



## 2012 Asia Regional Snapshot

*The Premier Source for Microfinance  
Data and Analysis*



-  The Big Picture
-  Asia Microfinance
-  Outreach
-  Funding Scenario
-  Performance of MFIs

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Indicator	Value
Number of countries with microfinance sectors**	22.00
Population, billion*	3.60
Number of microfinance providers	425.00
Number of borrowers, mln.	58.70
Number of depositors, mln.	34.13
Loan portfolio, gross, USD bln.	39.16
Deposits, USD bln.	32.55

Source: [MIX Market](#)

\* Source: [World Bank](#)

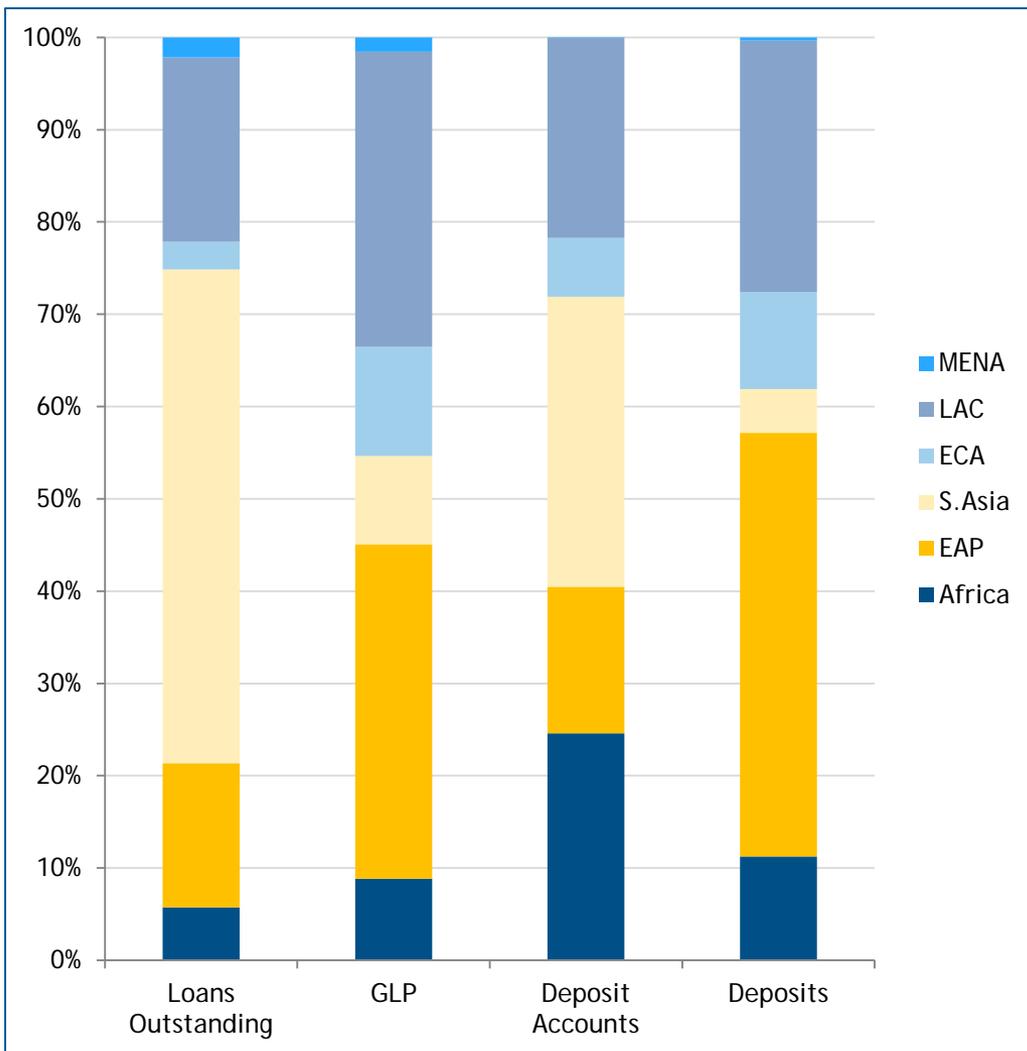
\*\*Countries with data on MIX market

Note: When 2012 data is not available, data from the most recent prior period is used.

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# How is the microfinance sector in Asia faring in the global context?



Asian MFIs capture more than 69% of total Loans Outstanding but only have 46% of the global GLP. They also have the lowest average loan balances globally.

