

SYNOPSIS

Issue 42

MICROMETER

Data as on 30 June 2022



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Acknowledgments

We are thankful to all our members, associates and other institutions who have contributed data for this issue.

Introduction

This is the **42nd issue** of the Micrometer and it provides an overview of the microfinance industry as on **30 June 2022 (Q1 FY 2022-23)**. Micrometer has two broad sections as under:

Section I on “Microfinance Universe” gives an overview of the portfolio and outreach of microfinance (i.e., micro-credit) industry as on 30 June 2022. This section analyses the Industry wise data sourced from **Equifax**, of various categories of financial institutions engaged in the microfinance space in India. These are NBFC-MFIs, Banks, Small Finance Banks (SFBs), NBFCs and Others (including Non-profit MFIs). Till the 29th issue of Micrometer, ‘**Ever MFI data**’, based on loans originated after January 2014, was being used for analysis. The portfolio originated after February 2017 now constitutes more than 99% of the Ever MFI data. Therefore, to provide a more realistic and current picture of the progress of Microfinance Universe, from 30th issue onwards, data after February 2017 (which is after the demonetization period) has been used for analysis.

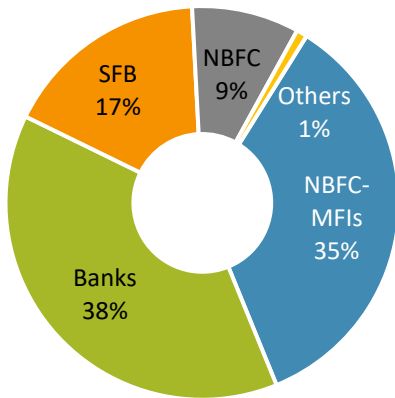
Section II of the micrometer provides detailed analysis of **self reported data** of **NBFC-MFIs (MFIN Primary Members)** up to state level. This includes a comparative analysis with the corresponding quarters of previous fiscal year (Q1 FY 2021-22) and previous quarter (Q4 FY 2021-22). Analysis on NBFC-MFIs is based on data collected from **56 members** that are registered with the Reserve Bank of India (RBI).

Section I : The Universe

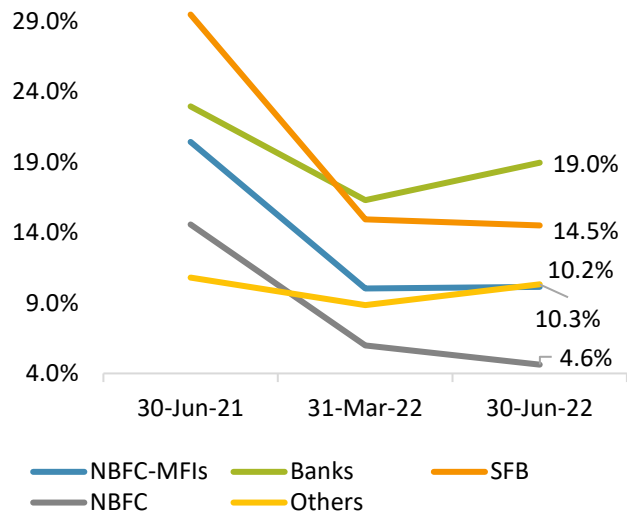
The pie-chart shows the share of each peer group in the universe for loan amount outstanding as percentages. The portfolio of NBFC-MFIs portfolio has increased by 36.6% and banks by 9.9%, SFBs portfolio by 28.5%, NBFCs portfolio has increased by 38.4% and Other MFIs have decreased by 0.6% (Based on loans originated after February 2017).

As shown in PAR trend graph, PAR>30 has shown a decreasing trend for all category of REs in comparison to the 30 June 2021 numbers, signifying recovery of portfolio health. However, Banks and other MFIs have shown an increase in PAR>30 comparison to 31 March 2022.

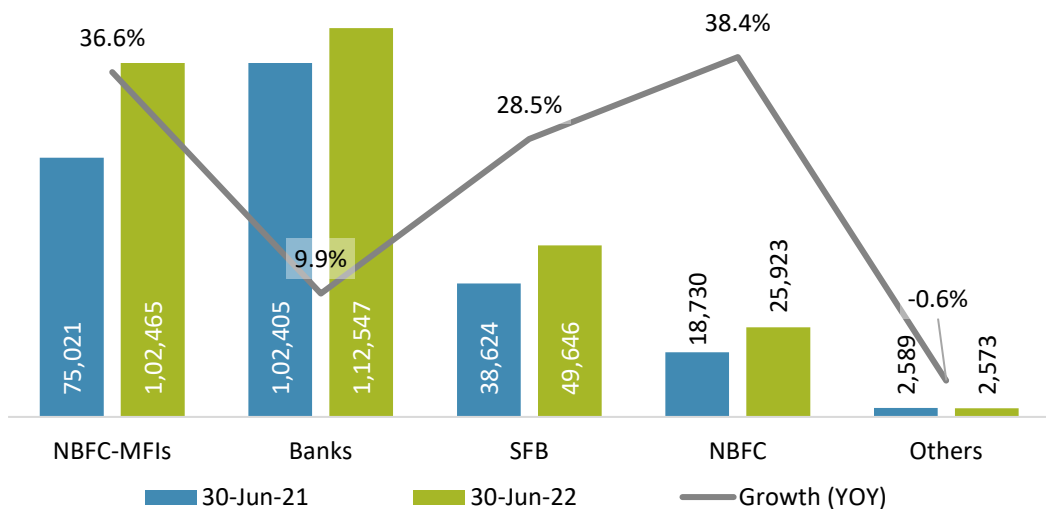
Micro-credit loan outstanding across lenders
30 June 2022



