notes and the amounts demanded under the acceleration notices before the Murang'a High Court. On 21 September, 2026, the said Court issued an ex parte order staying the exercise of all rights and remedies by WLB5 and WLB6 under the WLB5 and WLB6 loan and security documents until the inter partes hearing on 11 November 2026.

WLB5 and WLB6 are contesting the petition initiated by Lenana before the Murang'a High Court while also undertaking necessary legal measures to preserve the value of Lenana's assets.

## 2. Aviom India Housing Finance Pvt Ltd (“Aviom”)

### Key Financial Indicators & Developments

**Country:** India

**Sector:** Housing Finance

**Loan Amount:** US\$ 7.00mn

**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. Aviom’s financial year ends on 31 March.

### Loan Management Updates

#### 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. Previous Statutory Auditors intimated that no reliance should be placed on the Audited Financial Statements of FY Mar 2022, FY Mar 2023 and FY Mar 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. 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. The Administrator issued the Request For Resolution Plan (RFRP) on July 7, 2025, inviting Prospective Resolution Applicants (PRAs) to submit resolution plans. Of the 20 applicants, 18 were shortlisted to provide restructuring proposals, and six of the 18 shortlisted PRAs submitted resolution plans which the Committee of Creditors (CoC) reviewed and deliberated on.
- Thereafter the Administrator conducted a challenge process (an auction amongst the six bidders to maximize the value of recovery) on 18th November 2025.
- Following legal and commercial evaluation of the plans by advisors to the CoC, a majority of the CoC approved the plan submitted by Aerion Funds. This plan provides for an upfront cash recovery of 68% of the admitted claims to the secured creditors, to be paid within two months of court approval.
- The Administrator filed an application on 28th February 2026 seeking court approval of the proposed resolution plan. The Administrator also filed an application with the regulator seeking its consent to the approved plan, which was necessary for the court to grant its approval, and the regulator gave its approval on 22nd July 2026. The matter was heard on 17th September 2026 and court orders are awaited.

#### 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 in New Delhi.

IIX WLB5 Summary Report – H1 2026 (period Jan to June 2026)

- **Acceleration of the loan:** On February 1, 2025, WLB5 accelerated the WLB5 Loan under the Debenture Trust Deed due to the occurrence of multiple Events of Default.
- **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 the IBC. The claim admitted by the Administrator was INR 61,81,40,213. WLB5 ranks as a senior secured creditor and is the 5th largest lender to Aviom, representing 4.47% of the borrower's total debt as of claims admitted in the CIRP.
- **Actions Related to Personal Guarantee**
  - On February 6, 2025, IIX issued a Demand Notice to Mrs. Kaajal Ilmi (former MD and CEO) calling upon her to pay the WLB5 outstanding dues under her Personal Guarantee.
  - Not receiving any response from her, on March 10, 2025, IIX filed a petition before the National Company Law Tribunal, New Delhi ("NCLT"), invoking her personal guarantee. Upon the filing of our application, an interim moratorium under Section 101 of the IBC went into effect, thereby freezing her assets.
  - Under the IBC, upon filing a personal insolvency application against the guarantor, the adjudicating authority appoints a Resolution Professional ("RP") to determine whether the personal insolvency application filed against the guarantor should be admitted.
  - The RP has duly filed his report recommending that the insolvency application against Mrs. Ilmi be admitted.
  - Ms. Ilmi has thereafter filed her written submissions with the court. The matter is scheduled to be heard on October 12, 2026.

### 3. PT Bina Artha Ventura (“Bina Artha”)

#### Key Financial Indicators & Developments

**Country:** Indonesia

**Sector:** Microfinance

**Loan Amount:** US\$ 7.00mn

**Business Description:** PT Bina Artha Ventura is a regulated non-bank financing company with a venture capital license from the Financial Services Authority (“OJK”), which allows it to conduct microfinance operations. 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 28.0% directly and 56.9% through an SPV. A local shareholder, PT. Borealis Sosial Prinsipal holds a 15.0% 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 71% of its Gross Loan Portfolio (as of June 2026). In addition, Bina Artha provides access to larger individual loans to women operating more substantial small enterprises. Bina Artha’s financial year ends on 31 December.



#### Loan Management Updates and Subsequent Events

- Due to losses and asset quality challenges in FY 2023 and FY 2024, Bina Artha entered into a Standstill Agreement (“SSA”) with its lenders from August 12, 2024 to March 31, 2025, under which principal repayments were deferred while interest servicing continued.
- On 18 March 2025, Bina Artha and its lenders and shareholders entered into a Restructuring Agreement to ensure sufficient liquidity while continuing measures to further reduce PAR, and restore profitability. Key terms included:
  - 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 (to 8 March 2028) while the remaining 50% will be deferred by 18 months (to 8 June 2028). These dates fall after the Maturity Date of the WLB5 Bonds.
  - Shareholders committed to injecting equity of EUR 2mn by March 2025 and an additional EUR 2mn by July 2025.
  - Shareholders committed to maintaining CAR above 17%.
  - Financial and operating covenants were harmonized among all lenders.
- Shareholders have followed through with the committed equity investments. The first EUR 2mn equity tranche was received in March 2025.
  - The second equity tranche was increased to EUR 3.45mn and was received in July 2025. The funds were approved by OJK in January 2026.
  - Principal repayments of facilities under the restructuring agreement resumed from January 2026. Bina Artha has established an adequate debt pipeline to fund portfolio growth and support repayment obligations over the course of 2026.
    - As part of the updated business plan, existing investors are expected to infuse an additional EUR 3mn by the end of 2026, which will further strengthen capitalisation.

