

SYNOPSIS

Issue 43

# MICROMETER

Data as on 30 September 2022



All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means without written permission from MFIN.

# Acknowledgments

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

# Introduction

This is the **43<sup>rd</sup> issue** of the Micrometer and it provides an overview of the microfinance industry as on **30 September 2022 (Q2 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 September 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 29<sup>th</sup> 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 30<sup>th</sup> issue onwards, data after February 2017 (which is after the demonetization period) has been used for analysis.

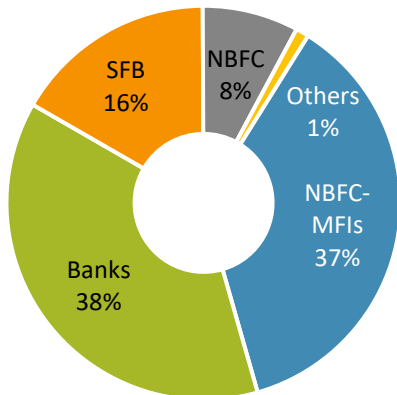
**Section II** of the micrometer provides detailed analysis of **self reported data** of **NBFC-MFIs (MFIN Primary Members)** up to state level. This includes a comparative analysis with the corresponding quarters of previous fiscal year (Q2 FY 2021-22) and previous quarter (Q1 FY 2022-23). Analysis 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

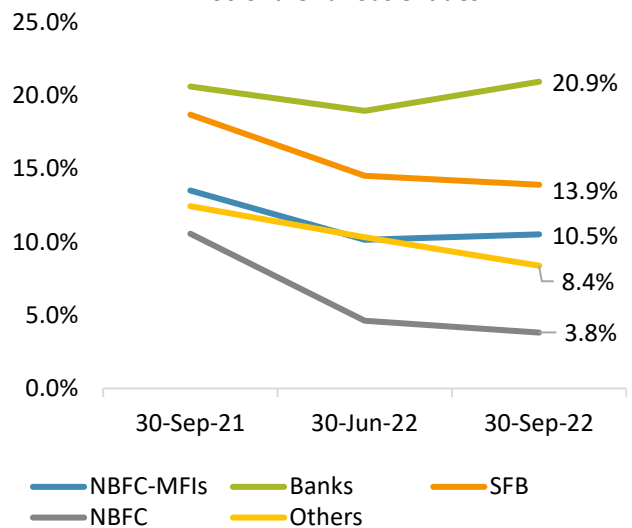
The pie-chart shows the share of each peer group in the universe for loan amount outstanding as percentages. The portfolio of NBFC-MFIs has increased by 33.4% and banks by 12.2%, SFBs portfolio by 23.4%, for to NBFCs portfolio has increased by 42.4% and Other MFIs have decreased by 25.1% (Based on loans originated after February 2017).

As shown in PAR trend graph, PAR>30 has increased for Banks in comparison to the 30 September 2021 numbers, for all other REs the portfolio health has improved over the last financial year. However, Banks and NBFC-MFIs have shown an increase in PAR>30 in comparison to 30 June 2022.

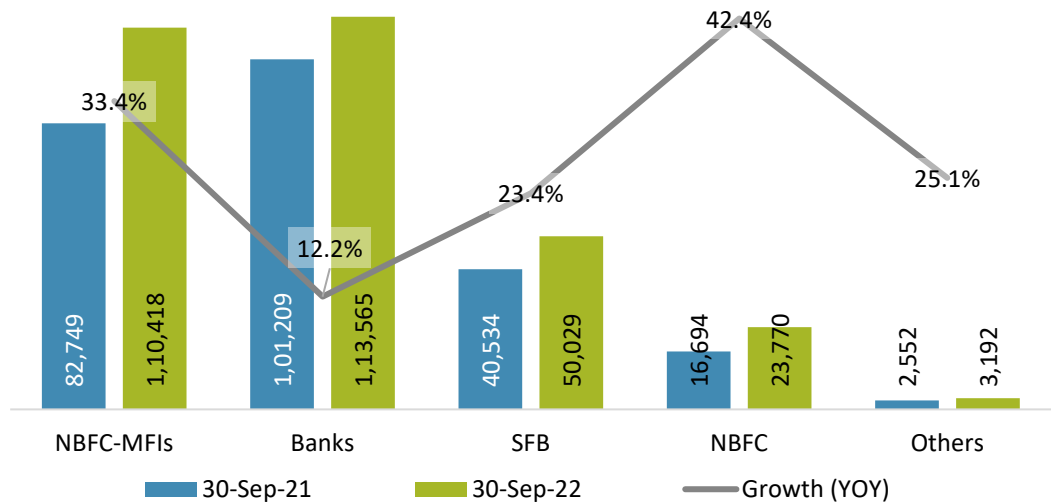
Micro-credit loan outstanding across lenders  
30 September 2022



