



Introduction

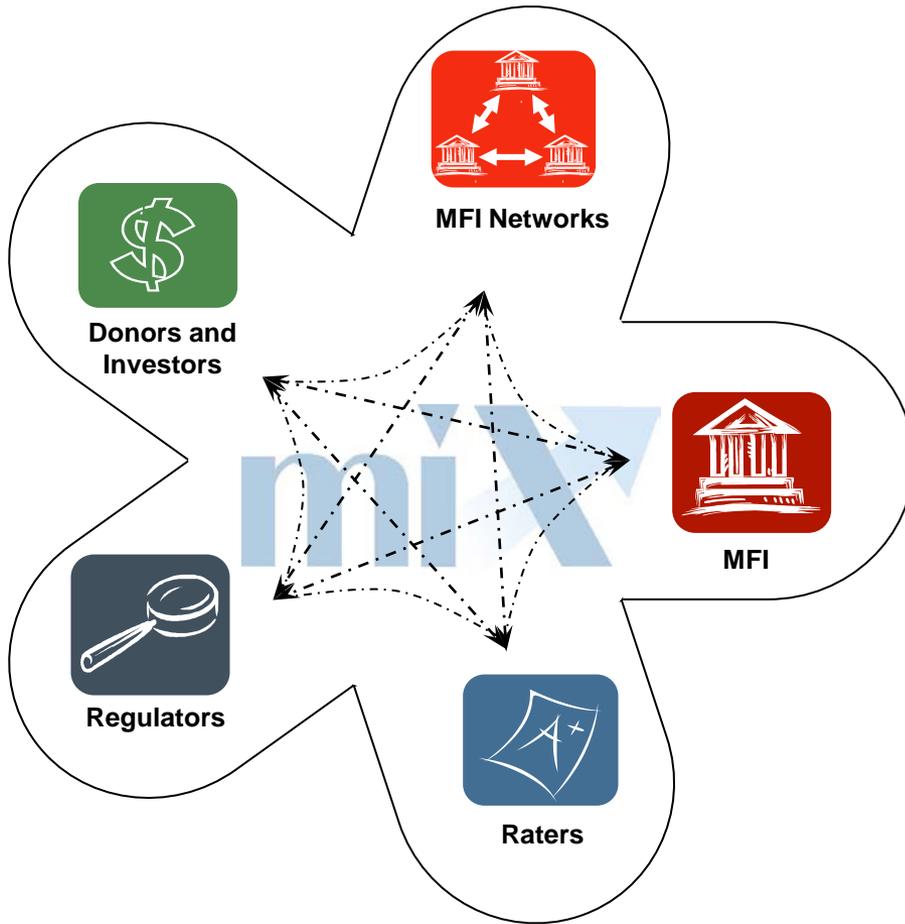
Profitability

Efficiency

Funding

Risk

**What can we learn about Nepal's microfinance market with MIX data?**



2,100+ MFIs

150 Networks

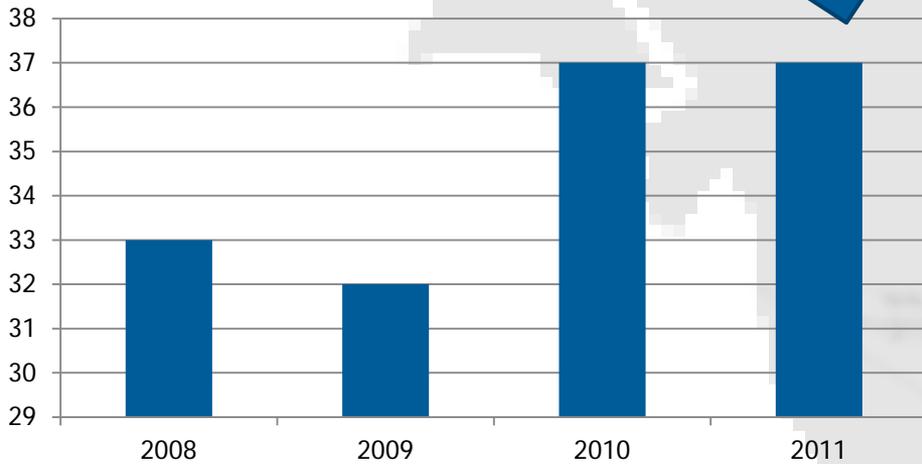
200 Funders

300 Service Providers

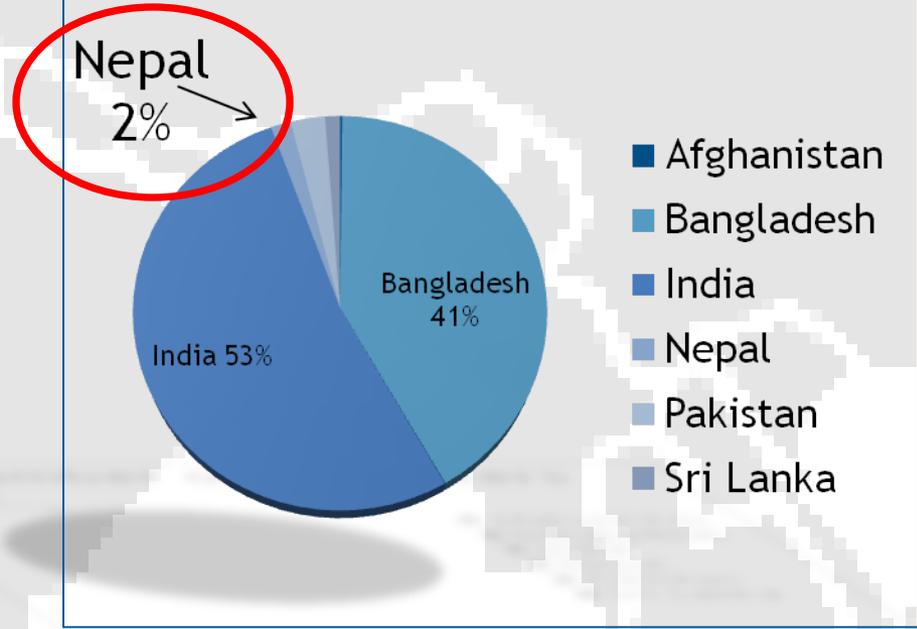
## What can we learn about Nepal's microfinance market with MIX data?

