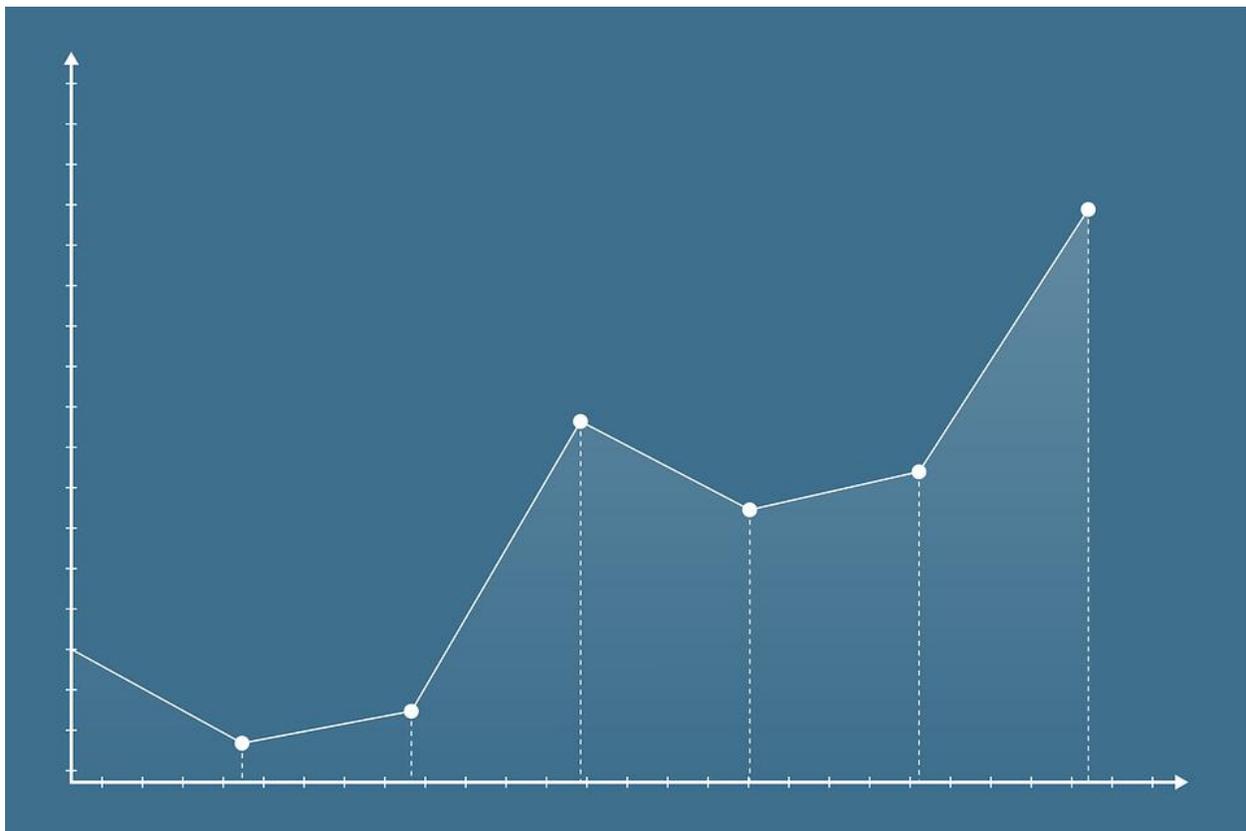


PT Unified Trade Review Small Finance Bank Loans Affected By Travel Restrictions



The year 2021 has forced most traditional financial institutions to reassess their existing processes, especially after the 2020 global pandemic issues. Small banks in countries like India have been experiencing collections as low as 1 to 3% due to travel restrictions. Other countries have similar experiences with unemployment at an all-time high, and the investment sectors feel the burn from last year's fall.

Digital financial firms like **PT Unified Trade** enable quick deposits and transactions for ease of transaction. However, not all financial institutions have improved their systems to deal with mobile or digital counterparts. For example, some banks have reduced the workforce due to the pandemic, which

significantly reduced loan collection capability. In comparison, larger banks have retained most of their workforce.

Microfinance loans have a scarcer collection, but institutions expect them to bounce back in late 2021. While most collections have plummeted during the start of the pandemic, most have recovered and continuously improved every month. Like all other sectors, the finance industry was disrupted momentarily by the global health crisis in 2020.

Most small finance companies had to increase asset quality pressures due to health crisis disruption, which led to loan restructurings. Non-performing assets like those that remain unpaid for 90 days increased. **PT Unified Trade** established more flexible

payment and investment options to assist in new accounts.

According to Investment Information and Credit Rating Agency or ICRA, the industry handling micro finances will face asset pressures of quality near the term due to recent infection surges and community restrictions. Most of the existing microfinance institutions may withstand the stress by improving their collection efficiency and liquidity.

According to **PT Unified Trade**, microfinance bankers need to be more creative in their collection and loaning approaches. They can utilize technology-based options and innovative solutions. Global recoveries and banking innovations can also help alleviate the stress on the finance industry.

Conclusion

The global pandemic caused a surge of problems across all sectors, especially the health and finance industries. The banking industry should adjust and adapt to fit the changing times, especially with communities having problems.

