



# MFIN micrometer<sup>©</sup>

(data as of 31<sup>st</sup> Dec 2012)

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# Introduction

- This is the fourth issue of the MFIN MicroMeter©. It provides an overview of the microfinance industry, as of 31<sup>st</sup> Dec 2012 and compares it with the previous quarter of current fiscal (Q2, FY 12-13) and third quarter of the previous fiscal (Q3, FY 11-12). Data contained in this issue is from 41 MFIN members, who on an aggregated basis, constitute around 85% of the microfinance business in the country (excluding SHGs)
- Highlights
  - Industry GLP is showing significant upward movement. Around 75% of MFIN members increased their GLP over Q3 FY 11-12 as also Q2 FY 12-13
  - Of the 32 non-AP MFIs, 24 show growth in GLP over Q3 FY 11-12. And, 23 MFIs show positive growth in GLP over Q2 FY 12-13. For the first time since the AP crisis in Oct 2010, AP MFIs show growth in GLP and disbursements.
  - On a pan India basis, disbursements grew by 28% compared with Q3 FY 12-13. Non-AP MFIs are accounting for around 70% of the disbursements in Q3 FY 12-13
  - PAR numbers improved for both AP and non-AP MFIs
  - MFI's branch network and staff strength continued to drop. The drivers for this have been shrinkage of branch network by AP MFIs as also operating challenges faced by a few small MFIs
  - With MFI activity in AP continuing to be at standstill, industry growth has been taking place primarily in states such as West Bengal, Tamil Nadu, Kerala, Bihar & UP
  - Industry productivity ratios continued to improve
  - With significant provisioning and write-off of AP portfolio, overall reduction in industry NoF levels

9 MFIs grouped as AP MFIs are Asmitha, BSFL, Future, L & T Finance, Share, SKS, Spandana, SWAWS and Trident

# Summary (Q3 FY 2012-13, as of 31<sup>st</sup> Dec 2012)

**41** member NBFC-MFIs

**9,198** branches

**60,634** employees

**2,28,86,704** clients

**Rs 1,86.39 bn** gross loan portfolio

**Rs 61.94 bn** loan disbursements (in the quarter)

# Summary (Q3 FY 12-13 as of 31<sup>st</sup> Dec 2012)

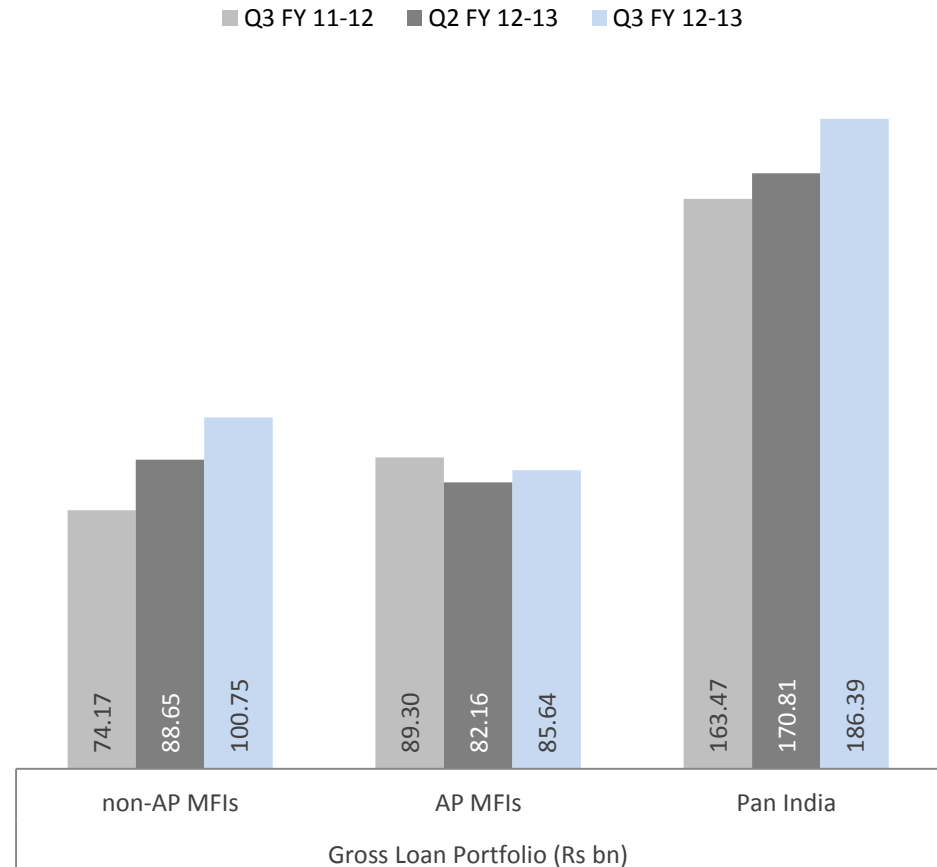
	% change	non-AP MFIs	AP MFIs	Pan India
Gross Loan Portfolio	over Q3 FY 11-12	↑36%	↓4%	↑14%
	over Q2 FY 12-13	↑14%	↑4%	↑9%
Clients	over Q3 FY 11-12	↑16%	↓12%*	~0%
	over Q2 FY 12-13	↑6%	↓4%*	↑1%
Loans Disbursed	over Q3 FY 11-12	↑11%	↑20%	↑13%
	over Q2 FY 12-13	↑38%	↑9%	↑28%
Loan Amount Disbursed	over Q3 FY 11-12	↑23%	↑27%	↑24%
	over Q2 FY 12-13	↑31%	↑4%	↑22%
Assets	over Q3 FY 11-12	↑46%	↓14%	↑14%
	over Q2 FY 12-13	↑11%	↓7%	↑3%
Equity	over Q3 FY 11-12	↑24%	↓93%*	↓40%
	over Q2 FY 12-13	↑1%	↓87%*	↓30%
Clients per employee	over Q3 FY 11-12	↑13%	↑54%	↑30%
	over Q2 FY 12-13	↑5%	↑4%	↑3%
GLP per employee	over Q3 FY 11-12	↑32%	↑67%	↑48%
	over Q2 FY 12-13	↑12%	↑12%	↑12%
Clients per branch	over Q3 FY 11-12	↑8%	↑7%	↑7%
	over Q2 FY 12-13	↑7%	↑1%	↑4%
GLP per branch	over Q3 FY 11-12	↑18%	↑8%	↑13%
	over Q2 FY 12-13	↑15%	↑10%	↑12%

\* Drop in the clients' number and equity is directly attributed to write-offs by AP MFIs in Andhra Pradesh

# Gross loan portfolio

% change	non-AP MFIs	AP MFIs	Pan India
over Q3 FY 11-12	↑36%	↓4%	↑14%
over Q2 FY 12-13	↑14%	↑4%	↑9%

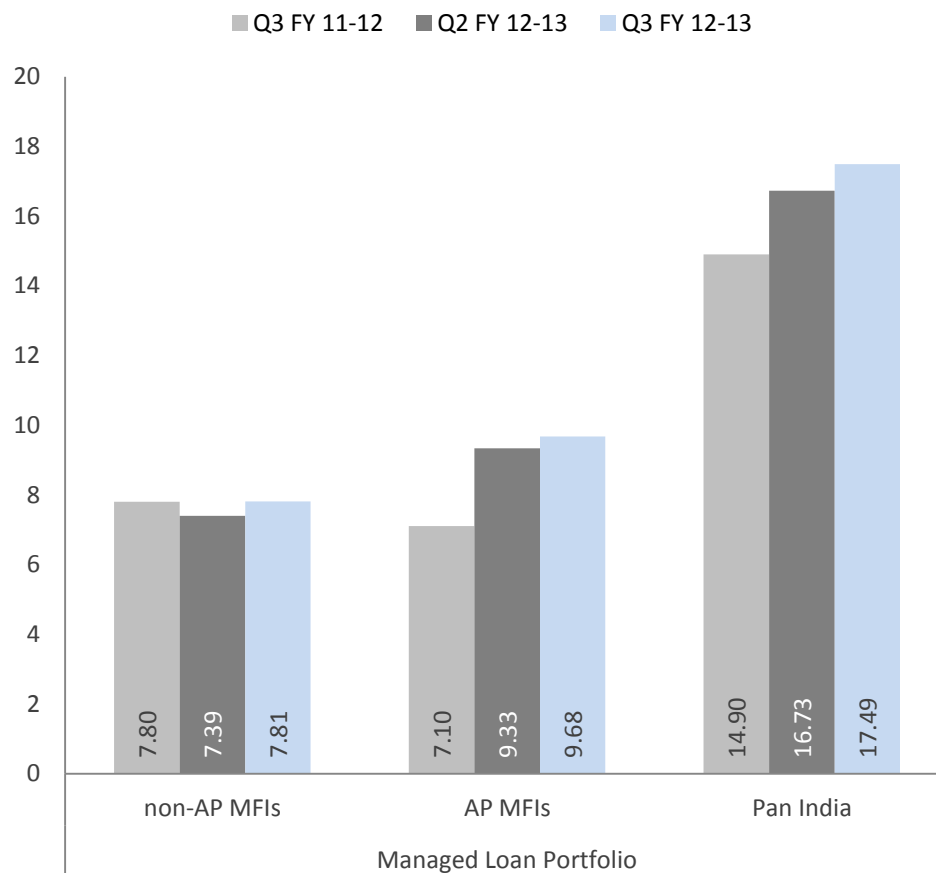
- As of 31<sup>st</sup> Dec 2012, members GLP stood at Rs 186.39 bn – growth of 14% over Q3 FY 11-12 and 9% over Q2 FY 12-13
- Non-AP MFIs: Increase of 36% in GLP over Q3 FY 11-12 and increase of 14% over Q2 FY 12-13
- AP MFIs: Decrease of 4% in GLP over Q3 FY 11-12 and increase of 4% over Q2 FY 12-13



# Managed portfolio

% change	non-AP MFIs	AP MFIs	Pan India
over Q3 FY 11-12	~0%	↑36%	↑17%
over Q2 FY 12-13	↑6%	↑4%	↑5%

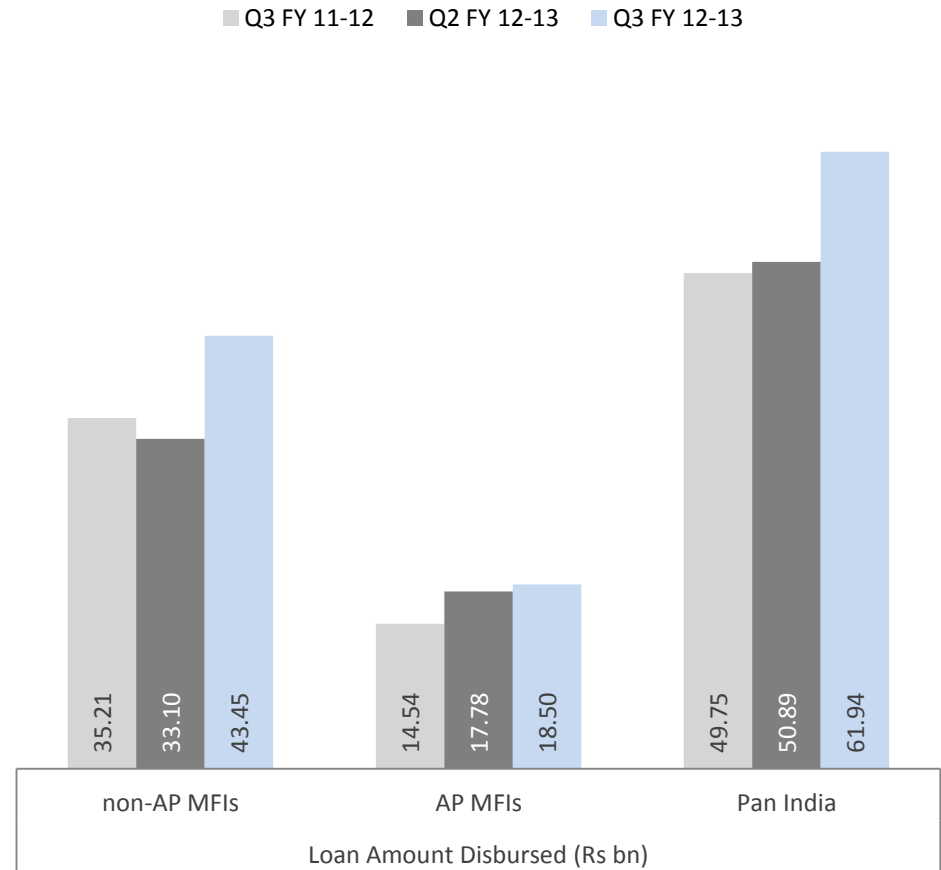
- On pan India basis, managed portfolio stood at 9% of GLP. Comparable number was 9% for Q3 FY 11-12 and 10% for Q2 FY 12-13
- Non-AP MFIs: No change in managed portfolio over Q3 FY 11-12 and increase of 6% over Q2 FY 12-13
- AP MFIs: Increase of 36% in managed portfolio over Q3 FY 11-12 and increase of 4% over Q2 FY 12-13
- Pan India: Increase of 17% in managed portfolio over Q3 FY 11-12 and increase of 5% over Q2 FY 12-13



# Loan amount disbursed

% change	non-AP MFIs	AP MFIs	Pan India
over Q3 FY 11-12	↑23%	↑27%	↑24%
over Q2 FY 12-13	↑31%	↑4%	↑22%

