

NBFC-MFIs have grown by 43% YoY in Q3 FY 2017-18: MFIN Report

~Aggregate Gross Loan Portfolio stood at INR 42,701 crore~

New Delhi, 26th February 2018: Non-Banking Finance Company-Microfinance Institutions (NBFC-MFIs) witnessed registered the growth of 43% YoY according to the latest quarterly Micrometer report released by Microfinance Institutions Network, the first RBI appointed Self-Regulatory Organisation (SRO) for NBFC-MFIs and an industry association. The Gross Loan Portfolio of NBFC-MFIs stood at INR 42, 701 crore (including BC portfolio) as compared to corresponding quarter of the last year i.e. Q3 FY 2016-17 which had Gross Loan Portfolio of INR 29,800 crore. The total number of clients also witnessed an increase of 19% that increased from 1.98 crore in Q3 FY 2016-17 to 2.37 crore in the third quarter of the current financial year.

Key highlights of MFIN Micrometer Q1 FY18

- Total loan portfolio of microfinance industry stands at INR 1, 23, 343 crore in Q3 FY 2017-18
- Key lenders share include- Banks: 37%, NBFC-MFIs: 32%, SFBs:22%, NBFC: 8% and Non Profit MFIs: 1%
- Aggregate Gross Loan Portfolio (GLP) of NBFC-MFIs stood at INR 42,701 crore (including BC portfolio)

The total size of the microfinance industry stood at INR 1, 23, 343 crore and NBFC-MFIs contributed 33% of the total industry portfolio with a share of INR 39, 916 (excluding BC portfolio) crore as loan amount outstanding in the third quarter of the current financial year. The share of Banks stood at 37% with INR 45, 649 crore loan amount while Small Finance Banks had 22% of the share through loan outstanding of INR 27, 506 crore. NBFCs and Non-profit microfinance institutions accounted for 8% and 1% respectively of the total micro-credit universe. According to **Mr Rakesh Dubey, President, MFIN**, "Growth in the NBFC-MFI segment has been quite encouraging in the last quarter. It is interesting to note that in the past few months the equity investments in the microfinance sector has increased with many NBFC-MFIs successfully raising significant investments from domestic and foreign investors. This is a good sign for the sector and shows the confidence of the investors in the potential and future growth of the industry. After a small jolt post demonetization, the pace of growth in the industry has again picked up."

NBFC-MFIs disbursed around 67 lakh loans in Q3 FY 2017-18 which has increased by 61% as compared to the corresponding period during last year. As witnessed in past quarters Portfolio at Risk (PAR) share has further come down with PAR>90 days standing at 4.78% as compared to 5.48% in Q2 FY 2017-18.

The loan amount disbursed during Q3 FY 2017-18 increased by 98% YoY and stood at INR 15,035 crore as



compared to INR 7583 crore in Q3 FY 2016-17. Average loan amount disbursed per account has also witnessed an increase of 23% in Q3 FY 2017-18 over the corresponding quarter of the last year and was INR 22,388.

During Q3 FY 2017-18, NBFC-MFIs received a total of INR 6,945 crore in debt funding from Banks and other Financial Institutions. This represents a growth of 70% compared to Q3 FY 2016-17. Over half (53%) of the total disbursement during the quarter, came from five states- Karnataka, Odisha, Bihar, Maharashtra and Uttar Pradesh. In terms of regional distribution of portfolio (GLP), East and North-East contributes the major share i.e. 32% in total NBFC-MFI portfolio. South accounts for 28%, North stands is at 15% and West contributes 14% while Central region has 11% share.

About Microfinance Institutions Network

Microfinance Institutions Network (MFIN) is the premier industry association and Self-Regulatory Organisation (SRO) for the microfinance industry in India and its current membership/associates consists of 48 leading NBFC (Non-banking Financial Company) Microfinance Institutions (MFIs) in the country. MFIN seeks to work closely with regulators and other key stakeholders to achieve larger financial inclusions goals through microfinance.

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