MIC₹OLEND

QUARTERLY MICROFINANCE LENDING INSIGHTS

JUNE 2026

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Executive Summary

India's microfinance sector has consolidated toward larger loan sizes and better portfolio performance. Overall risk management remains strong, supported by the effect of guardrails.

PORTFOLIO STABILITY

The portfolio stood at ₹333K crore in Jun-26, down 7.3% YoY, but steady QoQ (up 0.6%), supported by 10.3 crore active loans and serving 6.6 crore borrowers. Asset quality strengthened, with PAR 91–180 improving sharply from 3.1% in Jun-25 to 0.8% in Jun-26 - showing stronger risk control.

AVERAGE EXPOSURE

Average exposure per loan rose to ₹32.4K in Jun-26, up 5.2% QoQ and 19% YoY, reflecting disbursement of higher ticket-size loans supported by stronger borrower profiles.

LENDER DYNAMICS

NBFC-MFIs strengthened their lead, raising share from 38.8% in Jun-25 to 44% in Jun-26, while banks portfolio outstanding reduced (-28.3% YoY, -3.4% QoQ), primarily due to the reclassification of their microfinance loans to retail.

ORIGINATIONS TRENDS

Disbursements in Q1 FY27 moderated to ₹61.1K crore due to seasonality effect (-19.9% QoQ) but rose 18.6% YoY. The QoQ decline was smaller than last year's 23.5% drop. The ₹1L+ segment remained most resilient, with value down only 6.7% QoQ and up nearly 90% YoY—highlighting the shift toward higher ticket size loans.

BORROWER BEHAVIOUR

Repeat borrowing stayed strong-77% of loans above ₹1L went to existing borrowers with the same lender. Borrowers with ≤2-lender associations rose from 75.3% to 80.9% YoY, supported by guardrails.

REGIONAL SHIFTS

- Bihar and Jharkhand led the shift into ₹1L+ loans in originations value (up 9.8% to 16% share and 7.7% to 10.3% respectively on YoY).
- Overall, Tamil Nadu has 30% of the loan originations in ₹1L+ ticket size, highest among the Top 10 states
- West Bengal recorded one of the steepest GLP declines (-20.7% YoY) alongside elevated PAR 31–180 at 2%.
- KA showed one of the steep improvements in PAR 31-180 from 12.5% to 1.3% between Jun-25 and Jun-26

SIGNS OF BOTTOMING OUT

PAR 31-180 improved from 2.0% to 1.6% between Mar-26 and Jun-26. PAR 1-30 largely remained steady at around 0.6%-0.7%. Larger ticket sizes (≥₹80K) led lower delinquency levels (PAR 91–180 <0.5%), reinforcing performance improvement.

The industry size was stable at ₹333K crore, despite a typically slower Q1 disbursal while the trend of improvement in portfolio quality continued

	As of Jun-25	As of Mar-26	As of Jun-26	Y-o-Y (Jun-25 to Jun-26)	Q-o-Q (Mar-26 to Jun-26)
GLP (₹ Cr)	359.2K	331.0K	333.0K	▼ -7.3%	▲ 0.6%
Active Loans (Cr)	13.2	10.7	10.3	▼ -22.2%	▼ -4.4%
Live Customer Base (Cr)	8.0	6.9	6.6	▼ -16.9%	▼ -3.7%
Amount Disbursed in Last 3 M (₹ Cr)	51,609	76,411	61,172	▲ 18.5%	▼ -19.9%
Loans Disbursed in Last 3 M (Lakh)	96.2	124.5	98.4	▲ 2.3%	▼ -21.0%
PAR 1-30	1.6%	0.6%	0.7%	▼ 0.9%	▲ 0.1%
PAR 31-90	2.4%	0.8%	0.8%	▼ 1.6%	0.0%
PAR 91-180	3.1%	1.2%	0.8%	▼ 2.3%	▼ 0.4%
PAR 1-180	7.1%	2.6%	2.3%	▼ 4.8%	▼ 0.3%

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Portfolio Trends

Portfolio outstanding remained at ₹333K crore, supported by increase in ticket sizes. The pace of decline in borrower count (-3.7% QoQ) and active loans (-4.4% QoQ) eased compared to the sharper contractions seen in quarters prior to Mar-26

