

MicroLend

QUARTERLY PUBLICATION ON
MICROFINANCE LENDING

VOLUME XXIII
MARCH 2023



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Microfinance Industry Snapshot (Mar 2023)

GLP (Cr)

₹337.6K

- Q-o-Q Growth %
6.6%
- Y-o-Y Growth %
17.9%

Active Loans (Cr)

13.1

- Q-o-Q Growth %
0.2%
- Y-o-Y Growth %
10.4%

Avg. Balance Per Account

₹25.8K

- Q-o-Q Growth %
6.6%
- Y-o-Y Growth %
7.1%

Avg. Balance Per Borrower

₹50.5K

- Q-o-Q Growth %
 - 4.6%
- Y-o-Y Growth %
 - 7.7%

Amount Disbursed in Last 3 M (Cr)

₹94,799

- Q-o-Q Growth %
22.9%
- Y-o-Y Growth* %
10.5%

Loans Disbursed in Last 3 M (Lakh)

217.9

- Q-o-Q Growth %
16.7%
- Y-o-Y Growth* %
1.2%

Average Ticket Size in Last 3M

₹43.5K

- Q-o-Q Growth %
5.3%
- Y-o-Y Growth* %
9.3%

Value Delinquency 30+%

2.2%

- Q-o-Q Growth# %
(-1.6%)
- Y-o-Y Growth# %
(-3.8%)

Value Delinquency 90+%

1.1%

- Q-o-Q Growth# %
(-0.9%)
- Y-o-Y Growth# %
(-1.6%)

*Y-o-Y Growth refers to growth compared to same quarter previous year

Growth in percentage points (unit for difference of two percentages)

Microfinance Industry – Key Takeaways (Mar 2023)

Portfolio outstanding of Microfinance sector at ₹337.6K crore as of Mar'23 with 6.6% Q-o-Q and 17.9% Y-o-Y growth

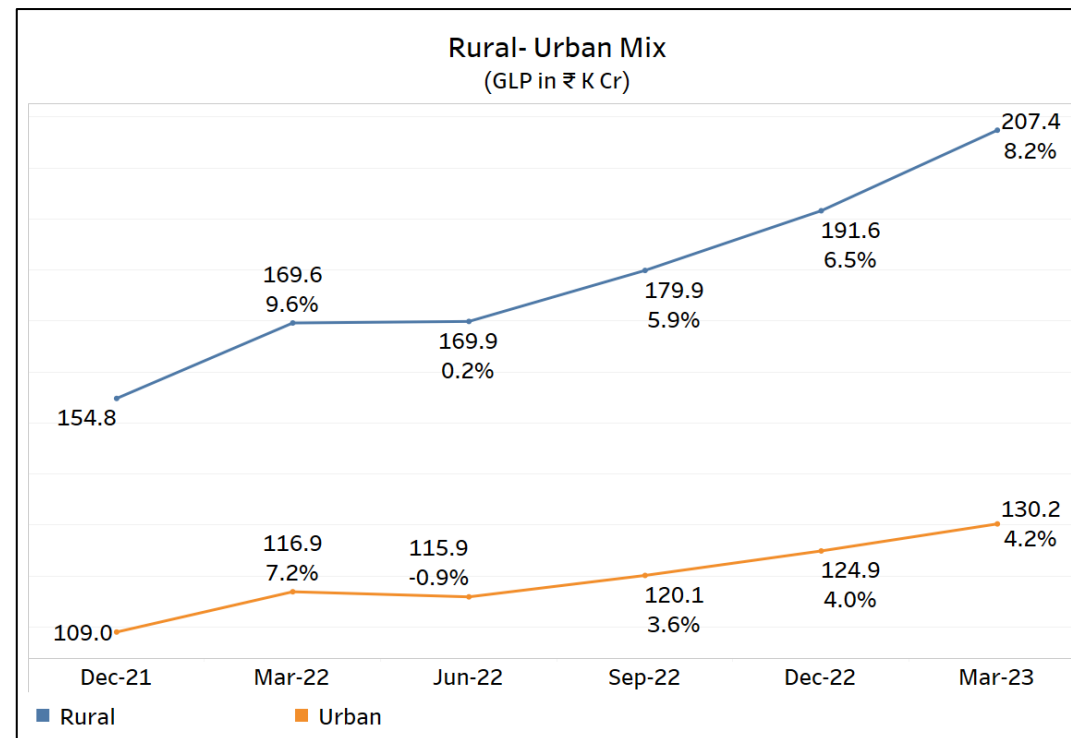
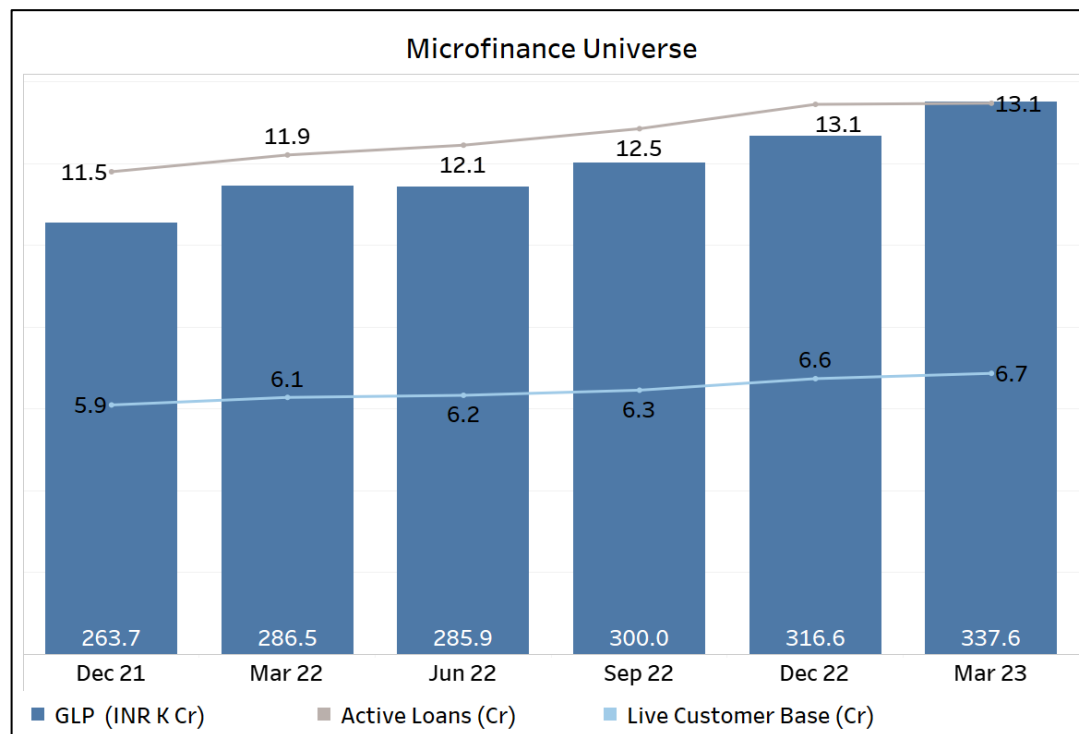
NBFCs continue to dominate the market with portfolio share of 37.3%, followed by Banks 33.1%, SFBs 16.6%, as of Mar'23

PAR 30+ DPD improved from 3.8% as of Dec'22 to 2.2% as of Mar'23, PAR 90+ DPD improved from 2.0% as of Dec'22 to 1.1% as of Mar'23

Top 10 states by GLP contribute to 85.2% of national GLP, Bihar surpassing Tamil Nadu as top state by GLP as of Mar'23

