

CMF Nepal Microfinance Conference, Feb 14, 2013, Yak and Yeti Hotel, Kathmandu, Nepal

By Deepika Kumari and Liz Larson

*The Premier Source for Microfinance
Data and Analysis*

Introduction

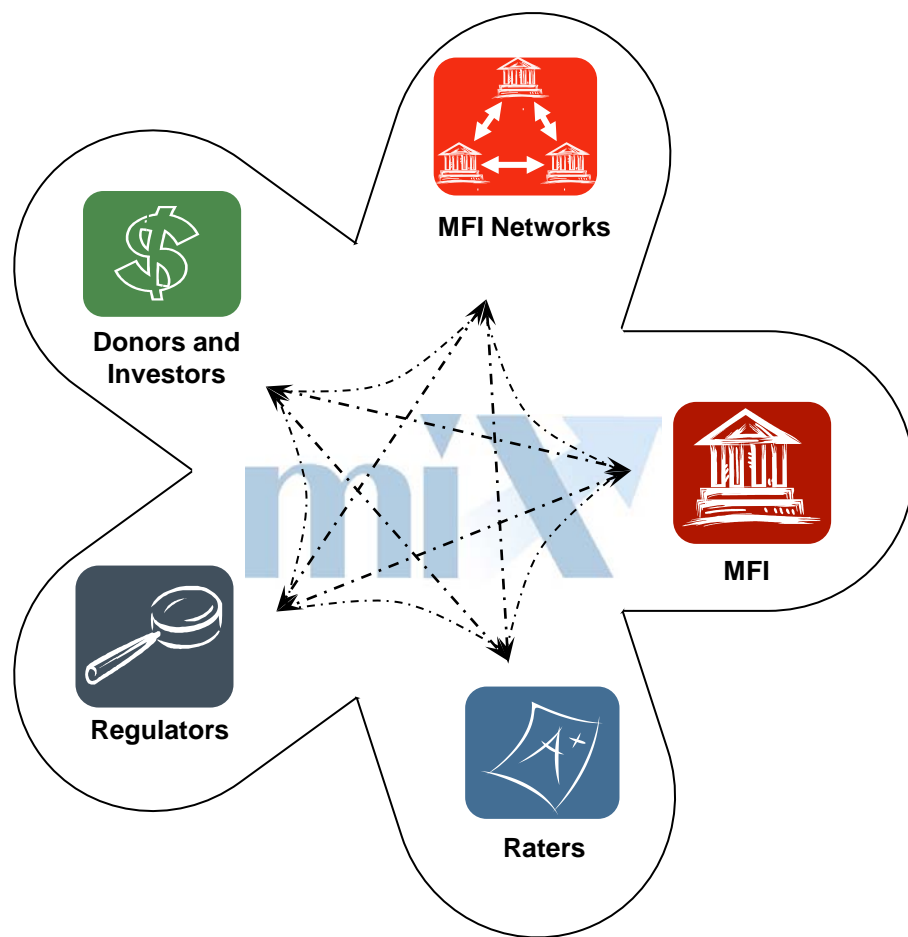
Profitability

Efficiency

Funding

Risk

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



2,100+ MFIs