- During Q3 FY 12-13, members disbursed Rs 61.94 bn. Non-AP MFIs contributed to around 70% of disbursements in the quarter
- Non-AP MFIs: Increase of 23% in loan amount disbursed over Q3 FY 11-12 and increase of 31% over Q2 FY 12-13
- AP MFIs: Increase of 27% in loan amount disbursed over Q3 FY 11-12 and increase of 4% over Q2 FY 12-13
- Pan India: Increase of 24% in loan amount disbursed over Q3 FY 11-12 and increase of 22% over Q2 FY 12-13

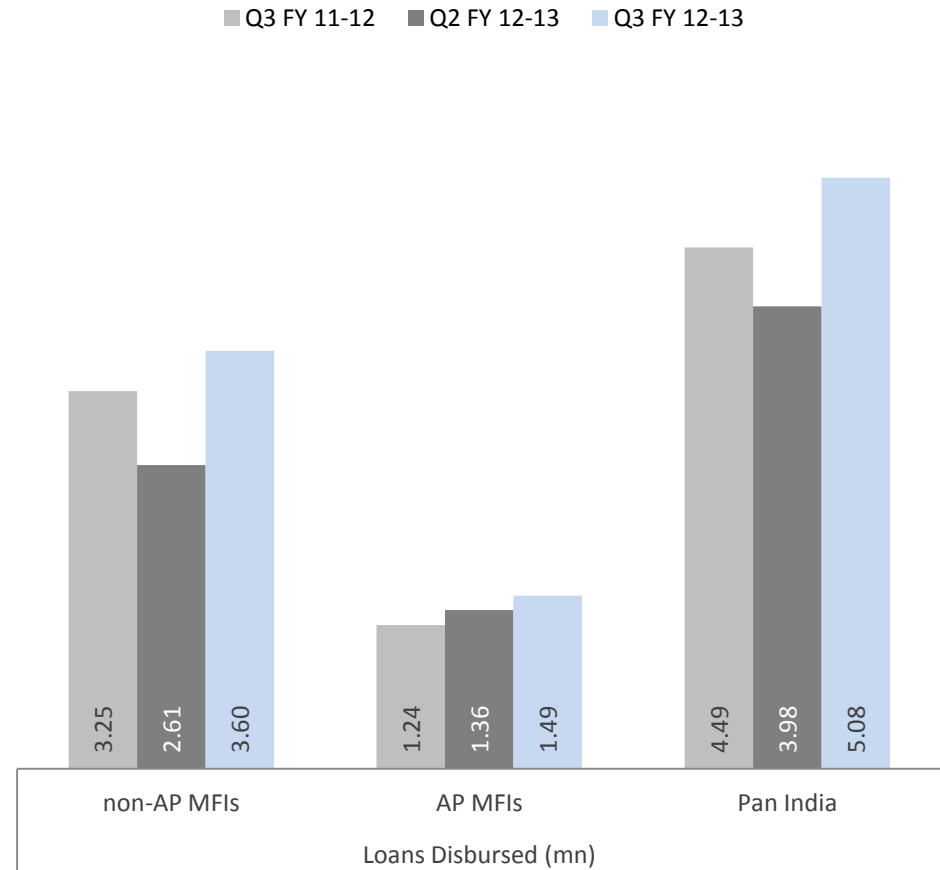




# Number of loans disbursed

% change	non-AP MFIs	AP MFIs	Pan India
over Q3 FY 11-12	↑11%	↑20%	↑13%
over Q2 FY 12-13	↑38%	↑9%	↑28%

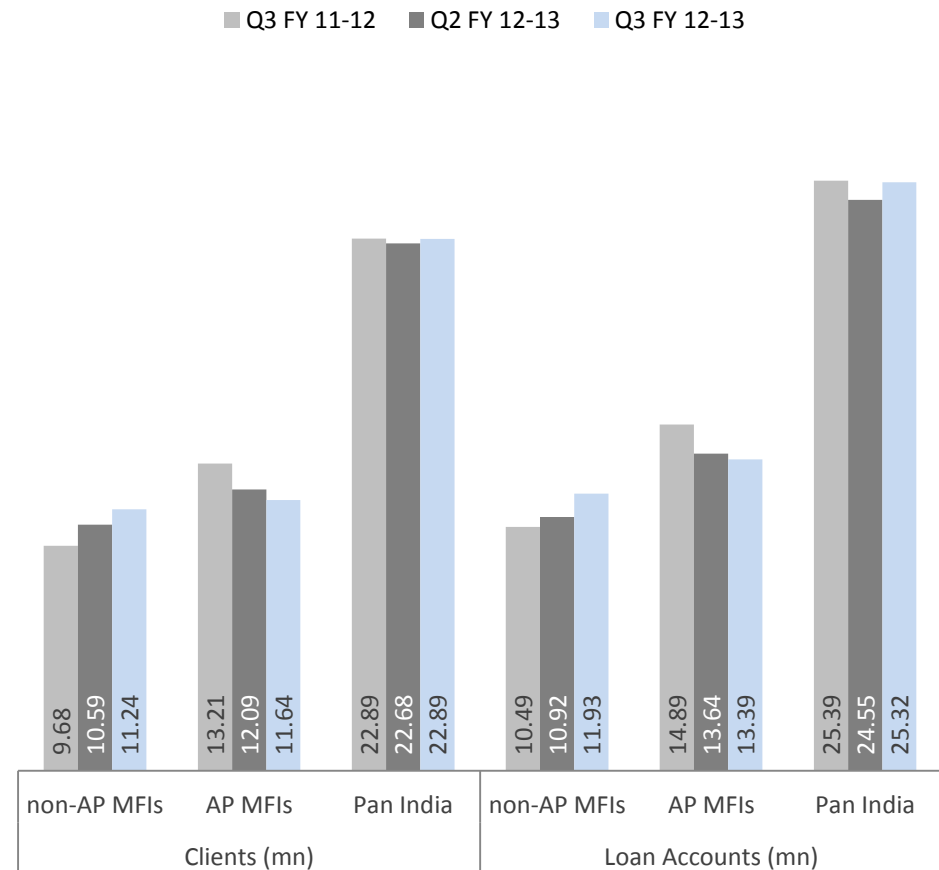
- During Q3 FY 12-13, members disbursed over 5.08 mn loans. Non-AP MFIs accounted for around 70% of loans disbursed
- Non-AP MFIs: Increase of 11% in number of loans disbursed over Q3 FY 11-12 and increase of 38% over Q2 FY 12-13
- AP MFIs: Increase of 20% in loans disbursed over Q3 FY 11-12 and increase of 9% over Q2 FY 12-13
- Pan India: Increase of 13% and 28% in loans disbursed over Q3 FY 11-12 and Q2 FY 12-13, respectively



# Clients and loan accounts

% change (clients)	non-AP MFIs	AP MFIs	Pan India
over Q3 FY 11-12	↑16%	↓12%	~0%
over Q2 FY 12-13	↑6%	↓4%	↑1%

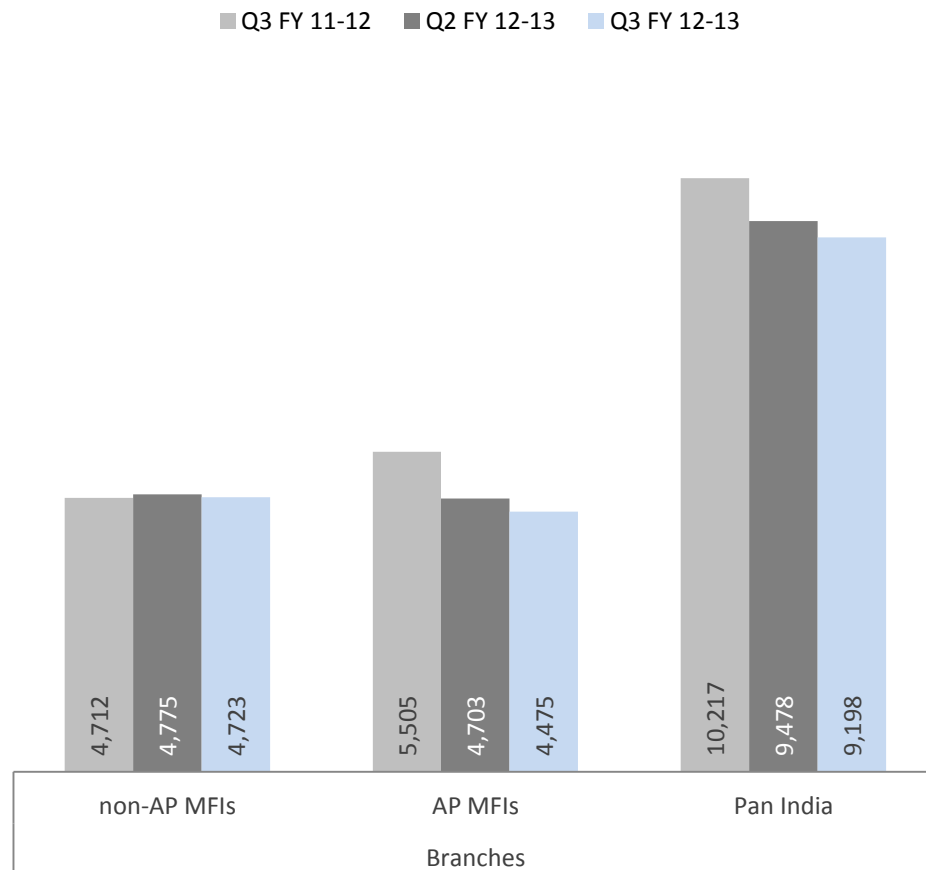
- As of 31<sup>st</sup> Dec 2012, members had 25.32 mn outstanding loan accounts for 22.89 mn clients
- Non-AP MFIs: Increase of 16% in clients over Q3 FY 11-12. Increase of 6% over Q2 FY 12-13
- AP MFIs: Decrease of 12% in clients over Q3 FY 11-12 and by 4% over Q2 FY 12-13
- Pan India: No change in clients over Q3 FY 11-12. However, an increase of 1% in clients over Q2 FY 12-13



# Branches

% change	non-AP MFIs	AP MFIs	Pan India
over Q3 FY 11-12	~ 0%	↓19%	↓10%
over Q2 FY 12-13	↓1%	↓5%	↓3%

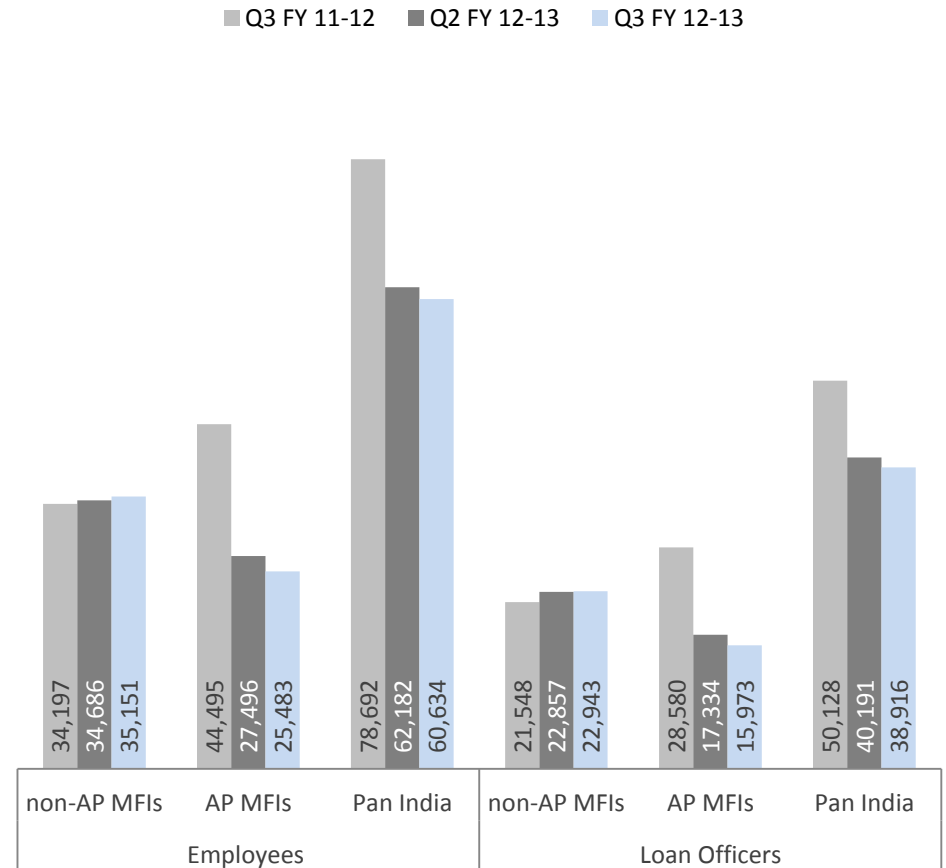
- As of 31<sup>st</sup> Dec, 2012, member MFIs had 9,198 branches spread across 26 states. While branch network continued to shrink for the industry, 14 MFIs expanded their branch network, as compared to Q3 FY 11-12
- Shrinkage in branch network being driven by two factors. First, AP MFIs continue to reduce their branches. Second, a few small MFIs are facing operational challenges and, therefore, closing branches
- Non-AP MFIs: No change over Q3 FY 11-12 and decrease of 1% over Q2 FY 12-13
- AP MFIs: Decrease of 19% over Q3 FY 11-12 and decrease of 5% over Q2 FY 12-13. AP MFIs closed 1,030 branches in the last one year
- Pan India: Decrease of 10% over Q3 FY 11-12 and decrease of 3% over Q2 FY 12-13