PAR>30 of the various entities



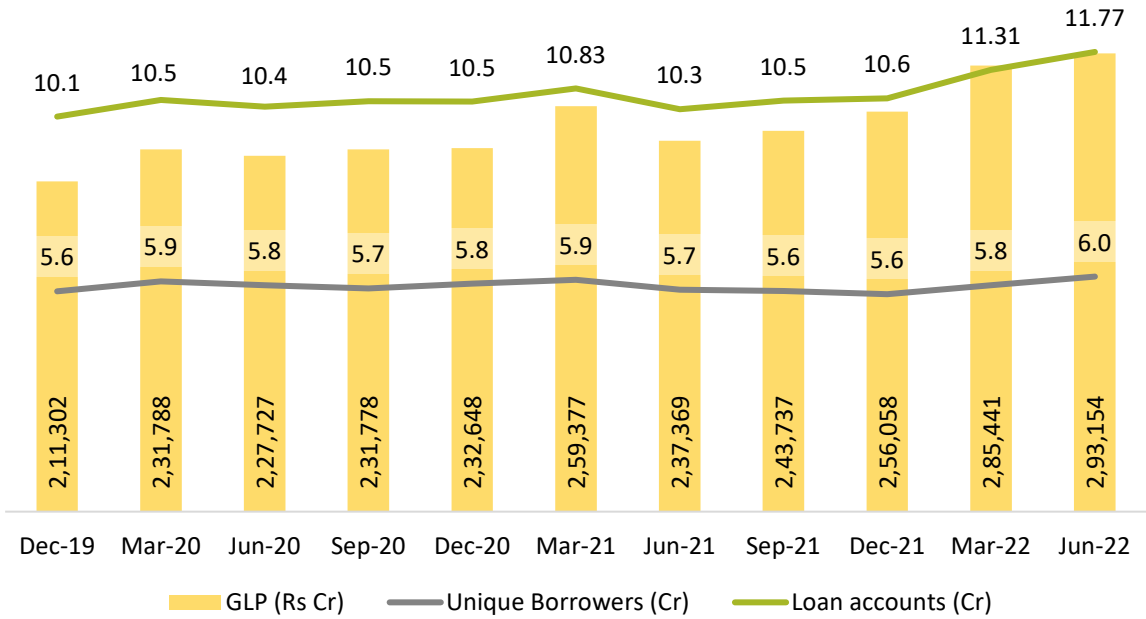
Portfolio outstanding of the microfinance industry (Rs Cr)



