



COVID-19 Customer Experience Survey

Sample Findings

June 2020

Operating Context

Mitigation

Restructuring

Recovery



Lockdown



Moratorium



Operational Adjustment



Adaptation



Digitization / Touch-Tech

Branchless Communications and Transactions

(Feb vs Mar)



Website Traffic
from New Visitors
Georgia



Inbound
Calls/Call Center
Jordan*



Digital
Inquiry Forms
Honduras

Communications



Customer Journey

COVID-19 Customer Experience Survey

METHOD

- Telephonic interviews, using a structured format with a few open-ended questions
- Randomly-selected clients (loan, saving, cross savers)
- Target sample is 500 clients for each subsidiary. The clients are randomly selected

GOAL

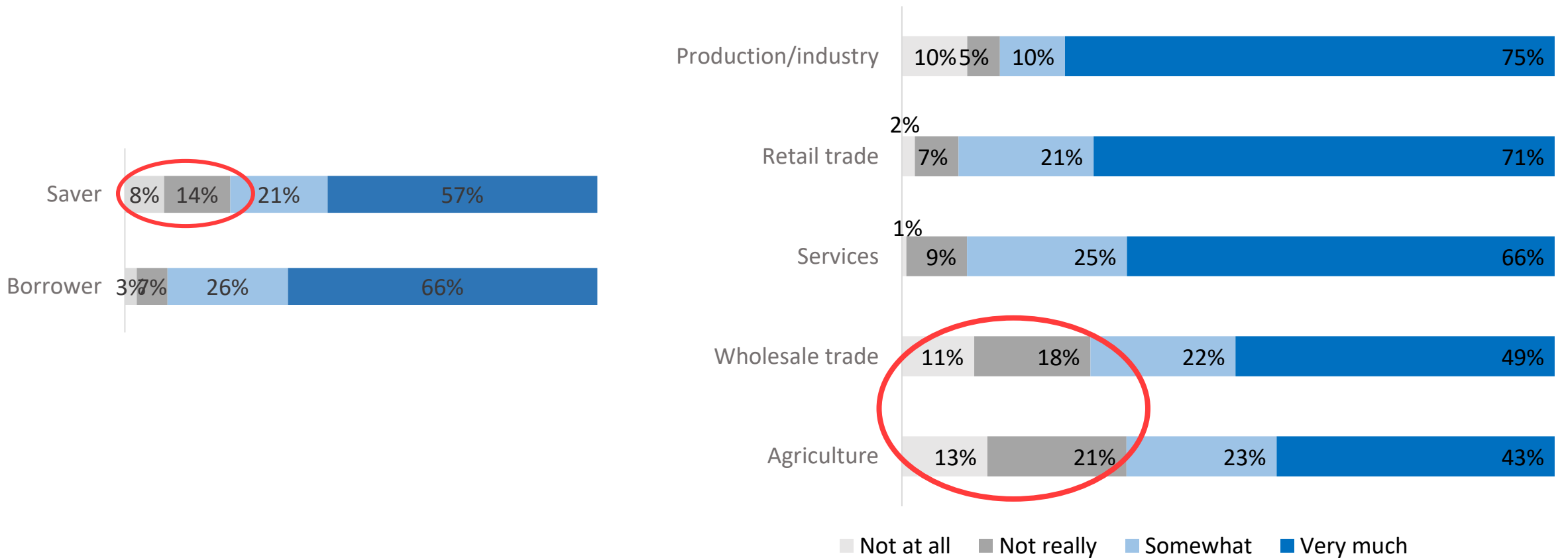
To understand...

- The general impact under the imposed lockdown
- Household provisioning and financial capacity
- Family and business situation
- Coping strategies
- Expectations from FINCA

Who is Concerned about COVID-19

Savers are significantly less concerned than borrowers.