# Employees

% change (employees)	non-AP MFIs	AP MFIs	Pan India
over Q3 FY 11-12	↑3%	↓43%	↓23%
over Q2 FY 12-13	↑1%	↓7%	↓2%

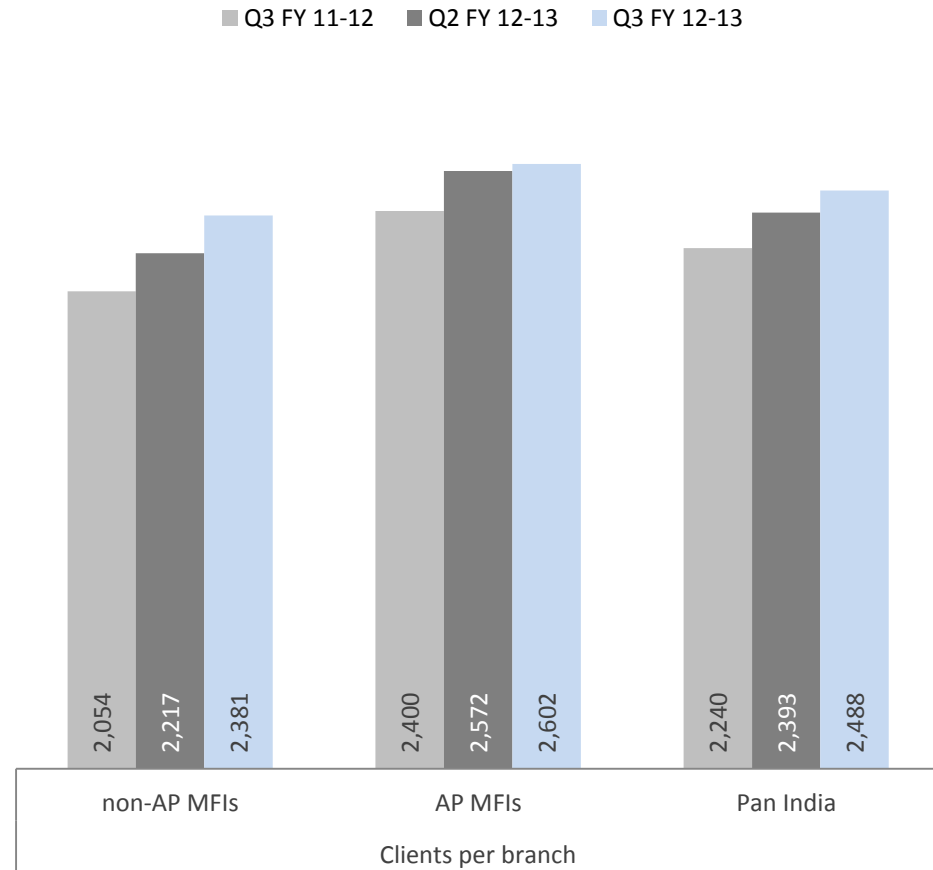
- Over 18,000 employees lost their jobs due to impact of AP crisis, 63% of them being loan officers. There was a further reduction in the staff employed by the MFIs, mainly due to lay-offs by AP MFIs
- Shrinkage in staff strength being driven by two factors. First, AP MFIs continue to reduce their head count. Second, a few small MFIs are facing operational challenges and reducing their staff strength
- Non-AP MFIs: Increase of 3% in the employee over Q3 FY 11-12 and increase of 1% over Q2 FY 12-13
- AP MFIs: Decrease of 43% in the employee over Q3 FY 11-12 and decrease of 9% over Q2 FY 12-13
- Pan India: Decrease of 23% in the employee over Q3 FY 11-12 and decrease of 3% over Q2 FY 12-13



# Clients per branch (wt average)

% change	non-AP MFIs	AP MFIs	Pan India
over Q3 FY 11-12	↑8%	↑7%	↑7%
over Q2 FY 12-13	↑7%	↑1%	↑4%

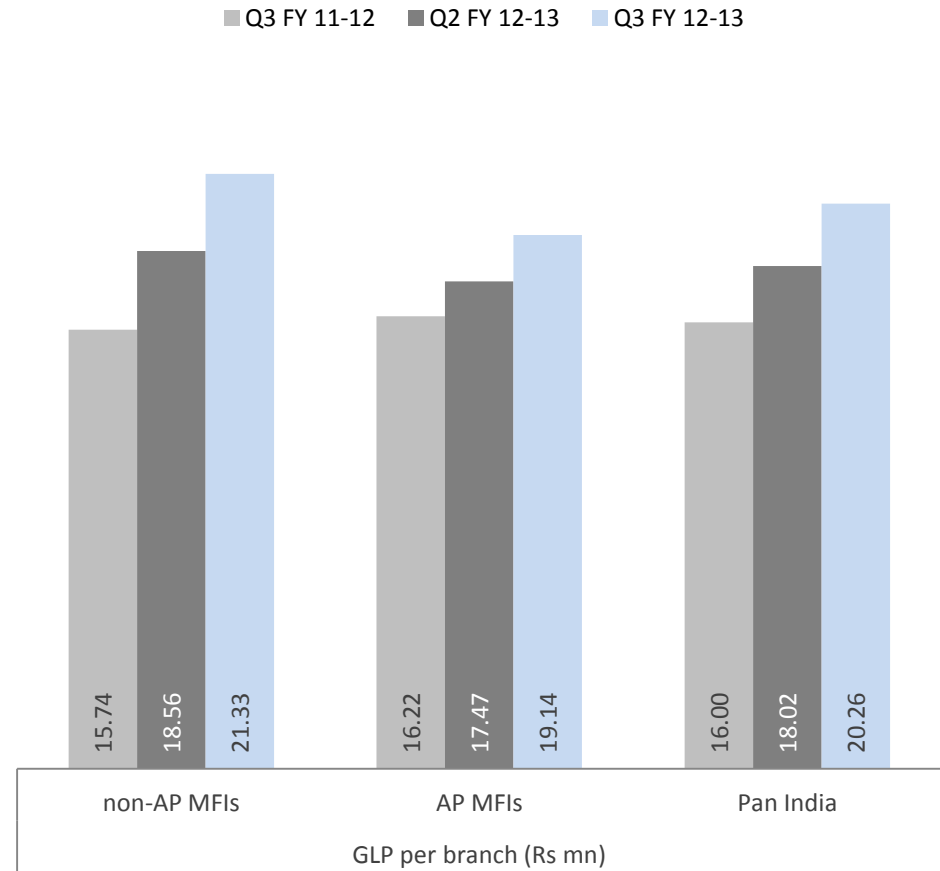
- Clients per branch have grown for both non-AP MFIs and AP MFIs. On an average, a MFI branch currently serving 2,488 clients



# GLP per Branch (wt average)

% change	non-AP MFIs	AP MFIs	Pan India
over Q3 FY 11-12	↑18%	↑8%	↑13%
over Q2 FY 12-13	↑15%	↑10%	↑12%

- An average MFI branch currently having a portfolio of Rs 20.26 mn
- GLP per branch in Q3 FY 12-13 has grown for both non-AP MFIs and AP MFIs over Q3 FY 11-12 and Q2 FY 11-12
- Non-AP MFIs have grown their GLP per branch by 18% over Q3 FY 11-12 and by 15% compared to Q2 FY 12-13

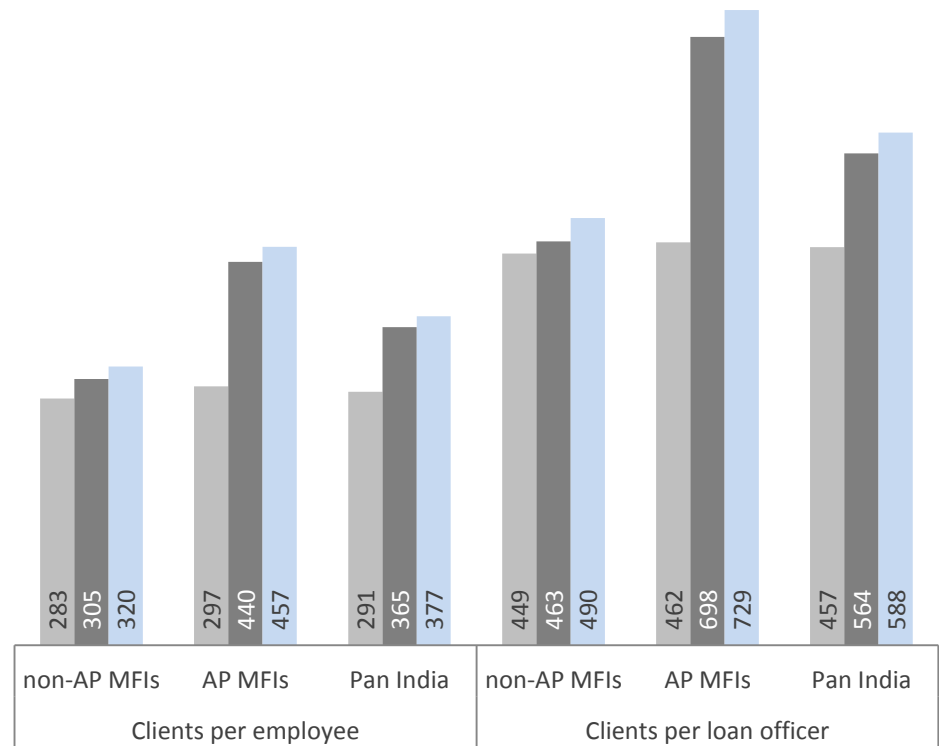


# Clients per employee and loan officer (wt average)

% change (clients per employee)	non-AP MFIs	AP MFIs	Pan India
over Q3 FY 11-12	↑13%	↑54%	↑30%
over Q2 FY 12-13	↑5%	↑4%	↑3%

■ Q3 FY 11-12 ■ Q2 FY 12-13 ■ Q3 FY 12-13

- An average MFI employee currently serving 377 clients and loan officer serving 588 clients. Corresponding figures for Q3 FY 11-12 were 291 and 457, respectively
- Non-AP MFIs: Clients per employee ratio has grown by 13% over Q3 FY 11-12 and by 5% over Q2 FY 12-13
- AP MFIs: Clients per employee ratio has grown by 54% over Q3 FY 11-12 and 4% over Q2 FY 12-13. This is partly driven by the fact that AP MFIs continue to have clients in AP (though largely inactive) but have significantly reduced the headcount.
- Pan India: Clients per employee ratio has grown by 30% over Q3 FY 11-12 and grown by 3% over Q2 FY 12-13



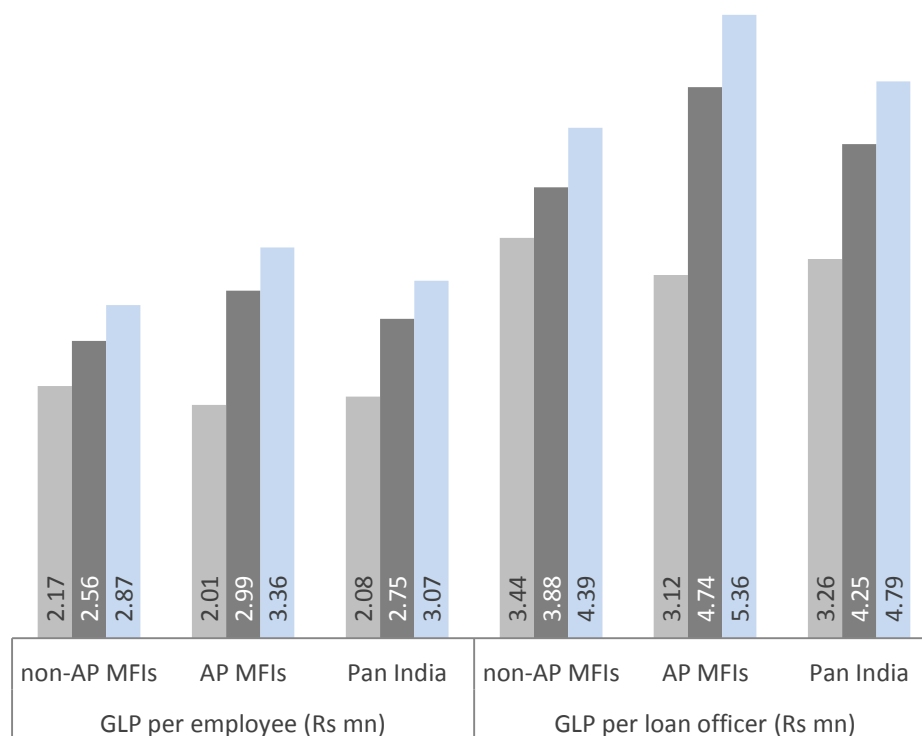
# GLP per employee and loan officer (wt average)

% change

GLP per employee	non-AP MFIs	AP MFIs	Pan India
over Q3 FY 11-12	↑32%	↑67%	↑48%
over Q2 FY 12-13	↑12%	↑12%	↑12%

