

SYNOPSIS

Issue 47

MICROMETER

Data as on 30 September 2023

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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 **47th issue** of the Micrometer and it provides an overview of the microfinance industry. The industry data (Section I) is as on **30 September 2023 (Q2 FY 2023-24)**. 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 2023. The current quarter data used for analyses is sourced from **CRIF High Mark. Historical data (up to 30 June 2023) for comparison used in the Section I was sourced from Equifax.** This section analyses data for NBFC-MFIs, Banks, Small Finance Banks (SFBs) and NBFCs. Analysis of Other entities is being discontinued from the current edition since one big player which contributed majority of portfolio in Other entities has been reclassified as NBFC-MFI and the remaining portfolio in Others category is not significant.

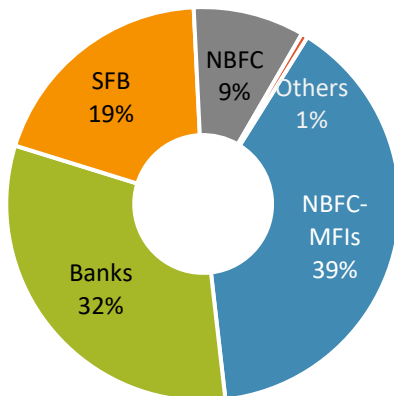
Section II of the micrometer provides detailed analysis of **self reported data of NBFC-MFIs (MFIN Member NBFC-MFIs)** up to state level. This includes a comparative analysis with the corresponding quarters of previous fiscal year (Q2 FY 2022-23) and previous quarter (Q1 FY 2023-24). Analysis on NBFC-MFIs is based on data collected from **48 out of 50 Members** that are registered with the Reserve Bank of India (RBI). Members who didn't submit data by the time of publication are not part of this publication.

Section I : The Universe

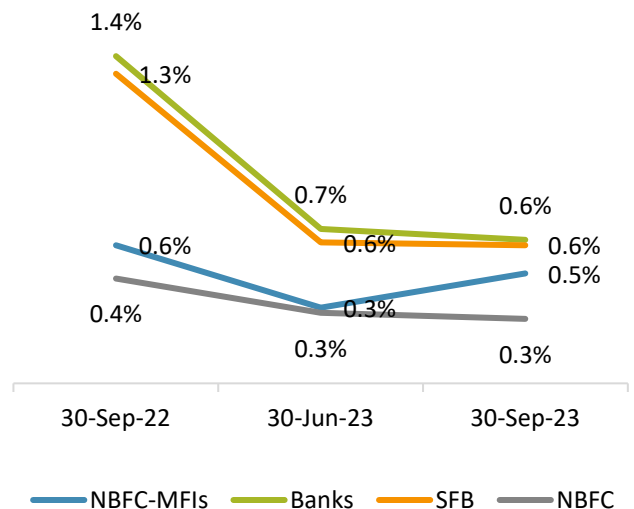
The pie-chart shows the share of each peer group in the universe for loan amount outstanding as percentages. The portfolio of NBFC-MFIs has increased by 33.9%, banks by 4.7%, SFBs by 46.2%, NBFCs by 44.6% on a YOY basis (Sep'22 to Sep'23).

As shown in PAR trend graph, PAR 31-180 has shown an overall improvement in comparison to same quarter of last FY for all entities.

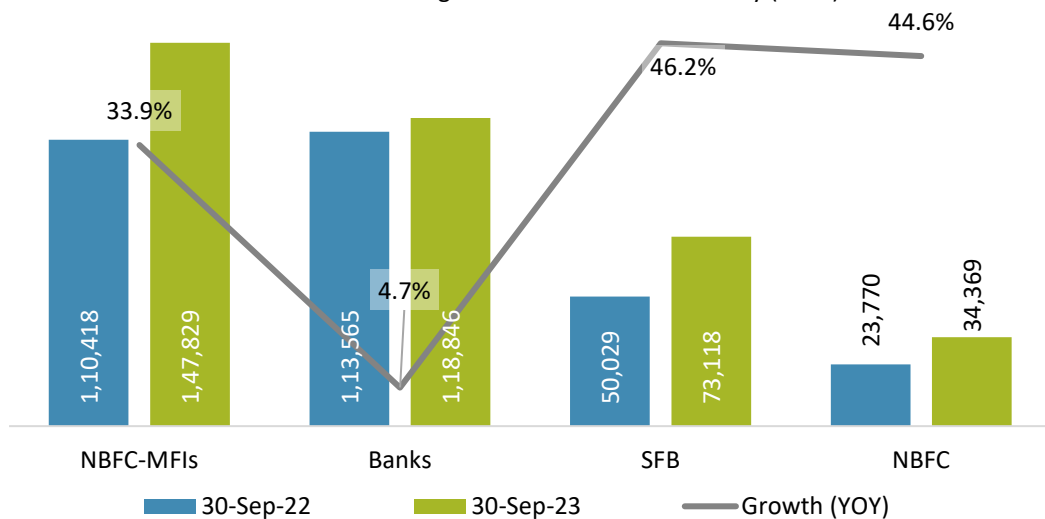
Micro-credit loan outstanding across lenders
30 September 2023