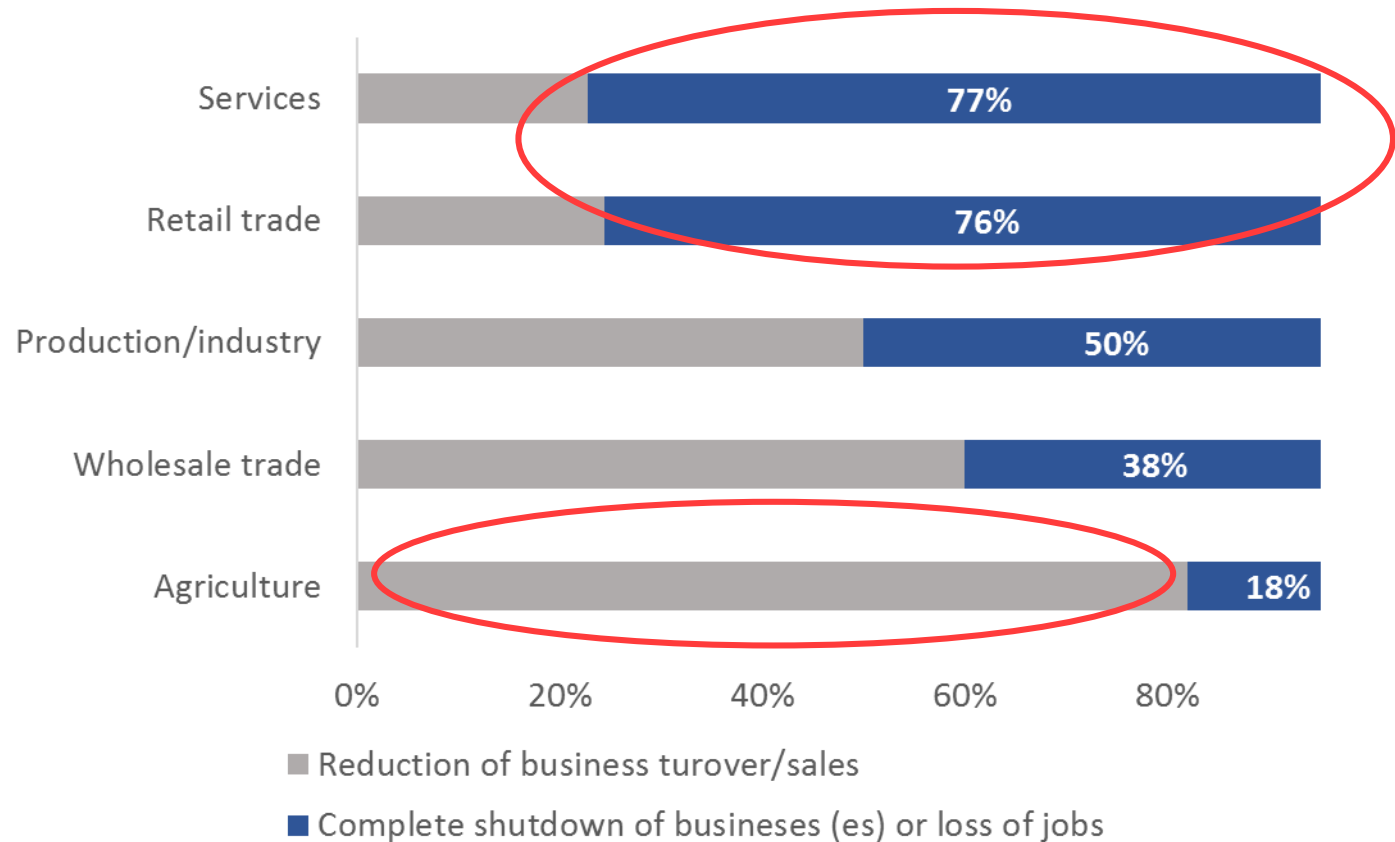
Ag and wholesale trade clients are more optimistic than those employed in small trader, service, and industry



Impact on Business

About 90% of respondent reported a significant drop in household income due to either complete shutdown or significant reduction of business turnover.

Complete shutdowns are much more common in retail trade and service sectors, while the majority of farmers report reduction only.



Sectoral Variance

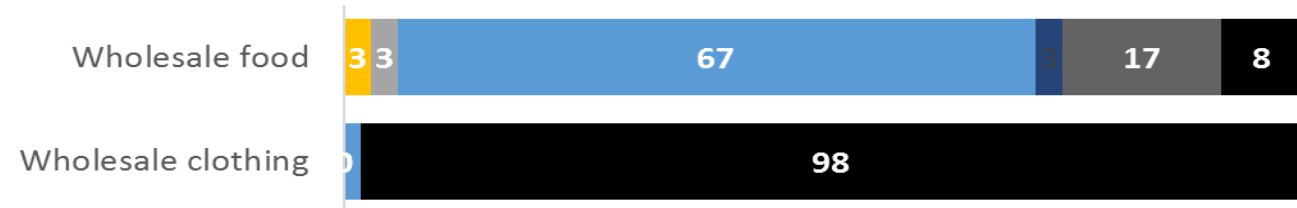
Within retail and wholesale trade, food businesses were open but felt the effect of reduced demand significantly, while personal items & clothing businesses were mostly closed because of the lockdown and haven't encountered significant market related factors yet.