Nepal's MIX MFIs

**37 MFIs**



Number of Borrowers

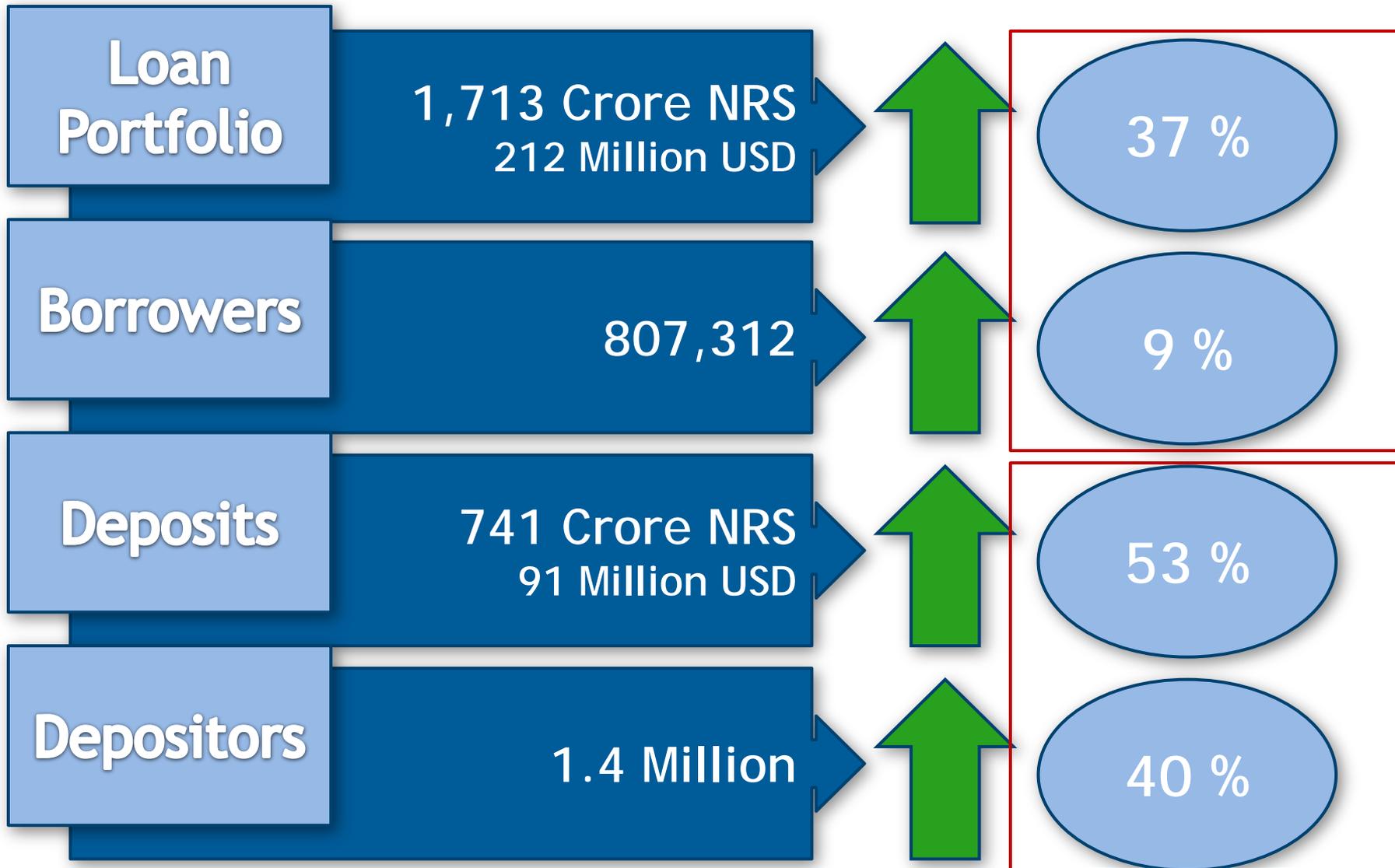


Avg Loan Size:

