microfinance Ubank

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IMPACT ASSESSMENT REPORT
2022

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Executive Summary

Microfinance is essential in bringing the underserved and unbanked communities into the financial net. Research has proven that microfinance undoubtedly helps in providing a buffer against economic shocks; however, its impact on poverty alleviation is debatable. One of the major reasons for the unclear impact on poverty is the lack of experimental research. Due to difficulties in identifying control groups, the cost and the time required, many researchers opt for case studies. While case studies do provide some insights, they do not identify the main mechanisms that link microfinance and social conditions.

In 2019, U Bank took the initiative to conduct a study on the impact of its loans on the borrowers using a blended research design focusing on business performance and socio-economic indicators. The research resulted in a comprehensive baseline study. This report is an extension of that research work and moving forward U Bank aims to conduct it at regular intervals to measure the impact overtime. Although it does not replace the need for experimental research nor does it prove causality with complete accuracy, it does provide quick and actionable insights that can help U Bank and other MFPs in focusing on products that are better geared towards improving people's socio-economic conditions.

Some key findings of the research are as follows:

- As compared to 2019, average family size has increased from 6 to 7 members.
- As compared to 2019, there has been a significant decrease in borrowers who feel that their living standard improved after taking the loan.
- There has been a sharp increase in borrowers who faced difficulty in repaying the loan and interest.
- Majority of the respondents in KP and AJK took loans for business use.
- Majority of the female respondents reported an increase in saving capability due to the loan while majority of the male respondents reported no increase.
- As compared to 2019, there has been a slight increase in daily nutrient intake as measured by fruit and meat consumption.
- School dropout rate is significantly low amongst the children of U Bank clientele.
- Average cost of hospital visits is highest in South Punjab and lowest in Khyber Pakhtunkhwa compared to other regions.
- Livestock remains the most popular asset bought by borrowers with the loan.
- Awareness about health insurance products is relatively higher in South Punjab.

1. INTRODUCTION & BACKGROUND

1.1. Historical Overview of Microfinance – Origin and Purpose

Microfinance refers to financial services offered to economically disadvantaged sections of the population which lack access to, or are excluded from, traditional banking services. It emerged as a means to empower financially disadvantaged communities and provide them with an avenue to lift themselves out of poverty. The most common form of microfinance is 'microcredit'; these are small loans given to people with the notion that they will utilize the credit to support their businesses or partake in other income-generating activities without having to suffer due to unforeseen expenses or fall prey to loan sharks.

Modern history of microfinance is traced back to late 20th century Bangladesh. Witnessing the plight of the poor in famine-ridden Bangladesh, Dr. Muhammad Yunus decided to extend a loan of $27 to 42 women involved in the making of bamboo stools, believing that if the women had a loan to fall back on they would be able to boost their productivity. The model was a success as the women were able to increase their output and repay the borrowed amount. Expanding this model, Yunus went on to set up the Grameen microcredit system (later grew into the Grameen Bank) which offered small loans to economically disadvantaged groups, particularly women, with no collateral or financial security. It grew to be a huge success with "over 7 million beneficiaries in Bangladesh, 97% of whom [were] women"[1]. The model was adopted by NGOs and financial institutions around the world.

Around the same time, John Hatch was designing a medium of lending to the poor in Latin America through institutions called "Village Banks". In order to safeguard poor communities from inflexible money lenders and third-party organizations, Hatch devised a method whereby Village Banks would receive loans from microfinance organizations, which could then be invested into practices as per the needs of the community. This would allow communities to retain their decision- making power and control capital flow without generating dependency on financial institutions.

Although Hatch and Yusuf's endeavors set the foundation for the modern-day operations of microfinancing, its essence, or the principle of microfinance, can be seen in ancient social practices also. Informal mechanisms to issue loans to financially disadvantaged people has long been a norm in many Asian countries: The Vaishya caste in India can be traced back to moneylender guilds which were solidified into caste by ancient Hindu law; In Bengal, Rabindranath Tagore, gave collateral-free loans to cooperatives made up of his subjects[2]. The contention lies in the fact that none of these measures were sustainable; they did not provide a long-term solution to poverty as most often people were unable to repay their loans. In contrast, the Grameen system offered a sustainable model of lending which made the economically disadvantaged a bankable community for financial institutions.

Microfinance allows for development and entrepreneurial activity in economically disadvantaged societies. It engenders communal responsibility and a sense of loyalty amongst members of the recipient communities. However, the modern microfinance system is not without its flaws. Following the global adaptation of the system, the 2000s witnessed a fall in the return on microfinance investments. Factors such as increased interest rates, profit incentive of lenders overshadowing the social motive behind the practice, and lack of transparency added to borrowers' inability to return payments. Jason Hickel, in his article "The Delusion of Microfinance", highlights that 94% of microfinance loans in South Africa are utilized for consumption purposes. He concludes that microfinance practices exacerbate poverty as consumption expenses immerse the borrower into "layers of debt". In cases where they are used to fund businesses, the proprietors face a lack of demand as the market communities are also poor. Interest rates for certain microfinance loans can range from 30%- 60% which renders microfinance as an unsustainable method to alleviate poverty as its precursors[3]. The Compartamos Bank scandal of 2007 can be cited as evidence of the failure of the system as lenders charged exorbitant interest rates of upto 200% per annum primarily to boost profit margins.

1 https://group.bnpparibas/en/news/history-microfinance-small-loans-big-revolution

2 https://journals.sagepub.com/doi/pdf/10.1177/2319714520925933

3 https://www.theguardian.com/global-development-professionals-network/2015/jun/10/the-microfinance-delusion-who-really-wins

1.2. Global Microfinance Market

By the end of 2020, global microfinance gross loan portfolio amounted to $159.9 billion. This represents an average growth rate of 2% compared to the previous year but is significantly lower than the average growth rate of 12.4%-16.3% between 2017-2019. According to a latest report on 'Microfinance-Trajectory and Analysis', the microfinance market is expected to reach $304.3 billion by 2026, registering a compounding annual growth rate of 11.9%. Between 2019 and 2020, the total number of active borrowers remained stable at 140.3 million, increasing by only 0.3%. The growth in active borrowers is also significantly lower than the past 3 years where it averaged to 6-10%. Female clients continue to be primary borrowers of MFIs, accounting for 80.9% of the total borrowers.

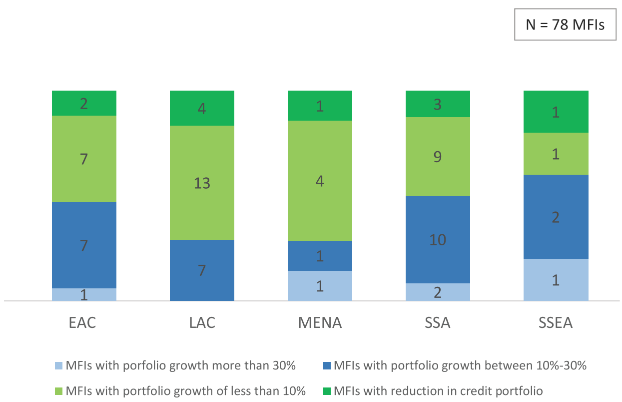
South and Southeast Asia (SSEA) continues to dominate the global microfinance market, both in terms of number of borrowers and GLP. SSEA's proportion of GLP stands at 43.1% and the proportion of borrowers is 70.3%[4]. The percentage of female borrowers has reached 82% which is significantly higher than all other regions. Latin America and the Caribbean (LAC) form 19.1% of the total borrowers and 40% of the GLP. Sub-Saharan Africa (SSA) accounts for 5.9% of the GLP and 5.7% of total number of borrowers. Europe and Central Asia' s (ECA) share of borrowers stands at 1.9% while proportion of GLP is higher than SSA (9.6%). Finally, Middle East and North Africa remains the smallest region with a contribution to GLP of 1.3% and 3% of the share of number of borrowers.

1.2.1. Impact of Covid-19 on the Market for Microfinance

A study was conducted by Grameen Foundation, ADA and Impulse in July 2021 to gauge the impact of Covid-19 on global microfinance market[5]. The market is observing some momentum as only 36% of the MFIs surveyed reported a decline in their outstanding loans. 53% of the MFIs stated they did not meet their disbursement targets in the second quarter of 2021. More than half of the MFIs in LAC and SSA region mentioned unmet targets despite favorable operating conditions. The major reasons pointed out for unmet growth targets include drop in amounts requested by clients, clients' reluctance to commit to new loans and managing risks by only focusing on current clients. Moreover, 85% of the institutions surveyed expected to have more outstanding loans by the end of 2021 compared to December 2020. The figure below shows the growth prospects by region as envisaged by MFIs in 2021 compared to 2020.

Figure 1

Comparison of Growth Prospects (2020 & 2021)



4 https://www.gca-foundation.org/wp-content/uploads/2021/09/BFI_2021_ENG_VF_web_compressed.pdf

5 https://www.ada-microfinance.org/sites/default/files/inline-files/102021%20Signs%20of%20economic%20recovery%20remain%20mixed.pdf

1.3. Microfinance in Pakistan

1.3.1. Evolution and Recent Developments

Following the international rise of microfinance, MF started getting importance in Pakistan in the late 1990s. International funding aided Non- Government Organizations (NGOs) to expand their operations and support the establishment of specialized microfinance institutions in the formal sector (Microfinance Banks). To promote microfinance in the formal sector, government launched Microfinance Sector Development Programme (MSDP) in 2000. Khushhali Bank was the first specialized microfinance bank that was following the international rise of microfinance. MF started getting importance in Pakistan in the late 1990s. International funding aided Non- Government Organizations (NGOs) to expand their operations and support the establishment of specialized microfinance institutions in the formal sector (Microfinance Banks). To promote microfinance in the formal sector, government launched Microfinance Sector Development Programme (MSDP) in 2000. Khushhali Bank was the first specialized microfinance bank that was established in 2000 ("SBP Second Quarterly Report FY06" 107). MFI Ordinance 2001 was then issued to provide regulatory framework exclusively for microfinance. More recently the government created the Pakistan Microfinance Investment Company (PMIC) in 2016 as part of its National Financial Inclusion Strategy. PMIC provides direct finance to target sectors and offers funding and support to other microfinance lenders. Initiatives financed by PMIC include renewable energy, agriculture, micro-insurance and digital finance.

Microfinance has rapidly grown in Pakistan in the last decade. According to Pakistan Economic Survey, between 2014 and 2021 the number of active borrowers increased three-folds from 2.8 million in 2014 to 8.1 million in 2021. MicroWatch's 2021 edition shows that the total number of active borrowers stood at 8.12 million in 2021. Despite the disruptions caused by Covid-19, the microfinance outreach indicators have depicted growth. The gross loan portfolio increased from PKR 324.2 billion in 2020 to 392.6 billion in 2021, representing a growth of 21%. By the end of 2021, MMBL had the greatest contribution in terms of clients, forming 25% of the market share. With regards to GLP, KMBL was the largest contributor, forming 18.5% of the market share. However, the average loan size observed a decrease from PKR 36,175 in 2020 to PKR 28,292 in 2021.

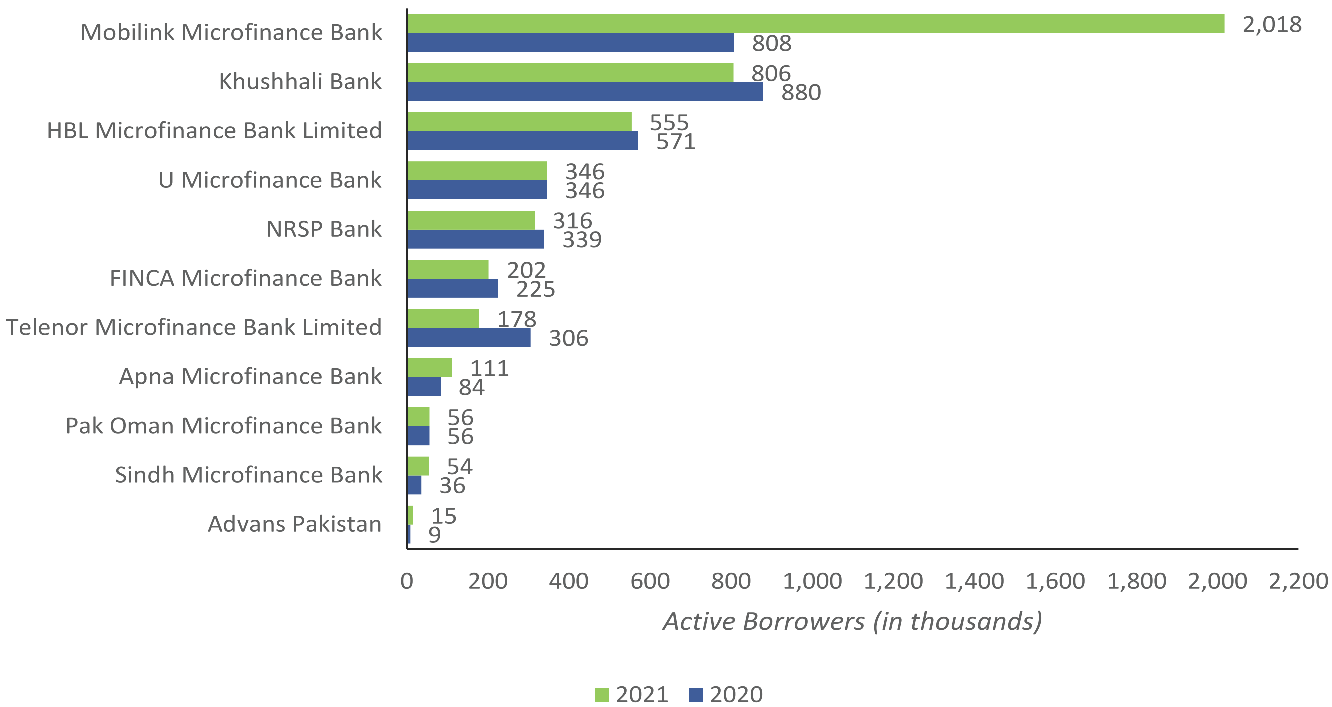
Figure 2

Microfinance Industry Major Indicators

Indicators	2020	2021
Active Borrowers	7,005,885	8,122,085
Gross Loan Portfolio (PKR millions)	324,155	392,585
Number of Loans Disbursed	3,011,022	4,758,134
Average Loan Size (PKR)	36,175	28,292

