SYNOPSIS

MICROMETER
Data as of 31 March 2019
We are thankful to all our members, associates and other institutions who have contributed data for this issue.
This is the 29th issue of the Micrometer and it provides an overview of the microfinance industry as of 31 March 2019 (Q4 2018-19). Micrometer has two broad sections as under:

Section I on “Microfinance Universe” gives an overview of the portfolio and outreach of the microfinance (i.e. micro-credit) industry as of 31 March 2019. This section analyses the Industry wide data sourced from Equifax on various categories of financial institutions engaged in the microfinance space in India. These include NBFC-MFIs, Banks, Small Finance Banks (SFBs), NBFCs and Others (including Non-profit MFIs).

Section II of the micrometer provides detailed analysis of self reported data of NBFC-MFIs (MFIN Primary Members) up to state level. This includes a comparative analysis with the corresponding quarter of previous fiscal year (Q4 FY 17-18) and previous quarter (Q3 FY 18-19). Analysis on NBFC-MFIs is based on data collected from 53 members who are registered with the Reserve Bank of India (RBI) as NBFC-MFIs.

Section III of the report is on MFIs that operate as Corporate Business Correspondents (CBCs) for Banks. This section analyses the data collected from 5 CBCs (MFIN Associates) for Q4 FY 2018-19 and compares it with Q4 FY 17-18.
The pie-chart shows loan amount outstanding in Rs Cr and share of each peer group in the universe as percentages. Compared with Q4 FY 17-18, NBFC-MFIs portfolio has grown by 42%, Banks by 36%, SFBs by 25%, NBFC by 59% and Other MFIs (including Non-profit) by 30%. The portfolio quality of the industry is good, has remained stable and witnessed an improvement during this period as depicted by PAR >30 of 1.00% as on 31 March 2019 in comparison to 1.39% as on 31 March 2018. The PAR analysis has been done after removing Andhra Pradesh & Telangana legacy portfolio and delinquencies above 180 days to reflect a true picture of the portfolio quality.
Section II: NBFC-MFI Highlights

Some highlights of this quarter/financial year are as under:

- As of 31 March 2019, **3.17 Cr** clients* have loan outstanding from NBFC-MFIs, which is an increase of 32% over Q4 FY 17-18.
- The aggregate gross loan portfolio (GLP) of MFIs is **Rs 68,207 Cr** as on 31 March 2019. This represents a YoY growth of **47%** as compared to 31 March 2018 and 13% in comparison to 31 December 2018.
- Loan amount of **Rs 82,928 Cr** was disbursed in FY 18-19 through **3.25 Cr** accounts.
- Average loan amount disbursed per account during FY 18-19 was **Rs 25,543** which is an increase of around 13% in comparison to loans disbursed during FY 17-18.
- During FY 18-19, NBFC-MFIs received a total of **Rs 35,759 Cr** in debt funding, which is an increase of 63% from FY 17-18. Total equity grew by 42% during the same period and is at **Rs. 14,206 Cr**.
- Portfolio at Risk (PAR) > 30 as on 31 March 2019 is **1.73%**. This does not include BFIL data. PAR >30 has come down from 2.28% in the last quarter (as on December 2018) and is significantly better from 4.03% as on 31 March 2018.
- MFIs now have presence in 33 states/union territories.
- 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% & Central contributes 9%.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Q4 FY 18-19</th>
<th>Q4 FY 17-18</th>
<th>YoY change (%) (FY 18-19 over FY 17-18)</th>
<th>Q3 FY 18-19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mar-19</td>
<td>Mar-18</td>
<td>Dec-18</td>
<td></td>
</tr>
<tr>
<td>Branches</td>
<td>12,277</td>
<td>9,275</td>
<td>32%</td>
<td>11,767</td>
</tr>
<tr>
<td>Employees</td>
<td>1,04,973</td>
<td>78,529</td>
<td>34%</td>
<td>1,00,842</td>
</tr>
<tr>
<td>Clients* (Cr)</td>
<td>3.17</td>
<td>2.39</td>
<td>32%</td>
<td>2.94</td>
</tr>
<tr>
<td>Loan accounts (Cr)</td>
<td>3.88</td>
<td>2.65</td>
<td>46%</td>
<td>3.65</td>
</tr>
<tr>
<td>Gross Loan Portfolio (Rs Cr)</td>
<td>68,207</td>
<td>46,546</td>
<td>47%</td>
<td>60,580</td>
</tr>
<tr>
<td>Loans disbursed (during the year, Cr)</td>
<td>3.25</td>
<td>2.54</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Loan amount disbursed (during the year, Rs Cr)</td>
<td>82,928</td>
<td>57,409</td>
<td>44%</td>
<td></td>
</tr>
</tbody>
</table>