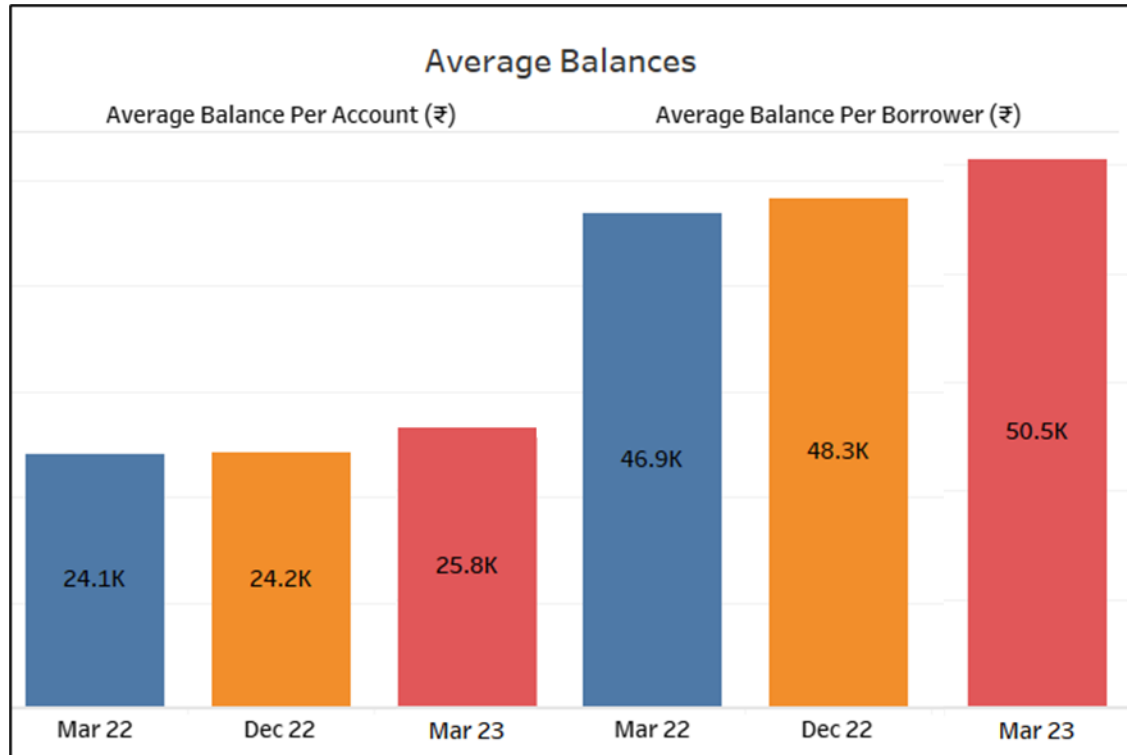
₹94.8K crore originations (by value) and 217.9 lakh originations (by volume) in Q4 FY23

Microfinance Universe

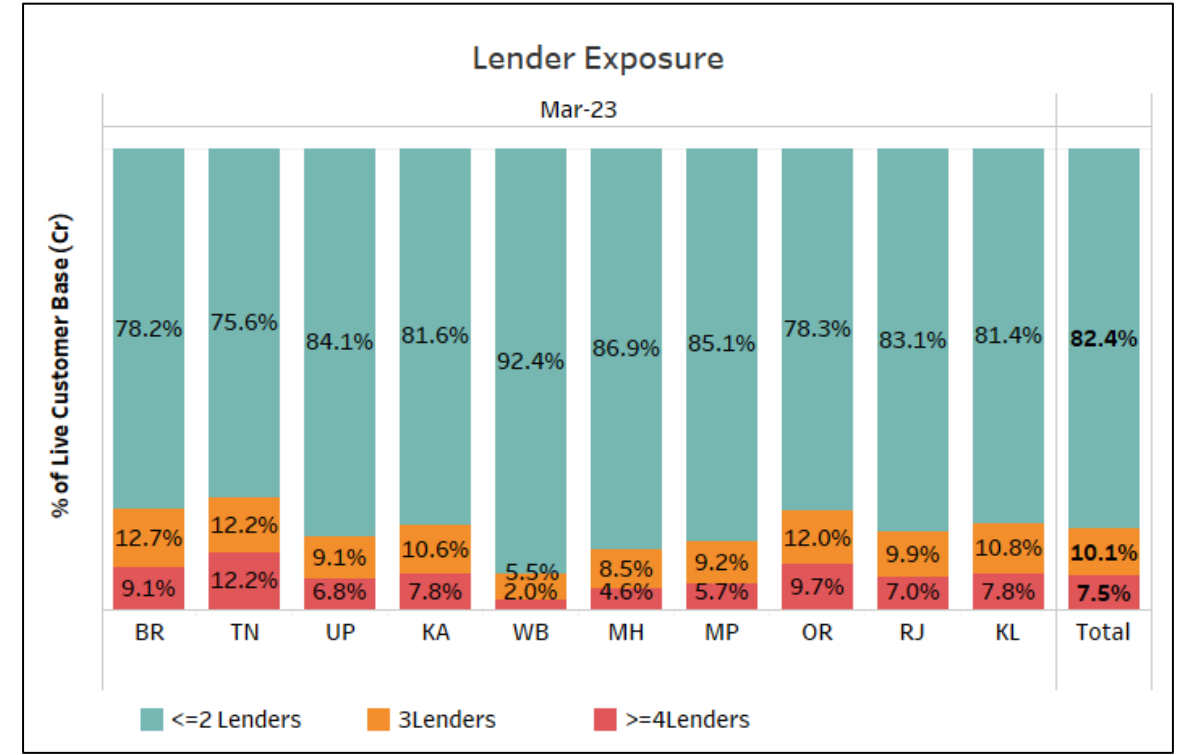


- ❑ Microfinance sector witnessed quarterly growth of 6.6% in the book, and Y-o-Y growth of 17.8% as of Mar'23
- ❑ Live customer base grew by 1.5% Q-o-Q and by 9.8% Y-o-Y
- ❑ Rural markets grew by 8.2% Q-o-Q and 22.3% Y-o-Y as of Mar'23
- ❑ Urban markets witnessed 4.2% Q-o-Q and 11.4% Y-o-Y growth as of Mar'23

Average Balances and Lender Exposure



- ❑ Average balance per account witnessed quarterly growth of 6.6% and grew Y-o-Y by 7.1% as of Mar'23
- ❑ Average balance per borrower witnessed Q-o-Q growth of 4.6% and grew Y-o-Y by 7.7% as of Mar'23

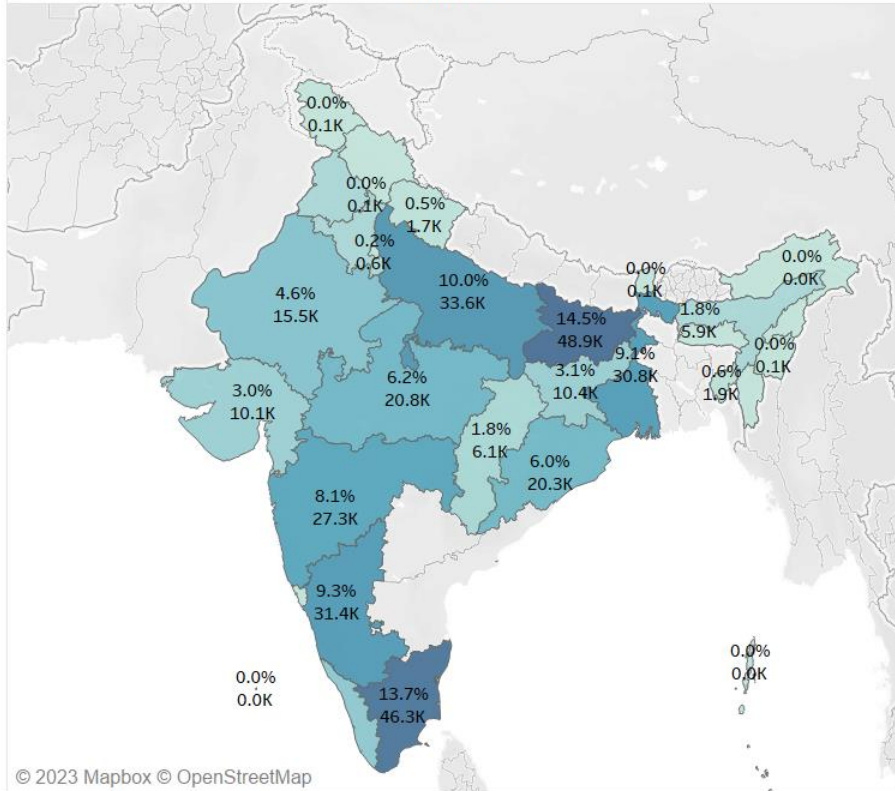


- ❑ 7.5% of borrowers have exposure to 4 or more lenders
- ❑ Among major states, the proportion is
 - ❑ Highest for Tamil Nadu (12.2%)
 - ❑ Least for West Bengal (2.0%)

