MIC₹OLEND

QUARTERLY MICROFINANCE LENDING INSIGHTS

FEBRUARY 2026 (DATA AS OF DEC'25)

CRIF

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Executive Summary

PORTFOLIO TRENDS

• India's microfinance industry is navigating a phase of cautious resilience, balancing portfolio consolidation with selective growth. As of Dec'25, aggregated portfolio outstanding stood at ₹320.9K Cr, contracting 7.2% QoQ and 18% YoY, alongside a pronounced drop in active loans of 9.1% QoQ and 23% YoY.

CONTINUING SHIFTS IN MARKET SHARE

• NBFC-MFIs continue to anchor the sector, holding 41.6% of the aggregated portfolio outstanding as of Dec'25. A transition is evident, with banks' POS share declining from 32.7% in Dec'24 to 26.6% in Dec'25, while NBFC-MFIs, NBFCs, and SFBs expanded their presence. Banks also moderated disbursements, with originations value share falling from 36.7% in Q3 FY25 to 26% in Q3 FY26.

ORIGINATIONS AND LOAN DYNAMICS

• Originations value sustained recovery momentum, rising 9.2% QoQ to ₹61.7K Cr in Q3 FY26. Loan volumes grew 6.8% QoQ to 102.5 lakh, though still below Q3 FY25's 112.8 lakh. On a YoY basis, Average Ticket Size rose 15.7% from ₹52.0K in Q3 FY25 to ₹60.2K in Q3 FY26, signaling consolidation toward higher-ticket loans and a more selective borrower base.

DELINQUENCY TRENDS

• Portfolio quality trends were encouraging across DPD buckets (PAR 1–30, 31–90, and 91-180), with PAR 1–30 declining from 1.8% to 1.0%, PAR 31–90 from 3.1% to 1.4%, and PAR 91–180 from 3.2% to 2.0% between Dec'24 and Dec'25. However, PAR 180+ (including write-offs) rose from 7.1% to 17.3% over the same period.

ONGOING DELEVERAGING

• Borrowers with up to three lender associations now account for ~94% of portfolio outstanding as of Dec'25, also reflecting the impact of guardrails. Within this cohort, those with two or fewer associations constitute ~80% of the portfolio, up from 70.2% as of Dec'24.

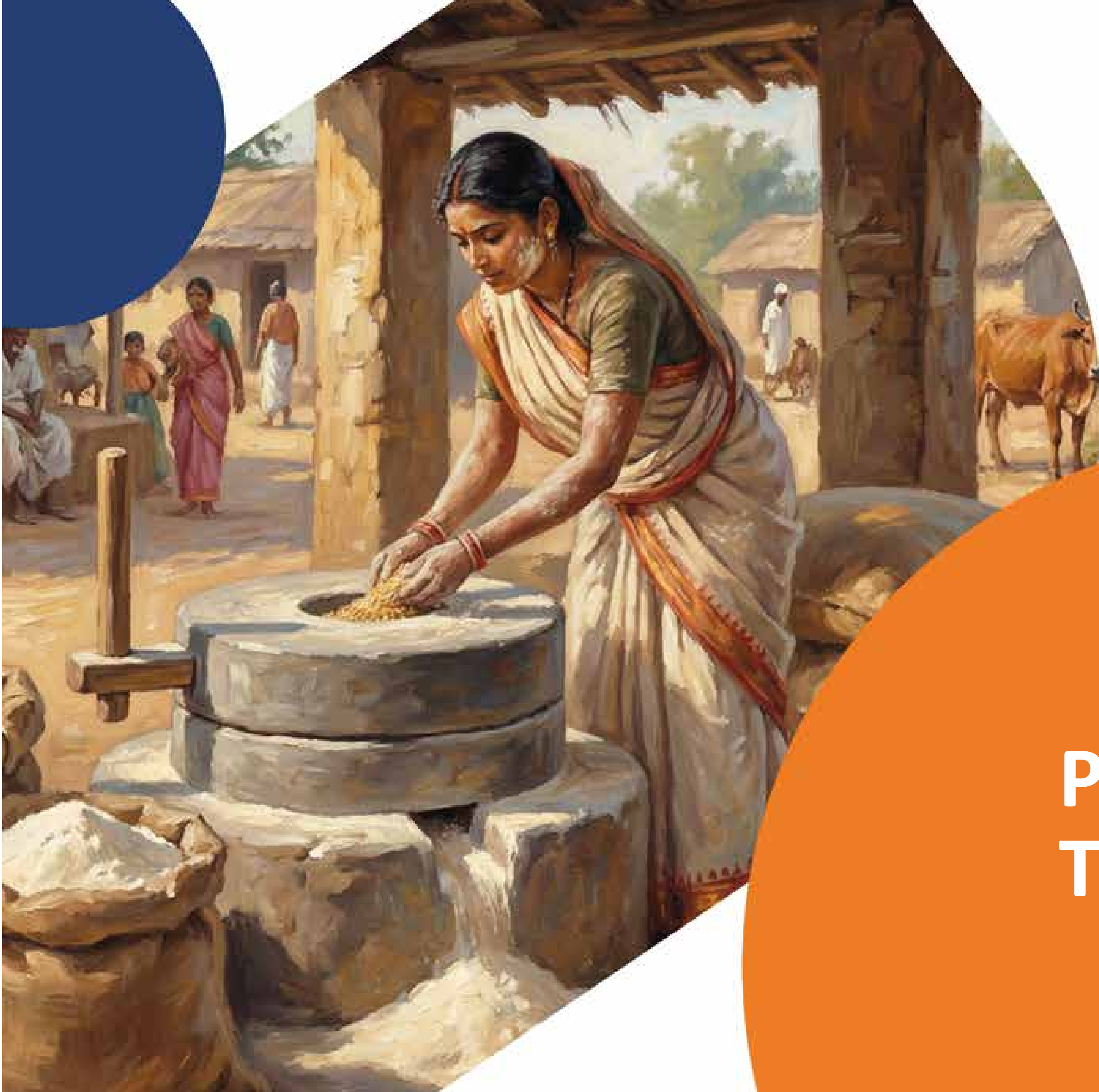
Note: The drop in MFI portfolio outstanding in Dec'25 compared to Sep'25 is accentuated by an approximate 5% shift (as a share of Sep'25 POS) from MFI to retail portfolios in Q3 FY26, with the majority of this shift driven by banks.

*PAR 180+ (Incl. W/O) is for Loans disbursed in last 36 M. Delinquencies in the higher bucket, particularly PAR 180+, may appear elevated, as some regulated entities may continue to report DPD on accounts that have been written off.

