SME Finance Forum

Convening 200+ members from 60+ countries, operating in 190+ countries sharing knowledge, spurring innovation in & promoting growth of SME financing.
Member Benefits

LEARN

▪ Communities of practice
▪ Immersion Programs
▪ Study Visits
▪ Online library/Publications
▪ LinkedIn discussions
▪ Monthly webinars
▪ Global/ regional & partner events
▪ Fintech expo/demo
▪ Tips from experts
▪ SME data

LINK

▪ Networking
▪ Contacts brokering
▪ B2B marketplace

LEAD

▪ Connecting industry with policy-makers
▪ Voice in key policy bodies - G20, AFI, APEC/ ABAC, Basel institutions, OECD

Being a member of the SME Finance Forum gives us insight into innovations around the world.
Selim R. F. Hussain, CEO, BRAC Bank
Member Survey 8.0

All Respondents (October)
75 Respondents from 43 different countries

All Respondents (November)
62 Respondents from 40 different countries

*Data are not strictly comparable, unless specified, as they are based on data reported by varying sets of members

Click here for Repeat Respondent Sample
Member Survey 8.0

Type of Business

All Respondents (October)
- Bank/Financial Institution: 51%
- FinTech: 29%
- Development Bank: 8%
- Other: 12%

All Respondents (November)
- Bank/Financial Institution: 53%
- FinTech: 23%
- Development Bank: 13%
- Other: 11%
Member Survey 8.0

How has your business been affected?

- No Change
- Deposits decreased/drawdown
- Wholesale funding difficulties
- Reduced inflows/collections
- Loss of Customers
- Gain of Customers
- Asset Impairment
- Decline in Sales/Revenue

April (45), May (53), June (83), July (74), August (56), September (57), October (75), November (61)
Member Survey 8.0

Change in Operations due to COVID-19?

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Member Survey 8.0

Extent of change in operations due to COVID-19?

- **May**: 30% Not at all, 34% Slightly, 36% Moderately, 30% Significantly
- **June**: 27% Not at all, 28% Slightly, 29% Moderately, 32% Significantly
- **July (75)**: 1% Not at all, 1% Slightly, 1% Moderately, 41% Significantly
- **August (56)**: 2% Not at all, 2% Slightly, 30% Moderately, 30% Significantly
- **September**: 11% Not at all, 21% Slightly, 30% Moderately, 30% Significantly
- **October (75)**: 4% Not at all, 27% Slightly, 25% Moderately, 25% Significantly
- **November (60)**: 5% Not at all, 32% Slightly, 32% Moderately, 38% Significantly

Not at all, Slightly, Moderately, Significantly
Member Survey 8.0

Government and Regulatory responses for COVID-19 in Country are...

- Not relevant to my clients/not eligible
- Causing new problems for my clients
- Not relevant to my business/not eligible
- Causing new problems for my business
- Likely to help my business
- Likely to help my clients

Data by month:
- April
- May
- June
- July
- August (56)
- September (56)
- October (75)
- November (61)
Member Survey 8.0

If you are involved in lending...

How has your portfolio been affected?

<table>
<thead>
<tr>
<th>Month</th>
<th>No measurable impact to date</th>
<th>Slight negative impact</th>
<th>Significant negative impact</th>
<th>Positive Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>April (31)</td>
<td>23%</td>
<td>35%</td>
<td>48%</td>
<td>15%</td>
</tr>
<tr>
<td>May (40)</td>
<td>20%</td>
<td>48%</td>
<td>32%</td>
<td>9%</td>
</tr>
<tr>
<td>June (63)</td>
<td>13%</td>
<td>51%</td>
<td>32%</td>
<td>35%</td>
</tr>
<tr>
<td>July (58)</td>
<td>14%</td>
<td>36%</td>
<td>38%</td>
<td>43%</td>
</tr>
<tr>
<td>August (42)</td>
<td>17%</td>
<td>38%</td>
<td>43%</td>
<td>43%</td>
</tr>
<tr>
<td>September (45)</td>
<td>11%</td>
<td>40%</td>
<td>40%</td>
<td>30%</td>
</tr>
<tr>
<td>October (56)</td>
<td>11%</td>
<td>48%</td>
<td>30%</td>
<td>32%</td>
</tr>
<tr>
<td>November (47)</td>
<td>15%</td>
<td>45%</td>
<td>30%</td>
<td>32%</td>
</tr>
</tbody>
</table>
Member Survey 8.0

If you are involved in lending...