Geographic Deep Dive

Portfolio Mix - State Level

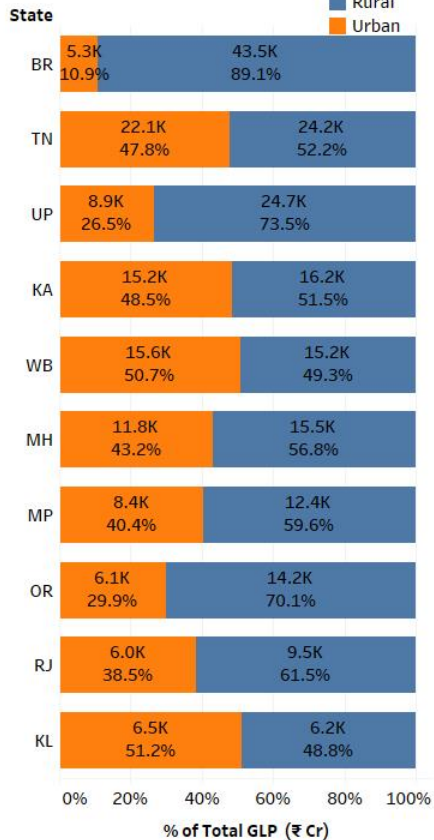
March 2023



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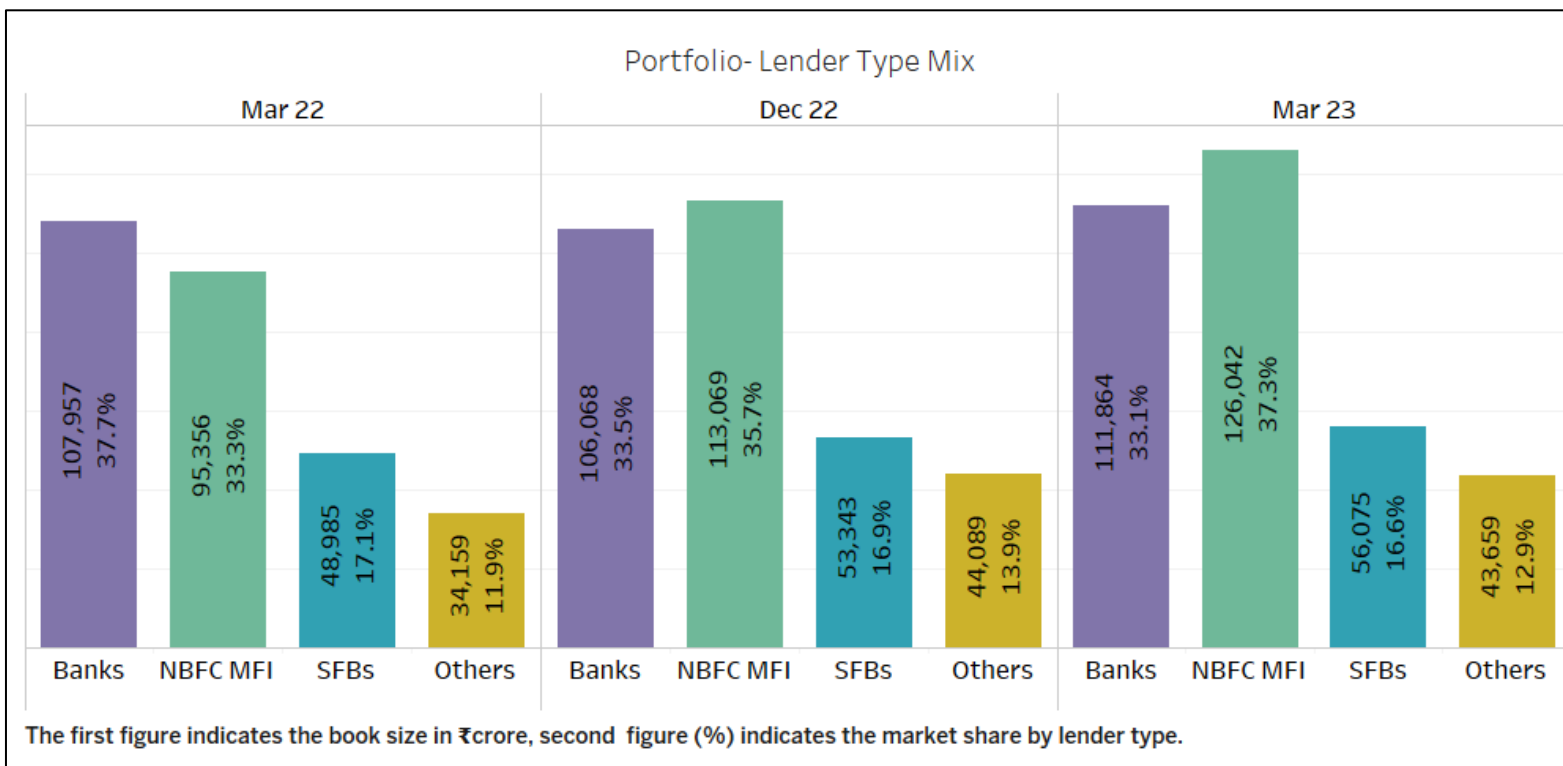
Figure in K indicates size of book (in ₹ crore)

Rural - Urban Mix - Top 10 States



- Top 10 states constitute 85.2% of the GLP as of Mar'23
- Bihar surpassed Tamil Nadu as top state by GLP as of Mar'23
- Uttar Pradesh, Kerala and Bihar recorded highest Q-o-Q growth of 15.9%, 14.6% and 13.5% respectively as of Mar'23
- Average balance per borrower for top states Bihar, Tamil Nadu and Uttar Pradesh stood at ₹27.2K, ₹26.6K, ₹26.3K respectively as of Mar'23
- Microfinance sector dominated by Eastern region (32.7%) followed by Southern (27.0%), as of Mar'23
- NBFC MFIs have 48.0% share in Central, SFBs have concentration of 22.3% in South

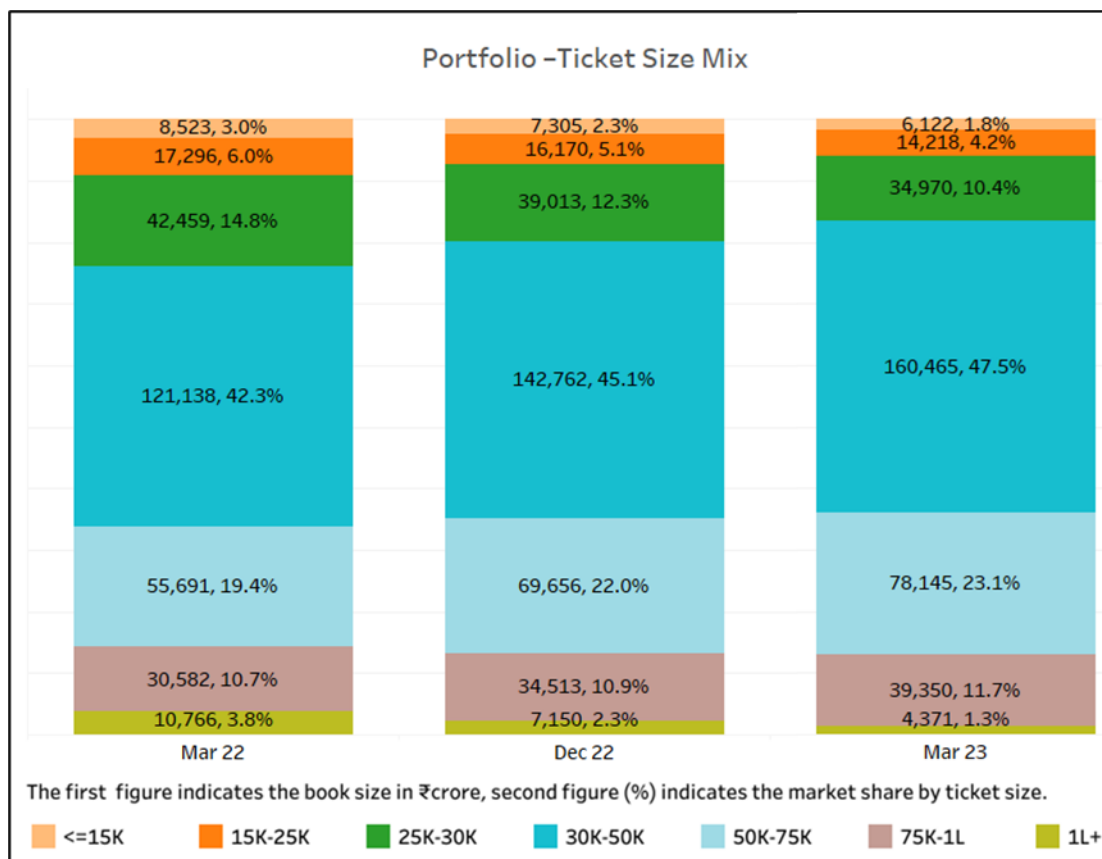
Portfolio – Lender Type Mix



- ❑ NBFC MFIs dominate the market with portfolio share of 37.3% as of Mar'23
- ❑ 11.5% Q-o-Q growth in GLP for NBFC MFIs as against 5.5% for Banks and 5.1% for SFBs as of Mar'23
- ❑ Y-o-Y growth of 32.2% for NBFC MFIs, 3.6% for banks, 14.5% for SFBs
- ❑ 50.6% of NBFC MFIs' portfolio comprised of loans of ticket sizes ₹30K-₹50K, as against 41.4% for Banks and 49.6% for SFBs