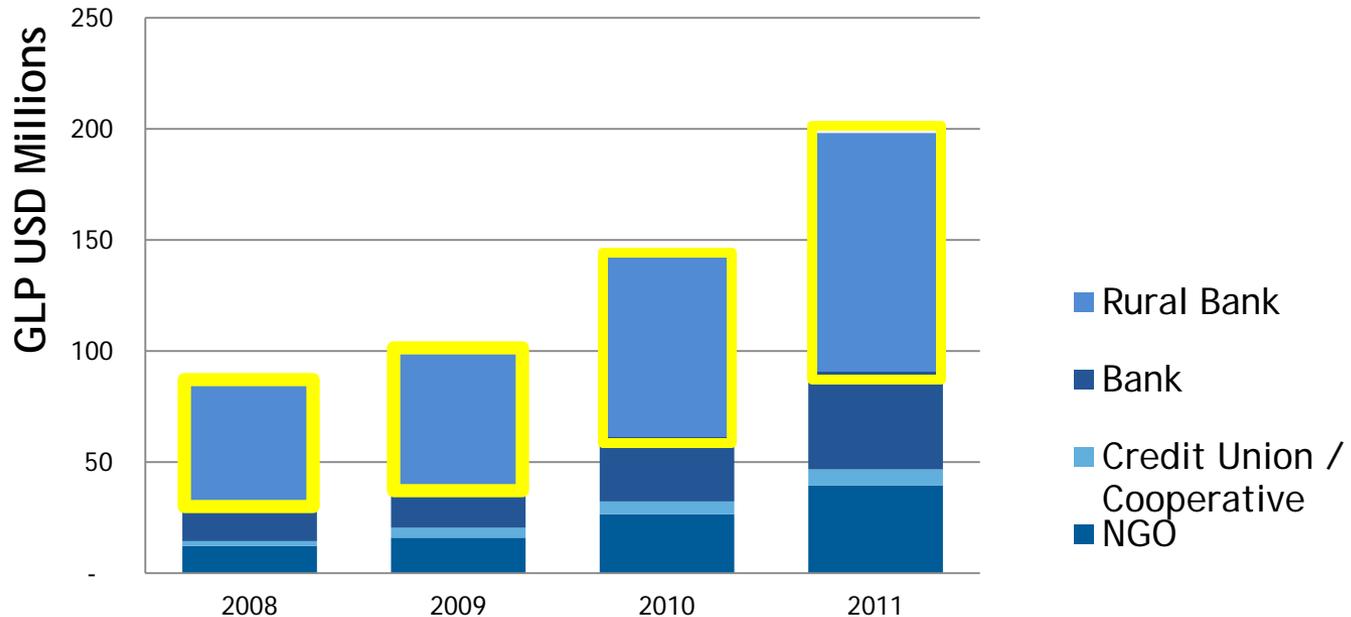
**21,671 NPR**



# Growth rates in key areas



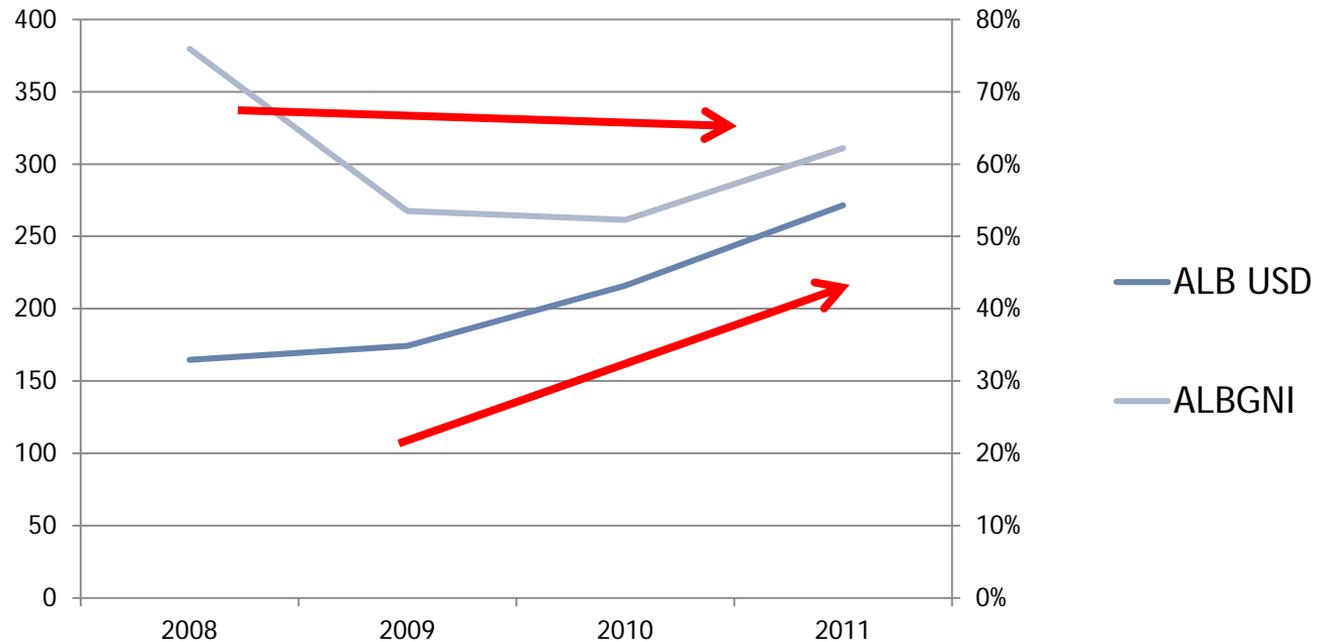
## GLP by Legal Status



- Growth driven by Rural Banks
- All legal form growing