PAR 31-180 of the various entities

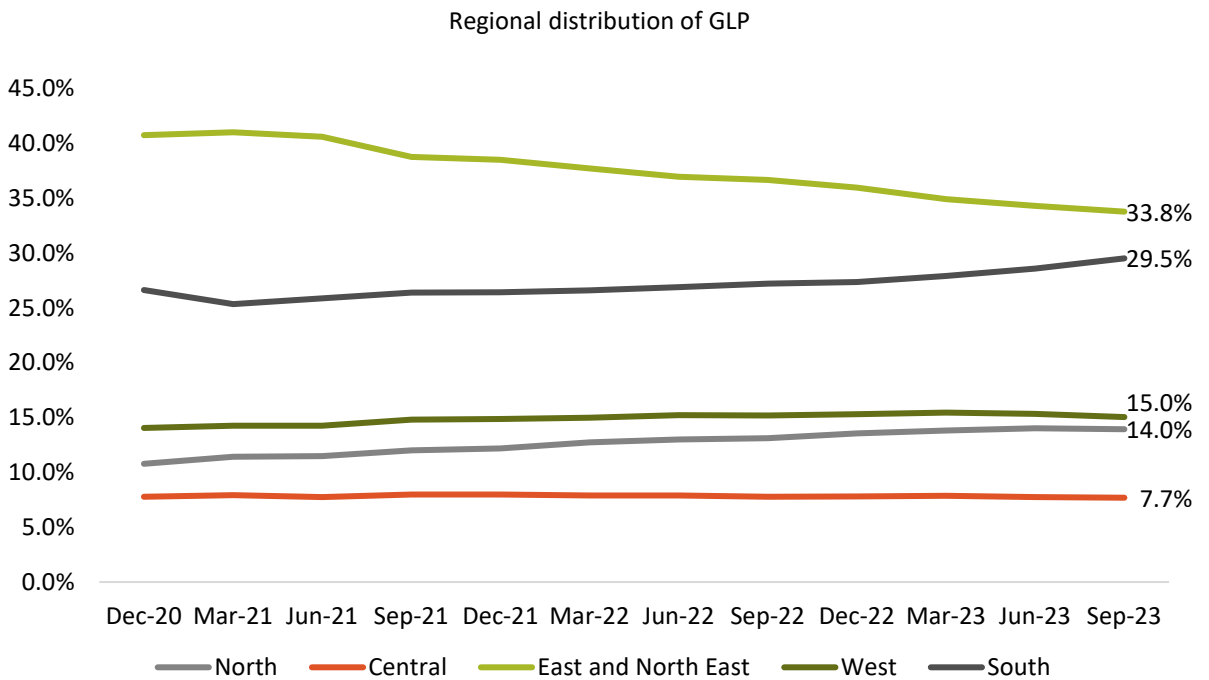
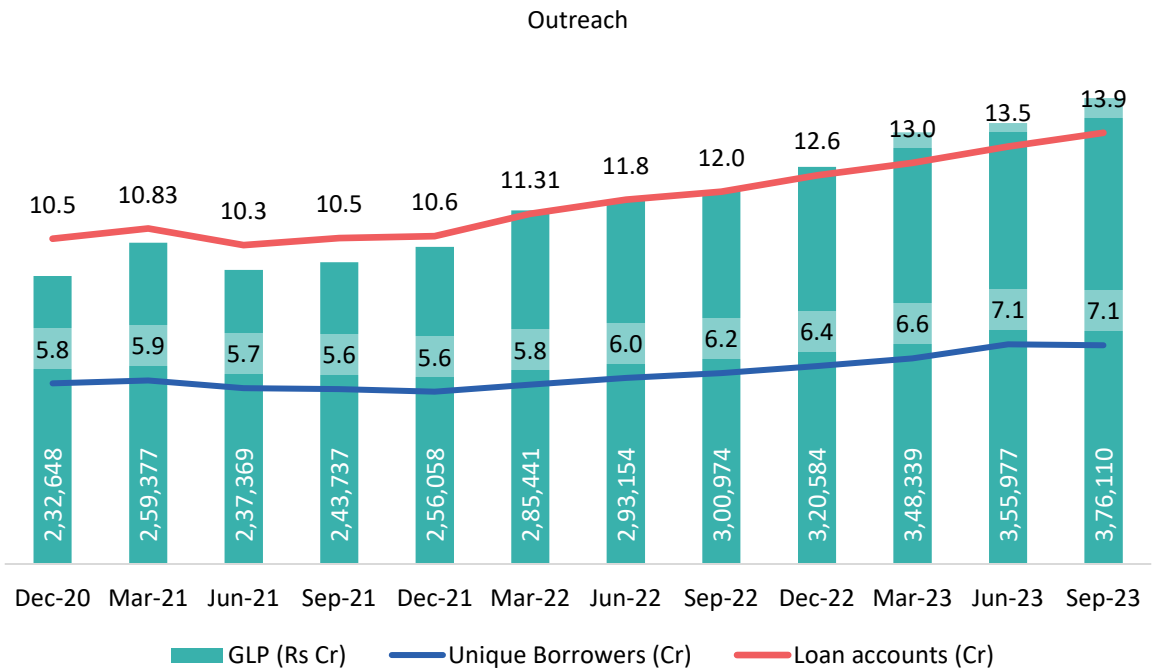


Portfolio outstanding of the microfinance industry (Rs Cr)



