



Microfinance loan portfolio stands at INR 2,27,727 Cr as on June 30 2020: Micrometer Q1 FY 20-21

MFI Industry serves 5.80 crore unique borrowers with 10.37 crore loan accounts

Performance Overview:

Microfinance Universe based loans originated after February 2017

- Gross loan portfolio (GLP) as on June 30, 2020, is **INR 2,27,727 Cr**, an increase of 19.43 per cent YoY over INR 1,90,684 Cr as on June 30, 2019
- Total number of active microfinance loan accounts stood at 10.37 Cr with **5.80 Cr** unique borrowers as on June 30, 2020

MFIN NBFC-MFIs Members

- Gross Loan Portfolio (GLP) of NBFC MFIs stood at **INR 72,170 Cr** as on June 30, 2020, a 25 per cent YoY rise as compared to June 30, 2019, and **-3 per cent** in comparison to March 31, 2020.
- Loan amount of **INR 570 Cr** was disbursed in Q1 FY 20-21 through **2.04 Lakhs** accounts.
- Average loan disbursement per account for Q1 FY 20-21 stood at **INR 27,996** which is an increase of around 4 per cent in comparison to the corresponding quarter of the last financial year
- NBFC-MFIs received a total of **INR 5,973 Cr** in debt funding, which is almost same as Q1 FY 19-20. Total equity grew by 40 per cent as compared to Q1 FY 19-20 and is at **INR 16,807 Cr**.
- Interest Rates levied by NBFC-MFIs are well below RBI permissible threshold

New Delhi, September 22, 2020: Microfinance Institutions Network (MFIN), an RBI recognized self-regulatory organization and industry association of the microfinance industry in India, today released the 34th issue of its Micrometer report for April to June 2020 i.e. Q1 FY 2020-21.

As on June 30, 2020, the microfinance industry served 5.80 Cr unique borrowers, through **10.37 Cr** loan accounts. The industry currently has a total loan portfolio of **INR 2,27,727 Cr**, for loans originating after February 2017.

Speaking on the occasion, Dr Alok Misra, MFIN CEO said, *“April to June 2020 quarter has been unprecedented both for microfinance lending institutions and microfinance borrowers. With lockdown impacting livelihood of clients, MFIs provided moratorium to clients as per RBI guidelines. However, the moratorium was not extended to MFIs by all lenders, which caused double squeeze. Policy support in the form of TLTRO and Special Liquidity Facility helped MFIs overcome the difficult period; small and medium MFIs bore the brunt of liquidity challenge. The period demonstrated the resilience of the sector and its ability to adapt to changing situation by way of remote back-end operations, increased use of digital methods for*



spreading client awareness on COVID protocols and moratorium as well as repayments. The digital India mission saw empirical proof during the period with MFIs holding virtual group meetings to keep their client connect. Green shoots are evident in the sector as clients seek to start credit cycle to rebuild their livelihoods and funders and investors maintaining their support. With translation of policy intent to actual liquidity flow to even small and medium MFIs, it is hoped that by the year end, the repayment and disbursement cycle will inch towards pre COVID times. ”

From the entire MFI universe, 12 Banks hold the largest share of the portfolio in micro-credit with a total loan outstanding of **INR 92,675 Cr**, which is **40.7 per cent** of total micro-credit universe. NBFC-MFIs are the second largest provider of micro-credit with a loan amount outstanding of **INR 70,819 Cr**, accounting for **31.1 per cent** to total industry portfolio. SFBs have a total loan amount outstanding of **INR 39,667 Cr** with a total share of **17.4 per cent**. NBFCs account for another **9.8 per cent**, and other MFIs account for **1.0 per cent** of the Universe.

In terms of NBFC-MFIs, the aggregate gross loan portfolio (GLP) of MFIs stood at **INR 72,170 Cr** as on June 30, 2020, which represents a YoY growth of 25 per cent as compared to June 30, 2019, and -3 per cent in comparison to March 31 2020. The GLP includes owned portfolio of Rs 55,296 Cr and managed portfolio of Rs 16,874 Cr.

The regional distribution of microfinance portfolio (GLP), is dominated by East and North-East which account for 34 per cent of the total NBFC MFI portfolio, with the rest 66 per cent divided between South 25 per cent, North 15 per cent, West 15 per cent and Central 11 per cent.

Five top states in terms of loan amount outstanding for MFIN Member NBFC-MFIs are Bihar, Karnataka, Tamil Nadu, Odisha and Maharashtra. They account for 48 per cent of the Gross Loan Portfolio, and the Top 10 states account for 80 per cent of the total loan amount outstanding.

During Q1 FY 20-21, MFIN Member NBFC-MFIs disbursed **2.04 Lakh** loans amounting to **INR 570 Cr**, as compared to 59 Lakh loans disbursed amounting to INR 15,865 crores in Q1 FY 19-20, a YoY drop of 97 per cent in the number of loans and 96 per cent in the amount disbursed. Top 10 MFIs in terms of loan amount disbursed accounted for 96 per cent of NBFC-MFI industry disbursements in Q1 FY 20-21.

During Q1 FY 20-21, NBFC-MFIs received a total of INR 5,973 Cr in debt funding, which is almost equal to Q1 FY 19-20 and 52 per cent lower than Q4 FY 19-20 at INR 12,448 crores.

As on June 30, 2020, NBFC-MFIs, on an aggregated basis, have a network of 14,167 branches with 1,09,239 employees.

Based on Q1 FY 20-21 data available for 52 NBFC MFI Members, loan amount disbursed through cashless mode is 93 per cent. About 52 per cent of members have reported that more



than 90 per cent of their disbursement took place in cashless mode, while 42 per cent members have reported zero disbursements during the quarter.

All the big and small NBFC-MFIs continue to be well placed in terms of ALM across various buckets. It is evident from the ALM analysis that borrowings of MFIs are for a longer-term while assets are of shorter-term. However, the total stoppage of microfinance operations from end-Mar to end-May, due to countrywide lockdown, has been a challenge for MFIs and they have been slowly overcoming this challenge by keeping in touch and hand-holding customers, wading through these difficult times.

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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