The GLP and Borrowers Graphs depicts the Totals of the Balanced Panel of 24 MFI's reported through 2008 to 2011 on MM

## Average Loan Balance

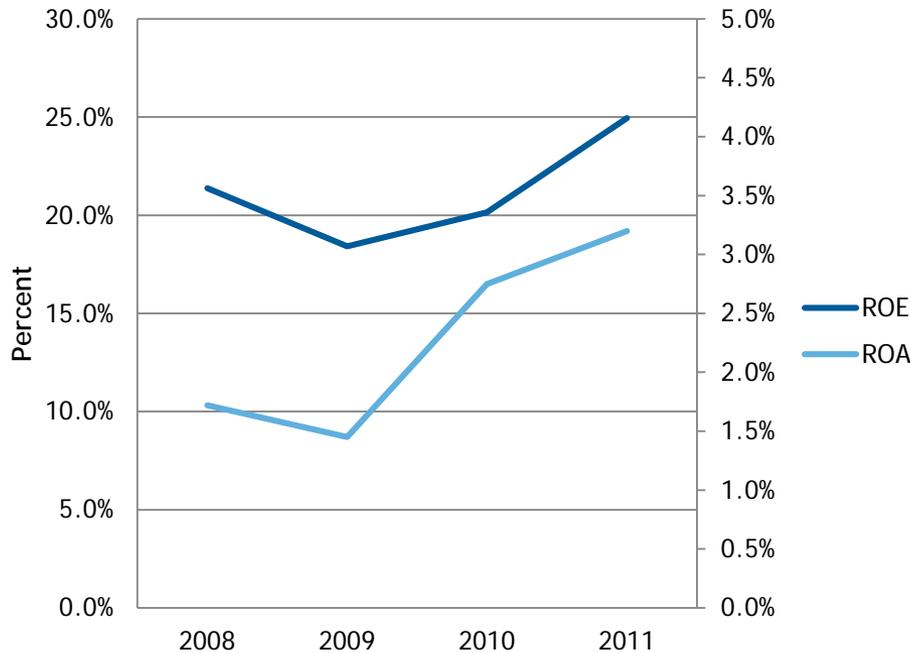


- Average loan balance growing
- In context of economic growth, not much difference

