



5th Eastern India Microfinance Summit 2019

*“Microfinance – Contributions to Financial Inclusion;
Opportunity and Challenges Ahead”*

On 18th of December 2019 at The Lalit, Kolkata

Organized by : **AMFI-WB**

Knowledge partner :



About 5th Eastern India Microfinance Summit 2019:

Microfinance – Contributions to Financial Inclusion; Opportunity and Challenges Ahead

INTRODUCTION:

Microfinance institutions for decades have positively impacted financial inclusion, savings and lending, especially in semi-urban and rural locations. The last five years have seen a massive push from the government to improve financial inclusion on all three pillars of financial access – credit, savings and insurance. The years 2015 through 2018 have seen improvement in financial inclusion across various fronts.

- MSME credit expanded to Rs 13.6 Lakh Cr, CAGR of 14% from 2015.
- Accounts under Pradhan Mantri Jan Dhan Yojana more than doubled from 14.5 Cr to 31.4 Cr
- Micro-insurance products saw 36% CAGR with 6 Cr new lives insured in 2018.
- Rural houses built under PMAY, IAY schemes stood at 44.5 lakh units in 2018 (CAGR of 55%)

The above developments augur well for the microfinance sector in the form of new growth avenues. With a relatively lower interest rate regime, Microfinance portfolio has grown CAGR of 30% in the last 3 years across NBFC-MFIs, SFBs and Banks. While SFBs enjoy less regulatory restrictions than NBFC-MFIs; they are adapting to the increased compliance. As MFIs seek to continue on the growth path, the MFIs are evaluating geographical expansion, product portfolio expansion opportunity to cross sell, upsell non-lending products, investment in technology, strategic alliances with Fintech players etc. The sector is also witnessing consolidation in the form of mergers of involving some of the larger Microfinance lenders. The success of these strategic initiatives will depend on regulatory environment, technology based ecosystem development and management of credit and operational risks.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy adversely affects the Microfinance industry. Overleveraging of borrowers by MFIs and SFBs is seen to be prevalent across states and is likely to affect asset quality. Over the last decade, events including and not limited to political and regulatory changes, social disturbances, religious or communal tensions, natural calamities, and various other factors have adversely affected the operations and performance of Microfinance lenders. The sector has time and again demonstrated that the ability to tackle these event risks and resume on the growth path. However, there is a need for the Microfinance lenders to

arrive at a model by which they will be able to minimize the impact of these events on their ability to continue serving the financially underserved.

Role of data and technology in driving growth – Opportunities and Challenges

Across financial services sector, we are seeing increased adoption of digital technologies and the use of data to improve efficiencies and provide better customer service and the microfinance players are no exception. The success of the model, MFI industry or institution per se has always been around customer centricity. While most MFIs have adopted cashless disbursements, they are continuously exploring opportunities to leverage technology through every stage of the lending value chain. A few players have started experimenting with digital methods for customer onboarding such as a mobile application to avail instant loans while others have initiated digital collection processes and have gained traction with as much as one-third of their collections conducted through cashless mode. 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. Digital is emerging as a key enabler in microfinance and may see adoption by other players in the near future.

Traditionally a high-touch model, microfinance players may be faced with the task of educating the consumers about digital methods when embarking on the digital journey. The focus of technology strategy continues to be increasing operating efficiency, cost reduction, arranging wide cross-sell, and data analytics with clear goals. Technology will play a pivotal role in delivering a profitable and scalable model as increase in competition and rise in borrowing costs will add pressure to the margins going forward.

Microfinance – Balancing the social and commercial roles in the current landscape

True to its nature of doing well by doing good, players in the microfinance industry have always strived to make a difference in the lives of their customers and yet run a sustainable business. Faced with challenges of reducing interest rates in the market, microfinance industry has seen introduction of various process improvement measures. Use of technology coupled with customer education has led to lower delinquency and higher profitability, while also educating the customer about responsible use of funds. Some players have started diversifying into other avenues like micro-insurance by leveraging the captive customer base.

As the competition intensifies, there has been a trend in the sector towards winning over the customers by participating in their social upliftment. Some microfinance institutions have started lending for non-income generating activities like construction of toilets, solar lighting and education purposes. With the bottom of the pyramid abound with multiple social challenges, microfinance industry is poised to capture this market and make a positive impact in the socio-economic status of the poor.

Role of SROs and Regulators in the current landscape

The microfinance sector has been buzzing with a lot of activity

over the last few years. Besides NBFC MFIs, the industry has attracted interest from a number of players like banks, small finance banks, fin-tech players and NBFCs, leading to improved access for the customer. SFBs, Banks and other NBFCs entering the borrower profile currently targeted through MFIs and who are no longer New to credit customers is likely to change the market dynamics related to pricing, product offerings, level of exposures, borrower indebtedness and credit quality. This period of dynamic change might be an opportune time for the regulators to re-evaluate certain rules such as the lending cap on NBFC MFIs.