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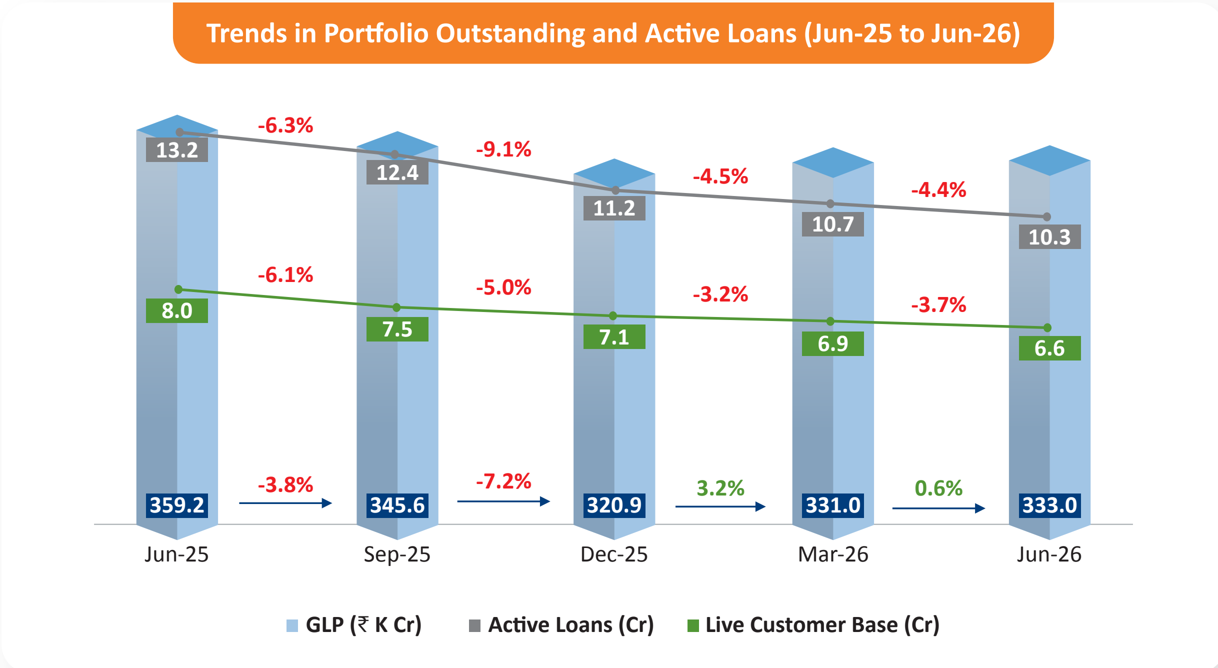
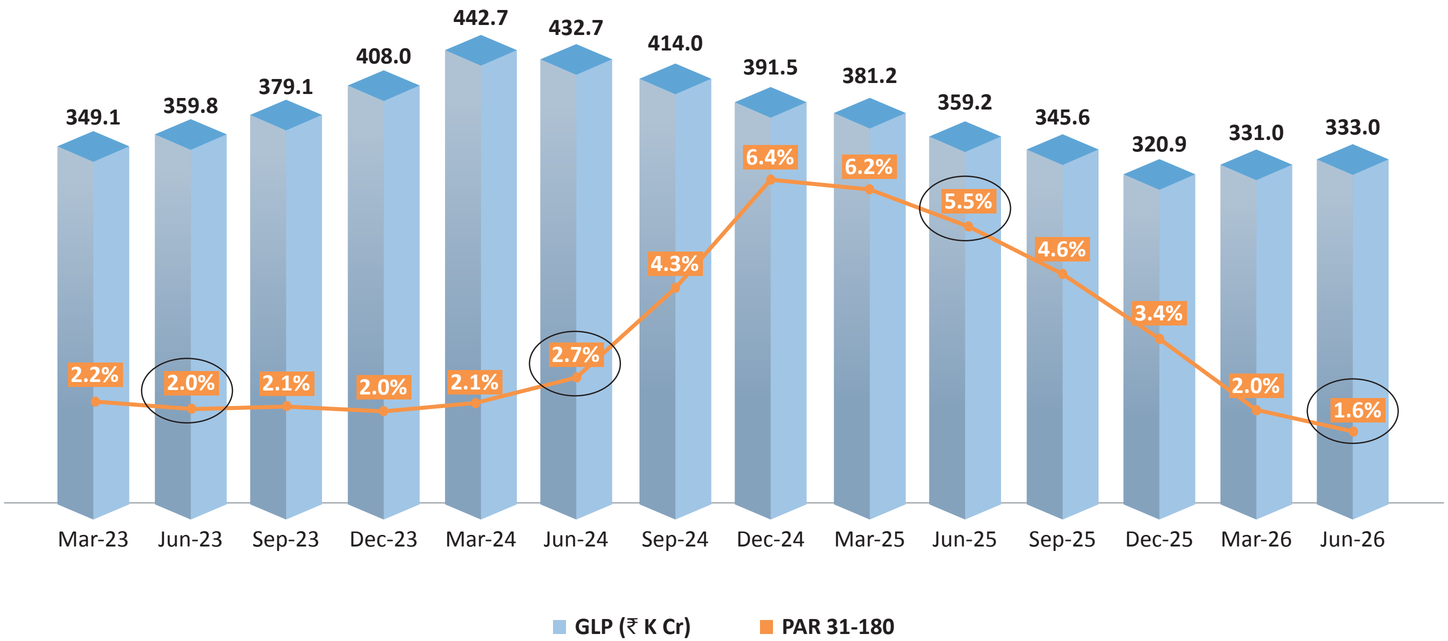


Average exposure per loan stood at ***₹32.4K in Jun'26, up 5.2% QoQ and 19.1% YoY,*** *reflecting strengthening ticket sizes and borrower profiles.*

GLP: Gross Loan Portfolio

Despite no significant addition of new portfolio during the quarter PAR 31-180 improved further to 1.6% - a marked enhancement over Jun-25, Jun-24 and Jun-23 levels, underscoring stronger asset quality



UP maintained stable POS levels unlike other Top 10 states, while WB recorded one of the steepest declines (-20.7% YoY) alongside elevated PAR 31-180 at 2%, higher than peer states.

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Regional GLP and Performance Trends

Rank	State	GLP (₹ K Cr) Jun-26	Y-o-Y Growth %	Q-o-Q Growth %	Active loans (Cr) Jun-26	Y-o-Y Growth %	Q-o-Q Growth %	PAR 31-180 Jun-25	PAR 31-180 Mar-25	PAR 31-180 Jun-26
1	Bihar (-)	53.3	*-2.7%*	*0.4%*	1.5	*-21.1%*	*-3.5%*	5.3%	2.0%	1.3% ▼
2	Uttar Pradesh (+1) ▲	40.1	*0.9%*	*0.7%*	1.2	*-15.2%*	*-1.9%*	5.3%	2.1%	1.6% ▼
3	Tamil Nadu (-1) ▼	38.9	*-11.0%*	*-0.1%*	1.1	*-23.7%*	*-2.3%*	5.5%	1.7%	1.5% ▼
4	Karnataka (+1) ▲	29.2	*-10.5%*	*1.9%*	0.9	*-27.1%*	*-2.9%*	12.5%	2.0%	1.3% ▼
5	West Bengal (-1) ▼	28.2	*-20.7%*	*-0.4%*	0.9	*-26.2%*	*-2.9%*	3.3%	2.4%	2.0% ▼
6	Maharashtra (-)	24.6	*-9.7%*	*-0.3%*	0.8	*-21.6%*	*-3.0%*	3.9%	2.2%	1.4% ▼
7	Madhya Pradesh (-)	19.8	*-2.2%*	*1.5%*	0.6	*-16.3%*	*-1.2%*	5.1%	2.4%	1.9% ▼
8	Odisha (-)	17.6	*-6.4%*	*2.1%*	0.6	*-22.5%*	*-2.6%*	6.0%	1.6%	0.9% ▼
9	Rajasthan (-)	13.3	*-3.7%*	*1.3%*	0.4	*-19.6%*	*-1.2%*	5.2%	2.4%	1.8% ▼
10	Jharkhand (-)	11.1	*3.9%*	*3.5%*	0.3	*-14.5%*	*-1.6%*	4.8%	1.7%	1.2% ▼
	Pan India	**333.0**	***-7.3%***	***0.6%***	**10.3**	***-22.2%***	***-4.4%***	**5.5%**	**2.0%**	**1.6%** ▼