East Asia and the Pacific (EAP) has a median average loan balance of USD 389 and a median ALB/GNI per capita of 17%. South Asia, meanwhile, has a median average loan balance of USD 146 and a median ALB/GNI per capita of 12%.

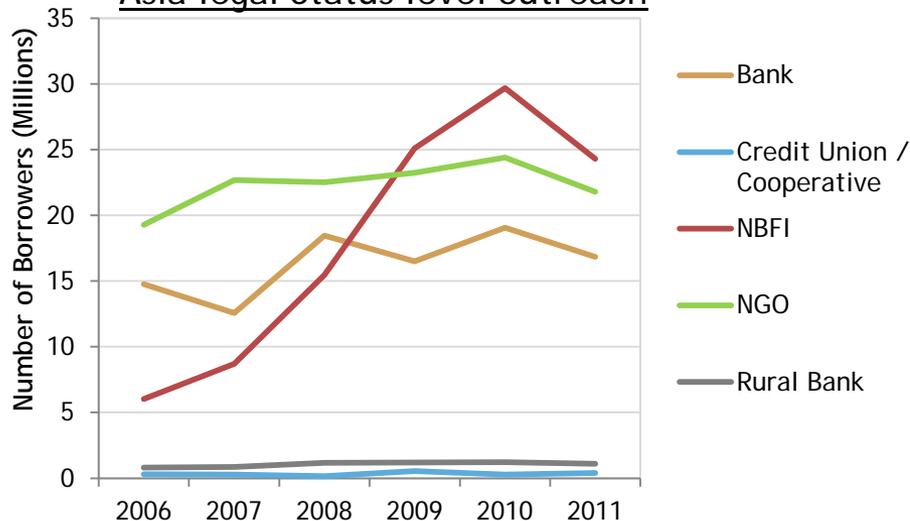
Asia is the clear leader in the total percentage of Deposits and Depositors even though not every Asian country accepts deposits. It is mainly offset by the big deposit-taking MFIs in Bangladesh, Cambodia, and Vietnam. The median average deposit size in EAP is USD 55 and in South Asia is USD 33.

Source: [MIX Market](#)

Note: MENA- Middle East and North Africa; LAC- Latin America & the Caribbean; ECA- Europe and Central Asia; S. Asia-South Asia; EAP- East Asia & Pacific

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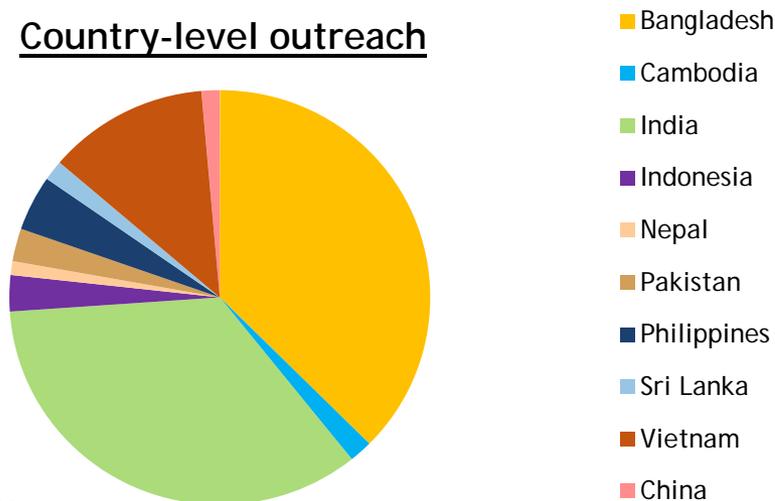
Asia legal Status level outreach



NBFIs top the list with nearly 38% of the total borrowers in all regions, followed by NGOs (34%) and banks (24%).

On a yearly basis, the share of both NBFIs and NGOs have fallen marginally, mainly due to the consolidation and/or slowdown in the Indian, Bangladeshi and Nepali markets which affected all legal statuses.

Country-level outreach



Countries such as Bangladesh and India, who have large populations, have outreach levels of 37% and 35% (respectively) of the total share.

Countries such as Cambodia, Pakistan, Nepal, and Sri Lanka might look negligible in the graph, but their outreach levels range from 1% to 3%.

