



Microfinance loan portfolio stands at INR 2,93,154 Crores as on June 30, 2022, serving 6.0 crore unique borrowers with 11.8 crore loan accounts: MFIN Micrometer Q1 FY 22-23

Microfinance loan disbursements during Q1 FY 22-23 improved significantly to INR 45,830 crores as compared to same quarter of last financial year (INR 25,503 crores). The number of loans disbursed also saw an increase during Q1 FY 22-23 to 116 Lakhs from 71 Lakhs in Q1 FY 21-22, indicating continued growth of microfinance portfolio.

Performance Overview:

Microfinance Universe (based on loans originated after February 2017)

- As on June 30, 2022, the microfinance industry served **6.0** crore unique borrowers, through **11.8** crore loan accounts. The overall microfinance industry currently has a total Gross Loan Portfolio (GLP) of **INR 2,93,154** crores.
- GLP as on June 30, 2022, showed an increase of **23.5** per cent YoY over **INR 2,37,369** crores as on June 30, 2021.
- **12 Banks** hold the largest share of portfolio in micro-credit with total loan outstanding of **Rs 1,12,547 Crores**, which is **38.4%** of the total micro-credit universe. **NBFC-MFIs** are second largest provider of micro-credit with a loan amount outstanding of **Rs 1,02,465 Crores**, accounting for **35.0%** of the total industry portfolio. **SFBs** have a total loan amount outstanding of **Rs 49,646 Crores** with total share of **16.9%**. NBFCs account for another **8.8%** and Other MFIs account for **0.9%** of the universe.
- The microfinance active loan accounts increased by 14.3% during the past 12 months to 11.8 crores as on June 30, 2022.
- In terms of regional distribution of GLP, East & Northeast and South account for 63.9% per cent of the total portfolio. Similar to Q1 FY 21-22, Tamil Nadu remains the largest state in terms of portfolio outstanding followed by Bihar and West Bengal.

MFIN NBFC-MFIs Members

- GLP of NBFC-MFIs stood at **INR 98,508 crores** as on June 30, 2022, a **30.2 percent** YoY rise as compared to **INR 75,677 crores** as on June 30, 2021.
- The GLP includes owned portfolio of **INR 84,044 crores** and managed portfolio of **INR 14,464 crores**.
- As on **June 30, 2022**, NBFC-MFIs, on an aggregated basis, have a network of **17,600** branches with **1,47,352** employees.
- Loan amount of **INR 22,745 crores** was disbursed in **Q1 FY 22-23** through **57.7 Lakh** accounts, as compared to **INR 6,279 crores** disbursed in **Q1 FY 21-22** through **17.4 Lakh** accounts.
- Average loan amount disbursed per account during **Q1 FY 22-23** was **INR 39,411** which is an increase of around 9.2% in comparison to average loan amount disbursed per account in the same quarter of the last financial year.
- NBFC-MFIs received a total of **INR 8,819 crores** in debt funding during **Q1 FY 22-23**, which is 1.5 times of the debt received during **Q1 FY 21-22**.
- Total equity of the NBFC-MFIs grew by **19.7 per cent** YoY to **INR 22,178 crores** as on 30 June 2022.

New Delhi, September 22, 2022: Microfinance Institutions Network (MFIN), the microfinance industry association and an RBI recognized self-regulatory organization, today released the 42nd issue of its Micrometer report for the quarter ending June 30, 2022 i.e., Q1 FY 22-23.



Speaking on the 42nd Issue of Micrometer for Q1 FY 22-23, Dr Alok Misra - CEO & Director, MFIN said, “After the announcement of harmonized regulations for microfinance in Mar’22, most institutions took some time in making policy changes and adapting to the new guidelines, but the industry was still able to record a growth of 23.5% in portfolio on a YoY basis and 2.7% over the previous quarter, which should see further strengthening in the coming quarters with supportive operating and regulatory environment. Improvement in microfinance portfolio quality over the last one year has been good, with delinquency as measured by PAR>30 ratio, reducing to 13.8% as on 30th Jun’22 from 22.4% as on 30th Jun’21. The sector now caters to nearly 6 crore women entrepreneurs and is playing a critical role in inclusive growth as well as furthering the mission of Digital India.”

MFIN Chairperson, Mr Devesh Sachdev stated, “During the first quarter, the sector was occupied with the implementation of new harmonized regulations of the RBI. Despite that the growth has been good and credit quality of post-Covid disbursements are at 95% plus. During the remaining period of FY 22-23, riding on robust branch expansion, pent up demand and conducive policy, the sector is poised for sustainable growth.”

About Microfinance Institutions Network

MFIN is a premier industry association comprising 56 NBFC-MFIs and 41 Associates including Banks, Small Finance Banks (SFBs) and NBFCs. By virtue of bringing all microfinance entities 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 inclusion goals.

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