

Key Customer insights and COVID-19 crisis response by Ujjivan

30th June 2020

About us



We cater to financially unserved and underserved segments, and are committed to building financial inclusion in India.

15

Years of Financial Services

575

Branches across India

5.2+
million

Customer base

1873
million
USD

Loan amount disbursed in pervious Financial Year

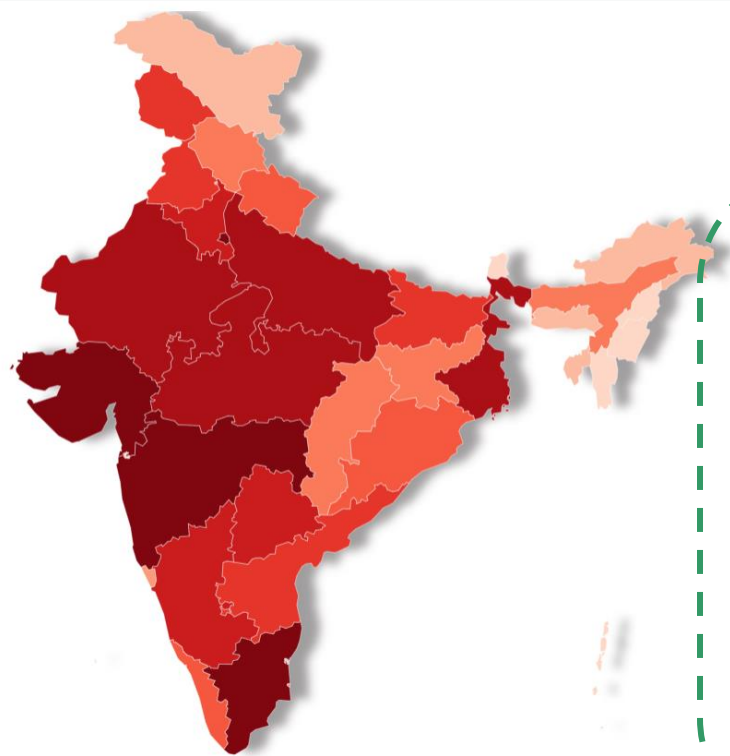
4.3+
million

Active borrowers

1426
million
USD

Deposits collected in previous Financial Year

Covid-19 context in India



The pandemic has impacted economic activity across sectors and affected livelihood of millions of Indians.

Impact on day to day business operations

- Nationwide lockdown was imposed on March 23rd
- Only essential operations were allowed
- Phase wise lifting of lockdown and ease of restrictions to business operations started in early May
- Lockdown of containment zones due to nationwide increasing count of Covid-19 cases



Government's and Banking regulator's response to the crisis



Food related

- About **60% of the population** was provided free food grains (5 kg wheat, 5 kg rice and 1 kg pulse) in addition to existing free food grains for 3 months, through Public Distribution Scheme (PDS) by Government.



Moratorium

- In March, all lending institutions were permitted by RBI, the banking regulator, to allow a **moratorium of three months** (April to June) on repayment of instalments.
- In May, RBI allowed lending institutions to allow a **further 3-month moratorium** till August.



Direct Benefit Transfers

- About **200 million woman Jan Dhan account** (bank account opened through Government's financial inclusion mission) holders were given an ex-gratia of INR 500 per month for 3 months.
- Women from **83 million BPL families** covered under existing Government subsidised cooking fuel scheme were given free LPG cylinders for 3 month.
- The **minimum daily wage** under Government sponsored employment guarantee scheme was **increased by 10%**, benefiting 50 million families.
- For 630,000 Self-help Groups (SHGs), helping 70 million households, the Government is **doubling collateral-free loans to INR 200,000**.