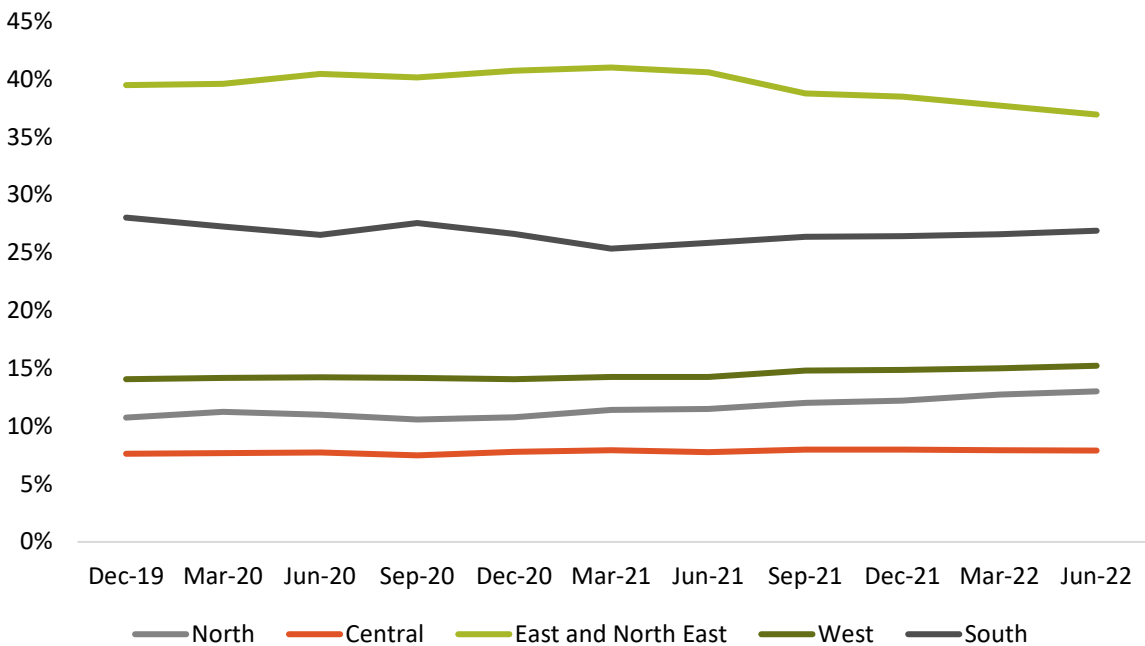
Industry trends

Q3 FY 19-20 to Q1 FY 22-23

Outreach

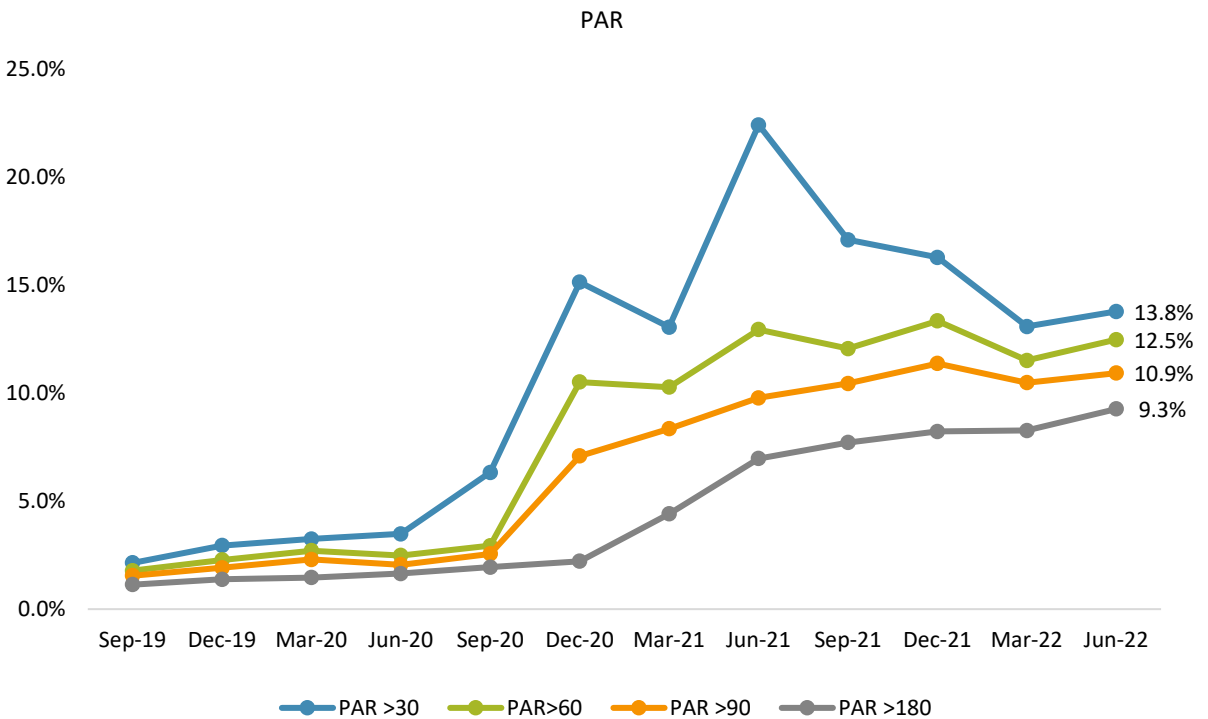
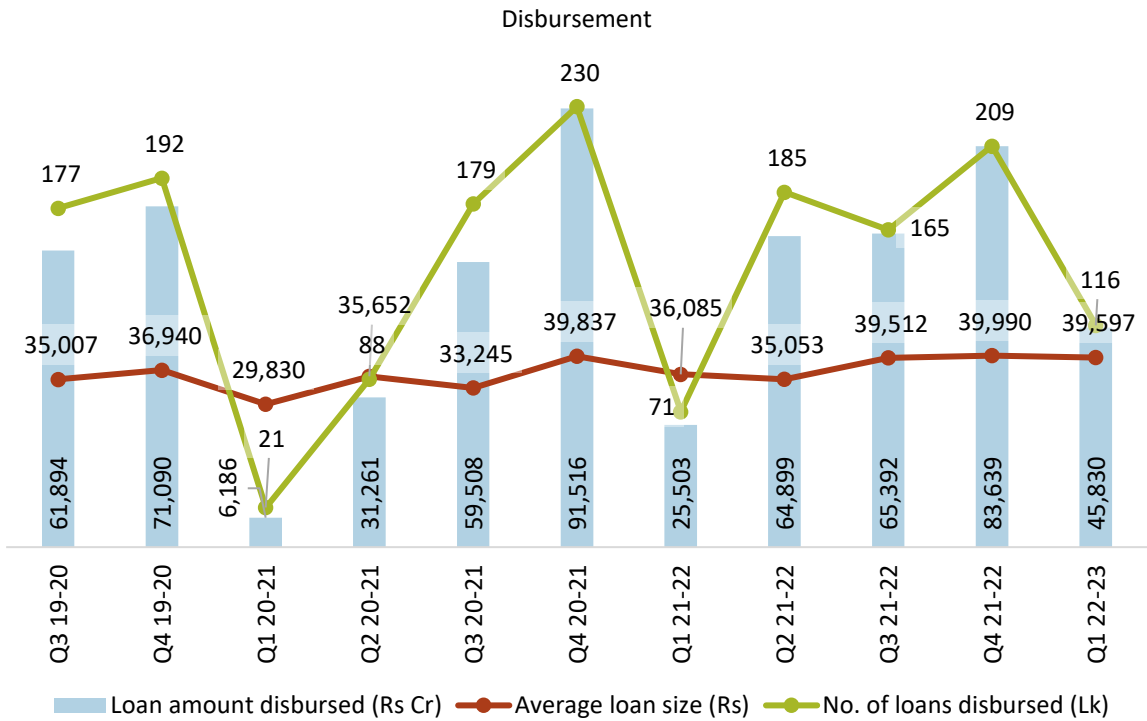