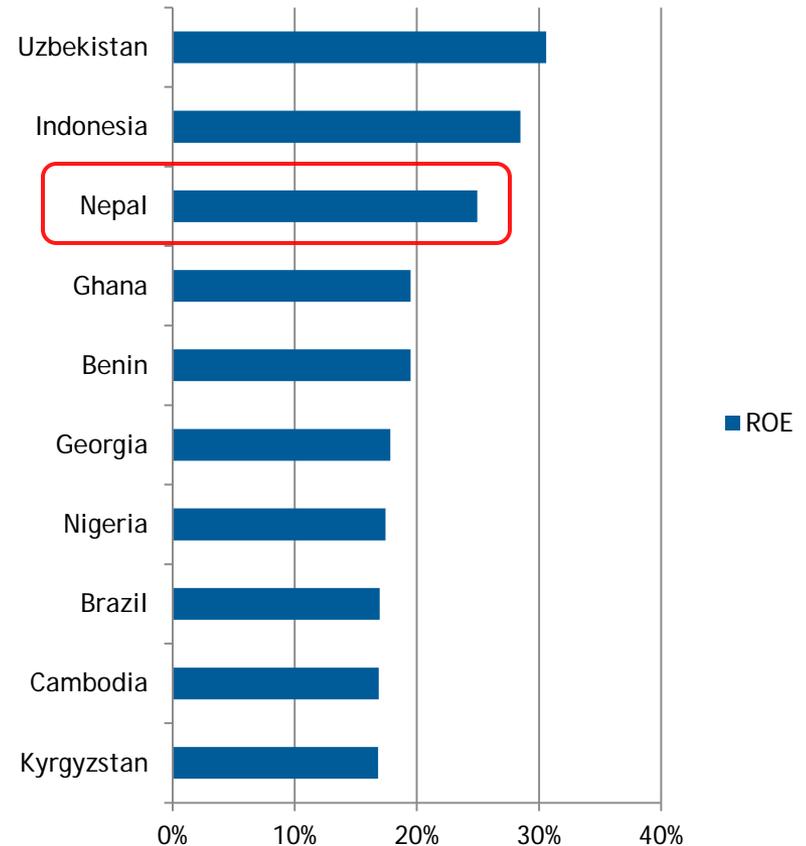
The ALB GNI is the Weighted Average % of the Balanced Panel of 24 MFI's reported through 2008 to 2011 on MM

The ALB USD is the Average Loan Balance (ALB USD= Totals of GLP divided by Total of Borrowers) of the Balanced Panel of 24 MFI's reported through 2008 to 2011 on MM

