



Microfinance loan portfolio stands at INR 2,56,058 Crores as on December 31, 2021, serving 5.57 crore unique borrowers with 10.58 crore loan accounts: MFIN Micrometer Q3 FY 21-22

Microfinance loan disbursements during Q3 21-22 improved further to INR 65,392 crores as compared to same quarter of last financial year (INR 59,508 crores) and the same quarter of the last non-Covid FY 2019-20 (Rs 61,894 Cr).

Performance Overview:

Microfinance Universe (based on loans originated after February 2017)

- As on December 31, 2021, the microfinance industry served **5.57** crore unique borrowers, through **10.58** crore loan accounts. The overall microfinance industry currently has a total Gross Loan Portfolio (GLP) of **INR 2,56,058** crores.
- GLP as on December 31, 2021, showed an increase of **10.1** per cent YoY over **INR 2,32,648** crores as on December 31, 2020.
- As on 31 December 2021, **13 Banks** hold the largest share of portfolio in micro-credit with total loan outstanding of **Rs 1,03,569 Cr**, which is **40.4%** of total micro-credit universe. **NBFC-MFIs** are second largest provider of micro-credit with a loan amount outstanding of **Rs 87,444 Cr**, accounting for **34.2%** to total industry portfolio. **SFBs** have a total loan amount outstanding of **Rs 42,847 Cr** with total share of **16.7%**. NBFCs account for another **7.6%** and Other MFIs account for **1.1%** of the universe.
- The microfinance active loan accounts increased by 0.8% during the past 12 months to 10.58 crores as on December 31, 2021.
- In terms of regional distribution of GLP, East & Northeast and South account for 65% per cent of the total portfolio.

MFIN NBFC-MFIs Members

- GLP of NBFC-MFIs stood at **INR 86,068 crores** as on December 31, 2021, a **16.8 percent** YoY rise as compared to **INR 73,709 crores** as on December 31, 2020.
- The GLP includes owned portfolio of **INR 86,068 crores** and managed portfolio of **INR 9,856 crores**.
- As on **December 31, 2021**, NBFC-MFIs, on an aggregated basis, have a network of **16,226** branches with **1,36,464** employees.
- Loan amount of **INR 22,120 crores** was disbursed in **Q3 FY 21-22** through **59.4 lakh** accounts, as compared to **INR 19,518 crores** disbursed in **Q3 FY 20-21** through **57.1 Lakh** accounts.
- Average loan amount disbursed per account during **Q3 FY 21-22** was **INR 37,228** which is an increase of around 9.0% in comparison to same quarter of last financial year.
- NBFC-MFIs received a total of **INR 12,786 crores** in debt funding during **Q3 FY 21-22**, which is a **19.5 percent** increase from **Q3 FY 20-21**.
- Total equity of the NBFC-MFIs grew by **8.5 per cent** YoY to **INR 19,402 crores** as on 31 December 2021.

New Delhi, March 29, 2022: Microfinance Institutions Network (MFIN), the microfinance industry association and an RBI recognized self-regulatory organization, today released the 40th issue of its Micrometer report for October to December 2021 i.e., Q3 FY 21-22 quarter.



Speaking on the Third Issue of Micrometer for FY 21-22, Dr Alok Misra - CEO & Director, MFIN said,

“Q3 21-22 saw continuation of growth momentum of microfinance operations which were impacted due to second wave of COVID in the early part of this financial year. Portfolio quality continued to improve, and the portfolio growth is showing promising signs as well. Historically, fourth quarter brings highest growth in the sector and therefore Q4 21-22 should show further consolidation in the industry.

The announcement of the ‘Regulatory Framework for Microfinance Loans, 2022’ has come at a very opportune time when the industry has seemingly navigated the stressful Covid period well and has started showing signs of normalcy. The new regulation is expected to usher in a new phase of growth in the microfinance sector which is more client centric and responsible and will enable regulated entities to reach out to new unreached areas/excluded households. At the same time, the regulation is applicable to all regulated entities and has created a level playing field, which will encourage healthy competition and challenge regulated entities to innovate and become more efficient, and in the process benefit the clients and contribute further towards achievement of financial inclusion.”

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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