India's microfinance sector continues its measured stabilization story, with disbursements picking up amid strong portfolio consolidations and recalibrations

	As of Dec-24	As of Sep-25	As of Dec-25	Y-o-Y (Dec-24 to Dec-25)	Q-o-Q (Sep-25 to Dec-25)
GLP (₹ Cr)	391.5K	345.6K	320.9K	▼ -18.0%	▼ -7.2%
Active Loans (Cr)	14.6	12.4	11.2	▼ -23.0%	▼ -9.1%
Amount Disbursed in Last 3 M (₹ Cr)	58,679	56,536	61,716	▲ 5.2%	▲ 9.2%
Loans Disbursed in Last 3 M (Lakh)	112.8	96.0	102.5	▼ -9.1%	▲ 6.8%
PAR 1-30	1.8%	1.4%	1.0%	▼ 0.8%	▼ 0.4%
PAR 31-90	3.1%	1.8%	1.4%	▼ 1.7%	▼ 0.5%
PAR 91-180	3.2%	2.7%	2.0%	▼ 1.3%	▼ 0.8%
PAR 1-180	8.2%	6.0%	4.4%	▼ 3.8%	▼ 1.6%
PAR 180+ (incl. W/O)	7.1%	15.3%	17.3%	▲ 10.2%	▲ 2.0%

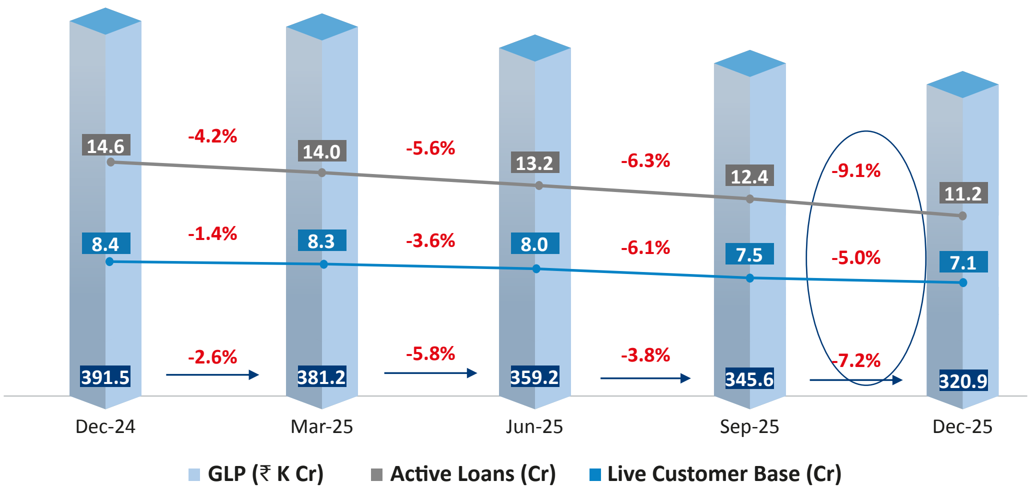
*PAR 180+ (Incl. W/O) is for Loans disbursed in last 36 M. Delinquencies in the higher bucket, particularly PAR 180+, may appear elevated, as some regulated entities may continue to report DPD on accounts that have been written off.



Portfolio Trends

Aggregated portfolio outstanding fell to ₹320.9K Cr in Dec'25, a decline of 7.2% QoQ and 18% YoY, despite stepped-up lending, driven in part by portfolio movement from microfinance to retail

Trends in portfolio outstanding and active loans (Dec-24 to Dec-25)



The portfolio outstanding of India's microfinance industry stood at ₹320.9 K Cr at the end of Dec'25, supporting over 7.1 Cr borrowers and 11.2 Cr active loans.

Calibrated reduction persists:

The industry continues to undergo consolidation, with portfolio outstanding moderating by 7.2% QoQ and 18% YoY, alongside a sharper reduction in active loans of 9.1% QoQ and 23% YoY.

Active loans are contracting more steeply than portfolio outstanding, indicating consolidation toward higher ticket-size loans and a moderation in borrower outreach.

Cautious approach continues:

In addition, the average number of loans per borrower declined from 1.7 in Dec'24 to 1.5 in Dec'25, reflecting the impact of tighter norms.

*GLP: Gross Loan Portfolio

All of the top 10 states recorded sharper declines in active loans compared to reductions in GLP, driven by increase in ticket size coupled with the impact of guardrails

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Regional GLP and performance trends

Rank	State	GLP (₹ K Cr) Dec-25	Y-o-Y Growth %	Q-o-Q Growth %	Active loans (Cr) Dec-25	Y-o-Y Growth %	Q-o-Q Growth %	PAR 31-180 Dec-24	PAR 31-180 Sep-25	PAR 31-180 Dec-25
1	Bihar (-)	48.7	-16.7%	-6.2%	1.6	-23.5%	-9.4%	8.2%	4.8%	3.6% ▼
2	Tamil Nadu (-)	39.8	-21.5%	-4.0%	1.2	-29.3%	-8.8%	6.0%	4.3%	2.9% ▼
3	Uttar Pradesh (-)	36.9	-12.5%	-3.3%	1.3	-19.9%	-7.0%	8.5%	4.7%	3.6% ▼
4	Karnataka (+1) ▲	28.3	-25.4%	-8.2%	0.9	-30.0%	-11.6%	4.5%	7.4%	3.8% ▼
5	West Bengal (-1) ▼	28.0	-22.7%	-19.7%	1.0	-22.8%	-14.0%	3.3%	3.2%	3.1%
6	Maharashtra (-)	24.2	-18.7%	-7.7%	0.9	-23.4%	-9.3%	5.3%	4.7%	4.0% ▼
7	Madhya Pradesh (-)	18.6	-14.9%	-5.7%	0.7	-21.5%	-8.3%	7.0%	4.9%	3.8% ▼
8	Odisha (-)	16.8	-23.0%	-5.5%	0.7	-25.8%	-9.5%	9.7%	4.5%	2.8% ▼
9	Rajasthan(-)	12.4	-19.4%	-5.5%	0.4	-26.6%	-9.4%	7.4%	4.7%	3.8% ▼
10	Kerala (-)	10.0	-15.4%	-2.7%	0.3	-23.1%	-7.2%	5.9%	3.6%	2.7% ▼
	Pan India	**320.9**	**-18.0%**	**-7.2%**	**11.2**	**-23.0%**	**-9.1%**	**6.4%**	**4.6%**	**3.4%** ▼

The top 10 states constitutes 82.2% of the GLP.

Higher exposure: *KL and TN (₹33.1K each) followed by BR (₹30K) have the highest exposure per loan.*

POS Concentration:

The top three states continue to account for ~39% of GLP (BR 15.2%, TN 12.4%, UP 11.5%). KA has moved to #4, replacing WB.