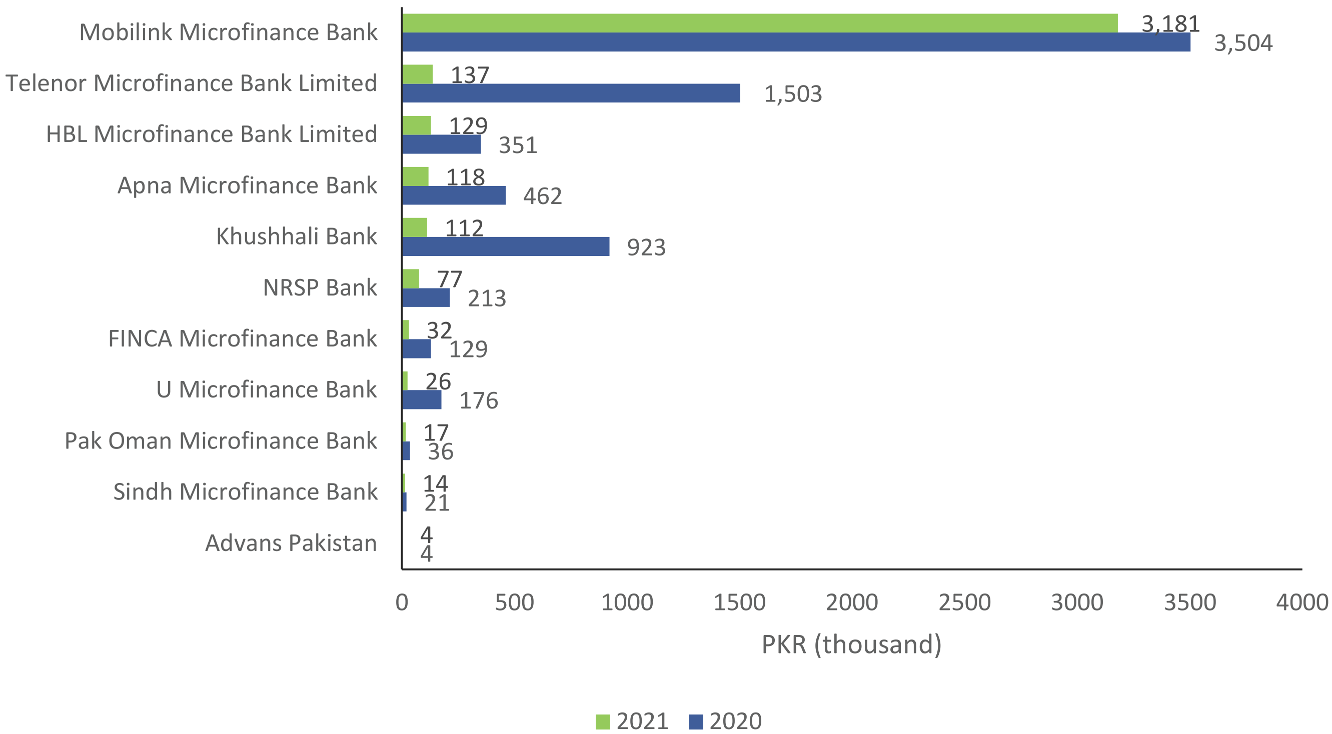
Source: MicroWatch Issue 63 & 54

Figure 3
Top MPBs by Active Borrowers



Source: Pakistan Economic Survey 2021

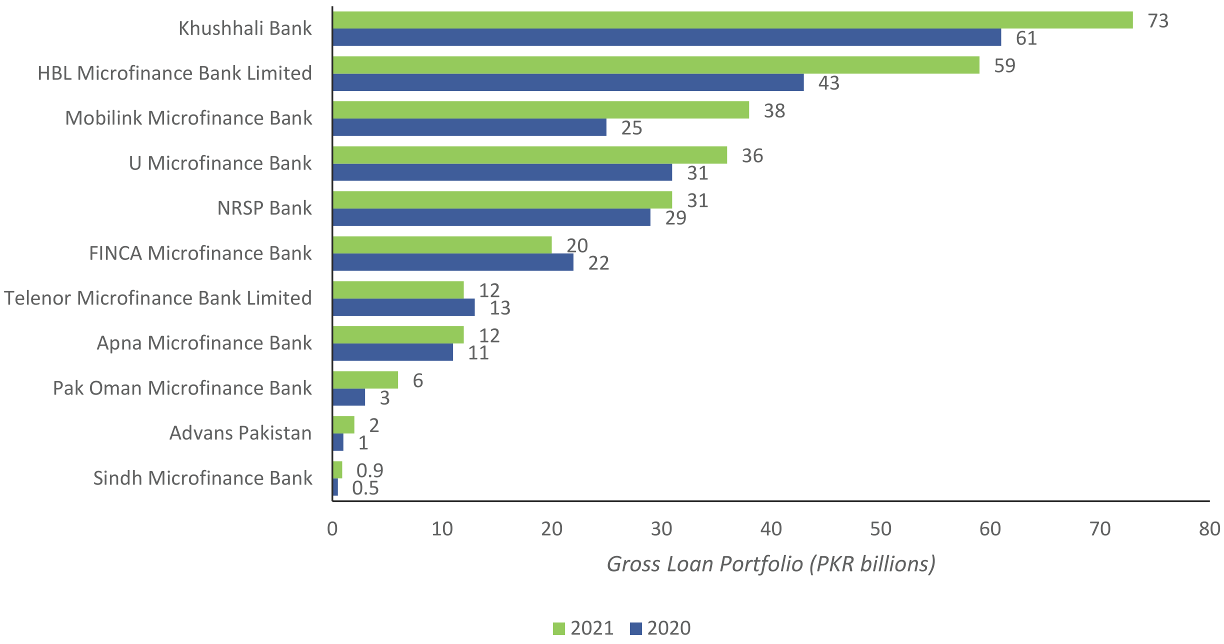
Figure 4
Loans Disbursed by Peer Group



Source: Pakistan Economic Survey 2021

Figure 5

Gross Loan Portfolio (in billions) by Peer Group



Source: Pakistan Economic Survey 2021

In Pakistan, the proportion of women borrowers stood at 44% in the last quarter of 2021. This percentage has decreased by 6% compared to the previous year. The sector is largely focused on rural borrowers; the concentration of rural borrowers increased from 62% to 65% in 2021. Moreover, an increasing trend can be observed in active savers. Active savers increased to 79.7 million compared to 64 million in the corresponding year. 76% of the savers are from urban districts while female savers accounted for 26% of the total depositors.

According to Pakistan Economic Survey (2021), around 36 institutions reported that they are providing microfinance services in the country by the end of 2021. These institutions included 11 deposits taking MFBs, 1 Islamic Banking Institution and the rest of the 24 institutions were non-bank microfinance service providers. As of December 2021, the microfinance industry witnessed a growth of 10.4% in its aggregate microcredit portfolio; however, the number of borrowers increased to 8.1 million which makes about an increase of only 1.1%. Furthermore, the microfinance service providers operated through 3,823 branches that were spread across 138 districts in the country.

Pakistan Microfinance Networks' industry review report shows that all MFPs have social and economic development goals at the core of their mission. The most common objective was economic enablement followed by poverty reduction. Other objectives cited include employment generation, growth of existing businesses and gender equality and women's empowerment. A new trend observed was that the inclusion of development of start-up enterprises as a high number of MFPs reported it as part of their development goals. Additionally, as the government's focus on low-cost housing projects has increased, it indicates an increase in housing finance in the coming years. Data from all MFPs showed that they target more than one segment of the marginalized population. The most common target market for the industry in terms of income is low-income clients. 20 MFPs reported that they target poor clients, while only seven MFPs stated that they target very poor clients. A relatively higher number of MFBs lend primarily to low-income clients while MFIs and Rural Support Programmes (RSPs) tend to target poor and very poor clients.

1.3.2. Microfinance during Covid-19 in Pakistan

To counter the impact of Covid-19, State Bank and the Securities and Exchange Commission announced regulatory relief for MFIs permitting flexibility in observing internal financial reporting standards and encouraged them to defer borrowers' obligations to repay principal amounts by one year. The criteria for classification of assets and provisioning requirements were relaxed for deferred and restructured portfolio up to 31st March 2022. A study was conducted to measure the impact of Covid-19 on microfinance in Pakistan, which comprised of two samples: 1) microenterprises 2) graduated borrowers. The study also included insights from loan officers and senior representatives at microfinance institutes (Malik et al). 97 per cent of microenterprises had an outstanding loan, while 45 per cent of graduated borrowers reported an outstanding loan. Amongst those who had an outstanding loan only 30 percent of the micro-enterprises stated that they were able to pay the monthly payment due on the loan while 23 % of those in graduated borrower group reported the same. Loan officers were asked about the repayment rates for their loan portfolios in February, March, and April of 2020. Average repayment rate in February was 98 percent, 81 percent in March (reflects the effect of the nation-wide lockdown imposed) and 34 per cent in April. A report on the impact of Covid-19 pandemic published by PMN shows that 58% of microenterprises want MFPs to delay payments without penalty till the coronavirus ends.

1.4. Operations of U Microfinance Bank Limited

U Microfinance Bank has a network of more than 240+ branches across 210 cities and rural areas in Pakistan. The bank offers microfinance loans, deposit products and branchless banking solutions. U Bank's branchless banking offers services in collaboration with Ufone. The service is offered at nearly 50,000+ agent locations across Pakistan.

U Bank's aim is to stand at the forefront of fighting poverty in Pakistan and is dedicated to play its critical part in the implementation of the National Financial Inclusion Strategy 2023 that aims to bring 50 % of Pakistan's adult population into the banking net. U Bank is dedicated to building a more inclusive society by bringing the underserved population into the banking net as well to help document the informal economy.

During the year 2021 and in the first quarter of 2022, U Bank's operations reached new heights. U Bank's gross loan portfolio grew to PKR 38.5 billion from PKR 31.3 billion in 2020. The bank disbursed 274,237 loans amounting to PKR 43.1 billion out of which 42,891 loans amounting to PKR 6.5 billion were disbursed to female borrowers. Customer deposits also grew to over PKR 54.8 billion in 2021 from PKR 46.1 billion in 2020. U Bank's active borrowers also increased from 314,000 in 2020 to 346,390 in 2021.

1.5. Need for this Research

Microfinance is considered an important tool in increasing financial inclusion, helping the beneficiaries in upward socio-economic mobility and nations in achieving inclusive and equitable growth. Most of the clientele of microfinance largely constitutes marginalized segments (including population from rural areas and women among others) where penetration of formal financial service channels is lacking. Greater financial inclusion plays a critical role in meeting the United Nations Sustainable Development Goals (SDGs) especially poverty alleviation, zero hunger, fostering quality education, gender equality, and shared economic growth.

To support the 'National Financial Inclusion Strategy', Pakistan Microfinance Network rolled out its 'Microfinance Growth Strategy 2020" with a focus on the following activities:

a) Diversifying products and services

b) Increasing active borrowers, deposit and insurance clients

c) Adopting latest technology in the field.

U Bank as a part of PMN has played its role in improving financial access over the years. For U Bank to measure the greater impact of its performance, it is important to gain a deeper understanding of its customers' general wellbeing as well as the health of their businesses and livelihoods. The bank aims to collect in-depth insights on a range of indicators including health and nutrition, children's schooling, business performance, asset ownership and general standard of living. By conducting this research on a regular basis U Bank hopes to get closer to its goal. The research on the impact of microfinance on social indicators is scarce. In an effort to better understand how microfinance providers can improve their products and service to better serve the communities they seek to uplift, U Bank partnered with Akademos to conduct an impact assessment to gauge how successful U Bank operations and micro-lending activities have been in improving the standard of living of its customers and to identify the areas that require further improvement. The study will also help identify areas that require further research to obtain behavioral insights about the customer base which would have significance on both U Bank's business operations and resulting social impact in the lives of its customer base.

1.6. Research Objectives

The main goal of this research initiative is to analyze the impact of U Bank's lending activities on its customers' lives. In addition, the study seeks to understand the quality of U Bank's services and identify areas for improvement. In order to achieve this goal, data was gathered along five main categories of impact: household, livelihood, health and nutrition, business and MFB service and product quality.

The questions that this research aims to answer include:

- What are the effects of microcredit provision on a U Bank customer's earning ability?
- What is the relationship between microcredit provision and U Bank customer's health and nutrition outcomes?
- What are the effects of microcredit provision on a family's ability to enroll and keep their children in schools, among U Bank customers?
- What is the relationship between microcredit provision and a U Bank customer's asset ownership?
- How does microfinance provision correlate with U Bank customers perception of the overall standard and quality of their lives?

This research is an extension of a similar baseline study conducted by U Bank in 2019 in partnership with I2I. Measuring changes overtime across the above-mentioned socio-economic indicators will help U Bank assess the impact of the loans it extended in an in-depth manner. This year U Bank has partnered with Akademos to design this research and conduct an impact assessment to

1. Evaluate U Bank's micro-lending activities
2. Continue the longitudinal reporting across key impact indicators
3. Provide a glimpse of how the impact of the loan varies across different demographic indicators
4. Identify areas of improvement for U Bank's business operations that would lead to a significant positive impact on its customer base.

2. METHODOLOGY

2.1. Research Tools

i) In-person Survey

A comprehensive survey was executed in 35 districts across Pakistan (see annex 1 for a list of the districts covered). The surveyors were hired from within the communities to overcome any language barriers. Additionally, this helped in putting customers at ease while answering survey questions. A unique questionnaire was designed by using a similar study conducted by U Bank in 2019 along with relevant research conducted in other developing economies as reference. All enumerators were given a day-long training by Akademos on survey implementation and given the context and aim behind the research to ensure that the quality of data gathered was maintained and standardized.

The infographic below shows some of the key indicators.

Figure 6
Key Research Indicators

ii) Focus Group Discussions

Focus group discussions were also conducted in seven key locations in KPK (Abbottabad and Peshawar), Punjab (Bhakkar, Bhawalpur, Lahore) and Sindh (Karachi and Sukkur). Along with the indicators identified above, the focus groups were also used to capture women empowerment related impact that may be resulting from the micro loans and any changes in customers' standard of living due to the Covid-19 pandemic. Examples of empowerment indicators include who is the head of the family, whose decision it was to take out the loan, who is the spending and budgeting allocation decision maker. Examples of Covid-19 impact indicators include impact on business, earnings and children's education due to Covid-19.

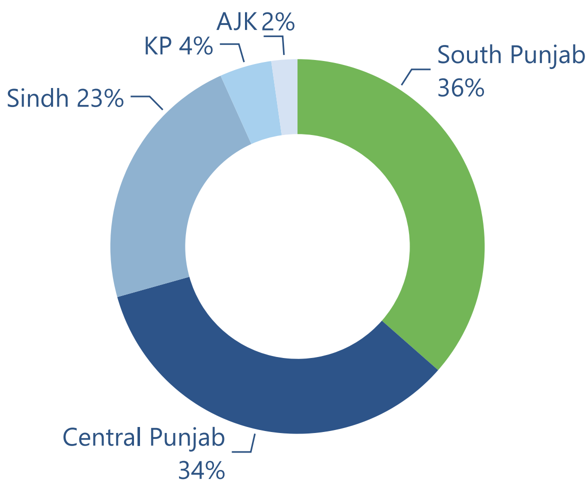
FGD Locations & Participants

Province	Location	Number of Participants
Khyber Pakhtunkhwa	Abbottabad	12
	Peshawar	11
Punjab	Bhakkar	15
	Bahawalpur	11
	Lahore	8
Sindh	Karachi	12
	Sukkur	9

2.2. Population Sample

The sample size consisted of a representative sample of 2045 respondents who were all U Bank micro-credit customers. A proportional sample size approach was adopted and the respondents were chosen based on the geographic spread and density of U Bank customers nationwide. The majority of customers were from Punjab; hence, bulk of the sample is from Punjab followed by Sindh. For an in-depth analysis the Punjab region has been broken down into Central and South Punjab.

Surveys Conducted by Province



2.3. Summary of Timeline and Activities

Phase I - *Research Design and Desk Research*

In the initial phase of the research in-depth desk review of the baseline report, data of U Bank's previous customers and similar impact evaluation reports in other developing countries was carried out.[6] A detailed framework and methodology were drafted. Instruments for in-person surveys and focus group discussions were extensively reviewed and finalized. Sampling was conducted to identify the customers who were approached in different locations. Surveyors across the 35 districts were also recruited and trained.

Phase II - *Implementation*

Various pilot surveys and a Focus Group Discussion was conducted in Lahore. After the pilot data was

6 https://www.adb.org/sites/default/files/evaluation-document/35048/files/ies-phi-impact-microfinance.pdf
https://www.povertyactionlab.org/evaluation/measuring-impact-microfinance-hyderabad-india

reviewed and approved, the fieldwork started in other locations using Survey CTO. A dashboard was developed to supervise field activities which provided real time updates. Quality checks such as phone verifications were established to ensure 100 % data integrity. FGDs were locked in the remaining cities by coordinating with U Bank field teams in the respective locations. 8-12 participants were mobilized, and the Delphi technique (moderator asks the participants to write down their answers to every question on a paper before discussing their responses, to gauge unbiased opinion) was used to identify census.

