



**MFIN**

Microfinance Institutions Network



**MFIN** MicroMeter<sup>©</sup>

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# Introduction

- This is the inaugural edition of the **MFIN MicroMeter**®
- It provides an overview of the microfinance industry's position as of 31<sup>st</sup> March, 2012 (FY 2011-12 )
- The data and analysis is based on FY 2011-12 provisional financials provided by 45 members
- MFIN members constitute about 90% of the microfinance sector. Hence the data / analysis is a good representation of the state of India's microfinance industry
- We wish to thank all MFIN members for providing data within 60 days of the close of FY 2011-12

# Summary

45 Member NBFC-MFIs ( providing data )

9,843 Branches

68,976 Employees

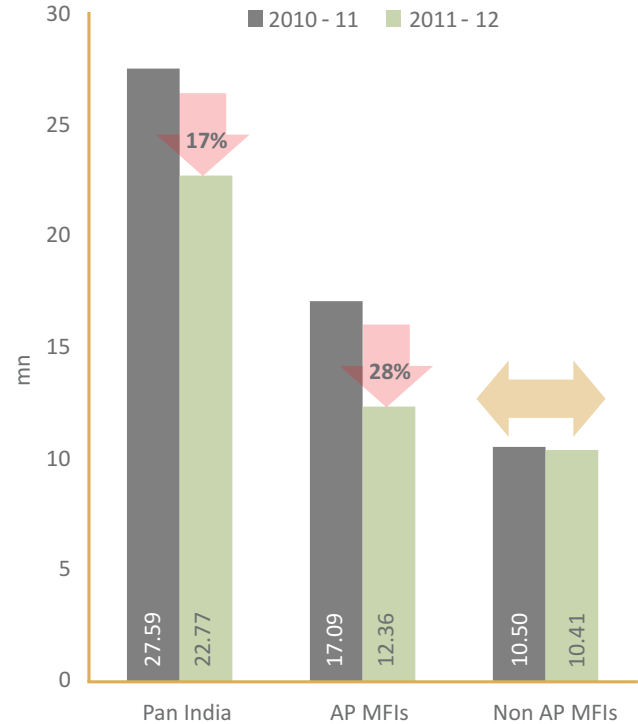
2,27,66,021 Clients

Rs 1,54,430 mn Gross Loan Portfolio

Rs 2,01,347 mn Loan Disbursements

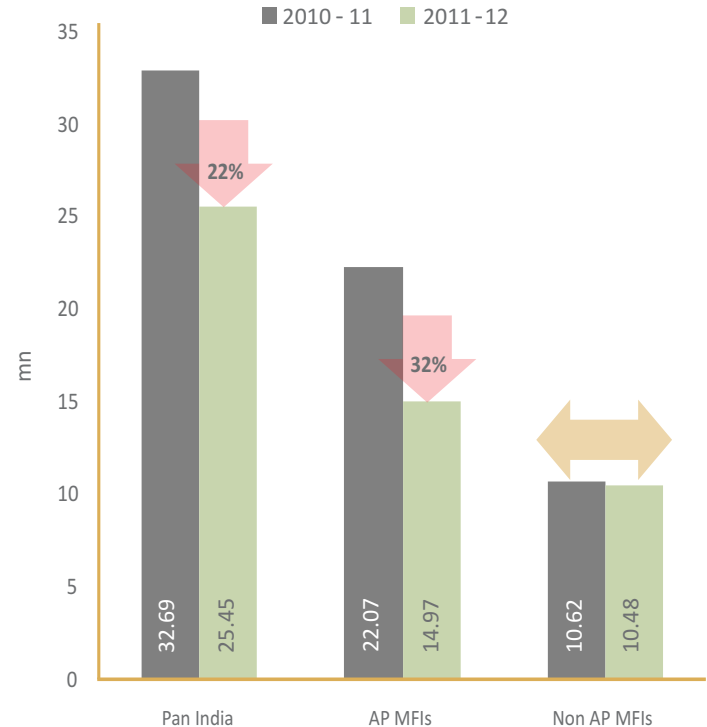
# Clients

- Client base of over 22 mn
- Pan India: Decrease of 17% over FY 2010-11
- AP MFIs: Decrease of 28% over FY 2010-11
- Non AP MFIs: Near static at FY 2010-11 levels



# Loan Accounts

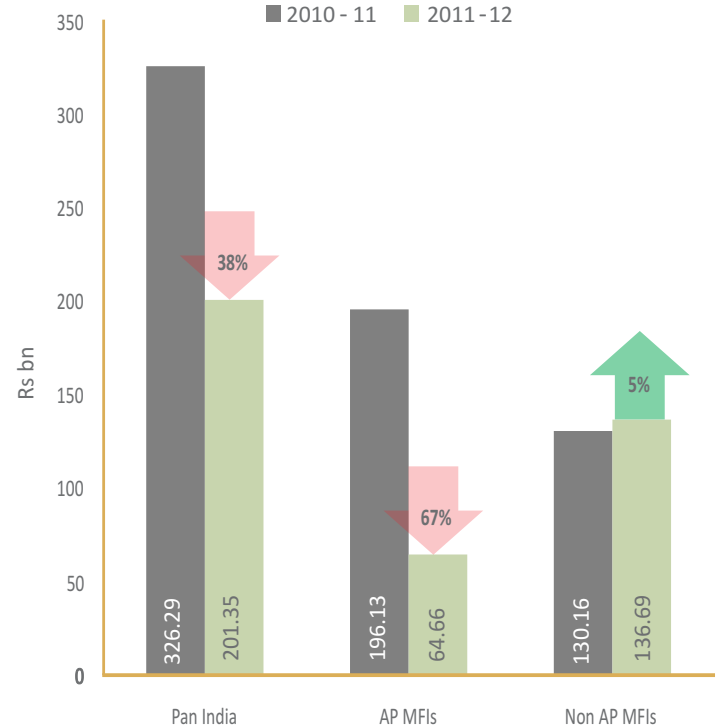
- Total number of loan accounts at 25.45 mn
- Pan India: Decrease of 22% over FY 2010-11
- AP MFIs: Decrease of 32% over FY 2010-11
- Non AP MFIs: Near static at FY 2010-11 levels