POS Trends:

Southern states (TN, KA) and eastern states (OD, WB) recorded sharper declines in both GLP and active loans compared to the pan-India average. POS reductions in these states ranged from 21–25% YoY, while active loans saw even steeper declines of 23–30%. This could also be driven by movement of a proportion of microfinance portfolio to consumer.

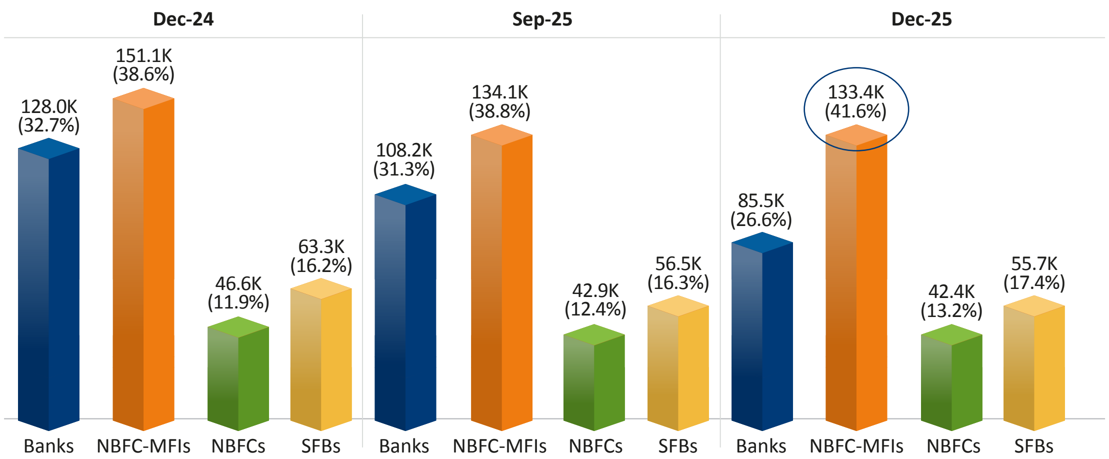
PAR Trends:

Most states saw better performance in PAR 31–180. OD showed the strongest YoY reduction, from 9.7% in Dec’24 to 2.8% in Dec’25 (a 6.9% drop) while KA recorded higher QoQ reduction, from 7.4% in Sep’25 to 3.8% in Dec’25 (a 3.6% drop).

(-) indicate YoY state rankings based on GLP, comparing the current year's rank to the previous year.

NBFC-MFIs continue to lead, commanding a 41.6% share of portfolio outstanding, with POS levels remaining stable QoQ

Lender type trends - POS distribution (Dec-24 to Dec-25)



The First Figure Indicates the book size in ₹ Cr, Second Figure (%) indicates the market share by lender type.

Lender Type (Dec-25)	Banks	NBFC MFI	NBFCs	SFBs	Total
Q-o-Q GLP Growth	-21.0%	-0.5%	-1.2%	-1.3%	-7.2%
Y-o-Y GLP Growth	-33.2%	-11.7%	-8.9%	-11.9%	-18.0%

Highlights

NBFC-MFIs continue to hold the largest share of the aggregated microfinance portfolio outstanding at 41.6% as of Dec'25.

The **structural shift from banks** (POS share declining from 32.7% in Dec’24 to 26.6% in Dec’25) toward NBFC-MFIs, followed by NBFCs and SFBs, remains evident.

The YoY and QoQ **reduction in POS was driven mainly by banks** (-33.2% YoY and -21% QoQ).

Meanwhile, the **aggregated portfolio outstanding of NBFC-MFIs, NBFCs, and SFBs remained broadly stable** on a QoQ basis, though it declined YoY.

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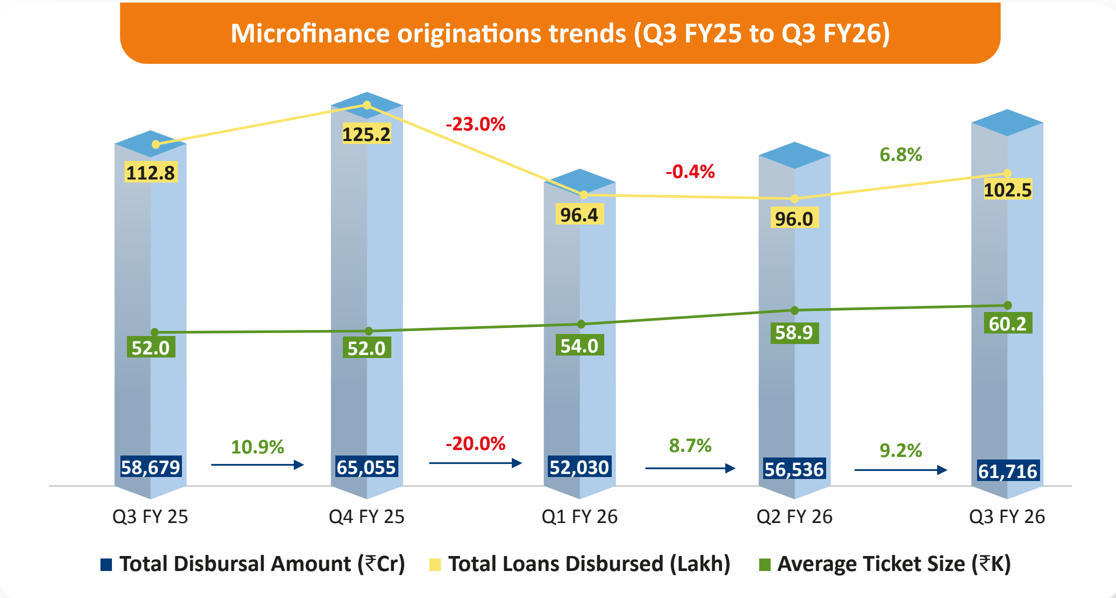
Originations Dynamics

Microfinance disbursements volume rebounds in Q3 FY26 along with continuing increase in disbursements value



Of the loans disbursed in Q3 FY26, approx. 57% were extended to existing borrowers as part of their next loan cycle with the same lender.

Loan Originations Continue to Revive in Q3 FY26:

Microfinance originations value sustained their recovery momentum, rising 9.2% QoQ to ₹61.7K Cr in Q3 FY26.

During the quarter, loan volumes increased 6.8% QoQ to 102.5 lakh, though still below Q3 FY25's 112.8 lakh. The last comparable peak was in Q4 FY25, potentially driven by seasonal factors.

