



Microfinance loan portfolio stands at INR 2,31,778 crores as on September 30, 2020: Micrometer Q2 FY 20-21

MFI Industry serves 5.71 crore unique borrowers with 10.50 crore loan accounts

Microfinance loan disbursements during the quarter jump 5 times to INR 31,261 crores, while the number of loans disbursed quadruple to 88 lakhs, compared to previous quarter, signifying steady progress towards normalcy.

Performance Overview:

Microfinance Universe based loans originated after February 2017

- Gross loan portfolio (GLP) as on September 30, 2020, is **INR 2,31,778** crores, an increase of **14.90** per cent YoY over **INR 2,01,724** crores as on September 30, 2019
- Total number of active microfinance loan accounts stood at **10.50** crores with **5.71** crores unique borrowers as on September 30, 2020

MFIN NBFC-MFIs Members

- Gross Loan Portfolio (GLP) of NBFC-MFIs stood at **INR 71,147** crores as on September 30, 2020, a 12 per cent YoY rise as compared to September 30, 2019, but contracted by 1 per cent in comparison to 30 June 2020. The GLP includes owned portfolio of INR 57,270 Cr and managed portfolio of INR 13,878 cr.
- Loan amount of **INR 10,617** crores was disbursed in Q2 FY 20-21 through **32.26 Lakhs** accounts.
- Average loan disbursement per account for Q2 FY 20-21 stood at **INR 32,912** which is an increase of around 20 per cent in comparison to the corresponding quarter of the last financial year
- NBFC-MFIs received a total of **INR 9,854** crores in debt funding, which is 4 per cent higher than Q2 FY 19-20 and 65 per cent more as compared to Q1 FY 20-21.
- Total equity grew by 20 per cent as compared to Q2 FY 19-20 and is at **INR 17,178** crores.
- Interest Rates levied by NBFC-MFIs are well below RBI permissible threshold

New Delhi, December 15, 2020: Microfinance Institutions Network (MFIN), the microfinance industry association and an RBI recognized self-regulatory organization, today released the 35th issue of its Micrometer report for July to September 2020 i.e. Q2 FY 2020-21.

As on September 30, 2020, the microfinance industry served **5.71** crore unique borrowers, through **10.50** crore loan accounts. The industry currently has a total loan portfolio of **INR 2,31,778** crores, and is showing signs of rebounding to the pre-covid level



Speaking on the occasion, Dr Alok Misra, CEO, MFIN said, “July to September 2020 quarter has witnessed gradual and steady progress in microfinance loan disbursement as also on repayment, compared to earlier April to June 2020 quarter. The full impact is still not seen as September was the first month post moratorium. This rides on regulatory policy initiatives announced by the RBI and Government of India and ably implemented by microfinance lenders as also the resilience of borrowers. Our Members too have supported microloan borrowers during this unprecedented challenging period, helping them restart credit cycle and rebuild their livelihoods. Though the disbursements are picking up and so is the recovery, there are pockets of COVID stress. It is heartening to note 90 per cent of NBFC-MFIs disbursement are now through cashless mode. MFIs are also implementing PMSvanidhi scheme as well as MUDRA subvention scheme.

The sector needs continued policy support on pricing regulations post revision of base rate for Q3 and resolution of COVID impacted loan accounts to continue to serve BOP clients.”

From the entire MFI universe, 12 Banks hold the largest share of the portfolio in micro-credit with a total loan outstanding of **INR 94,355** crores, which is **40.71 per cent** of total micro-credit universe. NBFC-MFIs are the second largest provider of micro-credit with a loan amount outstanding of **INR 69,933** crores, accounting for **30.17 per cent** to total industry portfolio. SFBs have a total loan amount outstanding of **INR 43,142** crores with a total share of **18.61 per cent** per cent. NBFCs account for another **9.52 per cent**, and other MFIs account for **0.99 per cent** of the Universe.

For MFIN member NBFC-MFIs, the aggregate gross loan portfolio (GLP) stood at **INR 71,147** crores as on September 30, 2020, which represents a YoY growth of 12 per cent as compared to September 30, 2019, and a contraction of 1 per cent over the quarter ending on 30 June 2020. The GLP includes owned portfolio of **Rs 57,270** crores and managed portfolio of **Rs 13,878** crores.

The regional distribution of portfolio (GLP), East and North East accounts for 34 per cent of the total NBFC-MFI portfolio, South 27 per cent, North 13 per cent, West 16 per cent and Central contributes 10 per cent.

Five top states in terms of loan amount outstanding for MFIN Member NBFC-MFIs are Bihar, Tamil Nadu, Karnataka, Maharashtra and Odisha. They account for 51 per cent of Gross Loan Portfolio and the Top 10 states account for 82 per cent of the total loan amount outstanding.

During Q2 FY20-21, MFIN Member NBFC-MFIs disbursed **32.26 Lakhs** loans amounting to **Rs 10,617** crores as compared to Q2 FY 19-20, there has been a YoY drop of 52 per cent in number of loans disbursed and 43 per cent in loan amount disbursed.

Top 10 MFIs in terms of loan amount disbursed accounted for 78 per cent of industry disbursements in Q2 FY 20-21.



During Q2 FY 20-21, NBFC-MFIs received a total of **Rs 9,854** crores in debt funding, which is 4% higher than Q2 FY 19-20 and 65 % more as compared to Q1 FY20-21. Other Banks contributed to 48.8% of the borrowings received during Q2 FY 20-21, followed by 19.5% from non-bank entities, 15.0% from Top 5 Banks, 14.3% from All India Financial Institutions (AIFIs), External Commercial Borrowings (ECB) and Other sources contributed remaining 2.4%. However, for small MFIs the proportion of lending from AIFIs is just 2.6%, from Top 5 Banks only 6.9% and from other banks 13.5%.

As on September 30, 2020, NBFC-MFIs, on an aggregated basis, have a network of **14,080** branches with **1,09,521** employees.

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.

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