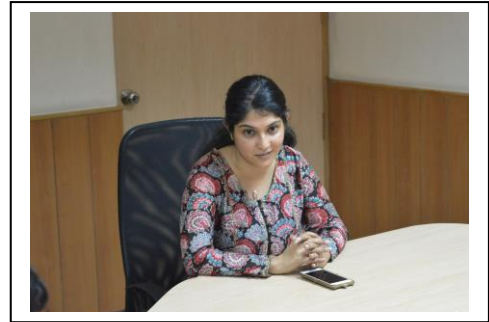


Ms. Sneh Thakur
Head of Credits and Collections, Ujjivan Bank
International Finance Conference, 2017



Dimensions Member: Before converting into a small bank, how were you rating the customers?

ST: We don't rate the customers. We only generate a credit bureau report for all our borrowers without a score and we look at their credit history. So, if they have a plain track record, if they have availed all the rules and if they have paid on time, then they will be able to avail any other loan. But if there is some delinquency showing up on their credit bureau report, we investigate on that matter. If the investigation is proved to be genuine and if they are able to produce the needed bank statement, we take that into consideration and then lend to them. But if it's an intentional default and they have skipped repaying, we do not lend to such customers.

Dimensions Member: Many of the microfinance companies claim that they are promoting women empowerment. According to you, what is the role of a women in a microfinance institution?

ST: From a customer perspective, 99% of our borrowers are women. There was a research that we conducted in 2008. The outcome of that research was that women are more responsible borrowers especially in this customer segment i.e. the unserved and underserved only. They are most likely to use it for their children's education, general upbringing and income generation purpose. As an operating model itself, we don't offer this product to men. But the housing loans, personal loans that we plan to introduce in the future will be given to everybody.

Dimensions Member: Many of the MFIs have a bad reputation of indulging in unethical or violent ways of getting the money bank. Given the fact that you are answerable to your higher management, will you at times feel like defending such extreme steps and extreme scenarios?

ST: Firstly, we do not have hard recovery practices. There is a code of conduct which is applicable to all banks in India whether it is a small finance bank or a regular bank. We have to abide to that code of conduct on the recovery side. There are timings defined on the recovery side and as an organization we do not employ agencies who will work on recoveries. It is our own staff who do the collections. We already have a connect with our borrowers and hence speaking to them and persuading them will yield the end results.