

SYNOPSIS

Issue 44

MICROMETER

Data as on 31 December 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 **44th issue** of the Micrometer and it provides an overview of the microfinance industry as on **31 December 2022 (Q3 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 31 December 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.

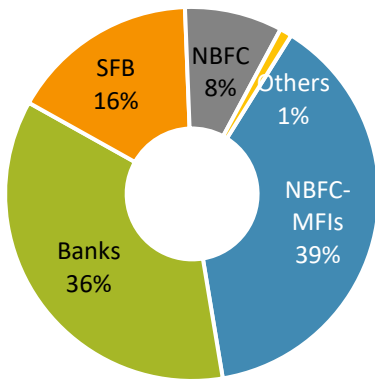
Section II of the micrometer provides detailed analysis of **self reported data** of **NBFC-MFIs (MFIN Primary Members)** up to state level. This includes a comparative analysis with the corresponding quarters of previous fiscal year (Q3 FY 2021-22) and previous quarter (Q2 FY 2022-23). Analysis on NBFC-MFIs is based on data collected from **55 members** that are registered with the Reserve Bank of India (RBI).

Section I : The Universe

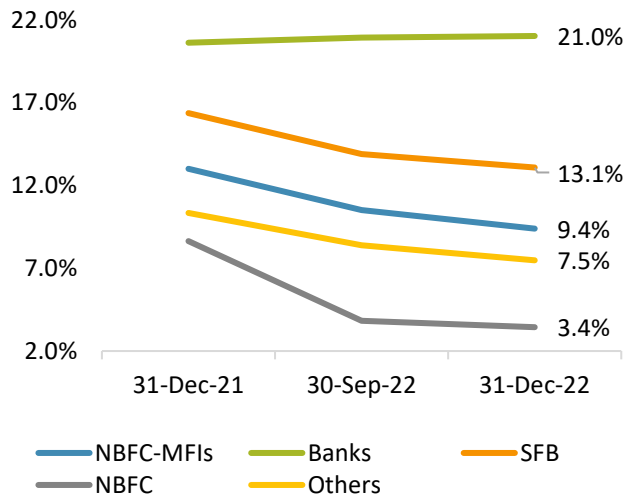
The pie-chart shows the share of each peer group in the universe for loan amount outstanding as percentages. The portfolio of NBFC-MFIs has increased by 41.1% and banks by 10.6%, SFBs portfolio by 21.8%, for to NBFCs portfolio has increased by 40.0% and Other MFIs have decreased by 17.9% on a YoY basis (Based on loans originated after February 2017).

As shown in PAR trend graph, PAR>30 and PAR >60 have shown an overall improvement in comparison to last quarter as well as the same quarter of last FY. Across entities PAR >30 has improved for all except in case of Banks where it has remained at the same level.

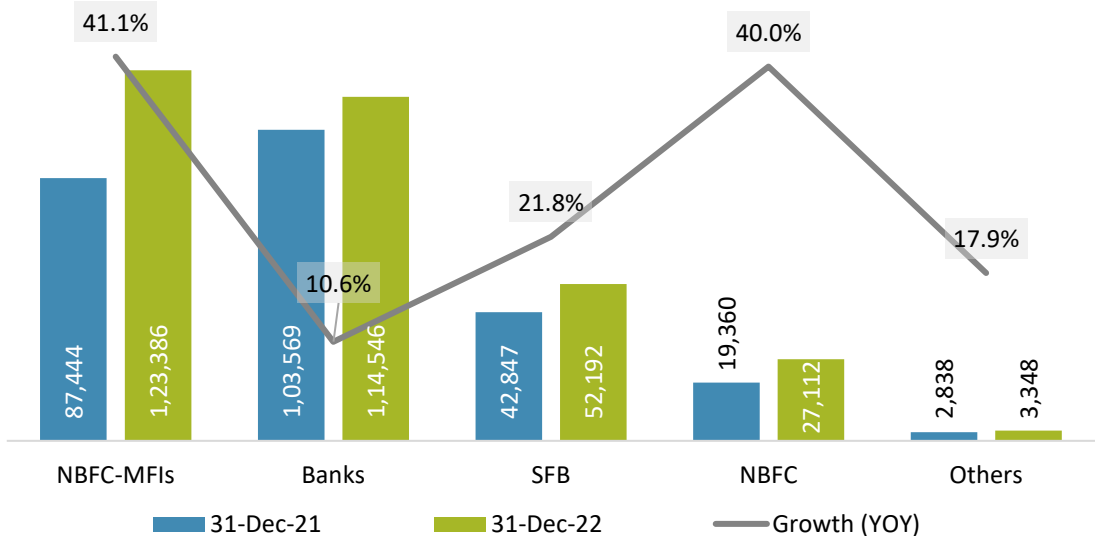
Micro-credit loan outstanding across lenders
31 December 2022