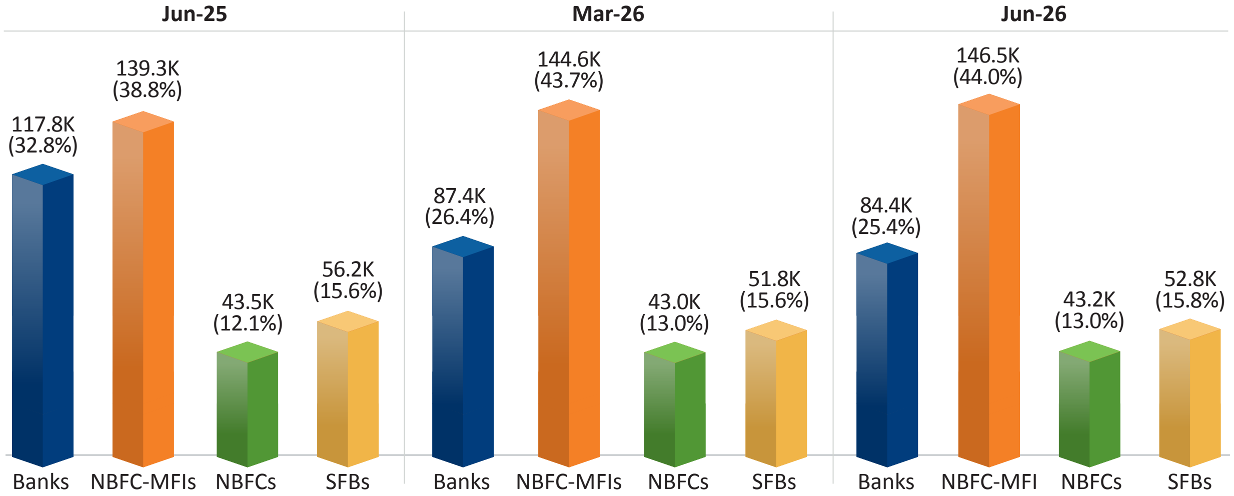
KA showed one of the steep improvements in PAR 31-180

The top 10 states constitutes 83.0% of the GLP.

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

NBFC-MFIs remained the key drivers of portfolio growth (5.2% YoY, 1.3% QoQ up), while banks reduced their portfolios (28.3% YoY, 3.4% QoQ down) predominantly due to reclassification of microfinance loans to retail, a trend continuing from previous quarters

Lender type trends – POS Distribution (Jun-25 to Jun-26)



NBFC-MFI share rose from 38.8% in Jun'25 to 44% in Jun'26, underscoring their dominant role in MFI funding

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

Lender Type (Jun-26)	Banks	NBFC-MFIs	NBFCs	SFBs	Total
Q-o-Q GLP Growth	-3.4%	1.3%	0.5%	1.9%	0.6%
Y-o-Y GLP Growth	-28.3%	5.2%	-0.6%	-6.1%	-7.3%

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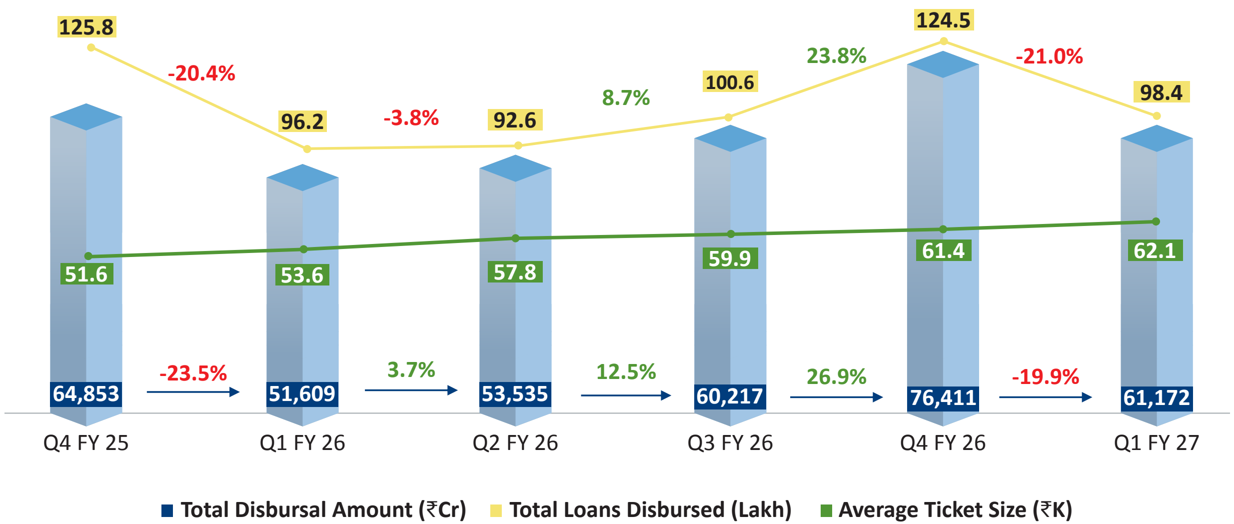
Originations Dynamics

