



MFIN MicroMeter ©

Nov, 2012

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Introduction

- This is the third issue of the MFIN MicroMeter©. It provides an overview of the microfinance industry's position and indicators as of 30th Sep 2012 and compares with the previous quarter of this fiscal (Q1, FY 12-13) and second quarter of previous fiscal (Q2, FY 11-12)
- A total of 40 MFIN members provided data for this issue. SWAWS is the only non-reporting member
- Our sincere thanks to members for providing data within 30 days of the close of the quarter
- Key Findings:
 - Non-AP MFIs**
 - Grow their GLP by 33% and clients by 11% over Q2 FY 11-12
 - Increase in disbursements by 25% over Q1 FY 12-13
 - Contribute to 65% of total disbursements
 - Increase their assets and equity by 37% and 15% respectively over Q2 FY 11-12
 - Continue to maintain PAR 30 at 1%
 - During Q2 FY 12-13, members disburse Rs 50.77 bn. On a pan India basis, disbursements increase by 27% over Q1 FY 12-13
 - On pan India basis clients per employee ratio improve by 32% and GLP per employee improve by 39% over Q2 FY 11-12
 - AP MFIs shrink their branch network by 22% over Q2 FY 11-12. AP MFIs have close 1,336 branches during last 12 months
 - Member MFIs have 61,750 employees at the end of Q2 FY 12-13. Close to 21,621 employees lost their jobs due to impact of AP crisis, in last 12 months, 65% of them being loan officers. AP MFIs contribute to 97% of decrease in the head count
 - On a pan India basis, debt funding to member MFIs increase by 15% over Q2 FY 11-12 and 19% over Q1 FY 12-13
 - West Bengal followed by Tamil Nadu are top two states in terms of the portfolio, clients and branches (AP portfolio/clients being largely inactive)
 - Goa and UP register highest growth (over Q1 FY 12-13) in GLP, followed by Gujarat, Haryana, Uttaranchal, Rajasthan, MP and TN

Note: 8 MFIs included as AP MFIs are Asmitha, BSFL, FFSL, L& T Finance, Share, SKS, Spandana and Trident

Summary (Q2 FY 12-13)

40 Member NBFC-MFIs (providing data)

9,341 Branches

61,750 Employees

2,25,13,615 Clients

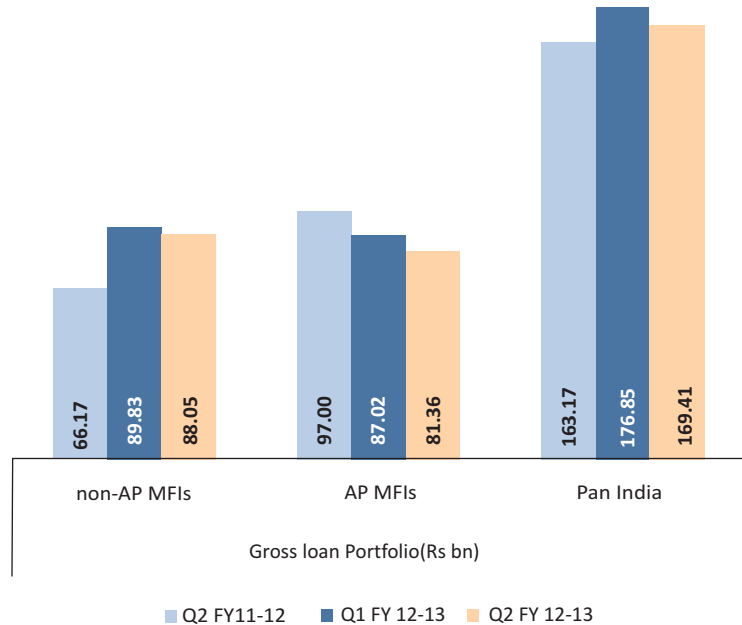
Rs 1,69.41 bn Gross Loan Portfolio

Rs 50.77 bn Loan Disbursements

Gross Loan Portfolio

% change	non-AP MFIs	AP MFIs	Pan India
over Q2 FY 11-12	↑ 33%	↓ 16%	↑ 4%
over Q1 FY 12-13	↓ 2%	↓ 7%	↓ 4%

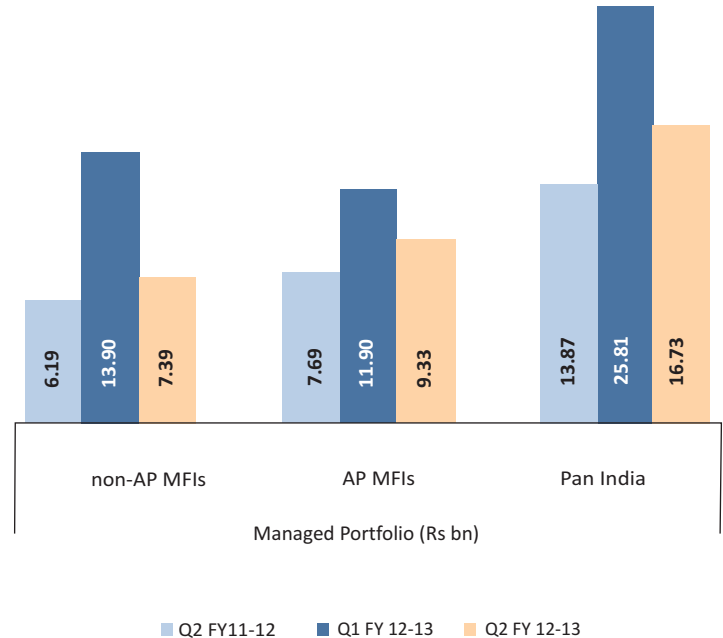
- End of Q2 FY 12-13, members have GLP at Rs 169.41 bn
- Non-AP MFIs: Increase of 33% in GLP over Q2 FY 11-12. However, GLP has marginally declined by 2% over Q1 FY 12-13
- AP MFIs: Decrease of 16% in GLP over Q2 FY 11-12 and decrease of 7% over Q1 FY 12-13
- Pan India: Increase of 4% in GLP over Q2 FY 11-12 and decrease of 4% over Q1 FY 12-13



Managed Portfolio

% change	non-AP MFIs	AP MFIs	Pan India
over Q2 FY 11-12	↑ 20%	↑ 21%	↑ 21%
over Q1 FY 12-13	↓ 47%	↓ 22%	↓ 35%

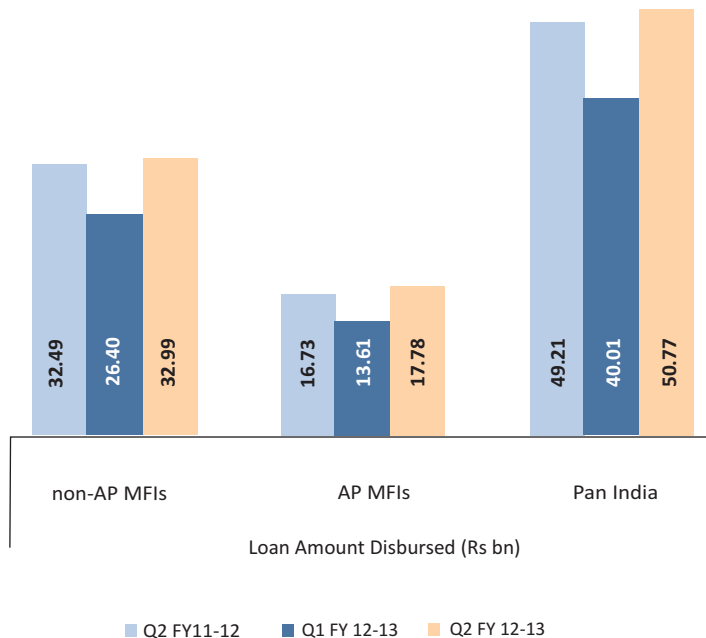
- Pan India: Managed portfolio is 10% of the GLP. This number was 9% in Q2 FY 11-12 and 15% in Q1 FY 12-13
- Both AP and Non-AP MFIs have increased their managed portfolio by over 20% compared to Q2 FY 11-12
- Non-AP MFIs: Managed portfolio is 8% of the GLP. This number was 8% in FY 11-12 and 14% in Q1 FY 12-13
- AP MFIs: Managed portfolio is 11% of the GLP. This number was 8% in Q2 FY 11-12 and 14% in Q1 FY 12-13



Loan Amount Disbursed

% change	non-AP MFIs	AP MFIs	Pan India
over Q2 FY 11-12	↑ 2%	↑ 6%	↑ 3%
over Q1 FY 12-13	↑ 25%	↑ 31%	↑ 27%