150 Networks

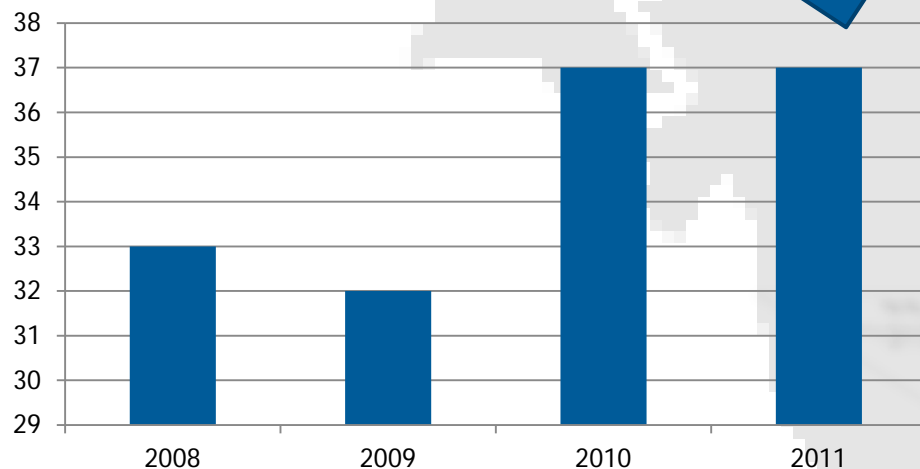
200 Funders

300 Service Providers

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

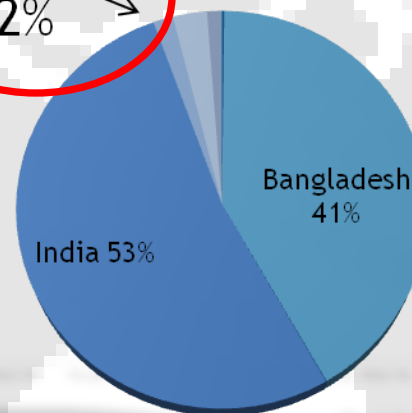
Nepal's MIX MFIs

37
MFIs



Number of Borrowers

Nepal
2%



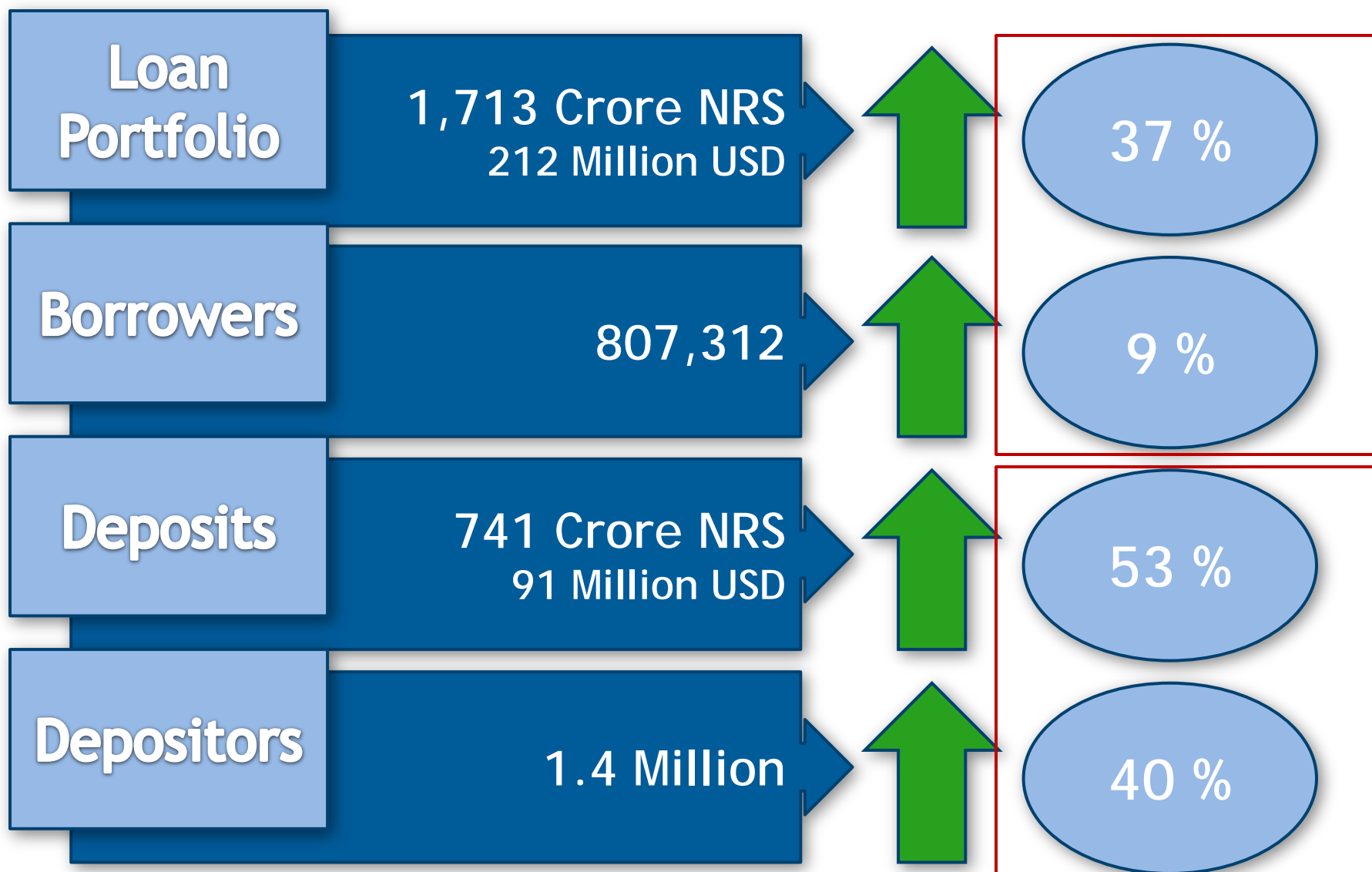
- Afghanistan
- Bangladesh
- India
- Nepal
- Pakistan
- Sri Lanka