Industry trends

Dec - 20 to Sep - 23

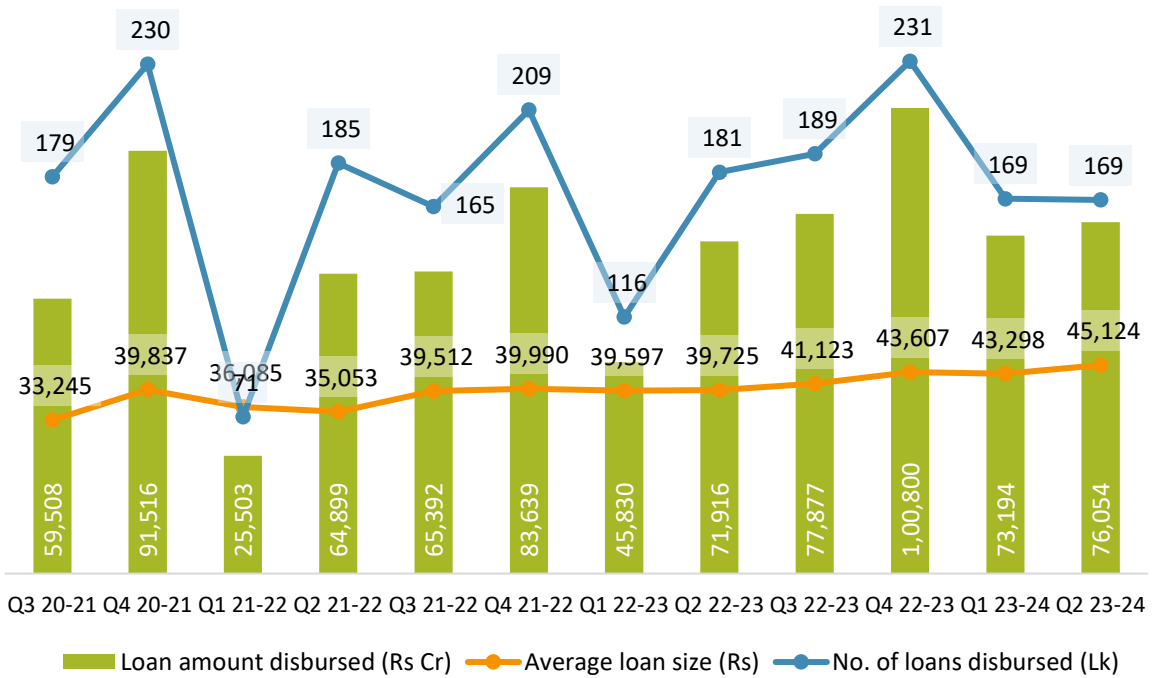


**Refer to Annex 2 for grouping of states across regions*

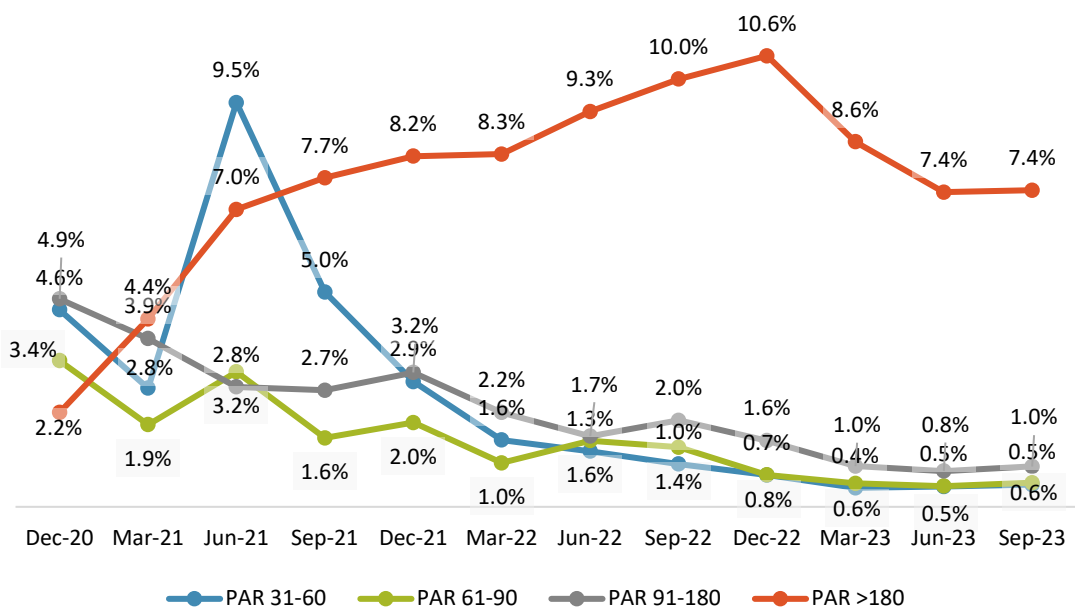
Industry trends

Q3 FY 20-21 to Q2 FY 23-24

Disbursement



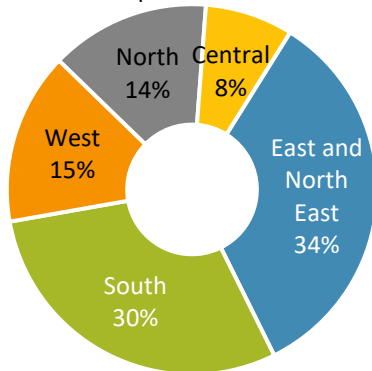
PAR Buckets



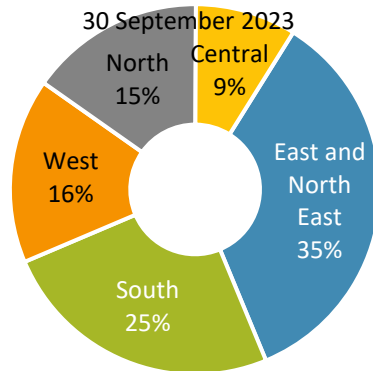
Regional distribution

As on 30 September 2023, the industry serves 7.1 Cr unique borrowers through 13.9 Cr loan accounts. The regional spread is depicted in the pie-chart below which shows that East and North-East continues to have the largest share of portfolio though on a declining trend.

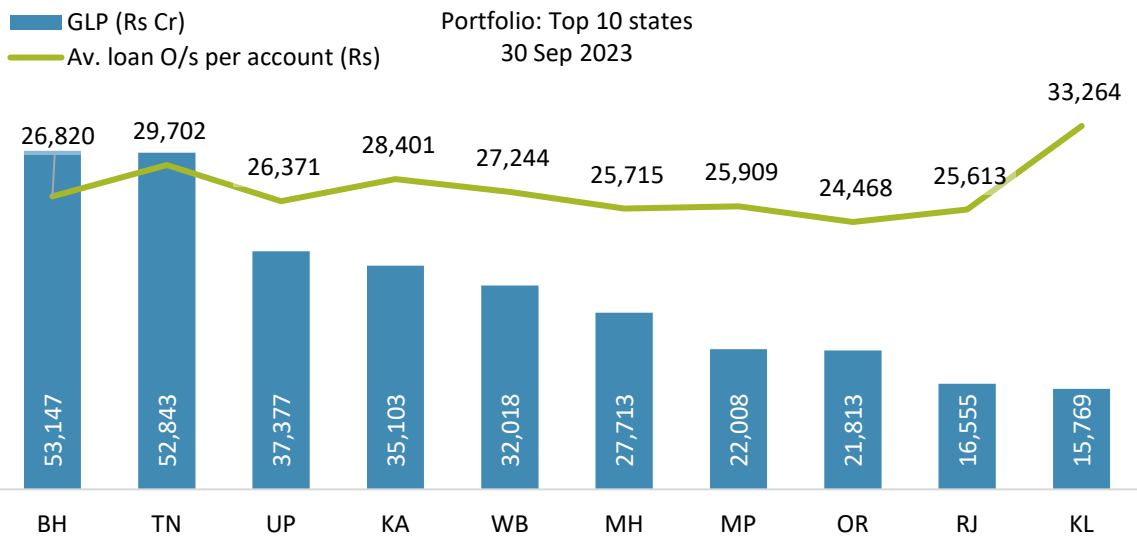
Regional distribution of portfolio
30 September 2023



Regional distribution of unique borrowers
30 September 2023



The Top 10 states (based on universe data) constitute 83.6% in terms of GLP. Bihar continues to be the largest state in terms of portfolio outstanding followed by Tamil Nadu and Uttar Pradesh. Among Top 10 states, Kerala has the highest average loan outstanding per account now of Rs 33,264 followed by Tamil Nadu at Rs 29,702.



Section II : NBFC-MFI Highlights

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

- As on 30 September 2023, **4.0 Cr clients*** have loan outstanding from NBFC-MFIs, which is **23.0%** higher than clients as on 30 September 2022.
- The **Asset Under Management (AUM)** of MFIs is **Rs 1,33,963 Cr** as on 30 September 2023, including owned portfolio Rs **1,09,462 Cr** and managed portfolio (off BS) of **Rs 24,501 Cr**. The owned portfolio of MFIN members is 74.0% of the NBFC-MFI universe portfolio of Rs 1,47,829 Cr.