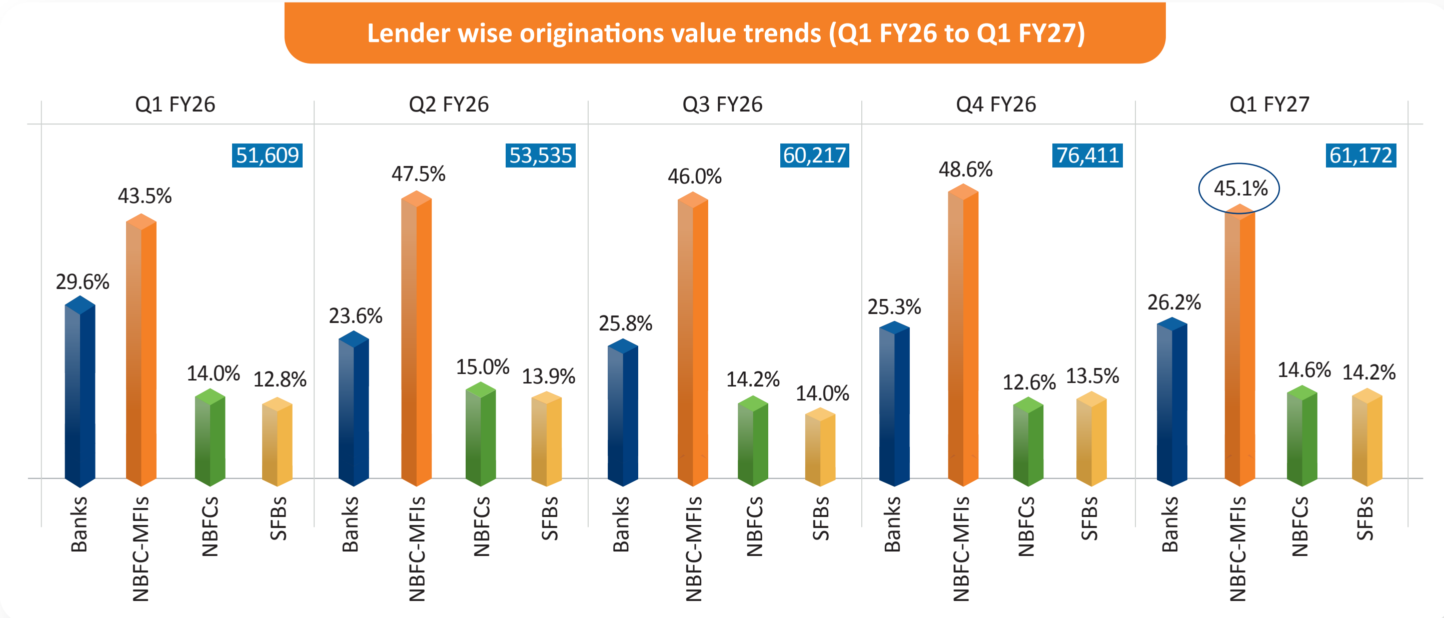
As is typical for the Apr–Jun quarter, microfinance disbursements moderated to ₹61.1K crore in Q1 FY 26-27, a 19.9% QoQ decline (in comparison to 23.5% decline in Q1 FY 25-26), suggesting a stronger start to the year. YoY was also up 18.6%

Microfinance originations trends (Q4 FY25 to Q1 FY27)



Average MFI ticket size inched up to ₹62K in Q1 FY27, driven by a stronger focus on existing borrowers.

NBFC-MFIs accounted for 45% of origination value in Q1 FY27. While disbursements declined QoQ due to seasonal factors, YoY growth (18.6%) was positive across lender types



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

Lender Type (Q1 FY27)	Banks	NBFC-MFIs	NBFCs	SFBs	Total
Q-o-Q Growth (Disbursement value)	-17.3%	-25.7%	-7.4%	-15.9%	-19.9%
Y-o-Y Growth (Disbursement value)	4.8%	22.8%	23.1%	31.2%	18.6%

The ₹1L+ segment proved most resilient, with value down just 6.7% QoQ but up nearly 90% YoY-showing a shift toward larger loans driven by existing borrowers

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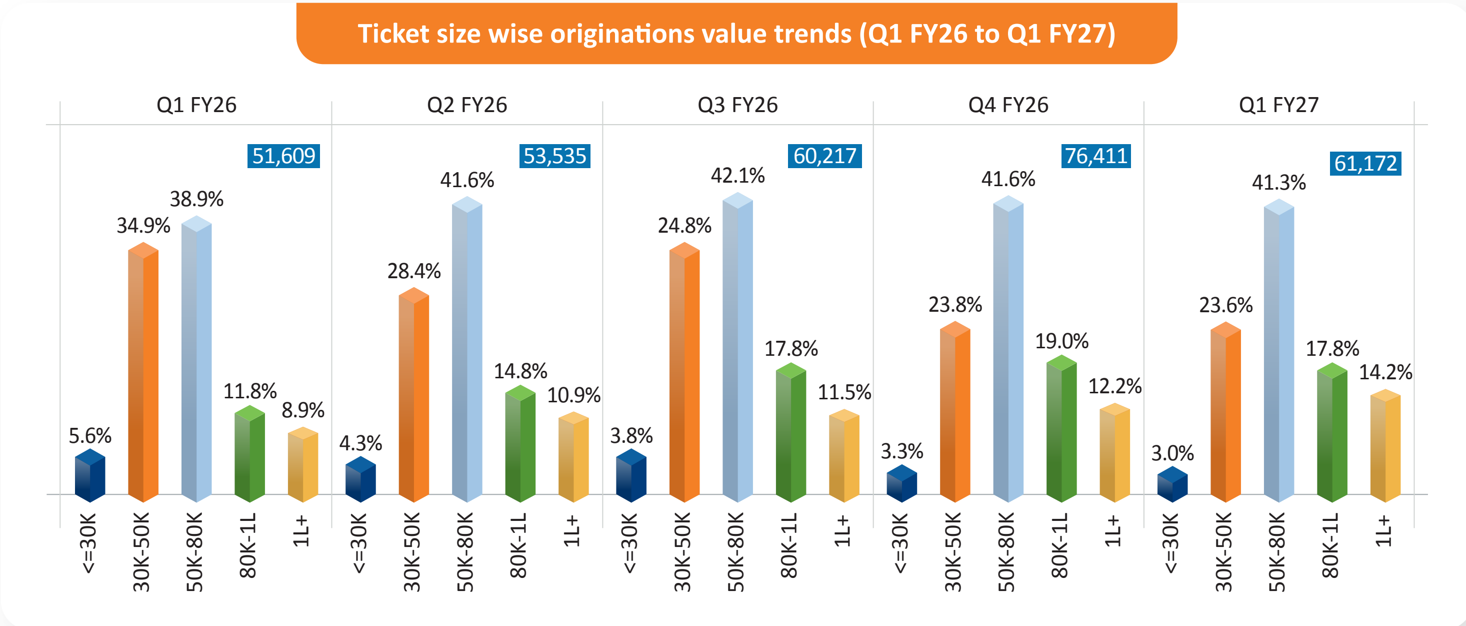