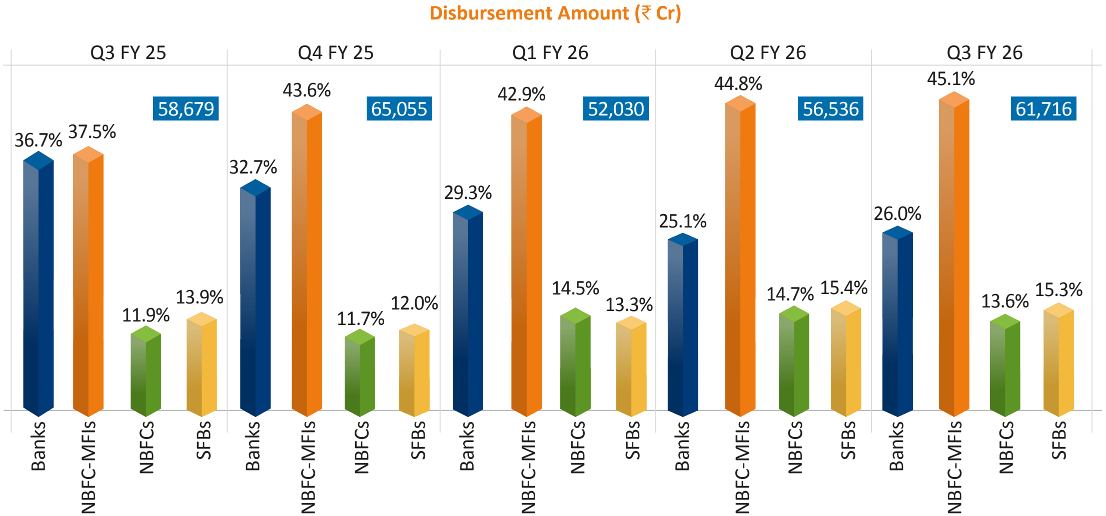
The **disbursement rebound** in both value and volume was mainly **led by NBFC-MFIs and Banks** on a QoQ basis. But on a YoY basis, NBFC-MFIs lead in originations.

Average Ticket size Trends (ATS):

Excluding Q1 FY26, the **average ticket size (ATS) has sustained a steady upward trajectory** across the periods shown, underscoring the reliance on existing borrowers. On a YoY basis, ATS rose 15.7%, from ₹52.0K in Q3 FY25 to ₹60.2K in Q3 FY26, as illustrated in the chart.

While banks show higher QoQ disbursement growth, their originations share has fallen substantially YoY

Lender wise originations value trends (Q3 FY25 to Q3 FY26)



The Quarter (Q) indicates the loan Originations Periods and (%) indicates the market share by lender type.

Lender Type (Q3 FY26)	Banks	NBFC MFI	NBFCs	SFBs	Total
Q-o-Q Growth	13.4%	10.0%	0.6%	8.1%	9.2%
Y-o-Y Growth	-25.4%	26.8%	20.0%	15.7%	5.3%

QoQ originations value growth driven by banks and NBFC MFIs

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

Lender trends in originations value:

Dominant player: NBFC-MFIs remained the dominant lender segment by originations value, accounting for 45.1% of total disbursements in Q3 FY26, up from 44.8% in Q2 FY26 and 37.5% in Q3 FY25. This reflects a sustained gain in market share.

Trends:

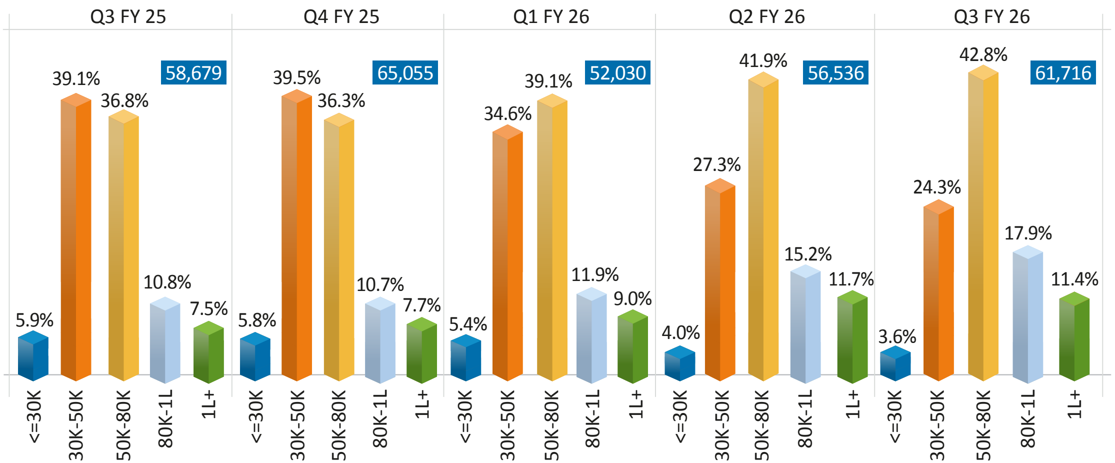
Banks continued to slow disbursements, with their share declining from 36.7% in Q3 FY25 to 26% in Q3 FY26. However, originations value picked up in Q3 FY26, growing 13.4% QoQ to ₹16.0K Cr.

NBFCs maintained a steady presence in originations value, posting 20% YoY growth-the highest after NBFC-MFIs - though QoQ values were largely flat.

SFBs are gradually expanding their footprint with disbursements up 8.1% QoQ and 15.7% YoY, though growth lagged NBFC-MFIs and NBFCs.

Originations value growth were driven by ticket sizes greater than ₹50K

Ticket size wise originations value trends (Q3 FY25 to Q3 FY26)



Ticket Size (Q3 FY26)	<=30K	30K – 50K	50K – 80K	80K – 1L	1L+	Total
Q-o-Q Growth	-1.2%	-2.8%	11.5%	28.8%	6.7%	9.2%
Y-o-Y Growth*	-34.9%	-34.7%	22.5%	73.7%	60.9%	5.2%

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

Shift towards ₹50K+ loans:

Originations value has progressively shifted away from sub-₹50K loans toward higher ticket sizes above ₹50K.

The **₹50K–₹80K** segment now constitutes the **largest share of originations value**, accounting for 42.8% in Q3 FY26, up from 36.8% in Q3 FY25.

The **₹80K–₹1L** segment **expanded significantly**, with its share rising from 10.8% in Q3 FY25 to 17.9% in Q3 FY26, reflecting strong YoY and QoQ growth.

Lender-type view:

In Q3 FY26, banks drove the ₹50K–₹80K segment (+23% QoQ), **NBFC-MFIs led the ₹80K–₹1L segment (+43% QoQ)**, and SFBs grew fastest in the ₹1L+ segment (+37% QoQ).

All top 10 states have clearly shifted toward ticket sizes above ₹50K

Regional Originations Value Trends (by Ticket Size Share) – Each state's originations value is distributed across ticket sizes, shown as percentage share- Totals add up to 100% row-wise for each period.