- On a YoY basis AUM has increased by **39.2%** as compared to 30 September 2022 and by **6.3%** in comparison to 30 June 2023.
- Loan amount of **Rs 32,732 Cr** was disbursed in Q2 FY 23-24 through **79.1 Lakhs** accounts, including disbursement of Owned as well as Managed portfolio. This is **16.8%** higher than the amount disbursed in Q2 FY 22-23.
- Average loan amount disbursed per account during Q2 FY 23-24 was **Rs 41,373** which has reduced by around **0.4%** in comparison to same quarter of last financial year.
- As on 30 September 2023, the borrowings O/s were **Rs 1,00,438 Cr**. Banks contributed 58.8% of borrowings O/s followed by 19.8% from Non-Bank entity, 10.5% from AIFs, 5.8% from External Commercial Borrowings (ECB) and 5.1% from other sources.
- During Q2 FY 23-24, NBFC-MFIs received a total of **Rs 26,503 Cr** in debt funding, which is 64.2% higher than Q2 FY 22-23. Banks contributed 66.2% of the total Borrowing received followed by Non-Bank entities 18.9%, AIFs 9.0%, Others 4.3% and ECB 1.7%.
- Total equity increased by **33.1%** as compared to end of Q2 FY 22-23 and is at **Rs 28,138 Cr** as on 30 September 2023.
- Portfolio at Risk (PAR)>30 days as on 30 September 2023 has improved to **3.1%**** as compared to **7.5%** as on 30 September 2022.
- MFIs have presence in 27 states and 5 union territories.
- In terms of regional distribution of portfolio (AUM), East and North-East accounts for 32% of the total NBFC-MFI portfolio, South 25%, West 17%, North 16%, and Central contributes 10%.