Reasons for Shutdown or Drop in Sales

Retail Trade



Wholesale Trade



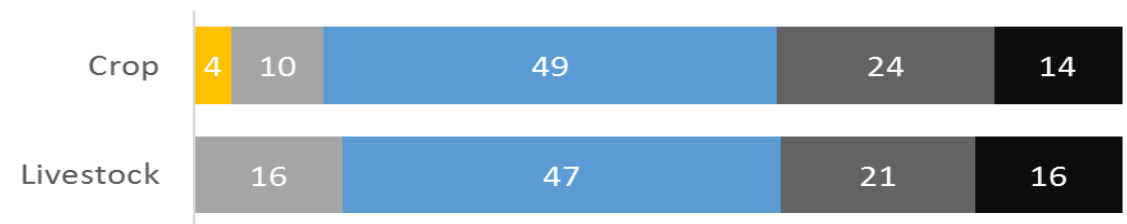
Service sector was mostly hit by the lockdown, food service reports some demand and price reductions as well

Services



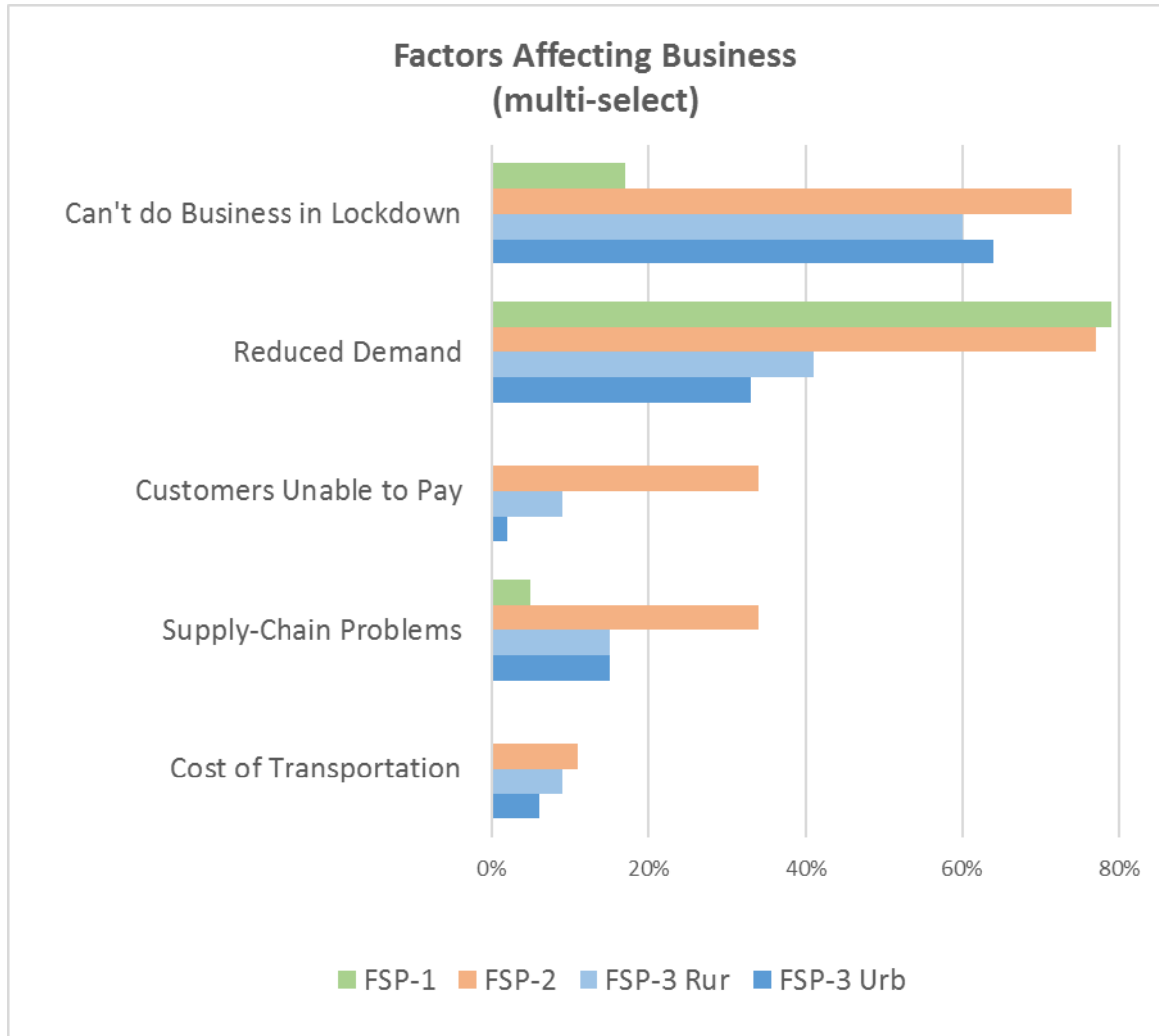
Ag sector reports wider range of issues, such as transportation, lower prices on own products, and reduced demand, and less issues related to lockdown itself.