For each state, ticket sizes with the highest YoY share gains (Q3 FY26) and declines are highlighted – increases in green, decreases in red.

		<=30K		30K-50K		50K-80K		80K-1L		1L+	
Rank	State	Q3 FY25	Q3 FY26	Q3 FY25	Q3 FY26	Q3 FY25	Q3 FY26	Q3 FY25	Q3 FY26	Q3 FY25	Q3 FY26
1	Bihar	4.1%	1.9%	40.3%	19.2%	43.4%	46.6%	7.8%	19.7%	4.5%	12.7%
2	Tamil Nadu	3.5%	2.9%	27.4%	15.8%	36.4%	32.3%	19.9%	22.1%	12.8%	26.9%
3	Uttar Pradesh	5.1%	3.4%	45.1%	28.9%	38.8%	46.0%	8.2%	18.4%	2.8%	3.3%
4	Karnataka	6.7%	5.3%	31.8%	19.5%	30.1%	36.2%	15.0%	18.3%	16.4%	20.7%
5	West Bengal	8.4%	5.0%	35.1%	27.3%	32.4%	38.5%	13.5%	17.5%	10.5%	11.8%
6	Maharashtra	6.8%	5.0%	38.1%	25.9%	35.3%	41.9%	10.1%	15.6%	9.8%	11.6%
7	Madhya Pradesh	6.7%	4.6%	41.2%	29.3%	37.4%	44.9%	8.4%	15.0%	6.3%	6.1%
8	Odisha	8.3%	4.1%	43.7%	28.3%	36.9%	44.4%	7.9%	18.3%	3.2%	4.9%
9	Rajasthan	4.5%	2.2%	35.9%	23.8%	41.9%	51.4%	10.4%	17.1%	7.3%	5.5%
10	Kerala	5.3%	3.2%	35.6%	16.2%	44.7%	45.5%	8.6%	18.5%	5.8%	16.7%
	Pan India	**5.9%**	**3.6%**	**39.1%**	**24.3%**	**36.8%**	**42.8%**	**10.8%**	**17.9%**	**7.5%**	**11.4%**

The Top 10 states together accounted for ~83% of originations value in Q3 FY26.

Highlights

Top 10 states have their **largest share** of originations in the **₹50K-₹80K segment**.

TN's ₹1L+ share rose 12.8% to 26.9%, the sharpest increase among the top 10 states.

UP, Bihar, Odisha, and Kerala doubled their share in the **₹80K–₹1L** segment.

Except TN, which moved more toward the ₹1L+ segment, all **other top 10 states** saw gains in the **₹50K–₹80K range.**

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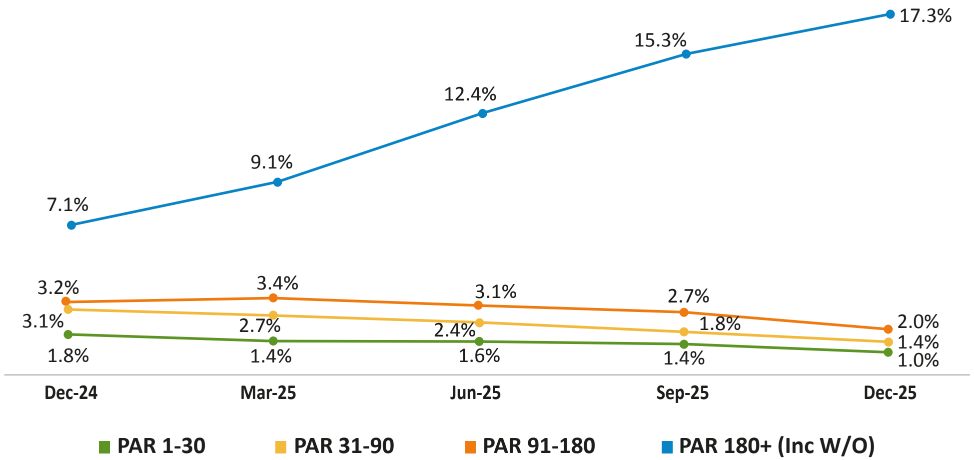
Portfolio Performance

PAR 1-180 buckets showed steady improvement in Dec'25, though write-offs also trended upward

Delinquency performance



As of Dec-25	Top 5 Performing Lenders	Lower 5 Performing Lenders	Industry
GLP (₹ Cr)	67,715	45,888	**320,853**
% share of industry	21.1%	14.3%	**100%**
PAR 1-30	0.5%	1.1%	**1.0%**
PAR 31-90	0.7%	1.9%	**1.4%**
PAR 91-180	1.0%	3.5%	**2.0%**
PAR 180+ (Inc W/O)	6.2%	28.6%	**17.3%**

Note: The analysis is limited to top 30 MFI institutions with a GLP market share of 86.1% as of Dec'25.

*PAR 180+ (Incl. W/O) is for Loans disbursed in last 36 M. Higher bucket delinquency especially 180 plus could be on a higher side as many regulated entities may keep reporting DPD for write off accounts.

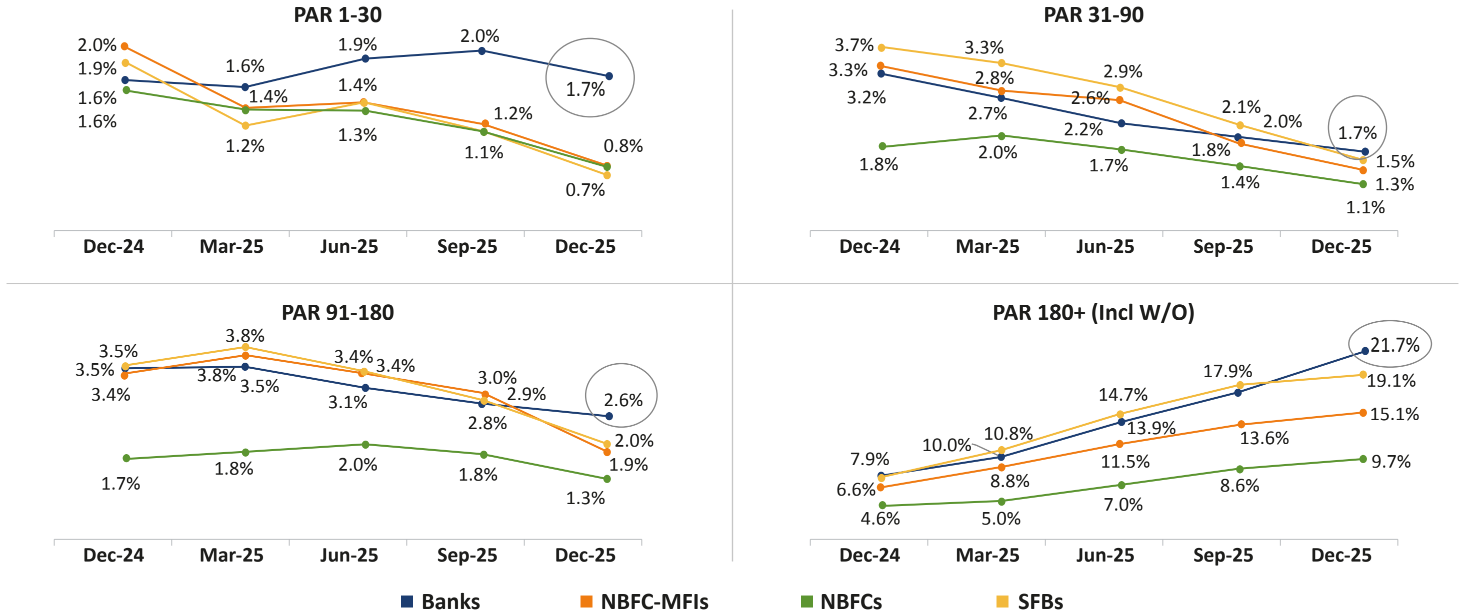
Improving PAR trajectory:

PAR 180+ (including write-offs) in the microfinance portfolio continued to **edge upward (from 7.1% as of Dec'24 to 17.3% as of Dec'25)**, reflecting lenders' ongoing efforts to recalibrate strategies and strengthen asset quality.

At the same time, **both early (PAR 1-30, 31-90) and deep (PAR 91-180) buckets show improvement**, with PAR 1-30 declining from 1.8% to 1.0%, PAR 31-90 from 3.1% to 1.4%, and PAR 91-180 from 3.2% to 2.0% between Dec'24 and Dec'25, underscoring stronger delinquency management efforts.

Banks remain at the higher end across delinquency buckets while NBFCs remain the lowest, as of Dec'25

Delinquency by lender type



DPD buckets (PAR 1–30, 31–90) is improving across all lender types.

However, banks continue to run higher delinquency in PAR 1–30 and, in Dec’25, banks exceeded SFBs as well in PAR 31–90, reflecting comparatively elevated delinquency.

PAR 1-180:

In Dec’25, banks also recorded higher delinquency in PAR 91–180 (2.6%), surpassing both SFBs and NBFC-MFIs.

NBFCs remain consistently at the lower end across all the DPD buckets.

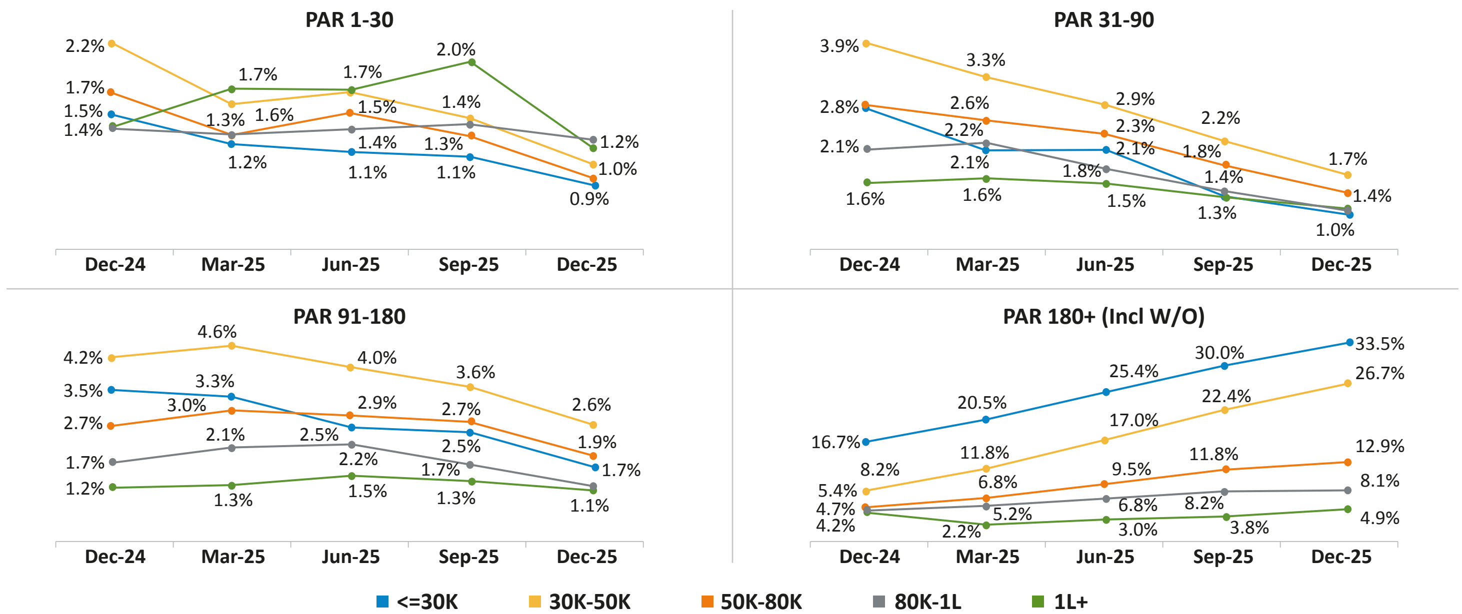
PAR 180+ (Incl W/O):

PAR 180+ (Incl w/o) increases were primarily driven **by banks and SFBs**, increasing from 17.9% to 21.7% for banks and from 17.9% to 19.1% for SFBs between Sep’25 and Dec’25.

PAR 180+ (Incl. W/O) is for Loans disbursed in last 36 M. Higher bucket delinquency especially 180 plus could be on a higher side as many regulated entities may keep reporting DPD for write off accounts.

The ₹80K-₹1L and ₹1L+ consistently remain at the lower end of PAR 31-90 and 91-180, while PAR 180+ (Incl W/O) is concentrated in the ≤₹50K segment, as the new disbursement is driven by >₹50K ticket size

Delinquency by ticket size



PAR 1-180:

Early buckets (PAR 1-30, 31-90) are showing improvements across ticket sizes.

In PAR 31–90, **the risk concentration is predominantly in the ₹30K-₹50K segment** as of Dec'25 while the **₹80K-₹1L+ and ₹1L+ segments are showing better delinquencies***.

PAR 91–180 shows improvement, but **stress continues to be concentrated in the ₹30K-₹50K ticket size**, where delinquency levels remain significantly higher than in the ₹80K+ segment.

