



4th EASTERN INDIA MICROFINANCE SUMMIT 2018

Microfiance: Going Digital While Retaining the Humane Touch.

ON 14th OF DECEMBER 2018 AT THE PARK, KOLKATA

ORGANIZED BY

AMFI-WB

Association of Microfinance Institutions – West Bengal

Knowledge Partner



ABOUT 4TH EASTERN INDIA MICROFINANCE SUMMIT 2018:

Microfinance: Going Digital while retaining the Humane Touch

Introduction to Microfinance in India:

There is a growing global demand for digital financial services. With the increase in smart phone penetration in India, the customers of Microfinance Institutions (MFIs) will be no exception. Over the years, the MFIs have been providing small loans and financial services to individuals, primarily in rural and semi-urban areas that have traditionally been excluded from the formal financial system run by the main street bankers due to multiple reasons, including transaction cost, unavailability of formal financial history, etc.

Given the strong drive towards financial inclusion by the Government of India as well as the Reserve Bank of India (RBI) over the past decade or so, the MFIs have assumed a key role in ensuring the reach of financial services to the target segments enabling them to undertake income generation activities, drive self-employment and overcome the economic barriers in a sustainable manner.

The NBFC-MFIs fulfill an unfunded credit gap for women who do not have the wherewithal to provide collateral or security of any sort. The aim of NBFC-MFIs is to build sustainable livelihoods. Indeed, the MFIs are motivated to serve the poor but to continue effectively playing that role in the long run, the players in the microfinance business need to embrace technologies and digitize their business models.

The Small Finance Banks and the NBFC-MFIs are the key players in the JLG/ SHG hybrid MFI market while traditional banks typically have SHG bank linkage MFI portfolio. The financial institutions involved in MFI lending currently include banks (Commercial, co-operative/ Regional rural), small finance banks (SFB), NBFCs, NBFC – MFIs and not-for-profit institutions (trusts, Section 8 companies, societies, etc.)

Micro loan disbursement in rural areas is undergoing a digital transformation with the MFIs preferring the cashless mode. The MFI loan portfolio of banks has grown at a CAGR of 13% (FY14-FY17), while the same for NBFC-MFIs has been growing at a CAGR of 61% in the same period. The eight NBFC-MFIs which have been granted SFB licenses are fully operational. They offer MFI loans under the JLG/ hybrid SHG program. Loan portfolio of these SFBs has grown at a CAGR of 71% (FY17-Q3 FY18) and account for the largest chunk of the JLG/ hybrid SHG market at present.

Geographically, the Southern region of the country has the highest share both in terms outreach and loans outstanding, followed by East. However, the growth rates are higher in the Northeastern and Central regions. Top 10 states i.e. West Bengal, Tamil Nadu, Karnataka, Maharashtra, Bihar, Uttar Pradesh, Madhya Pradesh, Assam, Orissa and Kerala account for almost 86% of the total industry portfolio. Four of these states are from Eastern India, underlying the importance of the region to the industry. The ability to provide financial services via digital channels is opening up new opportunities to reach the segment of population that previously were un-served.

Recent developments that affected the microfinance sector in India:

Conversion to SFB and challenges: To facilitate financial inclusion and banking penetration in India, the RBI granted 10 small finance bank licenses out of which eight are MFIs. The licensing norms mandate lending to customers at the bottom of the pyramid (loan size up to INR 2.5 million have to form at least 50 per cent of the

loan book). The entities are also allowed to mobilize deposits and enter into other banking activities.

Further, upon conversion to SFBs, they will not be subjected to the existing spread cap limit of 10% (for NBFC-MFIs). The customers for small loans are not rate-sensitive; they are more driven by service delivery. The SFBs are likely to face numerous challenges in the initial years of banking operations, such as adapting to banking technology, raising retail deposits, adding new branches and training employees. However, given their good track record of operating in the under-penetrated geographies of the country, they can survive the initial operating pain in order to gain from the immense opportunities in the ensuing years.