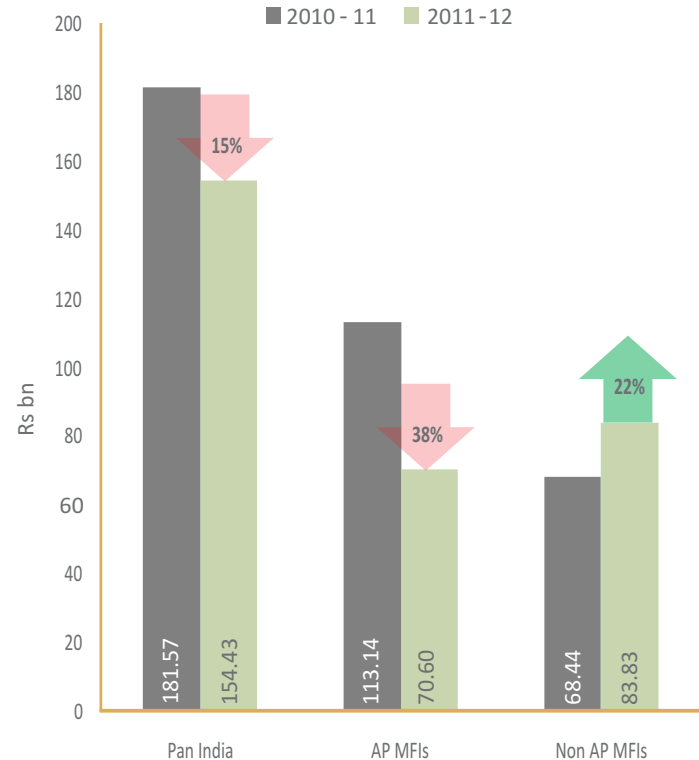
# Disbursements

- Gross disbursements at Rs 201 bn (Rs 20,000 Cr approx) - drop of 38% over FY 2010-11
- AP MFIs: Decrease of 67% over FY 2010-11
- Non AP MFIs: Increase of 5% over FY 2010-11



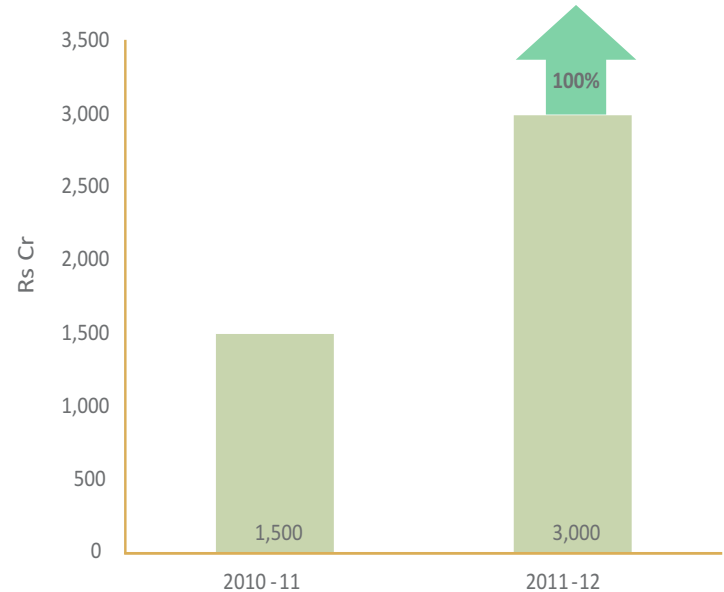
# Gross Loan Portfolio (GLP)

- GLP (on Balance Sheet) at Rs 154 bn (Rs 15,400 Cr, approx)
- Pan India: Decrease of 15% over FY 2010-11
- AP MFIs: Decrease of 38% over FY 2010-11
- Non AP MFIs: Increase of 22%
- Significant asset sales/securitization transactions took place in the year (please see slide 7)



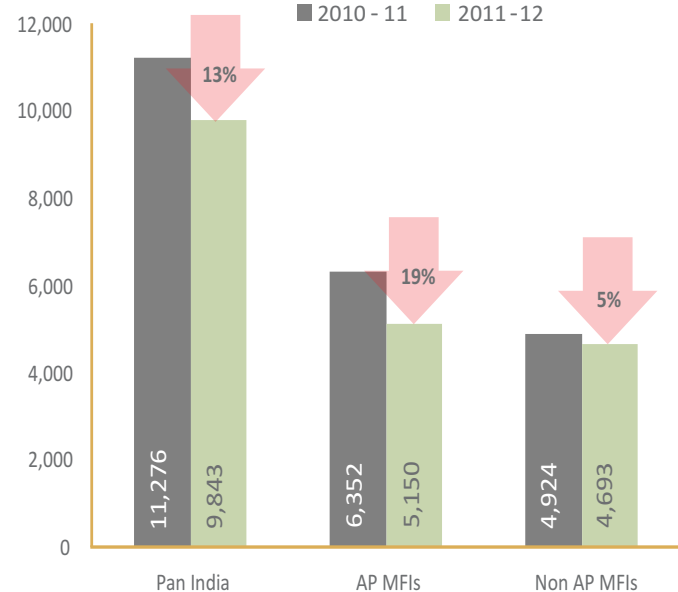
# Asset Sale/Securitization

- Asset Sale/Securitization transactions totaled Rs 30 bn (Rs 3,000 Cr approx)
- This represents a growth of 100% against Rs 15 bn (Rs 1,500 Cr approx) of FY 2010-11
- 20 MFIs sold/secured their microcredit assets



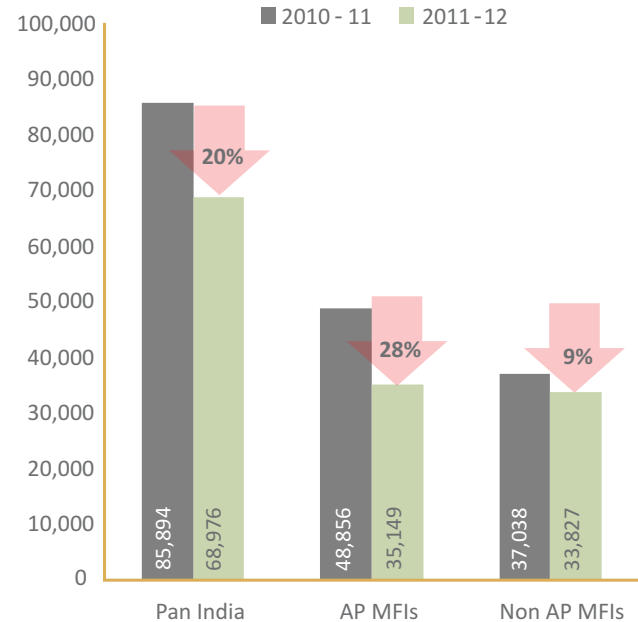
# Branches

- Total number of branches declined by 12% - from 11,276 to 9,843
- 50% of the members shrunk their branch network
- AP MFIs: Branches decreased by 19% over FY 2010-11
- Non AP MFIs: Branches decreased by 5%