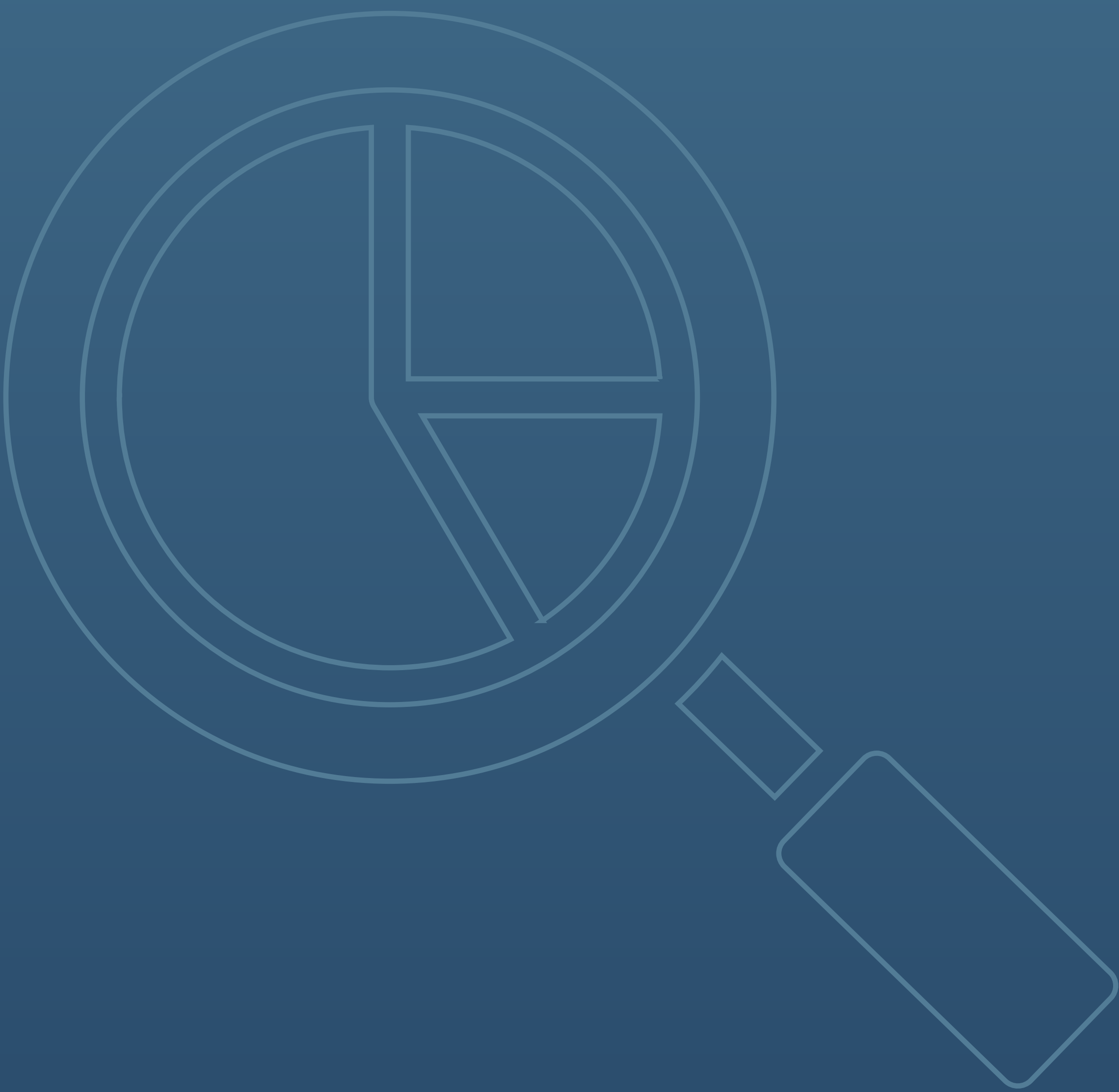
Phase III - *Analysis and Reporting*

In this phase all the verified data was received and cleaned extensively and a dashboard was developed on Power BI to identify key quantitative insights. The qualitative insights obtained through FGDs were then analyzed to further understand the reasons behind the quantitative trends. This resulted in an in-depth analysis of each metric identified in the survey. Finally, the information was compiled in a final report for the internal and external stakeholders, providing a comprehensive analysis of the current state of U Bank's customers and their perception of the impact of the loans on their lives.

2.4. Limitations

1. The report purely indicates the impact on U Bank customers of its loan services. While it may show some general trends in the microfinance market, it does not depict the state of affairs of the entire market in Pakistan. Moreover, as the study did not follow an experimental research design due to limited resource, direct causality cannot be established.
2. The pandemic has disrupted people's standard of living throughout the world. Therefore, it is hard to distinguish the expected impact of the loans from the consequences occurred due to Covid-19 lockdowns. Many positive implications may have diminished due to the impact of Covid-19.
3. On many instances loans were taken out in the name of the female household members but were in-fact utilized by their male members of the family. This may have affected the gender-wise analysis of the various metrics assessed. To overcome this issue, the moderators encouraged female participants in FGDs to openly share their perspective.
4. Many female clients were hesitant to talk to male surveyors; hence, female surveyors were arranged to interview them. During the FGDs as well husbands/fathers spoke on the behalf of their wives/daughters. This made it difficult to obtain in-depth insights from female borrowers.
5. Some of the phone numbers of the clients listed in U Bank's database had changed overtime and hence verifying these customers became difficult. CNICs were matched and verification calls were made to ensure data integrity.
6. There were limitations in terms of focus group sampling and randomization as well. As the focus group discussions were held at U Bank branches, the branch managers had mostly invited borrowers who resided close to the branch. A large majority of the participants were those customers who had taken small loans as the branch manager could easily persuade them to come to the branch for discussion. This could have an impact on the findings of the research.

3. DATA ANALYSIS & INTERPRETATION

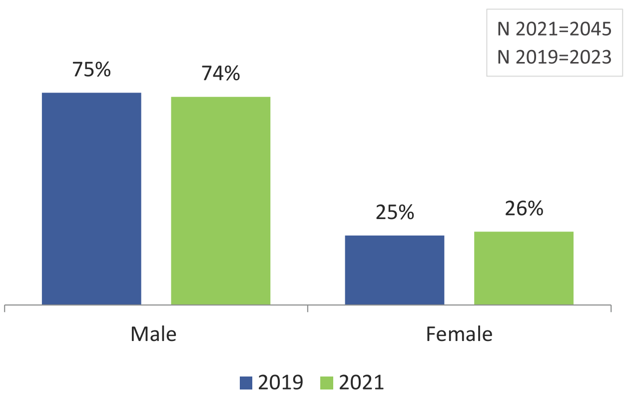


3.1. Major Insights

Customers' Background

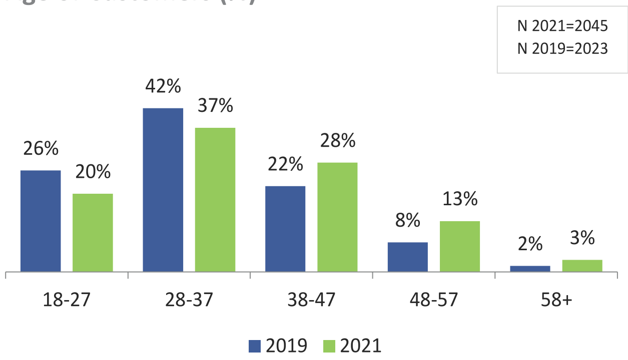
1. Although many microfinance schemes in Pakistan target female borrowers due to the expectation that it can lead to important gains in female empowerment, decision making and poverty alleviation, the number of female borrowers continues to decline. According to MicroWatch's latest edition of March 2022 female borrowers now stand at 44 % of the total active borrowers compared to 50 % in 2020. U Bank's total female portfolio currently stands at 28 %. The study observed similar trends, where the female customers constituted 26% and male customers 74 % of the total sample. The gender ratio of the sample is similar to the one used in 2019 baseline report. This further suggests that there is a need to dig deep and understand the challenges or barriers women face in financial inclusion.

Figure 7
Gender of Customers



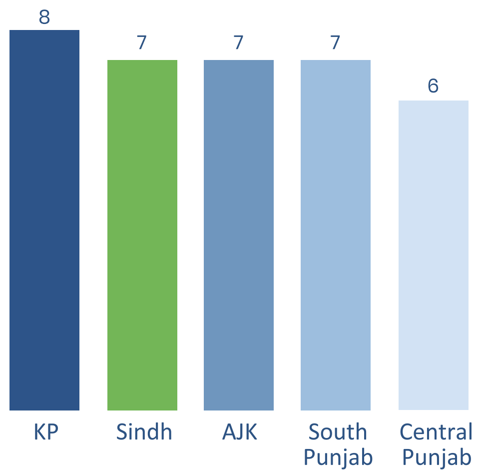
2. The average age of customers is between 28 to 37 years of age. The figure below illustrates the percentage of different age groups for the customers. The aggregate for 28 to 37 years and 38 to 47 years, makes up the majority of the customers (approximately 57%). Broadly, the age brackets were exactly the same as in 2019. However, there was minor variation in the sample split across age brackets. Earlier, most customers belonged to the 18-27 and 28-37 age categories.

Figure 8
Age of Customers (%)



3. The average size of a household in the sample is seven individuals. The bar graphs illustrate the average household members in different regions. Average household size according to PSLM 2019-2020 is 6. Province-wise ex-FATA region holds the highest number of members (8) followed by KP (7). When compared to 2019 baseline report, the average household size has increased as earlier it was 6 members. It is to be noted that the 2019 data did not include KP region which has the highest number of family members. The average number of children per household stands at 3. A positive trend in the data was observed; amongst the female customers 24% reported that they were the heads of their families.

Figure 9
Average HH Size by Region



4. Almost 37 % of the customers have no education at all (illiterate), around 34 % have completed primary and/or middle school, and 16 % have completed matriculation. Customers who hold Bachelors and Masters are only 4 % and 2 % respectively of the total sample. Customers with other levels of education such as diplomas are around 1%. The percentage of uneducated clients has decreased

compared to 2019. Similarly, customers who have completed middle school or above have increased as well. This means that U Bank is over the years moving towards a more educated clientele. Gender-wise education distribution shows that 61% of female borrowers are uneducated.

Figure 10
Level of Education (%)

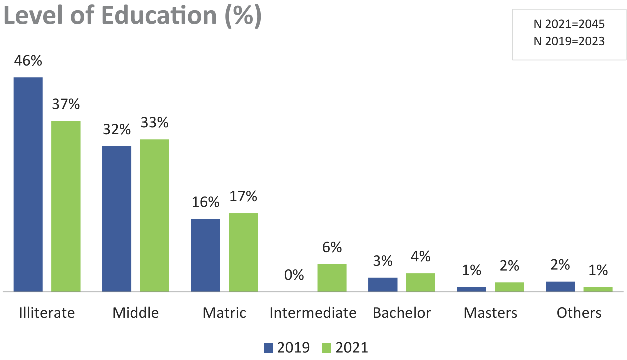
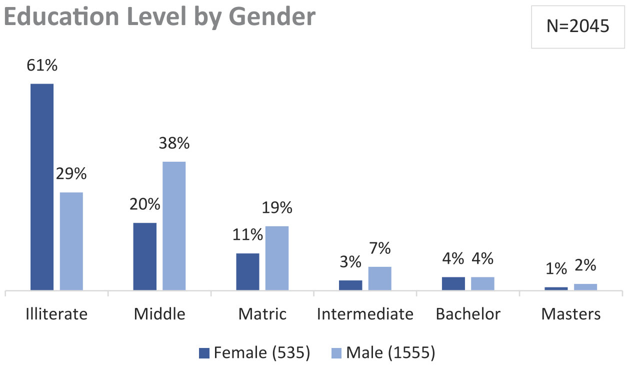


Figure 11
Education Level by Gender



5. Exploring the house ownership status of the customers shows that most customers reside in their personal properties. Gender-wise data shows that a higher percentage of females live with their parents', 25 % compared to 15 % for males. Rented housing is more popular in male customers compared to females. The 'other' category mostly comprised of customers living in government provided housing or joint-family system.

Figure 12
House Ownership Status

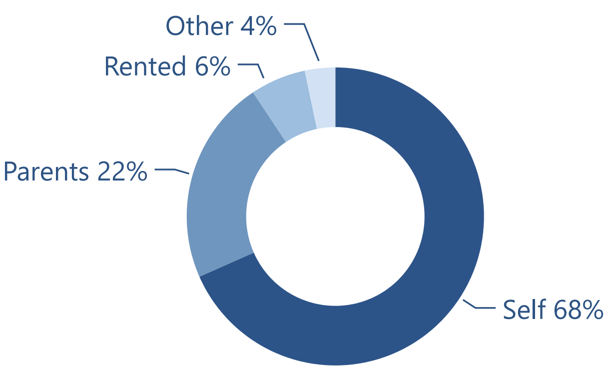
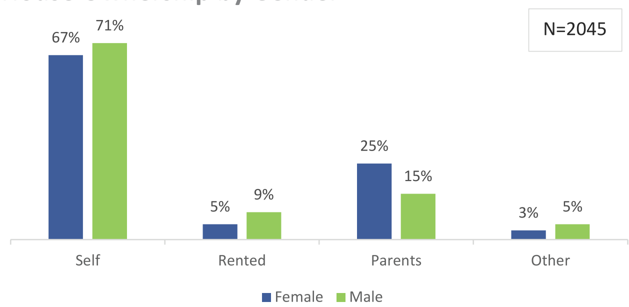


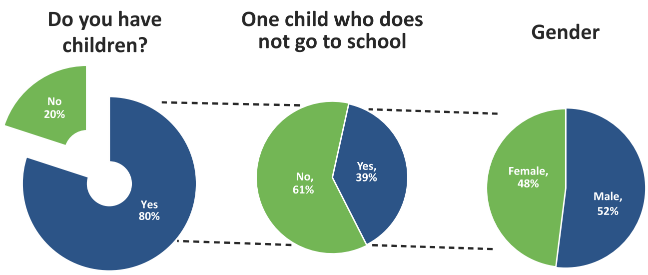
Figure 13
House Ownership by Gender



Household Child Education

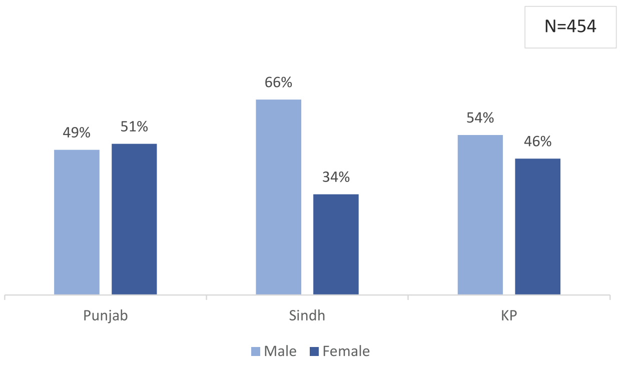
Around 80% of the customers reported that they have children. Out of the customers who have children, 39% have at least one child who does not go to school. Amongst the children who do not go to school, 52% were males and 48% females. The data corroborates with Pakistan Social and Living Standards Measurement 2019-2020 which states that among children 5-16 years of age, 32 % do not go to school. However, contrary to the popular trend that out-of-school girls are more than boys, the data showed that children who do not go to school were mostly males (this is after filtering out underage children). It could be an indication of greater women empowerment in U Bank' s customers' households or the underlying reason could be that parents prefer sending their girls to school than work unlike in the case of boys.