Trend of members lending to new and existing customers continuing...

How have you adjusted your Lending?

- Discontinued lending to everyone
- Continued lending only to existing customers
- Continued lending to new and existing customers

<table>
<thead>
<tr>
<th>Month</th>
<th>Discontinued 5%</th>
<th>Continued only 25%</th>
<th>Continued new and existing 70%</th>
</tr>
</thead>
<tbody>
<tr>
<td>May (41)</td>
<td>5%</td>
<td>41%</td>
<td>54%</td>
</tr>
<tr>
<td>June (63)</td>
<td>5%</td>
<td>25%</td>
<td>70%</td>
</tr>
<tr>
<td>July (57)</td>
<td>5%</td>
<td>28%</td>
<td>67%</td>
</tr>
<tr>
<td>August (41)</td>
<td>2%</td>
<td>17%</td>
<td>80%</td>
</tr>
<tr>
<td>September (45)</td>
<td>4%</td>
<td>16%</td>
<td>80%</td>
</tr>
<tr>
<td>October (56)</td>
<td>7%</td>
<td>11%</td>
<td>82%</td>
</tr>
<tr>
<td>November (47)</td>
<td>4%</td>
<td>13%</td>
<td>83%</td>
</tr>
</tbody>
</table>
If you are involved in lending...

How have you adjusted your Credit Criteria?

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- Tightened Credit Criteria
- Maintained Credit Criteria
- Loosened Credit Criteria
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Moratorium Timeline

- May: 19% 1-3 months, 29% 4-6 months, 19% 6-12 months, 32% Other
- June (48): 35% 1-3 months, 23% 4-6 months, 10% 6-12 months, 31% Other
- July: 33% 1-3 months, 40% 4-6 months, 14% 6-12 months, 33% Other
- August (31): 26% 1-3 months, 23% 4-6 months, 12% 6-12 months, 45% Other
- September (29): 23% 1-3 months, 26% 4-6 months, 6% 6-12 months, 45% Other
- October (40): 24% 1-3 months, 33% 4-6 months, 3% 6-12 months, 40% Other
- November (30): 25% 1-3 months, 20% 4-6 months, 10% 6-12 months, 40% Other
If there is no moratorium
Are you offering Deferrals?

May (28): 11% Principal Only, 14% Interest Only, 75% Both
June (47): 9% Principal Only, 17% Interest Only, 74% Both
July (45): 7% Principal Only, 20% Interest Only, 73% Both
August (37): 3% Principal Only, 14% Interest Only, 84% Both
September (36): 3% Principal Only, 22% Interest Only, 75% Both
October (48): 13% Principal Only, 23% Interest Only, 65% Both
November (38): 11% Principal Only, 18% Interest Only, 71% Both
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Deferral Timeline

![Bar chart showing deferral timeline for different months and time periods]

- May: 25% 1-3 months, 21% 6-12 months, 14% Other
- June (46): 50% 4-6 months, 28% 1-3 months, 17% 6-12 months, 4% Other
- July (44): 39% 4-6 months, 34% 6-12 months, 18% Other
- August: 43% 6-12 months, 35% Other
- September (37): 43% 4-6 months, 27% 6-12 months, 22% Other
- October (48): 41% 4-6 months, 35% 6-12 months, 25% Other
- November (38): 39% 1-3 months, 31% 6-12 months, 24% Other

Months:
- May
- June
- July
- August
- September
- October
- November

Time periods:
- 1-3 months
- 4-6 months
- 6-12 months
- Other
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Next month, what do you expect to happen to...

Revenue

Don’t know  Have less revenue  Have about the same  Have more revenue

April (44)  May (56)  June (83)  July (75)  August (55)  September (55)  October (74)  November (60)

14% 11% 11% 64% 11% 11% 11% 14%

13% 39% 28% 28% 32% 22% 36% 28%

14% 16% 36% 49% 43% 49% 56% 50%

9% 15% 20% 15% 15% 11% 25% 31%

5% 7% 7% 7% 7% 7% 12% 10%

2% 6% 11% 9% 5% 11% 2% 2%
Member Survey 8.0

Next month, what do you expect to happen to...