Customer surveys conducted by Ujjivan to prepare for Covid-19 response

Covid-19 Dipstick Survey	In collaboration with Women's World Banking , we conducted Dipstick survey with 294 women across India to understand the challenges they were facing due to Covid outbreak and lockdown.
Covid-19 & Probable migrants survey	<p>To design business reboot and future strategy based on Covid-19 impact, two surveys were conducted to understand customer views across parameters including COVID-19 Awareness, Impact on Income during lockdown, moratorium, migration, expected change in financial behaviour and expectations from Ujjivan during this time.</p> <ul style="list-style-type: none">▪ Covid-19 survey - 63,481 respondents▪ Probable migrants survey - 27,062 respondents

All these surveys are telephonic surveys conducted by Ujjivan

Key insights from the surveys conducted



Covid-19 awareness is better in Metro and Urban



Less than 3.5 % of migration has been reported.



> 60% of the respondents have expressed loss of income due to lockdown



75% of the customers expressed that they can return to normalcy within 1 month of the lockdown lifted

Customers from Rural areas and Green zones did not opt for moratorium

20-25% of the customers would prefer digital repayment options

7% of customers need loans immediately and another 19% within 3 months

21% of customers were comfortable availing loans over phone

Insights on income sources, income impact, recovery timeframe and moratorium

Income Sources:

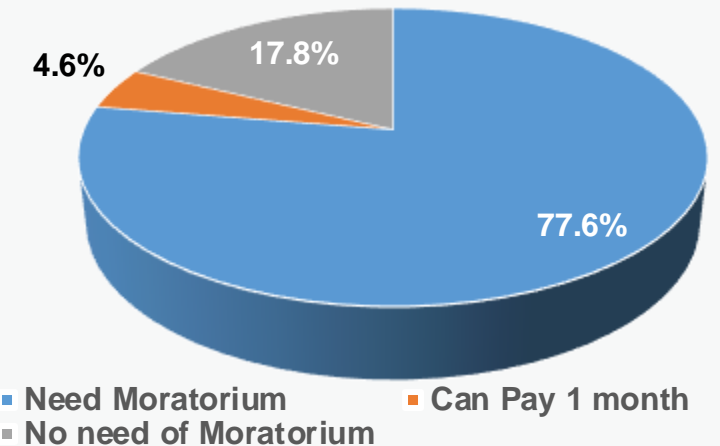
- More than 60% of the customers have more than 1 source of income.
- Customers in Metro and Urban area have more than 2 sources of income
- Eastern India has higher % of customers with single source of income.
- Often families have multiple members engaged in the same livelihood.

Impact on Family Income & Recovery Timeframe:

- 4% of the respondents have reported no change in income/cash flows.
- 62% respondents have stated they do not have any income presently.
- 22% have reported >50% reduction in income.
- **75% of them stated that they can get back to normalcy within 1 month post lockdown**

Moratorium Preference:

- 17.8 % customers have expressed their willingness to pay during the moratorium period,
- 4.6% have expressed that they will be able repay for a month during the moratorium.



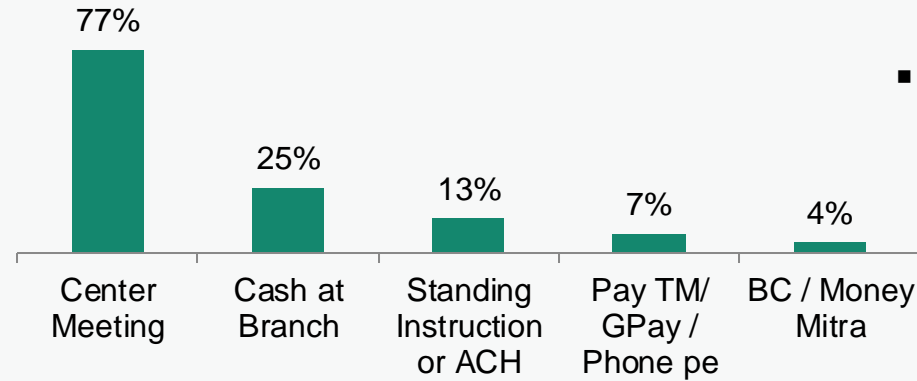
Insights on migration, preferred repayment and loan processing mode