- An average MFI employee managed Rs 3.07 mn portfolio and loan officer has Rs 4.79 mn portfolio
- Non-AP MFIs: GLP per employee has grown by 32% over Q3 FY 11-12 and by 12% Q2 FY 12-13.
- AP MFIs: GLP per employee has grown by 67% over Q3 FY 11-12 and by 12% over Q2 FY 12-13.
- Pan India: GLP per employee has grown by 48% over Q3 FY 11-12 and by 12% over Q2 FY 12-13

■ Q3 FY 11-12 ■ Q2 FY 12-13 ■ Q3 FY 12-13

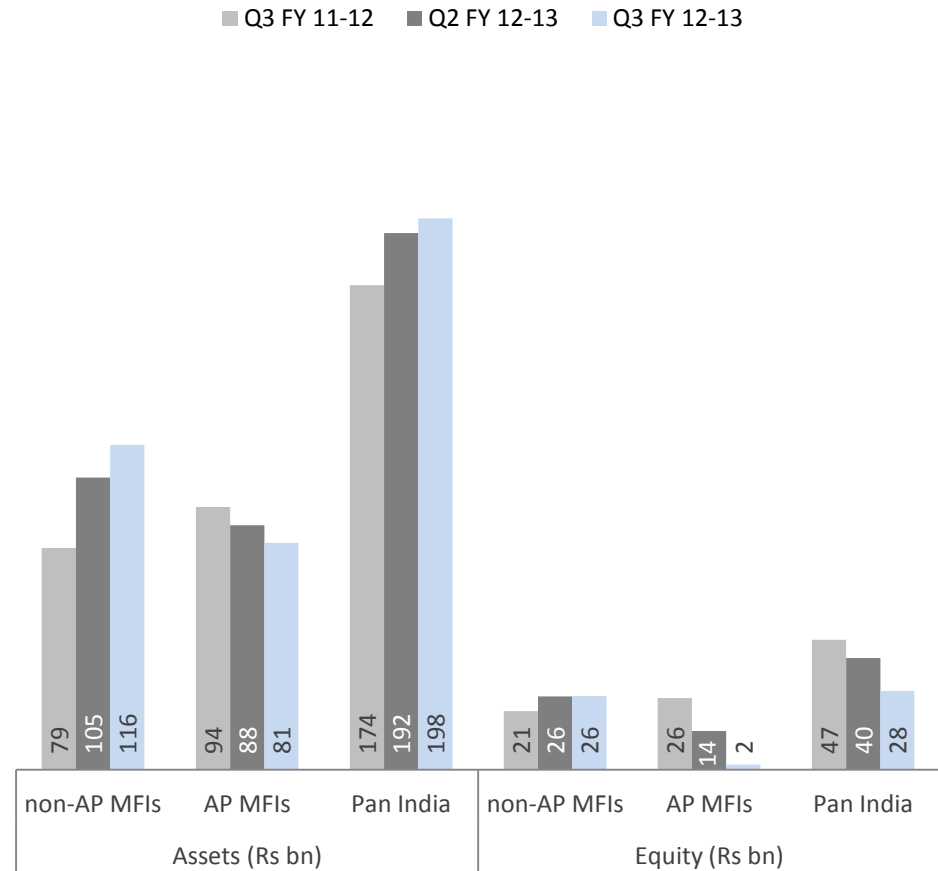




# Assets and equity

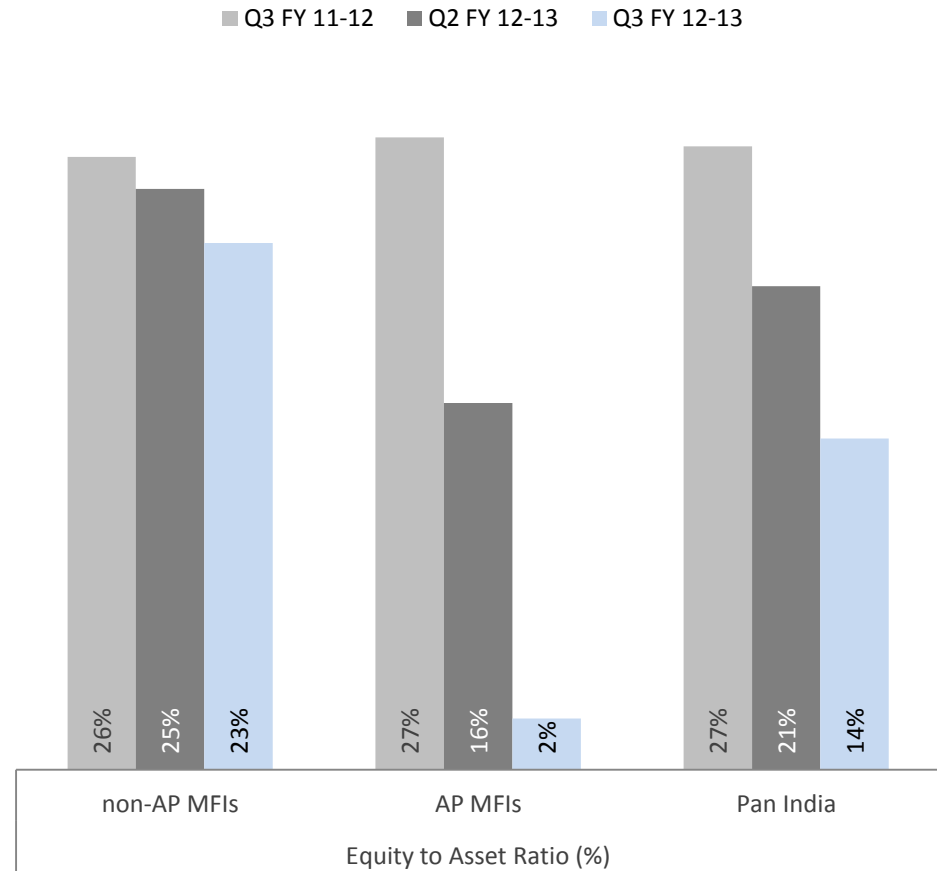
% change	Assets			Equity		
	non-AP MFIs	AP MFIs	Pan India	non-AP MFIs	AP MFIs	Pan India
over Q3 FY 11-12	↑46%	↓14%	↑14%	↑24%	↓93%	↓40%
over Q2 FY 12-13	↑11%	↓7%	↑3%	↑1%	↓87%	↓30%

- As of 31<sup>st</sup> Dec 2012, MFIs have Rs 198 bn in assets and Rs 28 bn in equity
- Non-AP MFIs: Increased their assets and equity over Q3 FY 11-12 by 46% and 24% respectively
- AP MFIs: Decreased their assets and equity over Q3 FY 11-12 by 14% and 93% respectively. Decrease in the equity of AP based MFIs is on account of higher provisions for Andhra Pradesh portfolios.
- Pan India: Assets increased by 14% over Q3 FY 11-12. However, equity decreased by 40% over Q3 FY 11-12, driven by higher provisions by AP MFIs



# Equity to assets ratio

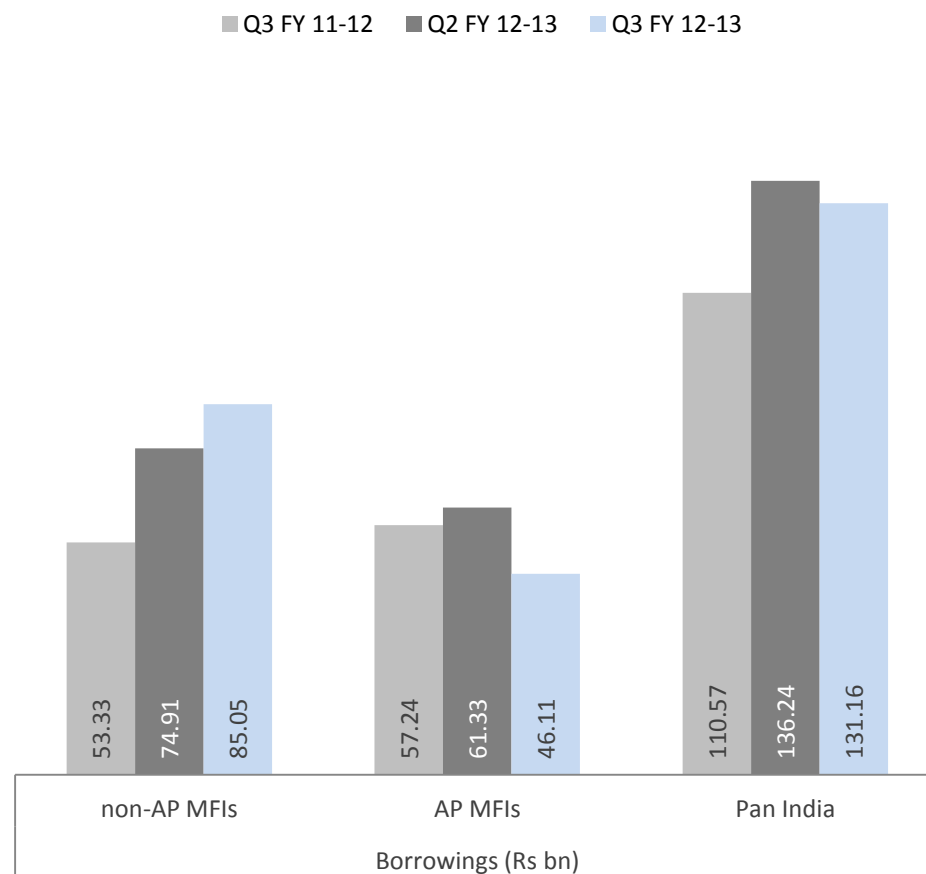
- As of 31<sup>st</sup> Dec 2012, overall equity to assets ratio for the industry stood at 14%, on pan India basis
- Non-AP MFIs have equity to assets ratio of 23% . This ratio was 26% in Q3 FY 11-12 and 25% in Q2 FY 12-13
- AP MFIs have equity to assets ratio of 2%. This ratio was 16% in Q2 FY 11-12. The sharp drop is directly attributable to higher provisions / write-offs by AP MFIs



# Outstanding borrowings

% change	non-AP MFIs	AP MFIs	Pan India
over Q3 FY 11-12	↑59%	↓19%	↑19%
over Q2 FY 12-13	↑14%	↓25%	↓4%

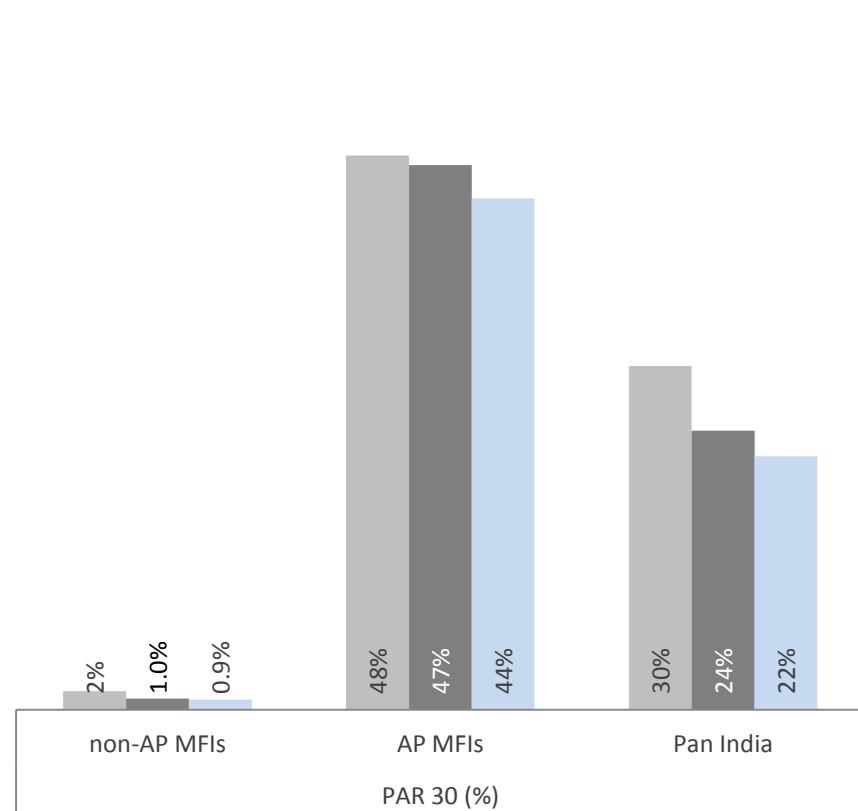
- As of 31<sup>st</sup> Dec 2012, members have outstanding borrowings of Rs 131.16 bn
- Non-AP MFIs: Increase of 59% over Q3 FY 11-12 and 14% over Q2 FY 12-13
- AP MFIs: Decrease of 19% over Q3 FY 11-12. and 25% over Q2 FY 12-13
- Pan India: : Increase of 19% over Q3 FY 11-12 and decrease of 4% over Q2 FY 12-13



# PAR 30\* (%)

- Non-AP MFIs: PAR 30 decreased compared to Q3 FY 11-12 and Q2 FY 12-13
- AP MFIs: PAR 30 decreased to 42% from 47% in Q3 FY 11-12
- Pan India: PAR 30 decreased to 20% from 26% in Q3 FY 11-12