## Nepal, ROA and ROE



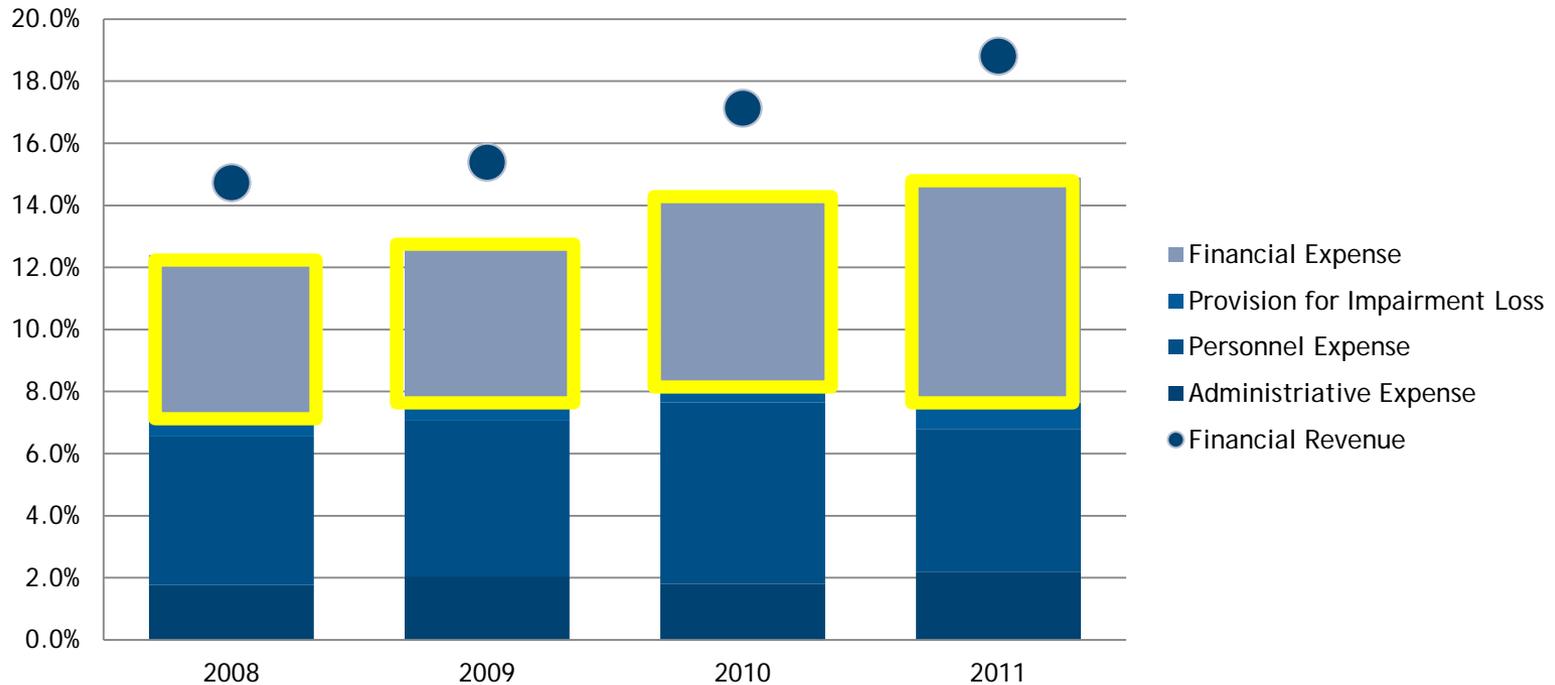
## ROE, top 10 Countries



- ROA and ROE steadily increasing
- Global context: high ROE

The ROA Graphs is the weighted Average of a Balanced Panel of 24 MFI's reported through 2008 to 2011 on MM

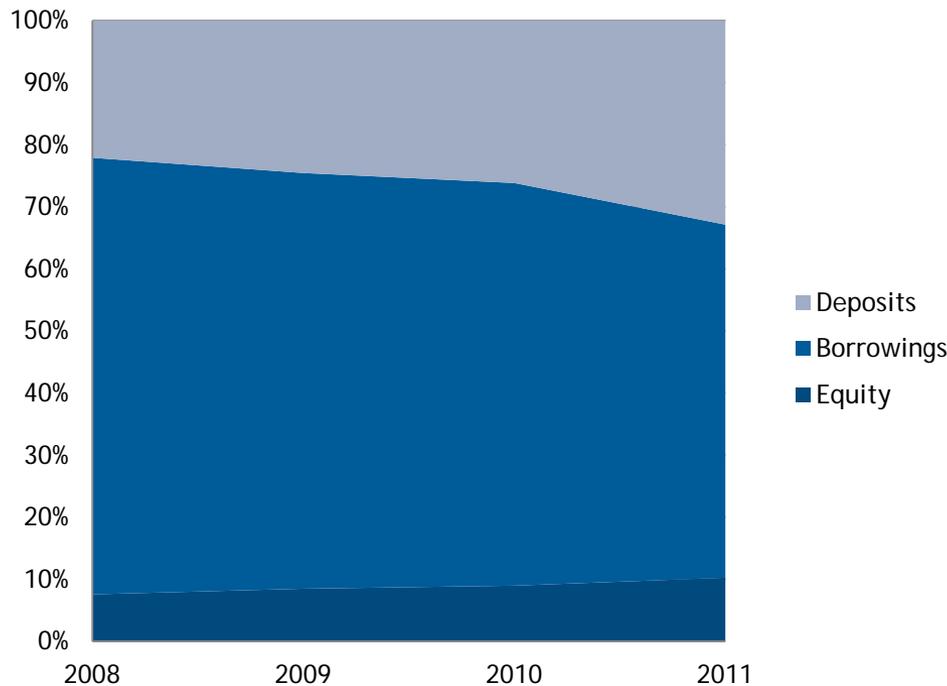
## Deconstruction of Expenses



- MFIs' cost of funds increasing, but not dramatically
- Yields rising in tandem
- All other expense categories extremely stable