Regional distribution of GLP



Industry trends

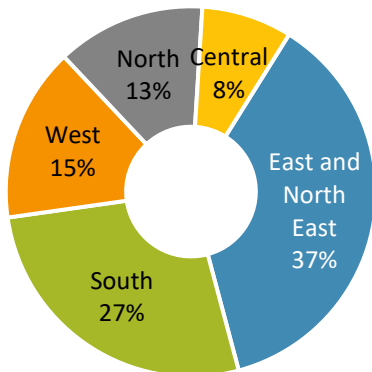
Q3 FY 19-20 to Q1 FY 22-23



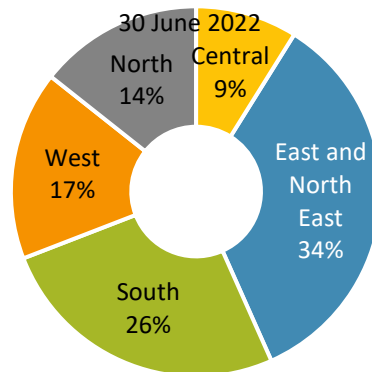
Regional distribution

As on 30 June 2022, the industry serves 6.0 Cr unique borrowers through 11.8 Cr loan accounts. The regional spread is depicted in the pie-chart below which shows around 64% portfolio is concentrated in East & Northeast and South regions.

Regional distribution of portfolio
30 June 2022



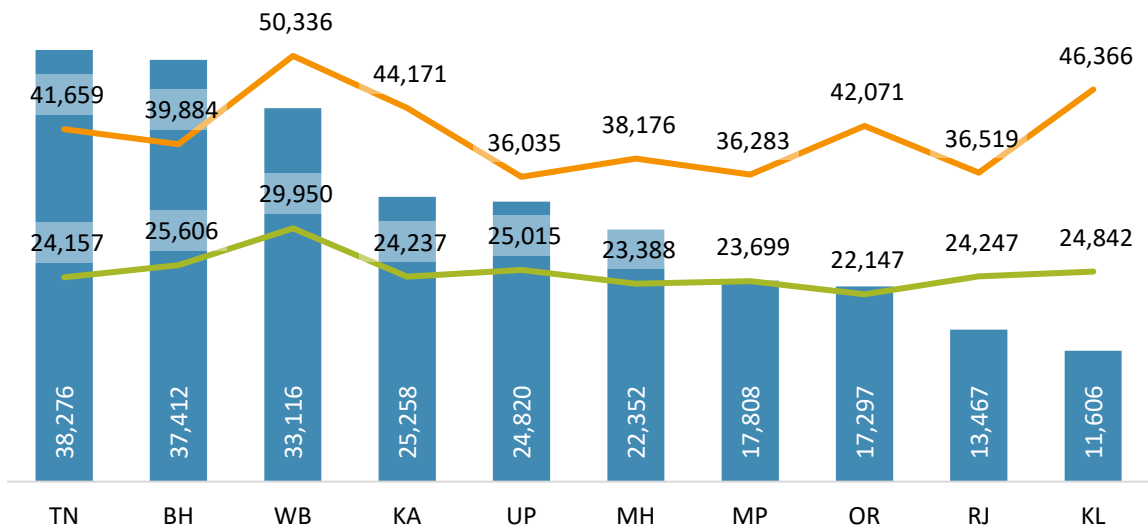
Regional distribution of unique borrowers
30 June 2022



The Top 10 states (based on universe data) constitute 82.3% in terms of GLP. Tamil Nadu has become the largest state in terms of portfolio outstanding followed by Bihar and West Bengal. Among Top 10 states, West Bengal has the highest average loan outstanding per unique borrower of Rs 50,336 followed by Kerala at Rs 46,366.

Portfolio: Top 10 states
30 June 2022

GLP (Rs Cr)
Av. loan O/s per account (Rs)
Av. loan O/s per UB (Rs)



Section II : NBFC-MFI Highlights

Some highlights of this quarter/ financial year are as under:

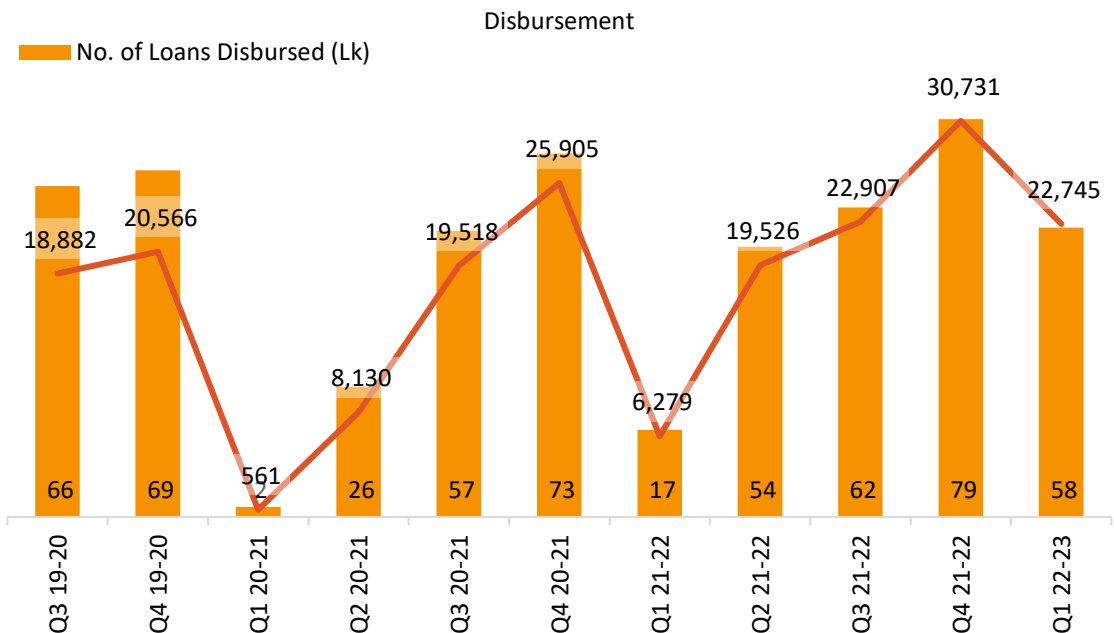
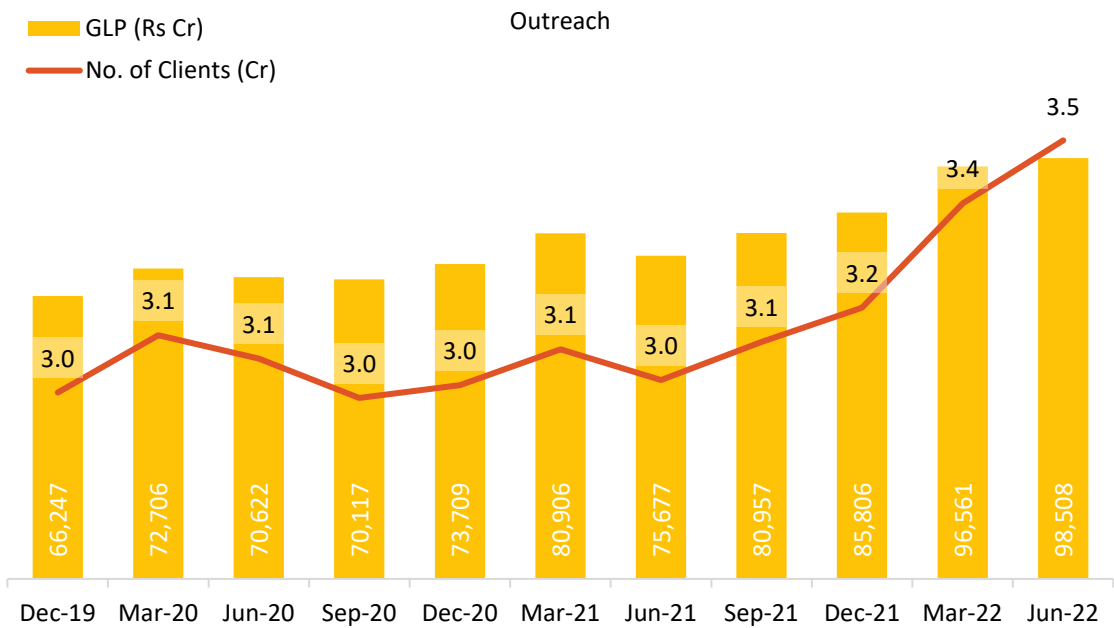
- As on 30 June 2022, **3.5 Cr clients*** have loan outstanding from NBFC-MFIs, which is **13.8%** higher than clients as on 30 June 2021.
- The aggregate **GLP** of MFIs is **Rs 98,508 Cr** as on 30 June 2022, including owned portfolio **Rs 84,044 Cr** and managed portfolio (off BS) of **Rs 14,464 Cr**. The owned portfolio of MFIN members is about 82.0% of the NBFC-MFI universe portfolio of **Rs 1,02,465 Cr**.
- On a YoY basis GLP has increased by **30.2%** as compared to 30 June 2021 and by **2.0%** in comparison to 31 March 2022.
- Loan amount of **Rs 22,745 Cr** was disbursed in Q1 FY 22-23 through **57.7 Lakhs** accounts, including disbursement of Owned as well as Managed portfolio. This is 2.6 times higher than the disbursements made in Q1 FY 21-22.
- Average loan amount disbursed per account during Q1 FY 22-23 was **Rs 39,411** which is an increase of around **9.2%** in comparison to last financial year.
- As on 30 June 2022, the borrowings O/s were **Rs 75,388 Cr**. Banks contributed 58.0% of borrowings O/s followed by 18.9% from Non-Bank entity, 11.4% from AIFIs, 8.4% from other sources and 3.3% from External Commercial Borrowings (ECB).
- During Q1 FY 22-23, NBFC-MFIs received a total of **Rs 8,819 Cr** in debt funding, which is 1.5 times higher than Q1 FY 21-22. Banks contributed 69.7% of the total Borrowing received followed by Non-Bank entities 25.0%, ECB 2.5%, AIFIs 2.3% and Others 0.6%.
- Total equity increased by **19.7%** as compared to end of Q1 FY 21-22 and is at **Rs 22,178 Cr** as on 30 June 2022.
- Portfolio at Risk (PAR)>30 days as on 30 June 2022 has reduced to **8.7%** as compared to **15.7%** as on 30 June 2021.
- MFIs have presence in 27 states and 5 union territories.
- In terms of regional distribution of portfolio (GLP), East and North-East accounts for 32% of the total NBFC-MFI portfolio, South 27%, West 16%, North 15% and Central contributes 10%.