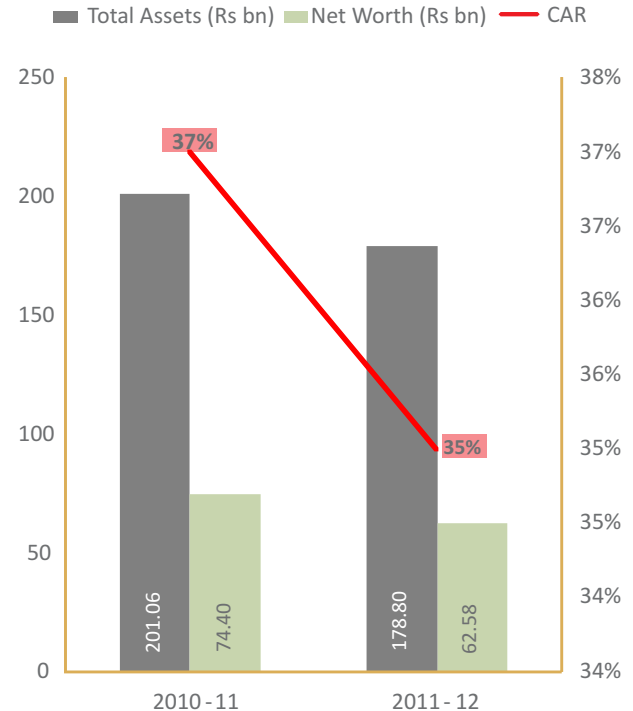
# Employees

- Total number of employees decreased by 20%
- 73% members (33) reduced their employee base



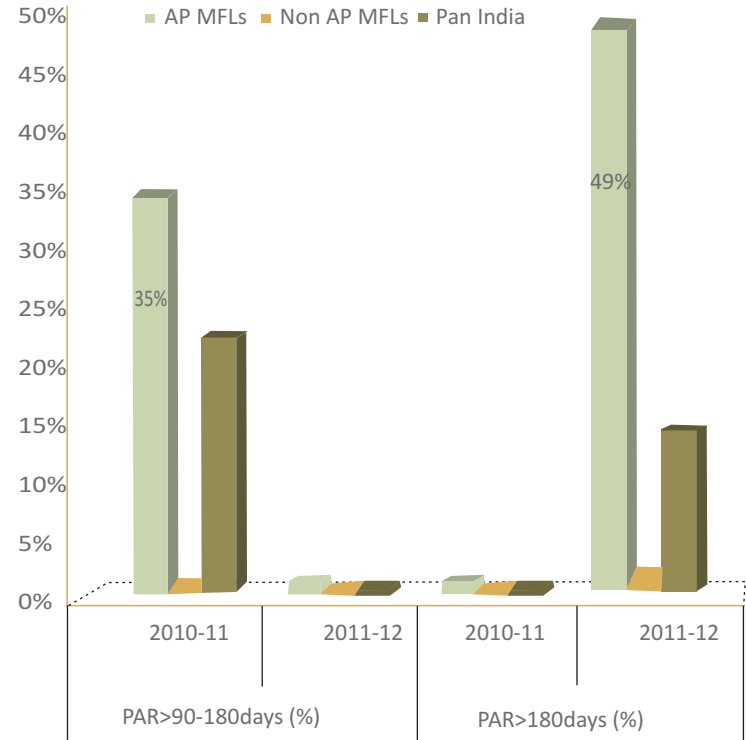
# Total Assets, Net worth, CAR

- Overall industry CAR at a healthy 35% -marginal drop from the 37% level in FY 2010-11
- Net worth declined by 16% owing to large write-offs by AP MFIs
- Total Assets declined by 11%



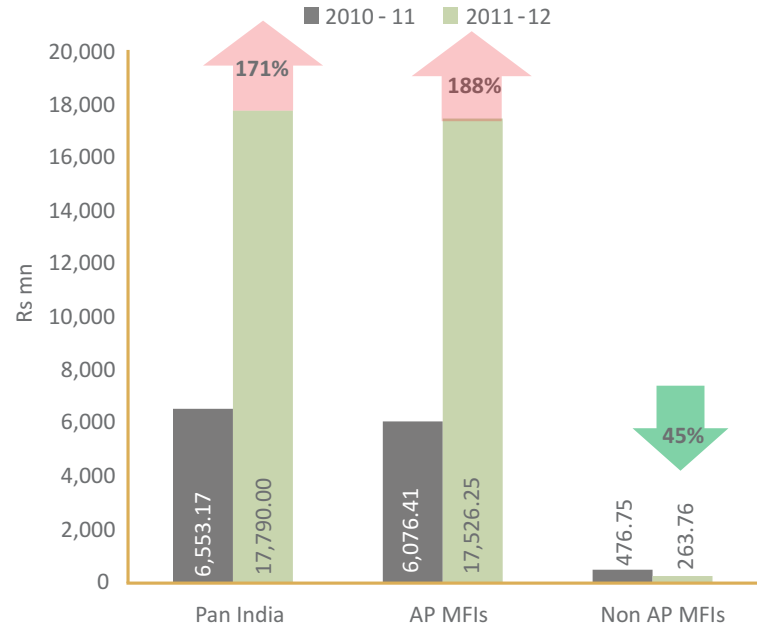
# Portfolio at Risk (PAR), %

- Non AP portfolios continue to perform well with PAR < 1%



# Write-offs

- Total write-offs at Rs 17.79 bn (Rs 1,779 Cr) in FY 2011-12
- 5 MFIs (including 2 large AP MFIs) yet to finalize the write-offs amounts. Hence the final write-offs may be even higher
- AP MFIs: Write-offs increased by 188% over FY 2010-11
- Non AP MFIs: Write-offs decreased by 45%

