

MicroLend

QUARTERLY PUBLICATION ON
MICROFINANCE LENDING

VOLUME XXIV
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Microfinance Industry Snapshot (Jun 2023)

GLP (Cr)

₹355.3K

- Q-o-Q Growth %
5.2%
- Y-o-Y Growth %
24.3%

Active Loans (Cr)

14.5

- Q-o-Q Growth %
10.7%
- Y-o-Y Growth %
19.8%

Avg. Balance Per Account

₹24.6K

- Q-o-Q Growth %
• (-4.7%)
- Y-o-Y Growth %
• 3.4%

Avg. Balance Per Borrower

₹46.8K

- Q-o-Q Growth %
• (-7.3%)
- Y-o-Y Growth %
• 3.8%

Amount Disbursed in Last 3 M (Cr)

₹67,785

- Q-o-Q Growth %
(-35.5%)
- Y-o-Y Growth* %
19.4%

Loans Disbursed in Last 3 M (Lakh)

158.0

- Q-o-Q Growth %
(-35.2%)
- Y-o-Y Growth* %
9.8%

Average Ticket Size in Last 3M

₹42.9K

- Q-o-Q Growth %
(-0.5%)
- Y-o-Y Growth* %
8.6%

Value Delinquency 30+%

2.0%

- Q-o-Q Growth# %
(-0.2%)
- Y-o-Y Growth# %
(-3.8%)

Value Delinquency 90+%

0.9%

- Q-o-Q Growth# %
(-0.2%)
- Y-o-Y Growth# %
(-1.3%)

*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 (Jun 2023)

Portfolio outstanding of Microfinance sector at ₹355.3K crore as of Jun'23 with 5.2% Q-o-Q and 24.3% Y-o-Y growth

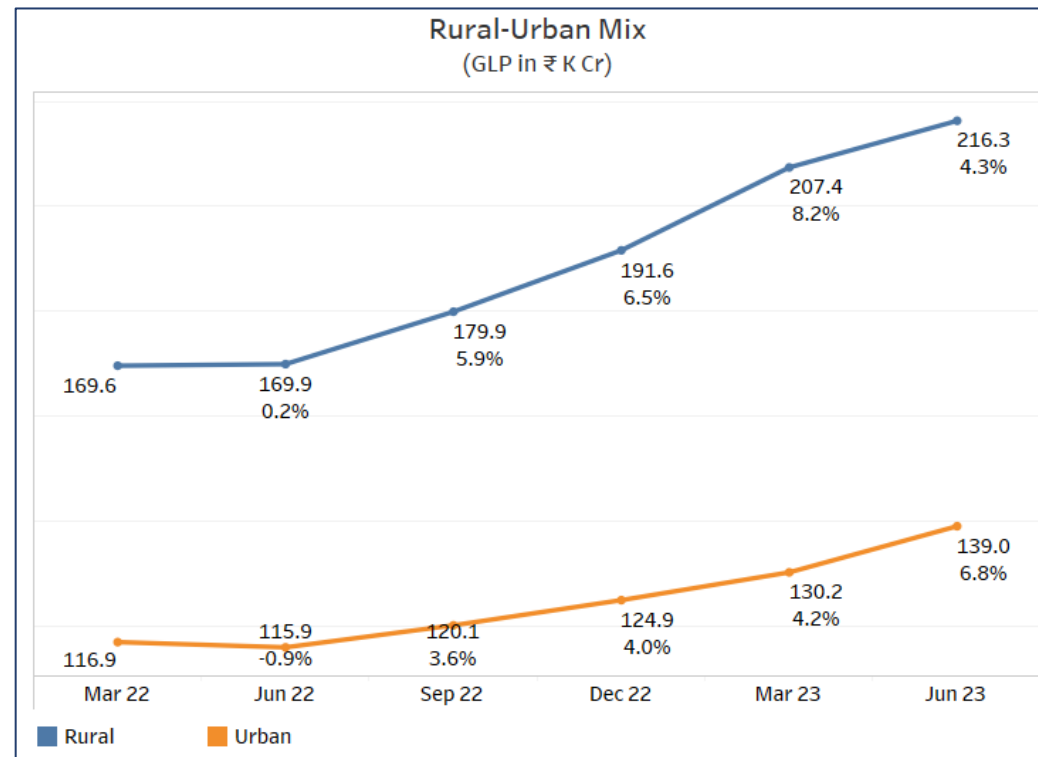
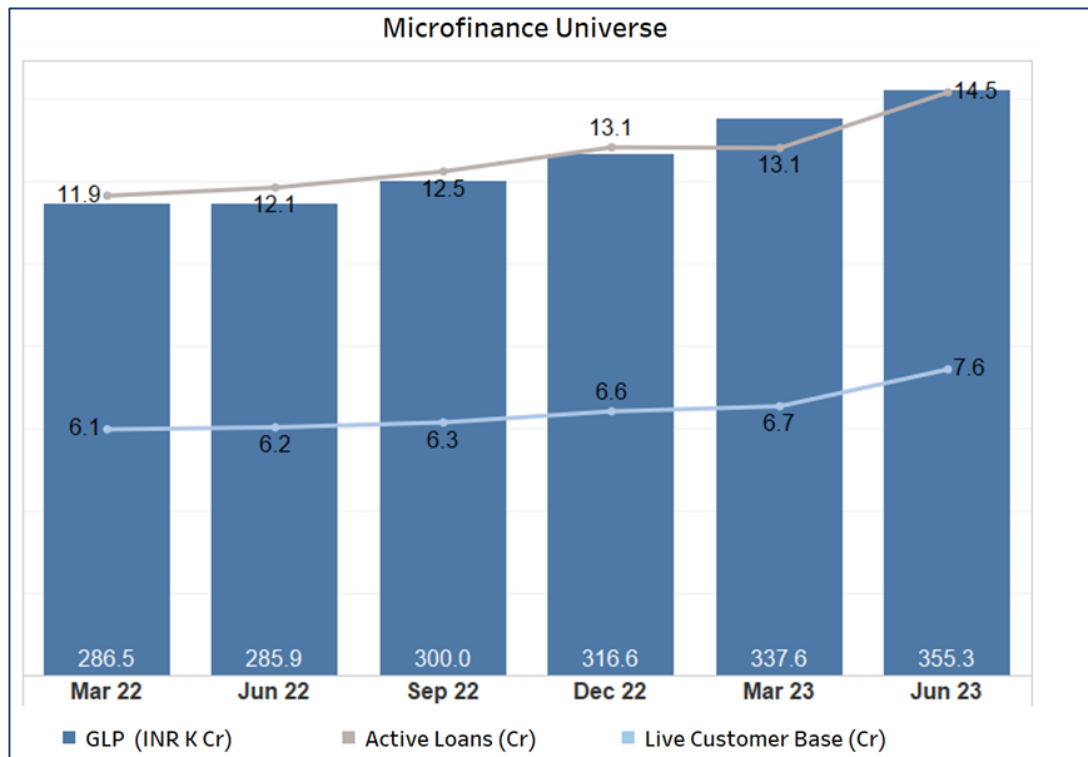
NBFC MFI dominate the market with portfolio share of 40.4%, followed by Banks 32.5%, SFBs 17.2%, as of Jun'23

PAR 30+ DPD improved from 2.2% as of Mar'23 to 2.0% as of Jun'23, PAR 90+ DPD improved from 1.1% as of Mar'23 to 0.9% as of Jun'23

Top 10 states by GLP contribute to 83.1% of national GLP, Bihar continue to dominate as top state by GLP as of Jun'23