Avg Loan Size:

21,671 NPR

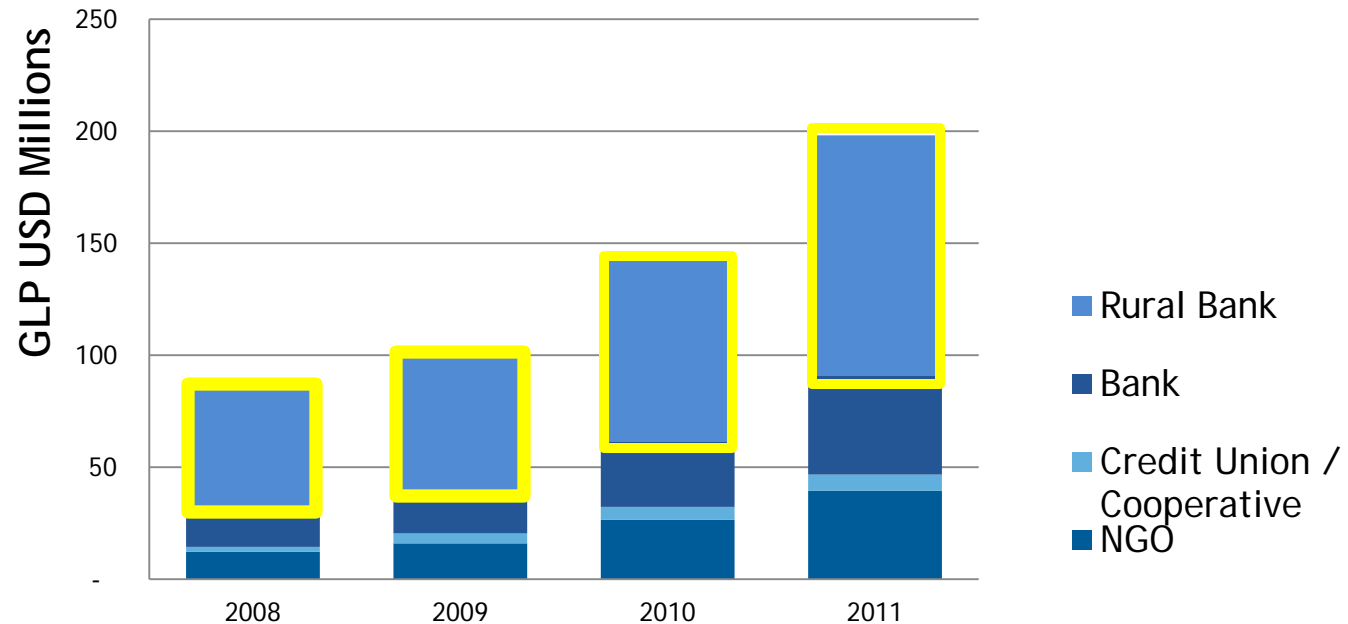
Rising

Growth rates in key areas



What institutions are driving this growth?