Indicator	Q1 FY 21-22	Q4 FY 21-22	Q1 FY 22-23	YoY change (%) Q1 FY 22-23 over Q1 FY 21-22
	30-Jun-21	31-Mar-22	30-Jun-22	
Branches	14,902	16,890	17,600	18.1%
Employees	1,20,954	1,42,811	1,47,459	21.9%
Clients~ (Cr)	3.0	3.4	3.5	13.8%
Loan accounts (Cr)	3.6	3.9	3.9	9.4%
Gross Loan Portfolio (Rs Cr)	75,677	96,561	98,508	30.2%
Balance sheet portfolio (Rs Cr)	64,679	82,458	84,044	29.9%
Loans disbursed (during the year, Cr)	17.4	79.4	57.7	231.7%
Loan amount disbursed (during the year, Rs Cr)	6,279	30,731	22,745	262.2%

**The client's number here is the aggregate of clients of member MFIs. Given some degree of overlaps, it does not reflect the number of 'unique' clients*

NBFC-MFI trends

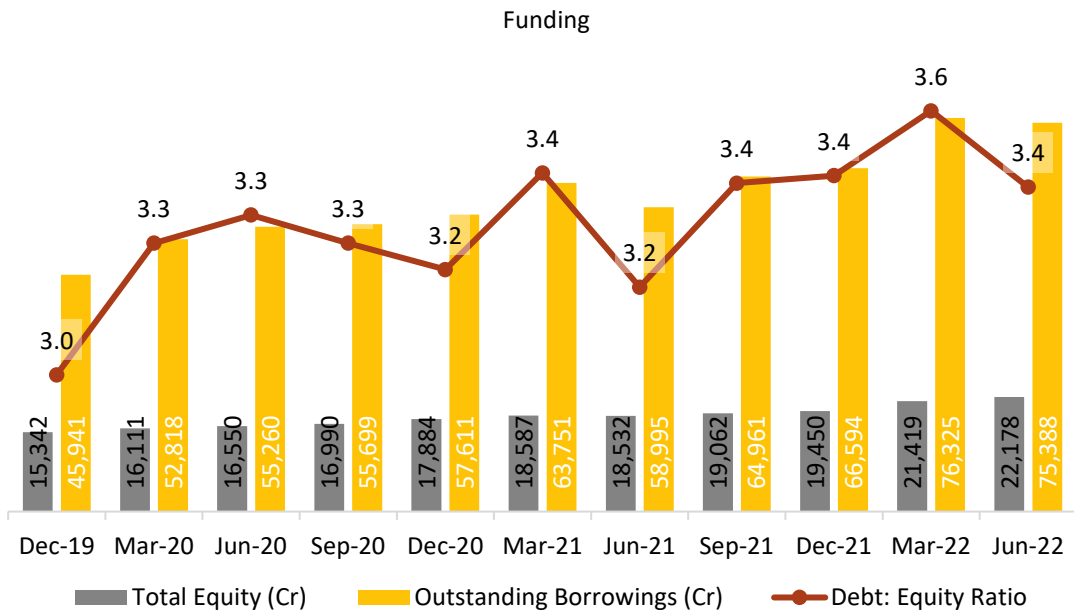
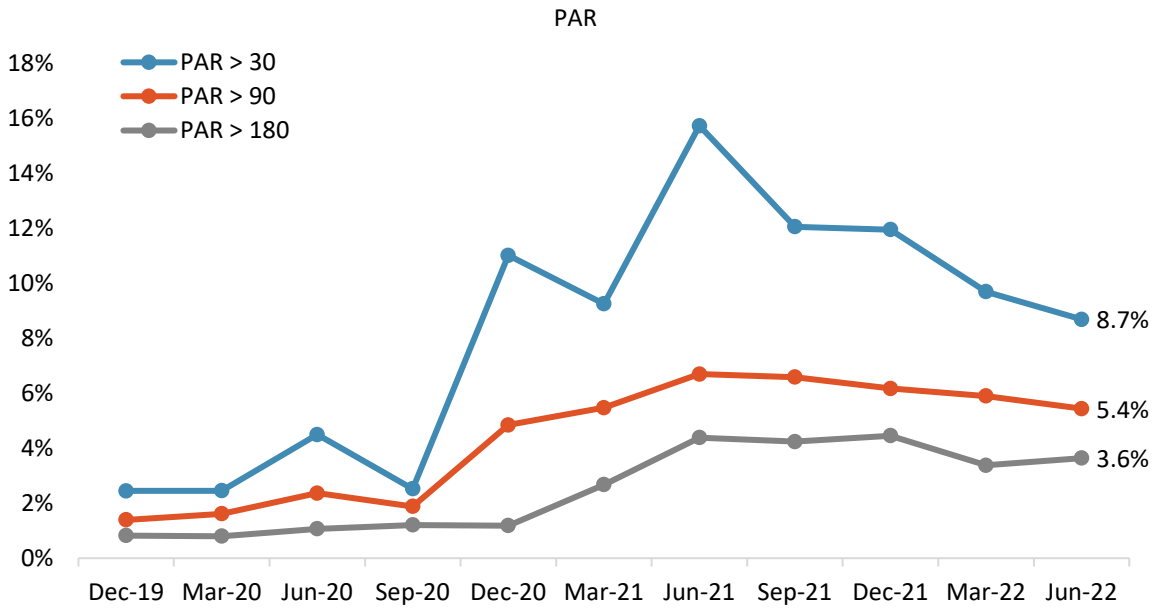
Q3 FY 19-20 to Q1 FY 22-23