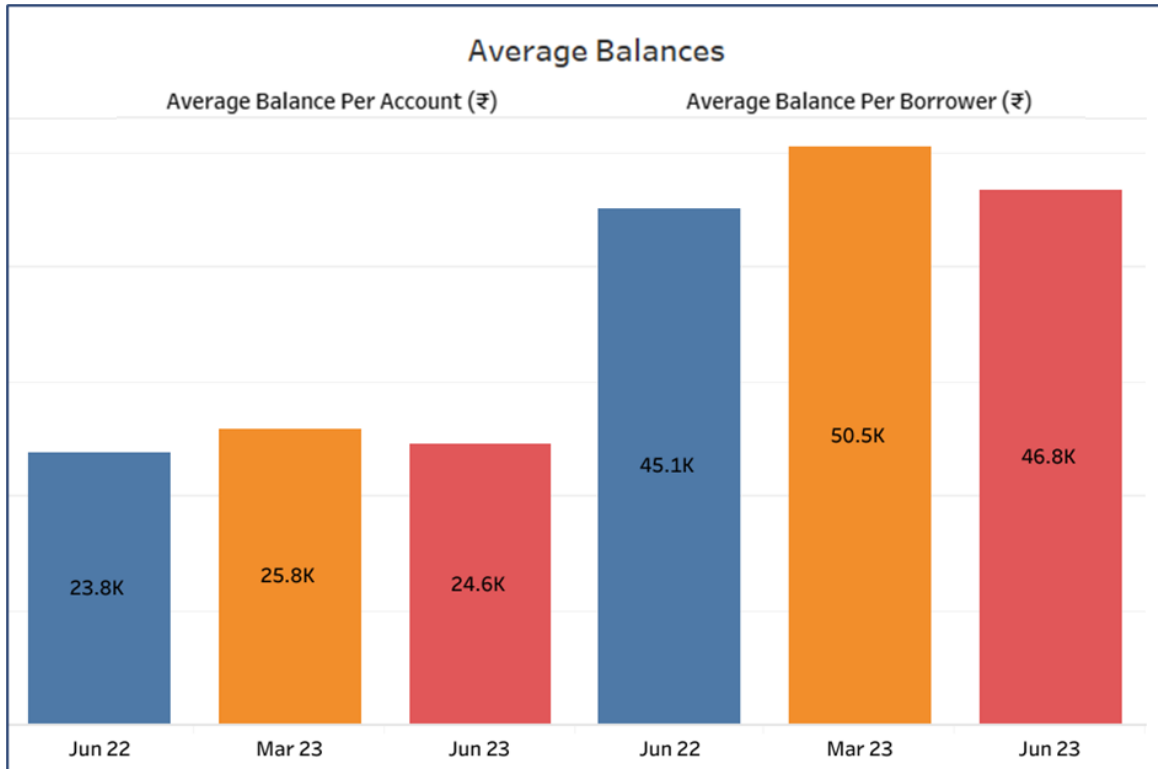
₹67.8K crore originations (by value) and 158.0 lakh originations (by volume) in Q1 FY24

Microfinance Universe

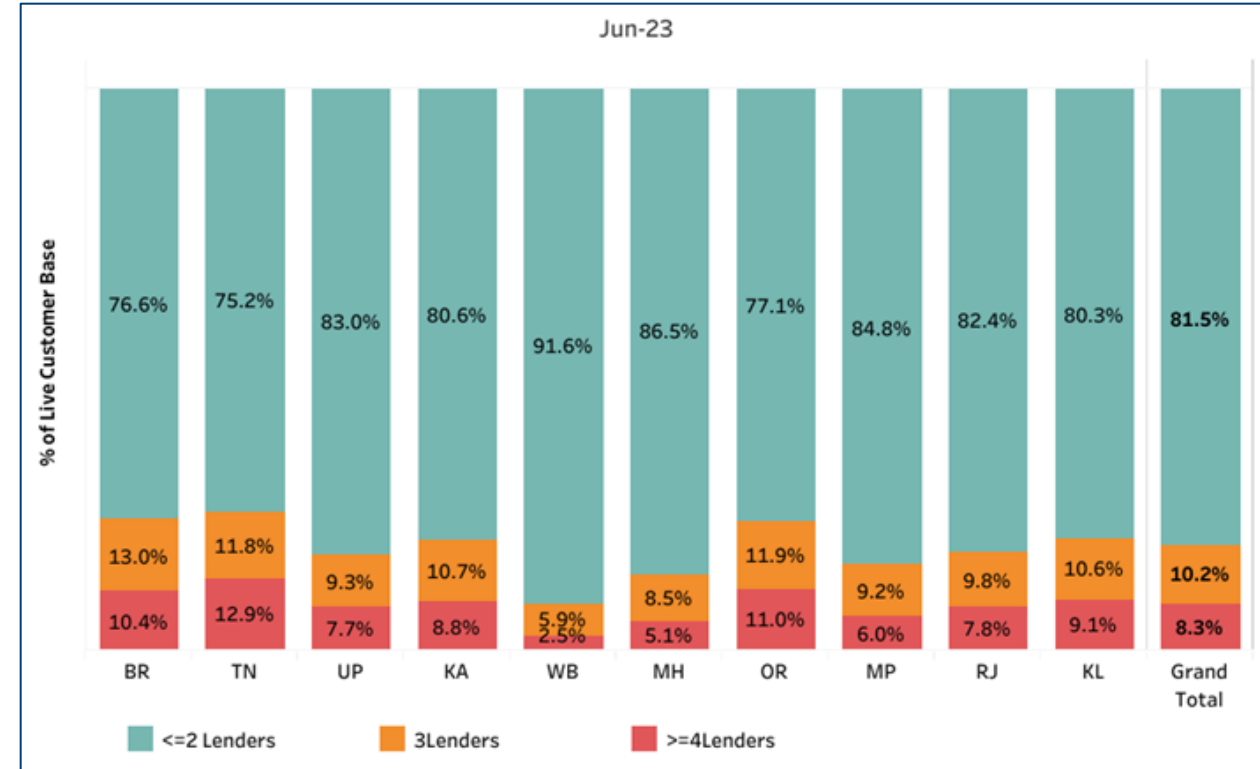


- ❑ Microfinance sector witnessed quarterly growth of 5.2% in the book, and Y-o-Y growth of 24.3% as of Jun'23
- ❑ Live customer base grew by 13.4% Q-o-Q and by 22.6% Y-o-Y
- ❑ Rural markets grew by 4.3% Q-o-Q and 27.3% Y-o-Y as of Jun'23
- ❑ Urban markets witnessed 6.8% Q-o-Q and 19.9% Y-o-Y growth as of Jun'23

Average Balances and Lender Exposure



- ❑ Average balance per account witnessed quarterly degrowth of 4.7% and grew Y-o-Y by 3.4% as of Jun'23
- ❑ Average balance per borrower witnessed quarterly degrowth of 7.3% and grew Y-o-Y by 3.8% as of Jun'23



- ❑ 8.3% of borrowers have exposure to 4 or more lenders
- ❑ Among major states, the proportion is
 - ❑ Highest for Tamil Nadu (12.9%)
 - ❑ Least for West Bengal (2.5%)