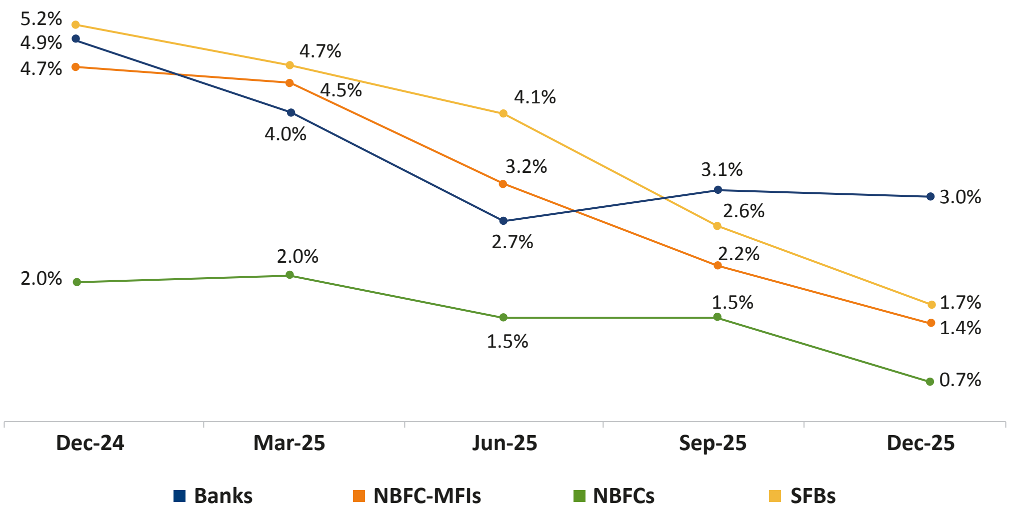
PAR 180+ (Incl W/O):

PAR 180+ (including write-offs) remains structurally high and rising, with sharp **build-up in the ≤₹30K and ₹30K-₹50K segments**.

PAR 180+ (Incl. W/O) is for Loans disbursed in last 36 M. *≤ ₹30K commentary excluded, due to the write-offs movements from this ticket size.

Continuous improvement in originations quality (7-9 MOB PAR 30+) observed across lender types barring banks

7-9 MOB PAR 30+ by lender type



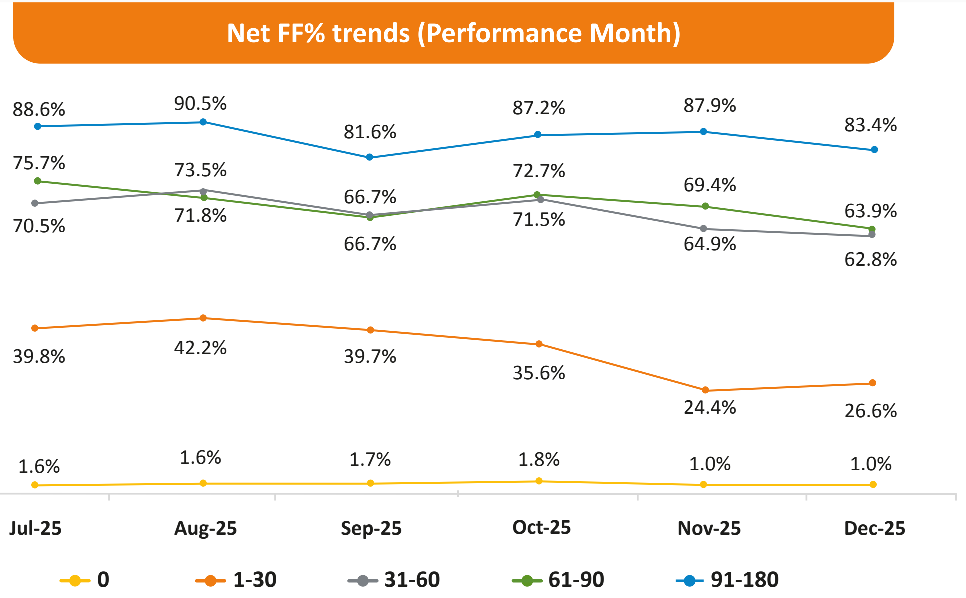
Observations

7–9 MOB PAR 30+% improved across lender types, **except banks, where levels remained broadly unchanged between Sep'25 and Dec'25** and stayed elevated at 3.0%.

NBFCs demonstrated strong sourcing quality, with PAR 30+% declining to 0.7% in Dec'25.

SFBs improved sharply from 5.2% in Dec'24 to 1.7% in Dec'25, while NBFC-MFIs also strengthened, reducing from 4.7% to 1.4% over the same period.

Collection efficiency, measured by Net FF%, has improved across buckets 31-180



Improvements

Net Forward Flow% (based on total active loans) has shown continuous improvement in buckets 31-60, 61-90, and 91-180 since Oct’25.

However, PAR 1-30 recorded a slight increase between Nov’25 and Dec’25, highlighting the need for closer monitoring of early collection efforts.

Net Forward Flow (FF) % = Forward Flow% - Roll Back % for each DPD band.

Borrower Analysis

Borrowers with up to three lender associations currently account for about 94% of the portfolio outstanding

Number of lender association trends

Active Lender Associations	Portfolio O/S (₹ Cr)						PAR 31-180*			
	Dec-24	POS % Share (for Dec-24)	Sep-25	POS % Share (for Sep-25)	Dec-25	POS % Share (for Dec-25)	Dec-24	Sep-25	Dec-25	QoQ Difference (Sep-25 and Dec-25)
<=2	274,731	70.2%	259,916	75.2%	252,806	78.8%	5.5%	4.2%	3.4%	0.8% ▼
3	58,293	14.9%	55,193	16.0%	48,233	15.0%	11.4%	8.9%	7.5%	1.4% ▼
4	32,106	8.2%	19,791	5.7%	13,849	4.3%	17.8%	16.3%	13.9%	2.4% ▼
>=5	26,386	6.7%	10,703	3.1%	5,965	1.9%	32.3%	24.2%	18.6%	5.5% ▼
Industry	**391,516**	**100.0%**	**345,603**	**100.0%**	**320,853**	**100.0%**	**9.2%**	**6.3%**	**4.8%**	**1.5%** ▼

Observations

Currently, **93.8% of the POS is with borrowers holding ≤3 loans**, where incremental delinquency remains well-controlled. This segment corresponds to 97.3% of borrowers as of Dec’25, up from 94.8% in Dec’24.

On a QoQ basis, incremental delinquency is higher among borrowers with ≥4 lender associations, reflecting the portfolio adjustments undertaken to enhance overall portfolio quality.

