

Microfinance loan portfolio stands at INR 3,50,322 Crores as on May 31, 2023, serving 7.0 crore unique borrowers with 13.2 crore loan accounts: MFIN Micrometer Q1 FY 23-24

Microfinance loan disbursements during Q1 FY 23-24 (for two months Apr-May 2023) progressed to INR 43,501 crores as compared to INR 45,830 crores in the same quarter (Apr-Jun 2022) of last financial year. About 1.02 Cr loans were disbursed during Q1 FY 23-24 (till May 2023) as against 1.16 Cr in FY Q1 FY 22-23, indicating higher ticket size of new loans.

Performance Overview:

Microfinance Universe

(based on loans originated after February 2017 and loans outstanding as on May 31, 2023 as June 2023 data is not yet available)

- As on May 31, 2023, the microfinance industry served **7.0 Cr** unique borrowers, through **13.2 Cr** loan accounts. The overall microfinance industry currently has a total loan portfolio of **INR 3,50,322 Cr**.
- Loan outstanding as on May 31, 2023, showed an increase of **19.5** per cent in the last 11 months (July 2022 to May 2023) over **INR 2,93,154 Cr** as on June 30, 2022.
- **85 NBFC-MFIs** are the largest provider of micro-credit with a loan amount outstanding of **Rs 1,42,245 Cr**, accounting for **40.6%** to total industry portfolio. **13 Banks** hold the second largest share of portfolio in micro-credit with total loan outstanding of **Rs 1,13,806 Cr**, which is **32.5%** of total micro-credit universe. **SFBs** have a total loan amount outstanding of **Rs 60,293 Cr** with total share of **17.2%**. NBFCs account for another **8.7%** and Other MFIs account for **1.0%** of the universe.
- The microfinance active loan accounts increased by 12.5% during the past 11 months to 13.2 crores as on May 31, 2023.
- In terms of regional distribution of portfolio, East & Northeast and South account for 63% per cent of the total portfolio. Bihar is the largest state in terms of portfolio outstanding followed by Tamil Nadu and Uttar Pradesh.

MFIN NBFC-MFIs Members

- AUM of NBFC-MFIs stood at **INR 1,26,053 Cr** as on June 30, 2023, a **41.6 percent** YoY rise as compared to **INR 89,005 Cr** as on June 30, 2022.
- The AUM includes owned portfolio **INR 1,03,942 Cr** and managed portfolio (off Balance Sheet) of **INR 22,111 Cr**.
- As on **June 30, 2023**, NBFC-MFIs, on an aggregated basis, have a network of **17,706** branches with **1,56,093** employees.
- Loan amount of **INR 30,398 crores** was disbursed in **Q1 FY 23-24** through **68.9 Lakhs** accounts, as compared to **INR 20,845 crores** disbursed in **Q1 FY 22-23** through **51.2 Lakhs** accounts.
- Average loan amount disbursed per account during Q1 FY 23-24 was **Rs 44,114** which is an increase of around **8.3%** in comparison to the same quarter of last financial year.
- During FY Q1 23-24, NBFC-MFIs received a total of **Rs 15,708 Cr** in debt funding, which is 65.7% higher than Q1 FY 22-23.
- Total equity of the NBFC-MFIs grew by **30.2 per cent** YoY to **INR 26,290 Cr** as on 30 June 2023.



New Delhi, September 08, 2023: Microfinance Industry Network (MFIN), as association of all regulated entities active in microfinance space, and an RBI recognized self-regulatory organization for NBFC-MFIs, today released the 46th issue of its Micrometer report for quarter June 30, 2023 i.e., Q1 FY 23-24.

Speaking on the 46th Issue of Micrometer for Q1 FY 23-24, Dr Alok Misra - CEO & Director, MFIN said, microfinance industry reached INR 3,50,322 Cr as on May 31, 2023, with a 19.5% growth in the last 11 months from July 2022 to May 2023. So, once June data is available the YoY growth will be higher. During Q1 FY 23-24, the trend of **NBFC-MFIs** increasing their share as the **largest provider** of Microfinance in India continued and rose to 40.6%. Bihar continues to be the largest state in terms of portfolio, though the share of East and North East has decreased to 34.4% from 37.0% as on June 30, 2022. South and North regions have gained more than 1.5% each.

While growth is one aspect, the critical aspects of client outreach and credit quality have shown a definite positive change. It is heartening that the sector has increased client outreach by nearly 10 million during last 11 months period taking the financial inclusion mission wider and deeper. Similarly, the portfolio quality of the loans has further improved PAR 1-60 days bucket declining from 3.62% on May 31, 2022, to 1.77% on May 31, 2023.

MFIN in its changed role with all Regulated Entities as Members will continue to strive for growth that takes financial access deeper and continues to be responsible towards clients.

Microfinance Industry Network (MFIN): MFIN is a premier industry association comprising 55 NBFC-MFIs and 45 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.