- During Q2 FY 12-13, members disbursed Rs 50.77 bn. Non-AP MFIs contributed to 65% of disbursements in the quarter
- Non-AP MFIs: Increase of 2% in loan amount disbursed over Q2 FY 11-12 and increase of 25% over Q1 FY 12-13
- AP MFIs: Increase of 6% in loan amount disbursed over Q2 FY 11-12 and increase of 31% over Q1 FY 12-13
- Pan India: Increase of 3% in loan amount disbursed over Q2 FY 11-12 and increase of 27% over Q1 FY 12-13



Clients and Loan Accounts

- End of Q2 2012-13, members have close to 24.38 mn outstanding loan accounts for over 22.51 mn clients
- Non-AP MFIs: Increase of 11% in clients over Q2 FY 11-12. However, only marginal increase of 2% over Q1 FY 12-13
- AP MFIs: Decrease of 12% in clients over Q2 FY 11-12. Not much change in clients over Q1 FY 12-13
- Pan India: Decrease of 2% in clients over Q2 FY 11-12. Increase of 1% in clients over Q1 FY 12-13

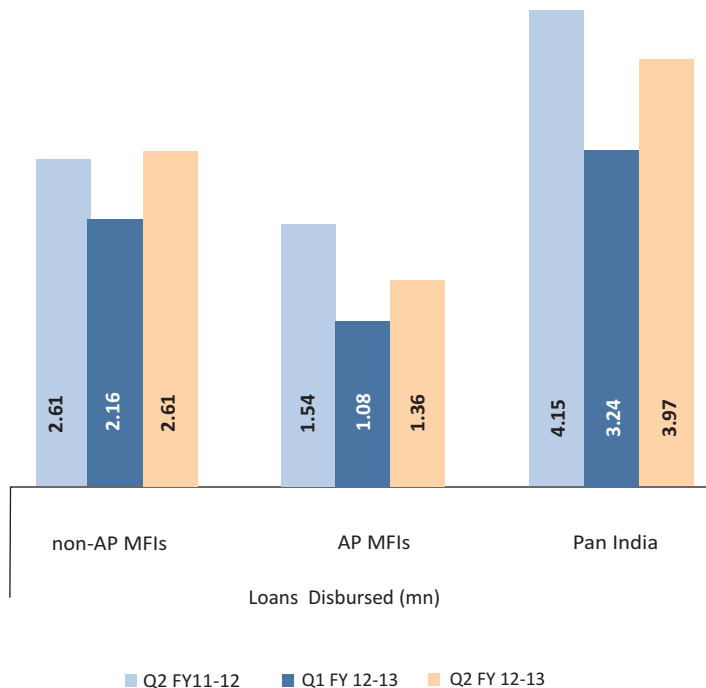
% change	non-AP MFIs	AP MFIs	Pan India
over Q2 FY 11-12	↑ 11%	↓ 12%	↓ 2%
over Q1 FY 12-13	↑ 2%	~0	↑ 1%



Loans Disbursed

% change	non-AP MFIs	AP MFIs	Pan India
over Q2 FY 11-12	↑ 1%	↓ 12%	↓ 4%
over Q1 FY 12-13	↑ 21%	↑ 26%	↑ 23%

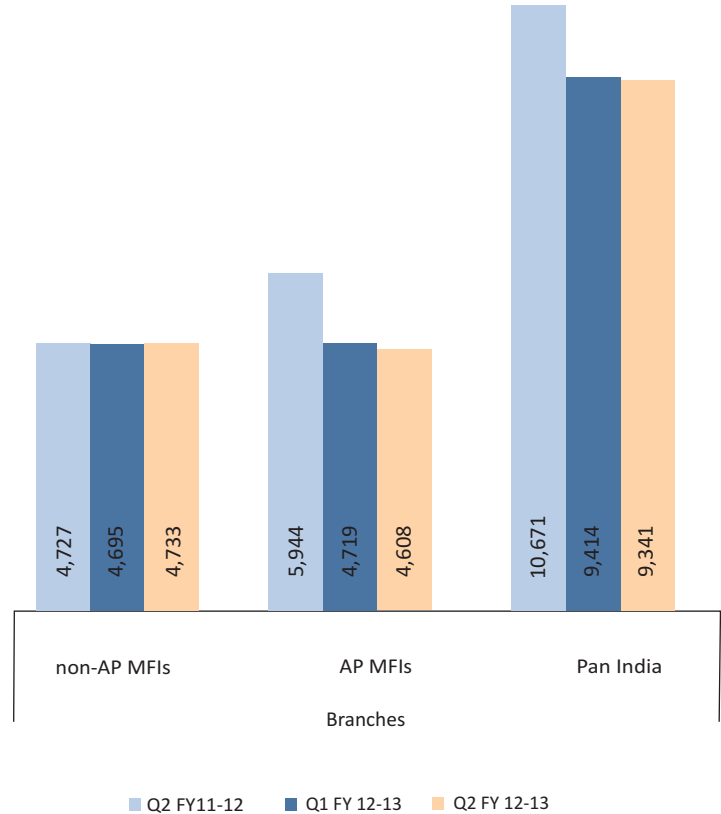
- During Q2 FY 12-13, members disbursed over 3.97 mn loans
- Non-AP MFIs: Increase of 1% in loans disbursed over Q2 FY 11-12. However, loans disbursed increase by 21% over Q1 FY 12-13
- AP MFIs: Decrease of 12% in loans disbursed over Q2 FY 11-12. However, loans disbursed increase by 26% over Q1 FY 12-13
- Pan India: Decrease of 4% in loans disbursed over Q2 FY 11-12. However, loans disbursed increase by 23% over Q1 FY 12-13



Branches

- Member MFIs have 9,341 branches spread across 26 states
- Non-AP MFIs: No change over Q2 FY 11-12 and increase of 1% over Q1 FY 12-13
- AP MFIs: Decrease of 22% over Q2 FY 11-12 and decrease 2% over Q1 FY 12-13. AP MFIs closed 1,336 branches in last one year
- Pan India: Decrease of 12% over Q2 FY 11-12 and decrease of 1% over Q1 FY 12-13

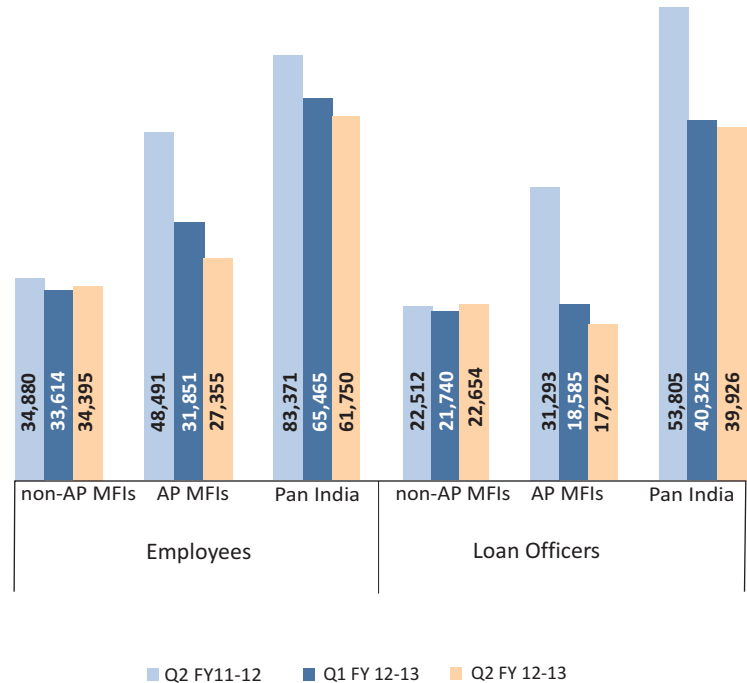
% change	non-AP MFIs	AP MFIs	Pan India
over Q2 FY 11-12	~0%	↓ 22%	↓ 12%
over Q1 FY 12-13	↑ 1%	↓ 2%	↓ 1%



Employees

- Close to 21,621 employees lost their jobs due to impact of AP crisis, 65% of them being loan officers
- There was a further reduction in the staff employed by the MFIs, mainly due to lay-offs by AP MFIs
- Non-AP MFIs: Decrease of 1% in the employee over Q2 FY 11-12 and increase of 2% over Q1 FY 12-13
- AP MFIs: Decrease of 44% in the employee over Q2 FY 11-12 and decrease of 14% over Q1 FY 12-13
- Pan India: Decrease of 26% in the employee over Q2 FY 11-12 and decrease of 6% over Q1 FY 12-13