Lender Type	Banks	NBFC MFI	SFBs	Others	Total
Q-o-Q GLP Growth	5.5%	11.5%	5.1%	-1.0%	6.7%
Y-o-Y GLP Growth	3.6%	32.2%	14.5%	27.8%	17.9%

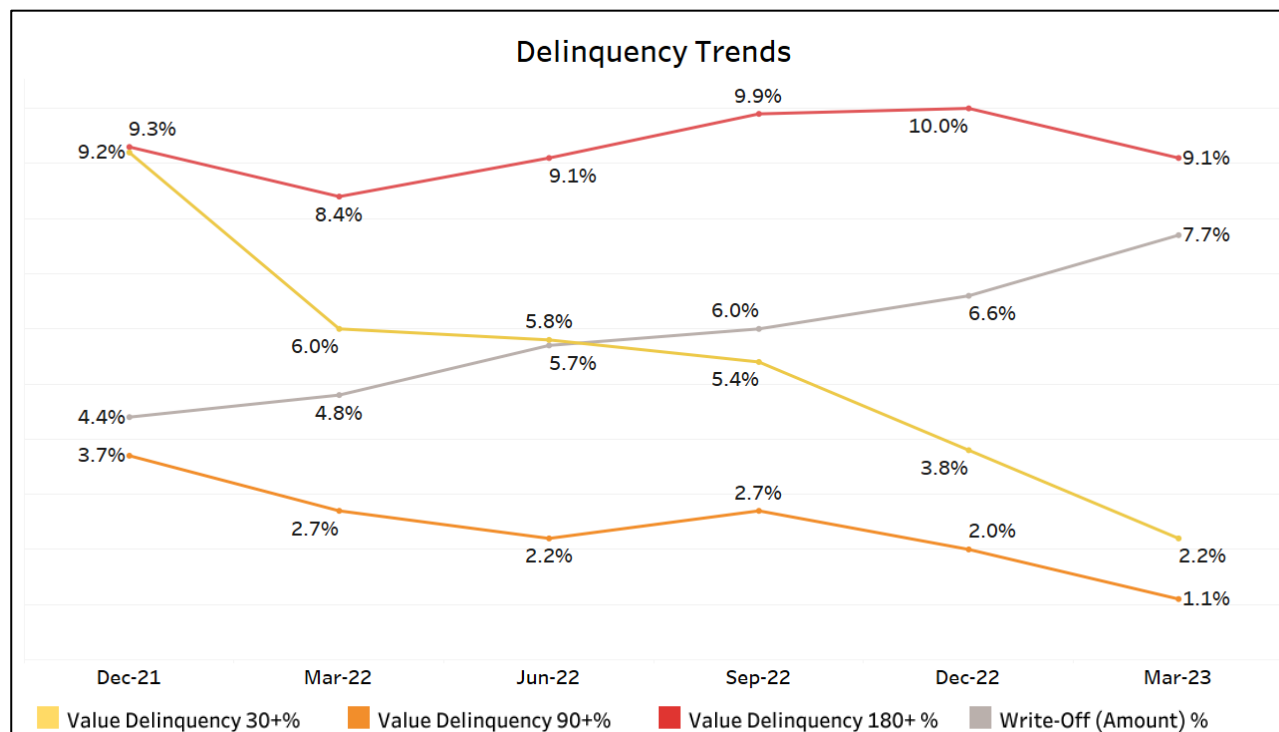
Portfolio –Ticket Size Mix



- ❑ Portfolio of ticket size ₹50K-₹75K witnessed Y-o-Y growth of 40.3% and Q-o-Q growth of 12.2% as of Mar'23
- ❑ Portfolio of ticket size <=₹15K witnessed Y-o-Y degrowth of 28.2% and Q-o-Q degrowth of 16.2% as of Mar'23
- ❑ Share of portfolio of higher ticket sized loans >₹50K increased from 33.9% in Mar'22 to 36.1% in Mar'23
- ❑ As of Mar'23, loans of ticket size ₹30K-₹50K have the maximum share by value and volume at 47.5% and 45.4% respectively
- ❑ Share of loans of ticket size ₹50K-₹75K has increased from 19.4% as of Mar'22 to 23.1% as of Mar'23.

Ticket Size	<=15K	15K-25K	25K-30K	30K-50K	50K-75K	75K-1L	1L+	Total
Q-o-Q GLP Growth	-16.2%	-12.1%	-10.4%	12.4%	12.2%	14.0%	-38.9%	6.7%
Y-o-Y GLP Growth	-28.2%	-17.8%	-17.6%	32.5%	40.3%	28.7%	-59.4%	17.9%

Microfinance - Risk Profile



- ❑ PAR 30+ DPD improved from 3.8% as of Dec'22 to 2.2% as of Mar'23
- ❑ PAR 90+ DPD improved from 2.0% as of Dec'22 to 1.1% as of Mar'23
- ❑ PAR 180+ DPD decreased to 9.1% as of Mar'23. Maharashtra, West Bengal, Madhya Pradesh and Orissa have highest PAR 180+ DPD
- ❑ Write-offs increased from 6.6% as of Dec'22 to 7.7% as of Mar'23
- ❑ In terms of delinquency management:
 - ❑ 5 best performing lenders have PAR 30+, 90+ & 180+ DPD of 0.3%, 0.2% & 5.4% respectively
 - ❑ 5 worst performing lenders have PAR 30+, 90+ & 180+ DPD of 4.7%, 2.0% & 9.6% respectively

	5 Best Performing Lenders	5 Worst Performing Lenders	Industry
Cumulative GLP (₹Cr)	53,046	60,704	3,37,640
Value Delinquency 30+%	0.3%	4.7%	2.2%
Value Delinquency 90+%	0.2%	2.0%	1.1%
Value Delinquency 180+%	5.4%	9.6%	9.1%

Note: The analysis is limited to top 30 MFI institutions with a market share of 87.9% as of Mar'23. Performance is based on PAR 30+ DPD performance as of Mar'23

Value delinquency 30+% or PAR 30+ DPD refers to proportion of portfolio delinquent by 31-180 days past due, value delinquency 90+% or PAR 90+ DPD refers to proportion of portfolio delinquent by 91-180 days past due, value delinquency 180+% or PAR 180+ DPD refers to proportion of portfolio delinquent by >180 days past due (excluding write-offs), calculated as % of total portfolio outstanding, through out the report

Risk Profile – Top Districts

Best Performing Districts	GLP Band (₹ Cr)	GLP (₹ Cr)	Value Delinquency 30+%	Value Delinquency 90+%	Value Delinquency 180+ %
Samastipur	>2000	3,315	0.9%	0.4%	2.4%
Darbhanga	>2000	2,465	0.8%	0.3%	1.5%
Belgaum	>2000	2,206	0.7%	0.4%	6.8%
Sitamarhi	1,500 -2000	1,989	0.7%	0.3%	1.6%
Tumkur	1,500 -2000	1,982	0.8%	0.5%	6.5%
Nanded	1,500 -2000	1,719	0.5%	0.3%	5.7%
Mahrajganj	1000 -1500	1,072	0.7%	0.3%	1.7%
Haveri	1000 -1500	1,021	0.7%	0.3%	5.2%
Palamu	1000 -1500	1,016	0.6%	0.2%	0.9%
Muzaffarnagar	500 -1000	935	0.7%	0.2%	1.2%
Bagalkot	500 -1000	773	0.7%	0.4%	6.8%
Mathura	500 -1000	629	0.6%	0.3%	3.6%