PAR>30 of the various entities

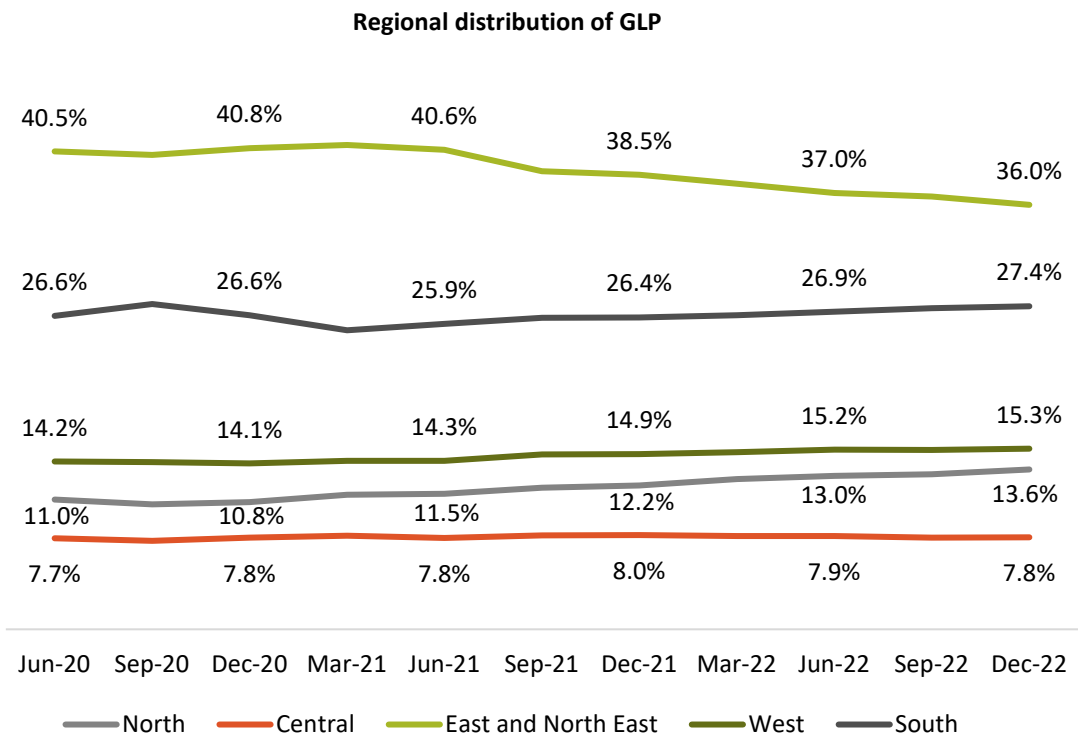
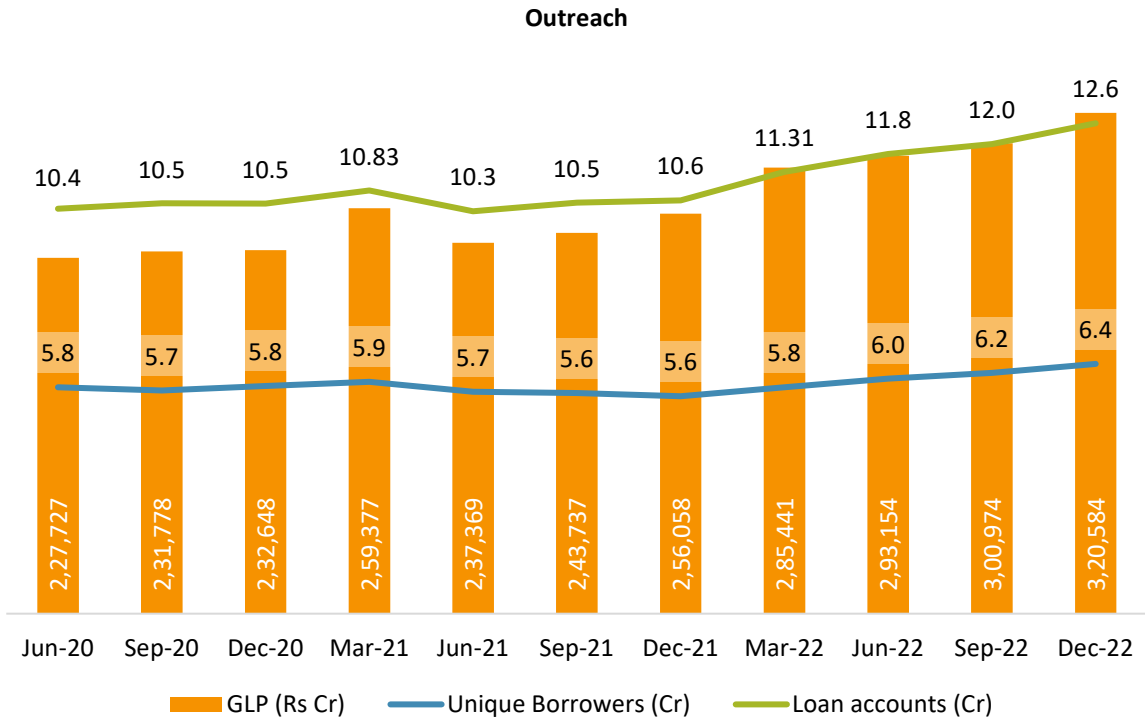