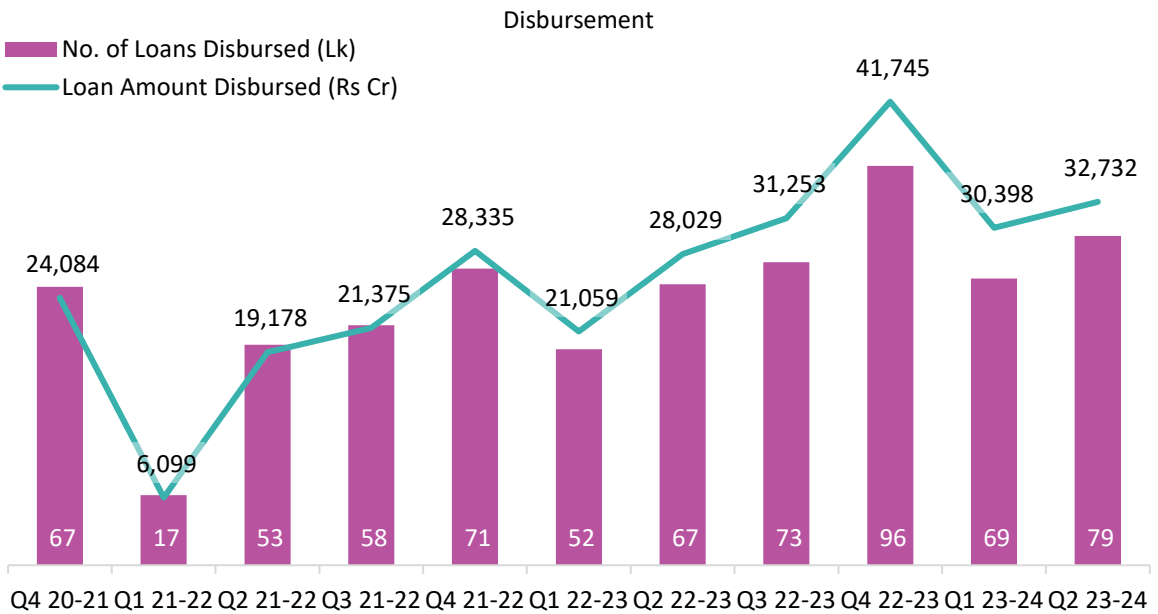
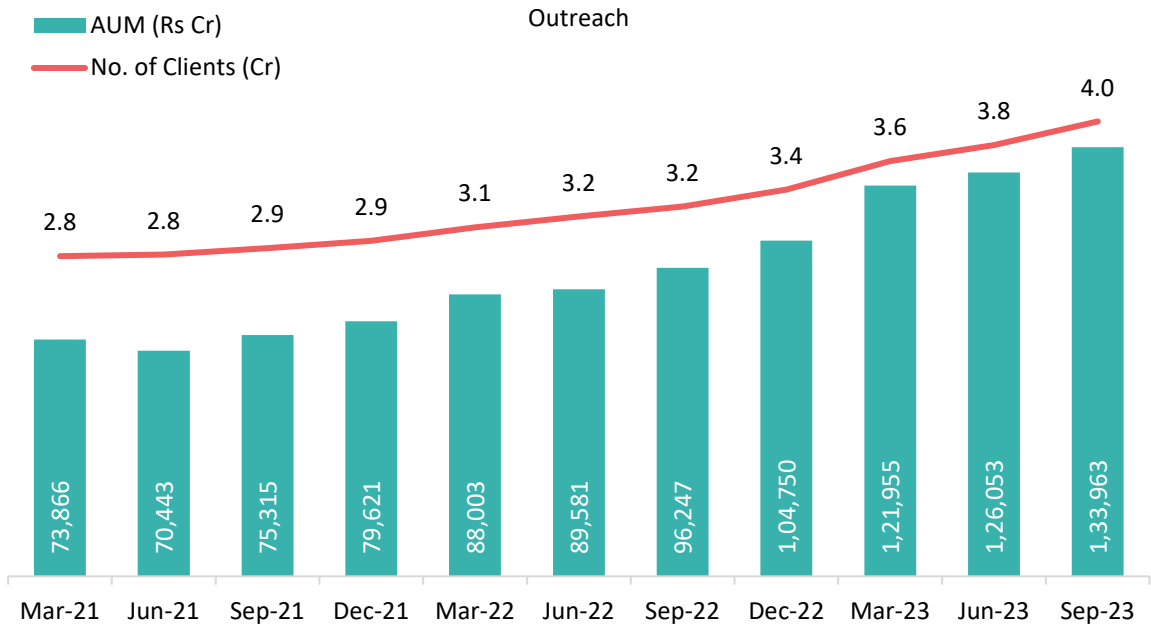
Indicator	Q2 FY 22-23	Q1 FY 23-24	Q2 FY 23-24	YoY change (%)
	30-Sep-22	30-Jun-23	30-Sep-23	Q2 FY 23-24 over Q2 FY 22-23
Branches	16,525	17,706	19,513	18.1%
Employees	1,37,795	1,56,093	1,72,778	25.4%
Clients~ (Cr)	3.2	3.8	4.0	23.0%
Loan accounts (Cr)	3.8	4.6	4.8	27.1%
Asset Under Management (Rs Cr)	96,247	1,26,053	1,33,963	39.2%
Balance sheet portfolio (Rs Cr)	81,542	1,03,942	1,09,462	34.2%
Loans disbursed (during the Quarter, Lk)	67.5	68.9	79.1	17.3%
Loan amount disbursed (during the quarter, Rs Cr)	28,029	30,398	32,732	16.8%