PAR>30 of the various entities



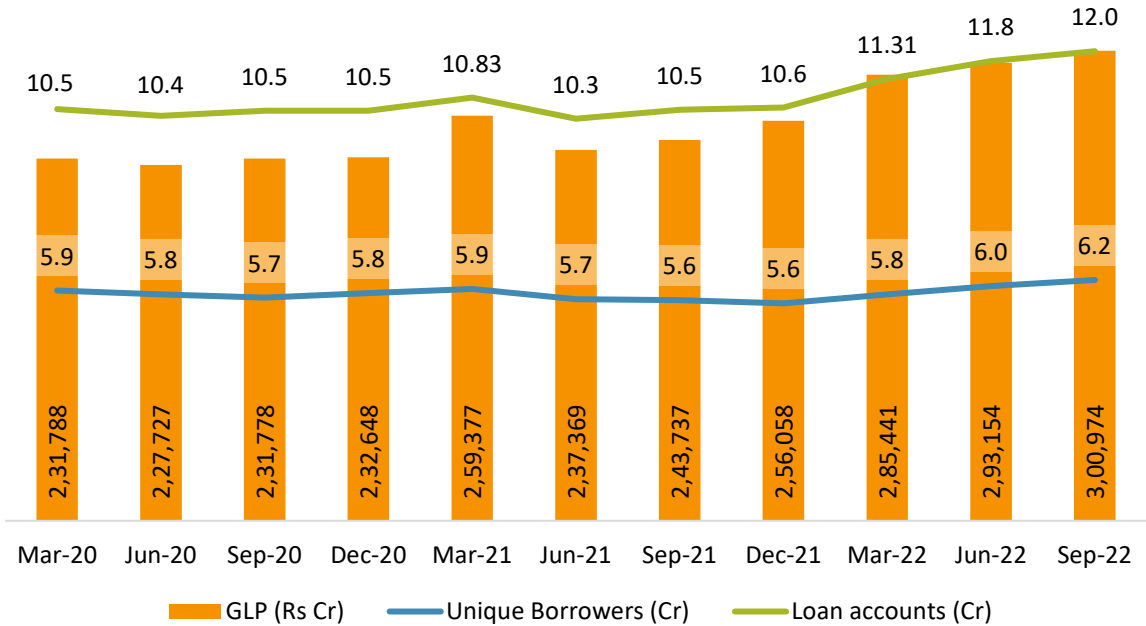
Portfolio outstanding of the microfinance industry (Rs Cr)