Portfolio outstanding of the microfinance industry (Rs Cr)



Industry trends

Q1 FY 20-21 to Q3 FY 22-23

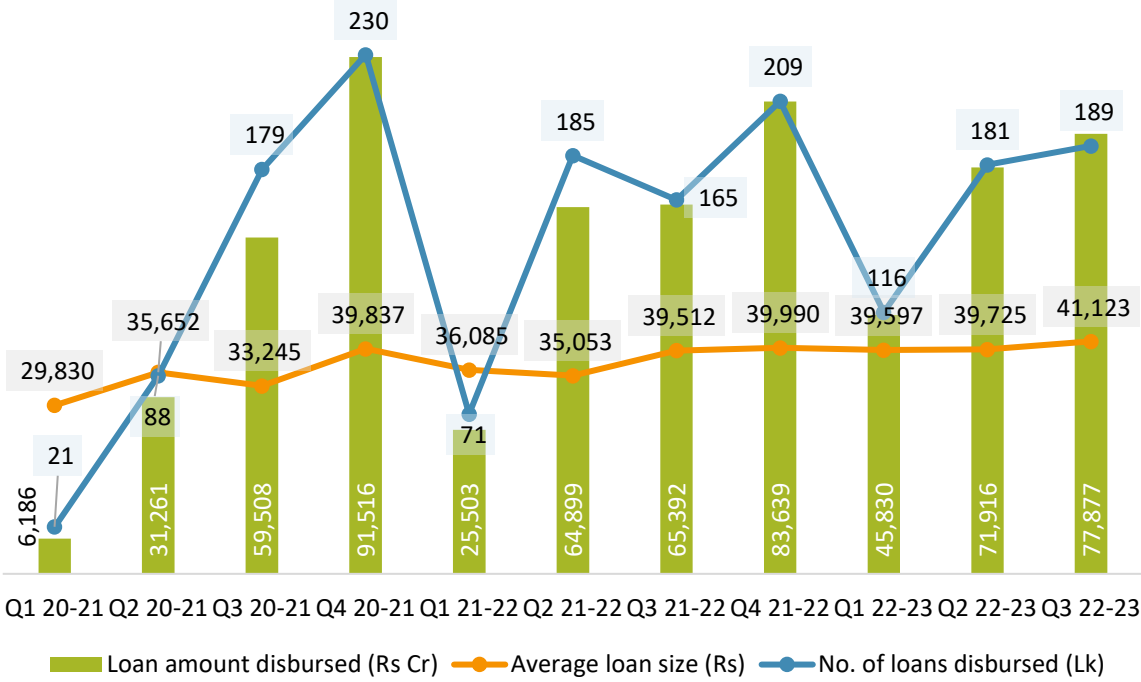


*Refer to Annex 2 for grouping of states across regions

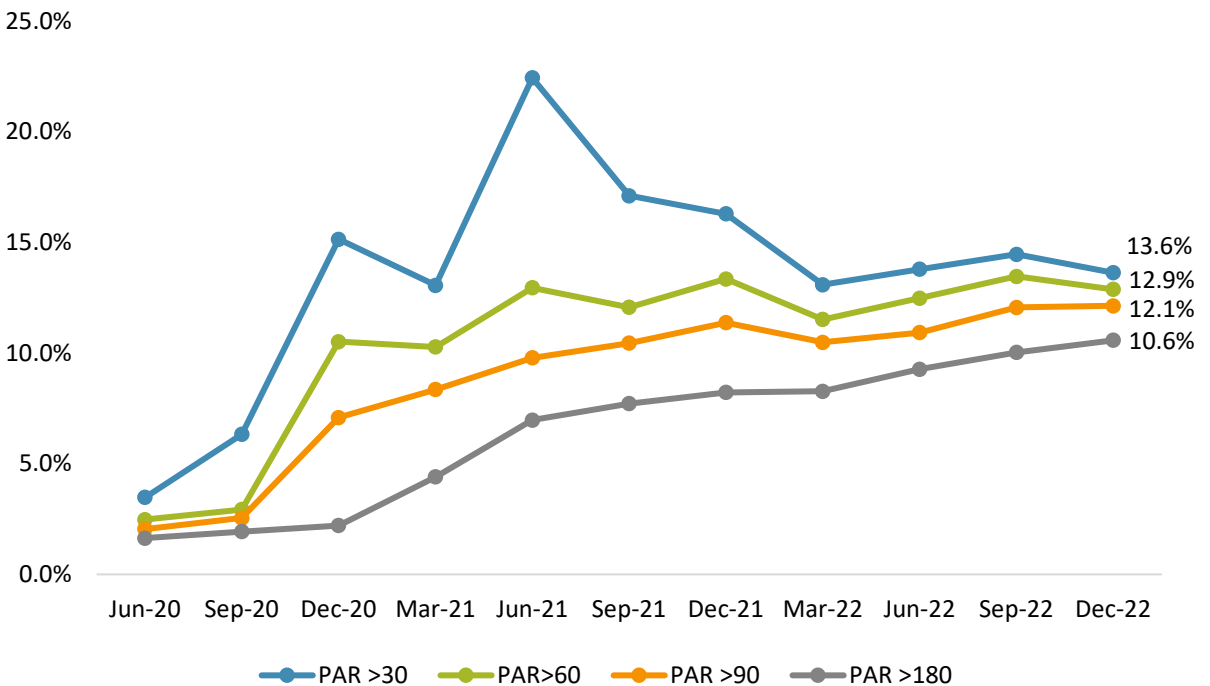
Industry trends

Q1 FY 20-21 to Q3 FY 22-23

Disbursement



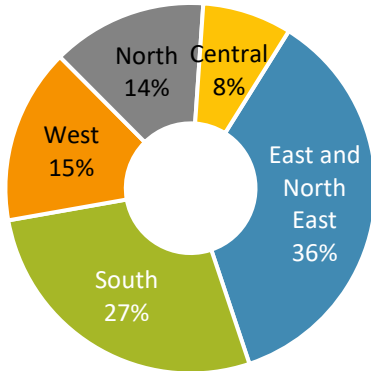
PAR



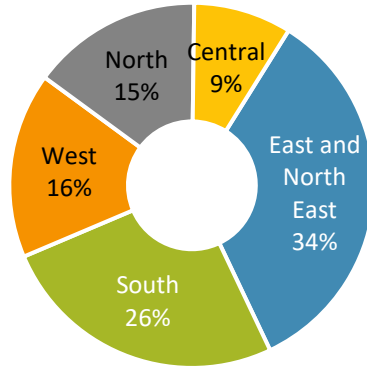
Regional distribution

As on 31 December 2022, the industry serves 6.4 Cr unique borrowers through 12.6 Cr loan accounts. The regional spread is depicted in the pie-chart below which shows around 63% portfolio is concentrated in East & Northeast and South regions.