In Q1 FY27, 55.5% of overall originations and 77.6% of originations above ₹1L were ***extended to existing borrowers with the same lender,*** *reflecting sustained originations from repeat borrowers and portfolio upscaling*

Ticket Size (Q1 FY27)	<=30K	30K-50K	50K-80K	80K-1L	1L+	Total
Q-o-Q Growth (Disbursement value)	-26.3%	-20.8%	-20.5%	25.1%	-6.7%	-19.9%
Y-o-Y Growth (Disbursement value	-35.2%	-20.0%	26.1%	79.3%	89.8%	18.6%

The ₹50K-₹80K segment remains the anchor across India, commanding 40%-48% of originations in states such as BR, UP, MP, OR, and RJ

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

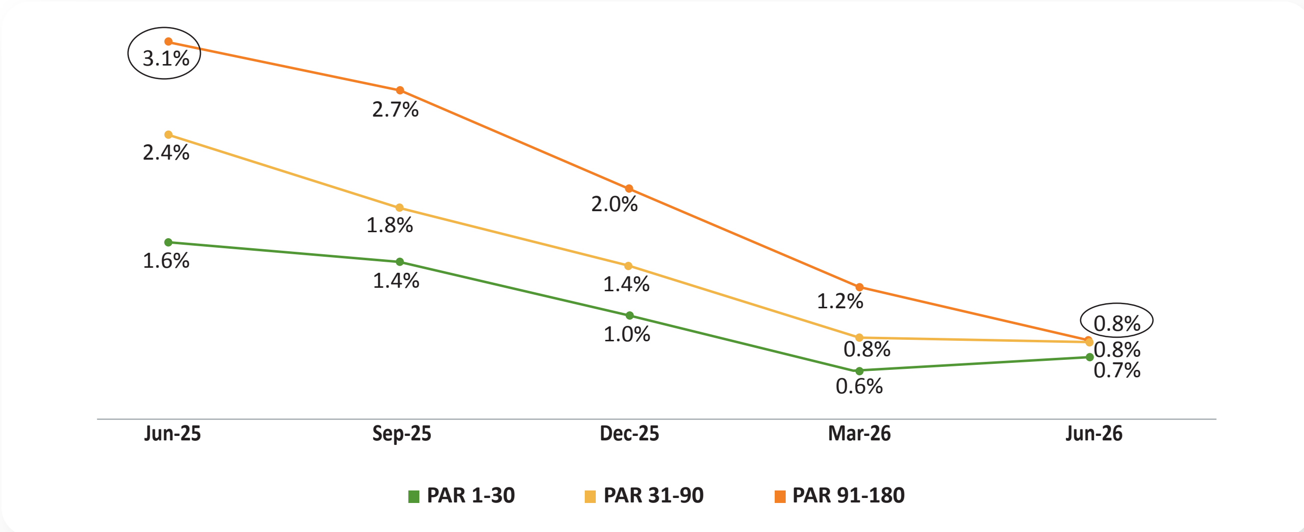
		<=30K		30K-50K		50K-80K		80K-1L		1L+	
Rank	State	Q1 FY26	Q1 FY27	Q1 FY26	Q1 FY27	Q1 FY26	Q1 FY27	Q1 FY26	Q1 FY27	Q1 FY26	Q1 FY27
1	Bihar	3.9%	*2.0%*	34.0%	*19.8%*	46.2%	*44.8%*	9.7%	*17.4%*	6.2%	*16.0%*
2	Uttar Pradesh	5.3%	*3.0%*	38.6%	*27.1%*	41.3%	*43.3%*	11.7%	*21.5%*	3.1%	*5.1%*
3	Tamil Nadu	3.1%	*2.0%*	21.0%	*14.7%*	32.3%	*34.4%*	19.3%	*19.0%*	24.2%	*30.0%*
4	Karnataka	8.1%	*4.2%*	35.8%	*25.5%*	33.4%	*37.7%*	13.4%	*18.4%*	9.4%	*14.2%*
5	West Bengal	6.9%	*3.5%*	26.1%	*19.5%*	34.9%	*35.1%*	14.4%	*19.8%*	17.7%	*22.1%*
6	Maharashtra	7.6%	*3.8%*	36.4%	*27.1%*	37.1%	*40.6%*	9.4%	*14.9%*	9.6%	*13.5%*
7	Madhya Pradesh	6.6%	*4.4%*	40.7%	*30.1%*	39.3%	*43.4%*	8.5%	*13.8%*	5.0%	*8.3%*
8	Odisha	7.5%	*3.7%*	38.9%	*25.2%*	39.5%	*40.6%*	10.6%	*18.0%*	3.6%	*12.5%*
9	Rajasthan	3.9%	*1.7%*	36.5%	*24.3%*	45.8%	*48.2%*	10.2%	*17.1%*	3.5%	*8.8%*
10	Jharkhand	8.4%	*3.6%*	41.6%	*26.8%*	39.4%	*40.9%*	8.0%	*18.5%*	2.6%	*10.3%*
	Pan India	**5.6%**	***3.0%***	**34.9%**	***23.6%***	**38.9%**	***41.3%***	**11.9%**	***17.8%***	**8.9%**	***14.2%***

The Top 10 states together accounted for ~83% of origination value in Q1 FY27.

***BR and JH saw the strongest migration into ₹1L+ loans**, growing by 9.8% and 7.7% respectively.*
***UP, meanwhile, recorded ~10% expansion in the ₹80K–₹1L band**, highlighting upward movement in borrower ticket sizes across key states.*