GLP by Legal Status

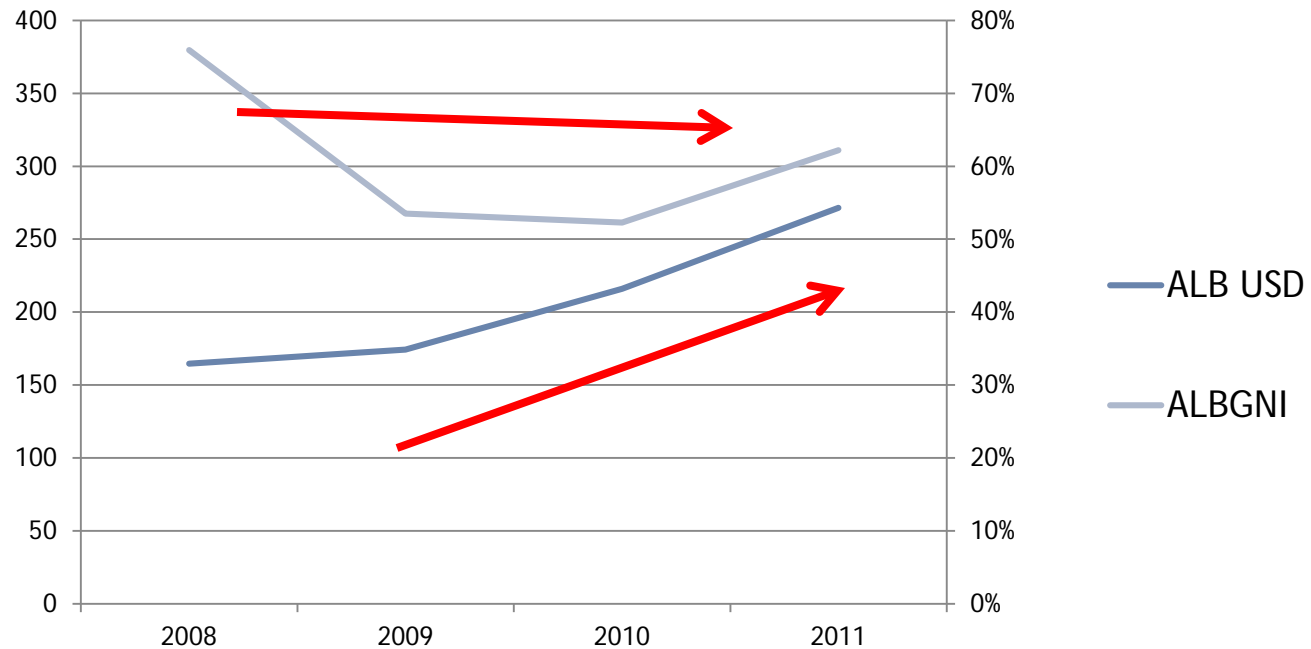


- Growth driven by Rural Banks
- All legal form growing

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

Are loan sizes contributing to this growth?

Average Loan Balance



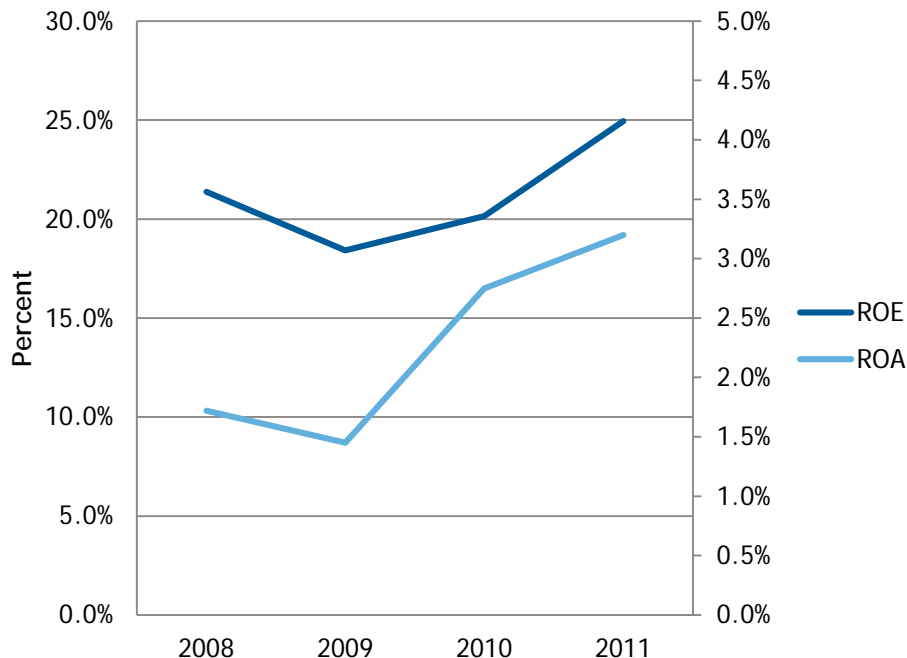
- Average loan balance growing
- In context of economic growth, not much difference