Geographic Deep Dive

Portfolio Mix - State Level
June 2023

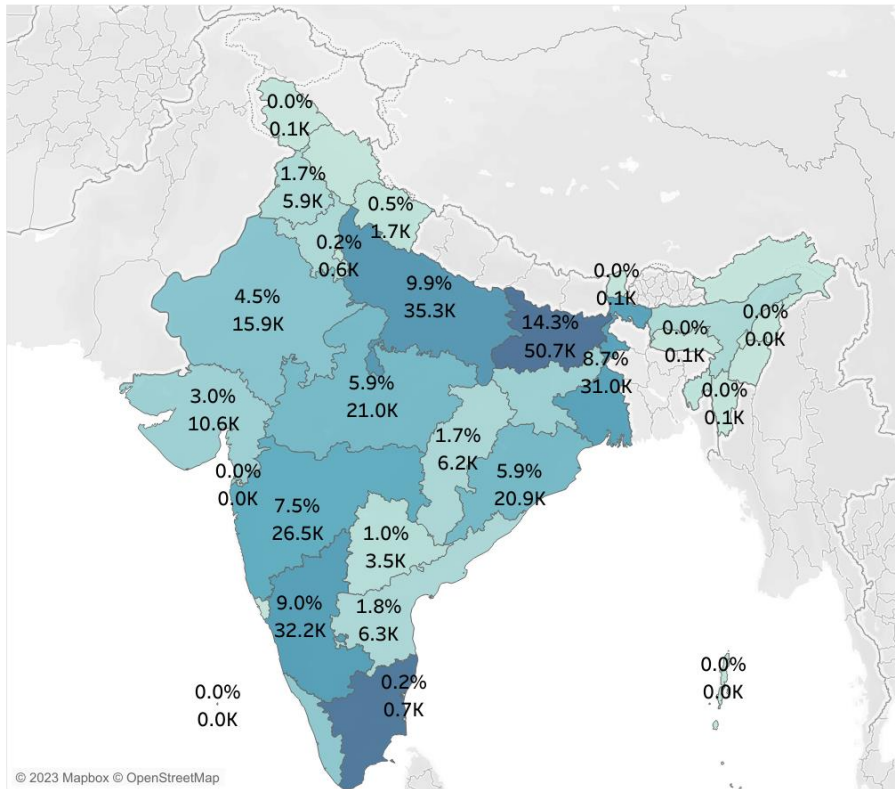
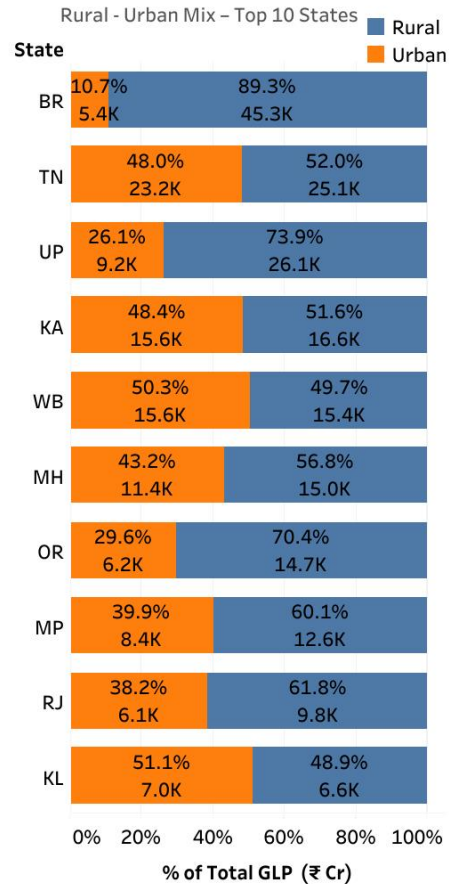
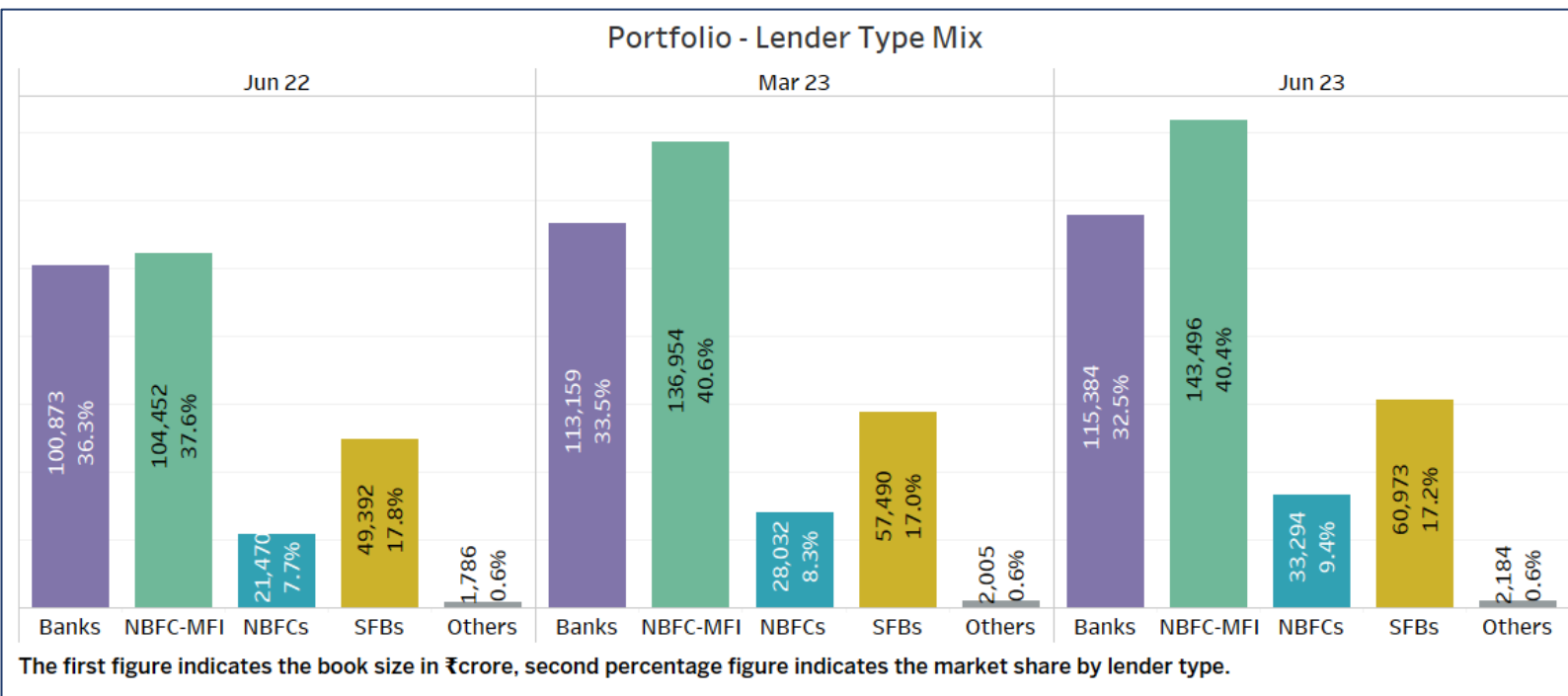


Figure in K indicates size of book (in ₹ crore)



- ❑ Top 10 states constitute 83.1% of the GLP as of Jun'23
- ❑ Kerala, Uttar Pradesh and Tamil Nadu recorded highest Q-o-Q growth of 6.8%, 5.2% and 4.3% respectively as of Jun'23
- ❑ Average balance per borrower for top states Bihar, Tamil Nadu and Uttar Pradesh stood at ₹29.3K, ₹28.7K, ₹24.8K respectively as of Jun'23
- ❑ Microfinance sector dominated by Eastern region (31.8%) followed by Southern (29.5%), as of Jun'23
- ❑ NBFC MFIs have 30.3% share in East, NBFCs have 49.0% in South and SFBs have concentration of 37.6% in South