■ Q3 FY 11-12 ■ Q2 FY 12-13 ■ Q3 FY 12-13

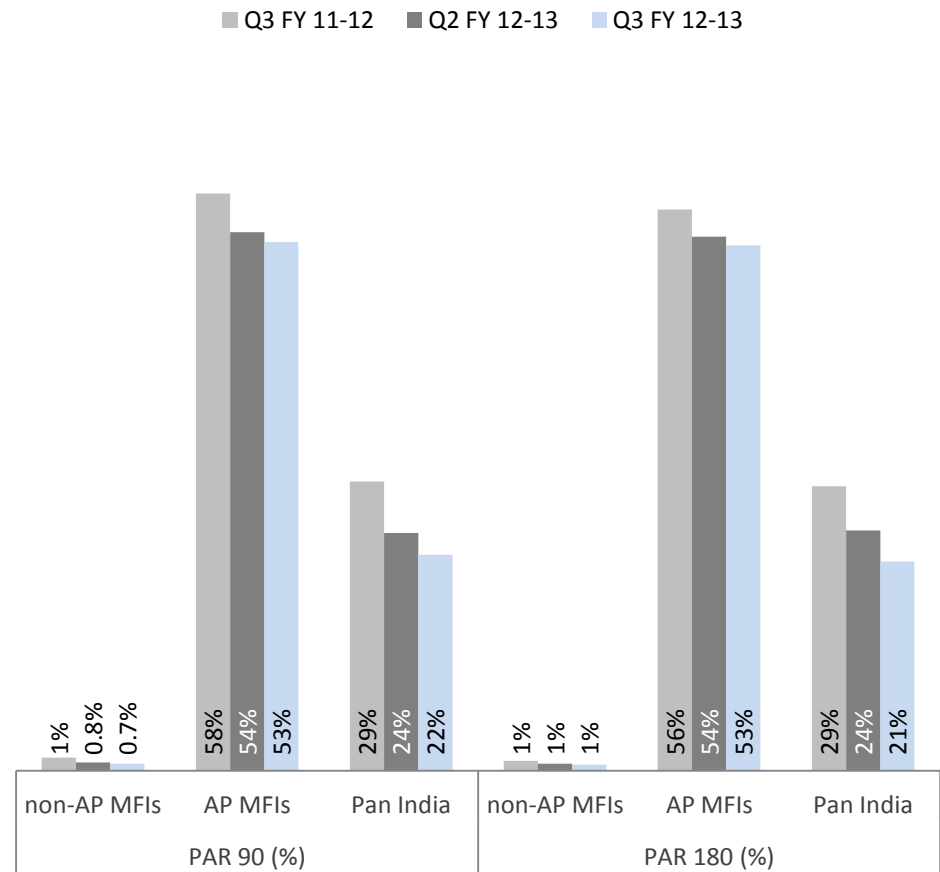


\* PAR data included for SKS

# PAR 90 and PAR 180\* (%)

- Non-AP MFIs: PAR 90 and 180 remains at 1%
- AP MFIs: PAR 90 and 180 remains above 40%
- Pan India: PAR 90 decreases to 20% and PAR 180 decreases to 19%

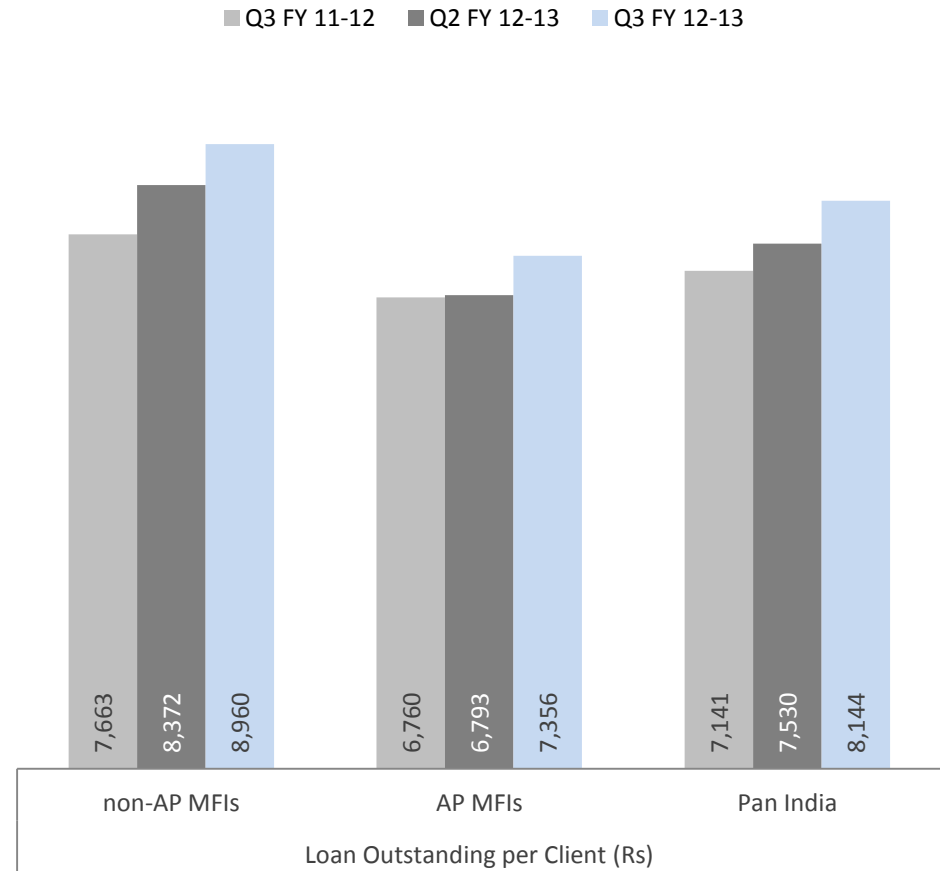
\* PAR data not included for SKS



# Loan outstanding per client

% change	non-AP MFIs	AP MFIs	Pan India
over Q3 FY 11-12	↑17%	↑9%	↑14%
over Q2 FY 12-13	↑7%	↑8%	↑8%

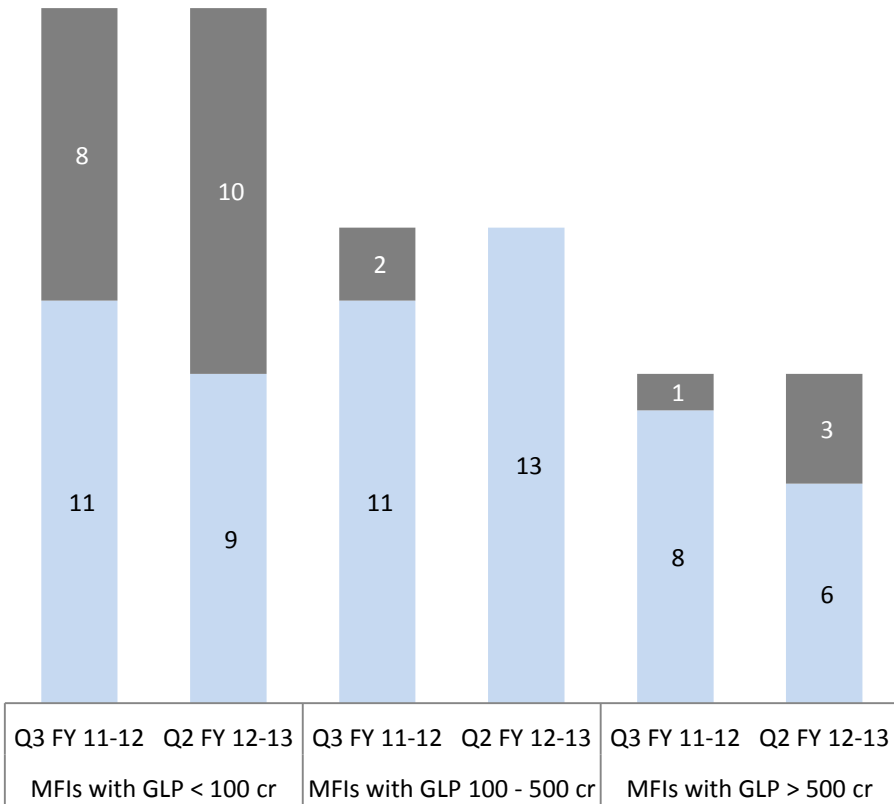
- As of 31<sup>st</sup> Dec 2012, loan outstanding per client is Rs 8,144
- Non-AP MFIs: Increase of 17% over Q3 FY 11-12 and by 7% over Q2 FY 12-13
- AP MFIs: Increase of 9% over Q3 FY 11-12 and 8% over Q2 FY 12-13
- Pan India: Increase of 14% over Q3 FY 11-12 and 8% over Q2 FY 12-13



# Growth rates in GLP

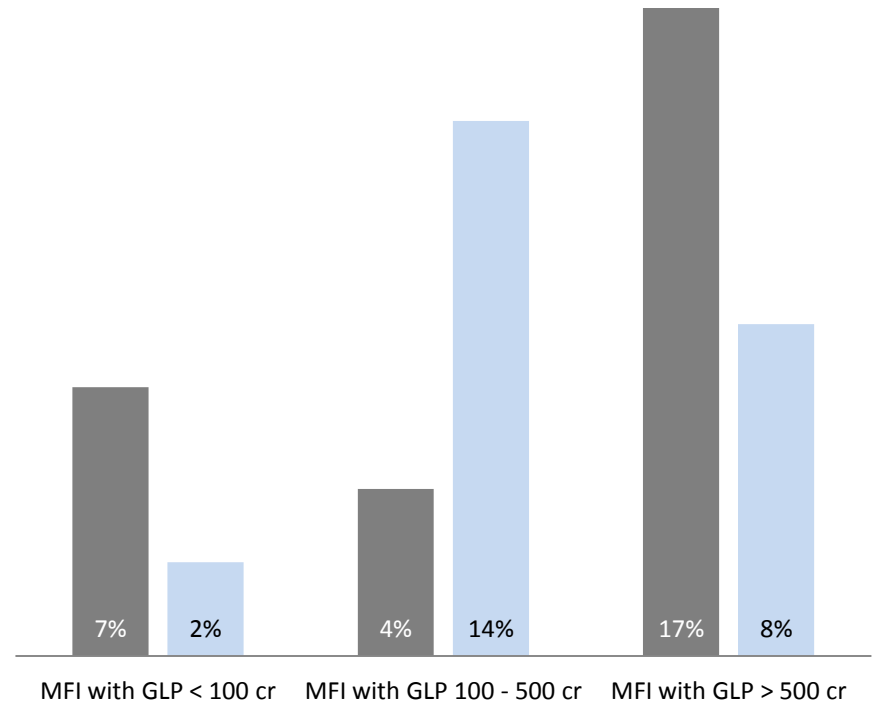
Number of MFIs showing +ve or -ve growth

■ # MFIs with +ve Growth    ■ # MFIs with -ve Growth



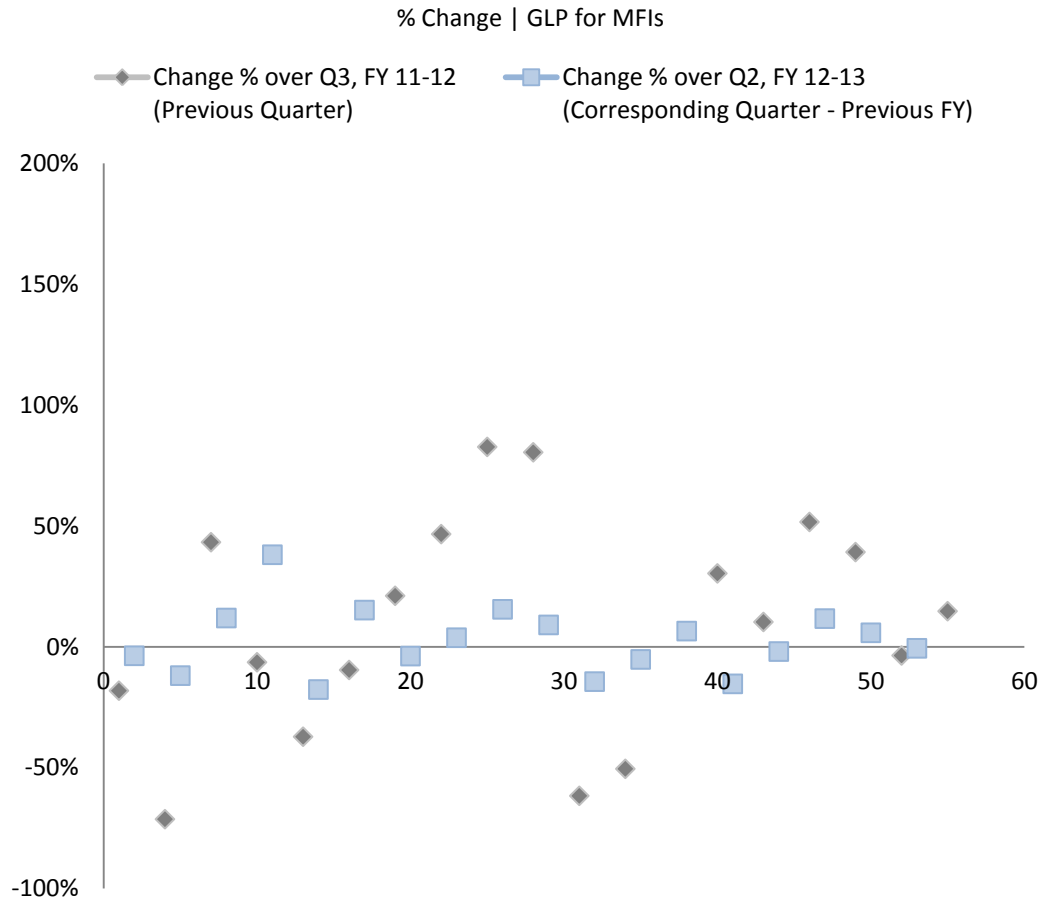
Growth rates in GLP

■ Change % over Q3, FY 11-12 (Previous Quarter)    ■ Change % over Q2, FY 12-13 (Corresponding Quarter - Previous FY)