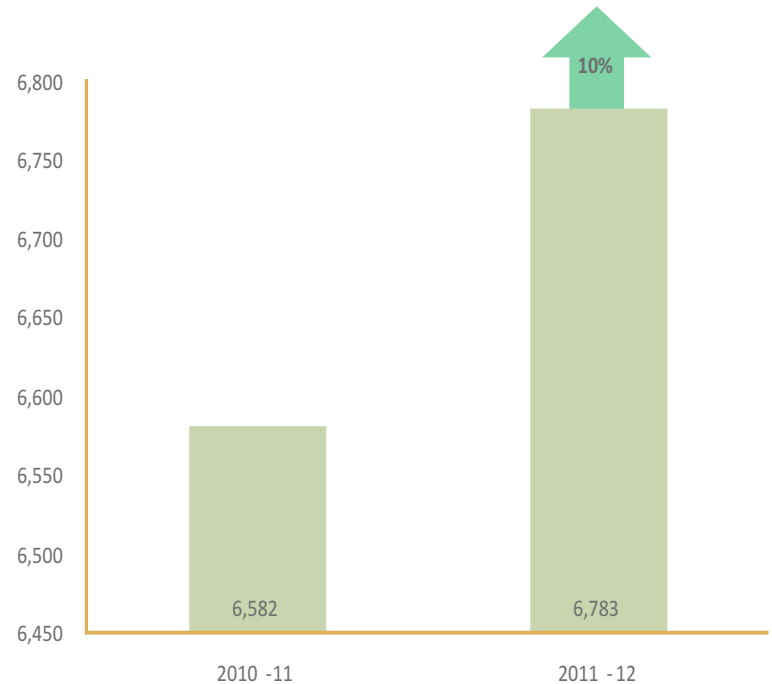




# Loan Outstanding per client

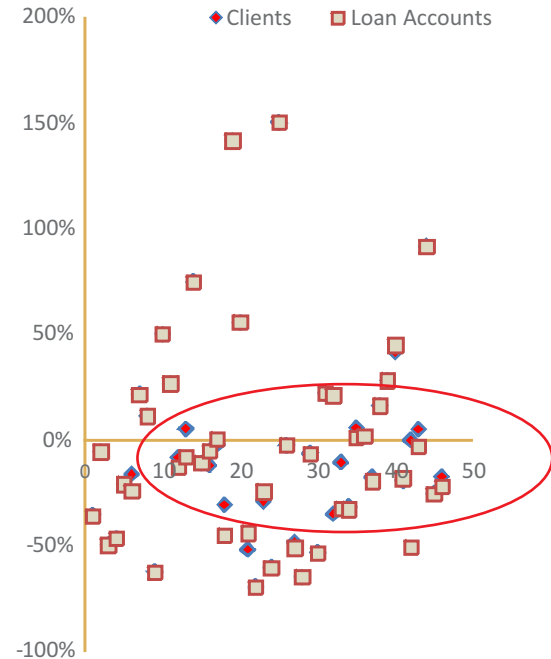
- Average Loan Outstanding per client marginally increased from Rs 6,582 to Rs 6,783