*Analysis is based on the data of panel of MFIs in the current quarter

NBFC-MFI trends

Q3 FY 19-20 to Q1 FY 22-23

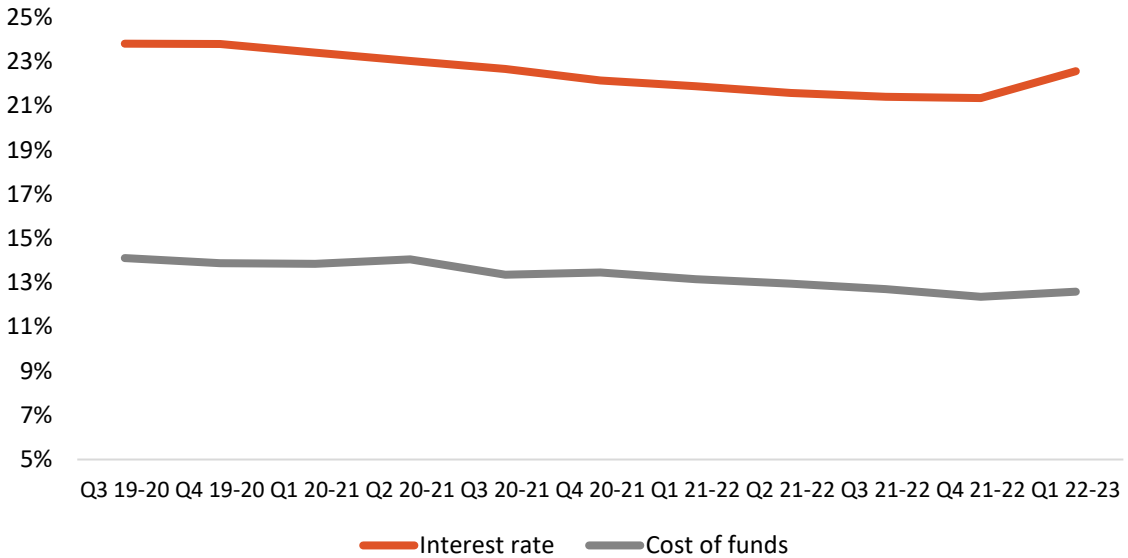


*Analysis is based on the data of panel of MFIs in the current quarter

NBFC-MFI trends

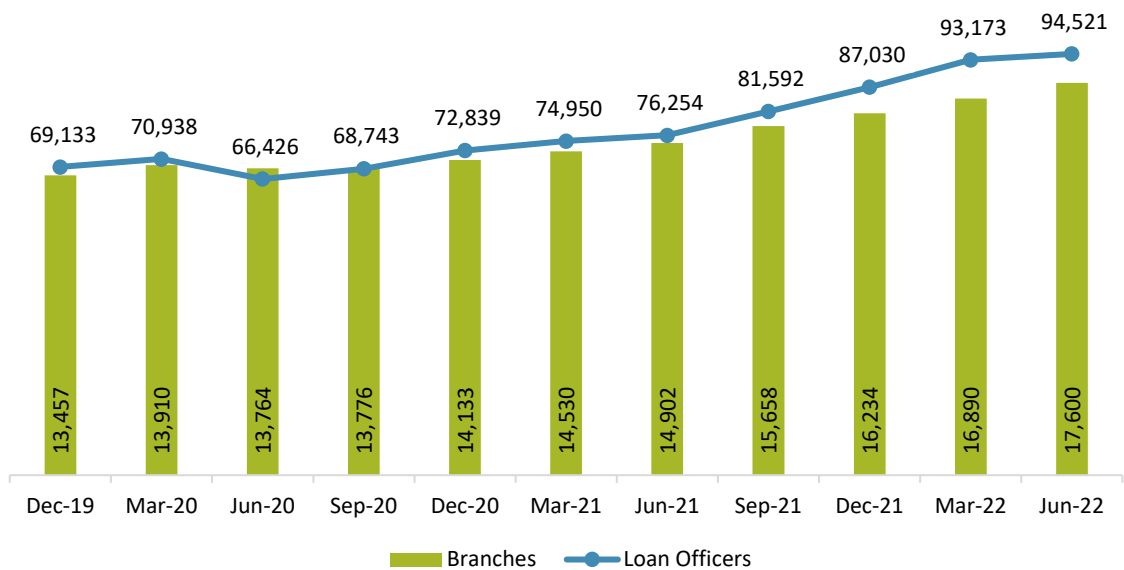
Q3 FY 19-20 to Q1 FY 22-23

Comparison of Interest rates and cost of funds



Note: Interest rate depicted in the above graph is the weighted average rate of interest charged by Member institutions on existing qualifying loan portfolio outstanding.