SROs have also played an active role in the evolution of microfinance sector by encouraging players to adopt a common code in order to prevent over-indebtedness and adopt fair practices. The microfinance sector has weathered many a crisis, thanks to timely intervention by the regulators who have instilled prudence and provided an enabling regulatory environment. In the current scenario, the industry looks up to the regulators and SROs for an evolved regulatory guidance – one that offers a level-playing field across the types of microfinance lenders, encompassing lending caps and household indebtedness – a measure that can ensure all risks are managed pro-actively.

BEYOND LENDING

The next frontier in microfinance is to explore avenues beyond credit and achieve financial inclusion in a holistic manner. As indicated by several studies, the impact on the poor is higher if other services are made available beyond micro-credit. Micro-insurance is emerging as a promising new avenue and as of 2018, 20 MFIs have provided health insurance products to over 9 lakh customers while over 51 lakh customers have been provided with non-health products by 33 MFIs. As the competitive intensity for MFIs increase, the pressure on margins will increase considerably. So, the need for the MFIs to focus on non-interest income/ credit plus products becomes very important. MFIs can enhance the penetration of insurance in General and Life insurance

sector with simple, contextual and small ticket size products, based on the needs of the segment.

Several other activities can be considered under the credit-plus umbrella. The MFIs can help improve social impact through distribution of products such as solar lamps, LED bulbs and lights, sanitation products, purifiers, etc. There is empirical evidence that water and sanitation loans have 0% NPA since this is viewed by the borrower as an uplifting gesture and is treated with gratitude. With non-income-generating loans forming 7% of overall loans, there is still some room to grow this segment. Financial literacy programs, development programs for micro-entrepreneurs and preventative health awareness programs are some of the other avenues that could be explored. Such programs build brand loyalty, help in customer acquisition in the long run and are a win-win for all stakeholders in the inclusive finance ecosystem.

Target Audience/Participants and delegates

- There will be around 400 Leaders and senior officials from MFIs (NGOs as well NBFCs, SFBs, BCs and Bank) who are operating in West Bengal, Odisha, Jharkhand, 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

AMFI-WB: 5th EASTERN INDIA MICROFINANCE SUMMIT 2019

MICROFINANCE AWARDS

The Awards shall be distributed on 18th of December 2019 at The Lalit, Kolkata.

AMFI-WB has been organizing the Eastern India Microfinance Summit over the past five years and it proposes to recognize contribution of various institutions towards Microfinance and are reaching out to all players within the Microfinance domain covering Universal banks, SFBs and MFIs & other players in microfinance domain.

We are inviting nominations for the following categories for:

1. *NBFC; NBFC-MFIs (members only)*
2. *NGO-MFIs (members only)*
3. *SFB, Banks & Other FI including non-members*

In line with this, we request you to kindly send us a confirmation for your nomination and the following information via email at miyer@kpmg.com, mikhilshah@kpmg.com, wb.amfi@gmail.com,

Nominations are invited for the following categories:

1. *Description of the Digital Innovation initiative across business model, service delivery, customer experience, etc.*
2. *Description of customer relationship initiatives including increasing savings habits, feedback process, turn-around time for resolving customer complaints etc.*
3. *Description of the East India coverage.*
4. *Description of the Risk management initiatives.*
5. *Descriptions of the social impact initiatives.*
6. *Award for a new age fast growing MFI*

Your nominations can be considered for any **THREE** of the above categories. Your institution will be awarded in not more than **ONE** category. Therefore, we request you to

submit your nominations for the categories you are best placed.

All the entries submitted in the prescribed format will be screened by the **KPMG** team for completeness and relevance. These entries will then be evaluated by a pre-jury panel, comprising of senior practitioners from **KPMG**India and microfinance experts, who will analyze entries across the five categories. There will be no award for any category receiving less than FIVE entries/nominations. The entries will then be judged by an independent jury, consisting of

eminent members from banking and financial services sector. **KPMG is the Knowledge Partner of 5th Eastern India Microfinance Summit 2019.**

Kindly send us the above information in the format enclosed by **16th November 2019.**

Please feel free to contact Mr. Muralidharan Iyer at miyer@kpmg.com or Mikhil Shah at mikhilshah@kpmg.com or Mr. Asit Kumar Mitra at wb.amfi@gmail.com for any further queries or clarifications in this regard.

5th Eastern India Micro Finance Summit 2019 – Sponsorship Categories

Sponsorship Proposal	Conference Partner	Principal Sponsor	Co-Sponsor	Technology Partner	Media Partner	Venue Partner
Sponsorship Amount	Amount in Rs. Plus 18% GST					
	Up to 5 Lac	Up to 4 Lac	Up to 3 Lac	Up to 2 Lac	Up to 1 Lac	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	√	√	√	√	√	√
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.

THE ASSOCIATION OF MICRO FINANCE INSTITUTIONS - WEST BENGAL (AMFI - WB):

West Bengal (AMFI - WB) is an institution which endeavors to promote and develop microfinance in the state of West Bengal. Founded as a self-regulatory organization, and registered as a Public Charitable Trust in 2010, AMFI-WB encompasses a community of microfinance organizations that operate in West Bengal.

