



Microfinance loan portfolio rises 29.26% in FY20 to INR 2,31,788 cr

Serves 5.89 cr unique borrowers during FY20 through 10.54 cr loan accounts
Microfinance Portfolio and Loan accounts come from 170 entities against 149
last year

Performance Overview:

Microfinance Universe Based on loans originated after February 2017

- Gross microfinance Loan Portfolio and Loan Accounts show steady increase since six quarters, reinforcing the rising need for active financial inclusion
- Total number of active microfinance loan accounts stood at 10.54 crore as on 31st March 2020, an increase of 21.65 per cent over 8.66 crore loan accounts as on 31st March 2019
- Gross loan portfolio (GLP) as on 31st March 2020 is INR 2,31,788 crore, an increase of 29.26 per cent YoY over INR 1,79,314 crore as on 31st March 2019

MFIN Member NBFC-MFIs

- Gross Loan portfolio (GLP) of NBFC MFI stood at INR 74,371 crore for Q4 FY20, a 31 per cent YoY rise as compared to 31 March 2019 and 10 per cent in comparison to 31 December 2019.
- NBFC-MFIs received a total of INR 42,150 crore in debt funding in FY20, 33 per cent increase compared to INR 31,688 crore during FY19
- MFI's cashless disbursement on a rising curve, more than 92 per cent of MFI loan disbursement in FY20 in cashless mode, as compared to 85 per cent in FY19
- Top 10 MFIs account for 71 per cent of industry disbursements
- Average loan outstanding per account as of 31 March 2020 is INR 19,034 which is 6 per cent higher as compared to 31 March 2019
- Average loan disbursement per account for FY 2019-20 stood at INR 27,754 as compared to INR 26,196 for FY2018-19
- MFIs Interest Rates are well below RBI permissible threshold

New Delhi, June 19, 2020: Microfinance Institutions Network (MFIN), an RBI recognized self-regulatory organization and industry association of the microfinance industry in India, today released its 33rd issue of its Micrometer report for January-March 2020 i.e. Q4 FY 2019-20.

As on March 31, 2020, the microfinance industry served 5.89 crore unique borrowers through 10.54 crore loan accounts. The industry currently has a total loan portfolio of INR 2,31,788 crore for loans originating after February 2017.



Speaking on the occasion, Harsh Shrivastava, MFIN CEO said, “In a difficult year, it is heartening that microfinance was able to get more liquidity from its lenders and in turn increase its outreach by adding new branches, hiring more staff, and thus reach more borrowers.”

Banks hold the largest share of portfolio in micro- credit with total loan outstanding of Rs 92,281 Cr, which is 39.8% of total micro-credit universe. NBFC-MFIs are second largest provider of micro-credit with a loan amount outstanding of Rs 73,792 Cr, accounting for 31.8% to total industry portfolio. SFBs have a total loan amount outstanding of Rs 40,556 Cr with total share of 17.5%. NBFCs account for another 9.8% and other MFIs account for 1.1% of the universe.

As on 31 March 2020, aggregated GLP of MFIN Member NBFC-MFIs stood at Rs 74,371 Cr with a growth of 31% in comparison to 31 March 2019. The average ticket size of these NBFC-MFIs at Rs 27,754 during FY 2019-20 is an increase of 6% over FY 2018-19.

In terms of regional distribution of portfolio (GLP), East and North East accounts for 34% of the total NBFC MFI portfolio, South 27%, North 13%, West 15% and Central contributes 11% percent.

Five top states in terms of loan amount outstanding for MFIN Member NBFC-MFIs are Bihar, Karnataka, Tamil Nadu, Maharashtra and Odisha. They account for 49 per cent of GLP and top 10 states account for 79 per cent of the total loan amount outstanding.

During FY 19-20, MFIN Member NBFC-MFIs disbursed 2.78 crore loans worth INR 77,072 crore and compared with FY18-19, there has been a YoY increase of 16 per cent in number of loans disbursed and 23 per cent in loan amount disbursed. Top 10 MFIs in terms of loan amount disbursed accounted for 70 per cent of industry disbursements in FY19-20.

During FY 19-20, MFIN Member NBFC-MFIs received a total of INR 42,150 crore in debt funding (from Banks and other Financial Institutions). This represents a growth of 33 per cent compared to FY18-19, when they received INR 31,688 crore.

As on 31 March 2020, NBFC-MFIs, on aggregated basis, have a network of 14,275 branches and employee base of 1,16,738.

Based on Q4 FY19-20 data available for 54 NBFC MFI Members, loan amount disbursed through cashless mode is 92%. Majority of Members MFIs (83 %) have reported that more than 90% of their disbursement happen in Cashless mode.

The Asset Liability Management (ALM) analysis shows that all sizes of NBFC-MFIs are well placed in terms of ALM across various buckets. It is evident from the ALM analysis that borrowings of MFIs are of longer term while assets are of shorter-term. As a result, they have



a comfortable gap as on 31 March 2020 to manage their obligations for the current quarter (April–June 2020).

About Microfinance Institutions Network

MFIN is a premier industry association comprising 56 NBFC-MFIs and 35 Associates including Banks, Small Finance Banks (SFBs) and NBFCs. It is also the Self-Regulatory Organization (SRO) for the regulated NBFC-MFI. By virtue of bringing the NBFC-MFIs under one common umbrella, MFIN acts as a bridge between them and the regulators to build a dialogue for greater transparency, better policy frameworks and stronger client protection standards for responsible lending, thus enabling the microfinance industry to partake in meeting the larger financial inclusions goals.