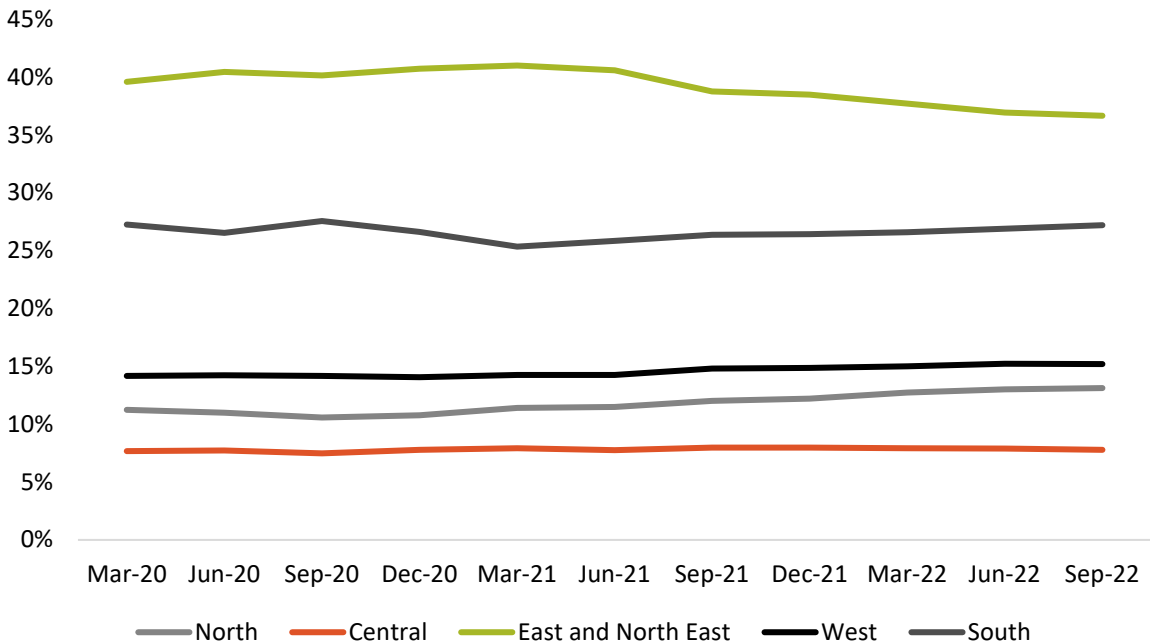
# Industry trends

## Q4 FY 19-20 to Q2 FY 22-23

Outreach