It was formed to deliver better services to the poor, thereby helping these populations improve their standards of living. AMFI-WB envisions a community of microfinance institutions who are committed to initiating a significant change in the lives of the poor, especially women. AMFI – WB currently caters to around **71.26** lakh poor women by providing them with financial services, especially micro credit. With a membership of 35 Micro Finance Institutions, bank especially micro credit through approximately **25639** employees who hail from lower economic background.

Their primary goals include: encouraging MFIs to maintain healthy relationships with banks, ensuring

that MFIs stay on track and focused with the guideline prescribed to them, and mediating between various government officials and other important sector stakeholders. 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.

OUR MISSION

The sole objective of AMFI-WB is to initiate a significant change by empowering the poor, especially women, who are socially disadvantaged and economically exploited. With this objective, AMFI-WB monitors MFIs to ensure that they are compliant with the RBI guidelines and that they adhere to the Codes of Conduct prescribed by the RBI, MFIN, and Sa-Dhan.

It boasts of being a ‘first-of-its-kind’ initiative in the state’s collective fraternity of key MFI players. It is a unique effort, and has been instrumental for the enhancement of income-generating activities among poor women through the help of microfinance services in the state.

KPMG IN INDIA :

KPMG in India, one of the Big 4 professional services firms, 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.

Over the years, KPMG has assisted over 30 microfinance institutions in multiple areas including growth strategy, operationalization, and project management to name a few. We have also assisted 4 of the 10 SFBs along their journey from a MFI institution to a SFB. KPMG has been part of several committees with regulator, banking bodies and has shaped policies, guidelines in the recent past.

KPMG has been associated with the summit over the last 2 editions of the Eastern India Microfinance Summits as Knowledge Partners.



AMFI-WB INITIATED NUMBER OF SUCH EVENTS DURING LAST EIGHT YEARS WHERE MANY EMINENT PERSONALITIES SHARED THEIR VIEWS FOR THE BETTERMENT OF THE INDUSTRY. HERE ARE SMALL GLIMPSE:



DETAILS OF AMFI-WB PRESENT MEMBER ORGANIZATIONS

Sl. No.	Name of the Organization	Status
1	Arohan Financial Services Limited	NBFC-MFI
2	ASA International India Microfinance Ltd.	NBFC-MFI
3	Asirvad Microfinance Ltd.	NBFC-MFI
4	Bandhan Bank Ltd.	Universal Bank
5	Barasat Sampark	NGO-MFI
6	Belghoria Janakalyan Samity	NGO-MFI
7	Bharat Financial Inclusion Ltd.	NBFC-MFI
8	Dhosa Chandaneshwar Bratyajana Samity	NGO-MFI
9	Dakshin Budhakhali Improvement Society (DBIS)	NGO-MFI
10	ESAF Small Finance Bank	Small Finance Bank
11	JAGARAN MICROFIN PVT. LTD	NBFC-MFI
12	Jana Small Finance Bank	Small Finance Bank
13	Janakalyan Financial Services Pvt. Ltd.	NBFC-MFI
14	L&T Finance Ltd.	NBFC
15	Sarala Women Welfare Society	NGO-MFI
16	Sarala Development & Microfinance Pvt. Ltd.	NBFC-MFI
17	Satin Credit Care Network Ltd.	NBFC-MFI
18	Sampurna Training & Entrepreneurship Program (STEP)	NGO-MFI
19	Society for Model Gram Bikash Kendra	NGO-MFI
20	Seba Rahara	NGO-MFI
21	Annapura Microfinance Pvt Ltd.	NGO-MFI
22	Grameen Shakti Microfinance Services Pvt. Ltd.	NBFC-MFI
23	Swapnatari Financial Services Pvt. Ltd	NGO-MFI
24	Uttrayan Financial Services Pvt. Ltd.	NBFC-MFI
25	Ujjivan Small Finance Bank	Small Finance bank
26	UNACCO Financial Services Pvt. Ltd.	NBFC-MFI
27	Village Welfare Society	NGO-MFI
28	Village Financial Services Ltd.	NBFC-MFI
29	Vedika Credit Capital Ltd.	NBFC-MFI
30	Fusion Microfinance Private Limited	NBFC-MFI
31	Samasta Microfinance Limited	NBFC-MFI
32	Satya Microcapital Limited (Formerly known as TFC Finvest Ltd.)	NBFC-MFI
33	Spandana Sphoorty Financial Ltd.	NBFC-MFI
34	Muthoot Microfin Limited	NBFC-MFI
35	Nari-O-Shishu Kalyan Kendra	NGO-MFI
36	Dar Credit & Capital Ltd.	NBFC
37	Sarwadi Finance Pvt Ltd	NBFC0-MFI
38	Kuberkanak Microfinance Association	NGO-MFI

CONTACT :

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