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

** Includes technical write-off by Member NBFC-MFIs hence it is not comparable with the bureau reported data on page number 10

NBFC-MFI trends

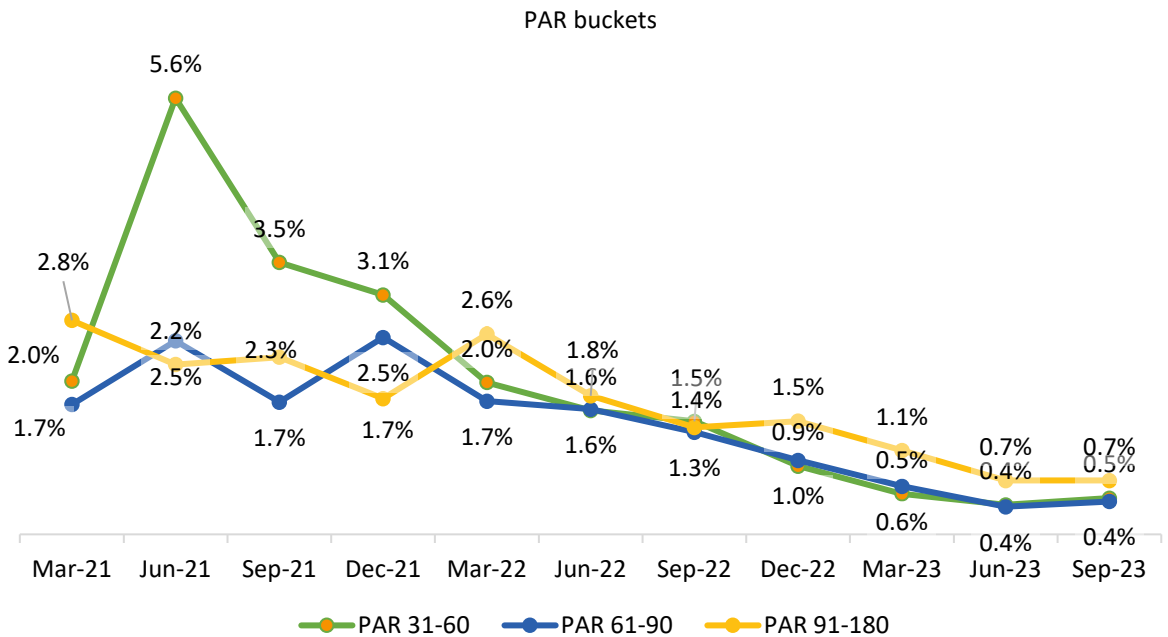
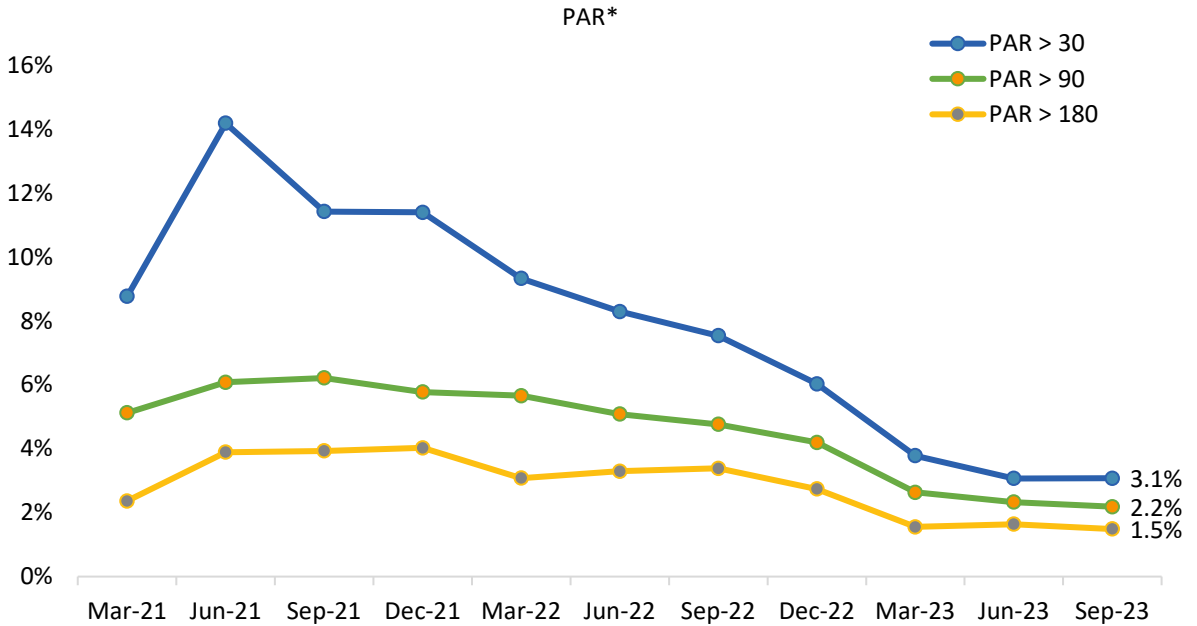
Q4 FY 20-21 to Q2 FY 23-24



*Disbursement relates to both on and off-balance sheet portfolio. Analysis is based on the data of panel of MFIs active in the current quarter. Refer to Annex 1 for the panel.