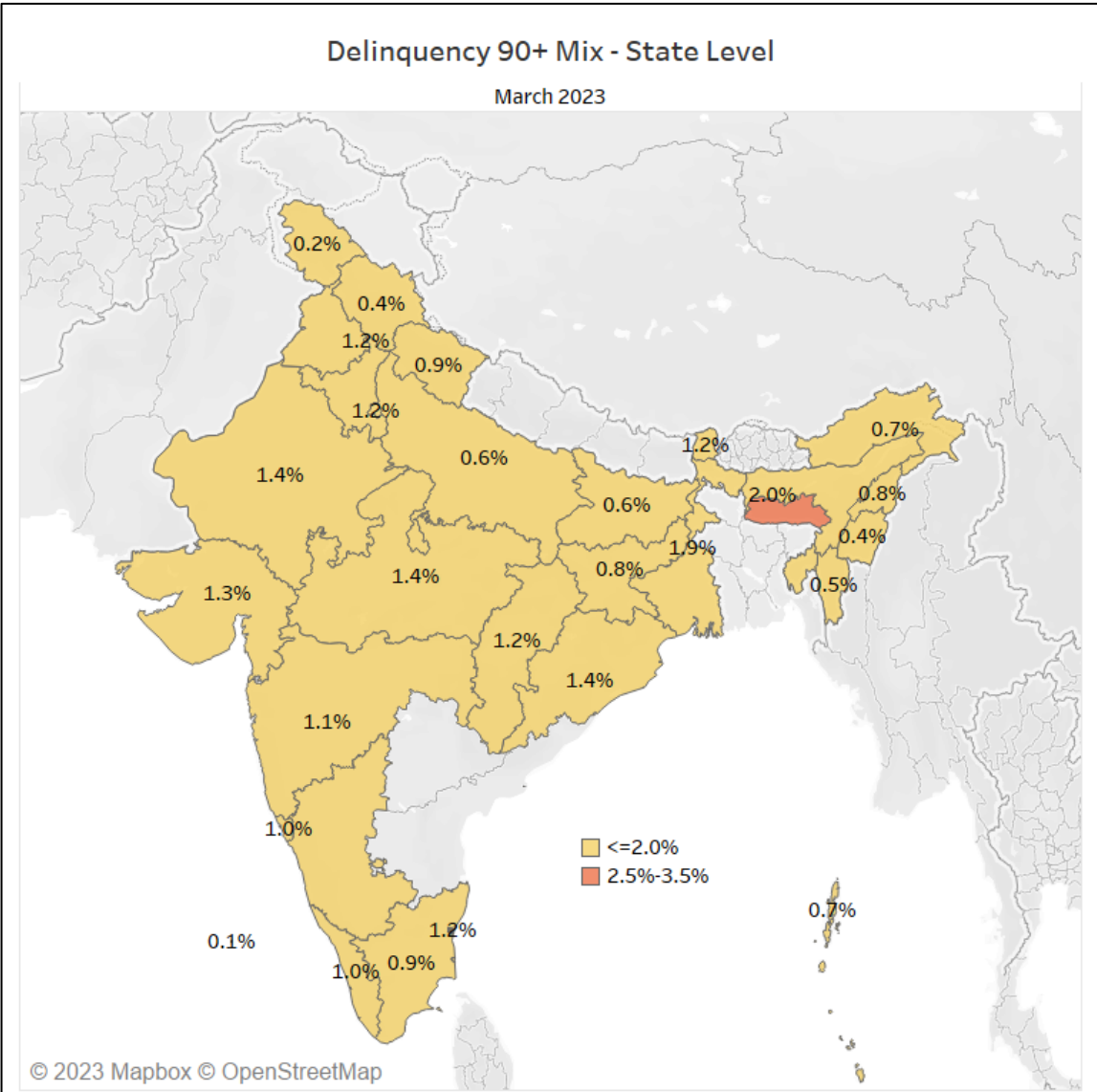
Worst Performing Districts	GLP Band (₹ Cr)	GLP (₹ Cr)	Value Delinquency 30+%	Value Delinquency 90+%	Value Delinquency 180+ %
North 24 Parganas	>2000	2,726	4.2%	2.0%	24.8%
South 24 Parganas	>2000	2,264	4.8%	2.3%	27.4%
Jalpaiguri	>2000	2,264	7.5%	4.1%	12.9%
Nadia	1,500 -2000	1,979	4.7%	2.0%	20.5%
Haora	1,500 -2000	1,801	5.3%	2.3%	18.3%
Koch Bihar	1,500 -2000	1,530	5.0%	2.1%	15.7%
Jalgaon	1000 -1500	1,418	3.8%	1.5%	16.9%
Birbhum	1000 -1500	1,077	4.1%	1.5%	11.3%
Banswara	1000 -1500	1,029	4.8%	2.6%	12.4%
West Tripura	500 -1000	957	6.0%	1.6%	6.3%
Darjiling	500 -1000	795	6.2%	3.0%	9.1%
Dakshin Dinajpur	500 -1000	776	4.8%	2.1%	5.9%

GLP Band (₹ Cr)	>2000 Cr	1,500 Cr-2000 Cr	1000 Cr-1500 Cr	500 Cr-1000 Cr	<500 Cr	Industry
# Districts	22	34	54	120	403	633
Cumulative GLP (₹Cr)	56,282	59,534	64,426	85,845	71,554	3,37,640
Value Delinquency 30+%	2.2%	2.1%	1.9%	2.3%	2.7%	2.2%
Value Delinquency 90+%	1.1%	1.0%	0.9%	1.1%	1.3%	1.1%
Value Delinquency 180+%	8.2%	9.1%	7.8%	9.1%	11.2%	9.1%

Note: Performance is based on PAR 30+ DPD performance as of Mar'23

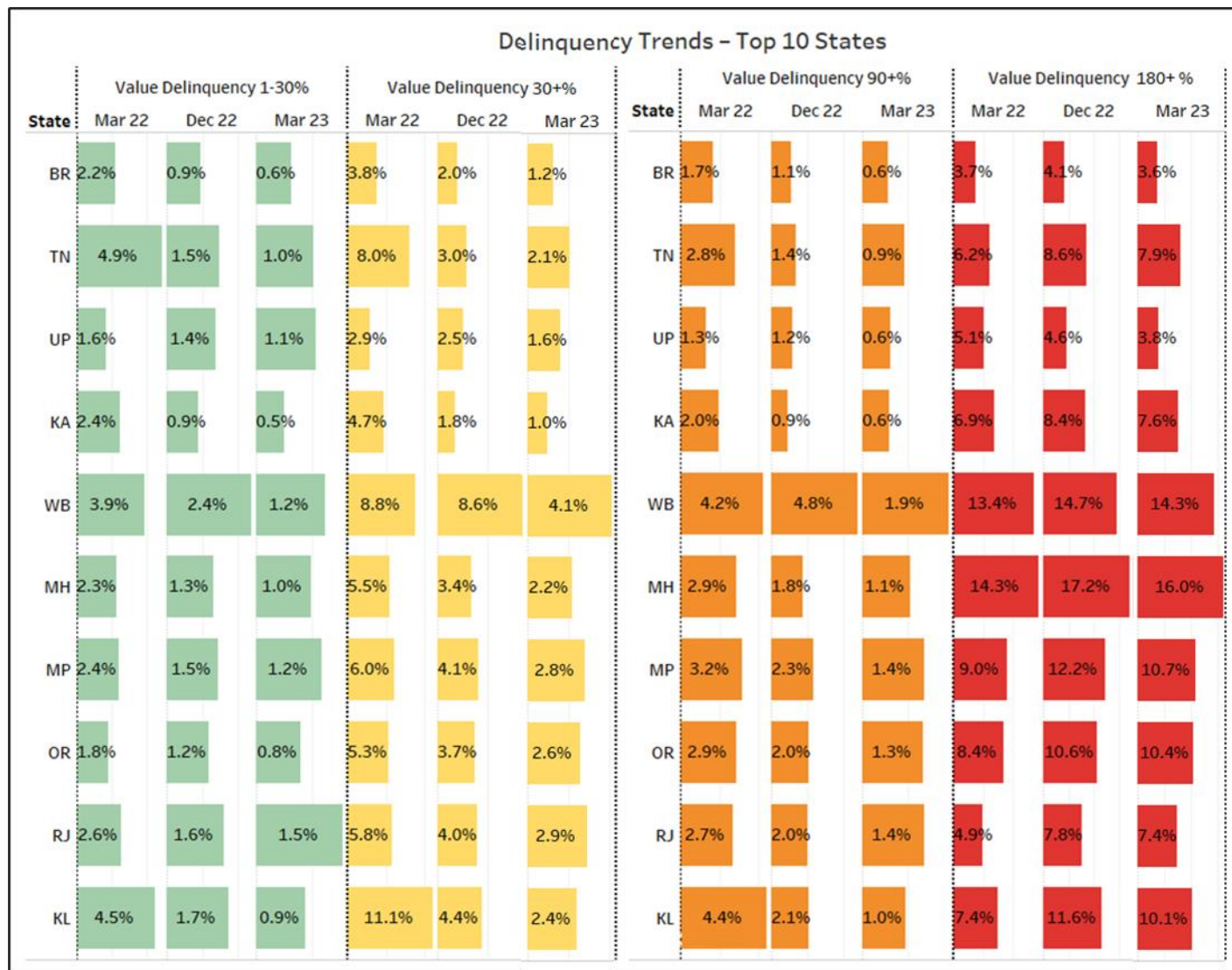
Internal

Risk Profile – State wise Delinquency 90+ (Mar 2023)