Portfolio Performance

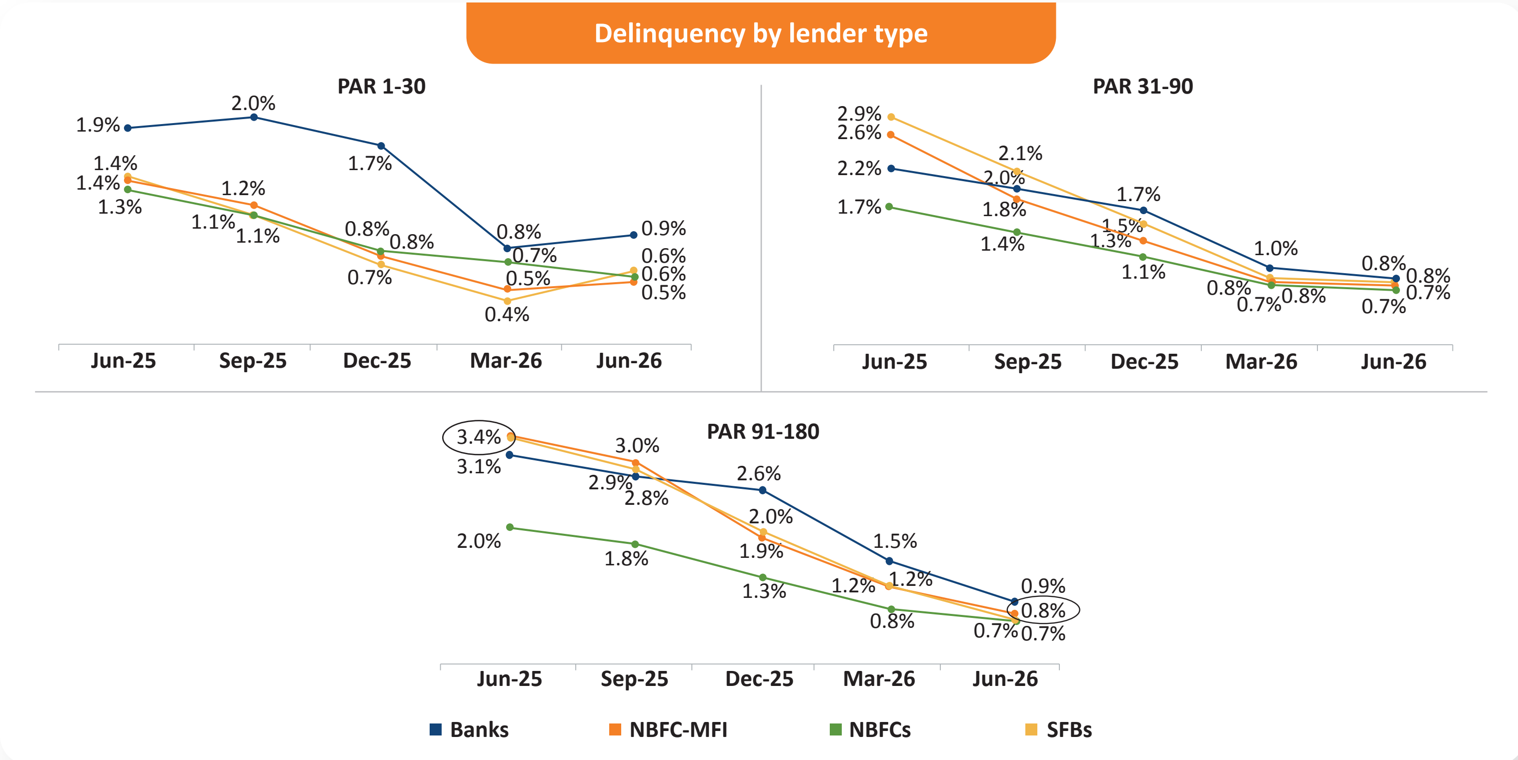
Delinquency improved significantly, with PAR 91-180 declining from 3.1% in Jun-25 to 0.8% in Jun-26-signalling stronger portfolio quality and enhanced resilience in MFI assets



As of Jun-26	Top 5 Performing Lenders	Lower 5 Performing Lenders	Industry
GLP (₹ Cr)	55,142	28,401	**332,985**
% share of industry	16.6%	8.5%	**100%**
PAR 1-30	0.3%	1.7%	**0.7%**
PAR 31-90	0.4%	2.0%	**0.8%**
PAR 91-180	0.4%	1.6%	**0.8%**

Note: The analysis is limited to top 30 MFI institutions with a GLP market share of 87.2% as of Jun'26.

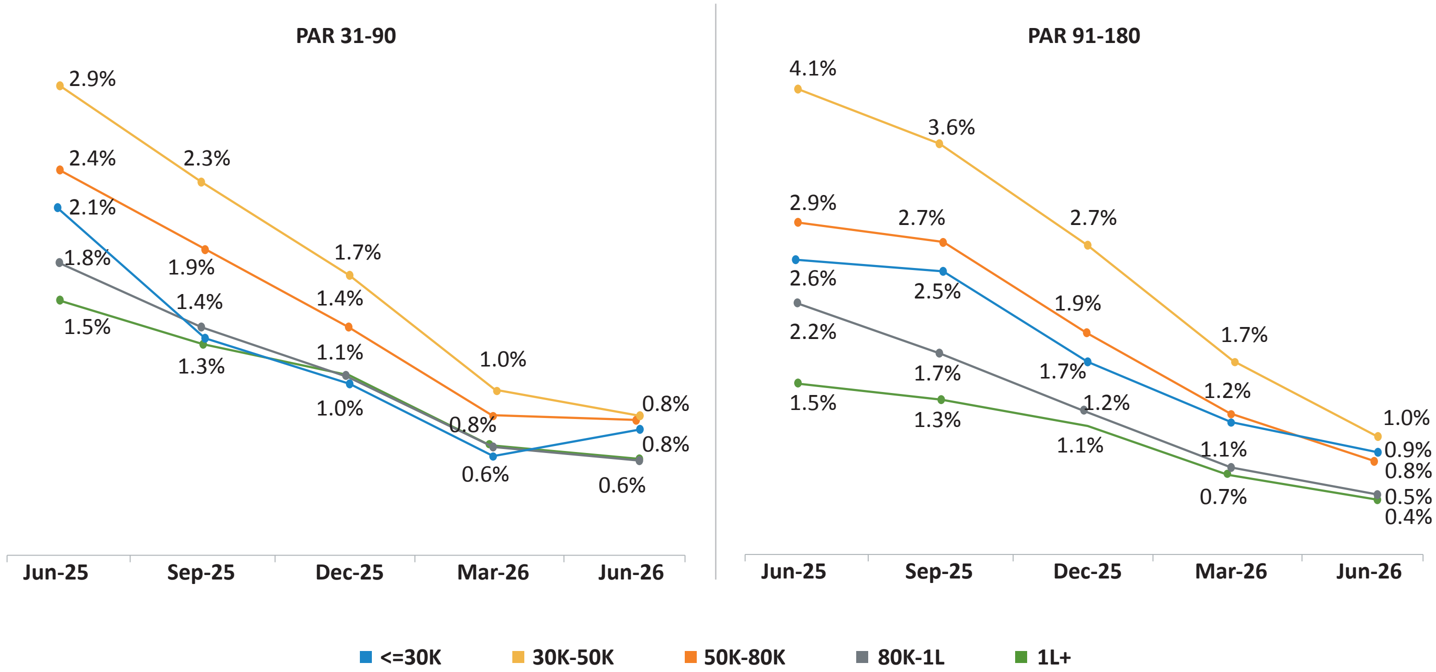
While early-stage risk (PAR 1-30) ticked up slightly for banks and SFBs between Mar-26 and Jun-26, PAR 31-90 and PAR 91-180 continued their improvement-signaling overall strengthening in quality