Portfolio – Lender Type Mix



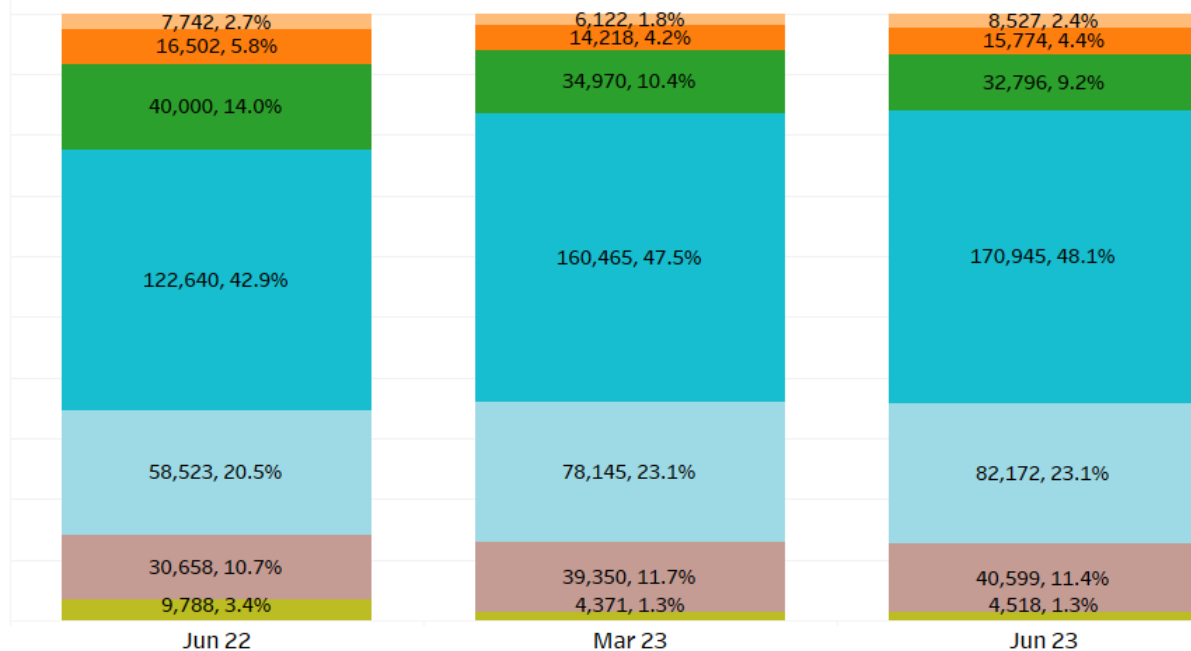
- ❑ NBFC MFIs dominate the market with portfolio share of 40.4% as of Jun'23
- ❑ 18.8% Q-o-Q growth in GLP for NBFCs as against 6.1% for SFBs, 4.8% for NBFC MFI and 2% for Banks as of Jun'23
- ❑ Y-o-Y growth of 55.1% for NBFC, 37.4% for NBFC MFI, 23.4% for SFBs and 14.4% for Banks
- ❑ 51.3% of NBFC MFIs' portfolio comprised of loans of ticket sizes ₹30K-₹50K, as against 49.8% for SFBs, 47.5% for NBFCs and 43.9% for Banks

Lender Type	Banks	NBFC MFI	NBFCs	SFBs	Others	Total
Q-o-Q GLP Growth	2.0%	4.8%	18.8%	6.1%	8.9%	5.2%
Y-o-Y GLP Growth	14.4%	37.4%	55.1%	23.4%	22.3%	27.8%

Please note that MicroLend Report-Mar'23 had 4 lender types - Banks, NBFC-MFIs, SFBs and Others. However, we have updated list of lender types and list of financial institutions from June'23 onwards. Hence, MicroLend Report-Jun'23 had 5 lender types - Banks, NBFC-MFIs, NBFCs, SFBs and Others

Portfolio – Ticket Size Mix

Portfolio- Ticket Size Mix



The first figure indicates the book size in ₹crore, second percentage figure indicates the market share by ticket size.

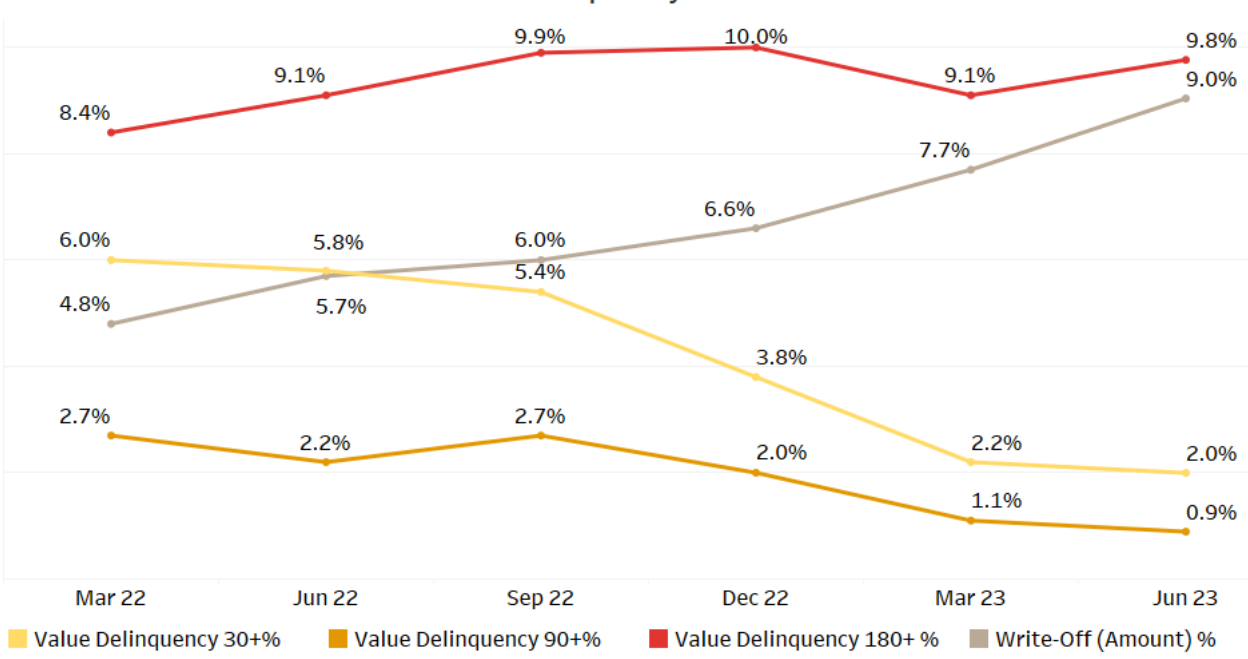
■ <=15K
 ■ 15K-25K
 ■ 25K-30K
 ■ 30K-50K
 ■ 50K-75K
 ■ 75K-1L
 ■ 1L+

- ❑ Portfolio of ticket size ₹50K-₹75K witnessed Y-o-Y growth of 40.4% and Q-o-Q growth of 5.2% as of Jun'23
- ❑ Portfolio of ticket size <=₹15K witnessed Y-o-Y growth of 10.1% and Q-o-Q growth of 39.3% as of Jun'23
- ❑ Share of portfolio of lower ticket sized loans <₹30K decreased from 22.5% in Jun'22 to 16% in Jun'23
- ❑ As of Jun'23, loans of ticket size ₹30K-₹50K have the maximum share by value and volume at 48.1% and 44.5% respectively
- ❑ Share of loans of ticket size ₹30K-₹50K has increased from 42.9% as of Jun'22 to 48.1% as of Jun'23.

Ticket Size	<=15K	15K-25K	25K-30K	30K-50K	50K-75K	75K-1L	1L+	Total
Q-o-Q GLP Growth	39.3%	10.9%	-6.2%	6.5%	5.2%	3.2%	3.4%	5.2%
Y-o-Y GLP Growth	10.1%	-4.4%	-18.0%	39.4%	40.4%	32.4%	-53.8%	24.3%

Microfinance - Risk Profile

Delinquency Trends



- ❑ PAR 30+ DPD improved from 6.0% as of Mar'22 to 2.0% as of Jun'23
- ❑ PAR 90+ DPD improved from 2.7% as of Mar'22 to 0.9% as of Jun'23
- ❑ PAR 180+ DPD increased from 9.1% as of Mar'23 to 9.8% as of Jun'23. West Bengal, Maharashtra, Orissa and Madhya Pradesh have highest PAR 180+ DPD
- ❑ Write-offs increased from 4.8% as of Mar'22 to 9.0% as of Jun'23
- ❑ In terms of delinquency management:
 - ❑ 5 best performing lenders have PAR 30+, 90+ & 180+ DPD of 0.4%, 0.2% & 2.2% respectively
 - ❑ 5 worst performing lenders have PAR 30+, 90+ & 180+ DPD of 4.0%, 1.7% & 9.2% respectively

	5 Best Performing Lenders	5 Worst Performing Lenders	Industry
Cumulative GLP (₹Cr)	40,741	61,935	3,55,331
Value Delinquency 30+%	0.4%	4.0%	2.0%
Value Delinquency 90+%	0.2%	1.7%	0.9%
Value Delinquency 180+%	2.2%	9.2%	9.8%