Number of Customers

<table>
<thead>
<tr>
<th>Month</th>
<th>Don't Know</th>
<th>Fewer active customers</th>
<th>Have about the same</th>
<th>More active customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>April (45)</td>
<td>9%</td>
<td>23%</td>
<td>7%</td>
<td>56%</td>
</tr>
<tr>
<td>May (56)</td>
<td>2%</td>
<td>36%</td>
<td>40%</td>
<td>31%</td>
</tr>
<tr>
<td>June (82)</td>
<td>11%</td>
<td>12%</td>
<td>28%</td>
<td>36%</td>
</tr>
<tr>
<td>July (75)</td>
<td>9%</td>
<td>4%</td>
<td>5%</td>
<td>16%</td>
</tr>
<tr>
<td>August (55)</td>
<td>4%</td>
<td>7%</td>
<td>38%</td>
<td>39%</td>
</tr>
<tr>
<td>September (57)</td>
<td>5%</td>
<td>7%</td>
<td>33%</td>
<td>39%</td>
</tr>
<tr>
<td>October (74)</td>
<td>1%</td>
<td>9%</td>
<td>30%</td>
<td>31%</td>
</tr>
<tr>
<td>November (59)</td>
<td>7%</td>
<td>5%</td>
<td>31%</td>
<td>58%</td>
</tr>
</tbody>
</table>
Next month, what do you expect to happen to...

**Lending**

- **April (31)**: 13% Don’t know, 50% Lend more, 25% Lend less, 10% Lend at about the same levels
- **May (40)**: 10% Don’t know, 52% Lend more, 29% Lend less, 11% Lend at about the same levels
- **June (63)**: 10% Don’t know, 61% Lend more, 29% Lend less, 10% Lend at about the same levels
- **July (56)**: 7% Don’t know, 52% Lend more, 21% Lend less, 7% Lend at about the same levels
- **August (42)**: 7% Don’t know, 61% Lend more, 10% Lend less, 5% Lend at about the same levels
- **September (44)**: 4% Don’t know, 60% Lend more, 27% Lend less, 9% Lend at about the same levels
- **October (51)**: 2% Don’t know, 63% Lend more, 27% Lend less, 4% Lend at about the same levels
- **November (49)**: 12% Don’t know, 63% Lend more, 22% Lend less, 2% Lend at about the same levels

*Source: SME Finance Forum*
Member Survey 8.0

Percentage of SME clients expected to be in financial distress within 3 months?

Percentage of SME clients in distress within 3 months

SME FINANCE FORUM
Repeat Respondents
(July – September -November)

24 Respondents from 22 different countries
Member Survey 8.0

How has your business been affected?

- No Change: 0%
- Deposits decreased/drawdown: 8%
- Whole sale funding difficulties: 17%
- Reduced inflows/collections: 25%
- Loss of Customers: 17%
- Gain of Customers: 33%
- Asset Impairment: 42%
- Decline in Sales/Revenue: 88%

- July (Comparison, 24)
- September (Comparison, 24)
- November (Comparison, 22)
Member Survey 8.0

Change in Operations due to COVID-19?

<table>
<thead>
<tr>
<th>Month</th>
<th>Limited closure of facilities</th>
<th>Extensive closure of facilities/remote work</th>
<th>Complete (or almost complete) closure</th>
</tr>
</thead>
<tbody>
<tr>
<td>July (Comparison, 24)</td>
<td>67%</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>September (Comparison, 24)</td>
<td>63%</td>
<td>21%</td>
<td>4%</td>
</tr>
<tr>
<td>November (Comparison, 24)</td>
<td>38%</td>
<td>25%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Legend:
- Not affected yet
- Limited closure of facilities
- Extensive closure of facilities/remote work
- Complete (or almost complete) closure
Member Survey 8.0

Extent of change in operations due to COVID-19?

- July (Comparison, 24): Not at all 4%, Slightly 21%, Moderately 25%, Significantly 50%
- September (Comparison, 24): Not at all 9%, Slightly 30%, Moderately 30%, Significantly 30%
- November (Comparison, 22): Not at all 5%, Slightly 32%, Moderately 23%, Significantly 41%
Member Survey 8.0

Government and Regulatory responses for COVID-19 in Country are...