Emergence of Digital Ecosystem: Technology is expected to play a pivotal role in the segment, given the intense nature of operations. The MFIs will have an additional set of technology proficient competitors such as Fintech-based small-ticket lenders and crowd funding institutions. Usage of e-payments and ATM cards by the microfinance clients for payment and disbursement of loans is making the task of microfinance service providers much easier and this is why they are concentrating majorly on increasing the clientele. The microfinance institutions are also adopting Management Information System (MIS) for managing client data, streamlining their data maintenance. With the use of IT, the MFIs are also trying to simplify the process of lending small loans by making it more cost effective.

Geography Currently, the microfinance institutions operating under the JLG/SHG hybrid model have a high gross loan portfolio in the southern states of Karnataka, Tamil Nadu, western states of Maharashtra and Madhya Pradesh and eastern states of Bihar and Orissa.

Maharashtra has the highest number of MFIs operating under the JLG/SHG hybrid model (26), followed by Bihar (24) and Uttar Pradesh (19). However, the western and southern regions of Maharashtra are more attractive for the MFIs than central

Maharashtra; and owing to this, there is high density of MFIs in the region. Within the state, Northern Maharashtra has the lowest density and growth is expected to come from this region.

While states like Tamil Nadu, Karnataka and Odisha are likely to see high penetration levels of more than 70%, a majority of the states in the rest of the country including key states in the northern and central region like Gujarat, Rajasthan, Maharashtra, Uttar Pradesh etc. which possess a significant potential for MFI growth are expected to remain underpenetrated. This gives a significant headroom and opportunity for MFIs to grow.

About the summit:

Given the recent disruptions in the environment and regulatory reforms, it is necessary to bring micro-lenders, bankers, policy-makers, allied financial service providers and researchers together with a common forum. To this end, the Association of Micro Finance Institutions – West Bengal, along with its member MFIs and knowledge partner KPMG – is hosting its 4th Eastern India Microfinance Summit 2018 titled, Microfinance: Going Digital while retaining the Humane Touch on December 14th at the Park, Kolkata. The objective and purpose of the summit is to actively engage key stakeholders in discussions relevant to current and future aspects of financial inclusion.

Snapshot of the previous summit:

Association of Micro Finance Institutions along with its member MFIs and knowledge partner KPMG had hosted the 3rd Eastern India Summit on 18th January, 2018 which saw participation from MFIs, NBFCs, Banks, Insurance companies and SFBs with as many as 380 delegates attending the event. The central theme for the summit was “Microfinance: The crucial link in inclusiveness” with discussions covering points such as Future of MFIs, role of digitization in reducing cost of delivery, collaboration with insurance companies and the changing landscape for MFIs.

Discussions in the 4th Eastern India Microfinance summit will focus on the following themes:

- **The next wave of growth for Microfinance:**

- The MFIs have typically been growing through increase in rural penetration and expansion to more geography. The MFI penetration is on a rise in North, East and Central regions in addition to Northeast India which have been underpenetrated and this trend is likely to continue
 - Large MFIs which have converted to SFBs are tapping the market through wider product offerings in the liability as well as the asset sides. They are also extending their presence in urban areas for increase in overall ticket size and volume
 - The MFIs have been lending aggressively and some of the MFIs have grown their disbursements at a CAGR of ~50% in the last 3 years
 - With the underlying growth potential remaining strong, the MFIs have attracted investors' interest leading to a spurt in M&A and PE activities. While the growth has been significant, there has been an increase in competitive intensity
 - As MFIs seek to continue on the growth path, they are evaluating geographical expansion, product portfolio expansion opportunity to cross-sell other financial products such as mutual fund and insurance. Besides, they are also investing in technology and looking for strategic alliances with Fintech players.
 - The success of these strategic initiatives will depend on regulatory environment, development of technology-based ecosystem and management of credit and operational risks
- Allied ecosystem for MFIs
 - As the competitive intensity for MFIs increase, the pressure on NIM will increase considerably. So, the need for the MFIs to focus on non-interest income/ credit plus products becomes very important.
 - The MFIs can help improve social impact through distribution of products such as solar lamps, LED bulbs and lights, sanitation products, purifiers, etc.