Note: The analysis is limited to top 30 MFI institutions with a market share of 87.7% as of Jun'23. Performance is based on PAR 30+ DPD performance as of Jun'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+ %
Darbhanga	>2000	2,614	0.5%	0.2%	1.6%
Sitamarhi	>2000	2,105	0.5%	0.2%	1.7%
Tumkur	>2000	2,054	0.6%	0.3%	4.9%
Bangalore	1,500 -2000	1,934	0.8%	0.4%	7.3%
Nanded	1,500 -2000	1,716	0.7%	0.3%	4.3%
Araria	1,500 -2000	1,572	0.7%	0.4%	2.1%
Siwan	1000 -1500	1,242	0.6%	0.3%	3.1%
Ramanathapuram	1000 -1500	1,128	0.5%	0.3%	3.2%
Palamu	1000 -1500	1,008	0.4%	0.2%	1.0%
Ramanagara	500 -1000	961	0.5%	0.3%	4.7%
East Godavari	500 -1000	892	0.3%	0.2%	47.8%
West Godavari	500 -1000	610	0.3%	0.1%	41.5%

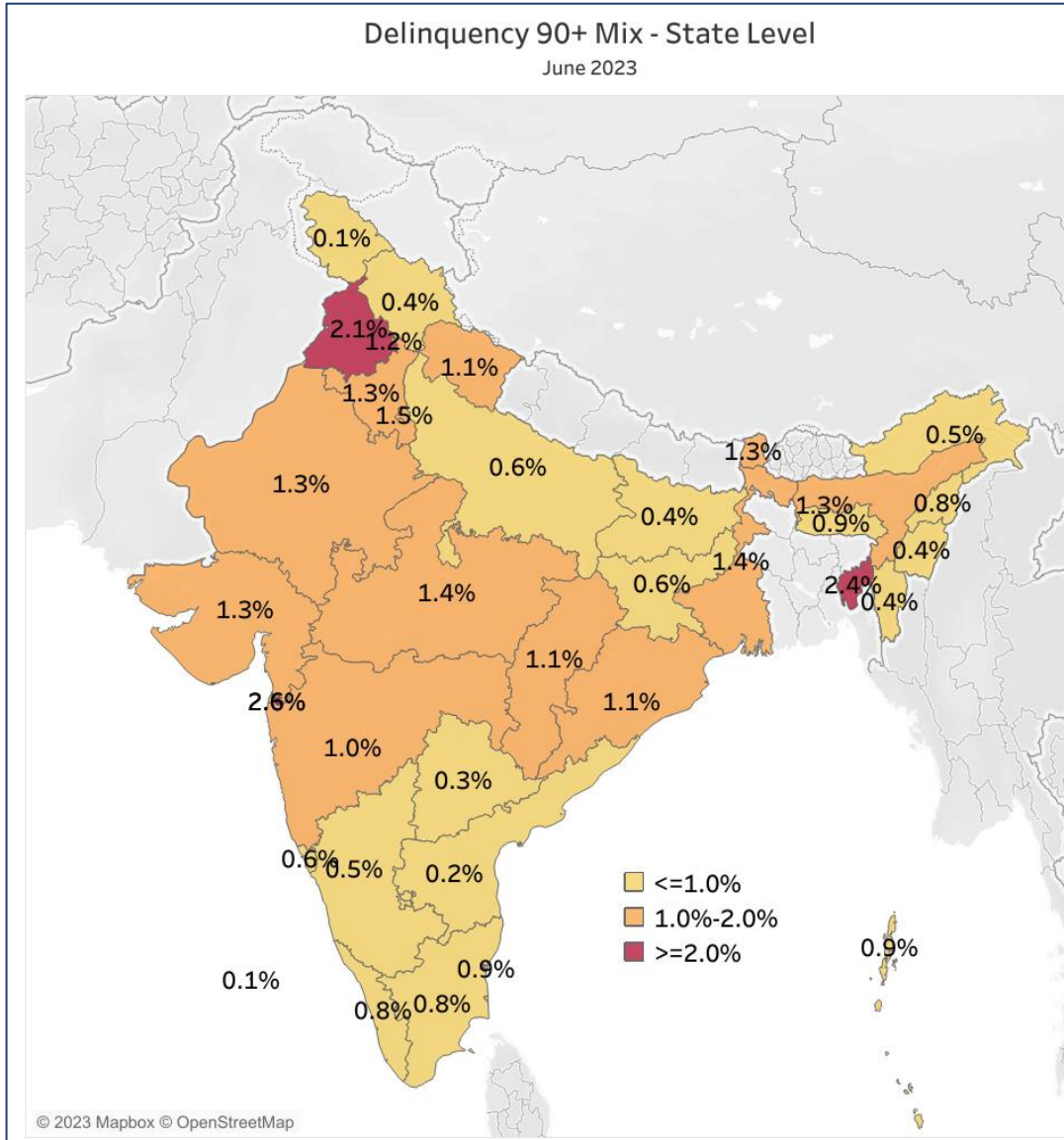
Worst Performing Districts	GLP Band (₹ Cr)	GLP (₹ Cr)	Value Delinquency 30+%	Value Delinquency 90+%	Value Delinquency 180+ %
North 24 Parganas	>2000	2,714	3.7%	1.3%	24.9%
Jalpaiguri	>2000	2,229	5.7%	2.2%	15.2%
South 24 Parganas	>2000	2,221	3.8%	1.7%	27.9%
Haora	1,500 -2000	1,782	4.1%	1.6%	19.0%
Maldah	1,500 -2000	1,576	3.9%	2.1%	7.8%
Koch Bihar	1,500 -2000	1,526	5.0%	1.4%	15.4%
Jalgaon	1000 -1500	1,342	3.9%	1.8%	13.7%
Ahmadnagar	1000 -1500	1,093	3.8%	2.0%	15.7%
Banswara	1000 -1500	1,066	4.0%	2.1%	12.3%
West Tripura	500 -1000	897	5.9%	2.2%	6.9%
Dakshin Dinajpur	500 -1000	766	5.1%	2.4%	7.0%
Nagaon	500 -1000	582	13.2%	1.2%	46.8%

GLP Band (₹ Cr)	>2000 Cr	1,500 Cr-2000 Cr	1000 Cr-1500 Cr	500 Cr-1000 Cr	<500 Cr	Industry
# Districts	28	32	53	125	418	656
Cumulative GLP (₹Cr)	70,262	55,179	62,846	89,475	77,568	3,55,331
Value Delinquency 30+%	1.6%	1.8%	1.6%	2.1%	2.7%	2.0%
Value Delinquency 90+%	0.7%	0.8%	0.8%	1.0%	1.1%	0.9%
Value Delinquency 180+%	7.7%	8.5%	7.4%	9.2%	15.0%	9.8%

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

Internal

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



- ❑ Top 10 states have a combined PAR 90+ DPD of 0.9% as of Jun'23 improved from 2.2% as of Jun'22
- ❑ PAR 90+ DPD as of Jun'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 1.9% in Mar'23 to 1.4% in Jun'23
- ❑ Among top 10 states, Madhya Pradesh, West Bengal, Rajasthan, Orissa and Maharashtra have higher PAR 90+ DPD than overall industry (0.9%) as of Jun'23