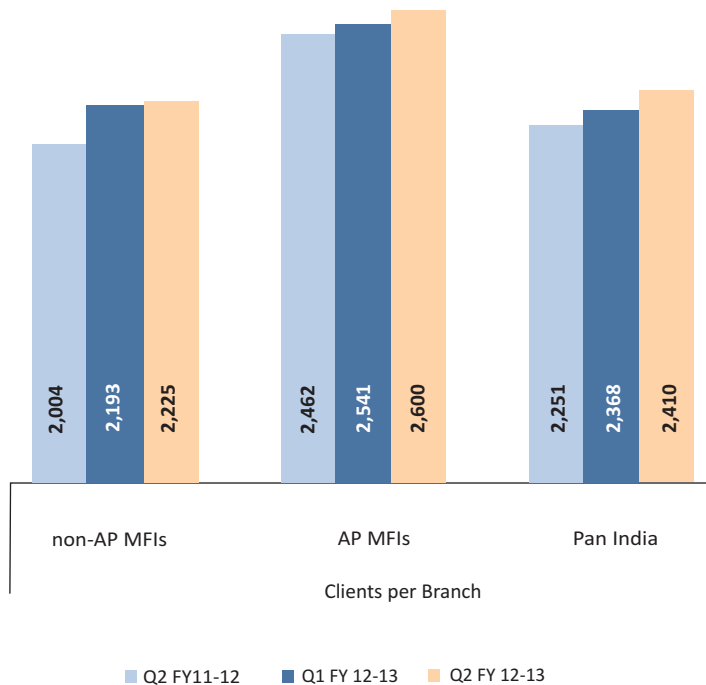
% change (employees)	non-AP MFIs	AP MFIs	Pan India
over Q2 FY 11-12	↓ 1%	↓ 44%	↓ 26%
over Q1 FY 12-13	↑ 2%	↓ 14%	↓ 6%



Clients per Branch (wt average)

- Clients per branch have improved for both non-AP MFIs and AP MFIs. On an average an MFI branch serves 2,410 clients
- However, for AP MFIs, this is partly driven by the fact that they continue to have clients in AP(though largely inactive) but have significantly reduced the number of branches

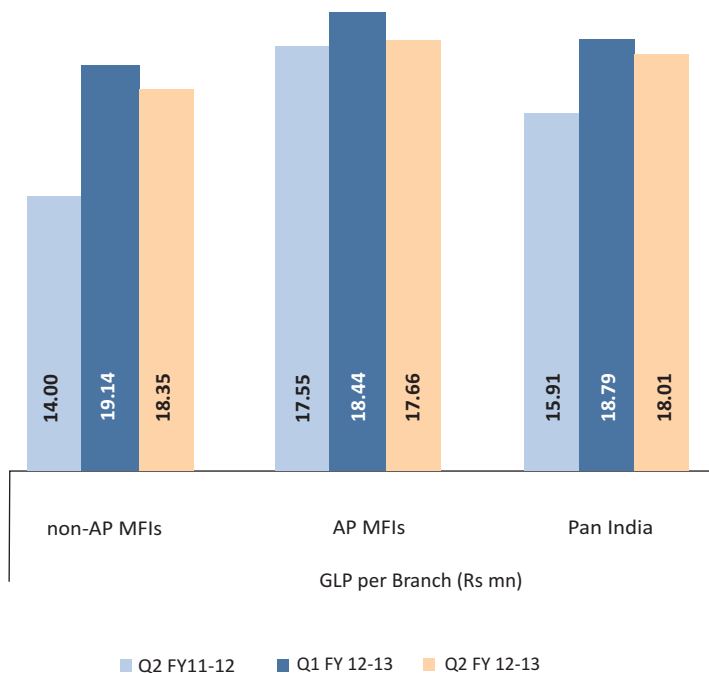
% change	non-AP MFIs	AP MFIs	Pan India
over Q2 FY 11-12	↑ 11%	↑ 6%	↑ 7%
over Q1 FY 12-13	↑ 1%	↑ 2%	↑ 2%



GLP per Branch (wt average)

- An average MFI branch has a portfolio of Rs 18.01 mn
- GLP per branch in Q2 FY 12-13 has improved for both non-AP MFIs and AP MFIs over Q1 FY 11-12. For AP MFIs it is driven by shrinkage in branch network and for non-AP MFIs it is driven by larger portfolio per branch
- Non-AP MFIs have improved this GLP per branch by 31% over Q2 FY 11-12. However, GLP per branch has slightly deteriorated (by 4%) compared to Q1 FY 12-13

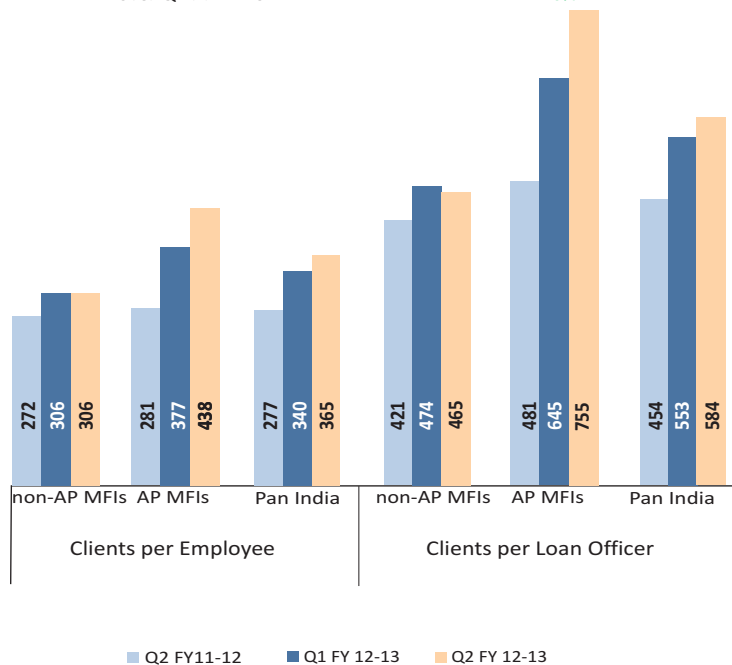
% change	non-AP MFIs	AP MFIs	Pan India
over Q2 FY 11-12	↑ 31%	↑ 1%	↑ 13%
over Q1 FY 12-13	↓ 4%	↓ 4%	↓ 4%



Clients per Employee and Loan Officer (wt average)

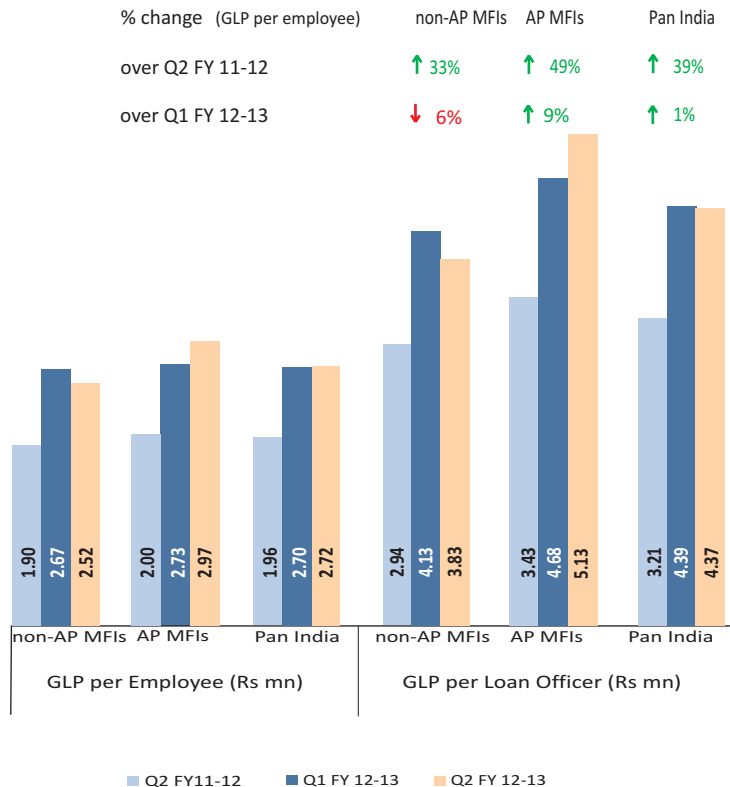
- An average MFI employee serves 365 clients and loan officer serves 584 clients. Corresponding figures were 277 and 454 in Q2 FY 11-12
- Non-AP MFIs: Clients per employee ratio has improved by 13% over Q2 FY 11-12 and no change over Q1 FY 12-13
- AP MFIs: Clients per employee ratio has improved by 56% over Q2 FY 11-12 and 16% over Q1 FY 11-12. Partly driven by the fact that AP MFIs continue to have clients in AP (though largely inactive) but have significantly reduced employees
- Pan India: Clients per employee ratio has improved by 32% over Q2 FY 11-12 and improved by 7% over Q1 FY 12-13