Figure 14
Gender of Children Who Do Not Go to School



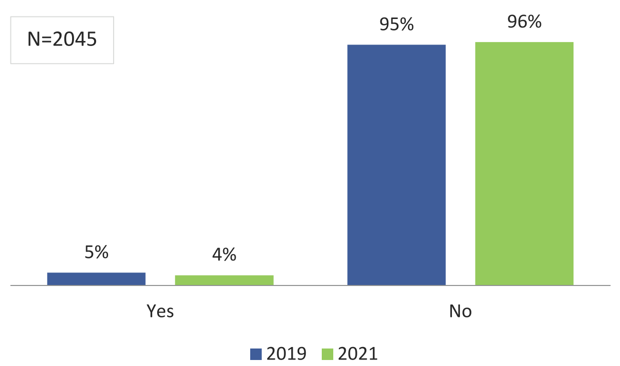
Province-wise analysis revealed that none of the customers in AJK reported having school age children not going to school. Moreover, in Khyber Pakhtunkhwa more female children did not go to school compared to males while in Sindh it was the opposite. Overall, the most popular reason cited by parents for not sending children to school was that they believed schooling does not result in an increase in earnings. This insight was received from Bahawalpur, Sahiwal, Multan, Rahim Yar Khan, Pakpattan, Bhakkar, Lodhran and Hyderabad. The children who did not go to school were mostly enrolled in public schools. Province-wise breakdown of type of schools show that government schools are most popular among the clientele from South Punjab.

Figure 15
Children Not Going To School by Province & Gender



Another positive trend observed is the low school dropout rate. Merely 4% of the customers reported that they pulled any child out of school in the past year. A similar trend was seen in the 2019 baseline study.

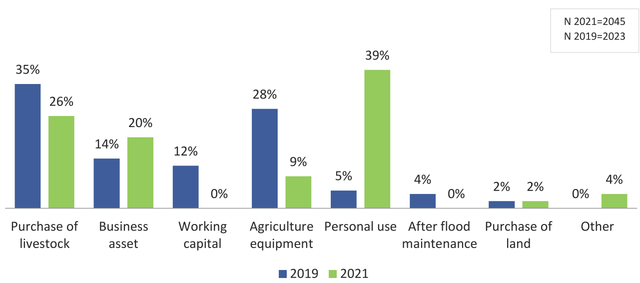
Figure 16
School Dropouts



Purpose of Loan

The purpose of the loan is an essential indicator and a key component of an individual's loan application to U Bank. The objective behind including this question in the study is to track whether the loans are being utilized for various businesses they are claimed to be taken for. The survey results show that there are five main ways people use their loans. The most popular response was for personal use (39% of the customers) such as weddings, house repairs and upgradation. The other two most popular categories included to buy livestock and business assets. Province-wise breakdown shows that the majority of the customers in Khyber Pakhtunkwa (51%) and Azad Kashmir (53%) took loans for business use. Comparing the results with the 2019 baseline report indicates that there has been a significant increase in the number of customers who took loans for personal use. A possible explanation for this is the impact of Covid-19. While many customers may have applied for the loan to support their businesses, but due to decrease in business earnings and lockdowns spent it on personal use.

Figure 17
Purpose of Loan



The customers were further asked if the loan taken from U Bank helped them in increasing their assets. 74% of the borrowers responded in the affirmative. They were further probed about the type of assets purchased. Livestock was selected by 60% of the customers. This is in-line with country trends reported in PMN's 2020 review, where livestock was the most popular category and constituted 25% of the total country portfolio. It is important to note that the customers were allowed to select more than one type of asset. Moreover, the results are similar to those obtained in the baseline survey with a slight increase in the percentage of customers that purchased livestock and decrease in those who purchased land.

Figure 18
Assets Purchased with the Loan

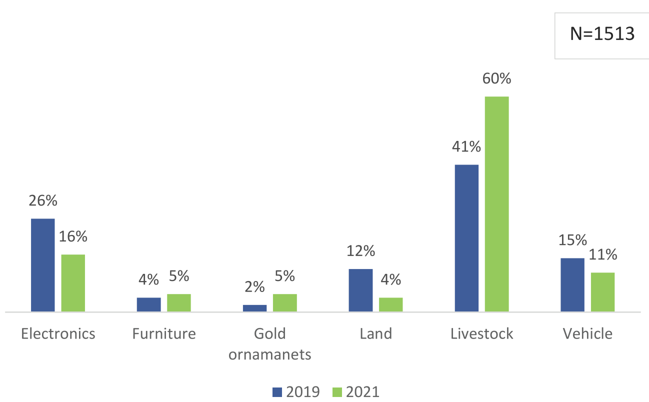
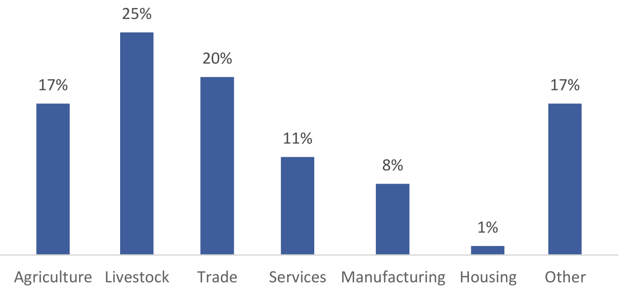


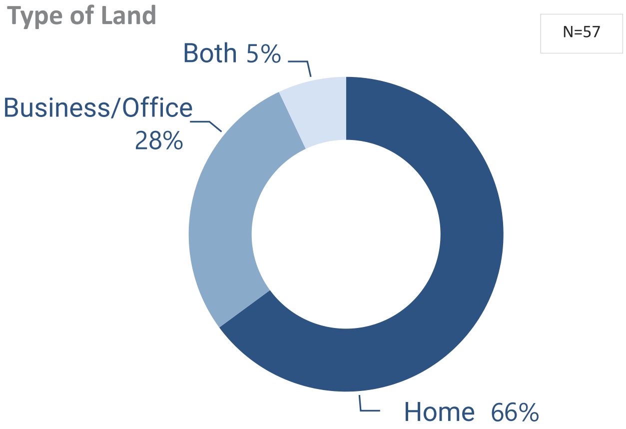
Figure 19
Distribution of Active Borrowers by Sector



Source: PMN Report

Furthermore, the customers were probed about the purpose for which they bought the asset with the loan taken. 66 % reported that they bought the asset for home while 5% said they purchased it for both home and office. The customers who reported to have used the loan for buying land were also asked about the type of land they purchased, and 65% reported to have purchased land for business use.

Figure 20
Type of Land



Household Health and Nutrition

The customers were asked a series of questions related to their own and their family's health. The aim of this question was to understand affordability with regards to formal health services. Furthermore, customers were also asked about major obstacles they faced in getting medical attention. The results revealed that 92% of customers had access to formal health. Of the customers who had access, 48% visited public hospital for health issues, 35% visited private hospital and 15% visited a clinic.

Figure 21
Formal Treatment (%)

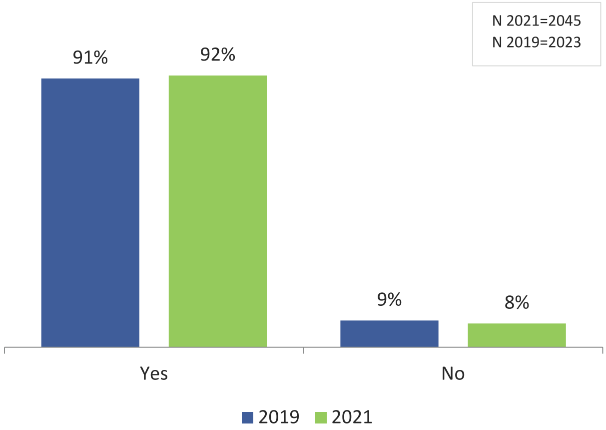
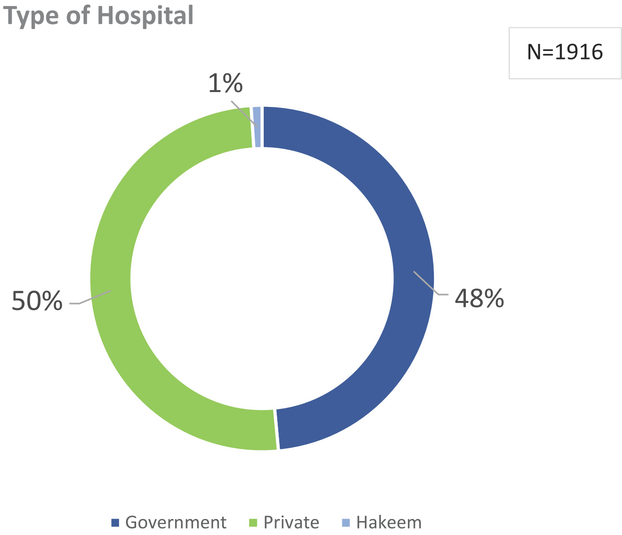
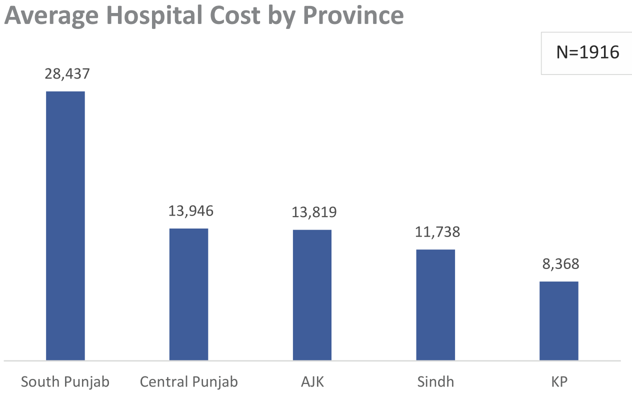


Figure 22
Type of Hospital



Overall, average hospital cost stands at PKR 18,580. Province-wise comparison shows that average cost is highest in South Punjab (PKR 28,436) and lowest in Khyber Paktunkhwa (PKR 8,367).

Figure 23
Average Hospital Cost by Province



Collecting data around additional nutrition- related indicators was important as calorie intake is widely considered a critical indicator of standard of living or poverty. For the purpose of this survey, nutrition intake was measured by asking the customers how frequently they were able to consume meat and fruits. Almost 5 % of the customers said they eat meat once a week and 49% said that they eat fruit once a week. Compared to 2019, customers who reported consuming meat and fruit on a daily basis has increased slightly. Meat consumption on daily basis stood at 0.3% in 2019 while it is 2% in 2021. Fruit consumption on daily basis stood at 5.4% in 2019 while it is 7% in 2021. However, there was a large number of customers who did not consume meat or fruit at all, 25% and 20% respectively. The "not at all" consumption category was not included in the baseline survey; hence, a comparison could not be established. However, it can be inferred that due to the impact of Covid-19 there has been an increase in customers who do not consume meat and fruits at all in a week.

Figure 24
Fruit Consumption (%)

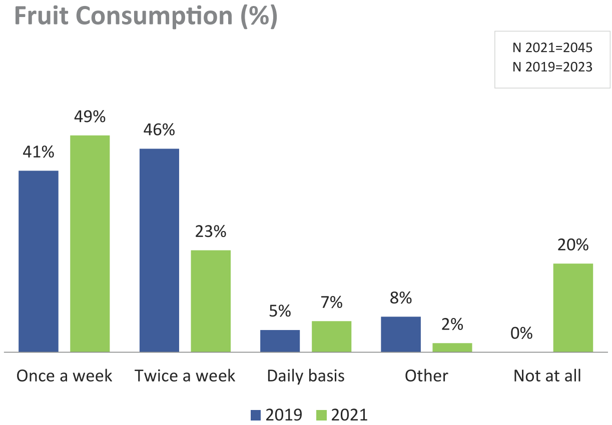
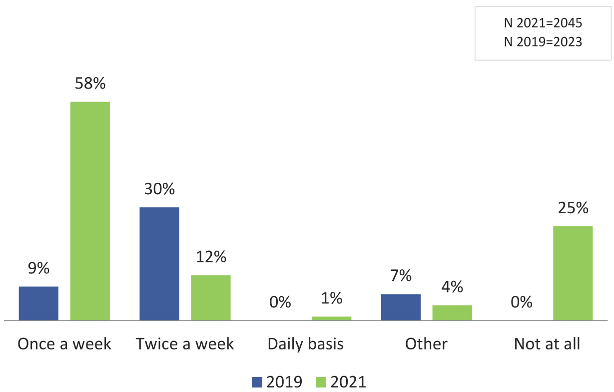


Figure 25
Meat Consumption (%)



For an in-depth analysis, weekly fruit and meat consumption were cross tabulated with savings. Savers were seen to consume less compared to non-savers. This result is intuitive as non-savers mostly spend their income on various consumption activities including food.

Figure 26
Weekly Fruit Consumption by Saving

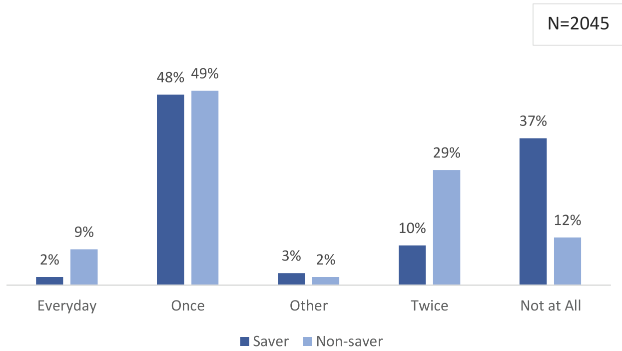
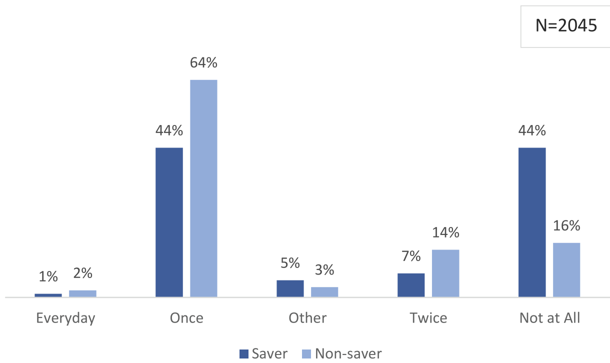


Figure 27
Weekly Meat Consumption by Saving



Awareness and Utilization of Insurance Products

Customers were asked if they were familiar with insurance products offered by U Bank. Overall, 81 % of the customers had not heard about the products. This figure is higher than 64% in 2019. It is alarming to observe that such a high percentage of customers do not know about a product that the bank is offering. The marketing and customer services departments should be asked to formulate strategies to increase awareness. Province-wise comparison shows that awareness about insurance related products is highest in South Punjab.