Migration

- Approximately 3.5% of the customers or family members have migrated or are planning to migrate
- Majorly from Metro and East regions

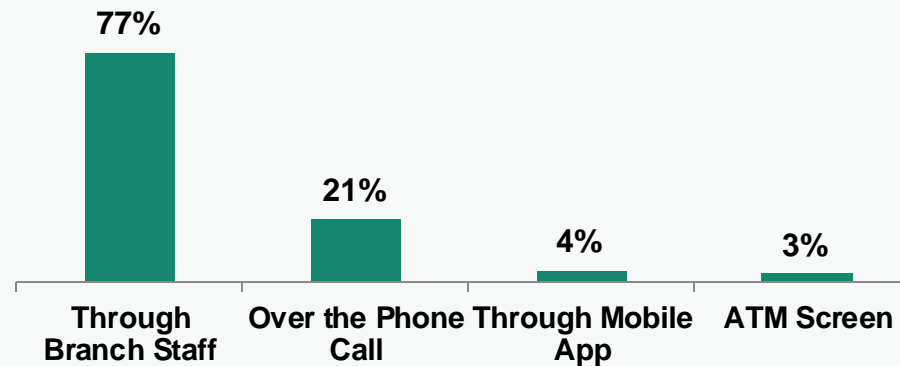
Customer Area	No Migration	Migrated	Planning
Metro	95.6%	4.0%	0.4%
Rural	96.2%	2.3%	1.5%
Semi-Urban	96.3%	2.5%	1.1%
Urban	97.4%	1.7%	0.9%
Grand Total	96.4%	2.4%	1.1%

Preferred Repayment Mode



- 77% respondents have preferred center meeting as the primary repayment option

Preferred Loan Processing Mode

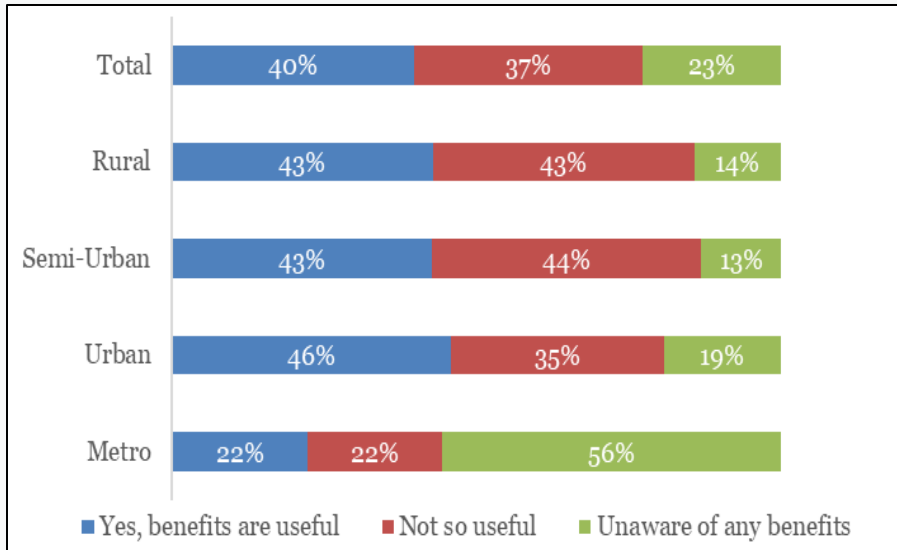


- 77% respondents preferred loans through branch staff, another 21% over call.