% change (clients per employee)	non-AP MFIs	AP MFIs	Pan India
over Q2 FY 11-12	↑ 13%	↓ 56%	↓ 32%
over Q1 FY 12-13	~0%	↑ 16%	↑ 7%



GLP per Employee and Loan Officer (wt average)

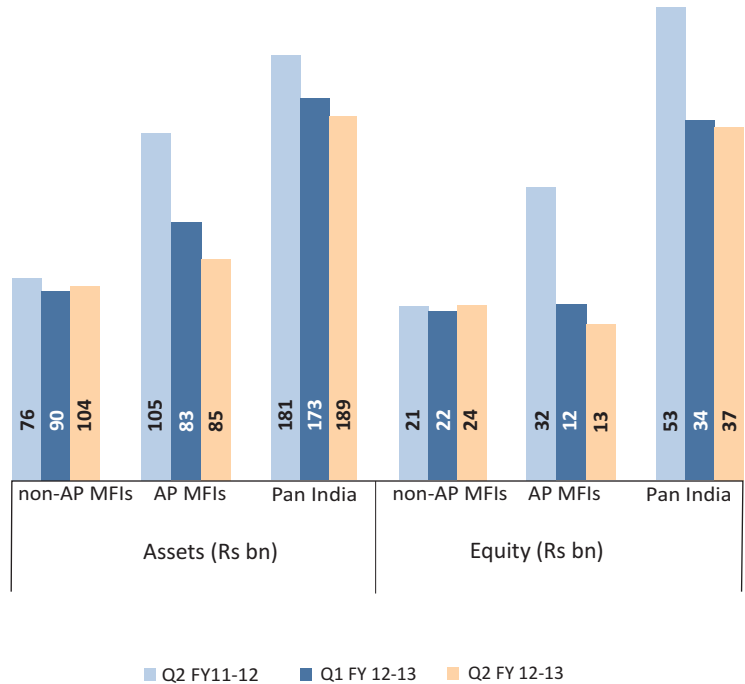
- MFI employee managed Rs 2.72 mn portfolio and loan officer has Rs 4.37 mn portfolio
- Non-AP MFIs: GLP per employee has improved by 33% over Q2 FY 11-12. However, it has deteriorated by 6% over Q1 FY 12-13
- AP MFIs: GLP per employee has improved by 49% over Q2 FY 11-12 and by 9% over Q1 FY 12-13
- Pan India: GLP per employee has improved by 39% over Q2 FY 11-12 and by 1% over Q1 FY 12-13



Assets and Equity

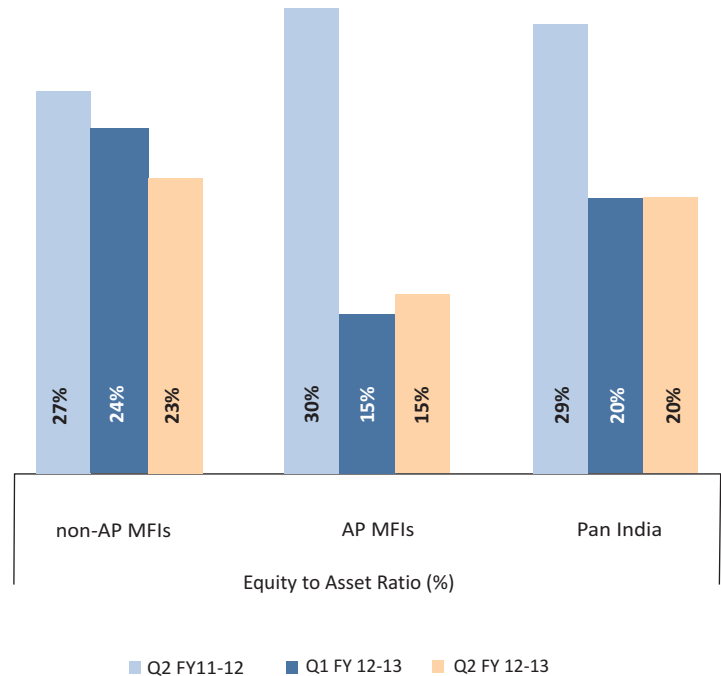
- MFIs have Rs 189 bn in assets and Rs 37 bn in equity
- Non-AP MFIs: Increased their assets and equity over Q2 FY 11-12 by 37% and 15% respectively
- AP MFIs: Decreased their assets and equity over Q2 FY 11-12 by 19% and 59% respectively
- Pan India: Assets increased by 4% over Q2 FY 11-12. However, equity decreased by 30% over Q2 FY 11-12, driven by write-offs by AP MFIs

% change	Assets			Equity		
	non-AP MFIs	AP MFIs	Pan India	non-AP MFIs	AP MFIs	Pan India
over Q2 FY 11-12	↑ 37%	↓ 19%	↑ 4%	↑ 15%	↓ 59%	↓ 30%
over Q1 FY 12-13	↑ 16%	↑ 2%	↑ 4%	↑ 9%	↑ 7%	↑ 9%



Equity to Assets Ratio

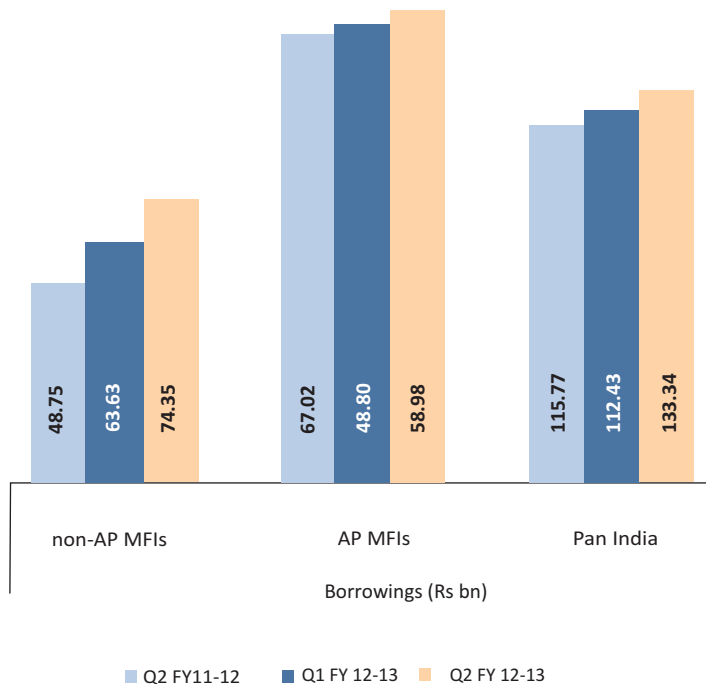
- Overall equity to assets ratio for the industry remains at a 20% on pan India basis
- Non-AP MFIs have equity to assets ratio of 23% . This ratio was 27% in Q2 FY 11-12 and 24% in Q1 FY 12-13
- AP MFIs have maintained equity to assets ratio of 15%. This ratio was 30% in Q2 FY 11-12



Borrowings

% change	non-AP MFIs	AP MFIs	Pan India
over Q2 FY 11-12	↑ 53%	↓ 12%	↑ 15%
over Q1 FY 12-13	↑ 17%	↓ 21%	↑ 19%