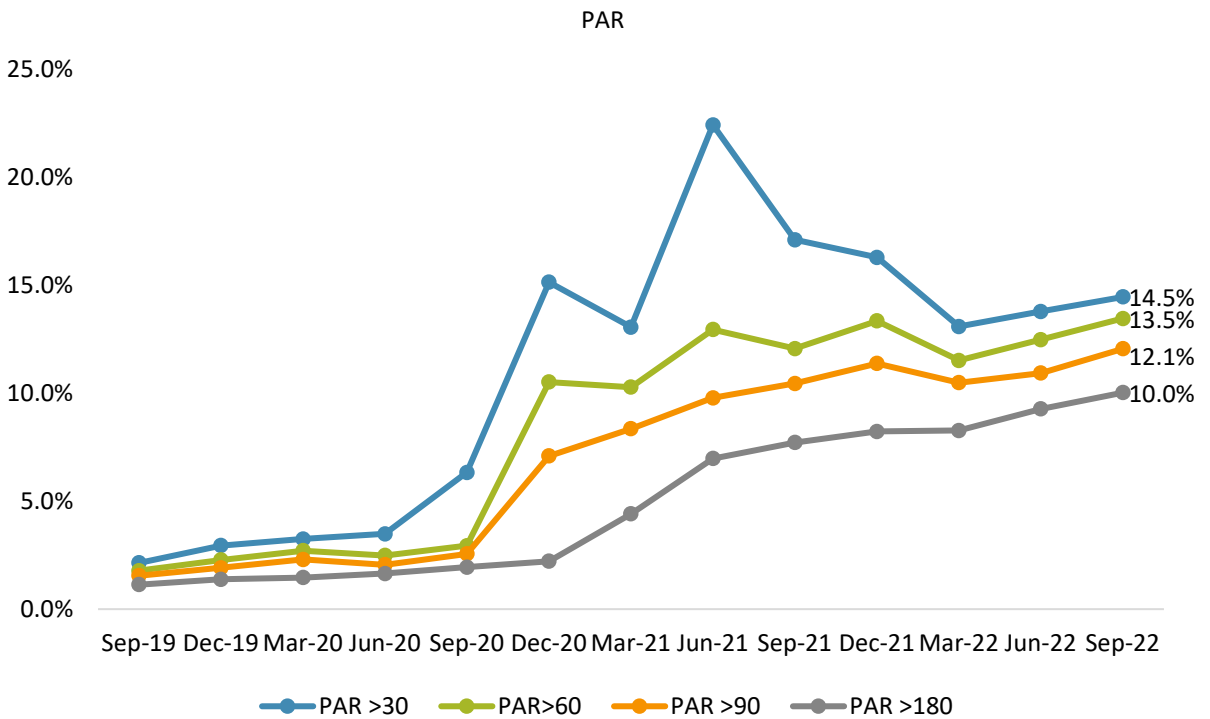
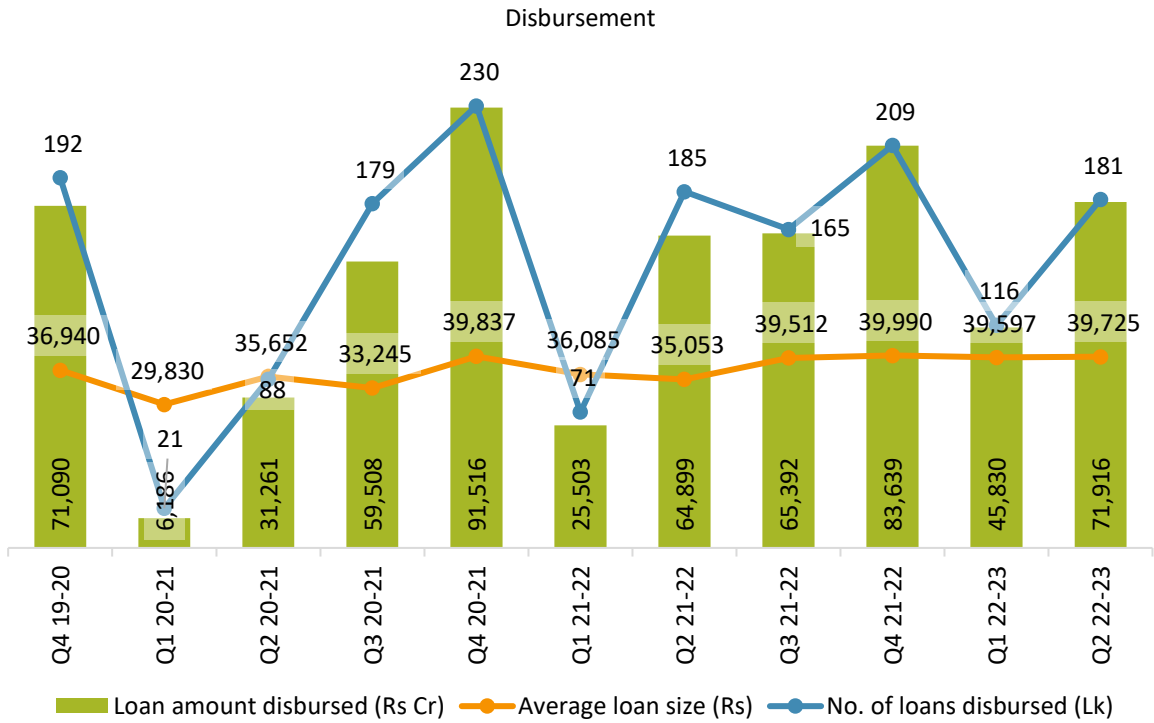