\* Not adjusted for overlaps



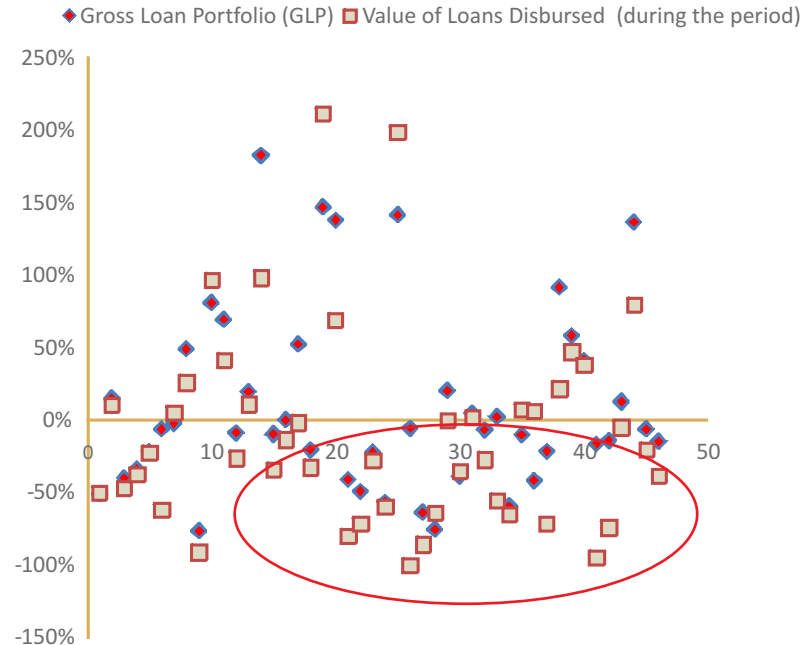
# % Change | Clients and Loan Accounts

- For 62% of the member MFIs, clients and loan accounts decreased in FY 2011-12



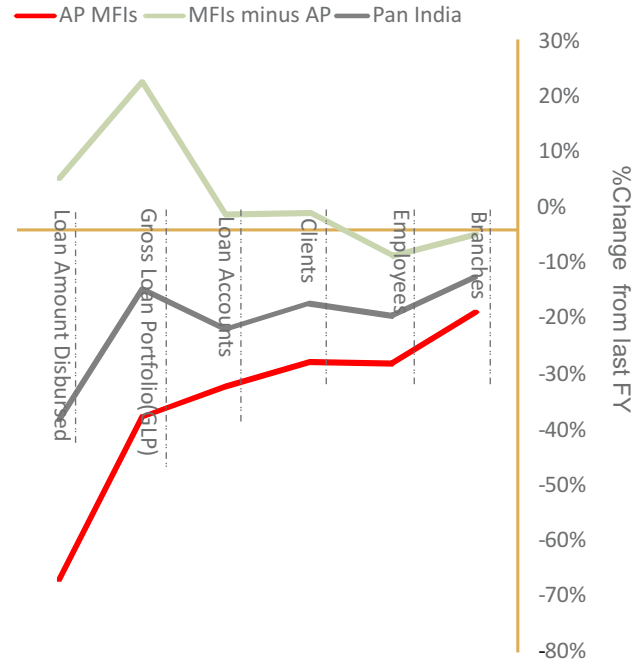
# % Change | GLP and Disbursements

- For 60% of the member MFIs, GLP and loan disbursements decreased in FY 2011-12



# % Change | AP\* vs Non AP MFIs

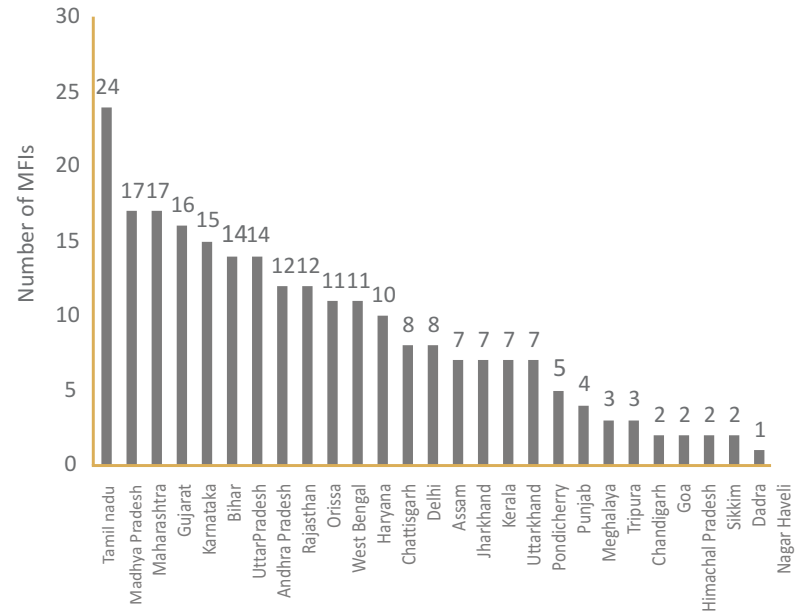
- Non AP MFIs tracking better than Pan India averages and AP MFIs on key parameters



\* 10 MFIs with significant AP portfolio included in the analysis are Asmitha, BSFL, Share, Spandana, Trident, L& T Finance, Trident, SWAWS, Nano and FFSP.

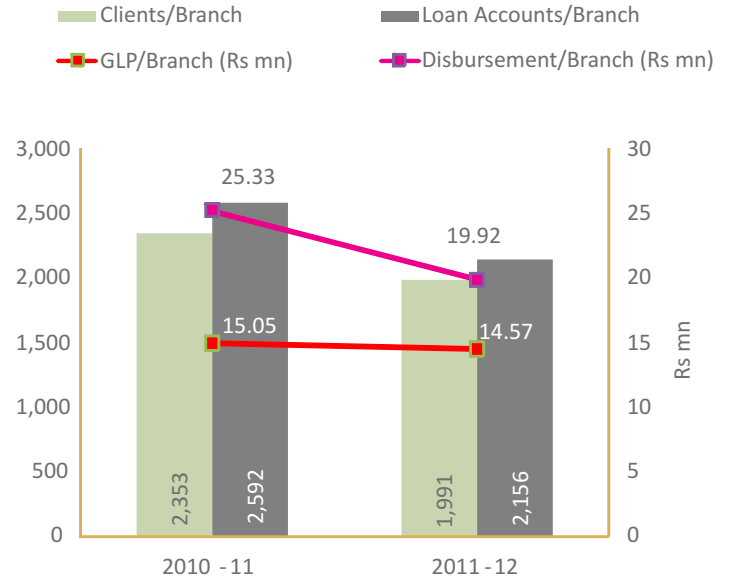
# Geographic Spread

- Member MFIs present in 27 states
- Stronger presence in states such as TN, MP, Maharashtra, Gujarat, Karnataka and Bihar



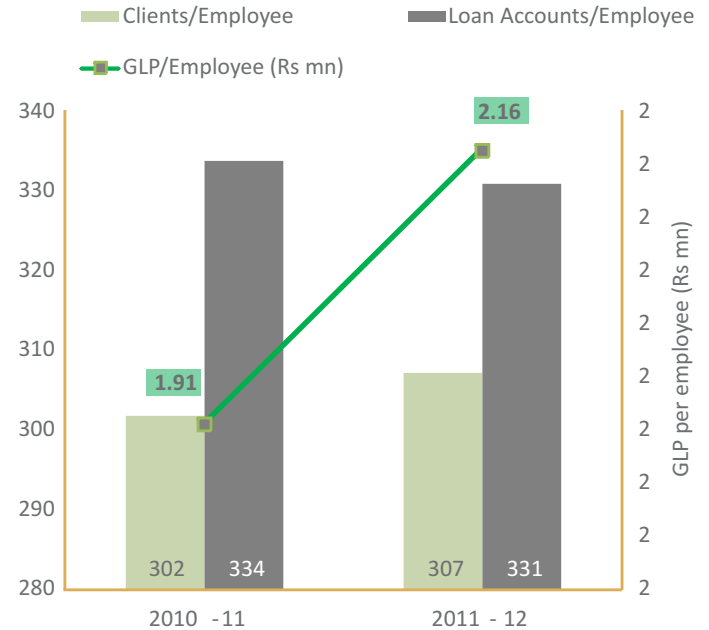
# Branch Ratios (average)