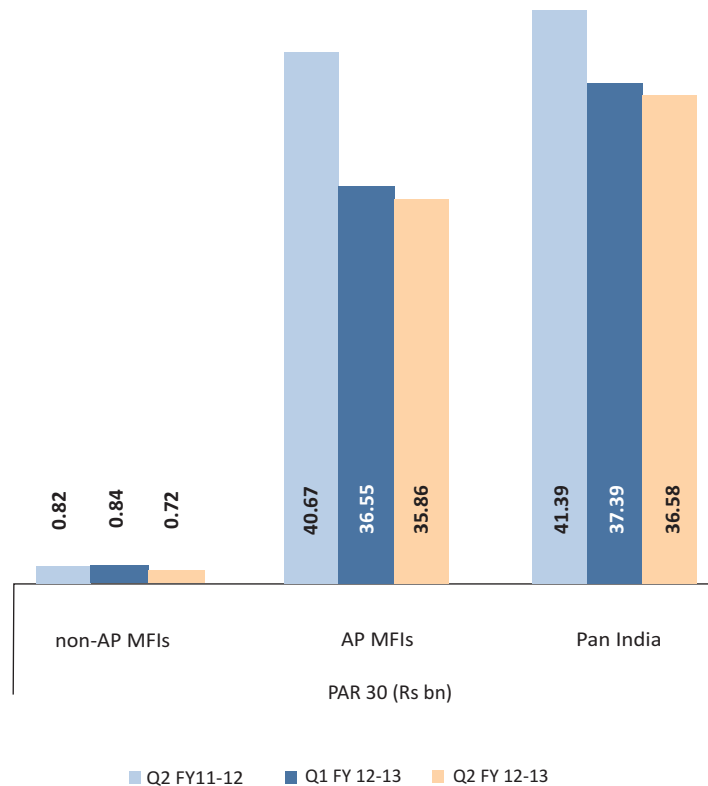
- End of Q2 FY 12-13, members have outstanding borrowings of Rs 133.34 bn
- Non-AP MFIs: Increase of 53% over Q2 FY 11-12 and 17% over Q1 FY 12-13
- AP MFIs: Decrease of 12% over Q2 FY 11-12. However, borrowings increased by 21% over Q1 FY 12-13
- Pan India: : Increase of 15% over Q2 FY 11-12 and 19% over Q1 FY 12-13



Portfolio at Risk* (Rs bn)

- As of 30 Sep 2012, Members have Rs 36.58 bn in Portfolio at Risk (PAR) > 30 days, 98% coming from AP MFIs

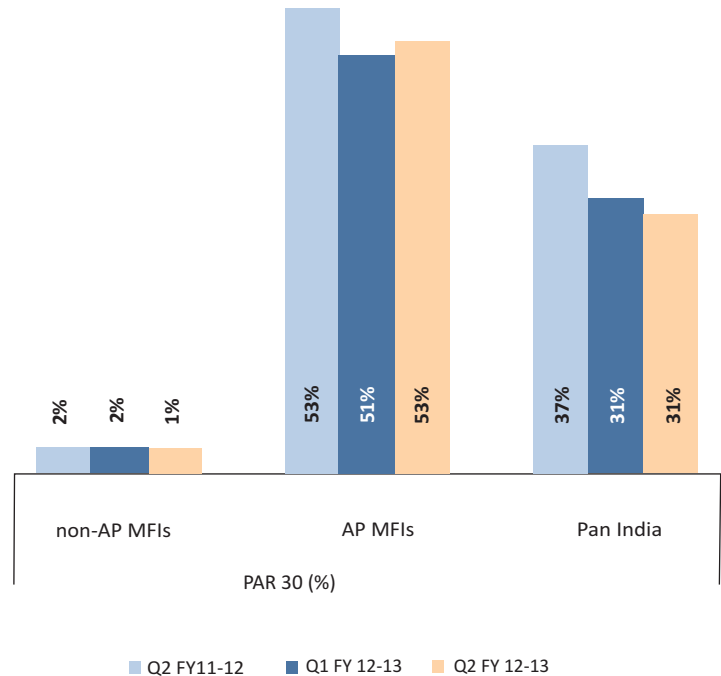
* PAR data not reported for SKS and Bandhan



Portfolio at Risk 30 (%)

- Non-AP MFIs: PAR 30 has improved compared with Q2 FY 11-12 and Q1 FY 12-13
- AP MFIs: PAR 30 decreased to 53% from 56% in Q2 FY 11-12
- Pan India: PAR 30 decreased to 31% from 37% in Q2 FY 11-12. No change over Q1 FY 12-13

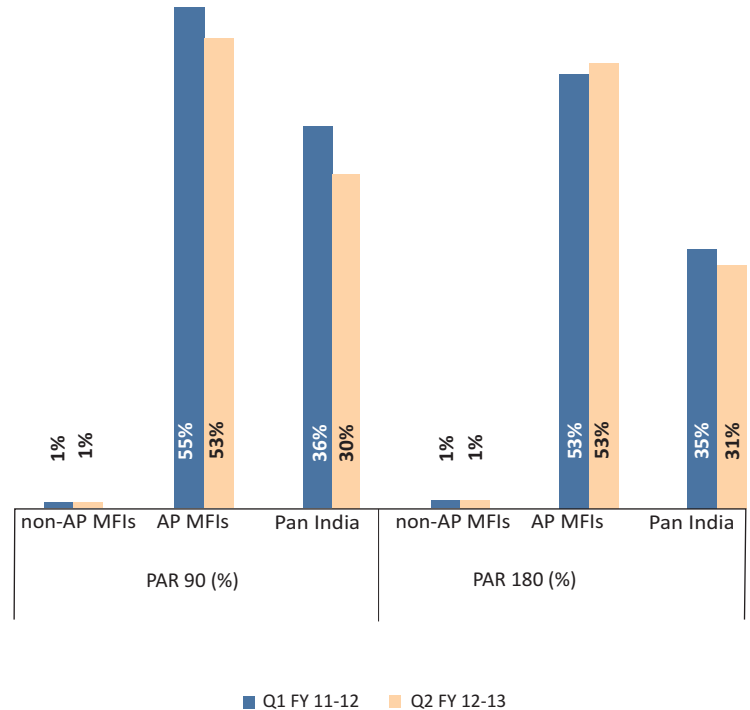
** PAR data not reported for SKS and Bandhan*



PAR 90 and PAR 180* (%)

- Non-AP MFIs: PAR 90 and 180 remains at 1%
- AP MFIs: PAR 90 and 180 remain above 50%
- Pan India: PAR 90 and PAR 180 decreased to 30% and 31% respectively

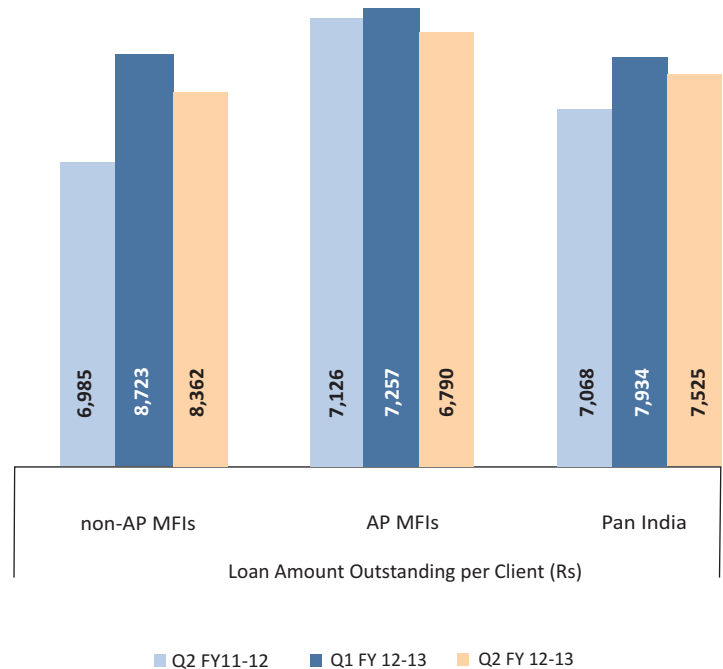
** PAR data not reported for SKS and Bandhan*



Loan Outstanding per Client

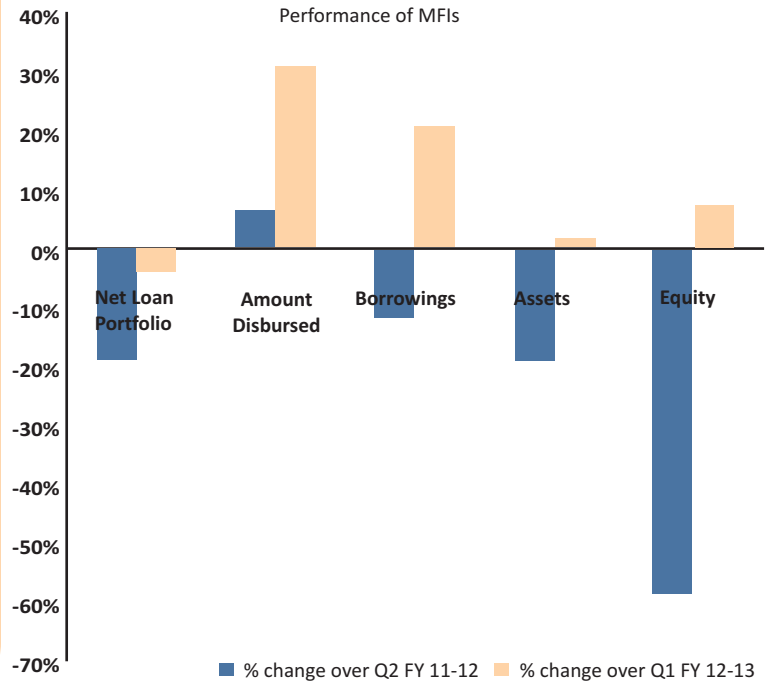
% change	non-AP MFIs	AP MFIs	Pan India
over Q2 FY 11-12	↑ 20%	↓ 5%	↑ 6%
over Q1 FY 12-13	↓ 4%	↓ 6%	↓ 5%