- ❑ Top 10 states have a combined PAR 90+ DPD of 1.0% as of Mar'23 improved from 1.9% as of Dec'22
- ❑ PAR 90+ DPD as of Mar'23 witnessed Y-o-Y decline for all top 10 states
- ❑ Among top 10 states, West Bengal witnessed highest decline in PAR 90+ DPD from 4.8% in Dec'22 to 1.9% in Mar'23
- ❑ Among top 10 states, Tamil Nadu, Uttar Pradesh, Bihar and Karnataka have lower PAR 90+ DPD than overall industry (1.0%) as of Mar'23

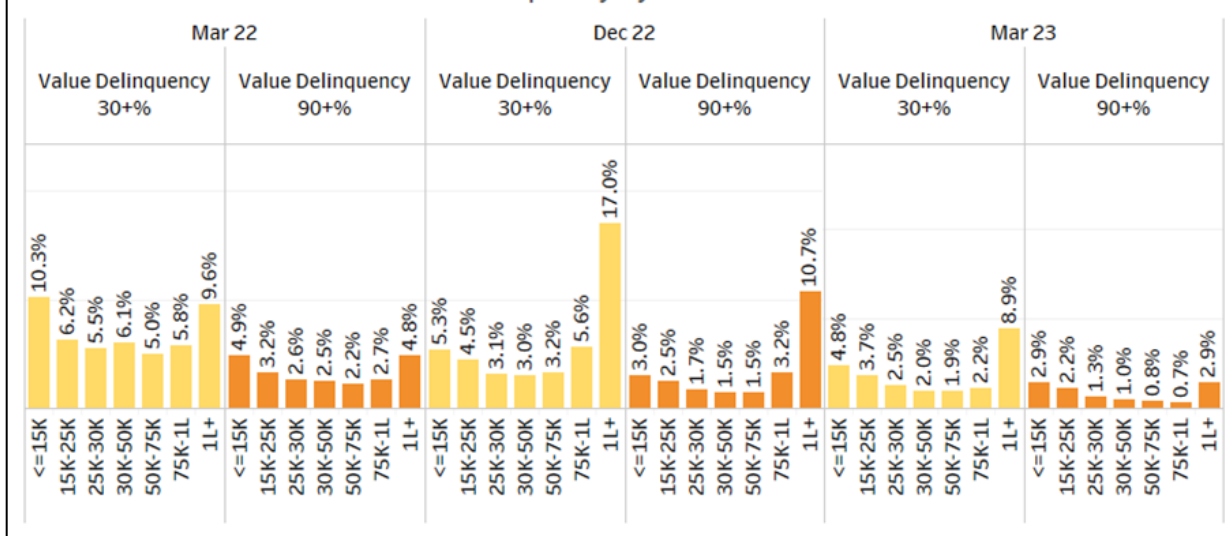
Risk Profile - Geographic Deep Dive



- Among top 10 states, Bihar, Tamil Nadu, Uttar Pradesh and Karnataka have lower PAR 30+ DPD than overall industry (2.2%) as of Mar'23
- PAR 30+ DPD as of Mar'23 reduced Q-o-Q and Y-o-Y for all top 10 states
- PAR 90+ and PAR 180+ DPD as of Mar'23 improved Q-o-Q for all top 10 states
- PAR 180+ DPD as of Mar'23 increased Y-o-Y across all top 10 states except Bihar and Uttar Pradesh

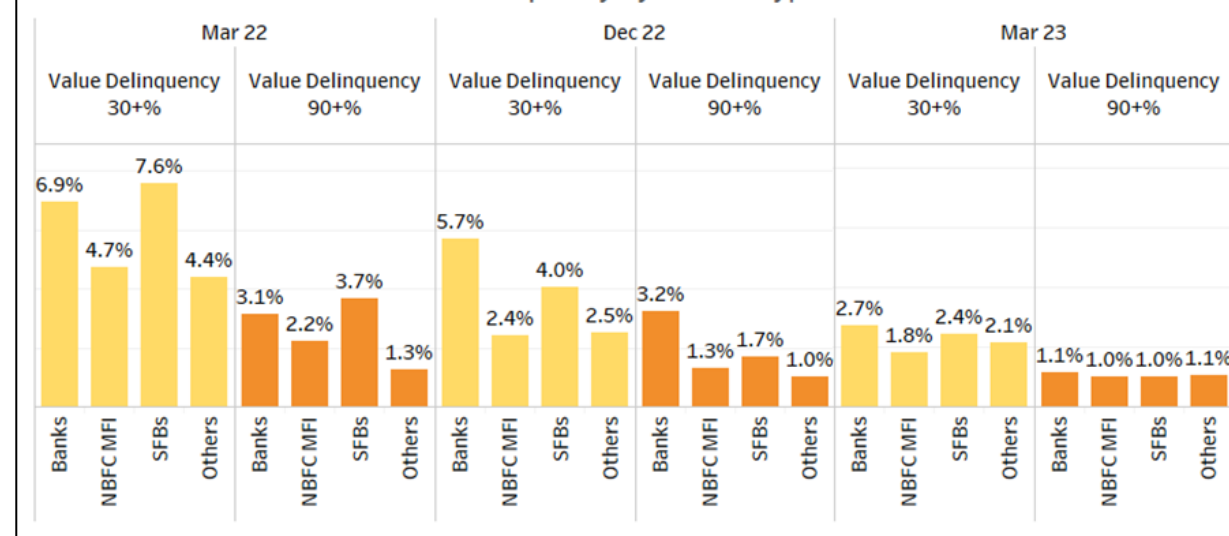
Risk Profile – Ticket Size & Lender Type Mix

Delinquency by Ticket Size



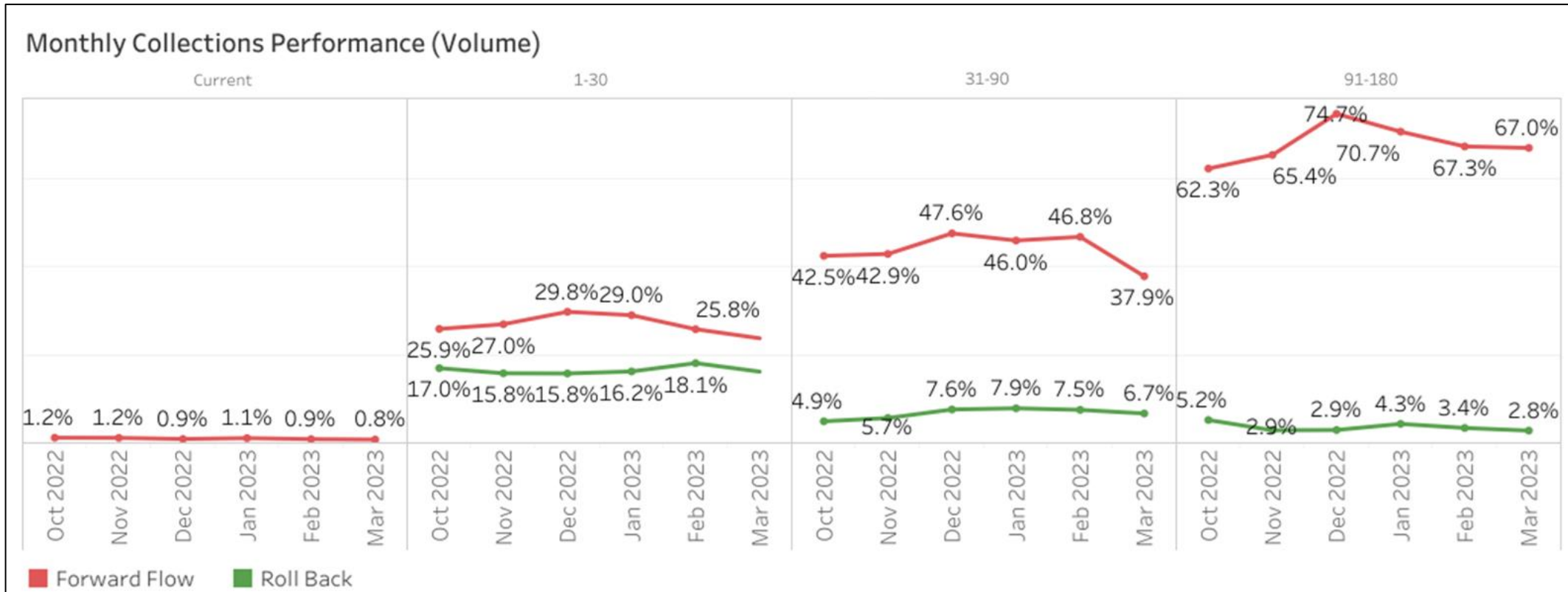
- ❑ PAR 30+ DPD improved for all ticket sizes in Mar'23 compared to Dec'22 and Mar'22
- ❑ PAR 90+ DPD improved for all ticket sizes in Mar'23 compared to Dec'22 and Mar'22