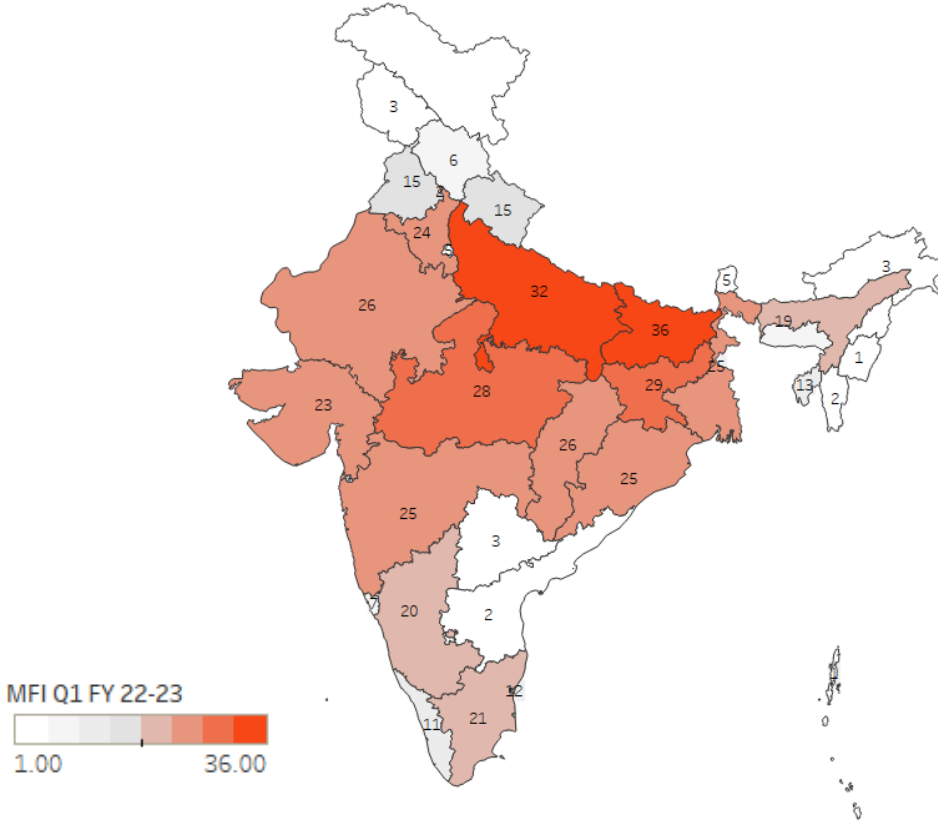
Branch network



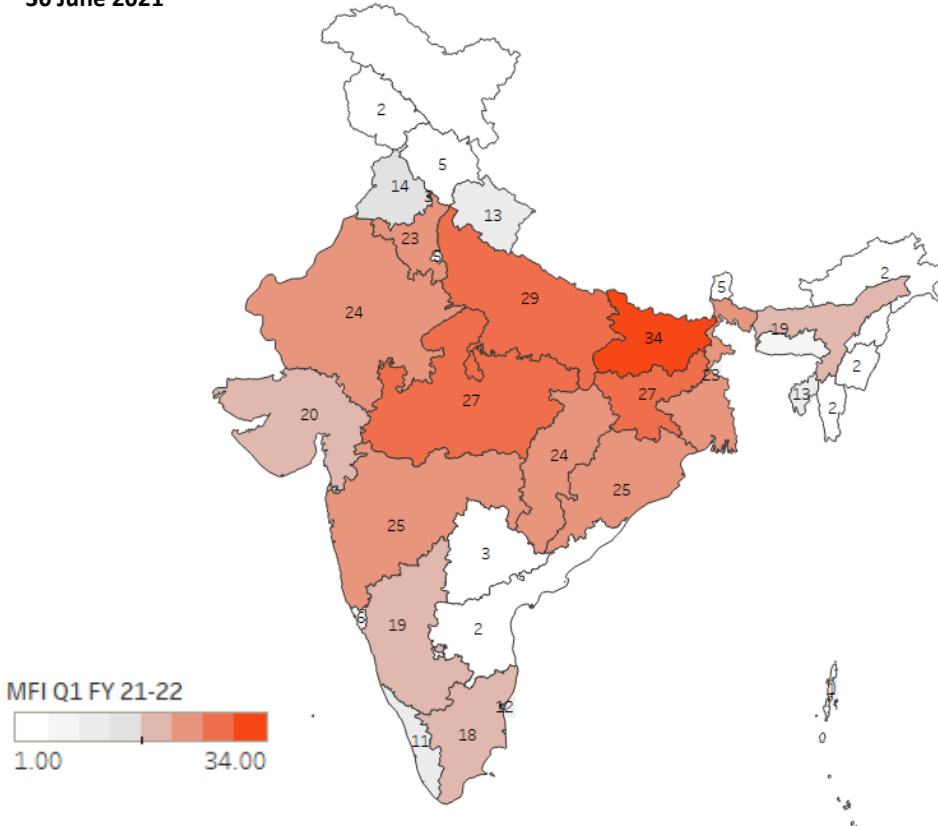
*Analysis is based on the data of panel of MFIs in the current quarter

State wise presence of MFIN Members

30 June 2022



30 June 2021





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