

## **Microfinance industry grows by over 43% YoY in FY 2019: 28<sup>th</sup> Issue of MFIN Micrometer**

**New Delhi, 25 February, 2019:** According to the recently released report by Microfinance Institutions Network (MFIN), an RBI recognized self-regulatory organization and industry association of the microfinance industry in India, the entire microfinance industry witnessed a growth of 43.1% YoY in Q3 FY 2018-19. The total loan portfolio (GLP) of the microfinance industry stood at Rs 1,66,284 crore as on 31 December 2018. The total number of microfinance accounts have also witnessed an annual growth of 24.3% with 8.91 crore active loan accounts in Q3 FY 2018-19. Non-Banking Finance Company-Microfinance Institutions (NBFC-MFIs) hold largest share of portfolio in micro-credit with total loan outstanding of Rs 60,631 crore, which is 36.5% of total micro-credit universe. The total Gross Portfolio of NBFC-MFIs was Rs 42,137 crore as of 31 December 2017 and grew by 44% during the last one year.

According to **Harsh Shrivastava, CEO, MFIN**, “The microfinance industry overall continues to showcase strong growth rate with healthy portfolio quality. The microfinance institutions, especially NBFC-MFIs that hold the largest share in the micro-credit space, have shed off the impact of last year’s liquidity crunch and are focusing on steady growth in loan portfolio as well as number of clients in the coming quarters. Further, among the MFIN members we have observed that 81% of the disbursements to the clients are being done through cashless mode. In fact, some of the member NBFC-MFIs have even reported 100% cashless disbursements. This underlines the role of microfinance institutions in furthering the digital payments agenda of the government in the low income segment.”

MFIN members constitute 50 NBFC-MFIs and collectively they have disbursed Rs 19,919 crore in Q3 FY 2018-19 to 77 lakh accounts. During Q3 FY 2018-19, member NBFC-MFIs received a total of Rs 8,235 crore in debt funding, which is an increase of 11% from Q2 FY 2018-19. Total equity grew by 10% during the same period and stands at Rs 13,730 crore which re-emphasizes the confidence of the investors in the microfinance sector, despite the stressful funding situation in the NBFC space during the last few months. In terms of regional distribution of portfolio (GLP), East and North East accounts for 37% of the total NBFC-MFI portfolio, South 25%, North 14%, West 15% and Central contributes 9%.

In the microfinance universe, NBFC-MFIs’ share stands at 36.5%, Banks contribute 32.2%, Small Finance Banks have 18.2% share whereas NBFCs’ share is 10.7% and Non-profit MFIs account for



2.4%.

### **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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