Figure 28

Awareness of Insurance Products

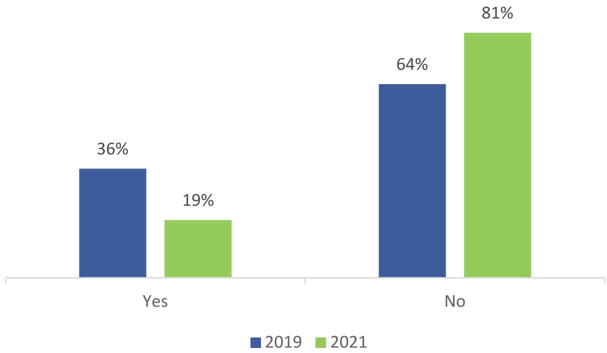
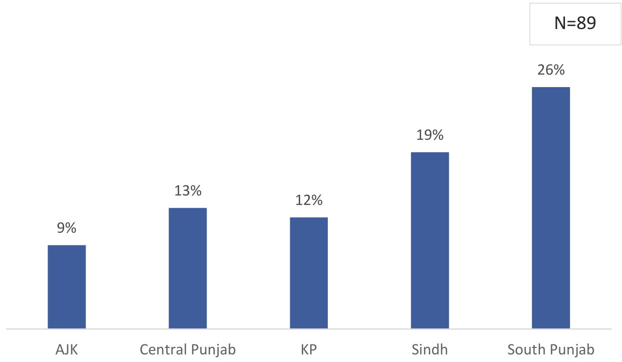


Figure 29

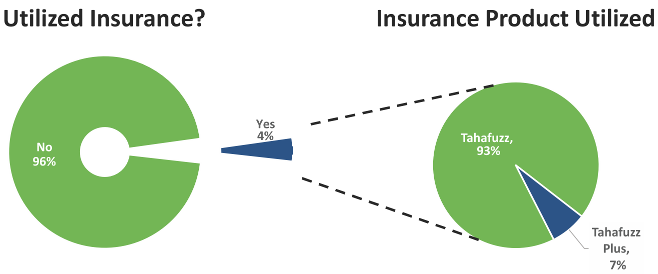
Awareness of Insurance Products by Region



Utilization of the insurance products remains significantly low as only 4 % of the customers reported that they had availed any insurance product. Amongst the handful of customers who availed, Sehat Tahaffuz (covering cashless hospitalization) remains a popular choice with 93 % of the customers opting for it. Only 7% availed Sehat Tahaffuz Plus which provides daily income loss and pregnancy coverage.

Figure 30

Insurance Utilization



Business Health

The customers for this indicator varied-approximately 55% responded "agree" to the question on whether dependency on the loan was helpful for their business. 51% of the customers responded "agree" to the question when asked whether the loan was the only way for them to run their business. It can be observed from the figures below that the percentage of customers in the "strongly agree" category and the "strongly disagree" category have reduced over time. Moreover, customers in the "agree" and "neutral" categories have significantly increased. It can be deduced from these results that due to the impact of Covid-19 on business income, the customers could not assess the exact impact of the loan on their businesses. It is likely that they could not isolate the impact of loan from the impact of Covid-19.

Figure 31

Loan Dependency Helpful for Business (%)

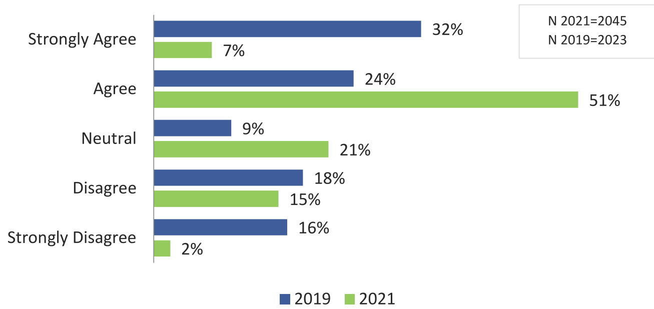
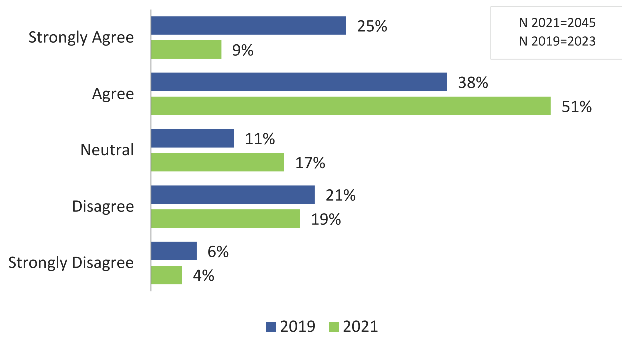


Figure 32

Loan Dependency for Business Continuity (%)



Payment Difficulty

A large proportion, around 66% of the customers, responded that they do not face difficulties in loan repayments, but the remaining 35% reported facing difficulties in repayment. It is important to note that the percentage of customers who reported that they faced difficulties has increased significantly from 14% in 2019. This could be largely due to the Covid-19 pandemic. During the FGDs as well most of the customers agreed that they were worried about the repayment of the loan taken. Only those who made their personal repayment schedules reported that they were able to meet repayment deadlines. Majority of the focus group participants agreed that U Bank cooperated highly when they faced difficulty in repayment. The most popular repayment alternate adopted was “friends and family” when faced difficulty (64%).

Figure 33
Problem in Repayment (%)

Figure 33: Problem in Repayment

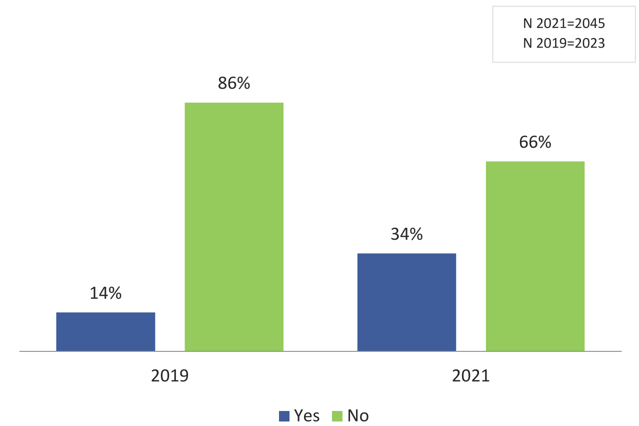
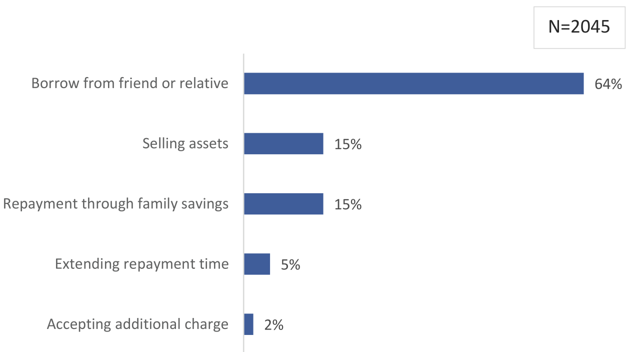


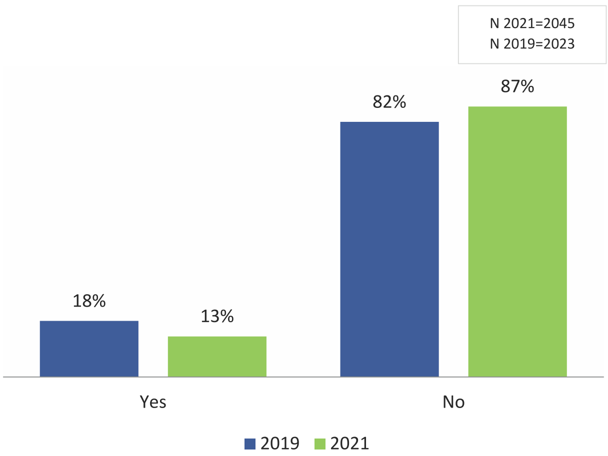
Figure 34
Repayment Medium (%)



Borrowing from Other Banks

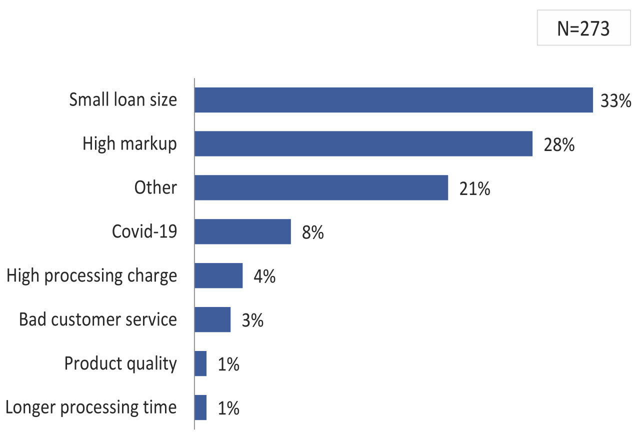
Around 87 % of the customers responded that they did not think of taking loans from the other banks (since they became U Bank customers). This percentage has increased compared to 2019. This is a good sign for U Bank, especially with regards to repayments. The data also aligns with the information received during FGDs as when asked what prompted customers to choose U Bank for loan, many responded that other banks had higher mark- up, hidden charges or difficult repayment schedules.

Figure 35
Other Bank Loans (%)



Amongst those who did use another bank, the most popular reason cited was smaller size of loan. The “Other” category mostly included reasons like loyalty to another bank. Further research would be required to analyze how U Bank compares with other banks in the market when it comes to amount of loan provided.

Figure 36
Reasons for Using Other Bank (%)



3.2. Impact Assessment of U Bank Operations

Impact of Loan on Saving Behavior

A majority of the customers stated that the loan did not assist them in increasing their saving capacity (51%). It is important to note that majority of the female customers (55%) had reported an increase in saving while majority of the male customers (53%) reported no increase in saving capability. Although direct causality cannot be established but this could be an indication of greater women empowerment in the households of U Bank's clients. Similarly, in the focus groups that were conducted most male participants reported that they consulted with their wives or mothers before taking major decisions including taking out a loan. In some cases, the females were the heads of the family while in others they were equally involved in decision making. These findings are contrary to the research carried out by U Bank in 2019 where 74% of the clients had responded that the loan helped in saving with a significantly higher percentage of male customers answering in affirmative. As the research was conducted only a few months after Covid-19 lockdowns were lifted, it can be inferred that due to a decrease in economic activities customers had to use their saved incomes to meet expenses. Compared to males, females are generally considered better in saving for rainy days, hence the saving capability of female respondents increased.

Figure 37
Increase in Saving Capability

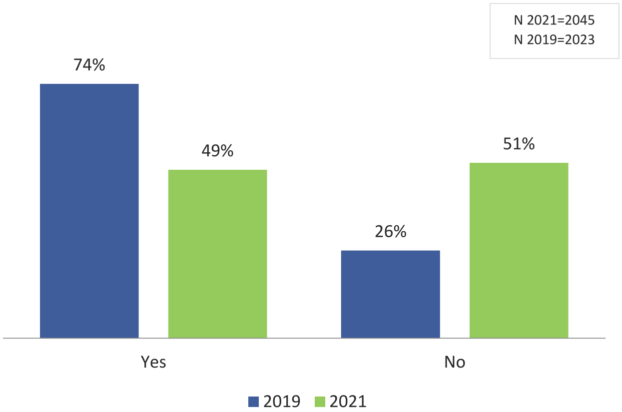
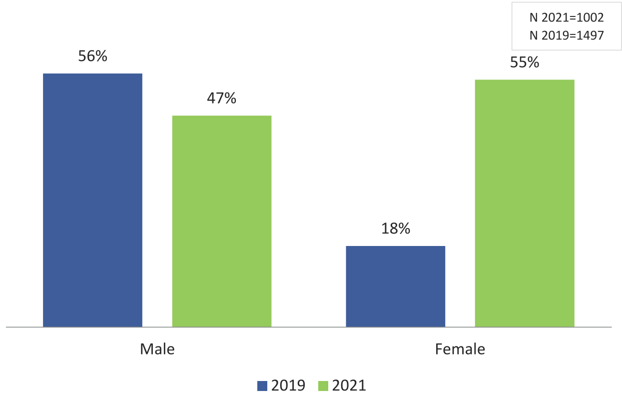


Figure 38
Increase in Saving Capability by Gender



Moreover, intuitively saving capability increased nutrient consumption as assessed by consumption of fruit and meat. For all categories of consumption, once a week or above, those who reported an increase in savings due to the loan also reported an increase in nutrient consumption. Mostly people from rural areas spend saved incomes on various consumption activities include food.

Figure 39
Weekly Fruit Consumption by Saving Capability

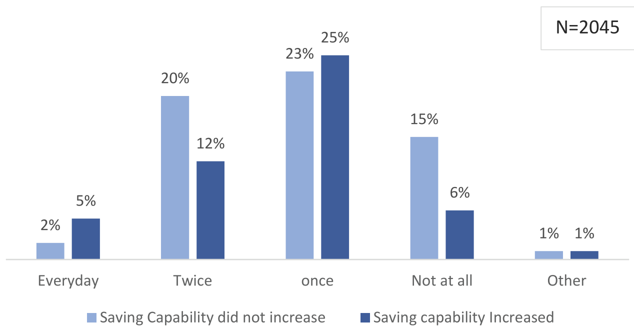
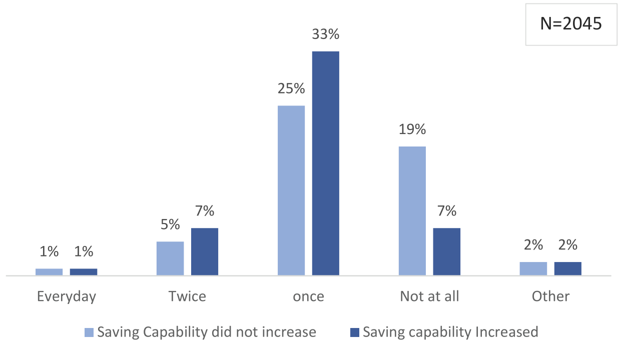


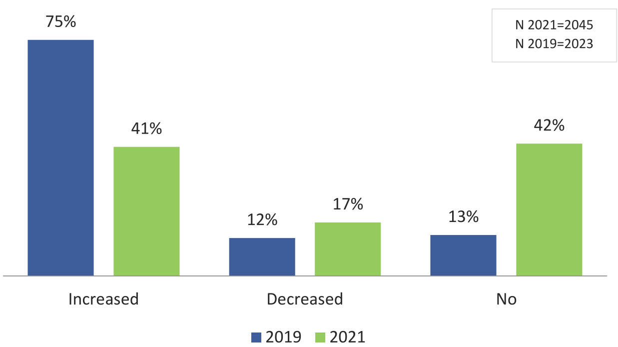
Figure 40
Weekly Meat Consumption by Saving Capability



Increase in Business Income

The customers were asked, "what was the impact of the loan on their business income?" The responses for this showed that around 41 % of the customers said that there has been a positive impact on their income. This number is significantly lower than 75% which was reported in U Bank's 2019 study. Looking at the information gathered from the focus groups this may be a direct impact of the Covid-19 pandemic. Many participants in FGDs reported that their businesses were significantly impacted by the pandemic due to a rise in prices and lower demand. A significant percentage of the customers (42%) reported that there was no impact on their business earnings from the loan taken. This is also in-line with the responses received during FGDs where most participants stated that their business earnings had increased due to the loan but at the same time rising inflation had offset the benefits of increased earnings. A handful of customers also reported that that the monthly installments that they have to pay ended up equalizing or cannibalizing any income increases.

Figure 41
Impact of Loan on Business Income



Further analysis was conducted to gather industry and gender wise changes in earnings. Industry-wise comparison shows that customers from agriculture sector reported a higher decrease in earnings compared to other sectors. Gender-wise breakdown of change in earnings shows that more females reported a negative impact on income as compared to males.