Delinquency by Lender Type



- ❑ PAR 30+ DPD improved for all lender types in Mar'23 compared to Dec'22 and Mar'22
- ❑ PAR 90+ DPD improved for all lender types except Others in Mar'23 compared to Dec'22

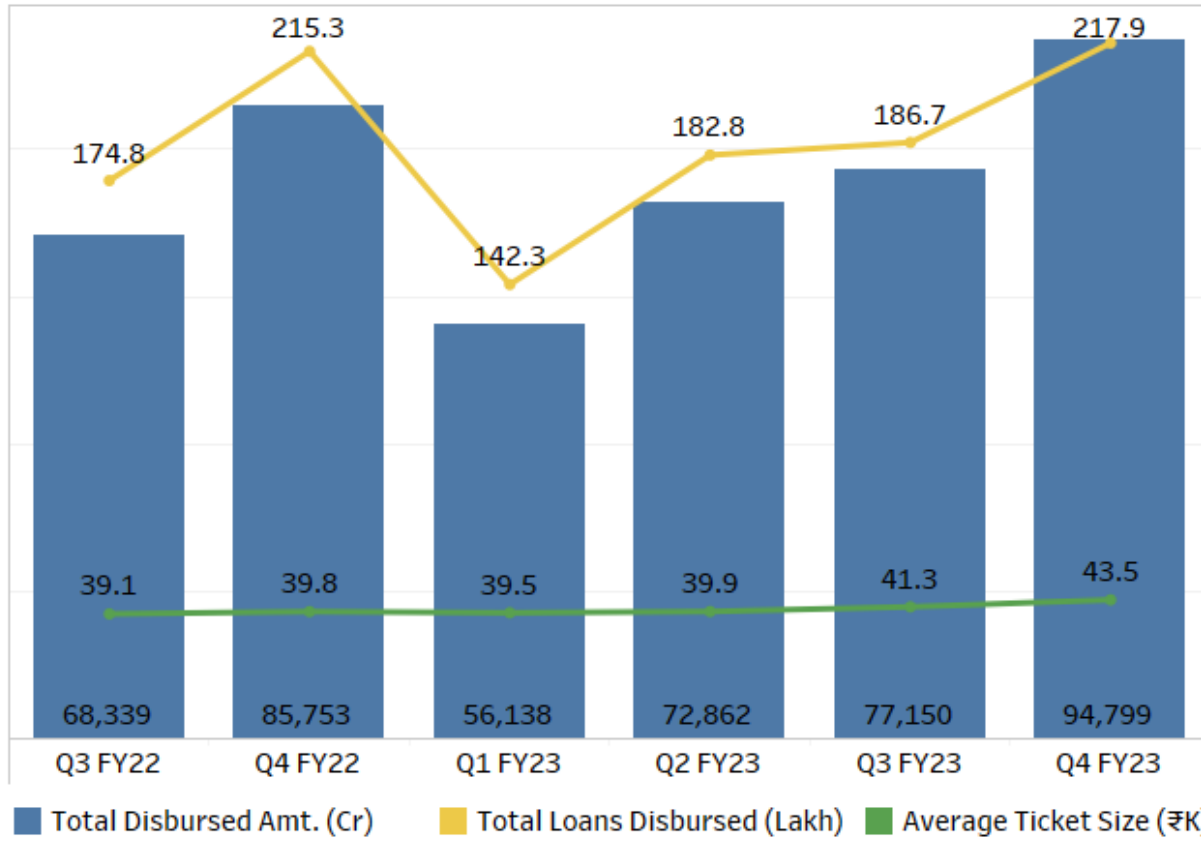
Risk Profile – Collections Performance



- ❑ Monthly forward flow rates have decreased in Mar'23 for all delinquency buckets compared to Feb'23
- ❑ Monthly Roll back rates have decreased in Mar'23 for all delinquency buckets compared to Feb'23
- ❑ Monthly forward flows in 31-90 DPD buckets decreased for all lender types in Mar'23 while 91-180 DPD buckets increased for Banks and NBFC MFIs during the same period

Microfinance - Originations

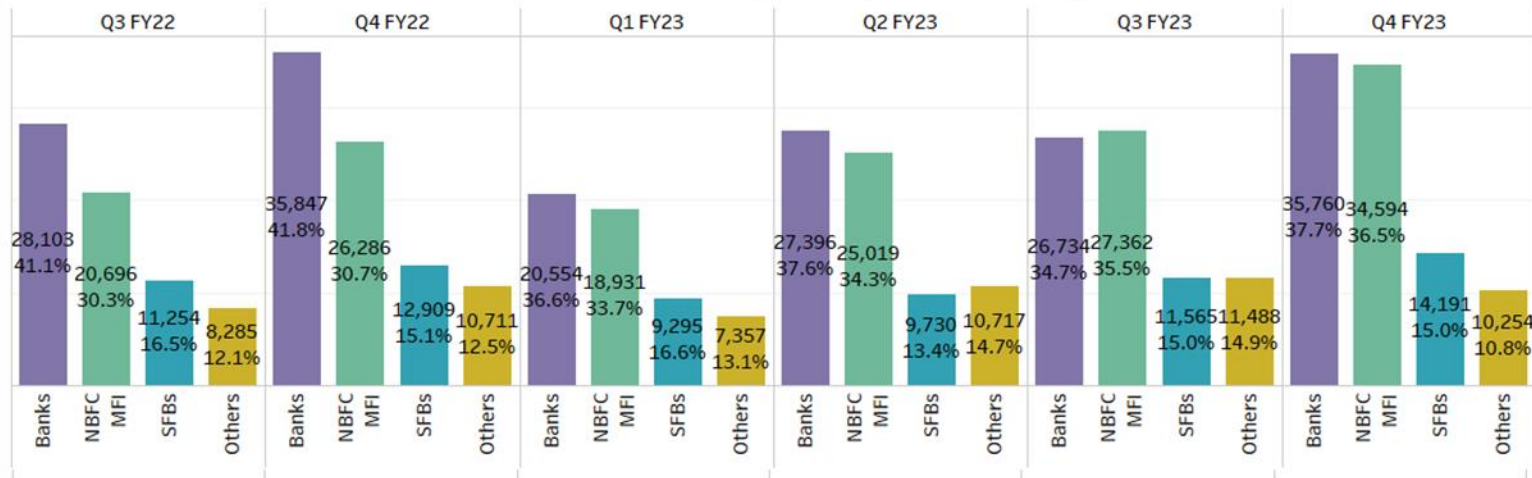
Originations - Trends



- ❑ ₹94.8K crore originations (by value) in Q4 FY23, growth of 22.9% compared to Q3 FY23 and growth of 10.5% compared to Q4 FY22
- ❑ 217.9 lakh loans disbursed in Q4 FY23, growth of 16.7% compared to Q3 FY23 and decline of 1.2% compared to Q4 FY22
- ❑ Share of Southern region in disbursements (value) increased from 23.6% in Q4 FY22 to 25.5% in Q4 FY23, share of Eastern region declined
- ❑ Average ticket size at ₹43.5K in Q4 FY23, growth of 5.3% compared to Q3 FY23 and growth of 9.2% compared to Q4 FY22