Agriculture



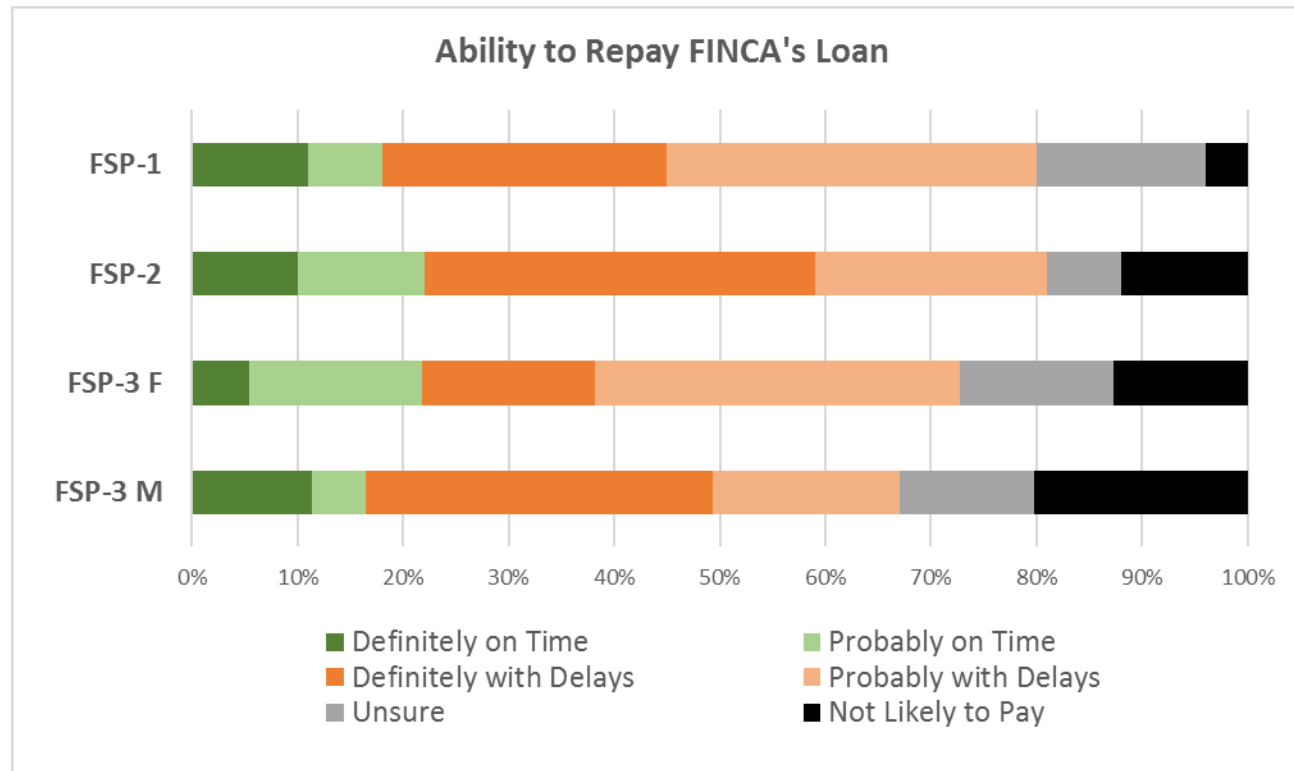
- Supply chain issues
- Higher prices of stock/supply/materials needed
- Transportation issues
- Lower prices on your product/services
- Not being able to sell/produce/offer services because of the lockdown
- Reduced demand