Figure 42
Change in Earnings by Business Industry

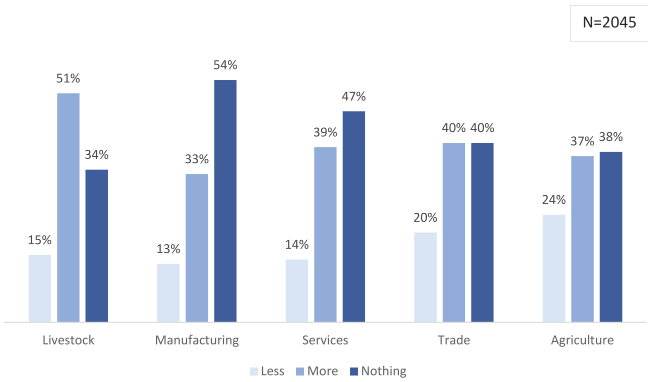
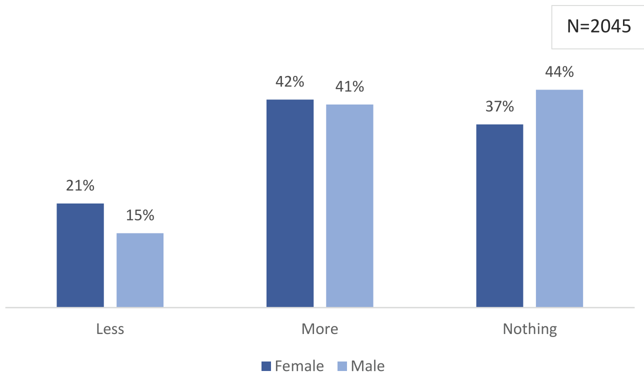


Figure 43
Change in Earnings by Gender



Improvement in Living Standard

Majority of the customers (58%) stated that the loan positively impacted their standard of living. Most customers stated that their personal assets increased because of the loan. More light was shed on this aspect during FGDs as some participants stated that they were able to buy household items such as refrigerator because of the loan. Others stated that they were able to keep children in school despite increase in fees. Comparing this figure with the baseline study of 2019 shows that the customers who stated that their living standards had improved had reduced by a significant margin. In 2019, 95% of the customers stated that their living standards had improved due to the loan. When asked why they feel that their standard of living has not improved, many customers quoted effects of Covid-19, rising inflation, loss in business or death of a livestock animal purchased.

Figure 44

Improvement in Standard of Living

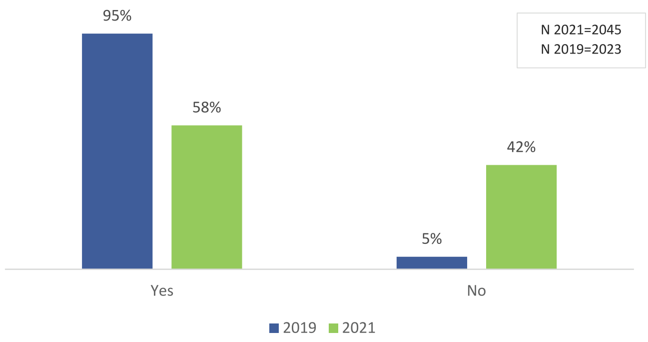
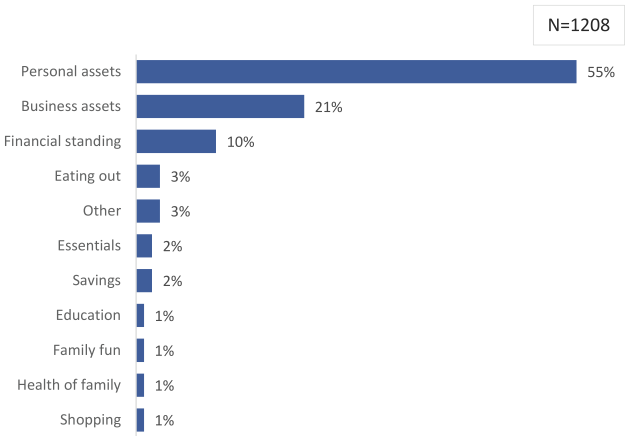


Figure 45

Reasons for Improvement in Lifestyle



3.3. Snapshot Profile of a Typical Borrower

Demographics

Description	South Punjab (N = 736)	Central Punjab (N = 715)	Sindh (N = 453)	KP (N = 94)	AJK (N = 47)
Gender (%)					
Male	80%	70%	76%	68%	53%
Female	20%	30%	24%	32%	47%
Age (%)					
18- 27	19%	18%	26%	16%	21%
28- 37	37%	34%	39%	35%	47%
38- 47	29%	29%	24%	30%	19%
48- 57	13%	13%	9%	16%	13%
58+	2%	5%	2%	3%	-
Mean Family Size	7	6	7	8	7
Mean number of children	3	3	3	4	3
Education (%)					
Uneducated	38%	40%	34%	36%	19%
Primary	22%	19%	17%	3%	6%
Middle	16%	19%	9%	18%	15%
Matric	14%	16%	20%	21%	32%
Intermediate	4%	5%	11%	10%	11%
Bachelors	4%	3%	6%	11%	6%
Masters	1%	1%	3%	1%	11%
Others	2%	-	-	-	-
Loan Cycle					
First	28%	53%	44%	49%	40%
Second	28%	24%	35%	23%	43%
Third	25%	11%	14%	16%	13%
Greater than 3	19%	13%	7%	12%	4%

Gender

All provinces have a higher number of male respondents. Compared to other provinces, AJK has a higher number of female respondents.

Age

Sindh relatively has more young borrowers than other regions. 28-38 is the most popular category in all provinces, especially AJK. Compared to 2019, borrowers in the 58+ category have increased, they are mostly located in Central Punjab.

Family Size

Average family size varies from 6-8 across all regions. It is important that family size has increased compared to 2019, where it ranged from 5-7. In 2019, average family size in AJK stood at 5 while in 2021 it has increased to 7.

Number of Children

KP has the highest mean number of children (4). This explains the high average family size in the region. Other regions typically have 3 children.

Education

Central Punjab has the highest number of uneducated borrowers while AJK has the lowest. Moreover, highest qualification (masters) is also highest in AJK.

Loan Cycle

Majority of the customers in all regions belong to the first or second loan cycle. Loan cycle greater than 3 is most common in South Punjab and least in AJK.

Business Section

Description	South Punjab (N = 736)	Central Punjab (N = 715)	Sindh (N = 453)	KP (N = 94)	AJK (N = 47)
Years of business experience					
Leass than 1 year	4%	7%	12%	4%	10%
1 to 5 years	32%	27%	27%	24%	26%
5 to 10 years	24%	18%	25%	25%	26%
10 above	39%	48%	35%	47%	38%
Business Sector					
Service	17%	35%	32%	91%	81%
Agriculture	38%	20%	30%		2%
Livestock	35%	33%	13%	5%	13%
Trading	8%	8%	19%	4%	-
Manufacturing	15%	4%	6%		4%
Ownership of Business					
Own	85%	90%	73%	86%	100%
Family Owned	12%	6%	15%	9%	-
Partnership	3%	4%	12%	8%	-

Business Experience

Borrowers from Central Punjab have the highest business experience in terms of years of business experience i.e., above 10 years. Overall, as well borrowers across all regions who own businesses typically fall in the above 10 years category.

Business Sector

The most dominant sector in Khyber Pakhtunkhwa, AJK, Central Punjab and Sindh is services. In South Punjab agriculture dominates.

Business Ownership

Businesses across all regions are mostly self-owned. AJK has 100% self-ownership.

Health

Description	South Punjab (N = 736)	Central Punjab (N = 715)	Sindh (N = 453)	KP (N = 94)	AJK (N = 47)
Formal Health (%)	94%	88%	92%	96%	100%
Eat Meat (%)					
Everyday	1%	1%	3%	1%	4%
Once a week	67%	56%	51%	33%	36%
Twice a week	7%	10%	17%	28%	34%
Not at all	22%	31%	26%	17%	-
Others	3%	2%	2%	21%	26%
Eat Fruit (%)					
Everyday	3%	8%	7%	24%	21%
Once a week	62%	39%	49%	29%	21%
Twice a week	20%	25%	23%	23%	28%
Not at all	14%	26%	20%	15%	6%
Others	2%	1%	2%	9%	23%

Formal Healthcare

In all regions, borrowers were able to access formal healthcare in the past six months. Compared to 2019, access to formal healthcare has significantly improved in AJK from 81% to 100%.

Nutrition

Consumption of fruit is generally higher than meat across all regions. Meat consumption is highest in AJK but in other regions is extremely low. For both fruits and meat 'not at all' category (respondents that said they do not consume meat or fruits at all) was most common in Central Punjab compared to other regions. The 'other' category represents respondents who reported consumption on monthly basis.

4. FINDINGS & LESSON LEARNED

4.1. Key Insights from the Field and Focus Groups

Loan Application & Process

Most participants in focus group discussions stated that they had heard about U Bank through word of mouth. They also specifically mentioned that U Bank's easy procedures compared to other banks motivated them to apply for loan with the Bank.

Many respondents mentioned that they did consider borrowing money from informal institutions such as money lenders. However, they gave up the idea due to very high interest rates and collateral requirements.

Majority of the participants in the focus group discussions mentioned that meeting the guarantor requirement was the only difficulty they faced during the loan application period. Some participants stated that guarantors were asked to show their rental agreements and if the guarantors belonged to the government sector, they were asked to show their service cards. These requirements delayed loan disbursement.

All female borrowers stated that they faced no discrimination while applying for the loan and also during repayments. They were informed in detail about the requirements and received the same treatment from the U Bank staff.

Many female participants during focus groups stated that their male family members were consulted with before the loan was taken out. However, it was interesting to note that the loans taken under their name were mostly utilized by male family members.

A few participants in KP mentioned that they used U Bank's digital loan application process and found it to be very efficient. Participants in Punjab had heard about the digital procedure but were hesitant to use it and preferred in-person applications.

When asked about areas of improvement for U Bank, most borrowers stressed on high mark-up. Some also demanded rewards for loyalty and timely payment. They suggested low mark-up for customers who make timely payments and stay with U Bank for more than one loan cycle.

Many borrowers especially those in KP stated that they recommended their relatives and friends to take loan from U Bank.

Impact on Income

Most borrowers were satisfied with their decision of taking out the loan but stressed that the pandemic had severely affected the loan's perceived impact. In-person surveys also highlighted that people who reported no increase in earnings did so due to the negative impact of Covid-19.

Many clients mentioned difficulty in repaying the loan especially those who run businesses as their income fluctuates. Moreover, rising inflation and low demand due to Covid-19 also made repayments difficult for the borrowers. All participants in focus group discussions said that they had agreed to their repayment schedule at the time of applying for the loan.

In-person survey results showed that a majority of the borrowers were using the loan for household issues and consumption goods. However, during focus group discussions most participants said that they took the loan to invest in their business.

Health, Nutrition and Education

Results from in-person surveys showed that 92% of the clients had access to formal healthcare. Out of these clients, a large proportion (50%) visited private hospitals/clinics for health issues.

Daily meat and fruit consumption by clients has increased slightly as compared to baseline survey of 2019. However, a new category of those clients who do not consume meat and/or fruit has emerged. 20% respondents reported that do not consume fruit at all while 25% reported they do not consume meat at all.

Only 4% of the clients reported that they had pulled a child from school in the past year.

Impact on Standard of Living

58% of the customers stated that their standard of living had increased after taking the loan. This figure has significantly reduced as compared to 2019 where 95% of customers had reported an increase in standard of living.

Most customers mentioned effects of Covid-19, rising inflation, loss in business or death of a livestock animal for not experiencing an improvement in standard of living after taking the loan.

Those clients who perceived that their standard of living had improved, mostly quoted increase in personal or business assets after taking the loan as the reason for improvement in their standard of living.

Change in Assets

74% of the customers stated that the loan helped them increase their assets. Similar to the baseline study most respondents selected livestock when inquired about the type of asset purchased.

5. RECOMMENDATIONS

Loan size

Many customers reported that the loan size was not sufficient for their needs which prompted them to consider other sources. Customers should be guided by the bank staff about how they can improve their borrower profile to acquire larger loan. Greater awareness should be created by the staff by providing the existing customers with actionable feedback on the ways in which they can improve their credit rating while simultaneously educating them about the repercussions of a bigger loan size such as higher mark-ups.

Blurred boundaries between consumption and investment

Borrowers declare using their loan amounts predominantly for investment in enterprise, but a large proportion of the loan is diverted to consumption. U Bank should diversify its portfolio of consumption loans. It should conduct awareness sessions on how utilizing the loan for investment purposes is beneficial for long-run income security.

Flexibility in guarantor requirement

During the focus group discussions many respondents reported that they found it difficult to find a guarantor. They also expressed concern over the bank asking them to present the guarantor for document signing several times during the loan application process.

Demand for Islamic banking

Many respondents reported that they took the loan due to economic pressure but were not at peace intrinsically as interest is prohibited in Islam. They vouched for Islamic banking and suggested that U Bank should introduce it. These focus group discussions were held before U Bank launched its Islamic banking program. Hence, it would be ideal to create greater awareness about the Islamic banking services especially amongst the existing customers.

Opportunities for Further Research

A number of areas identified in this study call for further research. An in-depth study should be carried out to explore why a majority of customers only engage with U Bank for one loan cycle. Another area of further research is the limited awareness and utilization of health insurance products. Awareness campaigns regarding health insurance products should be organized followed by in-depth research to gauge the impact. Given the clients' high interest in Islamic banking, future research should also focus on whether U Bank's newly introduced Islamic banking programme is meeting expectations.

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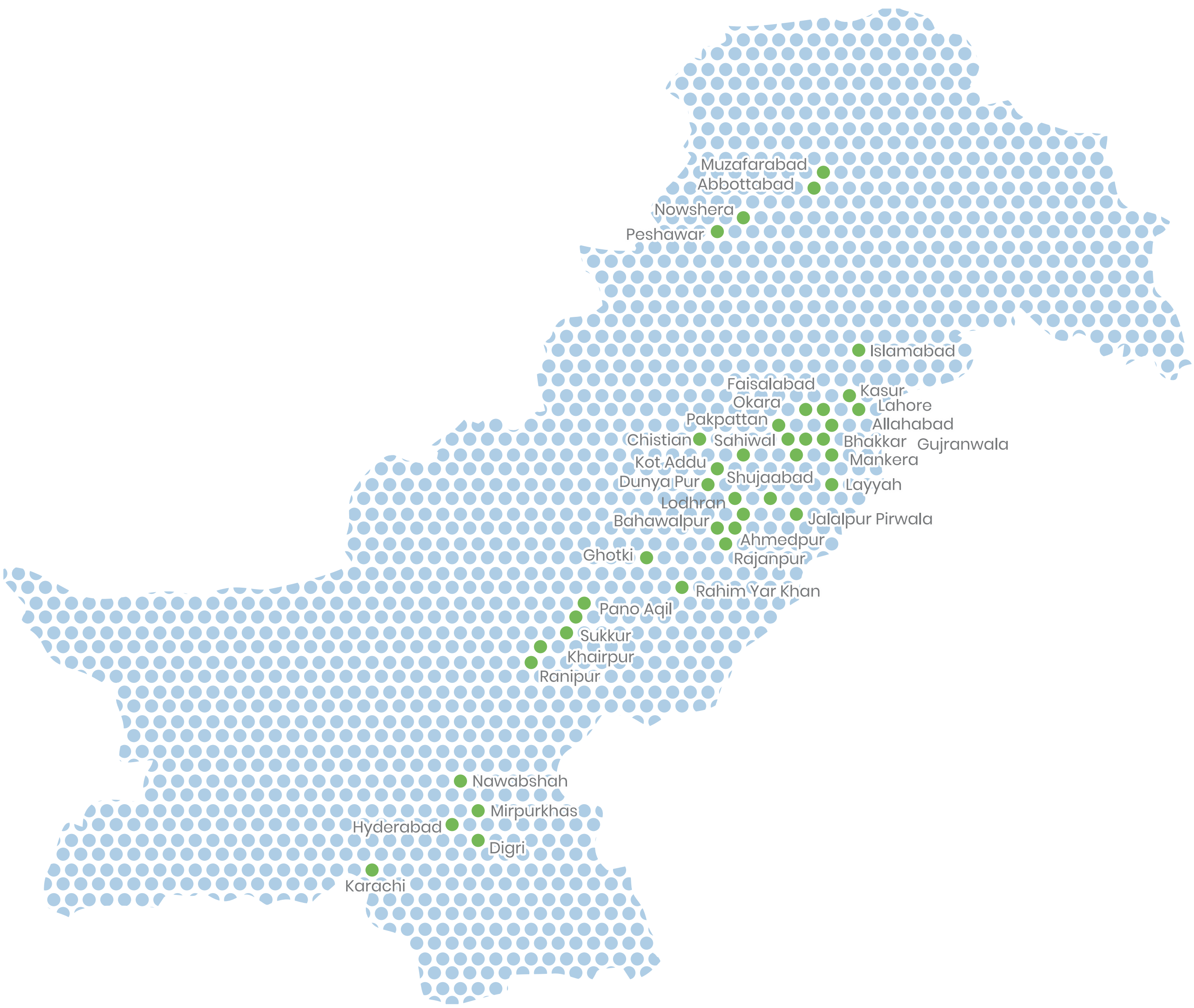
B. Sample Locations



Location	Number of Surveys
Bhakkar	107
Chishtian	95
Ahmedpur East	89
Mankera	88
Kot Adu	85
Layyah	85
Lodharan	85
Bhawalpur	84
Dunyapur	84
Nawabshah	64
Kasur	64
Rajanpur	64
Sahiwal	64
Shujabad	64
Gotki	65
Mirpurkhas	64
Hyderabad	61
Okara	60
Rahim Yar Khan	59
Pakpattan	58
Muzaffarabad	43
Nowshera	43
Digri	44
Jalapur Pirwala	44
Multan Road Lahore	44
Faisalabad	43
Gujranwala	43
Ranipur	43
Ellahabad	42
PanoAqil	42
Khairpur	39
Abbottabad	21
Sukkur	23
Karachi	21
Peshawar	21
Total	**2045**

C. Data and Variable Rationale

Age

The survey by design included age as a nominal variable. The categories included: 18-27, 28-37, 38-47, 48-57, and 58+.