Source: [MIX Market](#)



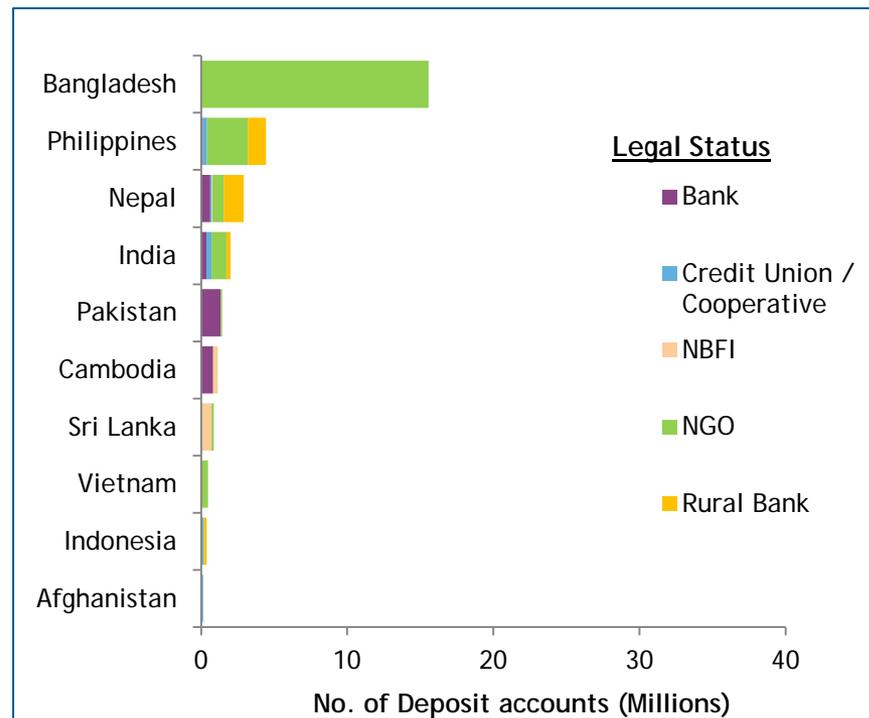
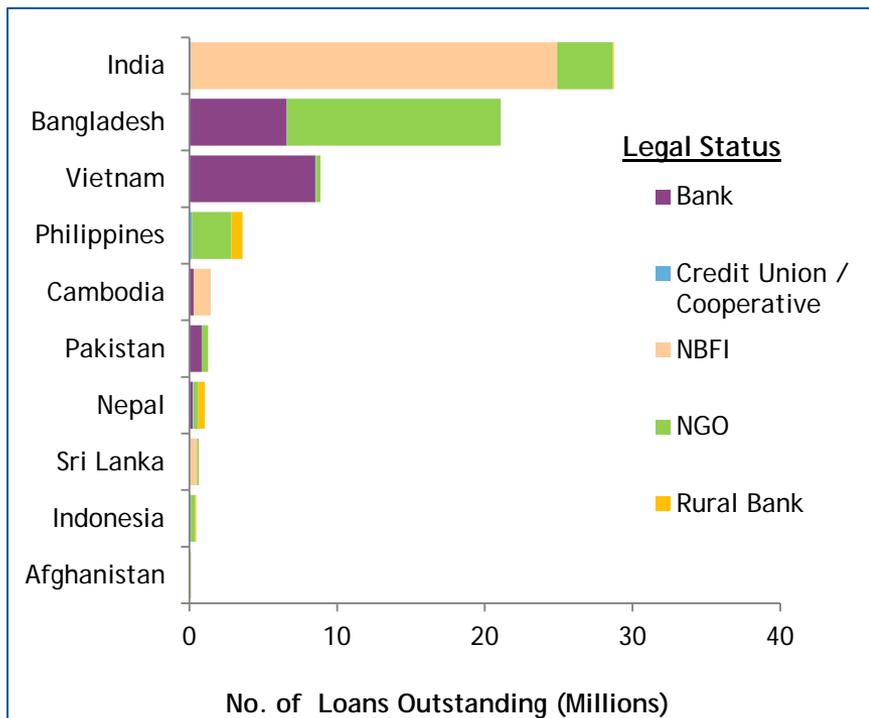
# Female outreach and staff composition



Source: MIX Market. View graph [here](#).

Note: LOs-Loan officers

Asia has the highest female outreach globally: women make up more than 90% of South Asian borrowers and 85% of EAP borrowers. Despite high female outreach, South Asia has the lowest percentage of female staff. EAP is at par with the global trend as women account for nearly 50% of staff and managerial roles. EAP also is a global leader in the amount of female representation (50%) in Boards of Directors.