- At the end of Q2 2012-13, loan outstanding per client is Rs 7,525
- Non-AP MFIs: Increase of 20% over Q2 FY 11-12. However, it decreased by 4% over Q1 FY 12-13
- AP MFIs: Decrease of 5% over Q2 FY 11-12 and decrease of 6% over Q1 FY 12-13
- Pan India: Increase of 6% over Q2 FY 11-12 and decrease of 5% over Q1 FY 12-13



% Change | AP MFIs

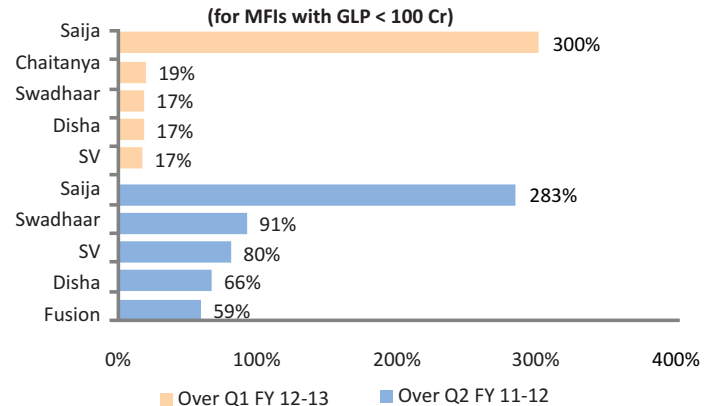
- An encouraging trend by way of performance of AP MFIs across key indicators
- In Q2 FY 12-13, AP MFIs seem to be arresting the impact of the crisis as all indicators have improved compared to Q1 FY 12-13 vis a vis Q2 FY 11-12



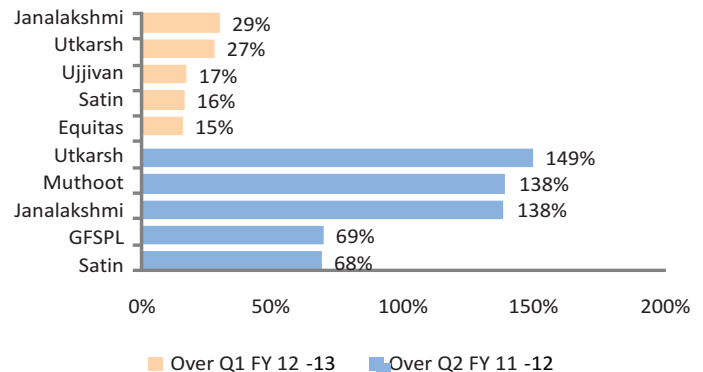
MFIs with Highest Growth Rates in GLP (%)

- Notwithstanding the difficult operating environment, a significant number of MFIs registered high growth rates

Highest Growth Rates in GLP (over previous quarters, %)

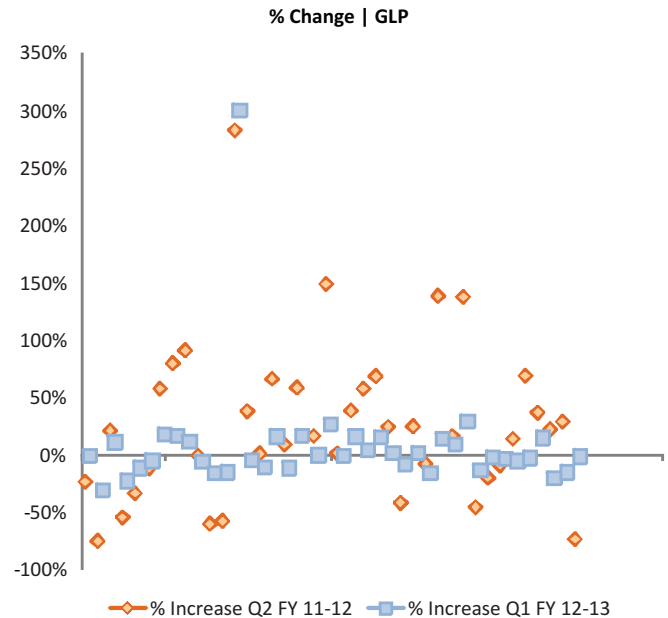


Highest Growth Rates in GLP (over previous quarters, %)
(for MFIs with GLP > 100 Cr)

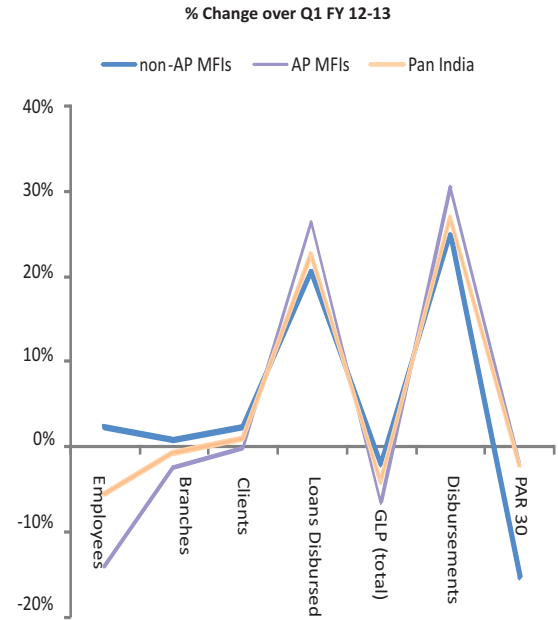
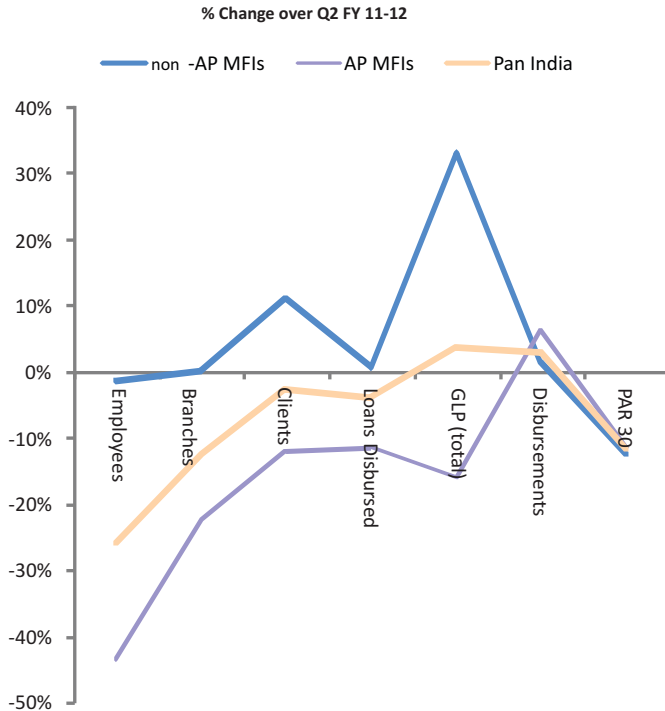


% Change | GLP

- Around 65% of MFIs recorded positive growth over Q2 FY 11-12
- Around 50% of MFIs recorded positive growth rates over Q1 FY 12-13