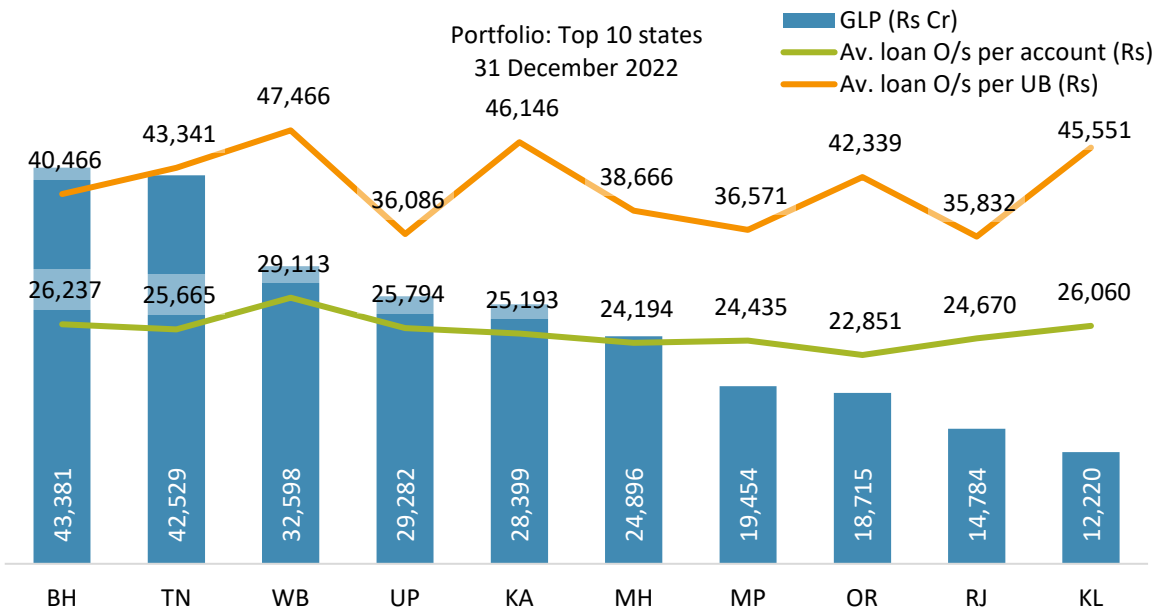
Regional distribution of portfolio
31 December 2022



Regional distribution of unique borrowers
31 December 2022



The Top 10 states (based on universe data) constitute 83.1% in terms of GLP. Bihar has emerged as the largest state in terms of portfolio outstanding followed by Tamil Nadu and West Bengal. Among Top 10 states, West Bengal has the highest average loan outstanding per unique borrower of Rs 47,466 followed by Karnataka at Rs 46,146.