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

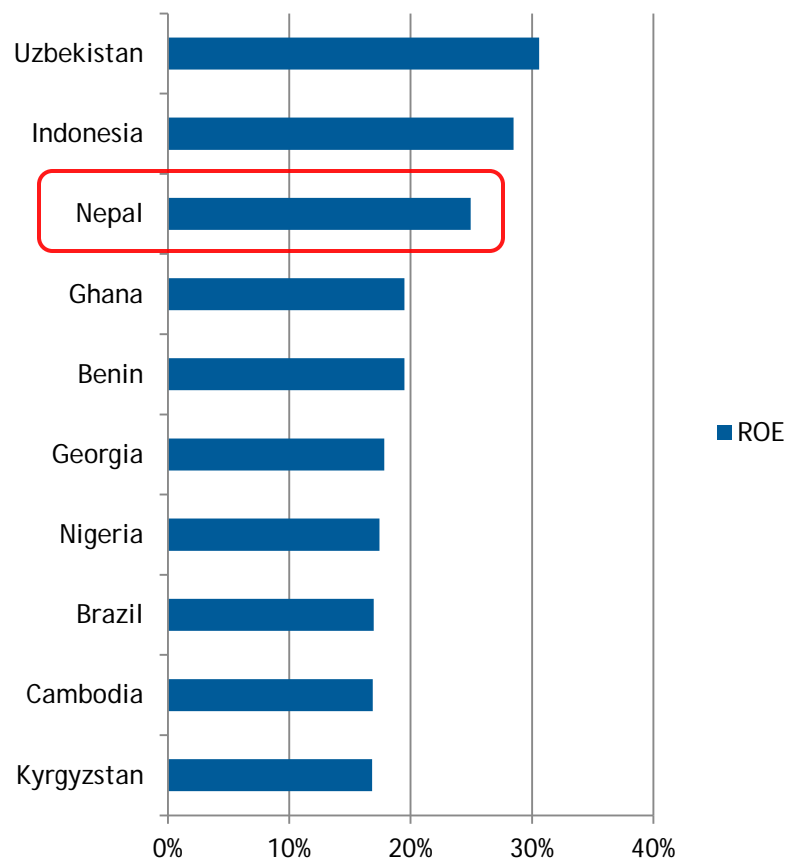
How profitable are Nepali MFIs?