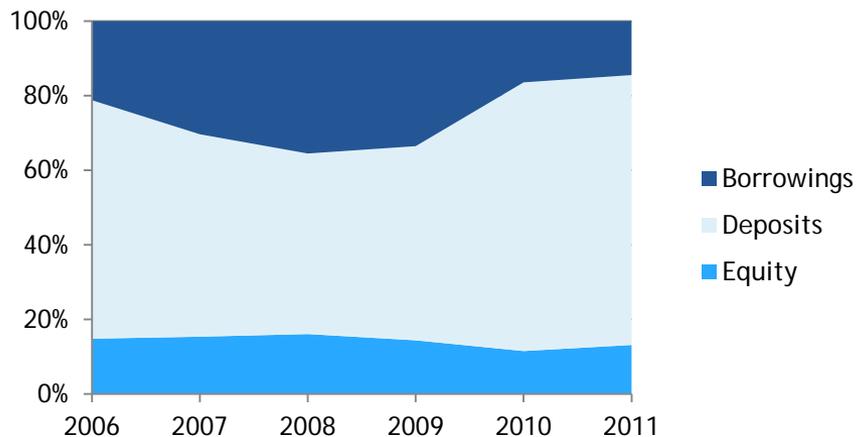
Source: [MIX Market](#)

India continues to be the leader in **Loans Outstanding**, followed by Bangladesh and Vietnam. The reason for India's success is that most of the largest MFIs have undergone a change in legal status from NGO to NBFI, which allows for a greater versatility in funding and also increases investors' confidence (NBFIs regularly report to the RBI and have to adhere with RBI regulations).

Bangladesh tops the region in deposit accounts, mainly due to the fact that most of the MFIs are NGOs and are allowed to accept deposits. Most of the other countries either can't easily accept deposits (e.g. India) or have only recently forayed into this area (e.g. Cambodia).

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**Funding Composition**

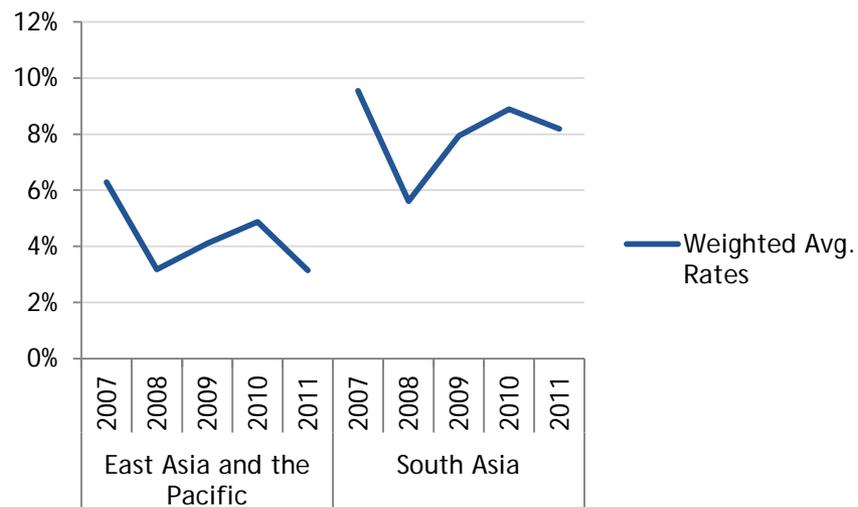
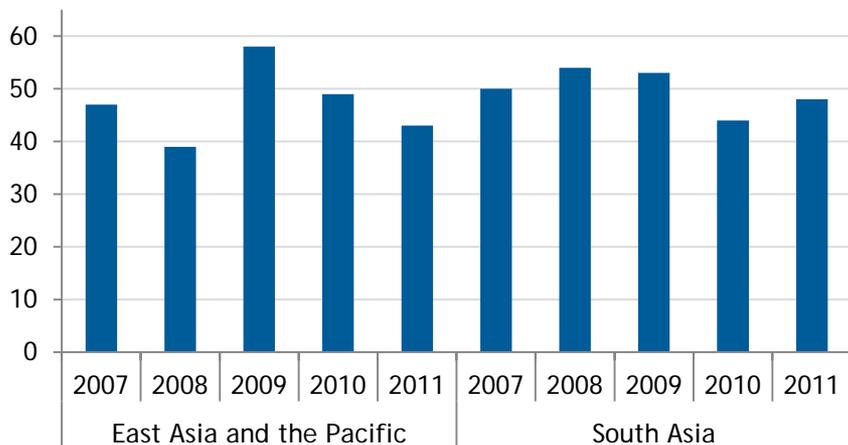


Funding composition trends have not changed significantly from the previous year, but reliance on deposits is increasing and borrowings are gradually decreasing.