## 4. Kinara Capital Private Limited (“Kinara”)

### Key Financial Indicators & Developments

**Country:** India

**Sector:** SME Lending

**Loan Amount:** US\$ 5.00mn (Current outstanding: US\$ 2.75mn)

**Business Description:** Kinara Capital is an NBFC-NDSI based in Bangalore. It provides loans to micro and small businesses predominantly engaged in manufacturing and trading operations. Kinara Capital's Her Vikas program, which offers loans at discounted rates to women-owned businesses, is funded by the WLB4Climate™, WLB5 and WLB6 loans. As of June 2026, Kinara Capital had a network of 78 branches across 6 states in India, serving 17,208 clients. Kinara's financial year ends on 31st March. Kinara has been winding down its operations since October 2025.



### Loan Management Update:

**Background:** Kinara's asset quality weakened from late-2023, leading to elevated provisions/write-offs and a FY Mar 2025 loss of US\$ 40.8mn. From April 2024 the company tightened underwriting, revamped collections and reduced loan ticket sizes; growth slowed while legacy delinquencies persisted. An effort to raise equity in early 2025 (via Ambit, an investment bank in India) resulted in no binding offers. Until late July 2025, liquidity was expected to remain manageable into March 2026 allowing time to pursue alternatives.

**Portfolio sale proposal and lender reactions (July-August 2025):** Kinara pursued a sale of its client loan portfolio and obtained a non-binding offer from a large, highly rated NBFC to acquire its on-book portfolio at a 17% discount. While a binding offer was awaited, a number of domestic lenders initiated enforcement actions, including setting off lien-marked balances as well as unencumbered cash and issuing recall/EoD notices, sharply tightening Kinara's liquidity. In response, Kinara temporarily paused lender payments from August 2025 to preserve cash to allow the portfolio sale process to complete.

**Governance and ratings actions:** During the same time period, several board members resigned, a number of senior management members departed, including the CFO, and ratings were downgraded to 'D' by rating agencies.

**Wind-down and settlement of secured domestic loans:** Kinara subsequently notified lenders that, following due diligence, the portfolio sale will not proceed. The Company is in the process of winding down its operations, which is expected to be completed by March 2030. As part of the wind-down, Kinara settled its exposure to its secured domestic lenders, either at a discount to outstanding exposure or by handing over an allocated loan receivable pool. Secured international lenders entered into a framework settlement agreement with Kinara under which Kinara distributes monthly net cash receipts to international lenders.

**Wind-down status:** Kinara has commenced sweeping cash to secured international lenders, including the WLB entities, pro rata to their exposures. Initial payments were received by the WLB entities on 19 November 2025 and have continued on a monthly basis through August 2026. Following receipt of approvals from DFC and Sida, the framework settlement agreement has been executed.

**Recovery to date:** Principal recovery for WLB5 stood at 37.0% of original exposure as of June 2026 and 44.3% as of end-August 2026.

## 5. Svasti Microfinance Private Limited (“Svasti”)

### Key Financial Indicators & Developments



**Country:** India

**Sector:** Microfinance

**Loan Amount:** US\$ 4.85mn (Current outstanding: US\$ 2.60mn)

**Business Description:** Svasti Microfinance is an Indian non-deposit taking non-banking financial company - microfinance institution (NBFC-MFI) registered with the Reserve Bank of India (RBI) and headquartered in Mumbai, Maharashtra, India. Svasti primarily provides loans to low-income women through the Joint Liability Group (JLG) methodology. As of June 2026, Svasti serves 214,006 clients through 149 branches in 8 states across India. Svasti's financial year ends on 31 March.

### Loan Management Update

- In light of the materiality of the financial covenant breaches by Svasti and the extended timeline anticipated for recovery, IIX issued a notice on June 06, 2025, imposing default interest. The notice also required the Company to submit a cure plan.
- In response, in October 2025, Svasti agreed to a revised repayment plan under which it began to amortize the WLB5 Loan.
- Under this revised repayment plan, the Company repaid US\$ 0.75mn in November 2025 and US\$ 1.5mn in May 2026, reducing the outstanding WLB5 loan from US\$ 4.85mn to US\$ 2.60mn. The remaining balance of US\$ 2.60mn is payable on the original maturity date, i.e., December 04, 2026.



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