Nepal, ROA and ROE



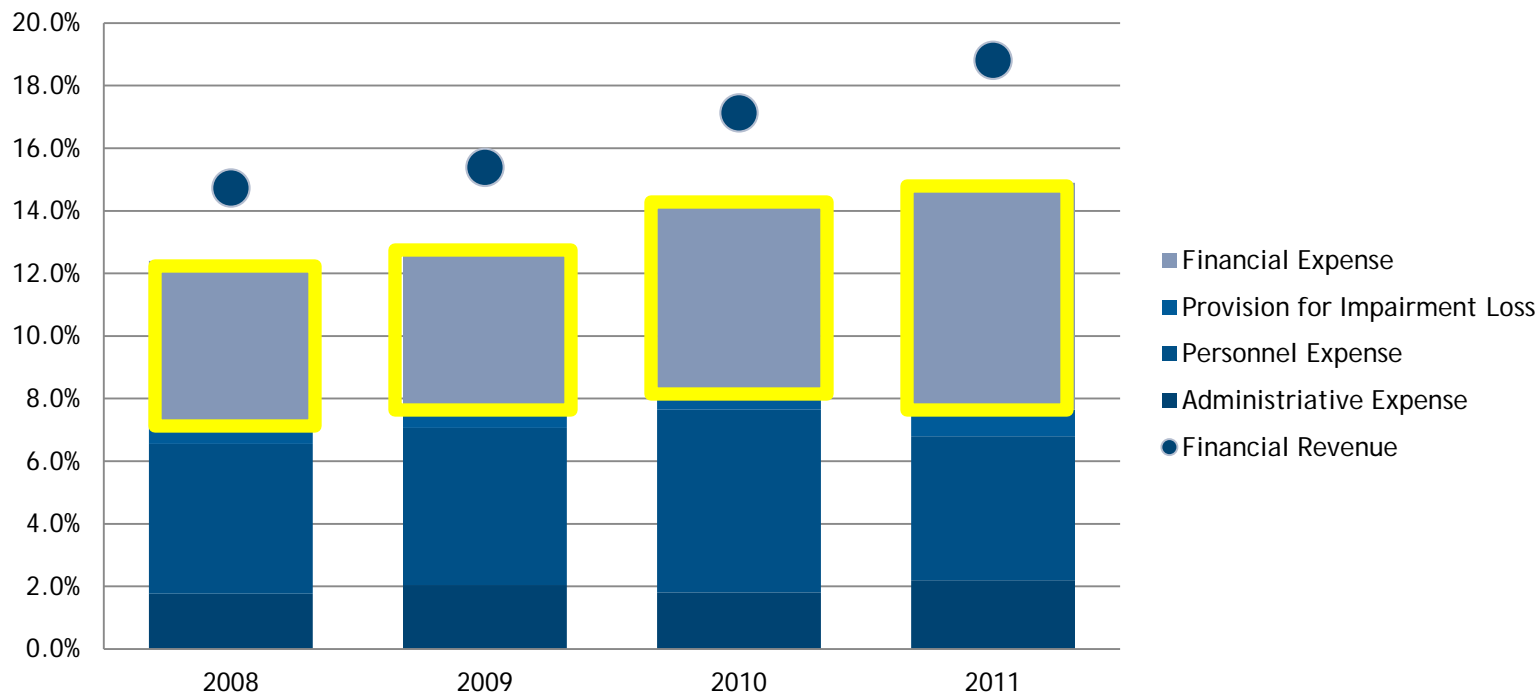
- ROA and ROE steadily increasing
- Global context: high ROE