- Key branch ratios have deteriorated



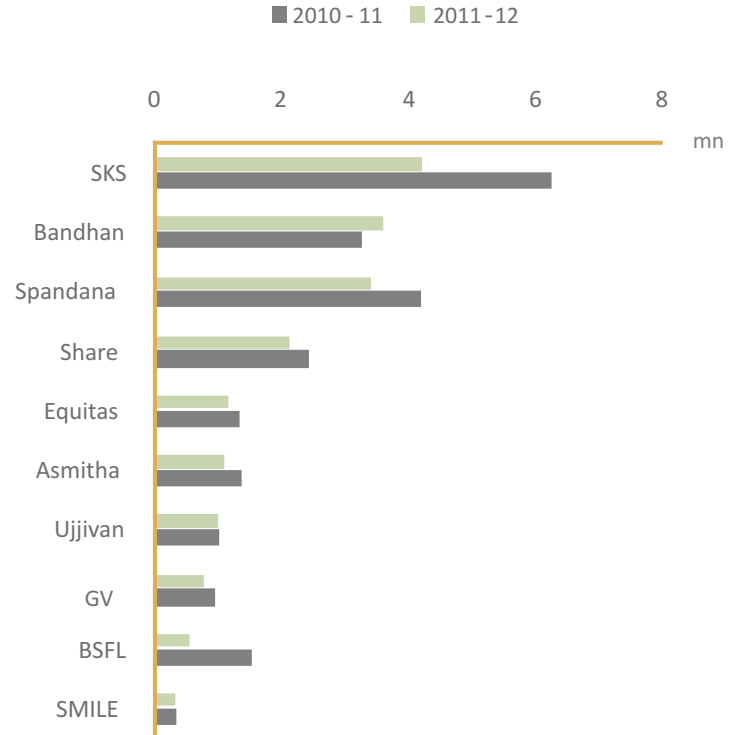
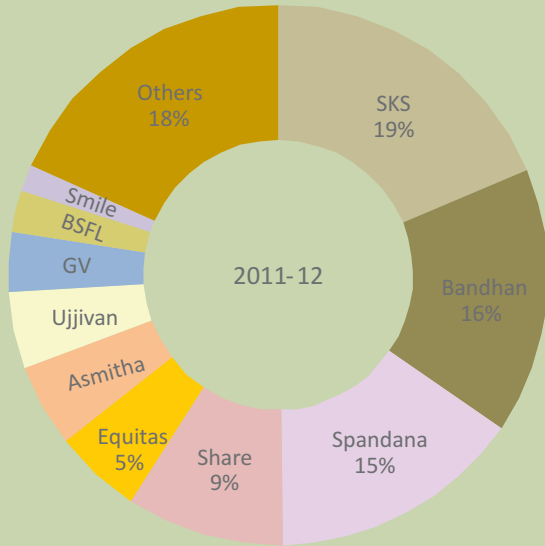
# Employee Ratios (average)

- Marginal improvement in key employee ratios



# Top MFIs | Clients

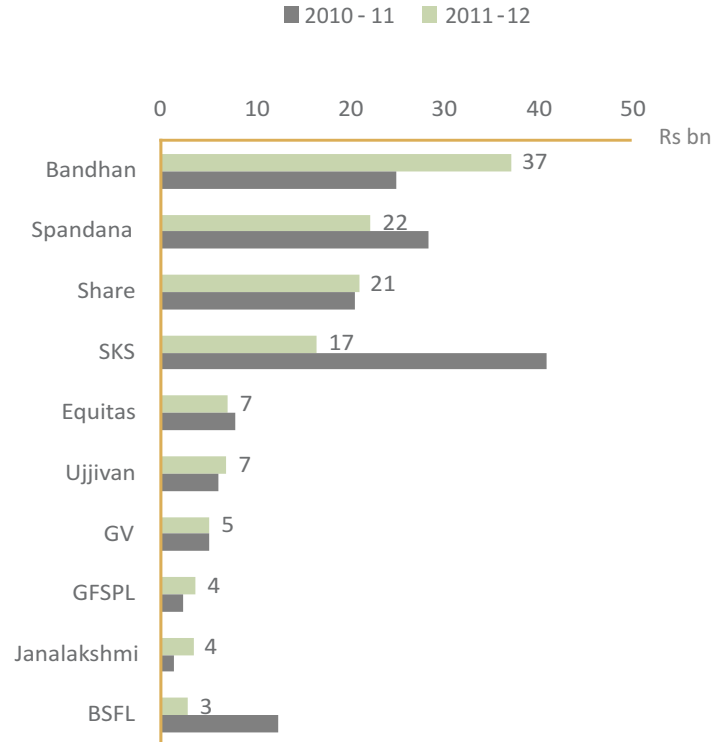
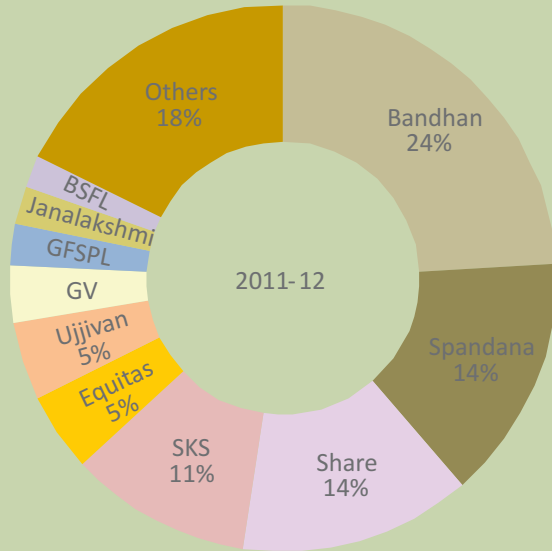
- Top 10 MFIs by client base account for 82% of total industry client base