*The clients number here is the aggregate of clients of member MFIs. Given some degree of overlaps, it does not reflect the number of ‘unique’ clients.
Industry trends
Q3 FY 16-17 to Q4 FY 18-19

Outreach trend

Disbursement trend

*Analysis is based on the data of panel of MFIs in the current quarter
Industry trends
Q3 FY 16-17 to Q4 FY 18-19

PAR trend

Funding trend

*Analysis is based on the data of panel of MFIs in the current quarter
Industry trends
Q3 FY 16-17 to Q4 FY 18-19

Comparison of Interest rates and cost of funds trend

* Interest rate and Cost of funds shown above are simple averages

Branch network

*Analysis is based on the data of panel of MFIs in the current quarter
State wise GLP of MFIN Members

31 March 2019

31 March 2018
State wise presence of MFIN Members

31 March 2019

31 March 2018
Section III: CBC Highlights

This section on the Corporate Business Correspondents (CBCs), is based on the analysis of self reported data provided by five CBCs who are associates of MFIN. These include Basix Sub K iTransactions LTD (Sub K), Kamal Fincap Pvt Ltd (Kamal), SaGgraha Management Services Pvt Ltd (SaGgraha), New Opportunity Consultancy Pvt Ltd (NOCPL) and Dvara KGFS (Dvara) formerly IFMR Rural Channels and Services. Of these, Dvara also has an on-balance sheet portfolio while others have only BC portfolio. Some highlights of Financial year 2018-19 are as under:

- As of 31 March 2019, the CBCs were managing Rs 0.20 Cr loan accounts with aggregate loan portfolio of Rs 3,998 Cr and an average loan outstanding per account of Rs 20,432. This represents a YoY growth of 33% in portfolio and 27% in loan accounts.
- Since the CBCs manage the loan accounts and portfolio for their partner banks, this represents around 8.4% of the outreach (loan accounts) and 6.5% of the portfolio of banks as on 31 March 2019.
- The CBCs have been able to achieve this outreach through 6,880 employees across 1,017 branches (or customer service centres) with operations in 19 states.
- The average loan disbursed per account during FY 2018-19 was Rs 31,113. Overall, the CBCs disbursed Rs 3,963 Cr through 12.3 Lk accounts during this year.
- Portfolio at Risk (PAR) > 30 as on 31 March 2019 is 1.8%, a slight increase from 1.7 as on 31 March 2018.
- In terms of regional distribution of CBCs managed portfolio, South accounts for 62% followed by West 24%, East and North East 7%, Central 5% and North 2%.

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<tr>
<td>Branches</td>
<td>1,017</td>
<td>816</td>
<td>25%</td>
</tr>
<tr>
<td>Employees</td>
<td>6,880</td>
<td>5,581</td>
<td>23%</td>
</tr>
<tr>
<td>Loan accounts (Cr)</td>
<td>0.20</td>
<td>0.15</td>
<td>27%</td>
</tr>
<tr>
<td>Gross Loan Portfolio (Rs Cr)</td>
<td>3,998</td>
<td>3,004</td>
<td>33%</td>
</tr>
<tr>
<td>Loans disbursed (during the financial year, Lk)</td>
<td>12.3</td>
<td>10.6</td>
<td>17%</td>
</tr>
<tr>
<td>Loan amount disbursed (during the financial year, Rs Cr)</td>
<td>3,963</td>
<td>3,126</td>
<td>27%</td>
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