Risk Profile - Geographic Deep Dive

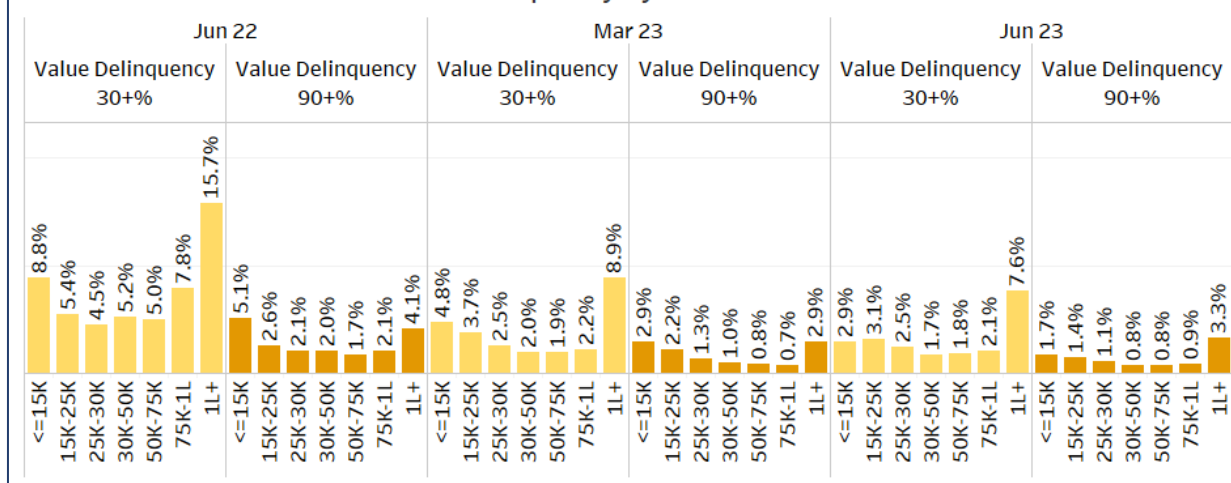
Delinquency Trends - Top 10 States

	Value Delinquency 1-30%			Value Delinquency 30+%			Value Delinquency 90+%			Value Delinquency 180+ %		
	Jun 22	Mar 23	Jun 23	Jun 22	Mar 23	Jun 23	Jun 22	Mar 23	Jun 23	Jun 22	Mar 23	Jun 23
BR	2.1%	0.6%	0.8%	3.2%	1.2%	0.9%	1.2%	0.6%	0.4%	4.1%	3.6%	3.8%
KA	1.8%	0.5%	0.4%	3.8%	1.0%	0.8%	1.6%	0.6%	0.5%	7.6%	7.6%	5.8%
KL	2.9%	0.9%	1.2%	8.0%	2.4%	2.0%	3.2%	1.0%	0.8%	9.5%	10.1%	9.8%
MH	2.1%	1.0%	1.0%	5.3%	2.2%	2.1%	2.2%	1.1%	1.0%	15.6%	16.0%	12.4%
MP	2.3%	1.2%	1.3%	5.6%	2.8%	2.8%	2.5%	1.4%	1.4%	10.1%	10.7%	9.9%
OR	1.5%	0.8%	0.8%	4.6%	2.6%	2.2%	2.1%	1.4%	1.1%	10.3%	10.4%	10.6%
RJ	2.4%	1.5%	1.7%	5.3%	2.9%	2.8%	2.3%	1.4%	1.3%	6.0%	7.4%	7.5%
TN	3.1%	1.0%	0.8%	6.2%	2.1%	1.6%	2.5%	0.9%	0.8%	7.3%	7.9%	7.6%
UP	1.8%	1.1%	1.2%	2.9%	1.6%	1.5%	1.1%	0.6%	0.6%	4.9%	3.8%	3.7%
WB	4.3%	1.2%	1.1%	10.3%	4.1%	3.3%	3.3%	1.9%	1.4%	14.3%	14.3%	14.8%

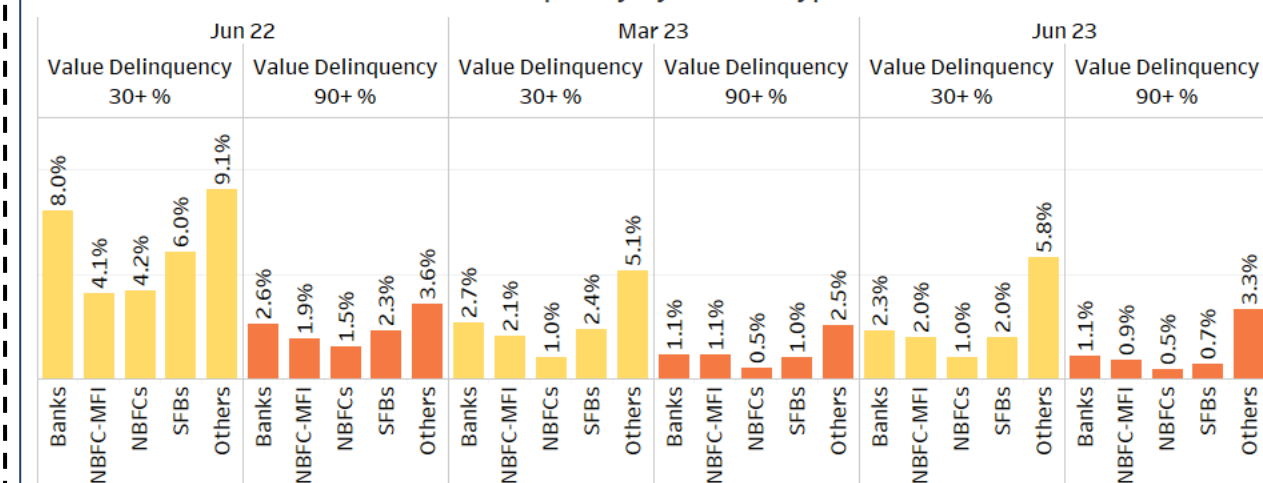
- Among top 10 states, Bihar, Karnataka, Tamil Nadu and Uttar Pradesh have lower PAR 30+ DPD than overall industry (2.0%) as of Jun'23
- PAR 30+ DPD as of Jun'23 reduced Q-o-Q and Y-o-Y for all top 10 states
- PAR 90+ DPD as of Jun'23 improved Q-o-Q and Y-o-Y for all top 10 states
- PAR 180+ DPD as of Jun'23 improved Q-o-Q for all top 10 states except Bihar, Orissa, Rajasthan and West Bengal
- PAR 180+ DPD as of Jun'23 increased Y-o-Y across all top 10 states except Kerala, Rajasthan, Tamil Nadu and West Bengal

Risk Profile – Ticket Size & Lender Type Mix

Delinquency by Ticket Size



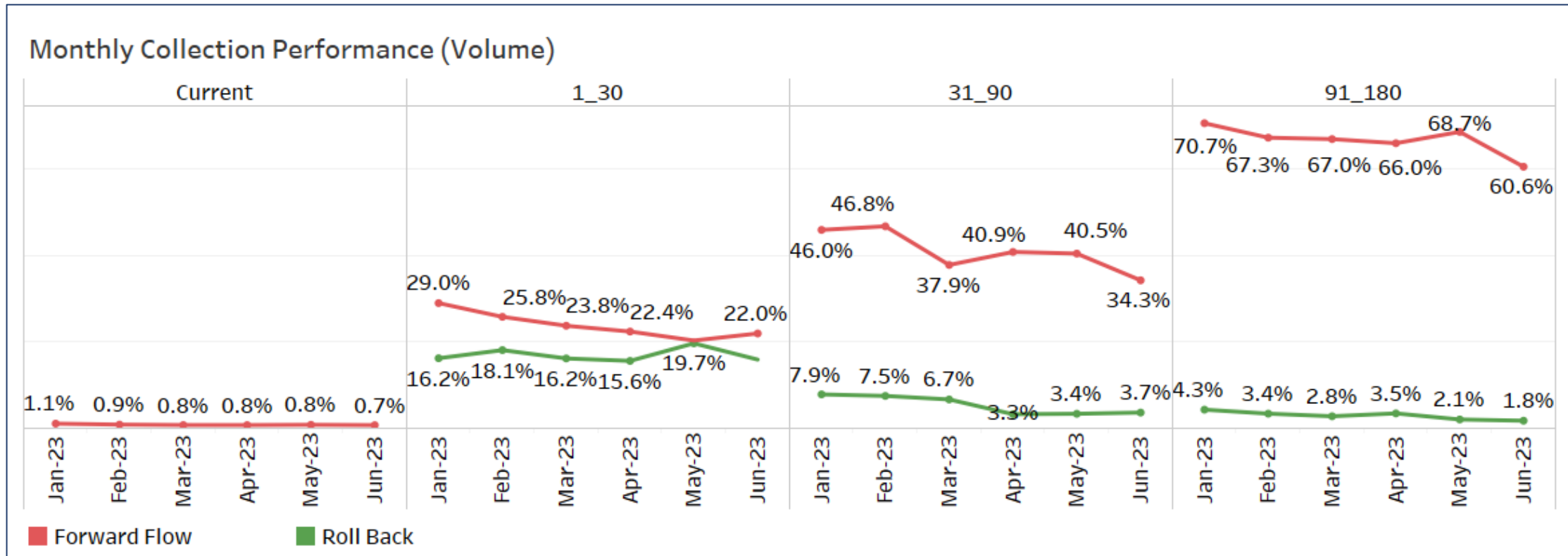
Delinquency by Lender Type



- ❑ PAR 30+ DPD improved for all ticket sizes in Jun'23 compared to Jun'22 and Mar'23
- ❑ PAR 90+ DPD improved for all ticket sizes in Jun'23 compared to Mar'23 except for ticket size >₹75K