Section II : NBFC-MFI Highlights

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

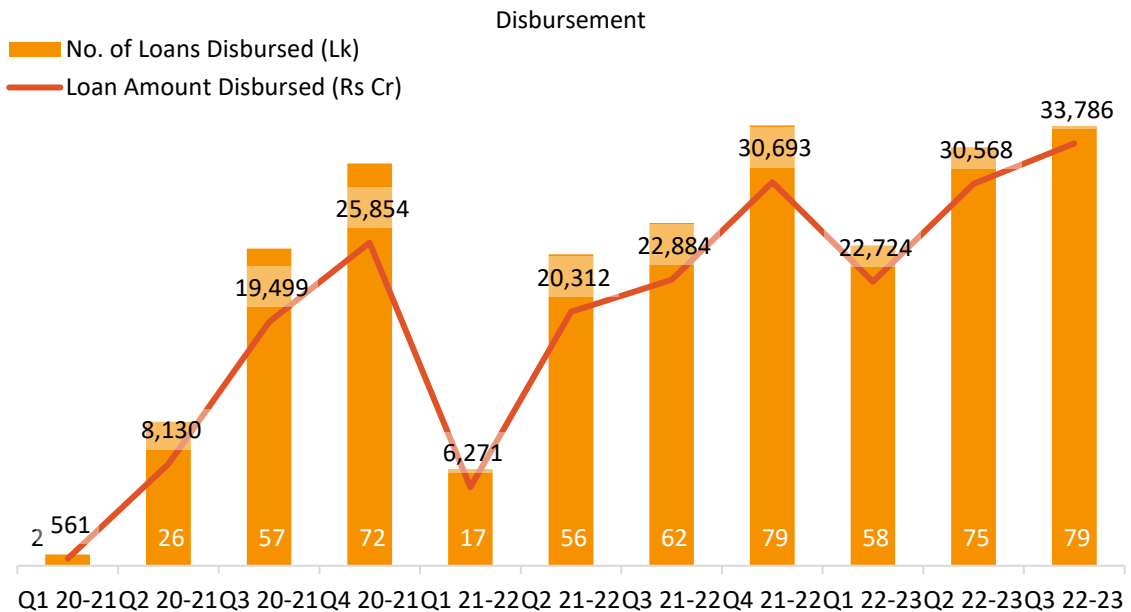
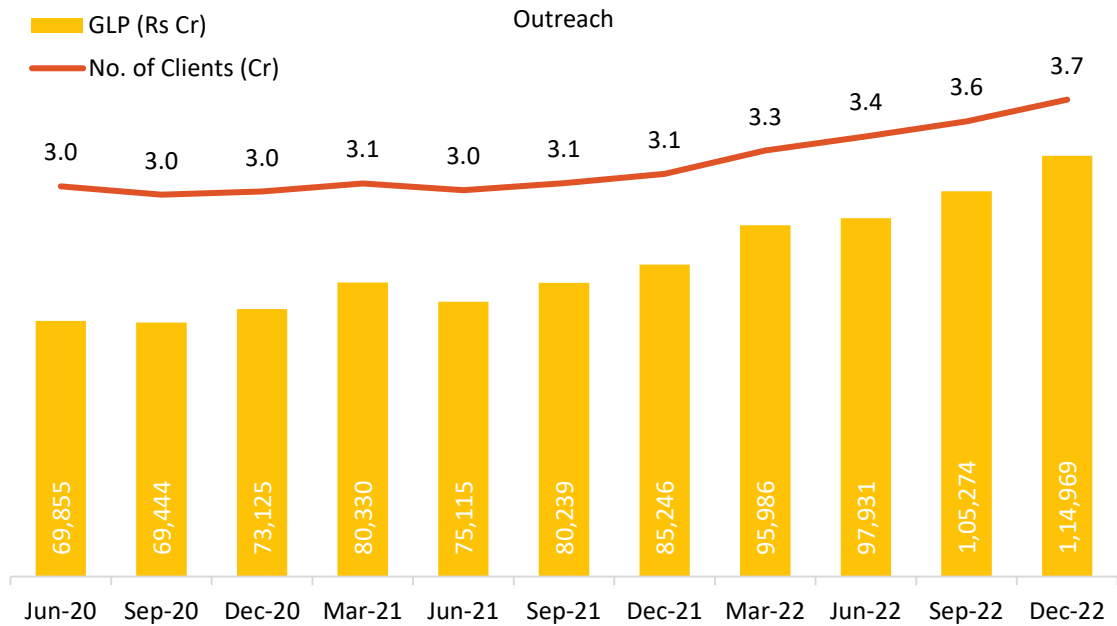
- As on 31 December 2022, **3.7 Cr clients*** have loan outstanding from NBFC-MFIs, which is **18.4%** higher than clients as on 31 December 2021.
- The aggregate **GLP** of MFIs is **Rs 1,14,969 Cr** as on 31 December 2022, including owned portfolio **Rs 95,646 Cr** and managed portfolio (off BS) of **Rs 19,323 Cr**. The owned portfolio of MFIN members is about **77.5%** of the NBFC-MFI universe portfolio of **Rs 1,23,386 Cr**.
- On a YoY basis GLP has increased by **34.9%** as compared to 31 December 2021 and by **9.2%** in comparison to 30 September 2022.
- Loan amount of **Rs 33,786 Cr** was disbursed in Q3 FY 22-23 through **79.1 Lakhs** accounts, including disbursement of Owned as well as Managed portfolio. This is 47.6% higher than the amount disbursed in Q3 FY 21-22.
- Average loan amount disbursed per account during Q3 FY 22-23 was **Rs 42,687** which is an increase of around **15.1%** in comparison to same quarter of last financial year.
- As on 31 December 2022, the borrowings O/s were **Rs 86,294 Cr**. Banks contributed 60.1% of borrowings O/s followed by 22.1% from Non-Bank entity, 7.9% from AIFs, 5.8% from other sources and 4.0% from External Commercial Borrowings (ECB).
- During Q3 FY 22-23, NBFC-MFIs received a total of **Rs 15,951 Cr** in debt funding, which is 22.5% higher than Q3 FY 21-22. Banks contributed 68.6% of the total Borrowing received followed by Non-Bank entities 23.2%, Others 3.9%, ECB 3.0% and AIFs 1.2%.
- Total equity increased by **28.6%** as compared to end of Q3 FY 21-22 and is at **Rs 24,897 Cr** as on 31 December 2022.
- Portfolio at Risk (PAR)>30 days as on 31 December 2022 has reduced to **6.1%** as compared to **11.9%** as on 31 December 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 26%, West 16%, North 16% and Central contributes 10%.