Terms (month-wise) of borrowings have decreased for EAP and increased moderately for South Asia.

Interest rates of borrowings in EAP have decreased with a three-year average at 4%. South Asia, however, remains at historical averages, and its three-year average hovers around 8.3%

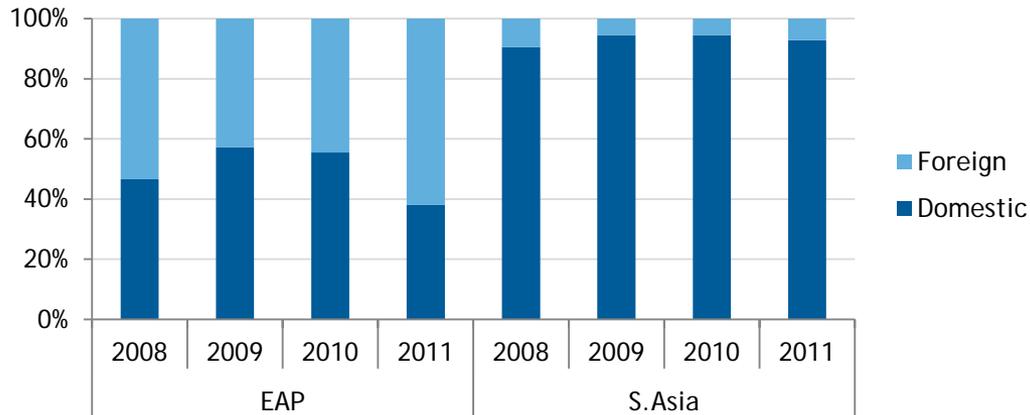
**Term in Months (W.Avg)**



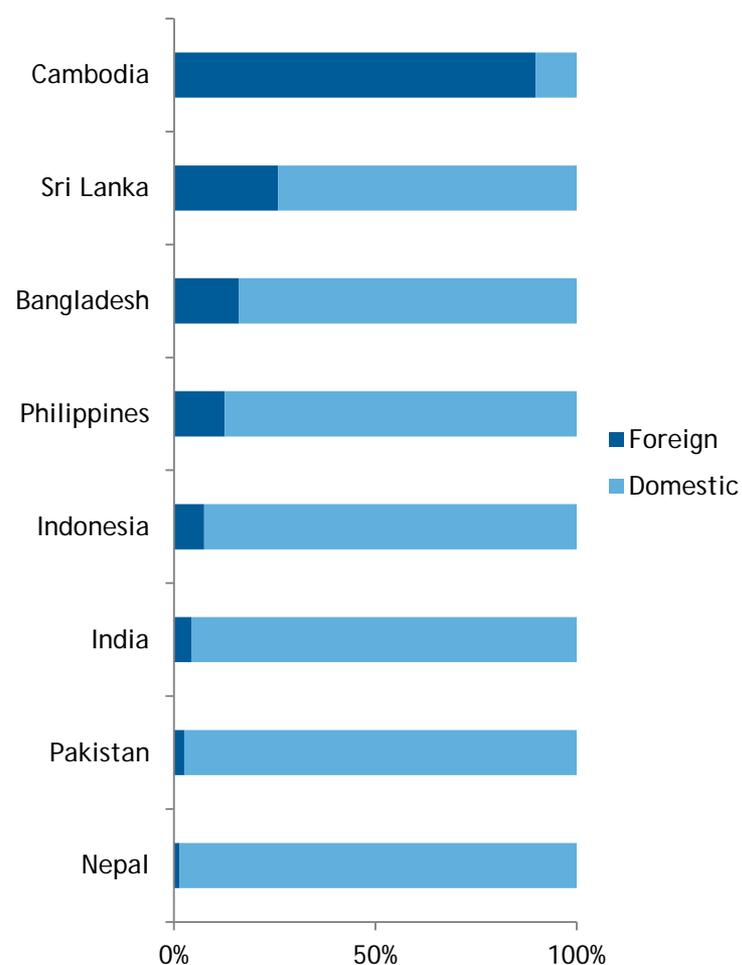
Source: [MIX Market](#)

