



## Banking Women Entrepreneurs during COVID 19



# BRAC Bank's TARA SME Portfolio Overview

## Served Since Inception



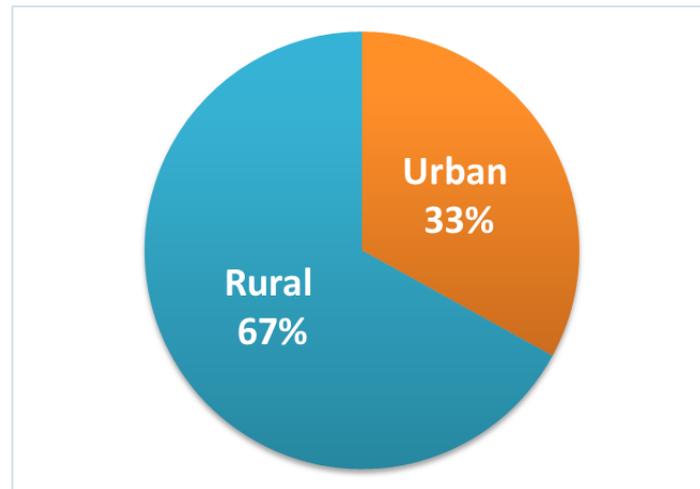
- No. of loan disbursed: **20,000+**
- Disbursed Amt: **USD 200m**

## Portfolio Size



- Current Customer Base: **3,500**
- SME portfolio: **USD 45m**
- **PAR: 4.9%** and **NPL: 2.2%**

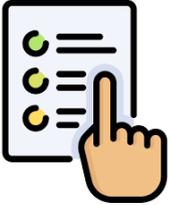
Business Segment	Customer %
Farming (Dairy, Poultry, etc.)	32%
Boutiques & Readymade Garments	20%
Grocery Shops	7%
Consumer Goods	5%
Beauty Salons	5%
Pharmacy/Medicine Shops	4%
Agro-Processing	4%
Electric & Electronic Shops	3%
Distributors & Suppliers (wholesale)	3%
Hotels & Restaurants	2%



# BRAC Bank's immediate COVID 19 response



Build **stronger relationship with customers** over phone & other digital platforms during the difficult times



Conduct **Rapid survey** to identify the most affected businesses & find what support measure will be most effective



**Design Support** measures based on survey findings

# Rapid Survey Findings...



Business Segments Mostly in Operation
Agriculture - Farming
Agro Processing
Grocery
Pharmacy
ICT & E-Commerce



Business Segments Mostly Out of Operation
Auto Parts
Cloths
Cosmetics
Electric & Electronics
Engineering Works
Furniture
Hardware
Steel
Shoe
Auto Parts



**46%** Reduction  
in Sales Volume



**37%** Employees  
Present

- 85%** Unable to collect receivables
- 82%** Can afford only 1 month's OPEX
- 90%** Unable serve debts from 2<sup>nd</sup> month



**CASHFLOW**



**INVENTORY**

- 76%** Open businesses will run short of inventory within a month as supply chain disrupted
- 86%** Closed businesses will be able to operate only for 3 months if supply chain is not restored

# COVID 19 support umbrella for TARA SME lending customers

## **SME Loans:**

- 3 Month moratorium provided to all good SME lending customers.
- Interest rate of all SME loans reduced to 9%.
- Stimulus package announced by the Government to provide working capital facility at 4% interest rate to SMEs. Government will provide 5% subsidy to Bank as part of the package. Mandatory quota kept for Women-owned SMEs.
- Web Seminar for Women Business owners of TARA to help them with strategy and business during a pandemic.

## **Retail Loans:**

- 3 months payment deferment option to the COVID impacted personal loan customers.
- loan related customer services are continued through remote assistance

## **Credit Cards:**

- Late Payment Fees waiver for Credit Cardholders. The card holders can now conduct transaction till 90 days of bill non-payment (which was previously 30 days).
- Customers can enhance credit card limit on an emergency basis through email with document deferral.

# COVID 19 transactional support umbrella for TARA SME customers

## Digital Channels:

- Emergency cash facility introduced in collaboration with no.1 MFS of the country bKash
- Campaigns with E-Com partners to promote online payment
- Cash back on grocery purchase from online grocery stores
- Debit card campaigns with online stores to encourage customers online transactions.
- Banking activity requests taken from registered emails without customers needing to visit branch

## Branch Channel:

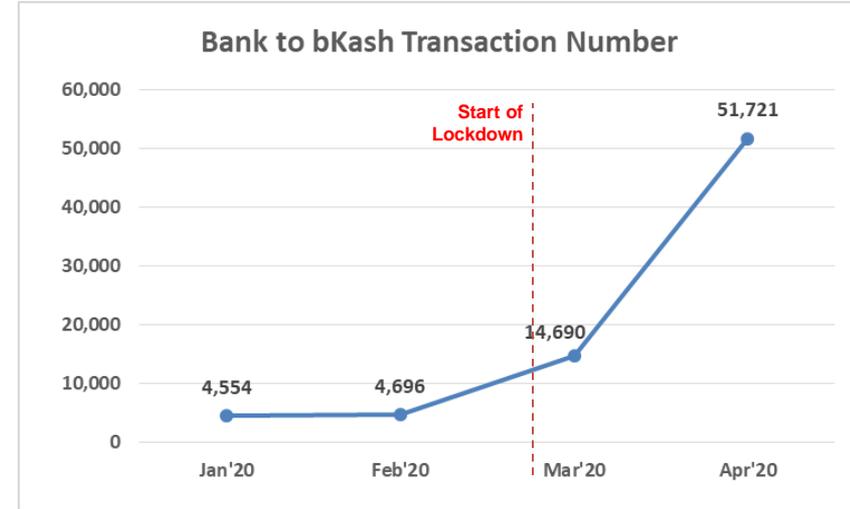
- 83 out of 187 branches open upon complying with all relevant directives of Central Bank

## Alternate Banking Channel:

- 80% of our Agent Banking Outlets offering limited scale banking services
- Call Centre -24 hours a day
- ATM network is up and running with sufficient cash
- Internet Banking is providing both account and Card related enquiries

# 7 Final Remarks...

- bKash is a MFS of BRAC Bank. We have experienced a 12X increase in number of transactions from Bank to bKash wallet since beginning of lockdown which shows that the customers are quickly embracing digital channels for their transactions.
- We must embrace digital financial services to address the mobility constraints caused by the pandemic.
- Build women-friendly digital supply chains for rural, women-led SMEs to boost business growth.
- This is the opportune time to increase rural women's participation in the digital economy, including digital marketing and digital trade.
- We should also start adapting to ICT-based capacity building. This includes providing digital, virtual, and mobile-based business training, coaching, and mentoring related to economic recovery, digital marketing and communication channels, and overall digital financial literacy.



**We must think differently and be ready to do “business unusual” to help women entrepreneurs cope with economic stresses amid the pandemic.**

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# Thank you