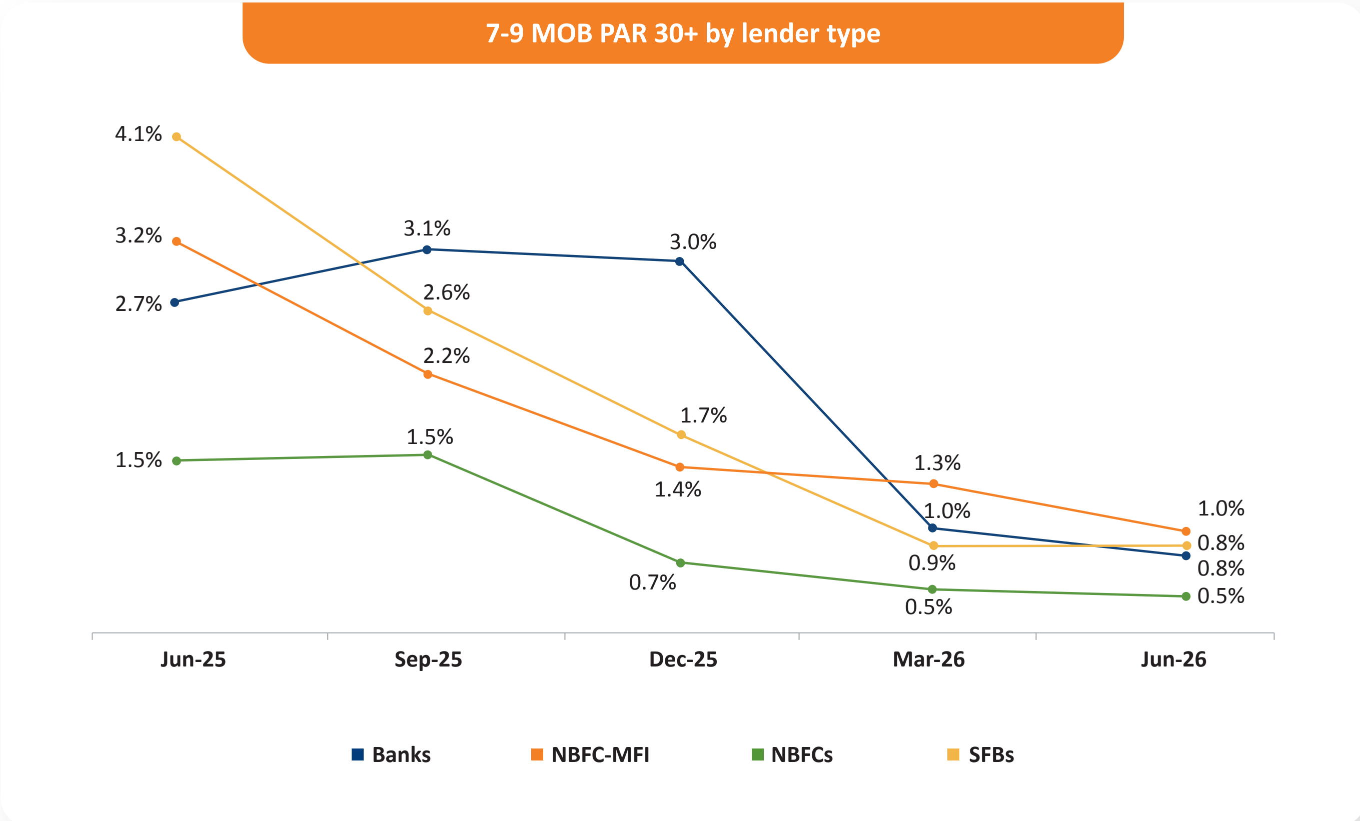
*The **PAR 91-180 bucket recorded the sharpest improvement, with NBFC-MFIs and SFBs dropping from 3.4% and 3.1% to just 0.7% and 0.8% YoY**-signaling a substantial strengthening in portfolio quality.*

Ticket sizes above ₹80K continue to anchor the lower delinquency levels in the industry with steep improvements across ticket sizes.

Delinquency by ticket size



Originations quality (7-9 MOB PAR 30+) improved across all lender types indicating strong improvement in credit discipline



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Borrower Analysis

Driven by guardrails, the concentration of borrowers with 2 or fewer active lenders dominate the market, expanding their share of the total portfolio from 75.3% to 80.9% over the year

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Number of lender association trends

Active Lender Associations	Portfolio O/S (₹ Cr)						PAR 31-180*			
	Jun-25	POS % Share (for Jun-25)	Mar-26	POS % Share (for Mar-26)	Jun-26	POS % Share (for Jun-26)	Jun-25	Mar-26	Jun-26	QoQ Difference (Mar-26 and Jun-26)
<=2	2,70,409	*75.3%*	2,65,832	*80.3%*	2,69,294	*80.9%*	4.9%	2.3%	1.9%	0.4% ▼
3	53,049	*14.8%*	49,374	*14.9%*	48,982	*14.7%*	10.9%	5.0%	4.1%	0.9% ▼
4	22,193	*6.2%*	11,782	*3.6%*	11,000	*3.3%*	19.3%	9.3%	7.4%	1.9% ▼
>=5	13,519	*3.8%*	3,984	*1.2%*	3,711	*1.1%*	33.4%	11.3%	7.9%	3.4% ▼
Industry	**3,59,169**	***100.0%***	**3,30,972**	***100.0%***	**3,32,986**	***100.0%***				