Regional distribution of GLP



# Industry trends

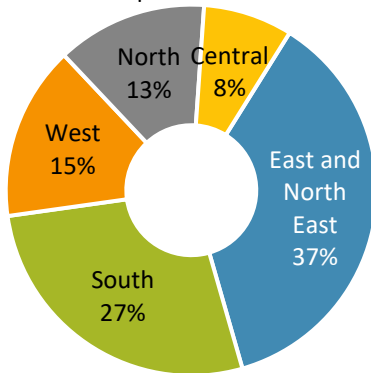
## Q4 FY 19-20 to Q2 FY 22-23



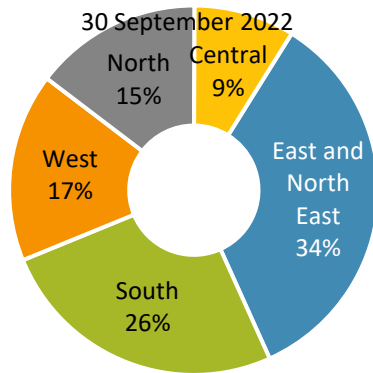
# Regional distribution

As on 30 September 2022, the industry serves 6.2 Cr unique borrowers through 12.0 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 September 2022



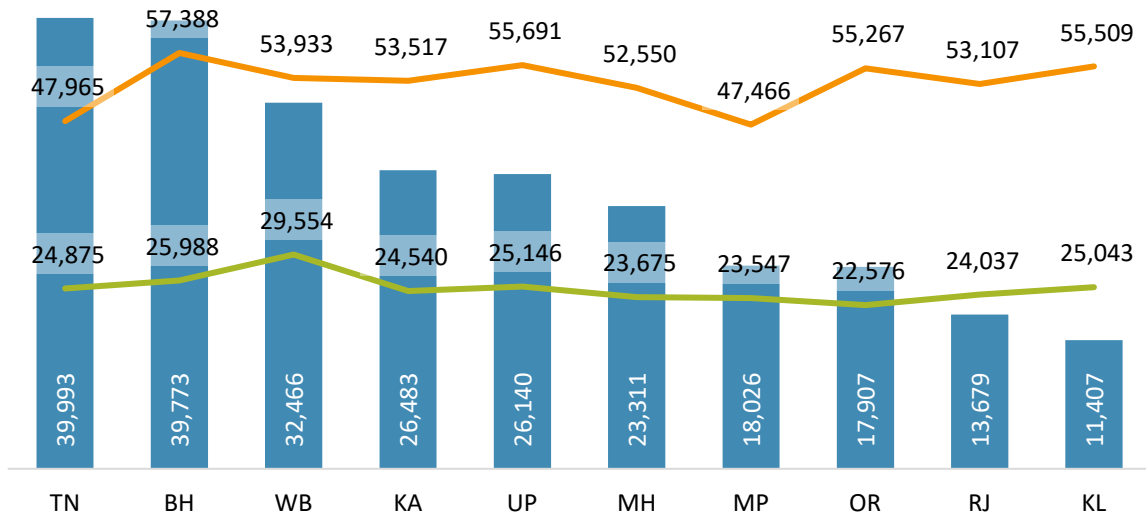
Regional distribution of unique borrowers  
30 September 2022



