

# Ashish Bhandari Discusses Microfinance Institutions, the Banks of the Future

*Ashish Bhandari Discusses Microfinance Institutions, the Banks of the Future*

DUBAI, UAE, June 9, 2021 /EINPresswire.com/ -- Although he deals with uber-rich clients at his wealth management business, [Ashish Bhandari \(ex-Banker\)](#) believes in microfinance for underserved communities.

Microfinance provides loans, insurance and savings opportunities for entrepreneurs in markets that fall below the radar of traditional capital markets. Millions of people have received support from microfinance products that are now a major part of developing commerce in emerging countries such as India and Bangladesh. According to Ashish Bhandari (ex-Banker), this is just the beginning.

The first microfinance ventures were managed by private individuals or companies. This led to an unregulated environment that, while it provided opportunities for small business people, led to poor results and, sometimes, exploitation, according to [former banker Ashish Bhandari](#).

Today, commercial and government bodies oversee much of the major microfinancing opportunities around the globe. This makes the process safer for both investors and borrowers. Additionally, the mature market now offers insurance and safe savings opportunities for the poor, [says Ashish Bhandari \(ex-Banker\)](#).

Ashish Bhandari Banker Discusses the Pros and Cons of Microfinancing

Let's take a look at the major benefits of investing in microfinance. We'll also briefly discuss some of the downsides that you should understand prior to getting involved in microfinance opportunities.

Ashish Bhandari (ex-Banker), reveals the pros of microloans and other products:

- Broad diversification options
- High liquidity
- Monthly interest payments
- Stable returns
- Feel-good factor

Short-term microloans provide a fast return on investment. You only lock up your capital for the duration of the loan. This allows you to exit your investment within days or weeks. Conversely, many other investments require a longer wait to realize gains.

Things have changed a lot since the early days of microfinancing. Companies now have algorithms that can predict the viability of each microloan. This keeps the default rate low to provide stable investments for individuals and corporations who want to get in on the action.

Investors receive both principal and interest payments every month. This allows you to compound your interest, if you reinvest the funds, or supplement your monthly income.

You can enter the microfinancing market with a small investment, sometimes as low as \$5. This makes it an attractive opportunity for investors with little disposable income for those curious about the market, according to Ashish Bhandari.

#### Ashish Bhandari Discusses the Cons of Microfinancing

Microloans are unsecured, meaning that you can potentially lose your principle. While microfinancing gives more people access to capital to start their businesses, it also means that you get a lower quality of borrowers who won't be able to pay back the loan if their business fails, says Ashish Bhandari (ex-Banker).

Although the industry has evolved, microloans still have a much higher default rate than typical loans. Therefore, you're taking a higher risk when you put your money into microfinancing, warns Ashish Bhandari (ex-Banker).

Caroline Hunter  
Web Presence, LLC  
[email us here](#)

---

This press release can be viewed online at: <https://www.einpresswire.com/article/543398302>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2021 IPD Group, Inc. All Right Reserved.