# % Change GLP

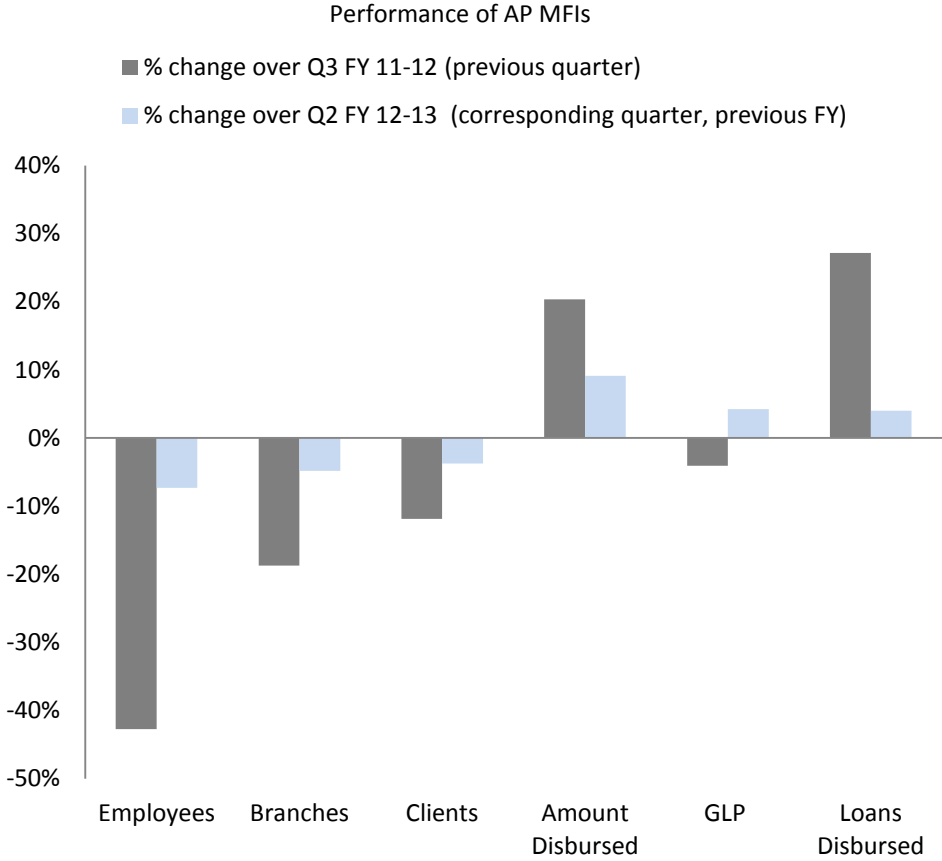
- Around 73% of MFIs (30) recorded positive growth over Q3 FY 11-12
- Around 68% of MFIs (28) recorded positive growth rates over Q2 FY 12-13
- Saija - with 578% growth, albeit on a low base - is not included in this chart for better indication of spread





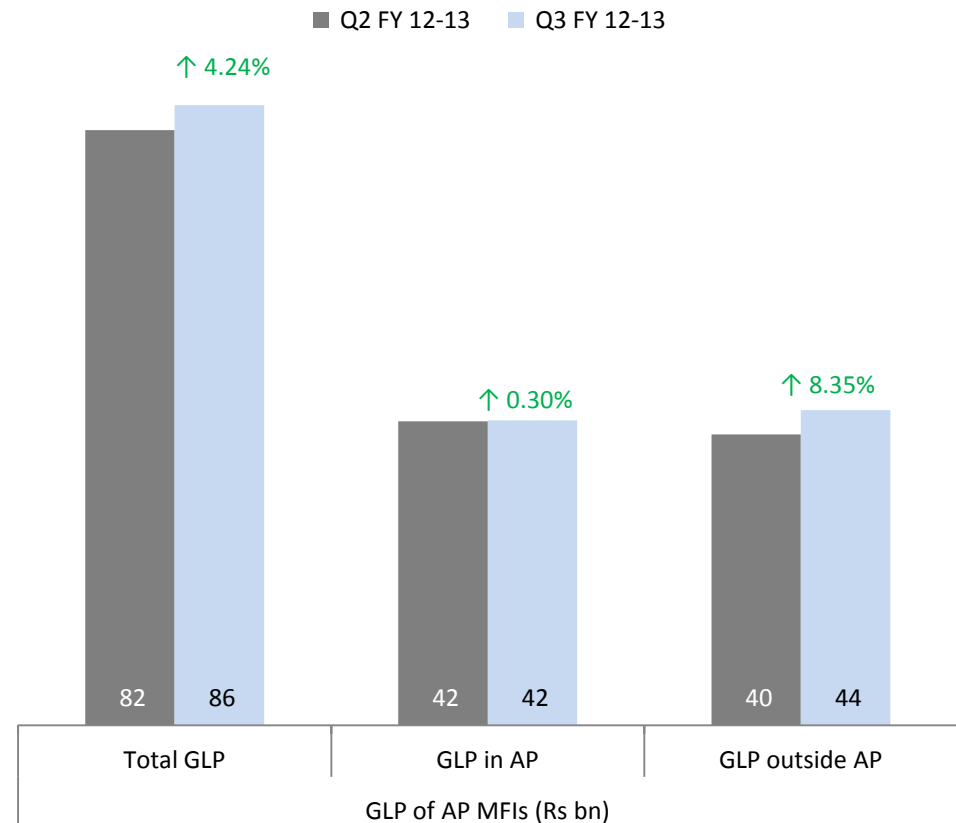
# Performance of AP MFIs

- AP MFIs showing encouraging performance, across key indicators

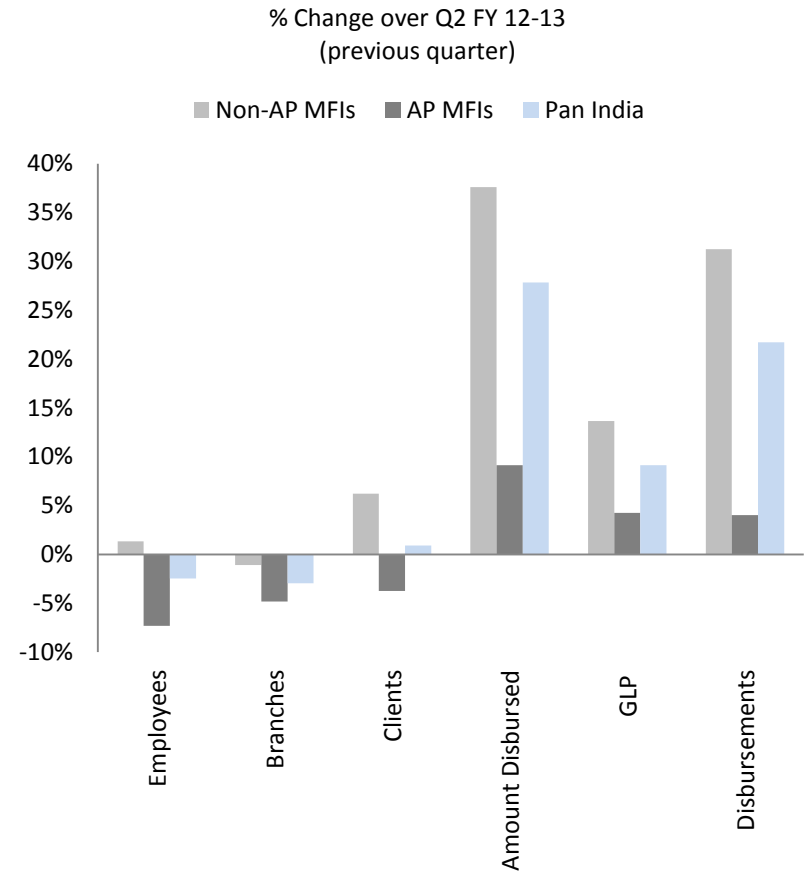
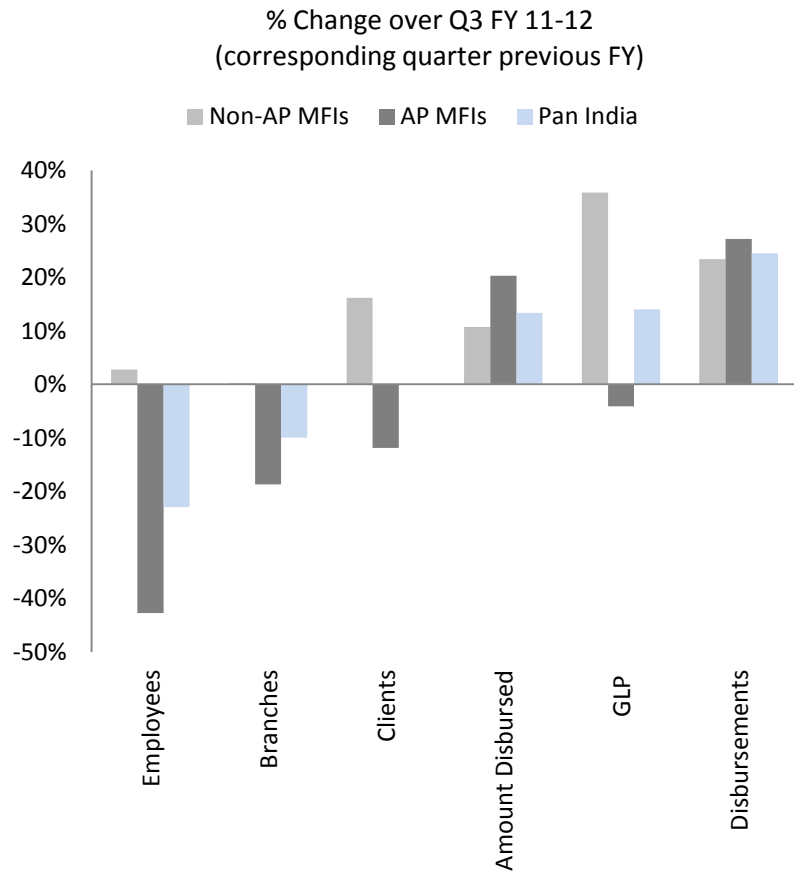


# Performance of AP MFIs

- During Q3 FY 12-13, AP MFIs grew by 4.24%, compared to the previous quarter (Q2 FY 12-13).
- While their GLP grew marginally by 0.31% in state of Andhra Pradesh, it grew by 8.20% outside Andhra Pradesh i.e. in states other than Andhra Pradesh