Gender

The gender variable is included in the analysis to understand gender related insights.

Province

By design the survey included 3 regions: Punjab, KP and Sindh. However, since demographics vary significantly across Punjab, it was decided during the analysis phase to break it into Central and South based on the district selected.

Education

The survey design included education as a nominal variable. The categories comprised of uneducated, primary, middle, matric, intermediate, bachelors, masters and others. The others category included diplomas and vocational training. Education variable was added to understand if the outcome variables significantly varied between educated and uneducated.

Children not going to school

The children not going to school variable was computed in a way that it applied to only those respondents who reported to have children. The variable was further cross tabulated with gender to explore any gender bias in not sending children to school.

Formal medical treatment

The reason to include this variable was to understand what proportion of the clientele had access to formal medical facilities.

Nutrition

The nutrition variable was computed to understand levels of food insecurity amongst the U Bank customers. It also provided a proxy for poverty.

Purpose of loan

Purpose of loan variable was added to understand the need for which the clients took loans. An important to reason to add this indicator was to cross check whether most loans were being used for business needs as indicated in loan applications.

D. Survey Questionnaire

سوالنامہ

تاریخ-_______ وقت-______ صوبہ-______ شہر-______ تحصیل-_______

نمائندہ کا نام-__________________________

السلام علیکم ، یہ سروے یو مائیکروفنانس بینک لیمیٹڈ کی جانب سے کیا جارہا ہے جس کا مقصد بینک کے آپ کو دیئے گئے قرضے اور انشورنس کی سہولیات سے آپ کی روزمراح زندگی پر ہونے والے اثرات کو جانچنا ہے. اس سلسلے میں یوبینک کے معزز کسٹمر ہونے کی حیثیت سے آپ کے قیمتی وقت میں سے کچھ وقت درکار ہے تا کہ یوبینک کی موجودہ پروڈکٹس اور خدمات میں بہتری لائی جاسکے. آپ کی فراہم کردہ معلومات بالکل آپ کی شناخت کے بغیر بروئے کار لائی جائیں گی اور آپ کی شناخت کو پوشیدہ رکھا جائے گا. اس لیے آپ سے درخواست ہے کے بالکل اطمینان سے ہمیں اپنی درست رائے فراہم کریں.

سیکشن اے: ذاتی معلومات

جواب دہ کا نام:_______ فون نمبر:_______ شناختی کارڈ نمبر:________

1. جنس:

☐ بتانا نہیں ☐ دیگر ☐ عورت ☐ مرد

2. کس جماعت تک تعلیم حاصل کی ہے؟ (تعلیمی سال)

☐ 0(غیر تعلیم یافتہ)

☐ 1-5(پرائمری)

☐ 6-8(مڈل)

☐ 9-10(میٹرک)

☐ 11-12(انٹر)

☐ 14-16(بیچلرز)

☐ 17-18(ماسٹرز)

☐ دیگر

3. عمر

- ☐ 18سے 27سال
- ☐ 28سے 37سال
- ☐ 38سے 47سال
- ☐ 48سے 57سال
- ☐ 58سال یا زائد

4. کاروباری تجربہ

- ☐ 1سال سے کم
- ☐ 1سال سے 5سال
- ☐ 5سال سے 10سال
- ☐ 10سال سے زیادہ
- ☐ بالکل بھی نہیں

5. کاروبار کی نوعیت

☐ زراعت ☐ مینوفیکچرنگ ☐ سروس ☐ تجارت

☐ لائیوسٹاک ☐ دیگر ___________

6. کاروبار کی ملکیت کیا ہے؟

- ☐ ذاتی
- ☐ فیملی کا ہے
- ☐ کسی کے ساتھ پارٹنرشپ میں ہے
- ☐ دیگر ___________

سیکشن بی: گھریلوں معلومات

1. گھر کا سربراہ کون ہے؟

☐ آپ ☐ باپ ☐ میاں / خاوند ☐ ماں ☐ دیگر

2. گھر کی ملکیت کس کی ہے؟

☐ اپنا ہے ☐ ماں ☐ دیگر

3. آپ کے گھر میں موجود فیملی ممبرز کی تعداد کتنی ہے (جو آپ کے ہی باورچی خانے سے جڑے ہوئے ہیں)؟ ______________

4. آپ کے گھر میں موجود فیملی ممبرز میں بچے ہیں؟

☐ ہاں ☐ نہیں (اگلے سیکشن پر جائیں)

5. آپ کے گھر میں موجود فیملی ممبرز میں سے کتنے بچے ہیں؟ __________

6. فیملی میں موجود اسکول جانے والے بچوں کی معلومات فراہم کریں

بچے کی عمر	جنس	جماعت (جس میں زیر تعلیم ہے)	مہینے کی فیس

6.1: اسکول کی نوعیت ؟

☐ مدرسہ ☐ پرائیویٹ اسکول ☐ گورنمنٹ اسکول

☐ دیگر ____________

7: کوئی بچہ ایسا ہے جو اسکول نہیں جاتا؟

☐ ہاں

☐ نہیں

7.1: اگر سوال 7 میں ''ہاں'' ہے تو کتنے بچے اسکول نہیں جاتے ؟

____

8: فیملی میں موجود اسکول نہ جانے والے بچوں کی معلومات فراہم کریں

8.1 بچے کی عمر	8.2 جنس

8.3: اگر بچہ اسکول نہیں جاتا، تو اس کی وجہ کیا ہے ؟

☐ میری آمدنی میں اضافہ نہیں ہوا کہ اپنے بچوں کو اسکول بھیج سکوں

☐ میرے بچے نوکری کرتے ہیں یا کاروبار میں میری مدد کرتے ہیں اس لئے ان کے پاس وقت نہیں اسکول جانے کے لیے۔

☐ میری نظر میں تعلیم حاصل کرنے کا ان کے مستقبل کو کوئی فائدہ نہیں ہوتا

☐ میرے بچے تعلیم میں دلچسپی نہیں رکھتے

☐ میرے بچوں کا گھر میں رہنا ضروری ہے تاکہ گھر کے کاموں میں مدد کر سکیں

☐ ہمارے قریب میں کوئی اسکول نہیں ہے

☐ کوئی بچہ بھی اسکول جانے کی عمر میں نہیں

☐ کورونا کی وجہ سے مشکل ہے

☐ اگر کوئی اور وجہ ہے تو بیان کریں____________________

8.4 اگر اسکول نہیں جاتے تو اب کیا کرتے ہیں؟

____

8.5: کیا آپ نے گذشتہ سال اپنے کسی بچے کو اسکول سے نکالا تھا؟

☐ نہیں ☐ ہاں

9. اگر سوال 8.5 میں جواب "ہاں" ہے تو مندرجہ ذیل فراہم ممکنہ وجوہات میں سے اپنے جواب کا انتخاب کریں

☐ مجھے کاروبار میں مددگار کی ضرورت ہے اسلئے

☐ کورونا کی وجہ سے اسکول بند ہے

☐ اگر کوئی اور وجہ ہے تو بیان کریں

10. قرض کی سہولت میری توقعات کے مطابق نہیں ثابت ہوئی بلکہ اخراجات میں اضافہ کا سبب بنی

☐ نہیں ☐ ہاں

سیکشن سی: معاشی اثرات

1. آپ نے یوبینک کی جانب سے فراہم قرض کا استعمال کس لئے کیا؟

☐ ذاتی مقاصد کے لیے (گھر کی مرمت، شادی، گھریلو آلات کی خریداری، قرض کی ادائیگی وغیرہ)

☐ کاروباری اشیاء (جس میں تجارت کرتے ہیں) کی خریداری کے لیے

☐ زمین کی خریداری کے لیے

☐ مال مویشی کی خریداری کے لیے

- ☐ زمین سے متعلقہ آلات،کھاد،بیج،یادیگر بنیادی اشیاء کی خریداری کے لیے
- ☐ دیگر،اگر کوئی ہے تو بیان کریں ____________________

1.1:اگر درج بالہ میں سے ''زمین کی خریداری کے لیے'' منتخب کی ہے تو زمین کیسی تھی؟

☐ کاروباری ☐ گھریلو ☐ دیگر

1.2:اگر درج بالہ میں سے ''زمین سے متعلقہ آلات،کھاد،بیج،یادیگر بنیادی اشیاء کی خریداری کے لیے'' تو پھر بتایئے کونسی اشیاء تھیں؟

- ☐ کیاآپ نے گذشتہ ایک سال میں اپنے گھر کے لیے بجلی کے متبادل ذرائع (سولر سسٹم ،جنریٹر، یوپی ایس وغیرہ)خریدا ہے؟
- ☐ ہاں
- ☐ نہیں

1.3:اگر سوال 1.2 میں جواب ''ہاں'' ہے تو پھر کونسے والے آلات خریدے ہیں؟

☐ یوپی ایس ☐ جنریٹر ☐ پنکھے ☐ سولر پینل ☐ بیٹری ☐ دیگر

2:یوبینک سے قرض کی سہولت لینے سے قبل آپ کے پاس کونسے اثاثہ جات موجود تھے؟(ملٹیپل سلیکشن)

- ☐ ٹی وی
- ☐ فریج/ریفریجریٹر
- ☐ اے سی
- ☐ فرنیچر
- ☐ زمین
- ☐ سواری(گاڑی/موٹر سائیکل وغیرہ)
- ☐ مال مویشی
- ☐ زیورات
- ☐ دیگر،اگر کوئی ہے

3: کیا یو بینک کی جانب سے فراہم کیے گئے قرض کی سہولت نے آپ کو اپنے اثاثہ جات کو بڑھانے میں مدد کی؟

☐ نہیں ☐ ہاں

3.1: اگر سوال 3 میں جواب ''ہاں'' ہے تو مندرجہ ذیل میں فراہم اثاثہ جات میں سے وہ کون سے ہیں؟

☐ ٹی وی

☐ فریج/ریفریجریٹر

☐ اے سی

☐ فرنیچر

☐ زمین

☐ سواری (گاڑی/موٹر سائیکل وغیرہ)

☐ مال مویشی

☐ زیورات

☐ دیگر، اگر کوئی ہے

3.2: قرض آپ نے کیوں لیا تھا؟

☐ کاروبار یا دفتر کے استعمال کے لئے ☐ گھر کے لیے

☐ دونوں کے لیے (اپنے لیے اور صاحب کے لیے بھی)

4: کیا یو بینک کے جانب سے فراہم کردہ قرض کی سہولت نے آپ کی اور آپ کے خاندان کی معیار زندگی کو بہتر بنانے میں مدد کی ہے؟

☐ ہاں ☐ نہیں، وجہ (وضاحت کریں)

5: اگر سوال 4 میں جواب ''ہاں'' ہے تو ممکنہ صورتوں میں سے ممکنہ وجوہات کا انتخاب کریں (ملٹیپل)

☐ اس قرض کی سہولت کی بدولت میرے ذاتی اثاثہ جات میں اضافہ ہوا ہے

☐ اس قرض کی سہولت کی بدولت میرے کاروباری اثاثہ جات میں اضافہ ہوا ہے

☐ اب میں نسبتاً پہلے سے زیادہ باہر کھانے اپنی فیملی کے ساتھ جاتا ہوں

☐ اب میں نسبتاً پہلے سے زیادہ تفریح کے مواقع اپنی فیملی کے افراد کو فراہم کرتا ہوں

☐ اب میں نسبتاً پہلے سے زیادہ اپنی فیملی کے ساتھ شاپنگ پہ جاتا ہوں

☐ قرض کی سہولت سے میرے مالی حالات میں بہتری آئی ہے

☐ قرض کی سہولت سے میرے بچت کرنے کی صلاحیت بہتر ہوئی ہے

☐ میں اپنے بچوں کو بہتر تعلیم کی سہولیات فراہم کر پا رہا ہوں

☐ میں اپنے گھر والوں کو بہتر ضروریات زندگی فراہم کرنے کے قابل ہو گیا ہوں

☐ میں اپنے گھر والوں کو بہتر علاج کی سہولت فراہم کر پا رہا ہوں

☐ دیگر، اگر کوئی ہے تو بیان کریں ________________

سیکشن ڈ: صحت اور غذائی اثرات

1: ہفتے میں کتنے دن آپ کی فیملی گوشت کا استعمال کھانے میں کرتے ہیں ؟

☐ دو دفعہ ☐ ایک دفعہ ☐ روزانہ

☐ ہفتے میں ایک دفعہ

2: ہفتے میں کتنے دن آپ فیملی کے لیے پھل خریدتے ہیں؟

☐ دو دفعہ ☐ ایک دفعہ ☐ روزانہ

☐ دیگر، اگر کوئی ہے تو بیان کریں ____________________

3: گذشتہ 6 مہینوں میں آپ کی فیملی میں موجود افراد عموماً کُل کتنی دفعہ بیماری کا شکار ہوئے؟ ____________________

4: گذشتہ 6 مہینوں میں کُل کتنی دفعہ آپ کو پیسے نہ ہونے اور ڈاکٹر کے پاس نہ جانے کی وجہ سے خود کو یا اپنے فیملی کے افراد کو ادویات کی مدد سے علاج کرنے میں ضرورت پیش آئی؟

5: کیا آپ کی اپنی فیملی کے بیمار افراد کو ڈاکٹر یا ہسپتال بہتر علاج کے لیے لے کر جاتے ہیں؟