NBFC-MFI trends

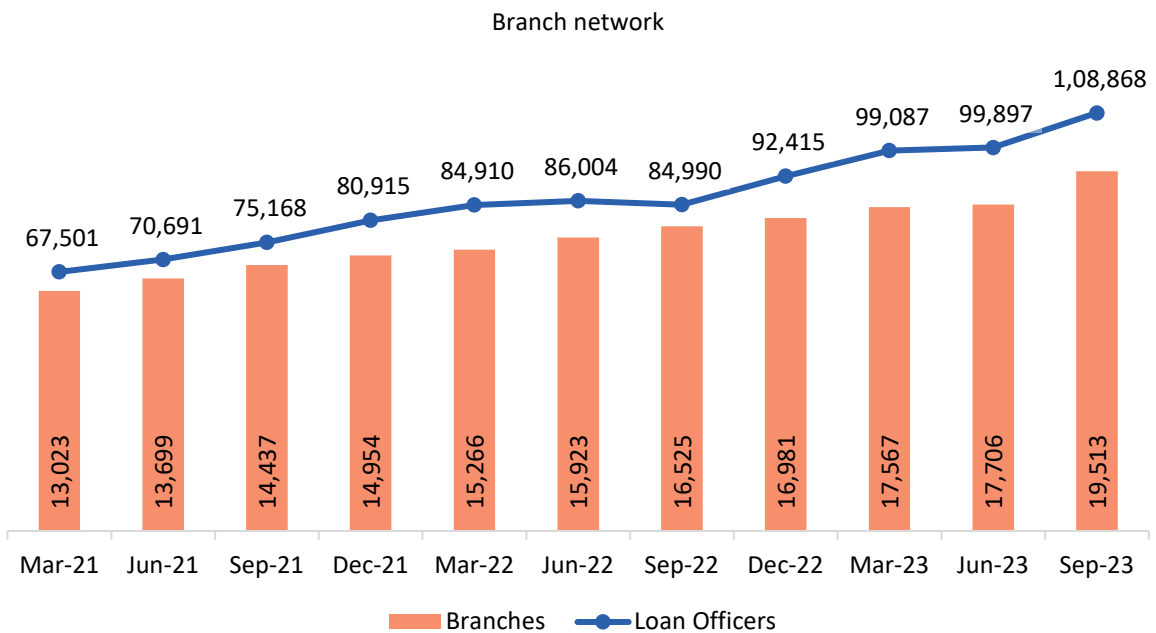
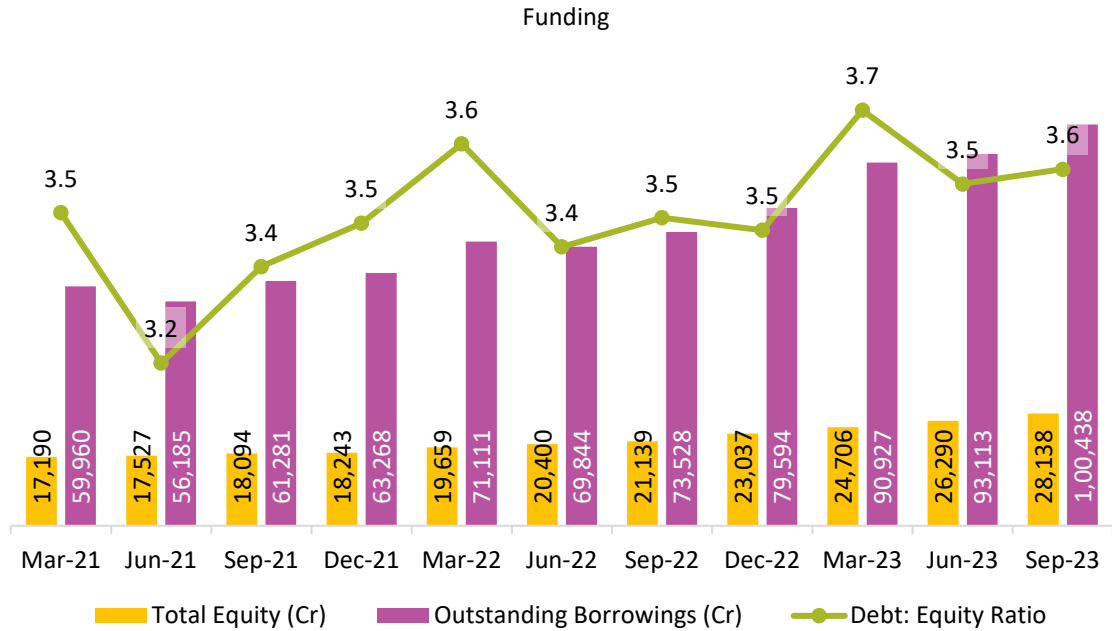
Q4 FY 20-21 to Q2 FY 23-24



*PAR analysis shown in the graph is for both on and off-balance sheet portfolio and factors technical write-offs. Analysis is based on the data of panel of MFIs active in the current quarter. Refer to Annex 1 for the panel.

