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
Data are not strictly comparable, unless specified, as they are based on data reported by varying sets of members.
Member Pulse Survey

How has your business been affected? (71)

<table>
<thead>
<tr>
<th>Month</th>
<th>Not Affected</th>
<th>Limited Closure</th>
<th>Extensive Closure</th>
<th>Complete Closure</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>15%</td>
<td>60%</td>
<td>24%</td>
<td>1%</td>
</tr>
<tr>
<td>November</td>
<td>26%</td>
<td>48%</td>
<td>23%</td>
<td>3%</td>
</tr>
<tr>
<td>February</td>
<td>14%</td>
<td>61%</td>
<td>24%</td>
<td>1%</td>
</tr>
</tbody>
</table>

SME FINANCE FORUM
Does your business model include physical branches? (47)

- Yes, 81%
- No, 19%

Are you closing branches? (39)

- Yes, planned before COVID: 18%
- Yes, due to COVID: 3%
- No: 79%

Has there been any shift in customer behavior? (47)

- Yes, 85%
- No, 15%
Member Pulse Survey

Proportion of customers...

Sales Origination through Digital Channels (38)

Customer Digital Activity (38)
Member Pulse Survey

How effectively have your staff been able to work from home?

(54)

- Not effective: 4%
- Somewhat effective: 41%
- Completely effective: 56%
### Member Pulse Survey

**Which channels saw traffic change? (36)**

<table>
<thead>
<tr>
<th>Channel</th>
<th>Decreased</th>
<th>Stayed the Same</th>
<th>Increased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Point of Sale (payments, cash back)</td>
<td>11%</td>
<td>33%</td>
<td>56%</td>
</tr>
<tr>
<td>Kiosks (own/third party)</td>
<td>22%</td>
<td>43%</td>
<td>35%</td>
</tr>
<tr>
<td>ATMs (own/third party)</td>
<td>12%</td>
<td>32%</td>
<td>56%</td>
</tr>
<tr>
<td>Smartphone App</td>
<td>0%</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>Website</td>
<td>0%</td>
<td>42%</td>
<td>58%</td>
</tr>
<tr>
<td>Voice Response system</td>
<td>4%</td>
<td>33%</td>
<td>63%</td>
</tr>
<tr>
<td>Call Center</td>
<td>6%</td>
<td>27%</td>
<td>67%</td>
</tr>
<tr>
<td>Agents</td>
<td>30%</td>
<td>30%</td>
<td>41%</td>
</tr>
<tr>
<td>Branch Offices</td>
<td>0%</td>
<td>71%</td>
<td>29%</td>
</tr>
</tbody>
</table>

Legend:
- **Decreased**
- **Stayed the Same**
- **Increased**
Member Pulse Survey

Operational Change (45)

If you accelerated investment in IT, was this done to connect...? (39)
Member Pulse Survey

How has your business been affected?

- Increase in sales/revenue: 33%
- Decline in sales/revenue: 59%
- Loss of customers: 26%
- Gain of customers: 42%
- Wholesale funding difficulties: 46%
- Deposits decreased/drawdown: 31%
- Reduced inflows/collections: 13%
- Asset impairment: 11%

Bar chart showing percentages for each category with specific numbers in parentheses.
Member Pulse Survey

How has your portfolio been affected? (46)

- October (56): 30% Positive impact, 11% No measurable impact, 11% Slight negative impact, 11% Significant negative impact
- November (47): 30% Positive impact, 45% No measurable impact, 11% Slight negative impact, 11% Significant negative impact
- February (46): 26% Positive impact, 41% No measurable impact, 11% Slight negative impact, 11% Significant negative impact

Have you changed your credit criteria? (46)

- October (54): 7% Tightened credit criteria, 61% Maintained existing credit criteria, 11% Loosened credit criteria, 11% No change
- November (47): 11% Tightened credit criteria, 45% Maintained existing credit criteria, 11% Loosened credit criteria, 30% No change
- February (46): 11% Tightened credit criteria, 59% Maintained existing credit criteria, 11% Loosened credit criteria, 30% No change
Has your time frame from loan application to onboarding changed? (48)

- Decreased: 21%
- Stayed the same: 52%
- Increased: 27%
Are you continuing lending to new and existing customers?

- October (56): 82% continuing to new AND existing customers, 11% continuing ONLY to existing customers, 7% discontinued lending
- November (47): 83% continuing to new AND existing customers, 13% continuing ONLY to existing customers, 4% discontinued lending
- February (48): 88% continuing to new AND existing customers, 8% continuing ONLY to existing customers, 4% discontinued lending

Lending to NEW customers in existing or new sectors? (42)

- Existing: 38%
- New: 2%
- Both: 60%
Member Pulse Survey

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

Lending

- Don’t know: 6%
- Lend less: 4%
- Lend about the same: 19%
- Lend more: 71%

(SME Finance Forum)
Percentage of SME clients in financial distress now? (43)

- 0-20%: 42%
- 21-40%: 37%
- 41-60%: 12%
- 61-80%: 5%
- 81-100%: 5%
Member Pulse Survey

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

Percentage of SME clients expected to be in distress, in three months:

- October (67): 49% (0-20%), 36% (21-40%), 12% (41-60%), 1% (61-80%), 1% (81-100%)
- November (59): 53% (0-20%), 29% (21-40%), 29% (41-60%), 2% (61-80%), 0% (81-100%)
- February (43): 58% (0-20%), 28% (21-40%), 7% (41-60%), 2% (61-80%), 5% (81-100%)

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Are you investing in Digitizing Clients? (45)

- Yes: 89%
- No: 11%

Are you investing in Upskilling clients (47)

- Yes: 85%
- No: 15%
Member Pulse Survey

Next quarter, what do you expect to happen to...
Revenue

- 63% Expect more revenue
- 18% Expect the same revenue
- 10% Expect lesser revenue
- 10% Don't know
Next quarter, what do you expect to happen to...

Number of Customers

- More active customers: 66%
- About the same: 23%
- Fewer active customers: 5%
- Don’t know: 6%
Accelerating finance for businesses

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