The Expense Graph depicts Totals of the Balanced Panel of 24 MFI's reported through 2008 to 2011 on MM

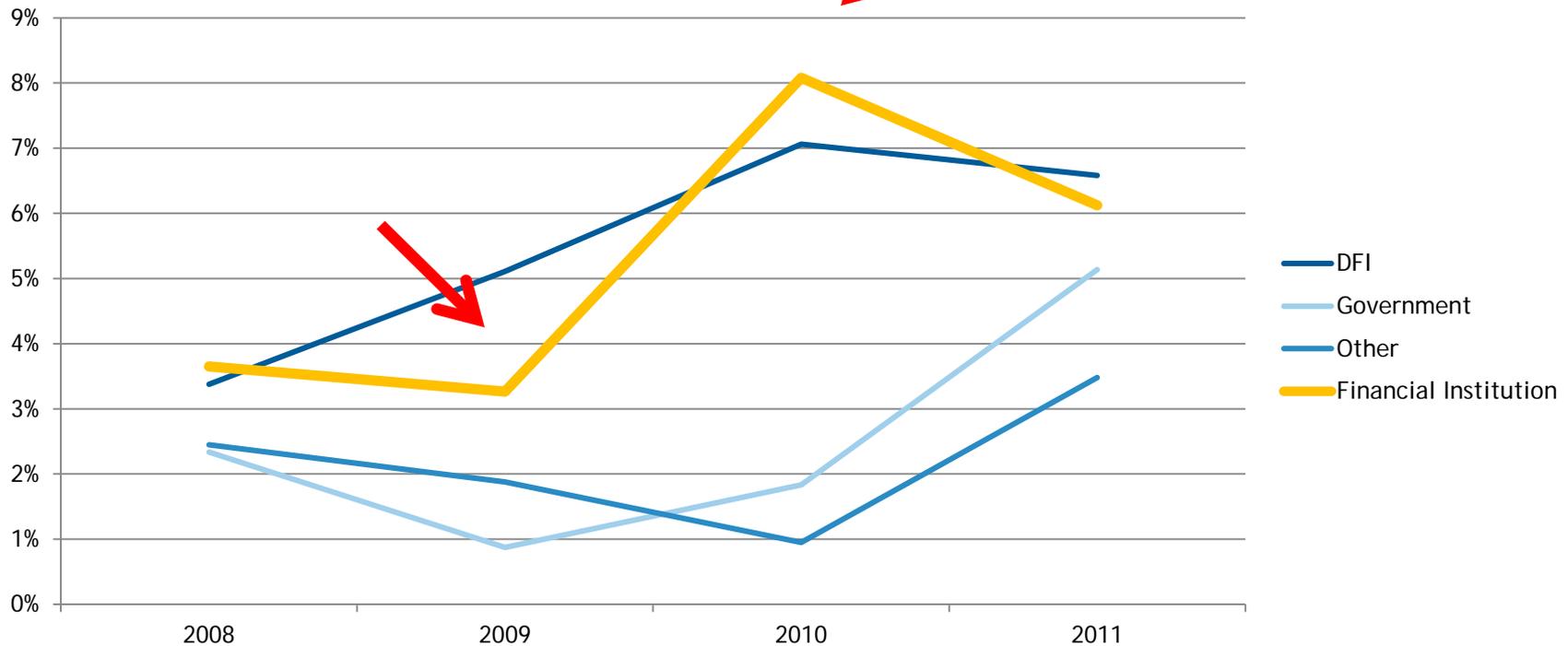
## Liabilities and Equity Structure



- Some institutions now allowed to mobilize public deposits
- Domestic borrowings and deprived sector lending still key
- Slight increase in equity, likely due to Nepal's stellar ROE

The Liabilities and Equity Structure Graphs depicts Totals of the Balanced Panel of 24 MFI's reported through 2008 to 2011 on MM  
 The Borrowings (USD) is the Totals of data extract from FSDB tools on MM- unbalanced Panel of MFI's in Year 2011 only.