Note: 1) Borrowings/Deposits/Equity are % of total 2) Weighted Avg. rates are the interest rates paid by MFIs on their borrowings

### Regional Level Funding



### Country Level Funding



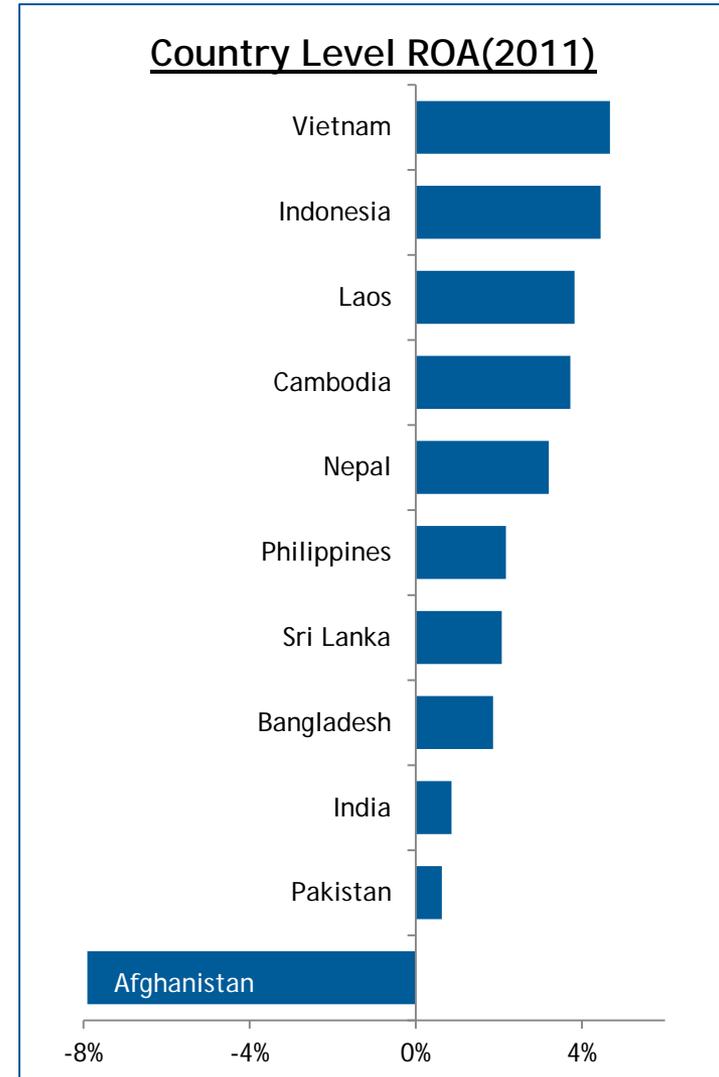
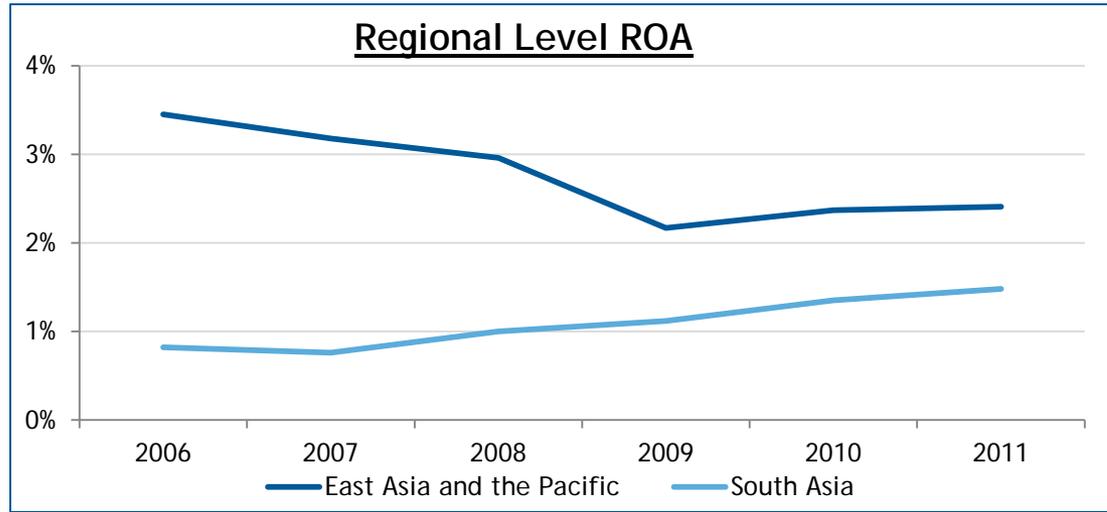
South Asia's funding originates mainly from local sources (90%), due to major countries like India, Bangladesh and Pakistan having restrictions on foreign funds. These regulations, however, have been relaxed in the last few years.