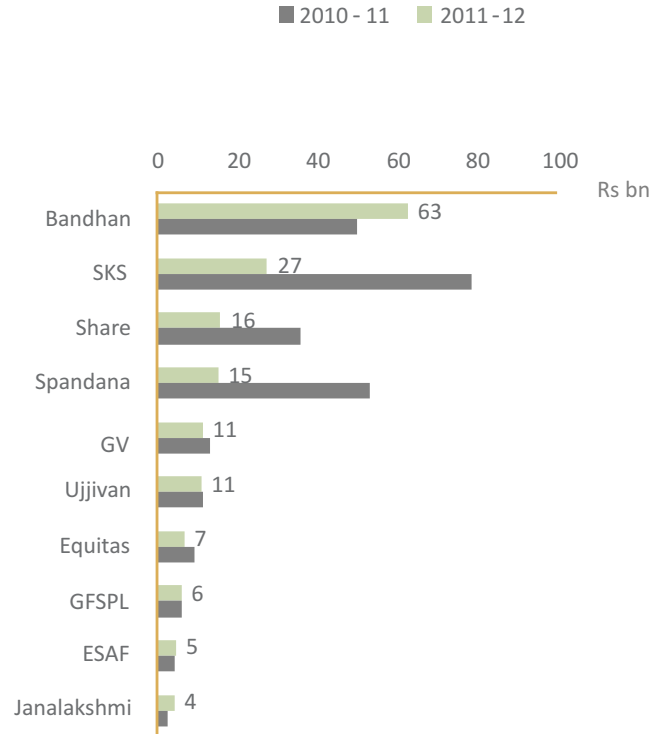
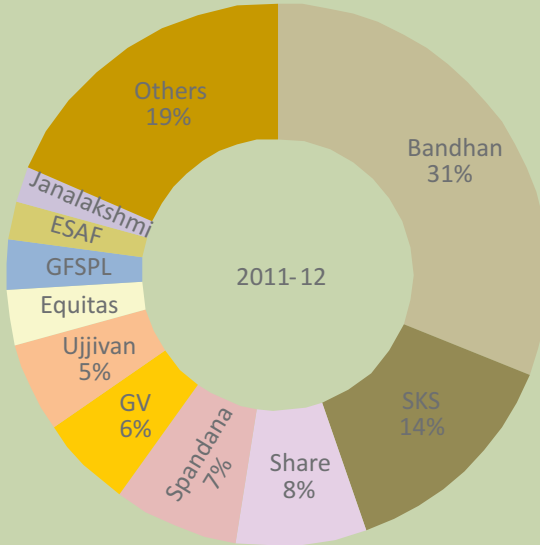
# Top MFIs | GLP

- Top 10 MFIs by GLP account for 82% of total industry GLP



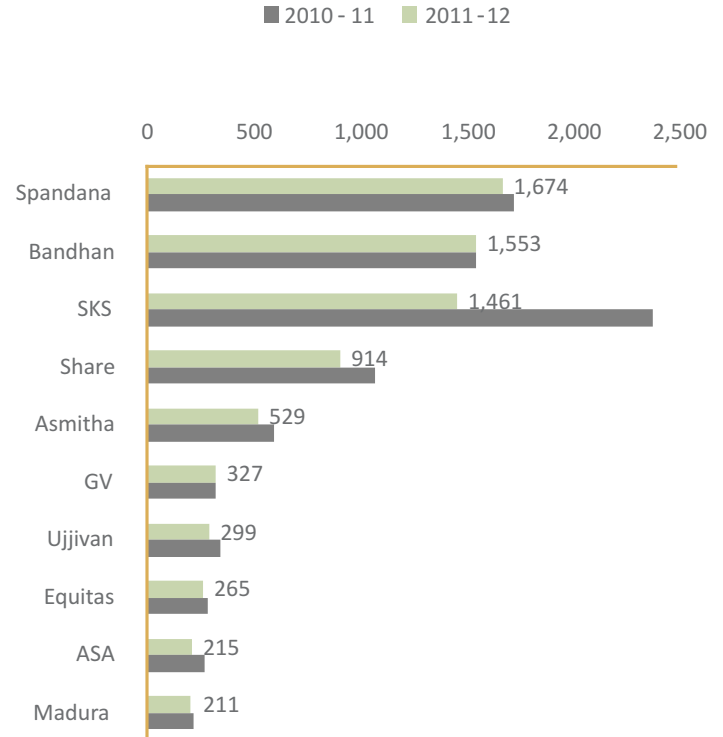
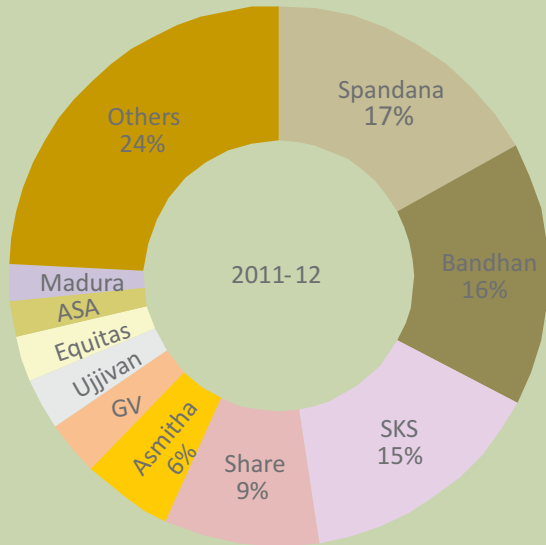
# Top MFIs | Disbursements

- Top 10 MFIs by disbursements account for 81% of total industry disbursements



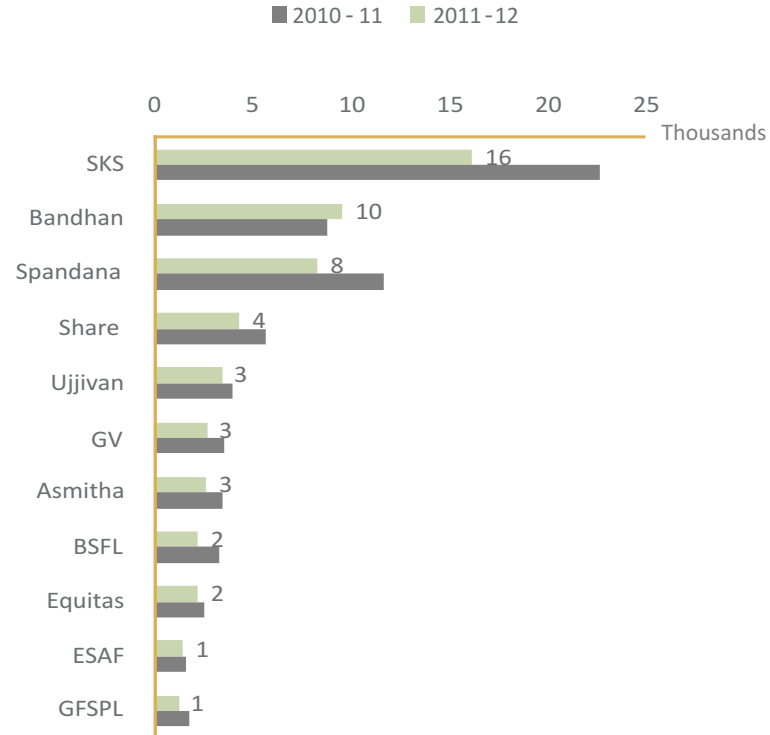
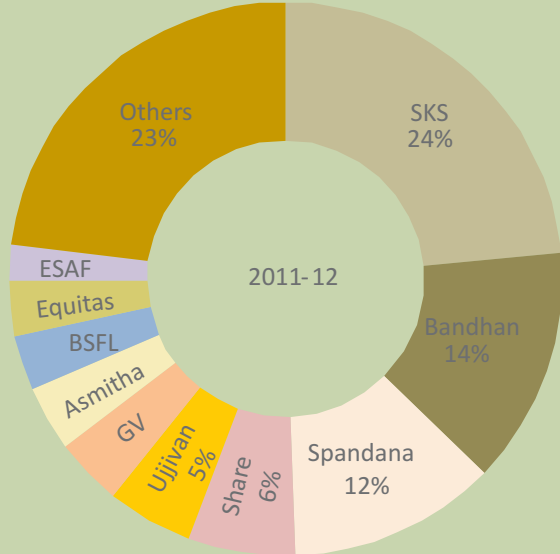
# Top MFIs | Branches

