

NBFC-MFIs witness over 50% YoY growth in Q1 FY18-19: MFIN Report

Cashless mode of disbursements witnesses over 85% share

New Delhi, 30th August, 2018: Non-Banking Finance Company-Microfinance Institutions (NBFC-MFIs) have grown over 50% in Q1 FY 2018-2019 with Gross Loan Portfolio (GLP) standing at Rs 51,878 Crore that includes Business Correspondent (BC) portfolio, according to Micrometer report by Microfinance Institutions Network (MFIN). The GLP of NBFC-MFIs excluding BC portfolio stands at Rs 47,650 crore. During Q1 FY 2018-2019, NBFC-MFIs disbursed 76 lakh loans worth Rs 17,836 crore witnessing a growth of 36% in number of loans disbursed and 52% in loan amount disbursed. Overall microfinance industry has grown by 39% YoY in Q1 FY 2018-2019 and total size of the microfinance industry stands at Rs 1,48,097 crore.

Cashless disbursements by NBFC-MFIs now account for 87% of the total disbursements. In Q1 FY 2018-2019 a total Rs 11,404 crore was disbursed in cash-less mode leading to cash-less disbursements in over 42 Lakh loan accounts. According to **Harsh Shrivastava, CEO, MFIN,** *“Microfinance industry has gained pace, showcasing promising growth in the past quarters. As we see more new players entering the space and the current ones growing larger realizing their IPO plans, the coming period will mark a new chapter for the sector. Additionally, improved investors’ confidence, due to proper regulations in place and the increased transparency in the sector, will also support the growth story.”*

Portfolio at Risk (PAR) continues to decrease, as witnessed in the past quarters, with PAR>180 now standing at 2.1%. In terms of regional distribution of portfolio (GLP), East and North East accounts for 35% of the total NBFC-MFI portfolio, South 26%, North 15%, West 14% and Central contributes 10%. Karnataka, Odisha, Bihar, Uttar Pradesh and Tamil Nadu are the five top states in terms of loan amount outstanding, accounting for 53% of total GLP of NBFC-MFI segment. Looking at the geographic categorization, 66% of the portfolio for NBFC-MFIs is rural and 34% is urban.

In the microfinance universe, NBFC-MFIs’ share stands at 32% (Not considering BC portfolio), Banks contribute 39%, Small Finance Banks have 21% share whereas NBFCs and Non-profit MFIs account for 7% and 1% respectively.

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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