## Funding interest rates trend

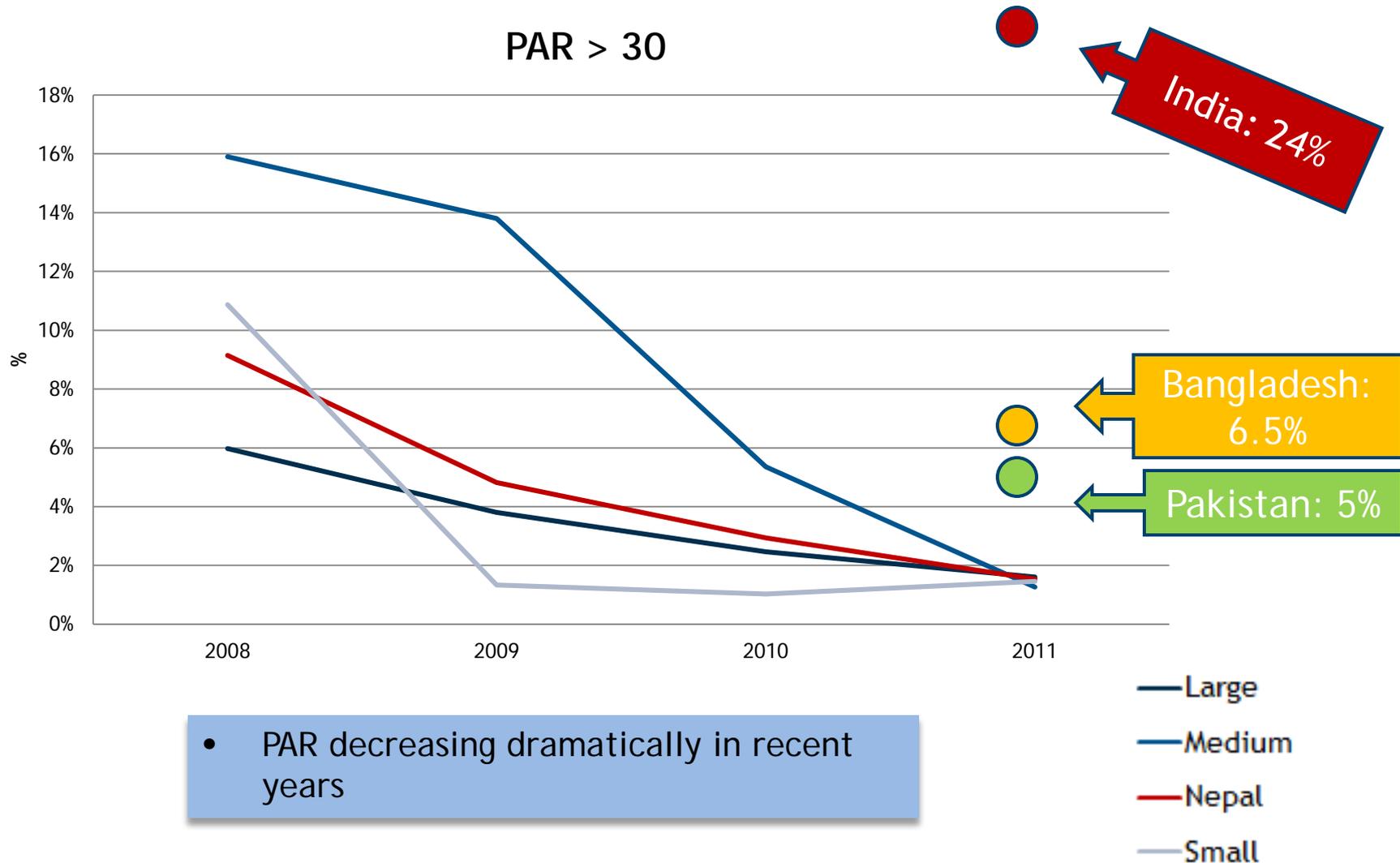


- Huge increase between 2009 and 2010
- Slight decrease last year as liquidity crisis subsided

The above table is an extract from the FSDB tool on Mix Market representing all the MFI's in 2011.

The Borrowings of MFI (USD) is the Totals of data extract from FSDB tools on MM- unbalanced Panel of all MFI's in Year 2011.

# How risky are microfinance clients in Nepal?



- PAR decreasing dramatically in recent years

The PAR Graphs is the weighted Average of a Balanced Panel of 24 MFI's reported through 2008 to 2011 on MM



**Thank you**



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