Country Comparison



- Strong similarities in terms of business impact between the countries.
- Stoppage of business and reduced demand are the top factors affecting customer's businesses.
- FSP2 has a higher incidence of supply chain problems.
- Statistically significant differences between urban and rural customers in FSP-3. Lack of money to buy stock, reduced demand and customers unwilling to pay are more widespread in rural areas.
- Other factors that registered but at low levels include
 - Cost of stock (2%-8%)
 - Lower prices (1%-9%)
 - Higher costs of business (2%)
 - Other / none (6%-14%)

Impact on Repayment



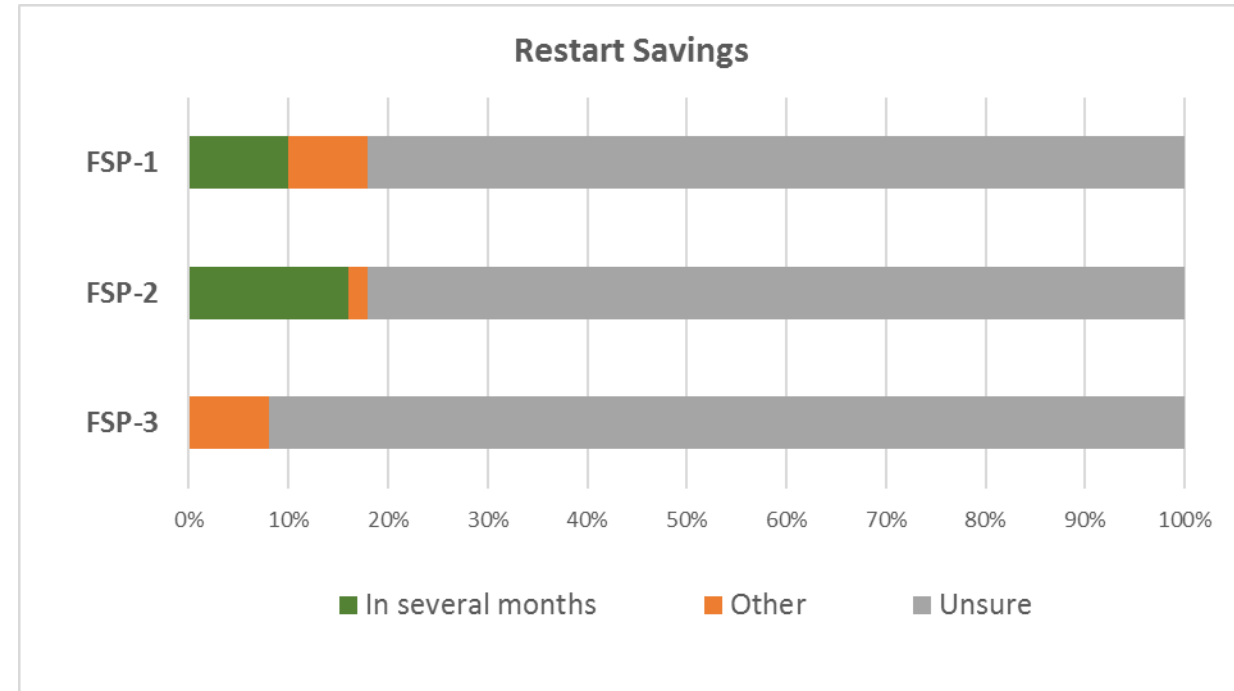
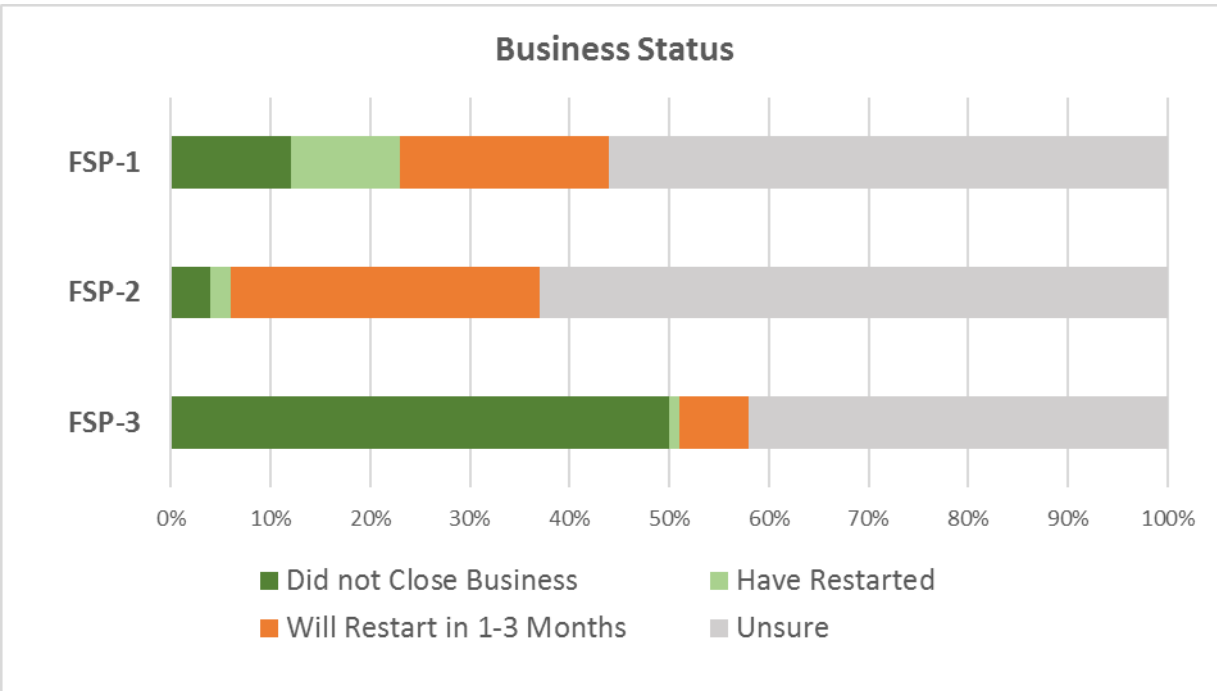
- Strong similarities between the countries in terms of general outlook.
- Likely write-offs range from 5 to 30 percent.
- Likely write-offs are highest among men in FSP-3, lowest in FSP-1.
- Significant gender difference in FSP-3. Women are more likely to say “probably” or “unsure,” while men are more definite in their assessment.
- Restructuring will affect between 80 and 90 percent of loans, with up to 30 percent as full or partial write-offs.