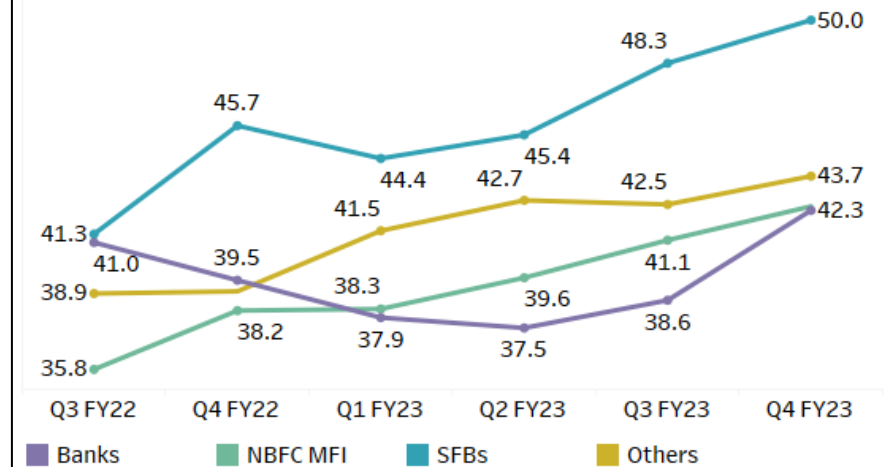
Originations - Lender Type Mix

Originations - Lender type Mix (Value in ₹ Crore)



The Quarter (Q) indicate the Loan Origination Periods. The first figure indicates the disbursed amount in ₹ crore, second figure (%) indicates the market share by lender type.

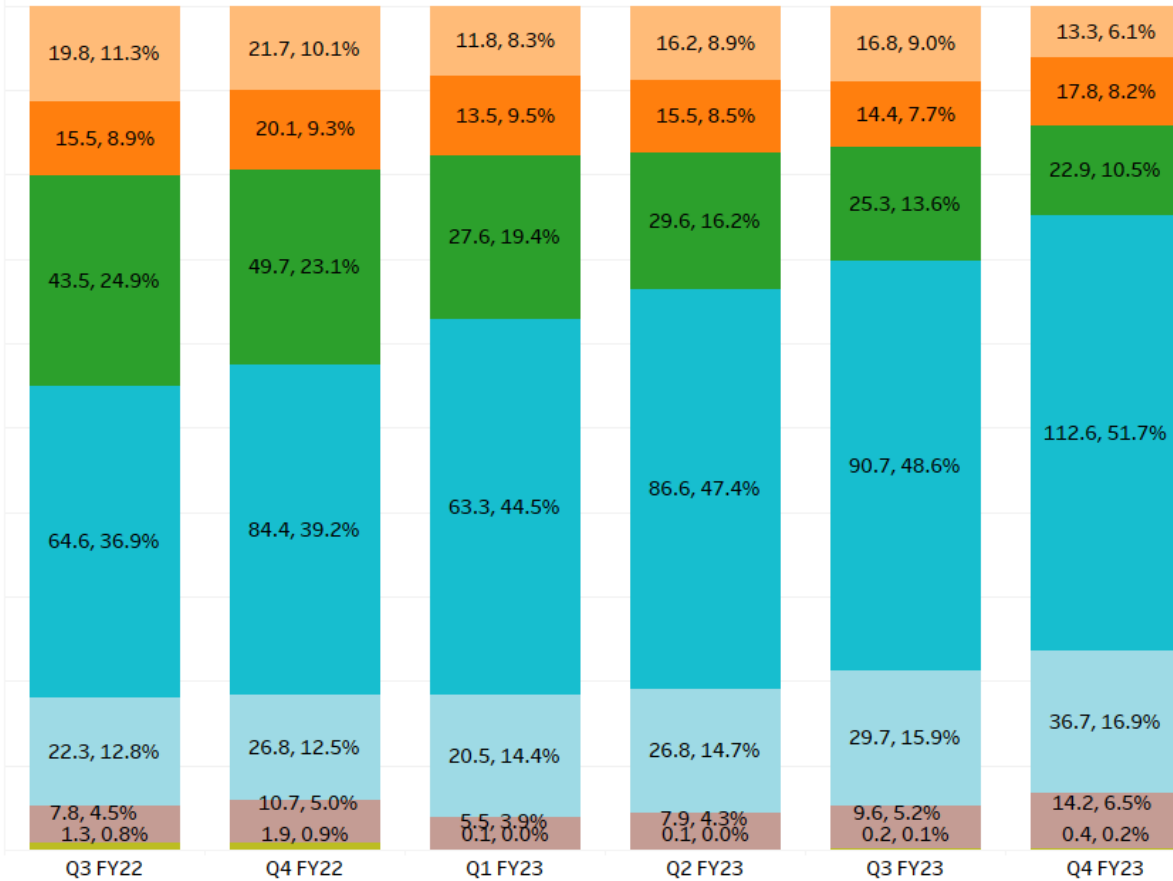
Average Ticket Size (₹K) by Lender Type



- ❑ Banks dominate with 37.7% Originations share (by value) followed by NBFC MFI with 36.5% in Q4 FY23
- ❑ Originations share (by value) of NBFC MFIs increased from 35.5% in Q3 FY23 to 36.5% in Q4 FY23
- ❑ Originations share (by value) of SFBS remain stable in Q4 FY23 compared to Q4 FY22 and Q3 FY23
- ❑ Average ticket size for Banks grew by 9.4%, SFBS by 3.6% and NBFC MFIs by 2.9% from Q3 FY23 to Q4 FY23
- ❑ Average ticket size is highest for SFBS at ₹50K among all Lender Type in Q4 FY23

Originations - Ticket Size Mix

Originations - Ticket Size Mix (Volume in Lakh)



The Quarter (Q) indicates the Loans Origination Periods. The first figure indicates the Originations Volume (in Lakhs), second figure (%) indicates the originations share by ticket size.

<=15K 15K-25K 25K-30K 30K-50K 50K-75K 75K-1L 1L+

- ❑ Originations share (by volume) of loans ₹30K-₹50K remained the largest at 51.7% in Q4 FY23
- ❑ Originations share (by volume) of loans >₹50K increased from 18.4% in Q4 FY22 to 23.6% in Q4 FY23
- ❑ For top state Bihar and Tamil Nadu, share of originations (volume) of loans of ticket size ₹30K-₹50K continues to be the largest at 54% and 52.2% respectively in Q4 FY23
- ❑ Originations share by volume for loans of <=₹30K declined from 26.3% to 23% in Bihar and from 19.5% to 13.4% in Tamil Nadu from Q3 FY23 to Q4 FY23

Glossary and End Notes

GLP	Gross Loan Portfolio	Portfolio outstanding of the microfinance sector
ATS	Average Ticket Size	The average size of the microfinance loan disbursed
PAR	Portfolio at Risk	The proportion of portfolio outstanding which is delinquent by >0 days
DPD	Days Past Due	Measure of loan delinquency/overdue, segmented as 1-30, 31-180, 180+
Y-o-Y	Year on Year	Year on year comparison for change, example Mar 2023 compared to Mar 2022
Q-o-Q	Quarter on Quarter	Quarterly comparison for change, example Mar 2023 compared to Dec 2022
M-o-M	Month on Month	Monthly comparison for change, example Mar 2023 compared to Feb 2023
Q4 FY22	Fourth Quarter of the Financial Year 2021-22	January-February-March 2022
Q3 FY23	Third Quarter of the Financial Year 2022-23	October-November-December 2022
Q4 FY23	Fourth Quarter of the Financial Year 2022-23	January-February-March 2023

Notes:

1. The CRIF Microfinance Credit Bureau has undergone data corrections (updates, closure, etc.) by institutions as part of the year end book closing and reconciliation activity. This report accommodates these corrections to the historical trends presented in the report for the previous quarters.
2. The analysis in this Edition of MicroLend is based on data which is around 90% representative of the Industry as of Mar'23 as received by the bureau
3. Value Delinquency 30+% or PAR 30+ DPD refers to proportion of portfolio delinquent by 31-180 days past due, value delinquency 90+% or PAR 90+ DPD refers to proportion of portfolio delinquent by 91-180 days past due, value delinquency 180+% or PAR 180+ DPD refers to proportion of portfolio delinquent by >180 days past due (excluding write-offs), calculated as % of total portfolio outstanding, through out the report

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About MicroLend

About CRIF High Mark

MicroLend is a quarterly publication from CRIF High Mark on Microfinance lending in India. The publication presents trends & analysis of key parameters such as Gross Loan Portfolio, Growth, Market Share, Borrower Leverage, Compliance and Portfolio Risks. The report also slices the data for major states and Urban/Rural geographies. Semi-urban portfolio is reported as part of urban split in the report.

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