*Borrower level worst DPD ▼ Refers to QoQ Improvement ▲ Refers to QoQ Deteriorations

The ≤2-lender segment that leads with ~90% of the borrower base has shown slight increase from 90.3% to 90.4% between Mar-26 and Jun-26 - underscoring consolidation in borrower relationships

Active Lender Associations

Lender association trends across states

State/# Borrowers (Lakh)	<=2		3		4		>=5	
	Mar-26	Jun-26	Mar-26	Jun-26	Mar-26	Jun-26	Mar-26	Jun-26
BR	87.52%	87.76%	9.99%	10.01%	2.03%	1.83%	0.45%	0.40%
UP	90.03%	90.08%	7.92%	7.99%	1.61%	1.51%	0.44%	0.42%
TN	84.47%	84.94%	10.33%	10.24%	3.57%	3.35%	1.64%	1.46%
KA	88.87%	89.58%	8.06%	7.76%	2.20%	1.94%	0.87%	0.72%
WB	92.77%	92.78%	5.95%	5.99%	1.07%	1.02%	0.21%	0.21%
MH	91.49%	91.88%	6.78%	6.61%	1.39%	1.22%	0.34%	0.28%
MP	92.30%	92.40%	6.32%	6.31%	1.13%	1.05%	0.25%	0.24%
OR	88.69%	88.96%	8.58%	8.48%	2.06%	1.90%	0.68%	0.66%
RJ	92.17%	92.18%	6.47%	6.53%	1.12%	1.06%	0.24%	0.24%
JH	89.98%	90.18%	7.96%	7.90%	1.64%	1.50%	0.41%	0.42%
Remaining States	93.62%	93.29%	5.15%	5.50%	1.00%	0.98%	0.23%	0.22%
Share	**90.33%**	**90.42%**	**7.47%**	**7.54%**	**1.69%**	**1.57%**	**0.51%**	**0.47%**

Note: For each state, the % represents the distribution of borrowers in the respective state against lender associations.

The portfolio remains anchored in ₹30K-₹1.5L exposure buckets, which constitute 76% of Portfolio and are grouped at ~2.4% PAR 31-180 - underscoring both scale and stable risk performance

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Borrower Level Credit Exposure	Portfolio O/S (₹ Cr)						PAR 31-180*			
	Jun-25	POS % share (for Jun-25)	Mar-26	POS % share (for Mar-26)	Jun-26	POS % share (for Jun-26)	Jun-25	Mar-26	Jun-26	QoQ difference (Mar-26 and Jun-26)
0-30K	51,184	*14.3%*	38,354	*11.6%*	34,517	*10.4%*	6.0%	3.9%	3.2%	0.7% ▼
30K-60K	98,740	*27.5%*	86,357	*26.1%*	83,488	*25.1%*	6.1%	3.0%	2.4%	0.6% ▼
60K-1L	1,01,434	*28.2%*	93,284	*28.2%*	93,687	*28.1%*	7.6%	3.1%	2.4%	0.7% ▼
1L-1.5L	73,604	*20.5%*	72,860	*22.0%*	75,806	*22.8%*	9.1%	2.8%	2.4%	*0.4%* ▼
1.5L-2L	25,913	*7.2%*	31,987	*9.7%*	35,622	*10.7%*	11.1%	2.4%	2.2%	0.2% ▼
GRTR 2L	8,293	*2.3%*	8,130	*2.5%*	9,865	*3.0%*	17.2%	3.8%	3.9%	-0.1% ▼
Industry	**3,59,169**	**100.0%**	**3,30,971**	**100.0%**	**3,32,986**	**100.0%**	**7.7%**	**3.0%**	**2.5%**	**0.6%**

*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	Q1 FY26	Q4 FY26	Q1 FY27
Gross Loan Portfolio	**Average Ticket Size**	**Portfolio at Risk**	**Days Past Due**	**Year on Year**	**Quarter on Quarter**	**Month on Month**	**First Quarter of the Financial Year 2025-26**	**Fourth Quarter of the Financial Year 2025-26**	**First Quarter of the Financial Year 2026-27**
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 Jun 2026 compared to Jun 2025	Quarterly comparison for change, example Jun 2026 compared to Mar 2026	Monthly comparison for change, example Jun 2026 compared to May 2026	Apr-May-Jun’2025	Jan-Feb-Mar’2026	Apr-May-Jun’2026

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 Jun’26 as received by the bureau.

Disclaimer:

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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CRIF High Mark - Product Suite

Commercial Report

- Commercial CIR includes CRIF India Business Rank (CIBR), which is a 13-Rank Assessment model to gauge a Business entity's Credit repayment ability based on its credit profile, credit history and other factors.

Consumer Report

- Detailed Information of a borrower's credit history & financial behavior. These details are utilized by the lenders & financial institutions to evaluate credit worthiness of the borrower.

Microfinance Report

- Detailed microfinance credit report providing borrower-level loan history, group lending insights, and recent repayment information to support micro lending decisions.

Commercial Lite

- Synopsis of credit facilities with respect to Member and Off-member exposures, exposures on CC/OD facilities, Total Banking Exposure.

Grameen Score

- Specialized score designed for rural borrowers to support inclusive lending decisions using historical bureau-led insights.

Portfolio review

- The data output represents Offline bulk credit information of their customer base with Lending Institutions.

Market Insights

- Market Insights products, offer insights on broader market trends and consumer behavior, using aggregated credit data.

Alerts

- Event based triggers for near real time and effective monitoring of borrowers, post disbursement.

Lending Index

- Advanced loan-level risk assessment solution delivering sharper underwriting insights and stronger predictive differentiation.

Comprehensive CCIR

- Consolidated view of consumer, microfinance, and commercial credit linkages to support holistic credit assessment and portfolio monitoring.

PRESENTS

Credit Goes to HER is an invite-only community, anchored by CRIF India for women shaping the future of India's evolving credit ecosystem. It is women in credit and credit for women. Designed to foster meaningful conversations, the community brings together women from across the country interested in elevating their career game and being part of invigorating conversation with executive leaders in credit.

Scan to join the LinkedIn community

Together to the next level

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