With the exception of Cambodia, which is mostly dependent on foreign funding (mainly Europe), the rest of the countries are largely dependent on domestic funding as most of the local banks have to meet priority sector norms.

- Note: 1) Local funding includes both funds received from bi- and multi-lateral donors present within the country  
 2) All the values are % of totals  
 3) Country-level funding data is only for a few select countries and fiscal year 2011

Source: MIX Market

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South Asia is seeing a steady increase in ROA levels since 2007, and EAP has picked up after the 2009 financial crisis.

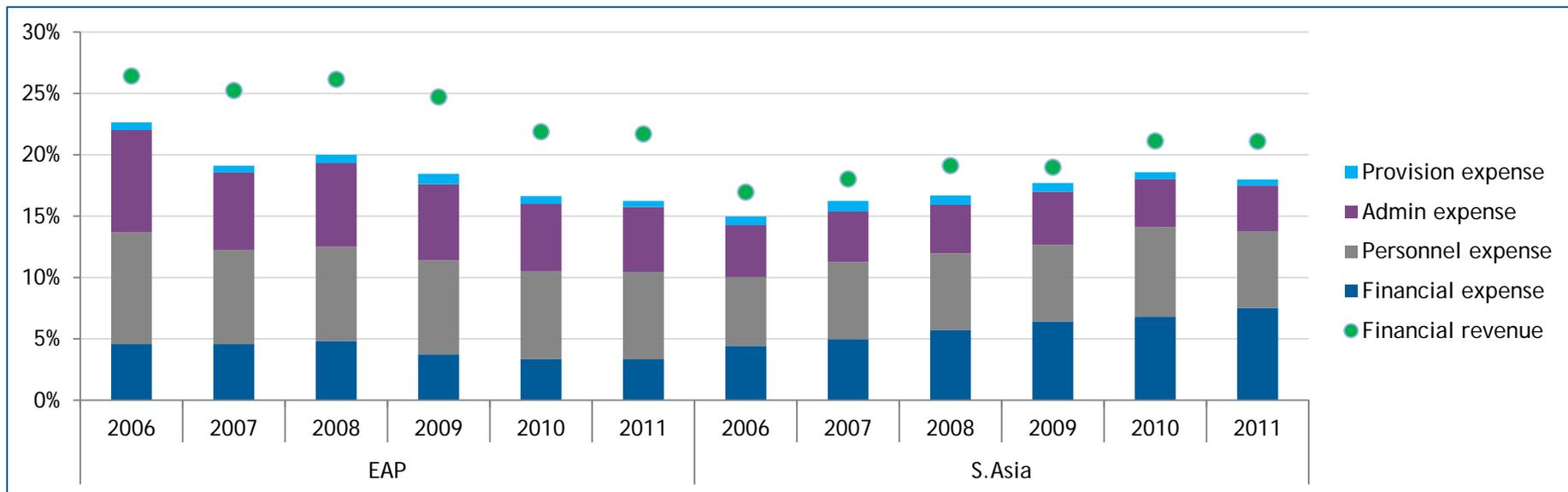
With the exception of Afghanistan, which is still at a very nascent stage and has high operating expenses, almost all countries with developed sectors had a positive ROA in 2011.

Vietnam has a high ROA mostly due to the subsidized cost of funding. After the 2009 crisis, Cambodia has been able to attract cheaper funds and operate efficiently. The Philippines is consistently growing and has seen a fall in PAR levels.

India, once known for its high ROA, has experienced just a 0.86% ROA following the AP Crisis. Nepal, though still maturing, is attaining scale and increasing efficiency.