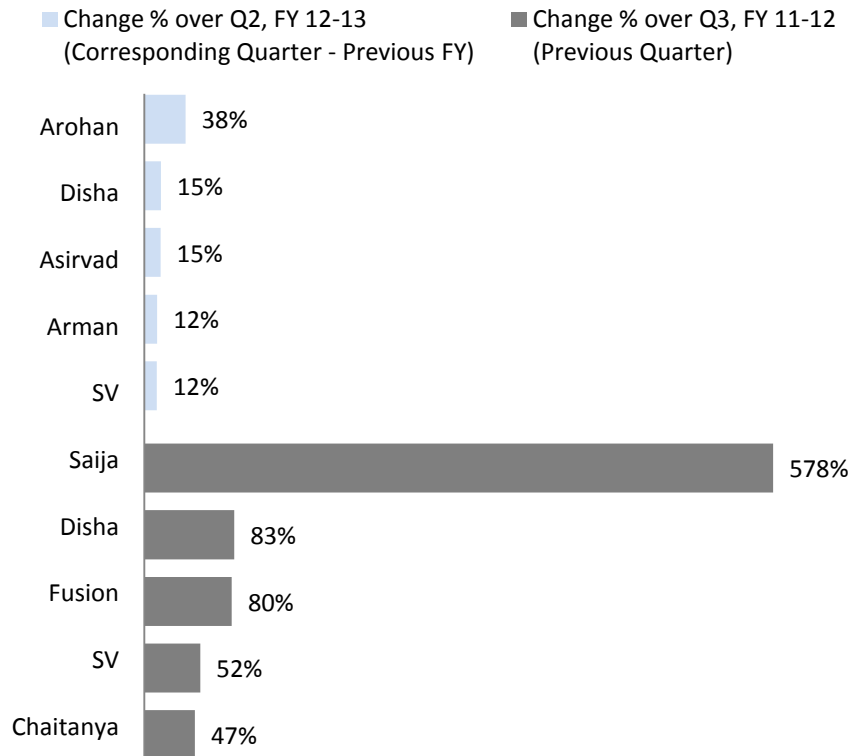


# % Change in key indicators AP and non-AP MFIs

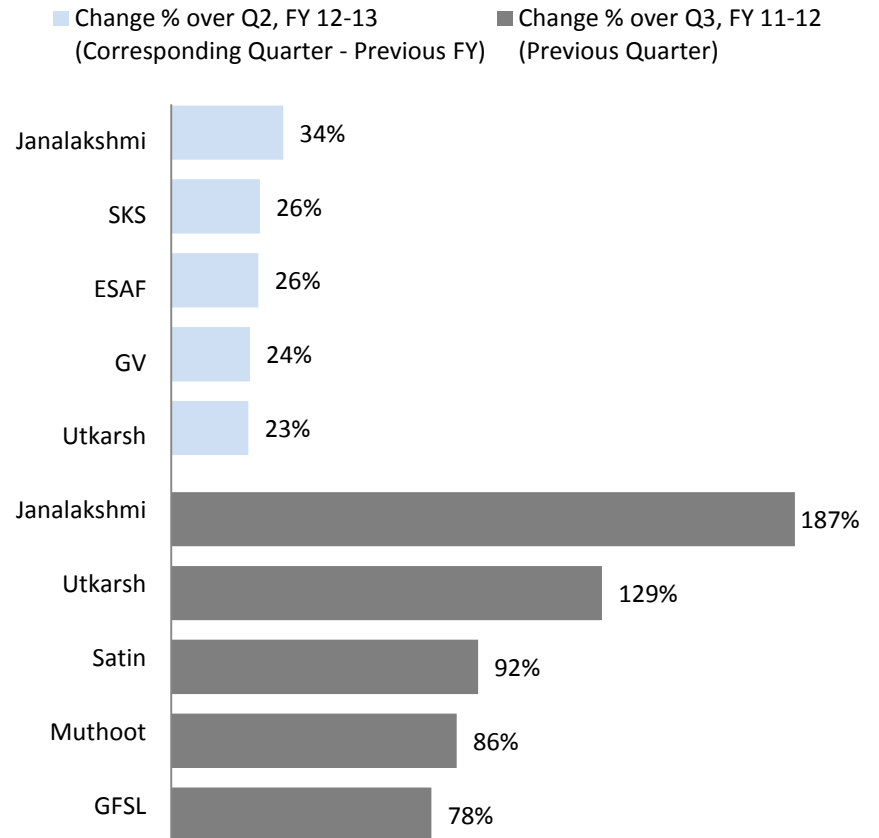


# Top MFIs GLP growth rates (%)

**Highest Growth Rates in GLP (over previous quarters, %)**  
(for MFIs with GLP < 100 Cr)

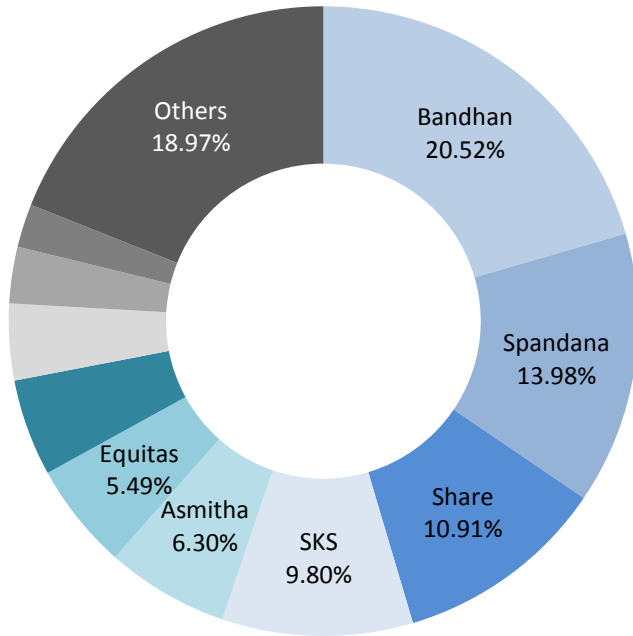


**Highest Growth Rates in GLP (over previous quarters, %)**  
(for MFIs with GLP > 100 Cr)



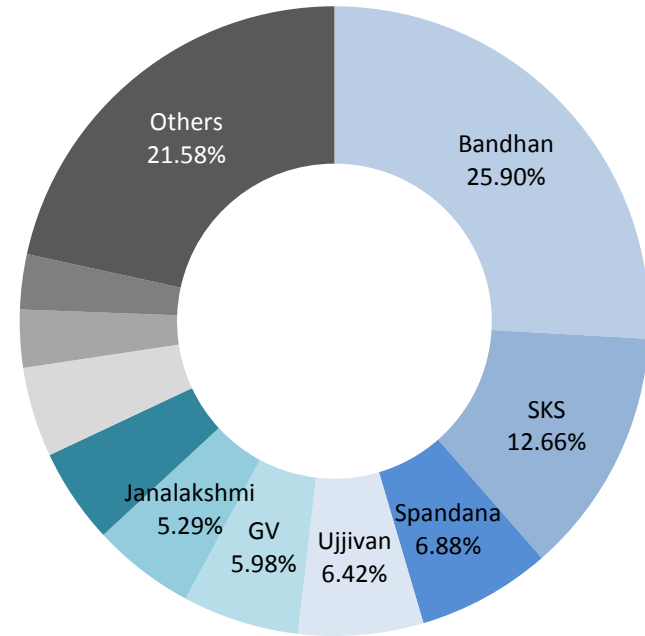
# Top MFIs GLP and amount disbursed

Top MFIs | GLP, Q3 FY 12-13



■ Ujjivan ■ Janalakshmi ■ GV ■ Satin

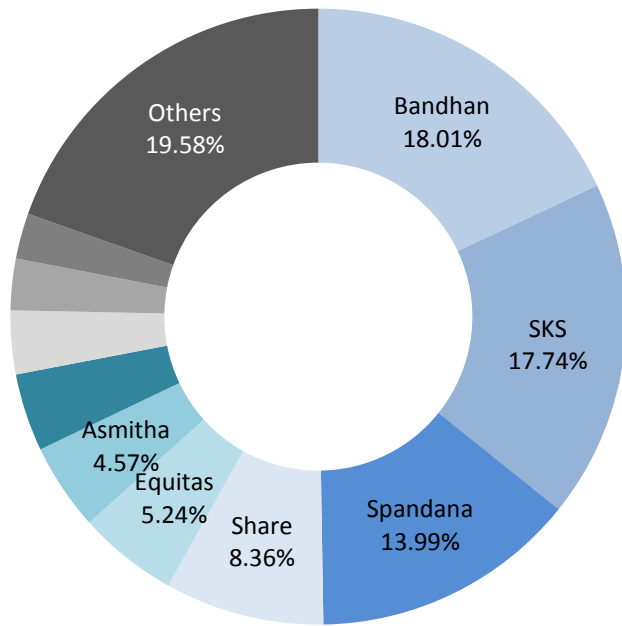
Top MFIs | Amount disbursed, Q3 FY 12-13



■ Share ■ Equitas ■ GFSL ■ ESAF

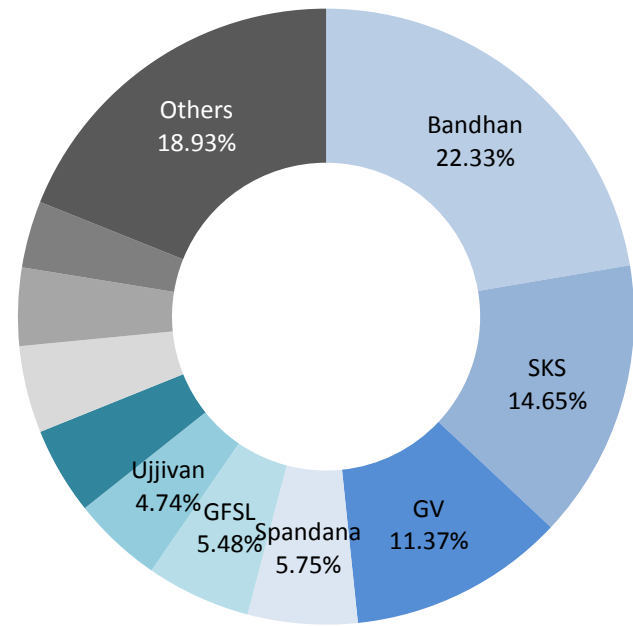
# Top MFIs clients and loans disbursed

Top MFIs | Clients, Q3 FY 12-13



■ Ujjivan ■ GV ■ L&T ■ Janalakshmi

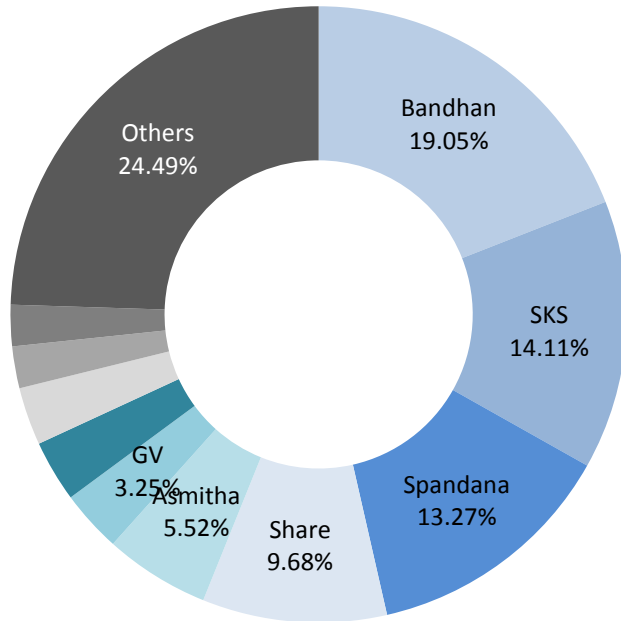
Top MFIs | Number of loans disbursed, Q3 FY 12-13



■ ESAF ■ Equitas ■ Share ■ Janalakshmi

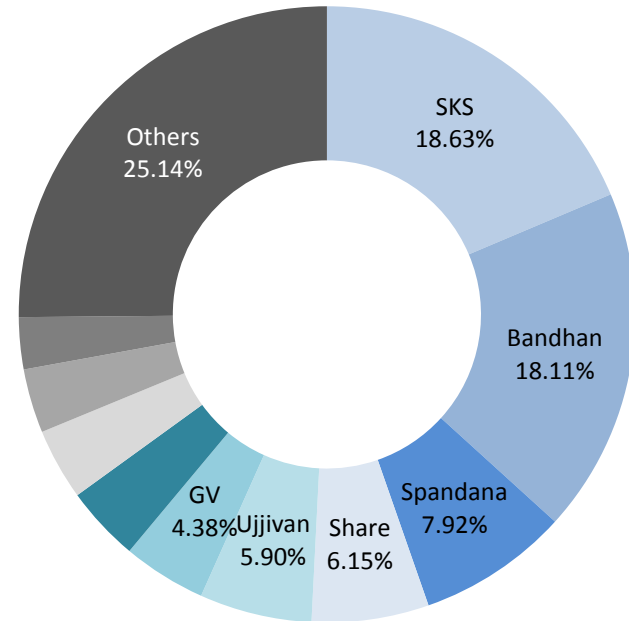
# Top MFIs branches and employees

Top MFIs | Branches, Q3 FY 12-13



■ Ujjivan ■ Equitas ■ Madura ■ BSFL

Top MFIs | Employees, Q3 FY 12-13

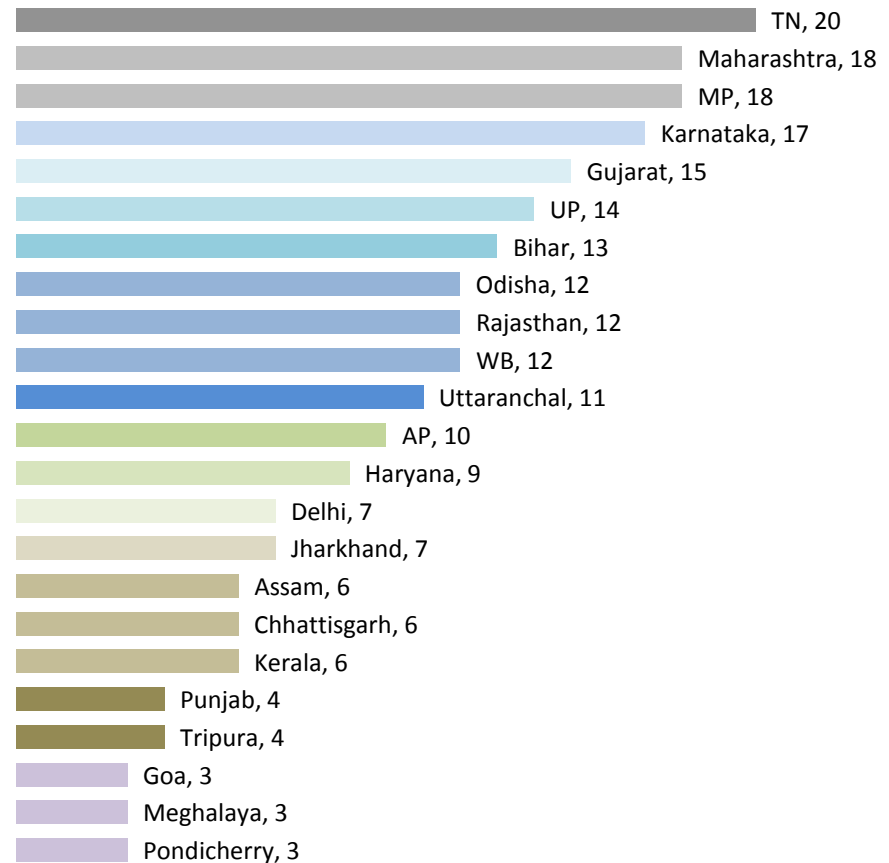


■ Equitas ■ Asmitha ■ BSFL ■ Janalakshmi

# State analysis number of MFIs

- Tamil Nadu has the presence of largest number of MFIs
- Maharashtra, MP, Karnataka, Gujarat, Uttar Pradesh and Bihar are other major states in terms of number of MFIs