*Borrower level worst DPD

▼ Refers to QoQ Improvement

Across all top states, borrowers with >=3 lender associations continues to drop while borrowers with <=2 lender associations constitute about 90% of the overall share

Together to the next level

Active lender associations

Lender association trends across states

State/# Borrowers (Lakh)	<=2			3			4			>=5		
	Sep-25	Dec-25	Q-o-Q Growth	Sep-25	Dec-25	Q-o-Q Growth	Sep-25	Dec-25	Q-o-Q Growth	Sep-25	Dec-25	Q-o-Q Growth
BR	85.6	84.2	-1.7%	11.0	9.9	-9.4%	3.4	2.5	-27.8%	1.2	0.7	-43.8%
TN	60.7	60.0	-1.2%	8.4	7.6	-9.2%	3.5	2.9	-18.0%	2.2	1.5	-30.8%
UP	74.1	72.5	-2.1%	7.0	6.5	-6.9%	2.2	1.6	-26.3%	0.9	0.5	-41.2%
KA	46.9	45.7	-2.7%	5.0	4.4	-11.7%	1.9	1.4	-24.5%	1.2	0.7	-39.6%
WB	66.2	60.3	-8.8%	4.2	3.7	-11.3%	1.1	0.8	-28.4%	0.3	0.2	-42.4%
MH	50.0	47.6	-4.8%	4.1	3.6	-10.8%	1.2	0.9	-25.5%	0.4	0.3	-38.4%
MP	42.2	40.4	-4.2%	3.2	2.9	-10.1%	0.9	0.6	-27.7%	0.3	0.2	-40.7%
OR	34.2	33.3	-2.8%	3.7	3.4	-9.7%	1.4	1.0	-27.2%	0.7	0.4	-43.0%
RJ	28.7	27.4	-4.8%	2.3	2.0	-13.7%	0.6	0.4	-31.3%	0.2	0.1	-46.4%
KL	19.2	18.9	-1.7%	1.9	1.7	-8.4%	0.6	0.4	-28.2%	0.2	0.1	-46.8%
Industry	661.4	637.9	-3.6%	59.9	53.9	-10.0%	19.3	14.4	-25.4%	8.6	5.2	-38.9%
Share	**88.3%**	**89.7%**		**8.0%**	**7.6%**		**2.6%**	**2.0%**		**1.1%**	**0.7%**	

Borrower distribution by lender associations - Dec'25

While overall borrower count declined 5.0% QoQ, within the ≤2 lender association segment WB recorded the steepest drop (-8.8% QoQ), whereas TN registered the smallest decline (-1.2% QoQ).

Among borrowers with 3 lender associations, all of the top 10 states recorded a QoQ decline, ranging between 7% and 14% as of Dec'25.

Exposure distribution shows ongoing consolidation within guardrails: borrowers with >₹2L credit exposure now represent ~2% of POS, while those with ≤₹1L account for ~70% share of POS

Borrower Level Credit Exposure	Portfolio O/S (₹ Cr)						PAR 31-180*			
	Dec-24	POS % Share (for Dec-24)	Sep-25	POS % Share (for Sep-25)	Dec-25	POS % Share (for Dec-25)	Dec-24	Sep-25	Dec-25	QoQ Difference (Sep-25 and Dec-25)
0-30K	52,660	*13.5%*	45,874	*13.3%*	42,109	*13.1%*	6.1%	5.5%	5.0%	-0.5% ▼
30K-60K	104,751	*26.8%*	92,094	*26.6%*	89,053	*27.8%*	6.7%	5.2%	4.3%	-0.9% ▼
60K-1L	104,427	*26.7%*	98,790	*28.6%*	91,632	*28.6%*	8.6%	6.6%	5.1%	-1.5% ▼
1L-1.5L	81,770	*20.9%*	73,429	*21.2%*	67,284	*21.0%*	11.1%	7.0%	4.8%	-2.3% ▼
1.5L-2L	33,364	*8.5%*	27,327	*7.9%*	24,657	*7.7%*	14.6%	6.8%	4.3%	-2.5% ▼
GRTR 2L	14,543	*3.7%*	8,089	*2.3%*	6,118	*1.9%*	20.8%	9.7%	6.2%	-3.5% ▼
Industry	**391,516**	**100.0%**	**345,603**	**100.0%**	**320,853**	**100.0%**	**9.2%**	**6.3%**	**4.8%**	**-1.5%** ▼

Quarter in focus - Highlights

The portfolio share of borrowers with an aggregated credit outstanding of up to ₹1.0 lakh constitutes about 70% as of Dec'25, slightly increasing from 67% as of Dec'24.

Across all credit exposure categories, risk levels declined. Notably, the most significant reductions were observed in exposures exceeding ₹1.0 lakh indicating improvements in portfolio quality at these exposure levels.

*Borrower level worst DPD

▼ Refers to improvement in delinquency

Glossary and End Notes

GLP	ATS	PAR	DPD	Y-o-Y	Q-o-Q	M-o-M	Q3 FY25	Q2 FY26	Q3 FY26
Gross Loan Portfolio	**Average Ticket Size**	**Portfolio at Risk**	**Days Past Due**	**Year on Year**	**Quarter on Quarter**	**Month on Month**	**Third Quarter of the Financial Year 2024-25**	**Second Quarter of the Financial Year 2025-26**	**Third Quarter of the Financial Year 2025-26**
Portfolio outstanding of the microfinance sector	The average size of the microfinance loan disbursed	The proportion of portfolio outstanding which is delinquent by >0 days	Measure of loan delinquency/ overdue, segmented as 1-30, 31-180, 180+	Year on year comparison for change, example Dec 2025 compared to Dec 2024	Quarterly comparison for change, example Dec 2025 compared to Sep 2025	Monthly comparison for change, example Nov 2025 compared to Dec 2025	Oct-Nov Dec'2024	July-Aug Sep'2025	Oct-Nov Dec'2025

Notes:

1. The CRIF Microfinance Credit Repository has undergone data corrections (updates, closure, etc.) by institutions as part of the 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 Dec'25 as received by the bureau.

About MicroLend

MicroLend is a quarterly publication from CRIF High Mark that provides comprehensive insights into microfinance lending in India. It covers key parameters such as Gross Loan Portfolio, growth trends, market share, borrower leverage, compliance, and portfolio risks. This flagship industry report is widely referenced for tracking emerging trends and shifts in India's microfinance landscape.

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About CRIF High Mark

CRIF High Mark is an RBI licensed credit bureau in India that commenced its bureau operations in March 2011. CRIF High Mark offers Credit Bureau Information services. It is India's first full-service credit information company which provides comprehensive credit information for all borrower segments, namely Commercial, Consumer, and Microfinance borrowers. With the databases of individuals and businesses from over 5,000 financial institutions CRIF High Mark provides credit information services and supports millions of lending decisions every month.

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