Source: [MIX Market](#)

Note: All the values are median figures



Source: [MIX Market](#)

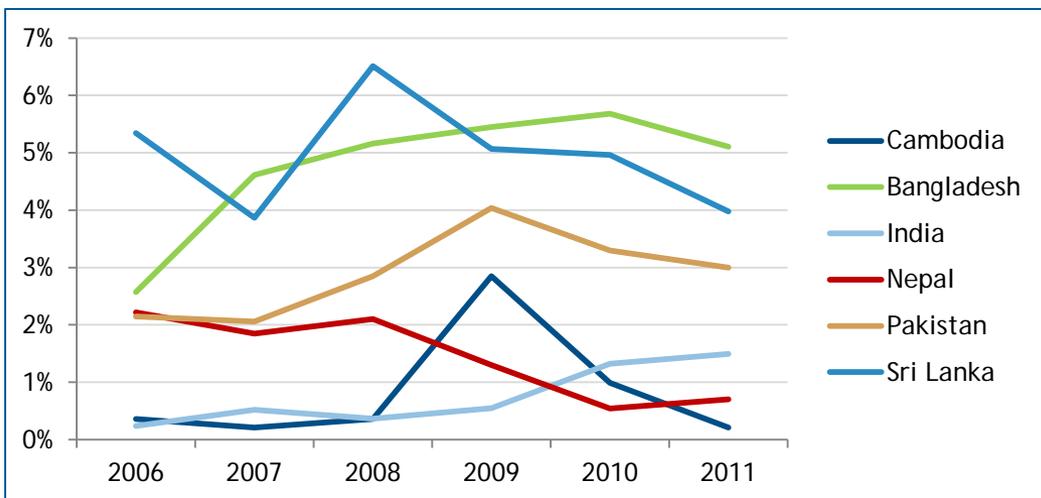
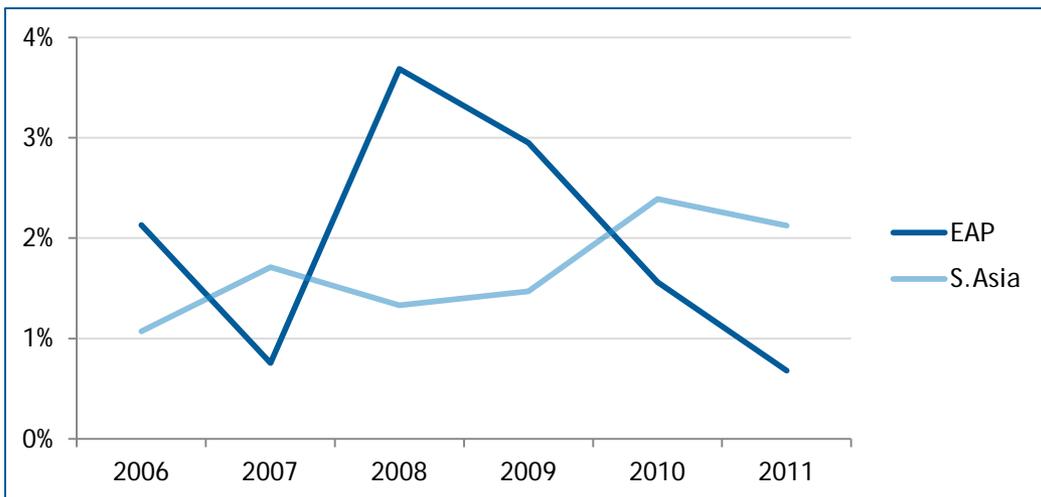
Note: 1) All the values are as a % of assets

2) All the values are median figures

As EAP is maturing, it has increased its efficiency as demonstrated by the fall in personnel and administrative (admin) expenses.

South Asia, on the other hand, is witnessing a consistent upward trend in financial revenue, but personnel and admin expenses are almost at the same levels for the last few years.

Financial expenses for South Asia are much higher than for EAP. This is mainly triggered by high inflation and risk in India, as well as the share of commercial bank funding in Bangladesh that has gone up in last two years leading to a higher cost of funds.



PAR>30 values in both EAP and South Asia have fallen.

South Asia's PAR values have moderated because:

- a. India's situation has improved as most MFIs wrote off their AP loan portfolio.
- b. Despite flooding in the Philippines, the SBP mandated MFIs to restructure their default loans until a later period.
- c. Major floods have not affected Bangladesh this year.

A fall in PAR values for Cambodia can be attributed to the launch of the CBC and better due diligence by MFIs.

Source: [MIX Market](#)

Note: 1)EAP graph excludes China & Philippines, S.Asia excludes Afghanistan, mainly because of inconsistency and/or lack of sufficient data 2) For country level PAR, only major countries are considered 3) All the values are median figures 4)SBP-State Bank of Pakistan 5)CBC-Credit Bureau of Cambodia 6)PAR-[Portfolio at Risk](#)



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