The Top 10 states (based on universe data) constitute 82.8% in terms of GLP. Tamil Nadu remains the largest state in terms of portfolio outstanding followed by Bihar and West Bengal. Among Top 10 states, Bihar has the highest average loan outstanding per unique borrower of Rs 57,388 followed by Uttar Pradesh at Rs 55,691.

Portfolio: Top 10 states  
30 September 2022

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





# Section II : NBFC-MFI Highlights

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

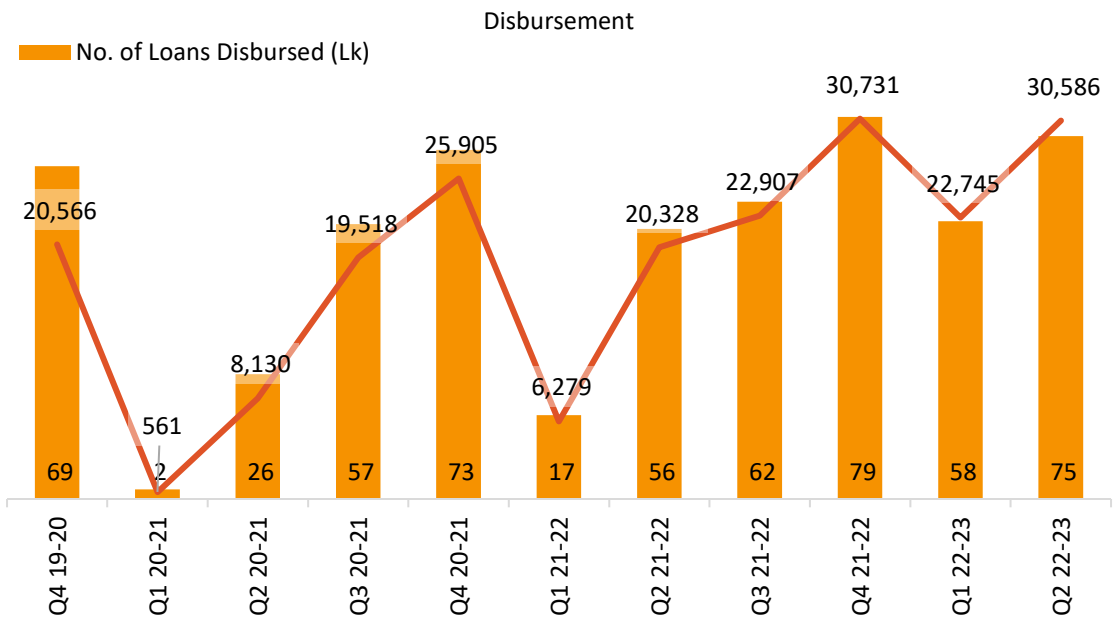
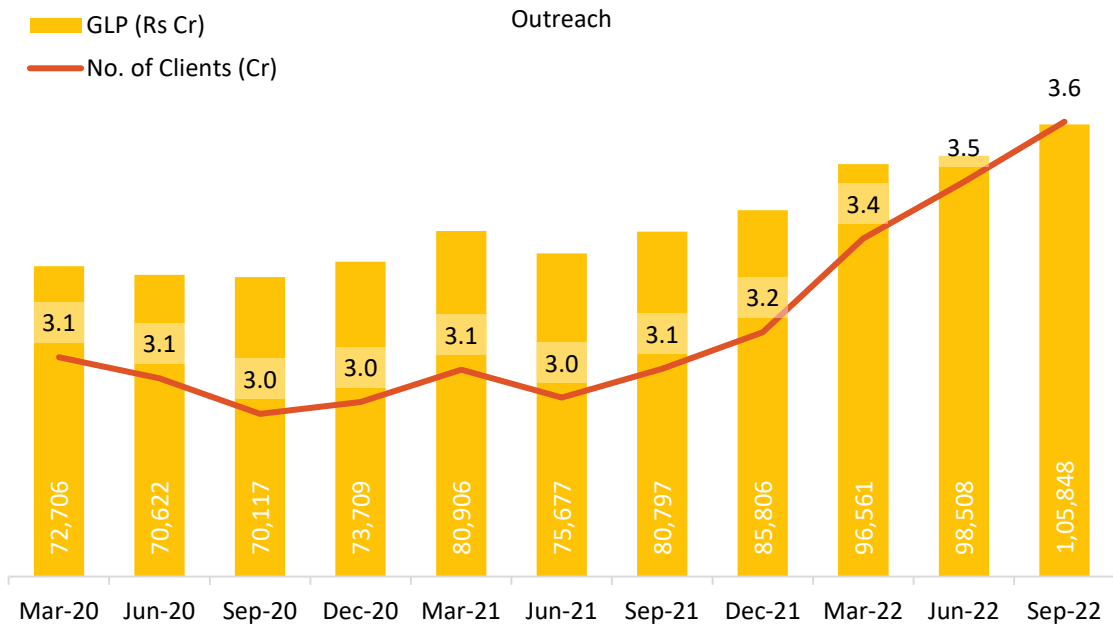
- As on 30 September 2022, **3.6 Cr clients\*** have loan outstanding from NBFC-MFIs, which is **15.5%** higher than clients as on 30 September 2021.
- The aggregate **GLP** of MFIs is **Rs 1,05,848 Cr** as on 30 September 2022, including owned portfolio **Rs 88,730 Cr** and managed portfolio (off BS) of **Rs 17,119 Cr**. The owned portfolio of MFIN members is about **80.4%** of the NBFC-MFI universe portfolio of **Rs 1,10,418 Cr**.
- On a YoY basis GLP has increased by **31.0%** as compared to 30 September 2021 and by **7.5%** in comparison to 30 June 2022.
- Loan amount of **Rs 30,586 Cr** was disbursed in Q2 FY 22-23 through **75.4 Lakhs** accounts, including disbursement of Owned as well as Managed portfolio. This is 50.5% higher than the amount disbursed in Q2 FY 21-22.
- Average loan amount disbursed per account during Q2 FY 22-23 was **Rs 40,571** which is an increase of around **12.0%** in comparison to last financial year.
- As on 30 September 2022, the borrowings O/s were **Rs 80,260 Cr**. Banks contributed 61.6% of borrowings O/s followed by 22.0% from Non-Bank entity, 9.0% from AIFs, 4.5% from other sources and 2.8% from External Commercial Borrowings (ECB).
- During Q2 FY 22-23, NBFC-MFIs received a total of **Rs 17,598 Cr** in debt funding, which is 24.3% higher than Q2 FY 21-22. Banks contributed 69.5% of the total Borrowing received followed by Non-Bank entities 24.6%, AIFs 4.3%, ECB 1.2% and Others 0.3%.
- Total equity increased by **20.6%** as compared to end of Q2 FY 21-22 and is at **Rs 23,017 Cr** as on 30 September 2022.
- Portfolio at Risk (PAR)>30 days as on 30 September 2022 has reduced to **7.7%** as compared to **12.1%** as on 30 September 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	Q2 FY 21-22	Q1 FY 22-23	Q2 FY 22-23	YoY change (%) Q2 FY 22-23 over Q2 FY 21-22
	30-Sep-21	30-Jun-22	30-Sep-22	
Branches	15,669	17,600	18,271	16.6%
Employees	1,29,524	1,47,352	1,51,277	16.8%
Clients~ (Cr)	3.1	3.5	3.6	15.5%
Loan accounts (Cr)	3.6	3.9	4.2	17.7%
Gross Loan Portfolio (Rs Cr)	80,797	98,508	1,05,848	31.0%
Balance sheet portfolio (Rs Cr)	70,475	84,044	88,730	25.9%
Loans disbursed (during the quarter, Lk)	56.1	57.7	75.4	34.3%
Loan amount disbursed (during the quarter, Rs Cr)	20,328	22,745	30,586	50.5%