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

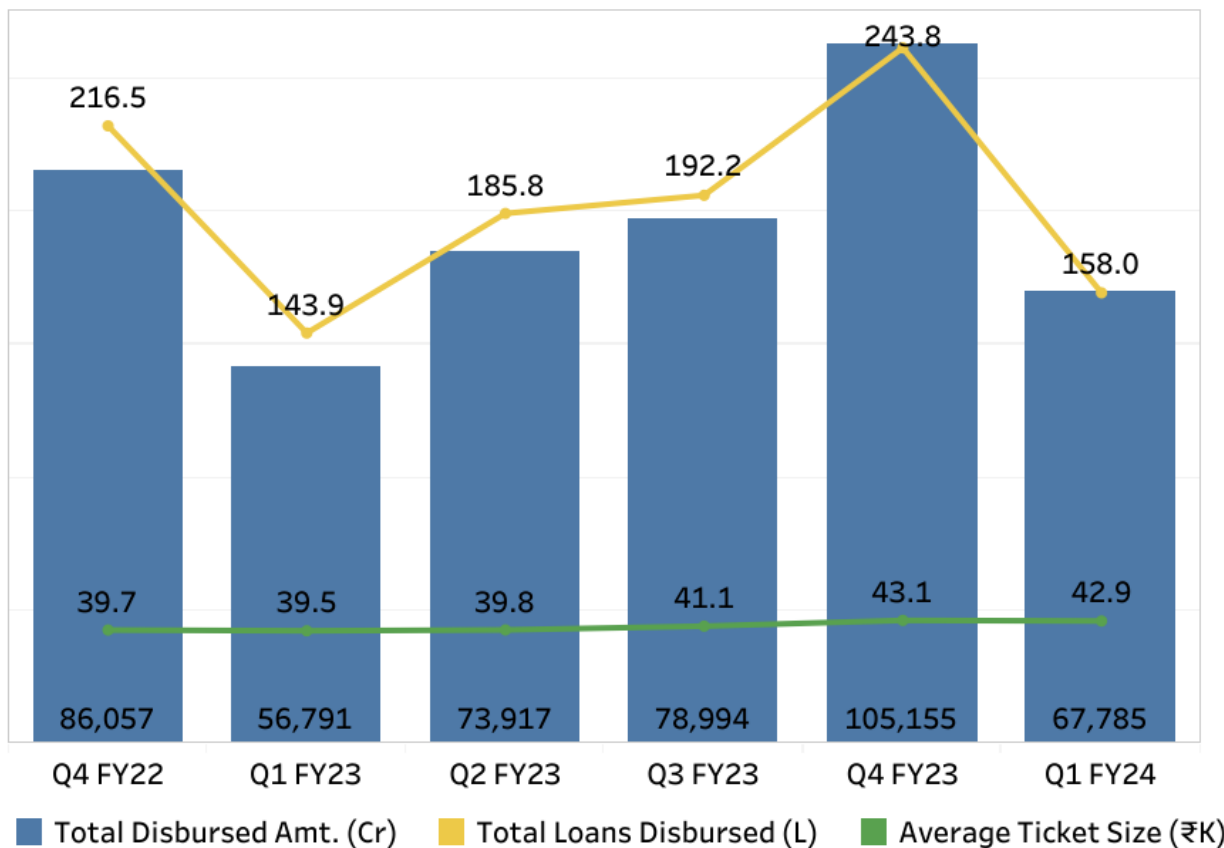
Risk Profile – Collections Performance



- ❑ Monthly forward flow rates have decreased in Jun'23 for all delinquency buckets except 1-30 compared to May'23
- ❑ Monthly Roll back rates have increased in Jun'23 for 31-90 DPD bucket compared to May'23
- ❑ In Jun'23, Monthly forward flows in 31-90 DPD and 91-180 DPD decreased across all ticket sizes except ticket size ₹60K+

Microfinance - Originations

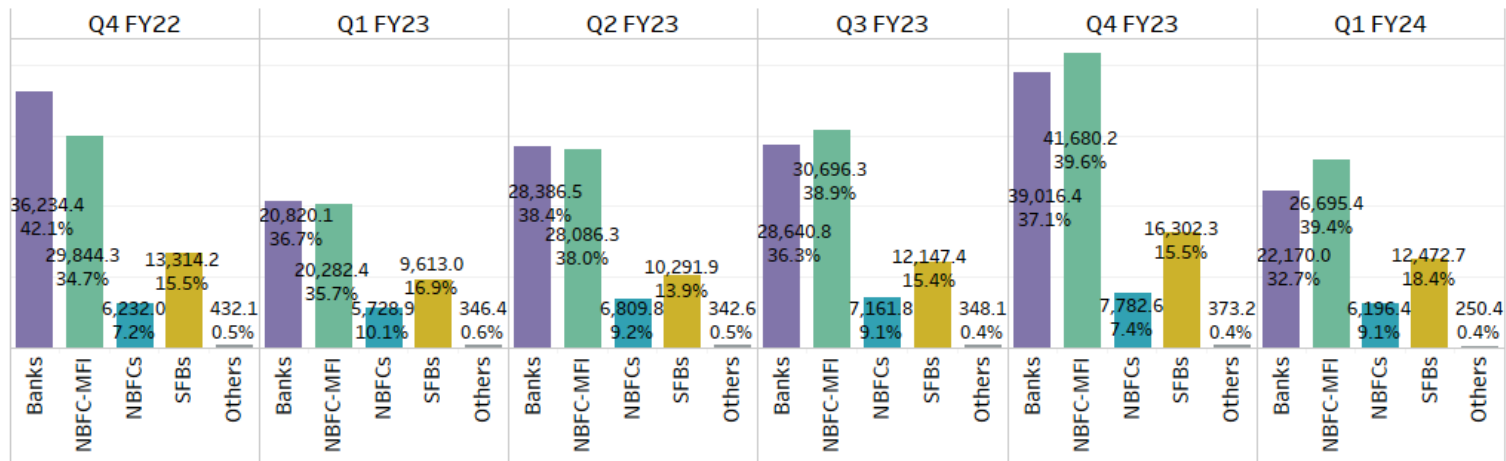
Originations - Trends



- ❑ Originations (Value & Volume) in Q1 FY24 lower than Q4 FY23. This is in-line with historical trends where a dip is observed in the Q1 of every financial year compared to Q4 of previous financial year
- ❑ ₹67.8K crore originations (by value) in Q1 FY24, decline of 35.5% compared to Q4 FY23 and growth of 19.4% compared to Q1 FY23
- ❑ 158 lakh loans disbursed in Q1 FY24, decline of 35.2% compared to Q4 FY23 and growth of 9.8% compared to Q1 FY23
- ❑ Share of Southern region in disbursements (value) increased from 27.4% in Q1 FY23 to 30.3% in Q1 FY24, share of Eastern and Western region declined
- ❑ Average ticket size at ₹42.9K in Q1 FY24, degrowth of 0.5% compared to Q4 FY23 and growth of 8.6% compared to Q1 FY23