Triangulate with Sector-Level Risk Assessments

	FSP-1		FSP-2		FSP-3	
	Survey	IMF	Survey	IMF	Survey	IMF
Agriculture, livestock, forestry and fishing	24.0	24.0	9.0	9.0	7.0	7.0
Mining and quarrying	4.0	4.0				
Electricity and Water			0.3	0.3		
Total LOW Impact	4.0	28.0	0.3	9.3		7.0
Manufacturing	-		9.0	9.0	5.0	5.0
Construction			0.6	0.6		
Transportation and storage, Communications			16.0	16.0		
Total MEDIM Impact	24.0	-	34.6	25.6	12.0	5.0
Wholesale and Retail Trade	4.0	24.0	46.5	46.5	63.0	63.0
Food and Accommodation	20.0	20.0	7.1	7.1		
Finance, insurance and real estate	-		0.5	0.5		
Education, health, community personal services, etc.	28.0	28.0	11.0	11.0	25.0	25.0
Total HIGH Impact	72.0	72.0	65.1	65.1	88.0	88.0
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

- Based on IMF and enterprise surveys in the wake of COVID-19.
- Exposure calculated from internal MIS data.
- Aggressive restructuring will affect 70 to 93 percent of total loans by value.

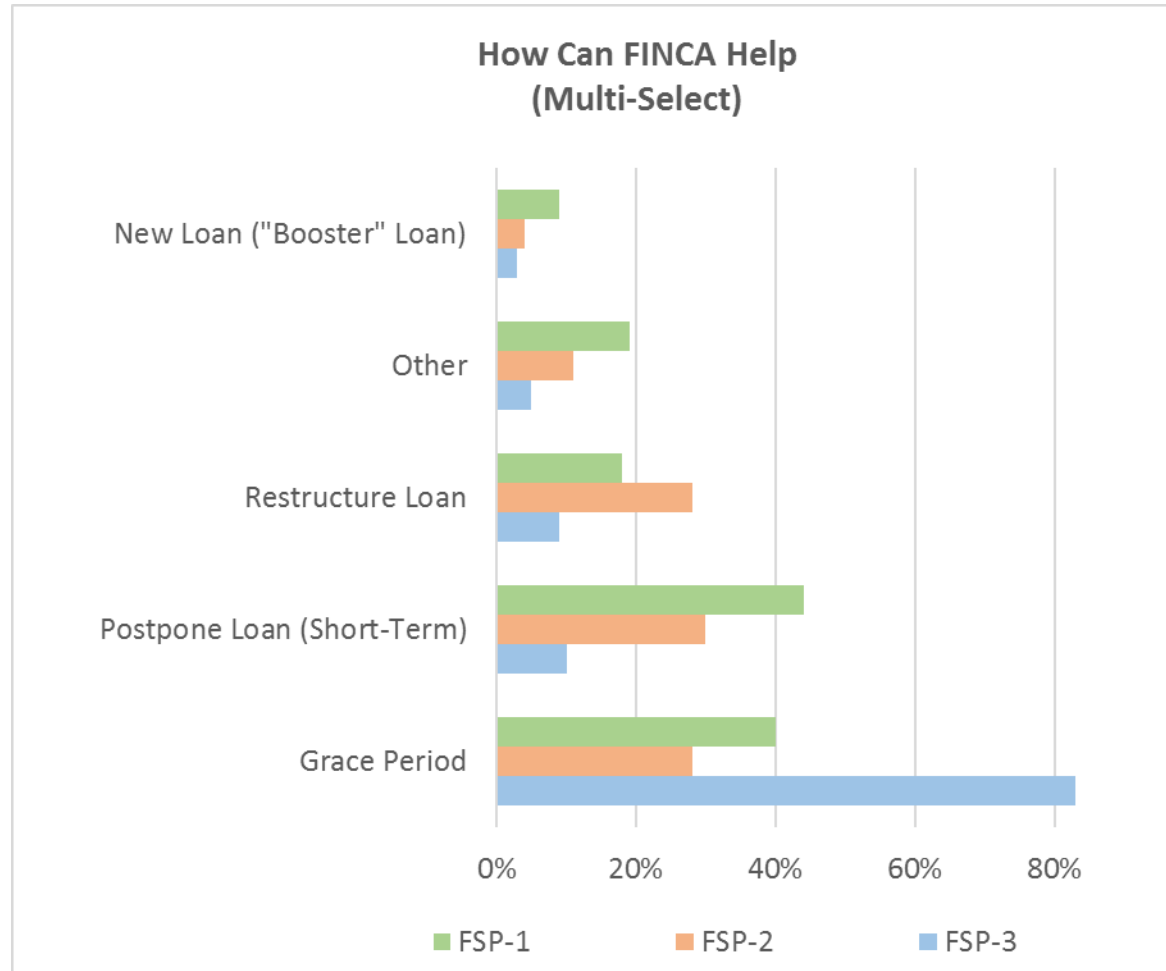
Restarting Business and Savings



- Enormous uncertainty about when business can restart in all three countries.
- FSP-3 is exceptional. Half of businesses did not close.
- Customers in FSP-2 have the most pessimistic outlook.

- No real expectations that customer will begin saving anytime soon.
- Savings plans are slightly more visible in FSP-2.

Requirements from FINCA



- Prioritization is the same across all countries.
- Postponements and grace periods are the top requests, especially in FSP-3.
- Very low appetite for new credit.
- “Other” included loans for consumption, education on COVID, and unspecified items. Could be worth exploring more in FSP-1.

Communication

Over 66% of clients in FSP-1, 95% in FSP-2 and 79% in FSP-3 would like to receive information from FINCA in the following subjects:

- updates on operating hours,
- updates on available products and service,
- updates on changes in product features (loan restructure, etc..),
- reminders about health and safety measures, general check-in calls from a staff member, and
- Promotions in loans and savings.