- **The MFIs can additionally enhance penetration of insurance in General and Life insurance sector with simple, contextual and small ticket size products, based on the needs of the segment.**
- **The MFIs will need to strategize to build technology or buy technology solutions available in the market and leverage their presence in order to achieve social and financial goals by expanding the products or services for the target segment.**
- **For a sustainable growth of MFIs, an ecosystem needs to develop and all other stakeholders such as solar, LED light manufacturers, insurers, water purifier manufacturers, technology solution providers need to play a role in enhancing the lives of the financially and socially backward sections of the society. This can be done by offering them access to cheap energy solutions, hygiene related products, protection and medical coverage in addition to meeting credit needs for basic occupation and other personal needs.**
- **Collaboration with Fintech firms:**
 - **Scalability of the model has been driven by a branch-led expansion which is an expensive strategy especially when the threat of disruption to the model has increased.**
 - **Competition from Fintech players operating in the same space of small ticket loans is increasingly felt in the urban areas and rural adoption is not very far away.**
 - **While implementation of core banking systems and loan management systems are underway at many MFIs, there is a need to digitize across the value chain focusing on customer onboarding, underwriting, collections and governance mechanisms.**
 - **The MFIs have a strong local presence and connect with groups or individuals at the time of sourcing and collections, with both field-based and branch-based collections models prevalent in the market.**

- **Technology can be incorporated while retaining the human touch which is characteristic of MFIs.**
 - **Collaborations with Fintech firms across distribution, collection, cross sell, monitoring and customer education is imperative.**
 - **The MFIs can leverage digital footprint for alternate credit scoring model-based partnerships with value added services players.**
 - **The focus of technology strategy needs to be increasing operating efficiency, reduction of cost, arranging wide cross-sell, and data analytics with clear goals.**
 - **Technology will be the key to delivering a profitable and scalable model as increase in competition and rise in borrowing costs will add pressure to the margins going forward.**
- **Regulatory and Risk management implications in the changing landscape:**

As MFIs embark on the journey to enter the next phase of growth, a regulatory framework needs to be put in place to ensure the following:

- **Widening of the MFI space across lending ecosystem – the segments currently targeted by banks such as lending to small and medium enterprises, loan against property (LAP), personal loans etc.**
- **The regulator may review the cap for MFI loans besides the need for additional SROs, employee associations etc.**
- **A balanced approach can be adopted to help fuel the MFI growth through product expansion. Of course, at the same time, we need to ensure that the borrowers are not overleveraged.**
- **Potential introduction of borrower / household level monitoring of the debt burden especially for smaller ticket loans.**
- **Over leveraging of this borrower segment through multiple credit facilities in a household and absence of a common bureau could have an adverse impact**

especially in light of external shocks of the system including and not limited to the likes of demonetization, rumors, political stability etc.

The MFIs need to put in place a risk framework for the following reasons:

- The entry of SFBs and Banks in this borrower segment will impact A. Pricing; B. Ticket sizes; C. Product features; and D. Repayment behavior; and sustainability of the MFIs that would have to compete with the SFBs, Larger NBFCs and Banks.
- Impact of changes in the collection model – from group meeting and collections to individual collection model. This may have an impact on the repayment behaviors and collection efficiency levels thereby impacting the credit quality.
- Need to evaluate the overall indebtedness of the borrower and household at the time of underwriting would be critical going forward given the exposure of this segment to multiple lending forms. This would be a significant change in the operations (including manpower costs) of the MFI which primarily relied on income declaration and residence proofs of the borrowers.
- MFIs may need to introduce additional cross-sell products including top ups, demand loans, secured loans to compete with the array of products being offered by the SFBs and Banks to this borrower segment.
- The MFIs need to develop a framework for risk selection and monitoring as they implement system-wide changes for entry into newer products, models and underwriting processes.

