

## **Microfinance industry grows by 38% YoY in FY 2018-19: 29<sup>th</sup> Issue of MFIN Micrometer**

New Delhi, 03 June, 2019: Microfinance Institutions Network (MFIN), an RBI recognized self-regulatory organization and industry association of the microfinance industry in India, in its release issued today stated that the entire microfinance industry has witnessed a growth of 38% over Q4 FY 17-18 with the total loan portfolio (GLP) at Rs 1,87,386 crore as on 31 March 2019. As per Micrometer, the total number of microfinance accounts were at 9.33 crore as on 31 March 2019, showing a growth of 21.9% over Q4 FY 17-18.

Non-Banking Finance Company-Microfinance Institutions (NBFC-MFIs) hold the largest share of portfolio in micro-credit with total loan outstanding of Rs 68,868 crore, which is 36.8% of total micro-credit universe. As on 31 March 2019, aggregated GLP of NBFC-MFIs stood at Rs 68,207 Cr, YoY growth of 47% in comparison to 31 March 2018 and 13% over the quarter ending 31 December 2018.

According to Harsh Shrivastava, CEO, MFIN, *"In 2018-19, microfinance in India showed rapid growth, regionally-balanced growth, and resilient growth. Apart from the growth in loan size and loan accounts, the growth of the staff of NBFC-MFIs was also heartening at 34%, now totaling to 1,04,973 people. Eastern India's growth continues with Bihar and Odisha now ranked 2 and 3 in terms of States. The microfinance industry showed its resilience by growing steadily in spite of liquidity squeeze that all NBFCs faced in Q3 and natural disasters like cyclones and drought. The continuing trust that women borrowers across the nation have in the microfinance model is a matter of pride for all us—and this motivates MFIN to keep promoting responsible finance."*

In the microfinance universe, NBFC-MFIs' share stands at 36.8%, Banks contribute 32.6%, Small Finance Banks have 18.5% share whereas NBFCs' share is 11% and Non-profit MFIs account for 1.1%.

MFIN Members constitute 53 NBFC-MFIs and collectively they have disbursed 3.25 crore loans worth Rs 82,928 crore during Financial year 18-19. Compared with financial year 17-18, there has been a YoY increase of 28% in number of loans disbursed and 44% in loan amount disbursed.

During FY 18-19, NBFC-MFIs received a total of Rs 35,759 crore in debt funding (from Banks and other Financial Institutions). This represents a growth of 63% compared to FY 17-18. Total equity grew by 42% during the same period and is at Rs 14,206 crore. In terms of regional distribution of portfolio (GLP), East and North East accounts for 38% of the total NBFC MFI portfolio, South 24%, North 14%, West 15% and Central contributes 9%.

As of 31 March 2019, the banks had a microfinance portfolio of Rs 61,046 crore, depicting a growth of 36% over last one year while SFBs showed a growth of around 25%. The NBFCs witnessed the highest growth in portfolio of around 59% over the last year.

The Asset Liability Management (ALM) analysis shows that all sizes of NBFC-MFIs are well



placed in terms of ALM across various buckets. The borrowings of MFIs are of longer term while assets are of shorter-term and as a result, they have a comfortable gap as on 31 March 2019 to manage their obligations for the upcoming quarter and up to the next 12 months.

### **About Microfinance Institutions Network**

MFIN is the premier industry association and Self-Regulatory Organization (SRO) for the microfinance industry in India and its current primary members consists of 53 NBFC-MFIs along with 38 Associates including Banks, Small Finance Banks (SFBs) and NBFCs. MFIN works closely with regulators and other key stakeholders to achieve the larger financial inclusions goals through microfinance.

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