ROE, top 10 Countries



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

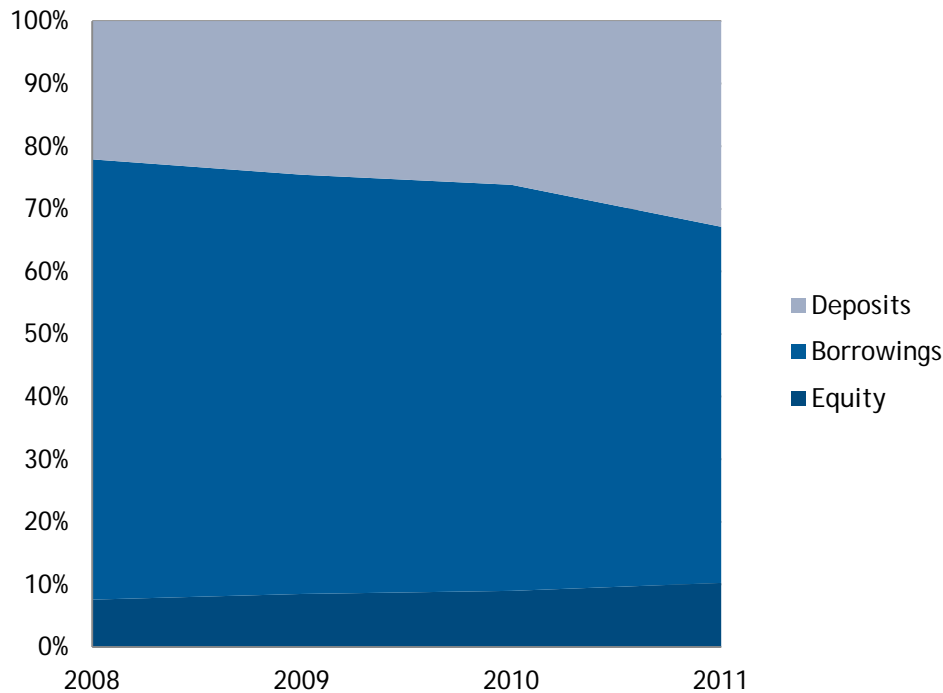
Deconstruction of Expenses



- 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

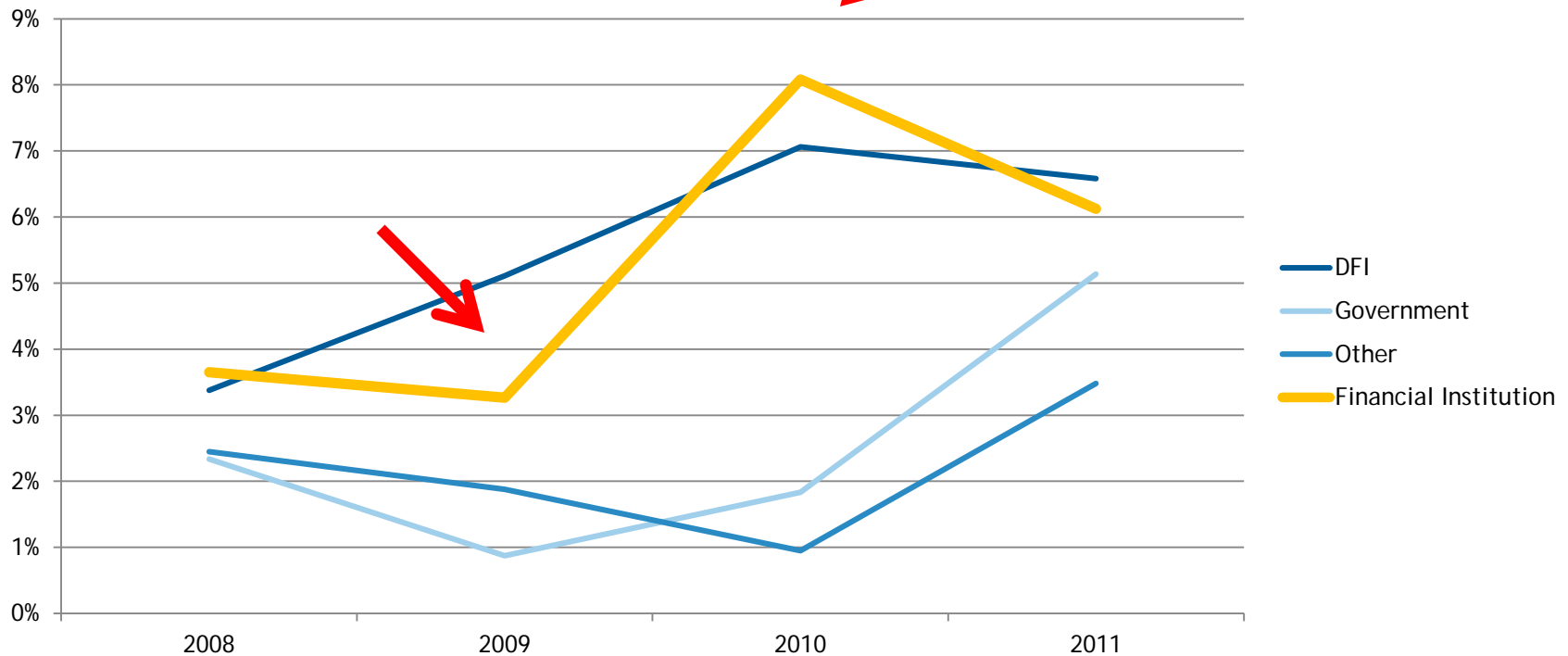
Liabilities and Equity Structure



- 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

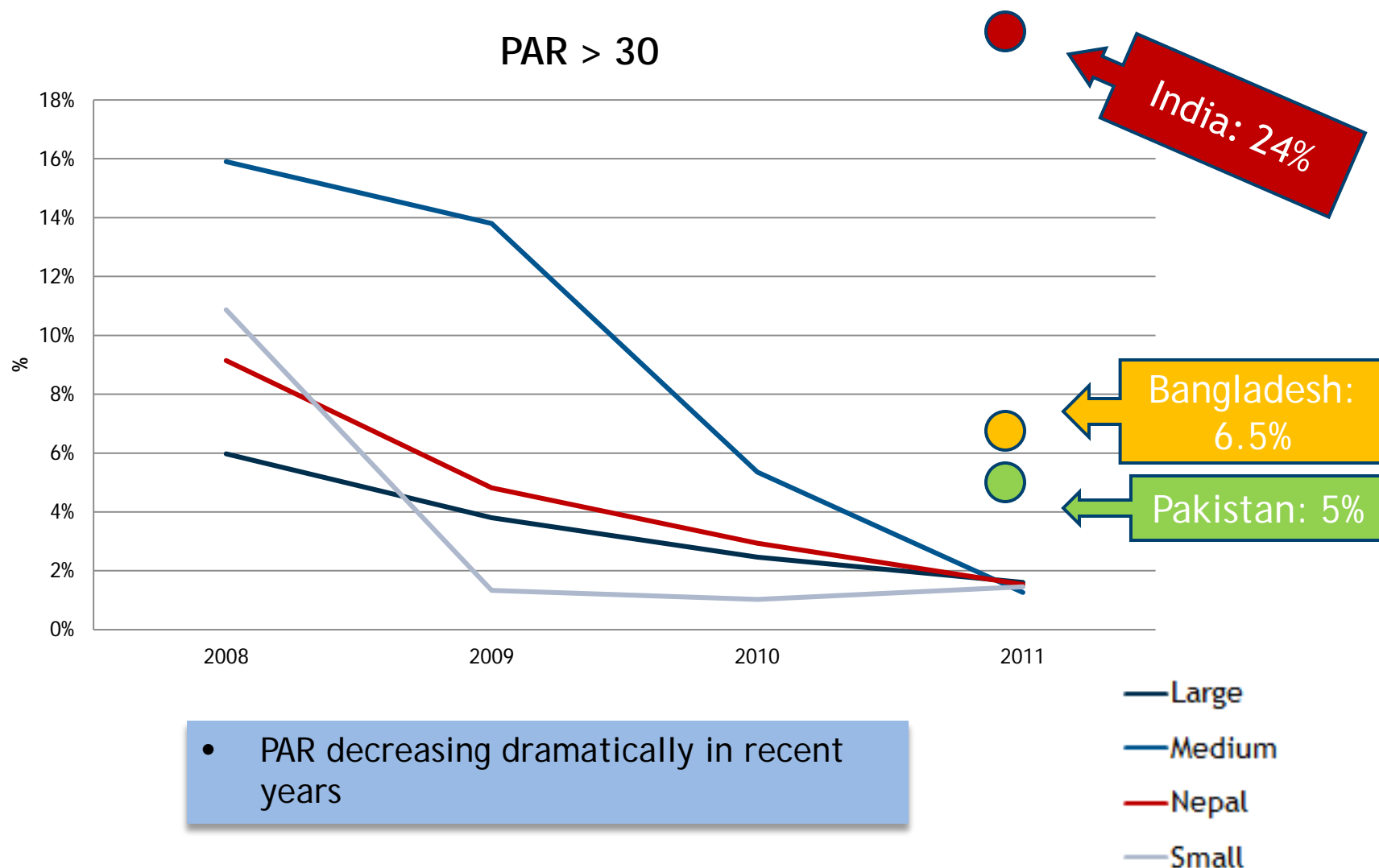


- Huge increase between 2009 and 2010
- Slight decrease last year as liquidity crisis subsided

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?



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



Thank you

MIX partners with a dedicated group of industry leaders:

BILL & MELINDA
GATES *foundation*



Citi Foundation





Microfinance Information Exchange

Headquarters:

1901 Pennsylvania Ave., NW, Suite 307
Washington, D.C. 20006 USA

Regional Offices:

Baku, Azerbaijan

44 J. Jabbarli st. Caspian Plaza I, 5th Floor,
Baku, Azerbaijan

Lima, Peru

Jirón León Velarde 333 Lince, Lima 14, Perú

Rabat, Morocco

Immeuble CDG Place Moulay Hassan
BP 408 Rabat Morocco

Hyderabad, India

Road #12, Landmark Building, 5th Floor,
Banjara Hills, Hyderabad 500034, India

Visit us on the Web:

www.themix.org ♦ www.mixmarket.org

Contact us: info@themix.org

Interested in learning more about MIX?
[Sign up](#) to receive our free e-mail
newsletters!

Find us on Facebook
Follow us on Twitter: [@mix_market](#)