*\*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

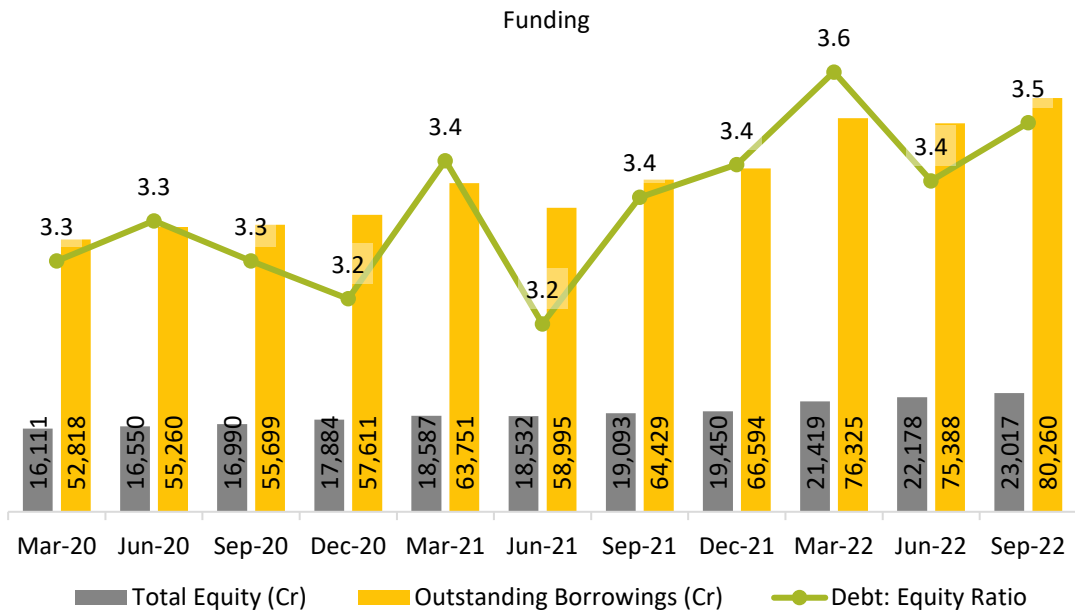
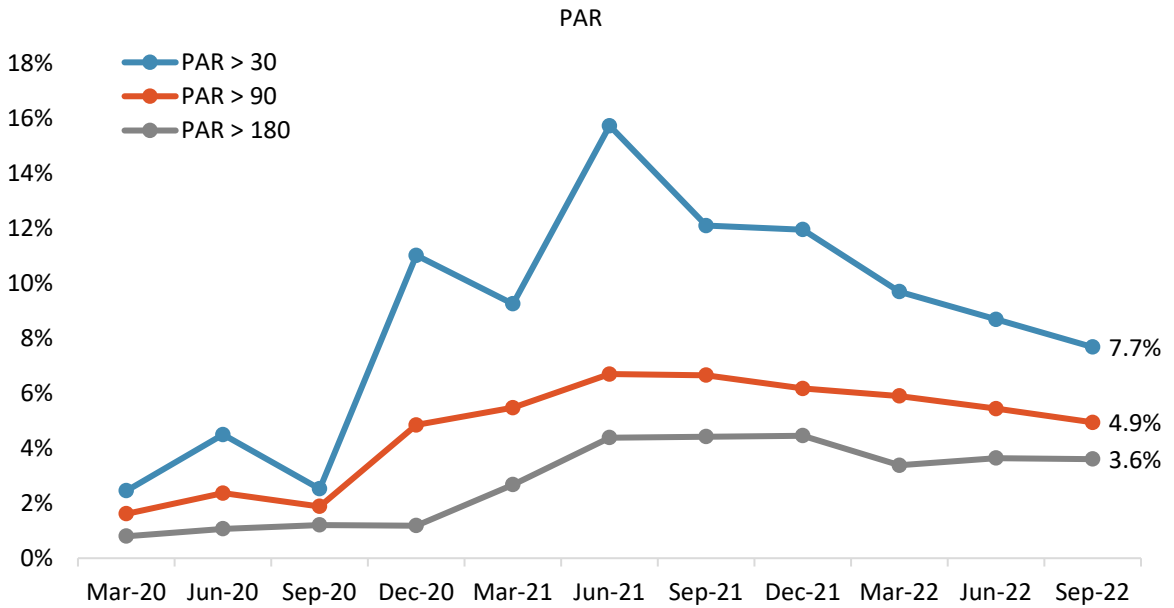
## Q4 FY 19-20 to Q2 FY 22-23



