



SIDBI National Microfinance Congress 2018

Mass Market Banking – Navigating the Change

Oct 26-27 2018

The Taj Palace, Durbar Hall, New Delhi

**Small Industries Development Bank of India
15, Ashok Marg, Lucknow- 226001
www.sidbi.in**

SIDBI National Microfinance Congress 2018

Mass Market Banking – Navigating the Change

Hotel Taj Palace, New Delhi

October 26-27, 2018

Background

The **microfinance and mass market** sector has grown to occupy center stage in financial inclusion in the last few years. During the growth journey of the microfinance sector, SIDBI has been one of the pioneering institutions addressing the issues and concerns of the sector besides providing funding and other support. SIDBI has been one of the important pillars facilitating the sector's sustainable and responsible growth. Micro Units Development & Refinance Agency (MUDRA) was set up in April 2015 as a wholly owned subsidiary of SIDBI for 'funding the unfunded'. MUDRA refinances banks, Micro-finance Institutions (MFIs), NBFCs and other lending institutions which lend to micro / small business entities under Pradhan Mantri Mudra Yojana (PMMY).

The changing landscape of microfinance sector, moving from MFIs to SFBs/ Banks and requirement of stepping up from microfinance to microenterprise lending has set new expectations for the sector.

With this backdrop, SIDBI National Microfinance Congress 2018, focusing on emerging challenges in the Microfinance Sector is being organised. The Congress is being attended by around 250-300 participants from *MFIs, SFBs, Banks, RBI, Ministry of MSME, DFS (GoI), including microfinance Practitioners, Academicians etc.*

Objectives of the Congress

The objective of the congress is to analyze and bring to fore the emerging challenges in the microfinance sector and making policy recommendations towards addressing those challenges. The methodology is broadly stated as below:

- Discuss emerging concerns/ issues faced due to the major changes in the sector in last few years
- Brainstorm on possible solutions to collectively address these concerns, and
- Identify the areas of policy level intervention and make recommendations

The deliberations at the congress would be of utmost importance/ relevance in the present scenario and expected to benefit all the sector players including Small Finance Banks, Micro Finance Institutions, Banks etc.

Sessions:

Besides inaugural and valedictory sessions, the Congress will have four technical sessions and two interactive sessions with each having a lead presenter on identified themes. The panelists are eminent experts representing the sector. Themes identified for discussion are as under:

Technical Session I: Adjusting to the New Normal: Lessons Leant from De-monetization

The Microfinance Sector has been susceptible to various external shocks over the years. Post de-monetization the microfinance model experienced a disruption resulting into significant rise in Portfolio and Risk (PAR) / Writeoffs. This also led to adjustments in the overall operating model – i.e. customer segments, regional strategy, field organization model and product / collections strategies. With more and more composite players coming in the market the concept of group is undergoing subtle redefinition. The range of services that can be offered to the customers are also undergoing change.

The session would deliberate on both the shifts in business model and challenges thereof and how MFIs and other players are responding to this change.

Technical Session II: Future of Pure Play MFIs in India and Sustainability Challenges

Microfinance which started with NGOs on the forefront, have increasingly become mainstreamed with formal banking. Eight MFIs have turned into SFBs, one into a universal bank and the largest MFI in the country is set to merge with a commercial Bank. Few of the challenges being faced by pure play MFIs are competition, affordable funding and capital, resources/capacity, product innovation gaps, etc.

The session will discuss future of stand-alone MFIs and their unique value proposition/ relevance.

Interaction: Learning from Global MFI Experience

The session will have International Microfinance Experts sharing their experience and ideas on the various developmental aspects of microfinance. The deliberations would be around how the microfinance industry is moving globally beyond lending to multiple new directions, including innovations in the development sector.

Interaction: Key Priority Areas of the Sector including the Geographical Expansion Opportunities

Geographical concentration increases an MFI's operational and political risk. Diversification of portfolio across states and geographies can minimize the concentration risk but increases operational challenges. RBI guidelines cap the operational margin of the MFIs irrespective of the geography.

The session will have regulators discussing the geographical challenge and other key priorities areas for the Sector.

Technical Session III: Digital Vision for Mass Market Banking

Fintech Companies are transforming the Financial Inclusion space. The cost of technology has come down, allowing for these transformations to be feasible. The result would benefit all stakeholders: FinTech companies would have better access to the mass market; customers would enjoy a transformed, personalized experience under the protection of the regulated industry; and traditional players would have access to new revenue streams while maintaining their relevance in this era of digital disruption.

The session will discuss how the technological disruptions and the new age Fintech and can collaborate with the Microfinance business model to take the mass market banking to the next level.

Technical Session IV: Challenges for Going Beyond Microfinance and Serving Missing Middle Segment

Despite receiving multiple cycles of microfinance loans, the microfinance beneficiaries have been largely failing to graduate to become beneficiary of bank loans. Lending to the missing middle segment (loans > Rs.0.50 lakh and upto Rs.10 lakh) just above the microfinance where instruments of social collateral may be absent, faces many challenges, viz. lack of formal accounting, lack of data due to non- registration in tax systems, difficulty in ascertaining cash flows, etc. which make assessment of the credit risk a difficult exercise.

The session will discuss the innovations happening in this space and the emerging opportunities for serving Missing Middle segment especially post the digitization push by Gol.