The expected outcome from the Summit:

1. Opportunity for Lenders, Investors including global partners to meet, interact and work-out partnership opportunities with Microfinance Institutions in Eastern India
2. Panel Discussions by the participating Banks, SIDBI, NABARD, Mudra Bank, lenders and experts in the field. MFIs providing an insight into the operational environment, challenges, risks, scope and opportunities in the eastern region.

3. Understanding the status of Eastern region as against other region, the economic disparity, regional skew, the scope and role of participants in addressing issues related to this disparity.
4. Opportunity for partnership of MFIs with IT industry, Insurance companies, and organizations offering products targeted towards MFI clients – Clean energy, water purification etc.
5. Successful knowledge fair for displaying products, services and publications offered by IT companies, Insurance companies, Rating/Credit Bureaus, clean energy, other products.

Expected Speakers and panelist from the following Institutions:

1. RBI
2. State Finance Department and Ministry of Finance, Govt. of West Bengal
3. SIDBI and NABARD
4. Mudra Bank
5. SBI, IDBI, UCO, Bandhan Bank Ltd., Allahabad Bank, UBI, RMK BGVB, Union Bank of India etc. and nationalized banks – representation of MD, Chairman, CGM and GM level
6. National and International Lenders and Investors in Micro Finance Industry:
7. KPMG
8. MFIN and Sa-Dhan as SRO
9. Support services Institutions:
 - a. Ratings, Institutions and CB Institute
 - b. Insurance Companies
 - c. IT and telecom Companies.
10. Product based companies (mostly Solar companies, water purification and other consumer product):

Target Audience/Participants and delegates:

- There will be around 300 Leaders and senior officials from MFIs (NGOs as well NBFCs, SFBs and Bank) who are operating in West Bengal, Odisha, Jharkhond, Bihar and North Eastern States. Expected over 60 MFIs from Eastern India.
- Banks, Regulators, Ratings Agencies,
- Researchers, Scholars and Students
- Energy Companies especially green energy providers and social enterprises
- Mobile Banking/Core Banking Solution Providers
- Industry association/network
- Donor agencies/multilateral Institutions and International Agencies.
- Consultancy firm
- All stakeholders
- A good number of Reporters from print and electronic media

Why Attend:

- Stay up-to-date with comprehensive information and knowledge sharing
- Strong participation from the banking sector, MFI industries, Govt. departments, insurance companies, rating institutions, financial consulting firms, SRO i.e. national-level MF associations/network
- Access a unique platform to interact with and learn from key policy makers, bank and microfinance industry leaders
- Gain special networking opportunities and new business avenues
- Interact and discuss new hope for NGO –MFIs

Who Should Attend:

- Heads and executives from MFIs and BC Organizations
- Heads and executives from state and national level MF industry associations/networks/SROs.
- Managers and executives from the RBI (Expected)
- General Managers, CGM, ED, MD from as many as 25 commercial and nationalized banks and financial institutions.
- Heads and executives from insurance companies
- Heads of rating institutions, software companies, consultancy firms

Invited Speakers, Dignitaries, and Participants:

- Senior Officials from SIDBI, NABARD
- Senior Officials from the RBI
- Distinguished members of the banking sector
- Eminent speakers from MFIN and Sa-Dhan
- Prominent personalities from the microfinance industry
- Renowned speakers from rating and insurance companies
- Senior official from knowledge partner KPMG

4th Eastern India Micro Finance Summit 2018 – Sponsorship

Categories:

