

## **NBFC-MFIs witness 40% YoY increase in equity investments: MFIN Report**

*~Overall microfinance industry witnessed 27% YoY growth in loan portfolio in FY18~*

*~MFIN Micrometer 2018 was released on the side lines of MFIN Microfinance Awards 2018~*

*~This is the first edition of the awards launched by Microfinance Institutions Network for microfinance entities ~*

**New Delhi, 25<sup>th</sup> May, 2018:** Equity investments in Non-Banking Finance Company-Microfinance Institutions (NBFC-MFIs) grew by 40% in FY 2017-18 as compared to FY 2016-17 and stood at Rs 9, 631 crore, according to the Micrometer report by Microfinance Institutions Network (MFIN). The report was released by Shri Giriraj Singh, Minister of State-MSME, Govt. of India during the first edition of 'MFIN Microfinance Awards 2018: In Pursuit of Excellence', industry awards instituted to commemorate microfinance entities in the country. The Gross Loan Portfolio of NBFC-MFIs also grew by 50% in FY 2017-18 as compared to the previous year and was Rs 48,094 Cr as on 31 March 2018.

Speaking on the occasion **Shri Giriraj Singh, Minister of State-MSME, Govt. of India** said, "Microfinance plays an important role to fill the credit gap that exists despite the presence of moneylenders and banks. The sector has been instrumental in improving India's GDP. Nobody can deny contribution of microfinance institutions in rural economy."

On the industry's growth **Harsh Shrivastava, CEO, MFIN** said, "Investors' confidence in the sector has increased which is clearly reflected in the increase in equity investments during the last financial year. This is an encouraging sign for many medium and small microfinance institutions who are planning to expand their reach and operations. The industry has registered a healthy annual growth and portfolio at risk percentage has also improved significantly as compared to previous year. We can say that these are the portents of the next growth phase for the industry." Further speaking on the MFIN Microfinance Awards 2018 he added, "We would like to extend our congratulations to the winners who withstood the difficult phase and through their earnest efforts have contributed immensely in expanding the sector and bringing in best practices. These awards are meant to encourage such efforts and recognise entities in the microfinance space for their commitment in promoting good governance and client centric practices."

NBFC-MFIs disbursed 268 lakh loans of total worth Rs 59,629 crore in FY 2017-18 which was 49% higher as compared to FY 2016-17. There was also an increase of 25% YoY in number of clients and NBFC-MFIs had 2.53 crore clients as of 31<sup>st</sup> March 2018. Average loan amount per account also witnessed an increase of 19% which stood at Rs 22,273. In terms of regional distribution of portfolio (GLP), East and North East accounts for 44% of the total NBFC-MFI portfolio, South 20%, North 14%, West 11% and Central contributes 11%.

Entire microfinance industry that include, NBFCs, NBFC-MFIs, Banks, Small Finance Banks and non-profit microfinance institutions witnessed growth of 27% as compared to FY 2016-17. The total Gross Loan Portfolio of the industry stood at Rs 1, 36,633 crore. Banks hold 38% share of portfolio in micro-credit with total loan outstanding of Rs 50,418 crore. NBFC-MFIs as a group remain the second largest provider of micro-credit with a share of 28% in total industry portfolio. Small Finance Banks have a total loan amount outstanding of Rs 30,019 Cr with total share of 27%. NBFCs account for 6% and non-profit microfinance institutions account for 1% of the microfinance universe.



## **MFIN Microfinance Awards 2018: In Pursuit of Excellence**

MFIN Microfinance Awards 2018 witnessed the felicitations of Samit Ghosh, CEO, Ujjivan Small Finance Banks and Vijay Mahajan, CEO, BASIX for their contribution and pioneering work in the field of microfinance. Each award category was divided in NBFC-MFI and Banking sub-categories. Bandhan Bank and Arohan Financial Services were awarded for their robust risk and resilience framework in banking and NBFC-MFIs categories respectively. Bandhan Bank and Muthoot Microfin were recognised for their integrated community development under 'Microfinance Plus Activities' categories.

Bharat Financial Inclusion and Utkarsh Small Finance Bank received awards for their effective grievance redressal systems. Fusion Microfinance and Fincare Small Finance Bank emerged as the best entities under 'Customer literacy and Capacity building' category. Satya MicroCapital and ESAF Small Finance Bank were honoured for their efforts in positive image building of the sector. DHFL Pramerica Life Insurance was chosen as the 'Enabler for microfinance industry' for extensively working with NBFC-MFIs and Small Finance Banks to provide insurance services to microfinance clients. The audit partner for the awards was Dun & Bradstreet.

## **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.