Indicator	Q3 FY 21-22	Q2 FY 22-23	Q3 FY 22-23	YoY change (%) Q3 FY 22-23 over Q3 FY 21-22
	31-Dec-22	30-Sep-22	31-Dec-22	
Branches	15,905	17,922	18,455	16.0%
Employees	1,34,884	1,49,766	1,57,737	16.9%
Clients~ (Cr)	3.1	3.6	3.7	18.4%
Loan accounts (Cr)	3.7	4.2	4.7	28.9%
Gross Loan Portfolio (Rs Cr)	85,246	1,05,274	1,14,969	34.9%
Balance sheet portfolio (Rs Cr)	75,680	88,429	95,646	26.4%
Loans disbursed (during the quarter, Lk)	61.7	75.3	79.1	28.3%
Loan amount disbursed (during the quarter, Rs Cr)	22,884	30,568	33,786	47.6%

**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

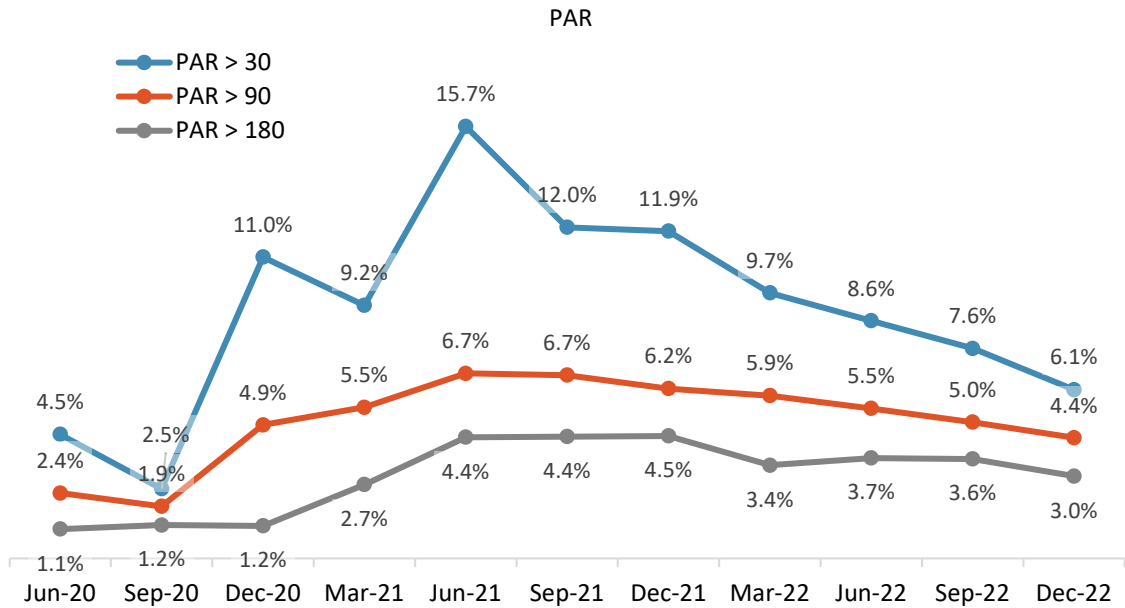
Q1 FY 20-21 to Q3 FY 22-23



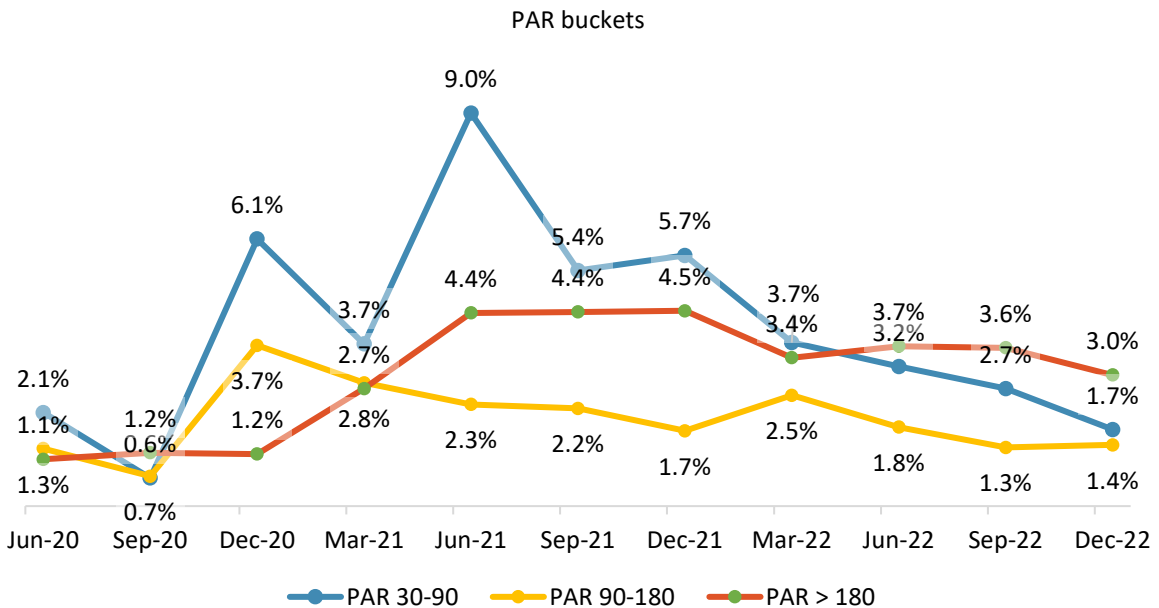
*Disbursement relates to both on and off-balance sheet portfolio. Analysis is based on the data of panel of MFIs active in the current quarter. Refer to Annex 1 for the panel.

NBFC-MFI trends

Q1 FY 20-21 to Q3 FY 22-23



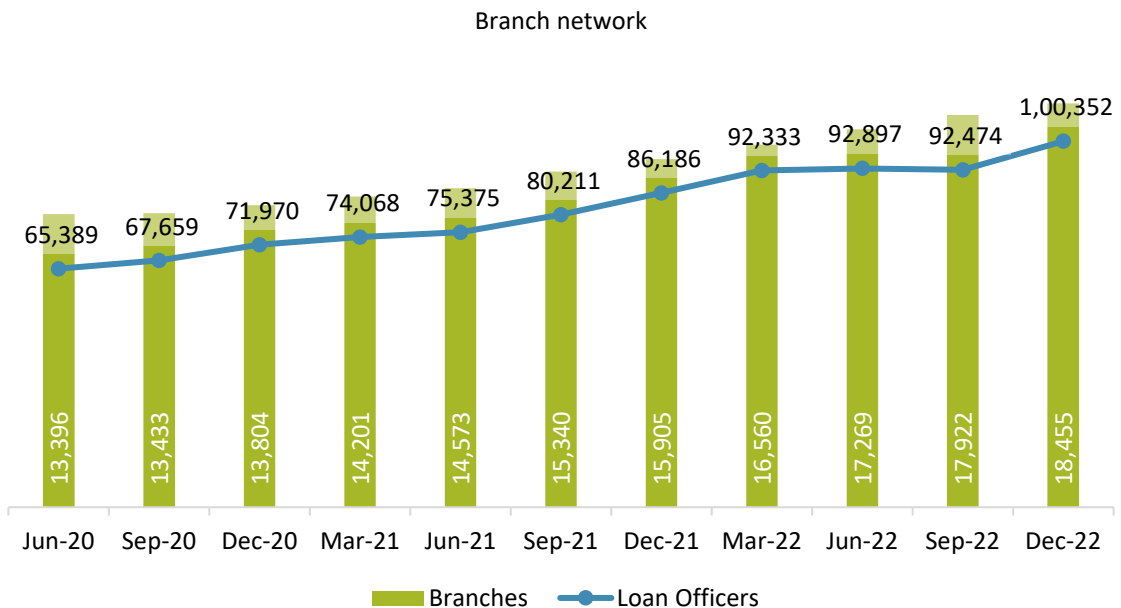
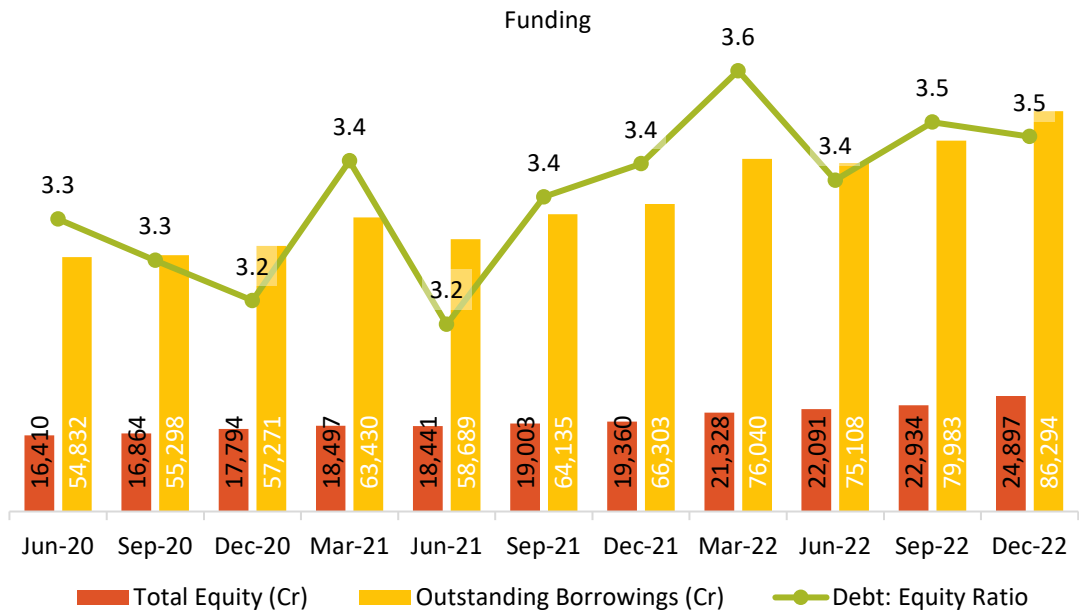
*PAR analysis shown in the graph is for both on and off-balance sheet portfolio



