

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2191
ANSWERED ON:12.08.2011
MICRO FINANCE BY BANKS
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Will the Minister of FINANCE be pleased to state:

- (a) whether some banks especially private banks targets three-fold rise in microfinance portfolio;
- (b) if so, the details thereof bank-wise for the remaining period of the Eleventh Five Year Plan in the country including Andhra Pradesh; and
- (c) the funds allocated and released so far?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (c): Loans in the microfinance sector are being provided mainly through the Self Help Group (SHG) - Bank Linkage Model and the Micro Finance Institutions (MFI) - Bank Linkage Model. In the SHG-Bank Linkage Model, SHGs are directly financed by banks. In the MFI-Bank Linkage Model banking agencies finance to Micro Finance Institutions (MFIs) for on-lending to SHGs and other small borrowers. The disbursements by Public sector and Private sector Banks to SHGs and MFIs during last three years (2007-08 to 2009-10) are given as under:

(Amount Rs. Crore)

Loans disbursed by Private Sector Banks Loans disbursed by Public Sector Banks

2008 2009 2010 2008 2009 2010

SHG	364.45	209.83	215.40	8484.81	12043.69	14237.90
MFIs	1489.33	3156.99	3762.00	470.82	575.34	4300.74

Source : NABARD (2008,2009 & 2010) Status of Microfinance in India