NBFC-MFI trends

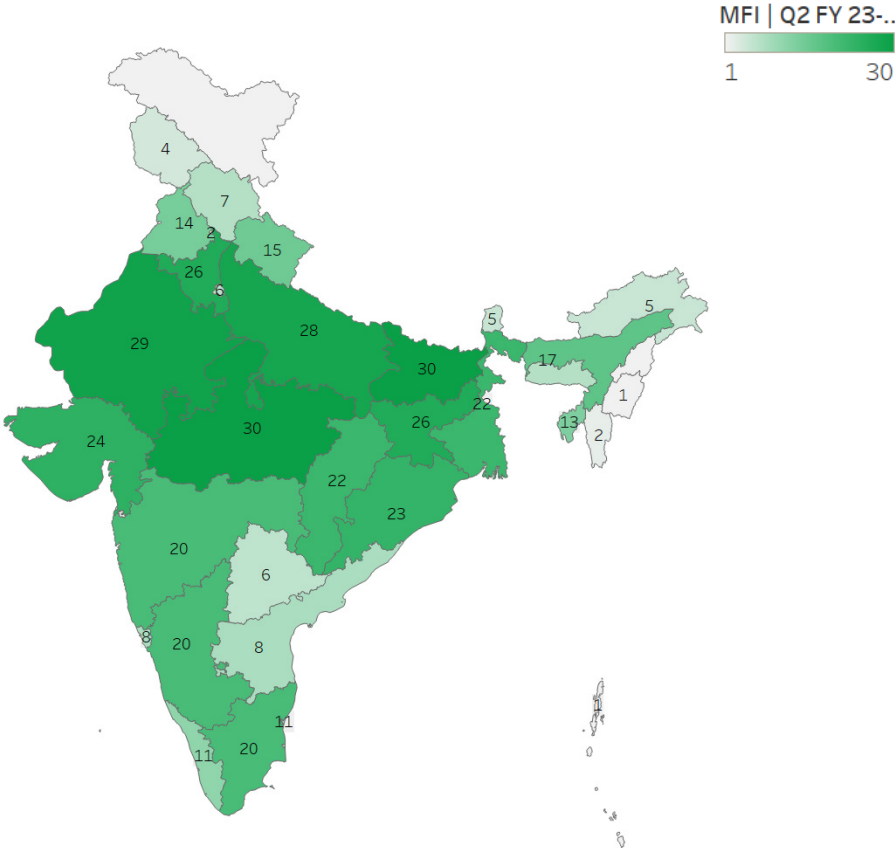
Q4 FY 20-21 to Q2 FY 23-24



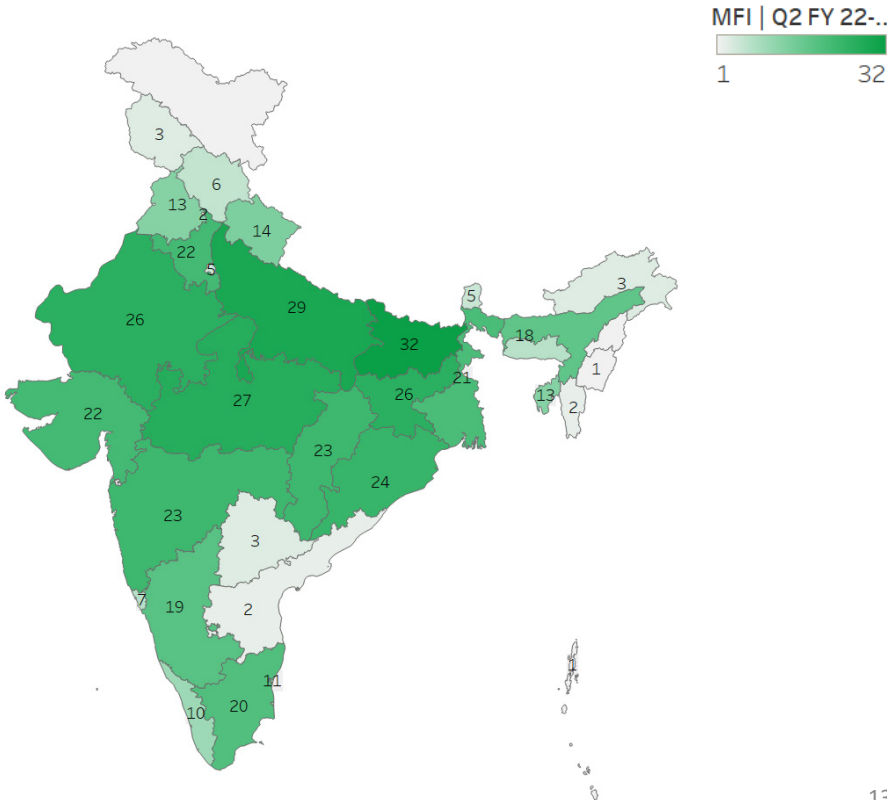
*Analysis is based on the data of panel of MFIs in the current quarter

State wise presence of MFIN Members

30 September 2023



30 September 2022



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