* 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

Q1 FY 20-21 to Q3 FY 22-23

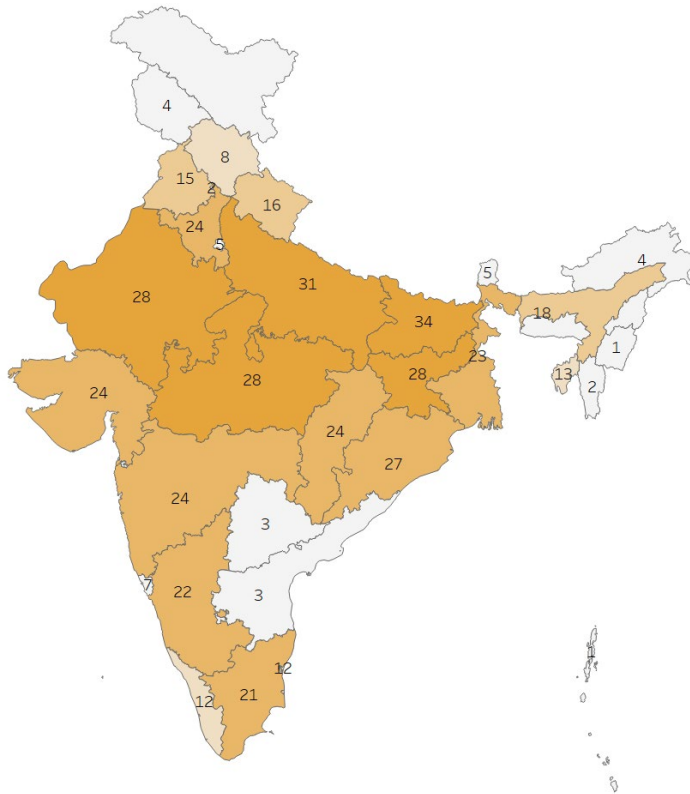


*Analysis is based on the data of panel of MFIs in the current quarter

State wise presence of MFIN Members

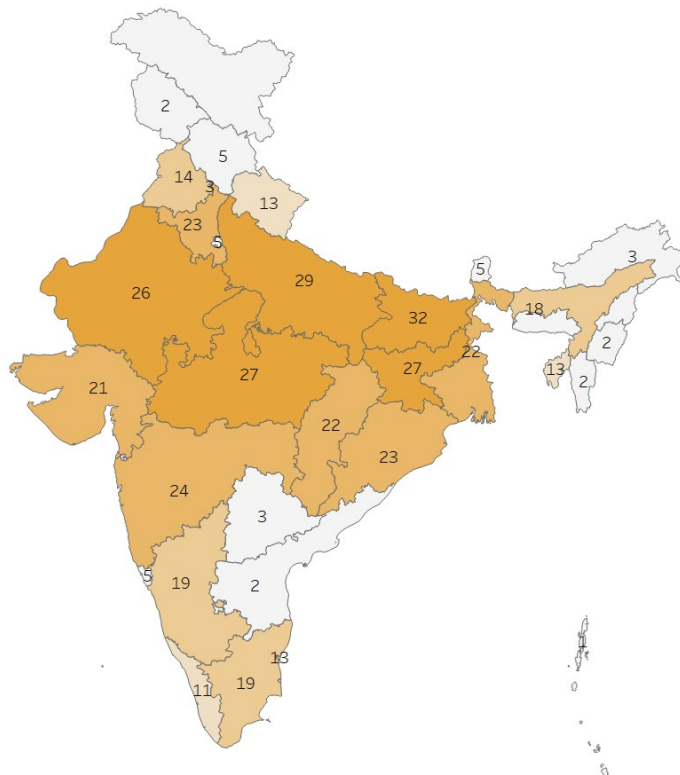
31 December 2022

MFI Q3 FY 22-23
 1 34



31 December 2021

MFI Q3 FY 21-22
 1 32



Microfinance Institutions Network (MFIN)

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

www.mfinindia.org

+91 124 4576800