Sponsorship Proposal	Conference Partner	Principal Sponsor	Co-Sponsor	Associate Sponsor	Media Partner	Technology Partner	Venue Partner
Sponsorship Amount	Amount in Rs. with 18% GST						
	Up to 4 Lac	Up to 3 Lac	Up to 2 Lac	Up to 1 Lac	Up to 1 Lac	Up to 75 Thousands	Up to 50 Thousands
Status of “Conference Partner” Sponsors name and Logo will be prominently displayed at the venue	√						
Prominent display of logo on the main backdrop	√	√	√	√	√	√	√
Display of logo on conference Pre-Summit Publication, Post-report	√	√	√	√	√	√	√
Up and down (Round) air ticket to reach venue with 5-star Hotel accommodation for one day for one person (Senior representative of company) – Subject to at least one month before confirmation.	√						
Speaker slot to a company senior representative at Inaugural session	√						
Speaker slot to a company senior representative at Plenary/Panel session	√	√	√				
Branding at significant point of venue	√	√	√	√	√	√	√
Insertion of company’s brochure, gift (if any) and publicity material in conference kit	√	√	√	√	√	√	√
Projection of logo on screen during the break	√	√	√	√	√	√	√

Sponsorship Proposal	Conference Partner	Principal Sponsor	Co-Sponsor	Associate Sponsor	Media Partner	Technology Partner	Venue Partner
Sponsorship Amount	Amount in Rs. with 18% GST						
	Up to 4 Lac	Up to 3 Lac	Up to 2 Lac	Up to 1 Lac	Up to 1 Lac	Up to 75 Thousands	Up to 50 Thousands
Screening on a corporate video during the session breaks or lunch time.	√	√	√		√		
Complimentary exhibition space of 2*2 Meters at the conference venue	√	√					
7 delegate passes to attend the conference	√						
5 delegate passes to attend the conference		√	√				
3 delegate passes to attend the conference				√	√	√	√

N: B: Applicable taxes will be levied with Sponsorship amount.

Provision of Stall for product and publication display:

- **Stall Contribution: INR 35000.00 + 18% of GST = Total Rs.41300.00**
- Stall size: Octanorm stall. 2m X 2m with 2m height with 2 spotlight, one table and 2 chair

Provision of Screening of corporate video clip (the clipping should be maximum 5 minutes):

- **For screening cost: INR 30000.00 + 18% of GST = Rs.35400.00**
- Screening during the session break or lunch time at main Led Backdrop
- Screening all time in Led/Plasma TV (without sound)

Registration Form

Yes, I/We am/are interested in participating in the 4th Eastern India Micro Finance Summit 2018 and would request for my/our registration as a delegate(s). The detail of delegate(s) are:

Sl. No.	Name of the delegate	Designation	Organization with address	Contact detail: (telephone, email etc.
1.				
2.				
3.				

4.				
5.				
6.				
7.				
8.				
9.				
10.				

Registration Fees:

1	For AMFI-WB Members:
	<p>Rs.1000.00 per head + 18% GST = Total Rs.1180.00</p> <p>Early bird registration on or before 15.11.2018 with 10% discount i.e. Rs.900.00 per head + 18% GST = Total Rs.1062.00</p>
2	For MFIs who are not member of AMFI-WB:
	<p>Rs.1200.00 per head + 18% GST = Total Rs.1416.00</p> <p>Early bird registration on or before 15.11.2018 with 10% discount i.e. Rs.1080.00 per head + 18% GST = Total Rs.1274.00</p>
3.	Others
	<p>Rs.1500.00 per head + 18% GST = Total Rs.1770.00</p> <p>Early bird registration on or before 15.11.2018 with 10% discount i.e. Rs.1350.00 per head + 18% GST = Total Rs.1593.00</p>
4.	For Students, Researcher, Faculty etc. (Limited Seats)
	<p>Rs.800.00 + 18% GST = Total Rs.944.00</p>

Note. The fees do not include accommodation.