- **Loan on Phone is being rolled out in 100 branches**

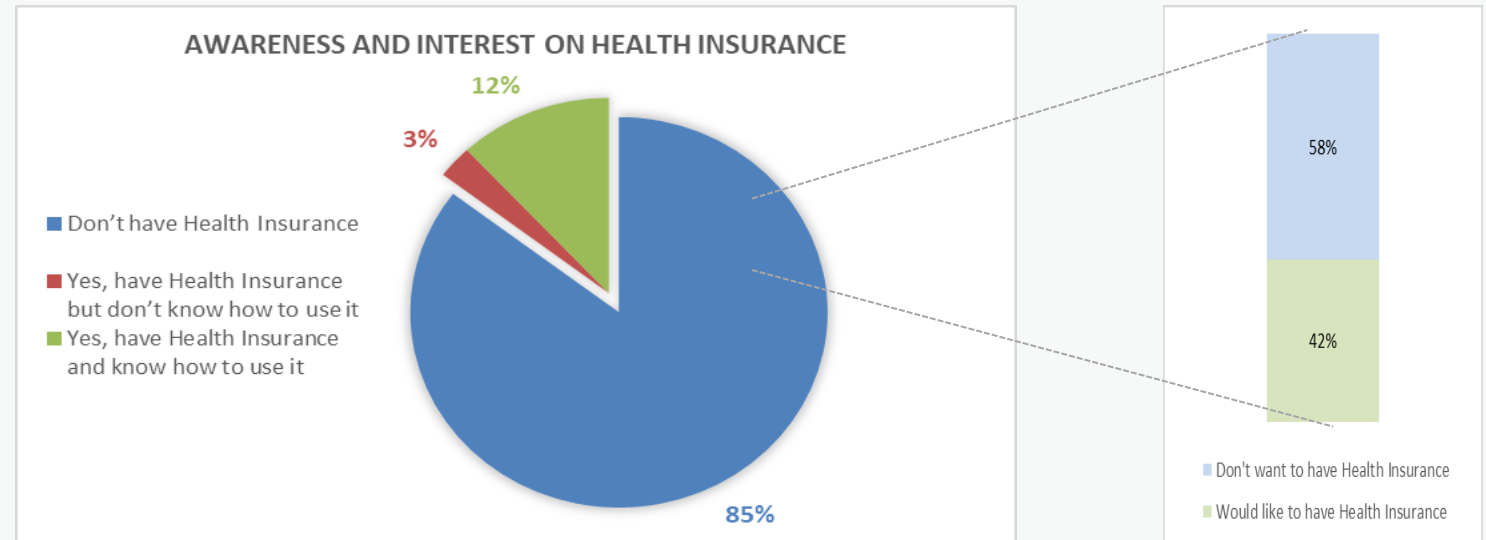
Insights on Government Benefits and Health Insurance

Awareness on Government benefits



- 77% of the customers are aware of the benefits given by government and 37% **think these benefits are not useful**. More than 50% customers in Metro areas are unaware of Government benefits.

Awareness and interest on Health Insurance



- Only 12% of the customers have Health Insurance and know how to use it.
- 42% expressing interest shows that there is good opportunity to cross-sell Health Insurance now.

Actions taken by Ujjivan

Janta Connect Program

- Our branch staff contacted more than 5 million customers personally to make them aware of all the information on Covid-19 (from Symptoms to Preventive Measures) and inform about the moratorium.

Business continuity

- Business Protocol, Do's and Don'ts for staff on ground to be communicated.
- Green Zone and Rural areas can start operations with a focus on customers into agriculture and essential services.
- Continuous monitoring and review of the areas and occupations

Actions taken by Ujjivan

Reimagine business processes

- Strengthen Early Warning System Framework (EWS) relevant to current situation and revise business strategy accordingly.
- Focus on goal based deposits during this period.
- Contactless lending through Loan on Phone.

Cashless repayment options

- Payments through NPCI cashless payment framework and popular apps Google Pay, PhonePe.

Increasing digital transactions

- Digibuddies & front-end staff as digital evangelists.
- Building Segment Specific Mobile App rich in Voice, Video and Vernacular.
- UPI Acquirer – UPI Merchant QR and Loan Repayment QR codes.

THANK YOU