



Microfinance loan portfolio stands at INR 2,32,648 crores as on December 31, 2020: MFIN Micrometer Q3 FY 20-21

MFI Industry serves 5.83 crore unique borrowers with 10.50 crore loan accounts

Microfinance loan disbursals during the October to December 2020 quarter jumped 90.4 per cent to INR 59,507 crores as compared to previous quarter (INR 31,261 crores). Similarly the number of loans disbursed doubled to 1.79 crores (0.88 crores), signifying steady progress towards normalcy.

Performance Overview:

Microfinance Universe based loans originated after February 2017

- As on December 31, 2020, the microfinance industry served **5.83** crore unique borrowers, through **10.50** crore loan accounts. The overall microfinance industry currently has a total loan portfolio of **INR 2,32,648** crores, and is showing steady improvement, rebounding to the pre-covid levels.
- Gross loan portfolio (GLP) as on December 31, 2020, showed an increase of **10.1** per cent YoY over **INR 2,11,302** crores as on December 31, 2019
- 14 Banks hold the largest share of the portfolio in micro-credit with a total loan outstanding of **INR 97,956 crores**, which is **42.10 per cent** of total micro-credit universe. NBFC-MFIs are the second largest provider of micro-credit with a loan amount outstanding of **INR 72,128** crores, accounting for **31.00 per cent** to total industry portfolio. SFBs have a total loan amount outstanding of **INR 39,062** crores with a total share of **16.79 per cent**. NBFCs account for another **9.06 per cent**, and other MFIs account for **1.04 per cent** of the Universe.
- In terms of regional distribution of GLP, East and North East accounts for 41 per cent of the total NBFC-MFI portfolio, South 27 per cent, West 14 per cent, North 11 per cent and Central contributes 8 per cent.

MFIN NBFC-MFIs Members

- Gross Loan Portfolio (GLP) of NBFC-MFIs stood at **INR 74,712 crores** as on December 31, 2020, a **11.1 per cent** YoY rise as compared to **INR 67,255 crores** as on December 31, 2019 and by **5.0 per cent** in comparison to **INR 71,147 crores** as on September 30, 2020
- The GLP includes owned portfolio of **INR 63,710 crores** and managed portfolio of **INR 11,002 crores**.
- As on **December 31, 2020**, NBFC-MFIs, on an aggregated basis, have a network of **14,437** branches with **1,14,733** employees.
- Loan amount of **INR 19,696 crores** was disbursed in **Q3 FY 20-21** through **57.8 Lakhs** accounts, as compared to **INR 10,617 crores** disbursed in **Q2 FY 20-21** through **32.26 Lakh** accounts.
- Average loan disbursement per account for **Q3 FY 20-21** stood at **INR 34,070** which is an increase of around **19 per cent** in comparison to **Q3 FY 19-20** at **INR 28,620**
- NBFC-MFIs received a total of **INR 10,876 crores** in debt funding, which is **10.4 per cent** higher as compared to **INR 9,854 crores** in earlier quarter **Q2 FY 20-21**, signifying improving liquidity
- Total equity of the NBFC-MFIs grew by **16.6 per cent** to **INR 18,077 crores** as on **December 31, 2020** as compared to **INR 15,508 crores** in **December 31, 2019**
- Five top states in terms of loan amount outstanding for MFIN Members are Tamil Nadu, Karnataka, Bihar, Maharashtra and Odisha. They account for 51% of GLP and Top 10 states account for 82 per cent of the total loan amount outstanding.



New Delhi, March 8, 2021: Microfinance Institutions Network (MFIN), the microfinance industry association and an RBI recognized self-regulatory organization, today released the 36th issue of its Micrometer report for October to December 2020 i.e. Q3 FY 2020-21 quarter.

Speaking on the occasion, Dr Alok Misra - CEO & Director, MFIN said, “It is heartening that the green shoots seen at the end of Q2 have proved to be true and sector disbursements are reaching almost at pre COVID levels backed by increased demand for loans to restart livelihoods. The disbursements during Q3 20-21 are around 96% of Q3 19-20 indicating that it should reach normal levels by end of Q4 20-21. The lenders and investors continue to show full confidence on the sector as evident by the debt funding going up 10.4 per cent as compared to the previous quarter and equity moving up 16.6 per cent compared to corresponding quarter last year. The portfolio quality despite geographical variation is also moving in 88-92% range, the best in financial sector. All this has been done following COVID protocols down to field level and increased use of technology.”

Dr Misra also added, “It is important to note that despite the humongous challenge, when most industries were pruning jobs, MFIs have been strengthening their head count at every level. I feel that the recent statement by the RBI Governor that regulatory framework for microfinance for all lenders active in this space would be reviewed and a discussion paper will be place for public comments by Mid March, adds to the positivity for future sustainable growth of last mile financial inclusion. It is noteworthy that MFIN has been strongly advocating this for last few years and has also worked on Code of Responsible Lending covering all lenders.”

About Microfinance Institutions Network

MFIN is a premier industry association comprising 58 NBFC-MFIs and 39 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 inclusion goals.