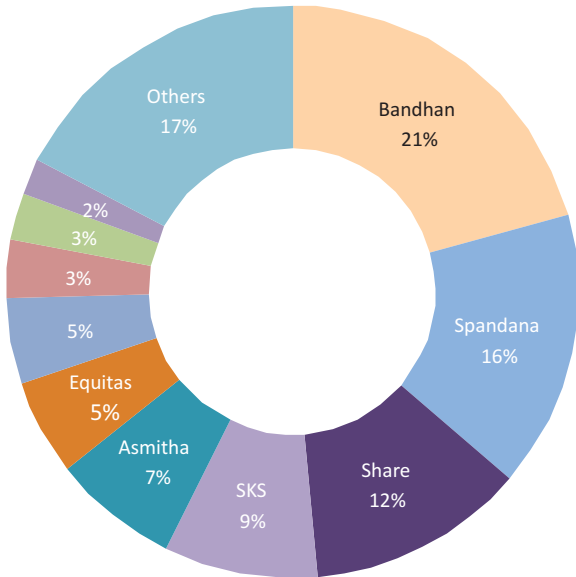


% Change | AP and non-AP MFIs

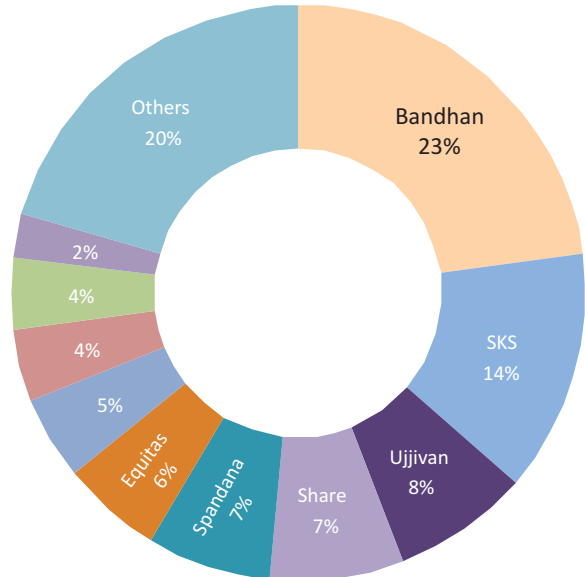


Top MFIs | GLP and Amount Disbursed

Top MFIs | GLP, Q2 FY 12-13



Top MFIs | Amount Disbursed, Q2 FY 12-13

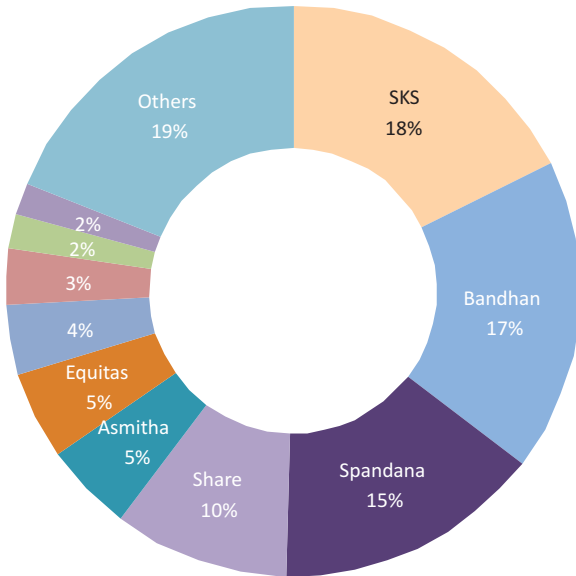


■ Ujjivan
 ■ Janalakshmi
 ■ GV
 ■ Satin

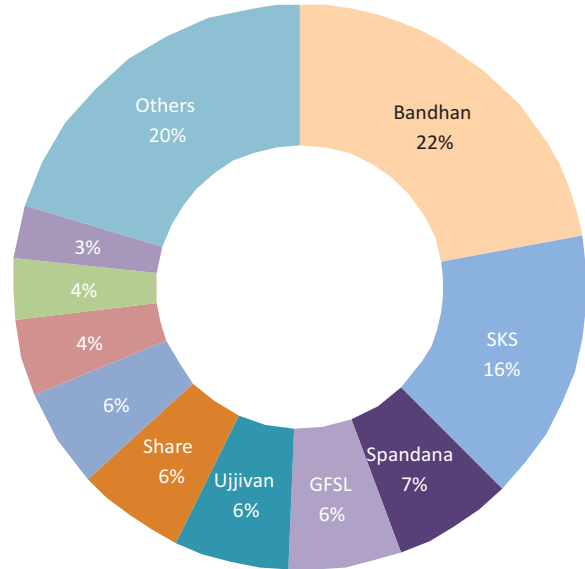
■ Janalakshmi
 ■ GV
 ■ Asmitha
 ■ Satin

Top MFIs | Clients and Loans Disbursed

Top MFIs | Clients, Q2 FY 12-13



Top MFIs | Loans Disbursed, Q2 FY 12-13

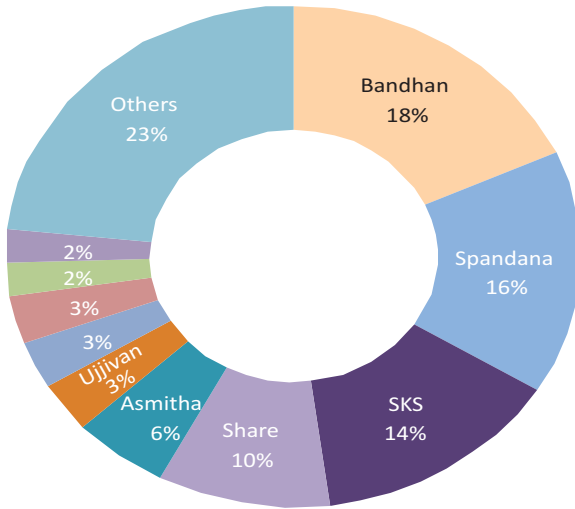


■ Ujjivan ■ GV ■ Janalakshmi ■ BSFL

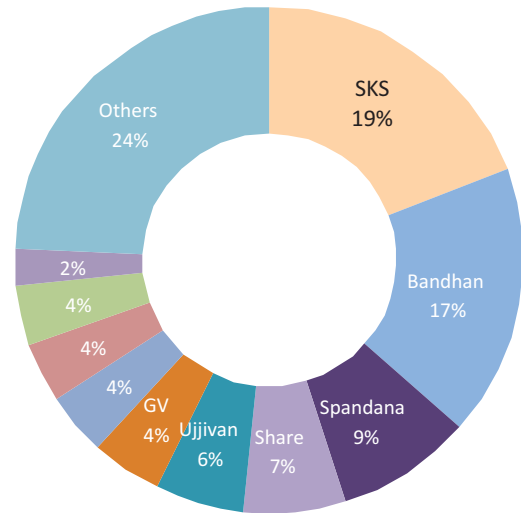
■ Equitas ■ GV ■ Janalakshmi ■ Asmitha

Top MFIs | Branches and Employees

Top MFIs | Branches, Q2 FY 12-13



Top MFIs | Employees, Q2 FY 12-13



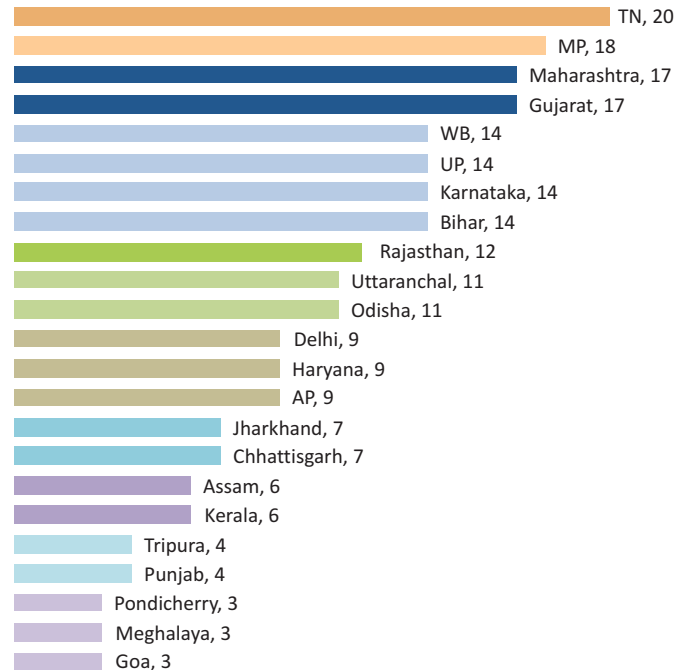
■ GV ■ Equitas ■ BSFL ■ Madura

■ BSFL ■ Asmitha ■ Equitas ■ Janalakshmi

State Analysis | Number of MFIs

- Tamil Nadu has the presence of largest number of MFIs
- MP, Maharashtra, Gujarat, West Bengal, UP, Karnataka and Bihar are the other major states in terms of number of MFIs