- Top 10 MFIs by branches account for 76% of the total industry branches



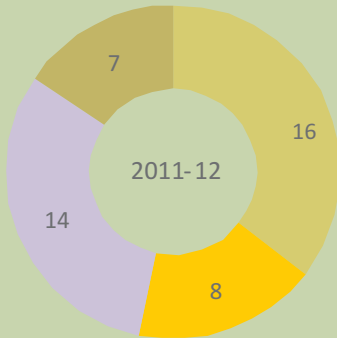
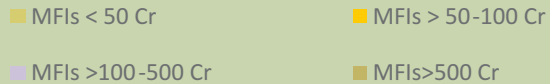
# Top MFIs | Employees

- Top 10 MFIs by employees account for 77% of the total industry employee base



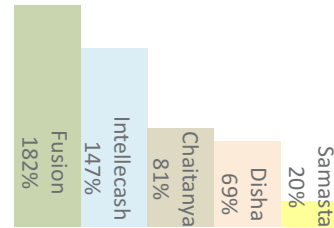
# GLP growth (YoY%)

- Notwithstanding the operational challenges, a significant number of MFIs registered growth in GLP

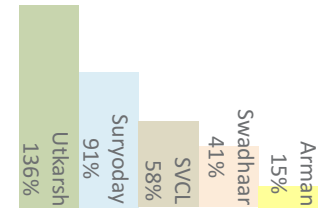


Distribution of members by GLP

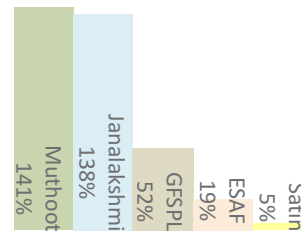
MFIs (GLP < 50 Cr)



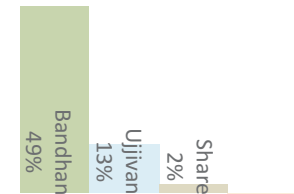
MFIs (GLP <50-100 Cr)



MFIs (GLP >100-500 Cr)

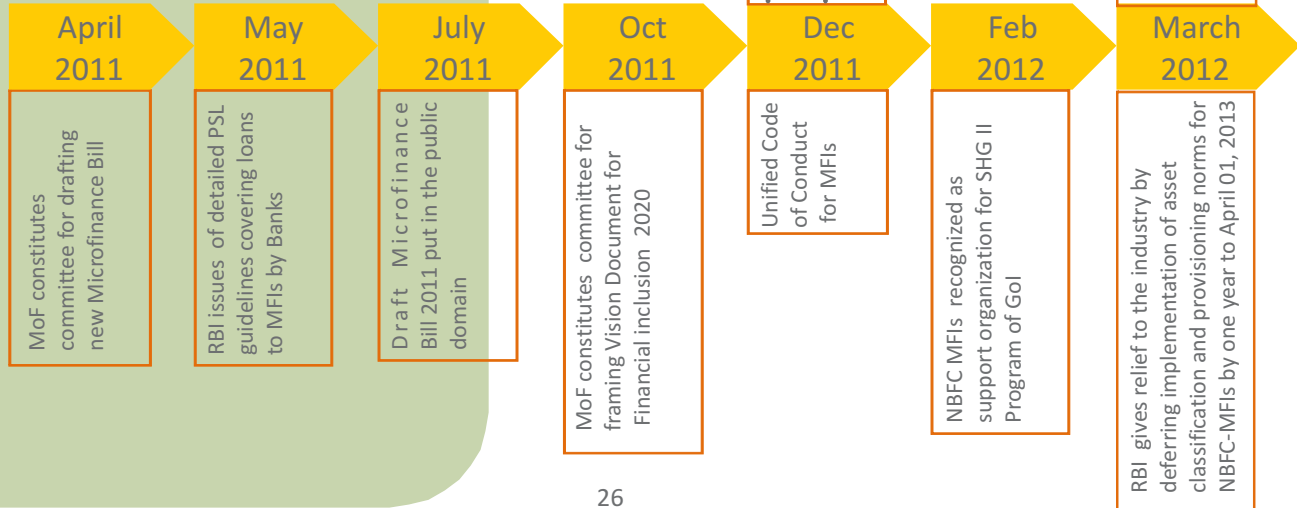


MFIs (>500 Cr)



# Policy & Regulatory Milestones

- A series of major policy/regulatory announcements during FY 2011-12

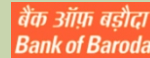


# Key capital providers, 2011-12

## Equity



## Debt (Bank)



## Debt (Non Bank)



ANANYA

# Members\*

Anjali

Arman

Arohan

ASA

Asirvad

Asmitha

Asomi

Bandhan

BSFL

Chaitanya

Disha

Equitas

ESAF

Fusion

FFSL

Grama Vidiyal

GFSP

Growing Opportunity

Intellectcash

Janalakshmi

Kaveri

L & T Finance

Madura

Mimosa

Muthoot

Nano

Sahayata

Saija

Samasta

Sarvodaya Nano

Satin Credit

Shalom

Share

SKS

Smile

Sonata

Spandana

Suryodaya

SVCL

SWAWS

Swadhar

Trident

Ujjivan

Utkarsh

Village Financial