- Not relevant to my clients/not eligible: 4% (July), 17% (September), 17% (November)
- Causing new problems for my clients: 13% (July), 17% (September), 17% (November)
- Not relevant to my business/not eligible: 8% (July), 9% (September), 13% (November)
- Causing new problems for my business: 4% (July), 4% (September), 8% (November)
- Likely to help my business: 42% (November)
- Likely to help my clients: 74% (November)

Comparison:
- July (Comparison, 24)
- September (Comparison, 23)
- November (Comparison, 24)
If you are involved in lending...

How has your portfolio been affected?

Member Survey 8.0

July (Comparison, 2021):
- No measurable impact to date: 10%
- Slight negative impact: 62%
- Significant negative impact: 19%
- Positive Impact: 10%

September (Comparison, 2020):
- No measurable impact to date: 5%
- Slight negative impact: 50%
- Significant negative impact: 45%
- Positive Impact: 10%

November (Comparison, 2018):
- No measurable impact to date: 6%
- Slight negative impact: 44%
- Significant negative impact: 44%
- Positive Impact: 6%
If you are involved in lending…

How have you adjusted your Lending?

- **July (Comparison,20)**
  - Discontinued lending to everyone: 10%
  - Continued lending only to existing customers: 45%
  - Continued lending to new and existing customers: 45%

- **September (Comparison,19)**
  - Discontinued lending to everyone: 11%
  - Continued lending only to existing customers: 79%

- **November (Comparison,18)**
  - Discontinued lending to everyone: 11%
  - Continued lending only to existing customers: 17%
  - Continued lending to new and existing customers: 72%
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If you are involved in lending...

How have you adjusted your Credit Criteria?

- Tightened Credit Criteria
- Maintained Credit Criteria
- Loosened Credit Criteria

July (Comparison,20):
- 60% Tightened
- 20% Maintained
- 20% Loosened

September (Comparison,20):
- 60% Tightened
- 25% Maintained
- 15% Loosened

November (Comparison,18):
- 50% Tightened
- 39% Maintained
- 11% Loosened
Member Survey 8.0

Next month, what do you expect to happen to...

Revenue

<table>
<thead>
<tr>
<th>Period</th>
<th>Don't know</th>
<th>Have less revenue</th>
<th>Have about the same</th>
<th>Have more revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>July (24)</td>
<td>4%</td>
<td>33%</td>
<td>4%</td>
<td>58%</td>
</tr>
<tr>
<td>September (23)</td>
<td>4%</td>
<td>17%</td>
<td>9%</td>
<td>57%</td>
</tr>
<tr>
<td>November (24)</td>
<td>4%</td>
<td>8%</td>
<td>17%</td>
<td>75%</td>
</tr>
</tbody>
</table>
Member Survey 8.0

Next month, what do you expect to happen to...

Number of Customers

<table>
<thead>
<tr>
<th></th>
<th>July (Comparison, 24)</th>
<th>September (Comparison, 24)</th>
<th>November (Comparison, 24)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don't Know</td>
<td>4%</td>
<td>13%</td>
<td>8%</td>
</tr>
<tr>
<td>Fewer active customers</td>
<td>21%</td>
<td>13%</td>
<td>8%</td>
</tr>
<tr>
<td>Have about the same</td>
<td>8%</td>
<td>25%</td>
<td>17%</td>
</tr>
<tr>
<td>More active customers</td>
<td>67%</td>
<td>50%</td>
<td>71%</td>
</tr>
</tbody>
</table>

July (Comparison, 24)

September (Comparison, 24)

November (Comparison, 24)
Member Survey 8.0

Next month, what do you expect to happen to...

Lending

- Don't know
- Lend less
- Lend at about the same levels
- Lend more

July (Comparison, 17):
- 68% Lend more
- 16% Lend less
- 11% Lend at the same levels
- 5% Don't know

September (Comparison, 19):
- 63% Lend more
- 21% Lend less
- 11% Lend at the same levels
- 5% Don't know

November (Comparison, 19):
- 74% Lend more
- 16% Lend less
- 5% Lend at the same levels
- 5% Don't know
Member Survey 8.0

Percentage of SME clients expected to be in financial distress within 3 months?

- July (Comparison, 24): 38%
- August (Comparison, 23): 43%
- November (Comparison, 23): 52%

Percentage of SME clients in distress within 3 months

- 0-20%
- 21-40%
- 41-60%
- 61-80%
- 81-100%

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