☐ ہاں ☐ نہیں، وجہ بیان کریں __________

5.1: اگر سوال 5 میں جواب "ہاں" ہے تو کونسی جگہ گئے تھے؟

☐ حکیم ☐ کلینک ☐ پرائیویٹ ہسپتال ☐ گورنمنٹ ہسپتال ☐ دیگر

5.2: کتنا خرچ ہوا تھا تقریباً ؟ ____________________

5.3: اگر سوال 5 میں جواب "نہیں" ہے تو ممکنہ جوابات میں سے مناسب جواب کا انتخاب کریں

☐ میں اپنے خاندان کا واحد کمانے والا ہوں اسلئے ڈاکٹر یا ہسپتال لے جانے کے لیے چھٹی نہیں کر سکتا

☐ میرے گھر کے قریب ڈاکٹر یا ہسپتال کی سہولت دستیاب نہیں ہے

☐ میرے گھر کے قریب کوئی لیڈی ڈاکٹر موجود نہیں اسلئے فیملی میں بیمار ہونے والی لیڈیز کو ڈاکٹر کے پاس نہیں لے جا سکتا

☐ میں مالی طور پہ اس قابل نہیں

☐ میرے پاس بیمار افراد کو لے جانے کے لیے سواری دستیاب نہیں ہے

☐ کورونا کی وجہ سے ڈر لگتا ہے

☐ دیگر، اگر کوئی ہے تو بیان کریں ________________________________

6. : کیا آپ کے گھر میں گزشتہ سال میں کوئی نومولود بچہ تھا؟

☐ ہاں ☐ نہیں

6.1 : اگر سوال 6 میں جواب "ہاں" ہے تو کیا اسے ماں کا دودھ دستیاب تھا؟

☐ ہاں، ماں کا دودھ دستیاب تھا

☐ ماں کا دودھ دستیاب نہیں تھا کیوں کے ماں کی صحت اس قابل نہیں تھی

☐ کچھ اور وجوہات کی بنا پر ماں کا دودھ دستیاب نہیں تھا

☐ تین ماہ یا اس سے کم عرصے کے لیے دودھ دستیاب تھا

☐ 6 ماہ سے زائد عرصے کے لیے دستیاب تھا

☐ 4 سے 6 ماہ تک دستیاب تھا

☐ گزشتہ سال کوئی نومولود بچہ نہیں تھا

☐ دیگر، اگر کوئی ہے تو بیان کریں ____________________________

7.: کیا آپ نے بینک سے ہیلتھ انشورنس پیکج حاصل کیا ہے؟

☐ ہاں ☐ نہیں

7.1: اگر سوال 7 میں ''ہاں'' جواب ہے تو کونسا پراڈکٹ تھا؟

☐ صحت تحفظ ☐ صحت تحفظ پلس

7.2: کیا آپ کو ان (انشورنس پروڈکٹس) کی افادیت کا اندازہ ہے؟

☐ ہاں ☐ نہیں

7.3: کیا آپ نے انشورنس کلیم استعمال کیا ہے؟

☐ ہاں ☐ نہیں

7.4: اگر سوال 7 میں ''نہیں'' جواب ہے تو آپ نے انشورنس پروڈکٹ کے بارے میں سنا ہے ؟

☐ ہاں ☐ نہیں

سیکشن ای: کاروباری اثرات

1. آپ کا موجودہ کونسا لون سائیکل چل رہا ہے یو بینک کے ساتھ ؟

☐ دیگر ☐ تیسرا ☐ دوسرا ☐ پہلا

2: نیچے دیئے گئے بیانات سے آپ کس قدر اتفاق کرتے ہیں اس پر بنے گئے اسکیل کے مطابق اپنے خیال کا اظہار کریں

	بہت زیادہ متفق	متفق	غیر جانبدار	غیر متفق	بہت زیادہ غیر متفق
کاروبار کے لیے بینک سے لیے گئے قرض پر مستقل انحصار کرنا کاروبار کی صحت اور استقامت کے لیے مشکل ثابت ہوتا ہے					
یو بینک سے قرض کی فراہمی ہی میرے کاروبار کو جاری و ساری رکھنے کا واحد ذریعہ ہے					
بینک سے قرض کی فراہمی ناصرف کاروباری خرچوں میں اضافہ کی وجہ بنتی ہے بلکہ زندگی میں بہتری لانے میں بھی مدد کرتا					
بینک سے قرض کا ملنا باقی ذریعوں سے بہتر متبادل ہے					

3: کیا یو بینک سے قرض کی سہولت سے آپ کی آمدنی پر کوئی اثرات پڑے ہیں؟

☐ کچھ بھی نہیں

☐ ہاں بڑھی ہے ☐ ہاں کم ہوئی ہے

4: اگر سوال نمبر 3 میں جواب "ہاں کم ہوئی ہے" تو درجہ ذیل میں موجود جوابات میں سے ممکنہ جواب کا انتخاب کریں

☐ کاروبار استعمال ہونے والی بنیادی اشیاء کی قیمتوں میں غیر متواقع اضافہ ہوا ہے

☐ غیر متواقع طور پر مارکیٹ طلب کی کمی ہوئی ہے

☐ کاروباری اشیاء کی فروخت میں تاخیر ہوئی ہے

☐ علاقے کے حالت موزوں ناہونے کی وجہ سے کاروباری معمولات پر پڑنے والے غیر متواقع اثرات

☐ فروخت ہونے والی اشیاء کی قیمتوں میں غیر متوقع کمی ہوئی ہے

☐ قرض کے دورانیے کے دوران صحت ٹھیک ناہونے اور متبادل ناہونے کی وجہ سے فرق پڑا ہے

☐ بینک کی طرف سے فراہم کردہ قرض کی سہولت پر مارک اپ زیادہ ہونے اور ادائیگیوں کی ترتیب کی وجہ سے اثر پڑا ہے

5: کیا قرض کی سہولت آپ کے کاروبار سے متعلقہ ضروریات پر پورا اترا ہے؟

☐ ہاں، اس قرض کی بدولت میری تمام کاروباری ضروریات پوری ہو گئی ہیں

☐ نہیں کیوں کے مجھے قرض کی فراہمی تاخیر سے ہوئی

☐ نہیں کیوں کے قرض کی رقم ناکافی تھی

☐ نہیں کیوں کے قرض کا دورانیہ وہ نہیں تھا جو مجھے چاہیے تھا

☐ نہیں، دیگر وجہ ہونے کی صورت میں بیان کریں ________________

6: کیا یو بینک سے قرض کی فراہمی سے آپ کی بچت کی قابلیت میں فرق پڑا ہے؟

☐ ہاں ☐ نہیں

7: آپ کی ماہانہ بچت کی صلاحیت کتنی ہے؟ (اوپن اینڈڈ) ________________

8: اگر سوال نمبر 6 میں جواب ''ہاں'' ہے تو مندرجہ ذیل میں فراہم کردہ ممکنہ ترقیوں میں سے وہ کون سی ہیں؟

☐ بینک میں ☐ کمیٹی کی صورت میں ☐ گھر پر

☐ گولڈ ☐ دیگر، اگر کوئی ہے تو بیان کریں

سیکشن ایف: خدمت کا معیار/ پروڈکٹس کی معیار کی مناسبت

1: کیا آپ نے کبھی یو بینک کے علاوہ کسی اور مائیکرو فنانس بینک سے قرض لینے کا سوچا؟

☐ ہاں ☐ نہیں

2: اگر سوال نمبر 1 میں جواب '' ہاں '' ہے تو اسکی کیا وجہ ہے؟

☐ کم قرض کے رقم کی فراہمی

☐ زیادہ مارک اپ

☐ زیادہ پروسسنگ فیس

☐ اسٹاف کا غیر موزوں رویہ

☐ قرض کی فراہمی میں تاخیر

☐ موزوں پروڈکٹ کی عدم دستیابی

☐ کورونا کی وجہ سے آمدنی اور رہنے میں کافی مسئلہ ہو رہا ہے

☐ دیگر، اگر کوئی ہے تو بیان کریں ______________________

3: کیا آپ کو کبھی اپنے قرض کی قسط کی ادائیگی میں مشکل کا سامنا کرنا پڑا ہے؟

☐ ہاں ☐ نہیں

4: اگر سوال نمبر 3 میں جواب "ہاں" ہے تو بتایئے کیا مشکلات پیش آئی تھیں؟ ______________

5: آپ نے قرض کی قسط کی ادائیگی میں مشکل کی صورت میں رقم کیسے ادا کی؟

☐ رشتے دار یا دوست سے قرض لے کر

☐ کاروبار یا ذاتی اثاثہ جات بیچ کر

☐ فیملی کے افراد کی آمدنی یا بچت سے مدد لے کر

☐ دیگر ذرائع آمدنی سے پیسے استعمال کر کے

☐ قرض کی ادائیگی میں خصوصی مہلت لے کے

☐ قرض کے بعد ازاں ادائیگی میں اضافی چارجز کے ساتھ

☐ دیگر اگر کوئی ہو تو بیان کریں ______________

6: کیا آپ مزید کوئی اضافی معلومات ہمیں بتانا چاہتے ہیں؟

____

اپنے قیمتی وقت میں سے کچھ وقت دینے کے لیے یو بینک آپ کا بے حد شکر گزار ہے!

E. Focus Group Discussion Guide (Conducted in Urdu)

Objective:

Understand how U Bank is currently performing in achieving its mission to create a meaningful impact in the lives and wellbeing of its customers and why or why not people prefer or do not prefer their services. The discussion will also be geared to understand how, why, and when loans are split between productive and non-productive expenditures.Insights from this will be used to construct a set of actionable recommendations.

Opening:

Salaam, I am [facilitator name] along with my team from Akademos. We have been hired as an external and non-partisan third party to analyze and evaluate how U Bank is currently performing, especially when it comes to its core purpose of improving the lives of its customers. Moreover, we will also be asking you how you think U Bank can improve its services.

Aim

Our conversation here today will help us understand how your experience has been using the U Bank products and services, how your lives have been impacted by your decision to avail their loans and any pain points or suggestions you may have that would allow U Bank to serve you even better.

Ground Rules

Before we begin we would like to suggest a few ground rules to keep in mind so as to encourage a meaningful exchange and flow of ideas.

- Avoid speaking over each other. If there is more than one person trying to respond, please raise your hand to indicate that you have something to say before speaking. We will make sure that everyone gets a chance to speak.
- There are no wrong or right answers. We encourage all of you to be as open and honest as possible. Please say whatever you feel is relevant to the discussion, even if it does not seem to match the consensus of opinion around the topic. It is extremely important that we hear all sides when it comes to any particular topic as this will only help us better understand the actual situation and lead to better solutions for you and the community.
- Please listen to each other and try to build off each other's comments as often as possible rather than introducing a completely new idea/tangent into the topic. Chances are that the topic you want to discuss will be discussed anyway as we proceed through the process. Even if it is not, you will have the opportunity to share it at the end when we open up the floor for additional comments. Sticking to the topic under discussion at the particular moment will ensure that we have all the relevant information we possibly can before we move on.
- We will be taking an exploratory approach towards the discussion to understand in-depth and specifically the responses of the participants.

Methodology:

Akademos' team will get in touch with the Point of Contact (PoC) at each branch to fix a day and time for the focus group discussion.

Next, in tandem with the UBank PC, Akademos will provide a list of U Bank customers which will be invited to the FGD through U Bank.

Akademos will communicate and arrange the logistics (such as refreshments, room etc.) of the FGD in collaboration with the PoC.Akademos will deploy a moderator supported by a team to the U Bank branch. They will be bringing the following:

- Focus group guide
- Note-taking guide (Separate for participants and note-taker)
- Audio and video recording devices
- Incentives for the participants
- Tablets (to fill digital forms)

Before the start or after the conclusion of the focus group, participants will be requested to fill in a demographics form where key points such as education, occupation, gender etc. will be collected.

Please write down your answers before speaking up as that could influence another person's opinion, these notes will be collected by us at the end of the focus group discussion. The session will be audio and video recorded, however, these will only be used to ensure that all the data is collected only to ensure that all insights are captured. Our team members will also be noting down any important insights throughout the focus group.

General

Q1. What purpose did you need a microfinance loan for?

Q2. Did you have any other options for financing that you explored before/while pursuing the U Bank loan?

Q3. How did you hear about U Bank microfinance?

Q4. Have you taken a loan from any informal institution like a money lender?Q5. Have you ever taken a microfinance loan from any other formal institution?

Q6. If yes, then how would you compare the U Bank loan to other loans?

Q7. What did you spend the microfinance loan on?

Q8. Whose decision was it to get the microfinance loan in your household?

Q9. How are decisions made with regards to the spending of money or the loan in your household? Who makes these decisions?

Process

Q11. Walk us through the entire process of getting a U Bank loan from application to getting the funds to repayment?

Q13. Did you face any difficulty in the disbursement process?

Q14. Have you used U Bank's digital loan application process? Would you prefer a digital or manual application process

Q15. What are the things you like about this process and things that you would change about this process?

Q16. Are you satisfied with this loan?

Q17. Was taking a U Bank loan the right decision?

Impact & Current status on indicators

Q18. In what ways, if any, has this loan impacted your life in the following categories?

a. Livelihood & Income

i. Increase in monthly income

ii. People are now engaged in vocational training or other activities that stand to improve livelihood

iii. Have children been previously gainfully employed and now instead of pursuing education

b. Business/Production growth

i. Business has grown revenues and sales

ii. Employed more people in the business

iii. Opened multiple branches and/or multiplied production

iv. Purchase of input like raw materials

v. Purchase of new product line

c. Education status of children in my household

i. Has the education quality of your children improved?

ii. Status of gender-wise enrollment of children in the household

Iii. Have children started vocational training (formal/informal) along with their education

iv. Children have continued to higher education

d. Health & Nutrition

i. Have you been able to increase meat and fruit consumption

ii. Have people been getting 3 square meals a day regularly

iii. What do you consider a 'good meal'? Can you afford a good meal or are you forced to consume roti/rice due to scarcity of resources and funds?

Iv. Are they able to go to a doctor? Which type of health facilities do you usually avail? (govt. private etc)

v. In your opinion, what is an ideal health insurance package?

vi. Have you used loans from UBank or other MFIs for medical emergencies?

e. Quality of life

i. Go shopping more frequently

ii. Dine out more frequently

iii. Parents, the primary breadwinner is able to spend more quality time with friends/ family and leisure time in general

Repayment

Q19. Do you worry about repaying the loan in the near future? If yes, then why?

Q20. Are you able to repay the loan on time?

Q21. At the time of application, did you agree/approve your repayment schedule? If yes, have you had any trouble repaying the loan?

Q22. If you had trouble then what did you do?

Gender Lens

Q23. How are major decisions made in your household

i. What kind of grocery to purchase

ii. Sending children to school or not

iii. Visiting the doctor or not

iv. How to set the household budget and what to spend money on

Covid-19 impact

Q24. State of Children's education:

i. Has anyone drop-out of schools amidst Covid (girls and boys)

ii. High fee and cost pushed for drop-out

Iii. Children in household joined work (part-time or full-time)

Q25. Savings:

i. Unable to pay local committee payments

Ii. Unable to save at formal MFIs/banks

Iii. Unable to pay family/friend's loan

Iv. Taken extra non-formal loans

Q26. Business:

i. Fired employee (specify number if any)

ii.Cut down production (can discuss in degree i.e. cut down production by one-third or half)

iii. Initiated side-business or job

iv. Increase workload after Covid

v. Approached traditional moneylender more frequently than formal institutions

Conclusion

Q27. Have your expectations regarding your life and business with the help of this loan been achieved?

Q28. Would you take a repeat loan from UBank? Why or why not?

Q29. Would you recommend the U Bank loan to your family and friends? Why or why not?

Q30. If you were to give any feedback or suggestion to the UBank team what would those be?

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