All payments are to be made through DD/local cheque drawn in favour of: AMFI-WB. Name of the bank: Bandhan Bank. Account Number: 50150085467805. Account Type: SB TSAC-Trust-Society-ASSOC. Branch Name/Code: Belghoria/1594. Branch Address: Queen Tower, 75 Feeder Road, Belghoria, Kolkata – 700056. MICR/IFSC Code: 700750013/BDBL0001594. PAN of AMFI-WB: AADTA0559K. GST Number -

Contact:

Mr. Asit Kumar Mitra & Mr. Rajib Chakraborty

Reg. Office: EC – 76, Sector – I, Salt Lake City, Kolkata – 700064, West Bengal











Corporate Office: BD-407, Sector – I, Salt Lake City, Kolkata – 700064, West Bengal India.

Phone: +91 33 46003921, Mobile: +91 9007508415, 7980244417, 9051896873. E-mail:

wb.amfi@gmail.com, Website: www.amfi-wb.org

Our Sponsors and supporters/Partners for earlier Summit(s):

<p>IDBI Bank</p>	
<p>SIDBI</p>	
<p>NABARD</p>	
<p>Greenlight Planet INC</p>	
<p>Bajaj Allianz Life Insurance Company Ltd.</p>	
<p>Bandhan Bank</p>	
<p>Nelito</p>	

<p>KPMG as Knowledge Partner</p>	
<p>IFMR Lead as Knowledge Partner</p>	
<p>Samsung</p>	
<p>Shriram Life Insurance Company Ltd.</p>	
<p>Punam Energy Pvt. Ltd. (Onergy)</p>	
<p>“E & Y”</p>	
<p>Karuna Group</p>	
<p>RAL Consumer Products Ltd. MITVA</p>	
<p>High Mark</p>	
<p>Panasonic India</p>	

Future Generali	
Force Ten Technologies	
Cristal System & Solution	
HDFC ERGO	
DHFL Premarica	
Pixel Solutionz	
PwC as Knowledge Partner	

The Association of Micro Finance Institutions - West Bengal (AMFI - WB):

The Association of Micro Finance Institutions - West Bengal (AMFI - WB) is an institution which endeavors to promote and develop microfinance in the State. With a membership of 34 Micro Finance Institutions and banks, AMFI – WB currently caters to around 68 lakh poor women by providing them with financial services, especially micro credit. AMFI – WB regularly conducts stakeholder meets at the district level, management development programs for its members, microfinance industry-related seminars & workshops, and member meetings on matters of mutual interest.

AMFI-WB is a state level federation of Microfinance Institutions in West Bengal. Banks, Insurance Company and Social sector enterprise in the microfinance space actively participate as associate members.

The mission of AMFI-WB is to build a fair and congenial environment for community development financing in West Bengal helping members to serve their target clients, particularly women from poor families in pursuit of sustainable livelihood, both in rural and urban areas

In pursuit of this objective, among other developmental activities, AMFI-WB holds annual summit every year that brings all stakeholders from the industry together towards productive discussions and mutually beneficial collaborations towards their common objective.

KPMG:

KPMG in India, a professional services firm, is the Indian member firm affiliated with KPMG International and was established in September 1993. Our professionals leverage the global network of firms, providing detailed knowledge of local laws, regulations, markets and competition. KPMG has offices across India in Ahmedabad, Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Jaipur, Kochi, Kolkata, Mumbai, Noida, Pune and Vadodara. KPMG in India offers services to national and international clients in India across sectors. KPMG strive to provide rapid, performance-based, industry-focused and technology-enabled services, which reflect a shared knowledge of global and local industries and our experience of the Indian business environment.

Past Initiatives:

Over the last 7 years, AMFI-WB has taken number of initiatives to minimizing the gap and making a strong bridge between Microfinance institutions and various segments of its stakeholders such as – bank and financial institutions, insurance companies and IT companies, rating and credit bureau institutions, Regulators etc. please visit AMFI-WB website to view all (www.amfi-wb.org).

AMFI-WB initiated number of such events during last seven years where many eminent personalities shared their views for the betterment of the Industry. Here are small glimpse:



4th Eastern India Microfinance Summit 2018



Microfinance Summit 2018



Microfinance Summit 2018

4th Eastern India Microfinance Summit 2018