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

# NBFC-MFI trends

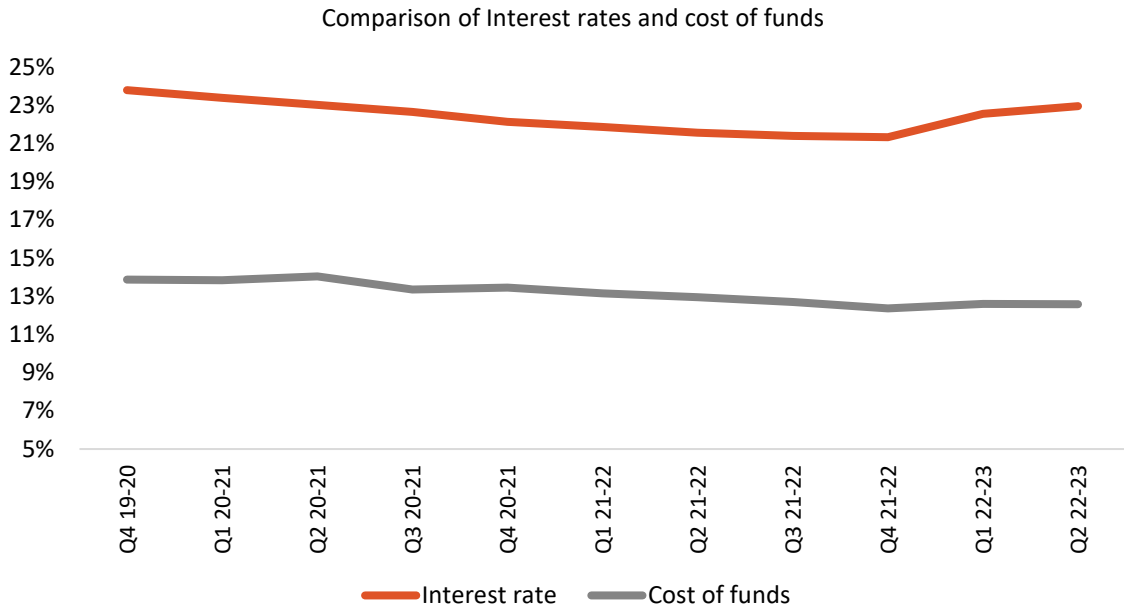
## Q4 FY 19-20 to Q2 FY 22-23



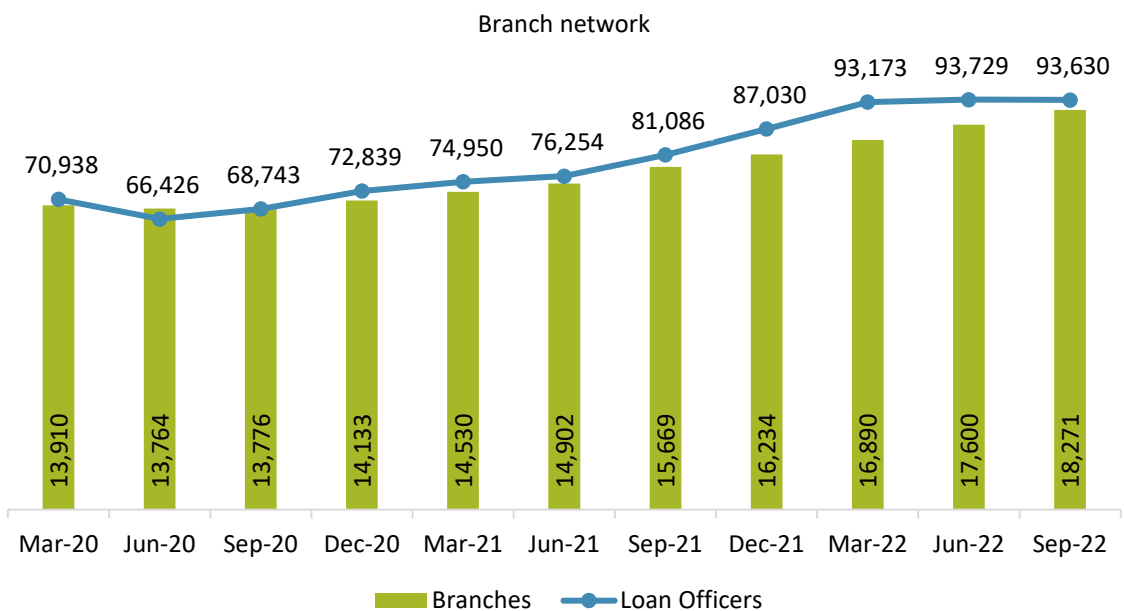
\*Analysis is based on the data of panel of MFIs in the current quarter

# NBFC-MFI trends

## Q4 FY 19-20 to Q2 FY 22-23



**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.



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





**Microfinance Institutions Network (MFIN)**

4003-4004,4009, 4<sup>th</sup> Floor, Emaar Palms Spring Plaza  
Gurugram, Haryana, 122003, India.

[www.mfinindia.org](http://www.mfinindia.org)

+91 124 4576800