Top states | Number of MFIs, Q3 FY 12-13

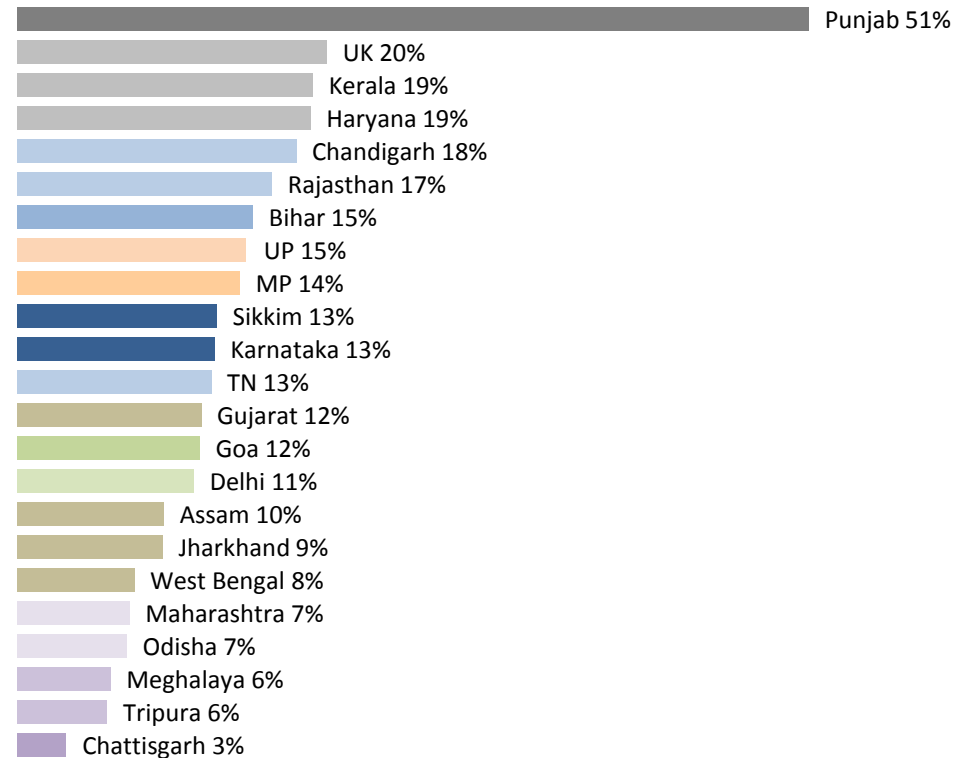




# State analysis GLP growth

- Punjab, Uttarakhand, Kerala and Haryana, the fastest growing states in terms of GLP growth, followed by Chandigarh, Rajasthan, Bihar, Uttar Pradesh and Madhya Pradesh

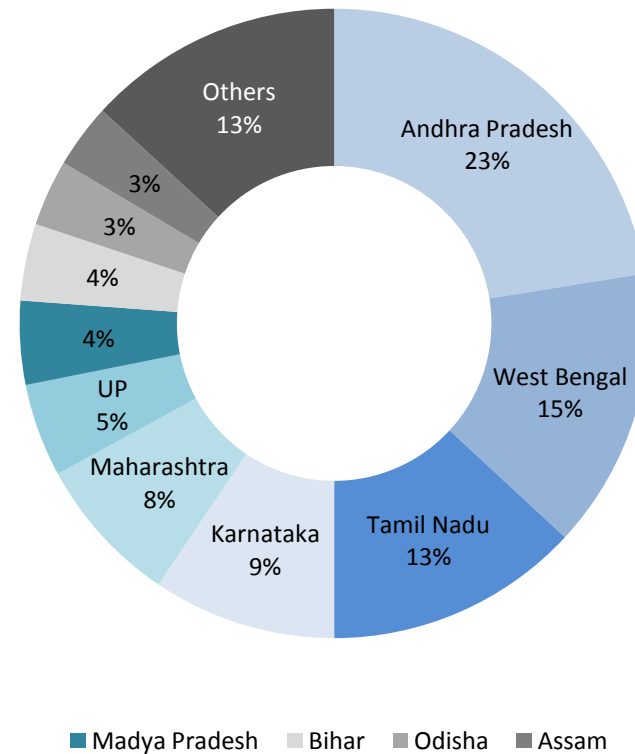
Top states | % growth in GLP over Q2 FY 12-13



# State analysis GLP

- AP remains the top state in terms of GLP as significant non-performing portfolios continue to stay on the balance sheet of MFIs
- Top 5 states (AP, WB, TN, Karnataka and Maharashtra) account for 68% of the portfolio

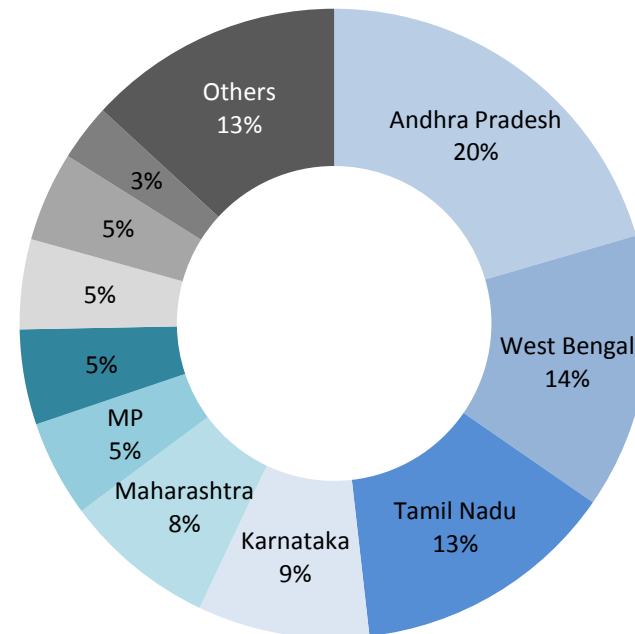
Top states | GLP, Q3 FY 12-13



# State analysis clients

- AP remains the top state in terms of client outreach - though largely inactive clients.
- After AP, West Bengal and Tamil Nadu have largest outreach followed by Karnataka and Maharashtra
- Top 5 states (AP, WB, TN, Karnataka and Maharashtra) account for 64% of the portfolio

Top states | Clients, Q3 FY 12-13



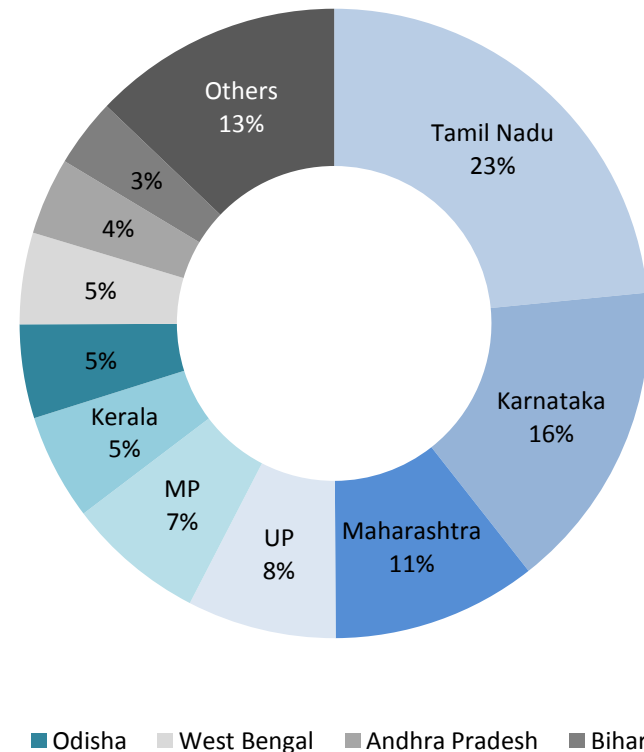
■ Uttar Pradesh ■ Odisha ■ Bihar ■ Kerala

# State analysis amount disbursed

- Tamil Nadu tops in terms of loans disbursed, followed by Karnataka, Maharashtra, Uttar Pradesh and Madhya Pradesh (excluding Bandhan)

*Since Bandhan is currently the largest MFI, the state level disbursement data is incomplete and may give a skewed picture*

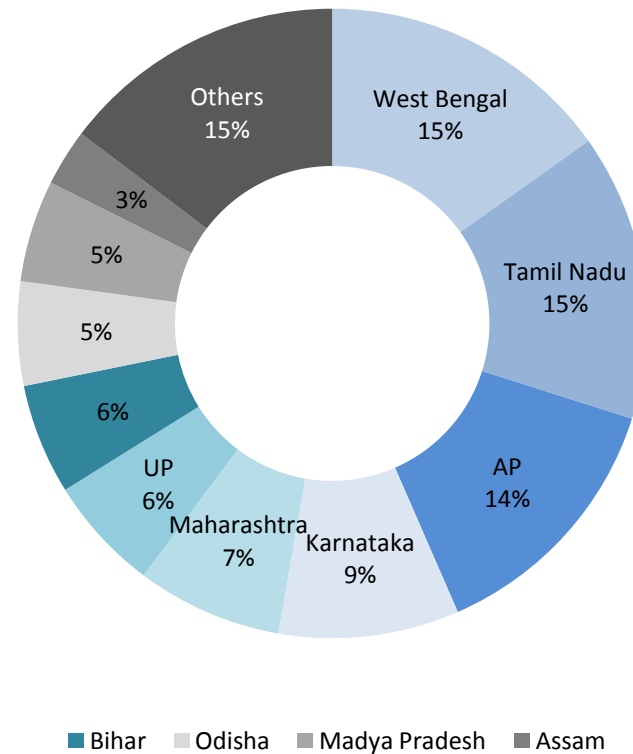
Top states | Loan amount disbursed, Q3 FY 12-13



# State analysis **branches**

- West Bengal, now has the largest branch network of MFIs, accounting for over 15% of the all India branch network.
- Top 5 states (WB, TN, AP, Karnataka and Maharashtra) account for 60% of the branch network in the country

Top states | Branches, Q3 FY 12-13



# Annex\*

Sl no	Indicator	Q3 FY 11-12	Q2 FY 12-13	Q3 FY 12-13
1	Branches	10,217	9,478	9,198
2	Employees	78,692	62,182	60,634
3	Loan Officers	50,128	40,191	38,916
4	Clients	23 mn	23 mn	23 mn
5	Loan Accounts	25 mn	25 mn	25 mn
6	Gross Loan Portfolio (Rs)	163.47 bn	170.81 bn	186.39 bn
	Net Loan Portfolio (Rs)	148.57 bn	154.08 bn	168.90 bn
	Managed Portfolio (Rs)	14.90 bn	16.73 bn	17.49 bn
7	Loans Disbursed	44,85,392	39,77,714	50,84,987
8	Amount Disbursed (Rs)	49.75 bn	50.89 bn	61.94 bn
9	Amount Disbursed per loan (wt avg)	11,093	12,793	12,182
10	Loan Outstanding per client (wt avg)	7,141	7,530	8,144
11	Assets (Rs)	173.65 bn	192.36 bn	197.64 bn
12	Equity (Rs)	46.57 bn	40.00 bn	28.14 bn
13	Borrowings (Rs)	110.57 bn	136.24 bn	131.16 bn
14	PAR 30	29.6%	24.0%	21.8%
	PAR 30 (for non AP MFIs )	1.6%	1.0%	0.9%
15	PAR 90	29.1%	23.9%	21.7%
	PAR 90 (for non AP MFIs )	1.3%	0.8%	0.7%
16	PAR 180	28.6%	24.1%	21.0%
	PAR 180 (for non AP MFIs )	1.0%	0.7%	0.6%
17	Clients per branch (wt avg)	2,240	2,393	2,488
18	GLP per branch (wt avg) (Rs)	16.00 mn	18.02 mn	20.26 mn
19	Clients per employee (wt avg)	291	365	377
20	Clients per loan officer (wt avg)	457	564	588
21	GLP per employee (wt avg) (Rs)	2.08 mn	2.75 mn	3.07 mn
22	GLP per loan officer (wt avg) (Rs)	3.26 mn	4.25 mn	4.79 mn

\* Aggregated number given in the table are for the total industry

# Members\*

Adhikar  
Anjali  
Arman  
Arohan  
ASA  
Asirvad  
Asmitha  
Bandhan  
Belstar  
BSFL  
Chaitanya  
Disha  
Equitas  
ESAF

Fusion  
FFSL  
Grama Vidiyal  
GF SPL  
Janalakshmi  
L & T Finance  
Madura  
Mimoza  
Muthoot  
Sahayata  
Saija  
Samasta  
Sarvodaya Nano  
Satin Credit

Share  
SKS  
Smile  
Sonata  
Spandana  
Suryodaya  
SVCL  
Swadhar  
SWAWS  
Trident  
Ujjivan  
Utkarsh  
VFS

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