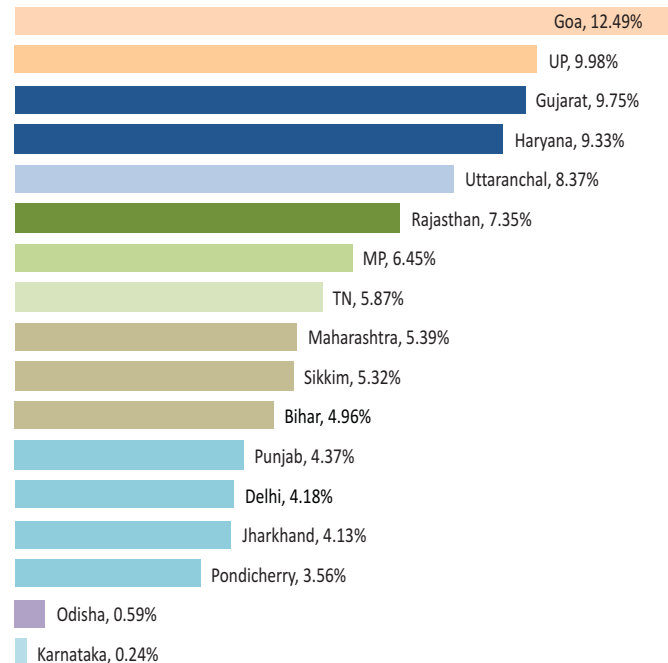
Top States | Number of MFIs, Q2 FY 12-13



State Analysis | GLP Growth

- Goa and UP are the fastest growing states in terms of GLP, followed by Gujarat, Haryana, Uttaranchal, Rajasthan , MP and TN

Top States | GLP growth % over Q1 FY 12-13

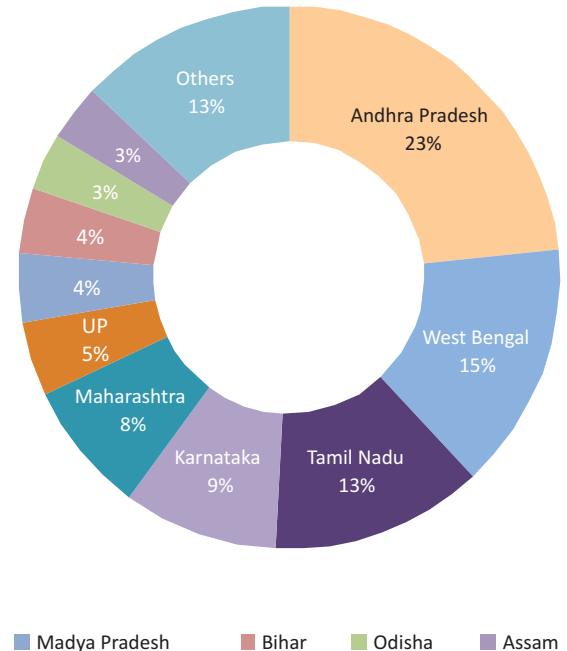


State Analysis | GLP

- AP continues to remain the top state in terms of GLP as significant non-performing portfolios continue to remain on the balance sheet of MFIs
- However, excluding AP, West Bengal has the largest portfolio followed by Tamil Nadu, Karnataka and Maharashtra
- Top 5 states (AP, WB, TN, Karnataka and Maharashtra) account for 68% of the portfolio

Please note that with latest state level data from SKS being unavailable, SKS data included in the analysis is projected data as of 31st March 2012

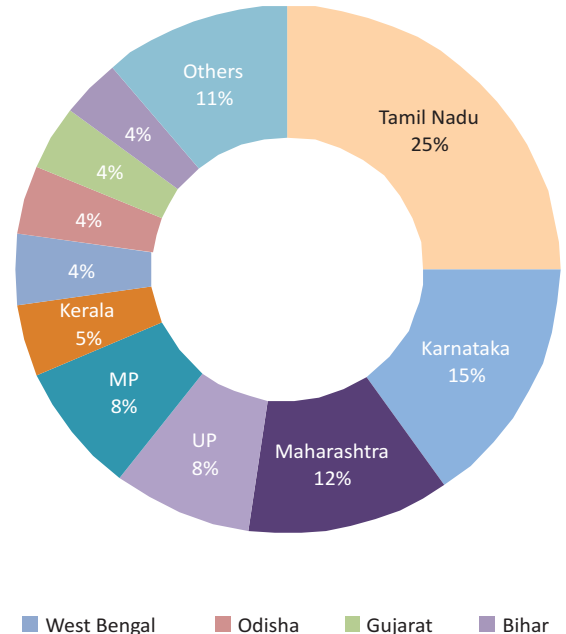
Top States | GLP, Q2 FY 12-13



State Analysis | Amount Disbursed

- Based on the available data, Tamil Nadu tops in terms of loans disbursed, followed by Karnataka, Maharashtra, Uttar Pradesh and Madhya Pradesh
- Disbursement data does not include data from SKS and Bandhan and therefore, gives an 'unreal' picture

Top States | Amount Disbursed, Q2 FY 12-13

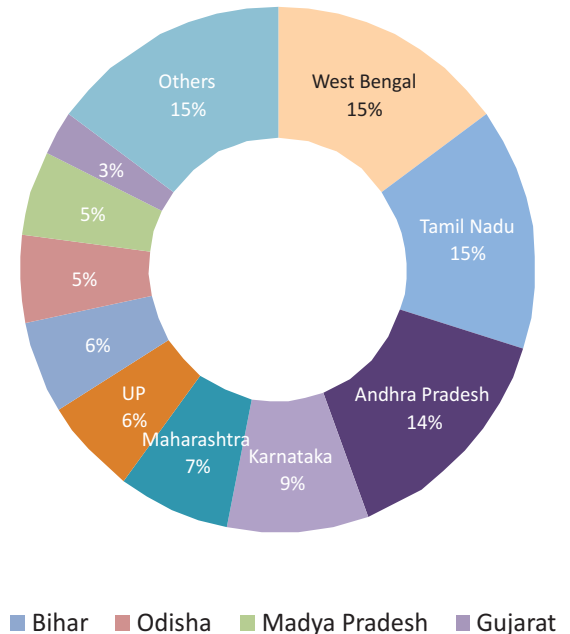


State Analysis | Branches

- West Bengal, now tops, in terms of the Branch network, accounting for 15% of the all India branch network. They are closely followed by Tamil Nadu, Andhra Pradesh
- Top 5 states (WB, TN, AP, Karnataka and Maharashtra) account for 60% of the branch network in the country

Please note that with latest state level data from SKS being unavailable, SKS data included in the analysis is projected data as of 31st March 2012

Top States | Branches, Q2 FY 12-13

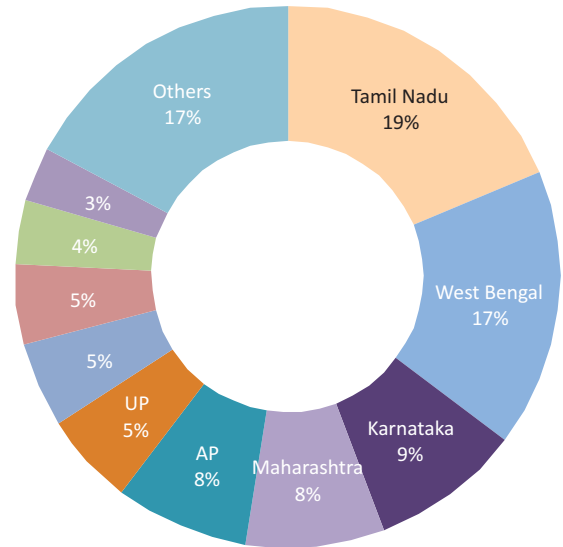


State Analysis | Employees

- Tamil Nadu and West Bengal top in terms of the employee count, each accounting for 19% and 17% respectively of the all India employee count
- Top 5 states (Tamil Nadu, West Bengal, Andhra Pradesh, Maharashtra and Karnataka) have 61% share of total employee count

SKS data not included

Top States | Employees, Q2 FY 12-13



■ Madya Pradesh ■ Bihar ■ Odisha ■ Kerala

Members*

Adhikar
Anjali
Arman
Arohan
ASA
Asirvad
Asmitha
Bandhan
BSFL
Chaitanya
Disha
Equitas
ESAF
Fusion

FFSL
Grama
Vidiyal
GFSPL
Growing
Opportunity
Janalakshmi
L & T Finance
Madura
Mimoza
Muthoot
Sahayata
Saija
Samasta
Sarvodaya Nano
Satin Credit

Share
SKS
Smile
Sonata
Spandana
Suryodaya
SVCL
Swadhar
Trident
Ujjivan
Utkarsh
VFS

MFIN MicroMeter, Nov 2012

Issue No: 3

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