SIDBI National Microfinance Congress 2018

Mass Market Banking – Navigating the Change

Date: Oct 26-27, 2018

Venue: Hotel Taj Palace, Durbar Hall, New Delhi

PROGRAMME SCHEDULE

DAY 1 (Oct 26, 2018)	
Time	Agenda
9.00 AM – 10.00 AM	Registration
10.00 AM – 11.30 AM	<p>Opening Session</p> <p>Felicitation of Guests</p> <p>Welcome & Special Address: Shri Mohammad Mustafa, IAS, CMD, SIDBI</p> <p>Sector Snap-shot : Overview of the Industry : Shri Renny Thomas, Senior Partner, McKinsey & Company</p> <p>Special Address: Shri Rajiv Kumar, IAS, Secretary (FS), DFS, Government of India</p> <p>Key note Address: Shri Arun Jaitley, Hon'ble Union Minister of Finance and Corporate Affairs, Government of India</p> <p>Vote of Thanks: Shri Ajay Kumar Kapur, DMD, SIDBI</p>
11.30 AM – 11.45 PM	Tea-Break
11.45 AM – 01.45 PM	<p>Technical Session I: Adjusting to the New Normal: Lessons Learnt from Demonetization</p> <p>Moderator: Shri Sandeep Sabharwal, Client Director, McKinsey & Company</p> <p>Presentation: McKinsey & Company</p> <p>Panelists:</p> <ul style="list-style-type: none"> Shri Samit Ghosh, Founder & CEO, Ujjivan Small Finance Bank Shri Udaya Kumar Hebbar, MD & CEO, Grameen Koota Shri Sadaf Sayeed, CEO, Muthoot Microfin Ltd. Shri Govind Singh, Founder, Utkarsh Small Finance Bank Prof Alok Misra, Professor, Management Development Institute (MDI) Shri Srinivas Bonam, Head – Inclusive Banking Group, Indusind Bank <p>-----</p> <p style="text-align: center;">Open House Discussion and Feedback</p>

01.45 PM – 02.30 PM	Lunch
02.30 PM – 04.30 PM	<p>Technical Session II: Future of Pure Play MFIs in India and Sustainability Challenges</p> <p>Moderator: Shri Malcolm Gomes, Partner, McKinsey & Company</p> <p>Presentation: McKinsey & Company</p> <p>Panelists:</p> <ul style="list-style-type: none"> Shri Devesh Sachdev, CEO & Director, Fusion Microfinance Shri Manoj Kumar Nambiar, MD, Arohan Financial Services Shri Tamal Bandyopadhyay, Consulting Editor- Mint Shri Brij Mohan, Microfinance Sector Expert Shri R Baskar Babu, MD & CEO, Suryoday Small Finance Bank Shri Abhijit Maitra, President & National Head - ISB & MFIG, Yes Bank <p>-----</p> <p>Open House Discussion and Feedback</p>
04:30PM– 05.30PM	<p>Learning from Global MFI Experience</p> <p>Guest speaker:</p> <ul style="list-style-type: none"> Mr. Daniel Rozas, Senior Micro Finance Expert, European Micro Finance Platform, Luxembourg Mr. Jason Meikle, Dy. Director, Pact Global, Myanmar
05:30 PM	Tea and day closure
07.30 PM– 10.30 PM	NETWORKING DINNER
DAY 2 (Oct 27, 2018)	
09.30 AM 10.30 AM	<p>Key Priority Areas of the Sector including the Geographical Expansion Opportunities</p> <p>Tete-a-tete with the Regulator</p> <p>Moderator: Shri Prakash Kumar, CGM, SIDBI</p> <p>Guest speaker:</p> <ul style="list-style-type: none"> Shri Aalok Gupta, MD & CEO, MUDRA Shri Manoranjan Mishra, CGM, Department of Non-Banking Regulation, RBI
10.30 AM 10.45 AM	Tea-Break
10.45 AM 12.15 PM	<p>Technical Session III: Digital Vision for Mass Market Banking</p> <p>Moderator: Shri Ajay Kumar Kapur, DMD, SIDBI</p> <p>Panelists:</p> <ul style="list-style-type: none"> Shri Sharad Sharma, Co-Founder, ISPIRT Foundation Shri Alok Mittal, Co-Founder & CEO, Indifi Shri Arun Nayyar, CEO, NeoGrowth Credit Pvt Ltd Mrs. Sucharita Mukherjee, Co-founder & CEO, Kaleidofin Pvt. Ltd

	----- Open House Discussion and Feedback
12.15 PM 02.15 PM	Technical Session IV: Challenges for Going Beyond Microfinance and Serving Missing Middle Segment Moderator: Shri Himanshu Singh, Partner, McKinsey & Company Presentation: McKinsey & Company Panelist: Shri Chandra Shekhar Ghosh, MD & CEO, Bandhan Bank Shri Rajeev Yadav, MD & CEO, Fincare Small Finance Bank Shri Brahmanand Hegde, Executive Vice Chairman, Vistara Financial Services Shri Sanjay Sharma, MD, Aye Finance Private Limited Prof. M. S. Sriram, Professor, IIM Bengaluru Shri Thirunavukkarasu. R, Chief Operating Officer, Kinara Capital ----- Open House Discussion and Feedback
02.15 PM 03.00 PM	Lunch
03.00 PM 04.00 PM	Valedictory Session Summarization of conference recommendations - CMD/DMD, SIDBI, supported by McKinsey & Company Valedictory Address : Smt. Rosemary Sebastian, Executive Director, Reserve Bank of India, Mumbai Vote of Thanks
04.00 PM	Tea/Coffee