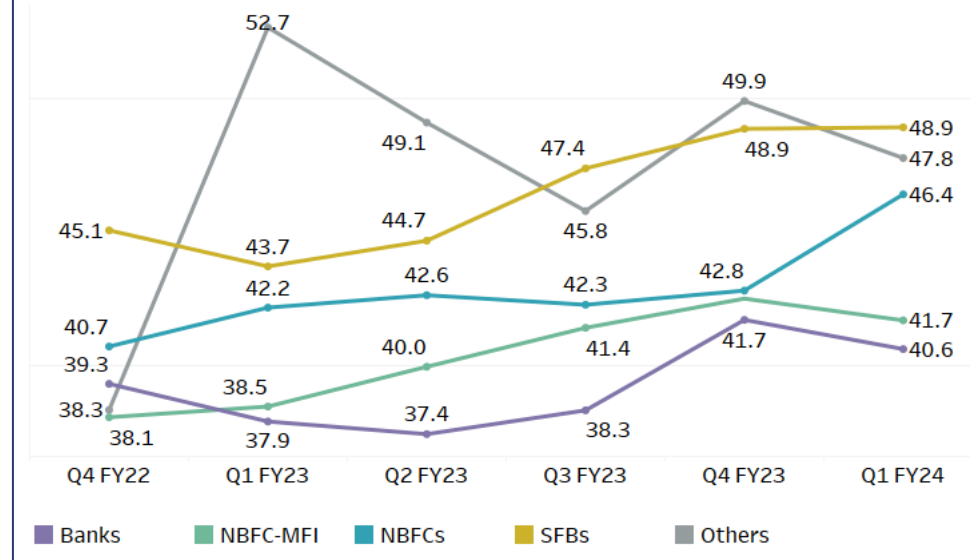
Originations - Lender Type Mix

Originations- Lender Type Mix (Values in ₹ Crore)



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

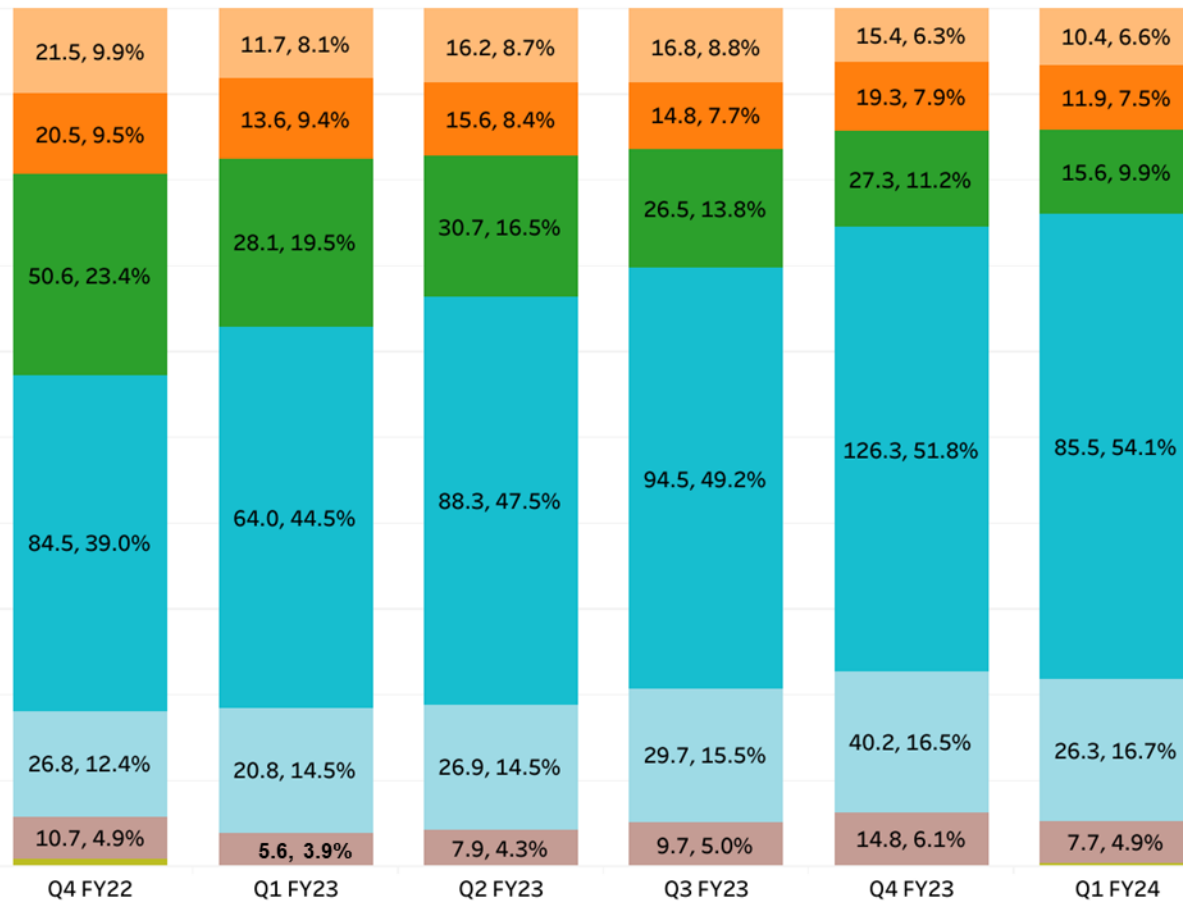
Average Ticket Size (₹K) by Lender Type



- ❑ NBFC MFI dominate with 39.4% Originations share (by value) followed by Banks with 32.7% in Q1 FY24
- ❑ Originations share (by value) of Banks and NBFC MFIs decreased in Q1 FY24 compared to Q4 FY23
- ❑ Originations share (by value) of SFBs increased in Q1 FY24 compared to Q4 FY23 and Q1 FY23
- ❑ Average ticket size for NBFCs grew Q-o-Q by 8.4%, SFBs remain stable while decline in NBFC MFIs by 1.9%, Banks by 2.6% in Q1 FY24
- ❑ Average ticket size is highest for SFBs at ₹49K among all Lender Type in Q1 FY24

Originations - Ticket Size Mix

Originations - Ticket Size Mix (Volume in Lakh)



The Quarter (Q) indicate the Loan Origination Periods. The first figure indicate Originations Volume (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 54.1% in Q1 FY24
- ❑ Originations share (by volume) of loans >₹50K increased from 18.4% in Q1 FY23 to 21.9% in Q1 FY24
- ❑ For top state Bihar and Tamil Nadu, share of originations (volume) of loans of ticket size ₹30K-₹50K continues to be the largest at 56% and 54.3% respectively in Q1 FY24
- ❑ Originations share by volume for loans of <=₹30K declined from 28.9% to 21.4% in Bihar and from 25.8% to 13.9% in Tamil Nadu from Q1 FY23 to Q1 FY24

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 Jun 2023 compared to Jun 2022
Q-o-Q	Quarter on Quarter	Quarterly comparison for change, example Jun 2023 compared to Mar 2023
M-o-M	Month on Month	Monthly comparison for change, example Jun 2023 compared to Mar 2023
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
Q1 FY24	First Quarter of the Financial Year 2023-24	April-May-June 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 Jun'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

Disclaimer: This report contains only aggregate level information. It does not contain any Credit Information and shall not be construed as Credit Information Report or part thereof. The analysis in this report is based on Credit Information in CRIF High Mark's database. The results are NOT to be construed or used as a "legal description". CRIF High Mark strives to keep its data accurate and up to date but does not guarantee its accuracy. CRIF High Mark does not assume any liability for any errors, omissions, or inaccuracies in the data provided regardless of the cause of such or for any decision made, action taken, or action not taken by the user in reliance upon any data provided herein. The contents of the report shall not be reproduced in part or whole without permission from CRIF High Mark Credit Information Services Pvt. Ltd. The opinions expressed herein are those of the author. Its contents, therefore, do not represent any commitment between CRIF High Mark and the recipient(s) and no liability or responsibility is accepted by CRIF High Mark for the content herein.

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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