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MICROLEND

QUARTERLY MICROFINANCE LENDING INSIGHTS

(Data as of Sept'26)

NOVEMBER 2026





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Executive Summary

India's microfinance sector continues to consolidate toward larger loan sizes with steady portfolio performance. Overall risk management remains stable, supported by regulatory guardrails.

PORTFOLIO TRENDS

The portfolio stood at ₹328.4K crore in Sep'26, down 5.0% YoY and 1.4% QoQ, supported by 9.6 crore active loans serving 6.4 crore borrowers. The reduction stems from deliberate policy recalibration alongside moderated originations throughout the last quarter. Asset quality overall remained steady, although PAR 1-30 slightly inched up by 10 bps between Jun '26 and Sep '26. Both PAR 31-90 and PAR 91-180 remained stable at 0.8%.

KEY POSITIVE DRIVERS

Tamil Nadu stood out with a 3.7% QoQ increase in portfolio outstanding, coupled with an improvement in PAR 31–180. Overall average MFI ticket size rose further to ₹63K in Q2 FY27, up 1.6% QoQ and 17.5% YoY, reflecting disbursement of higher ticket-size loans supported by stronger borrower profiles.

LENDER DYNAMICS

NBFC-MFIs strengthened their lead, disbursing nearly 50% of loans in Q2 FY27, up from 47.7% in Q2 FY26 (YoY). NBFCs and SFBs maintained a steady share of ~14% in Q2 FY27 in originations value.

TICKET SIZE DYNAMICS

Loans in the ₹50K–₹80K segment remained steady at ~41% of origination value. Meanwhile, the share of ₹80K–₹1L and ₹1L+ loans expanded from 14.7% to 18.5% and from 11.2% to 15.1%, respectively, YoY.

PERFORMANCE

Overall microfinance loan delinquency remained stable as of Sep '26, with all buckets (PAR 1–30, 31–90, 91–180) contained below 1% despite moderation in portfolio size. Banks, however, showed a slight increase in PAR 31–90 from 0.8% to 1% between Jun '26 and Sep '26.

Driven by regulatory guardrails, borrowers with ≤2 active lenders constituted the majority of the portfolio (81.2%) and demonstrated improved performance (1.9% PAR 31-180 as of Sep'26 compared to 4.1% for 3 lender associations and 6.6% for >3 lender associations).

The industry's aggregated portfolio outstanding stood at ₹328.4K crore as of Sep '26, reflecting a 1.4% QoQ decline amid moderated disbursements, while core portfolio quality remained steady

	As of Sep-25	As of Jun-26	As of Sep-26	Y-o-Y (Sep-25 to Sep-26)	Q-o-Q (Jun-26 to Sep-26)
GLP (₹ Cr)	345.6K	333.0K	328.4K	▼ -5.0%	▼ -1.4%
Active Loans (Cr)	12.4	10.3	9.6	▼ -22.4%	▼ -6.5%
Live Customer Base (Cr)	7.5	6.6	6.4	▼ -15.0%	▼ -3.9%
Amount Disbursed in Last 3 M (₹ Cr)	54,210	61,600	56,956	▲ 5.1%	▼ -7.5%
Loans Disbursed in Last 3 M (Lakh)	93.6	99.2	90.3	▼ -3.6%	▼ -9.0%
PAR 1-30	1.4%	0.7%	0.8%	▼ 0.6%	▲ 0.1%
PAR 31-90	1.8%	0.8%	0.8%	▼ 1.0%	▬ 0.0%
PAR 91-180	2.7%	0.8%	0.8%	▼ 1.9%	▬ 0.0%
PAR 1-180	6.0%	2.3%	2.4%	▼ 3.6%	▲ 0.1%

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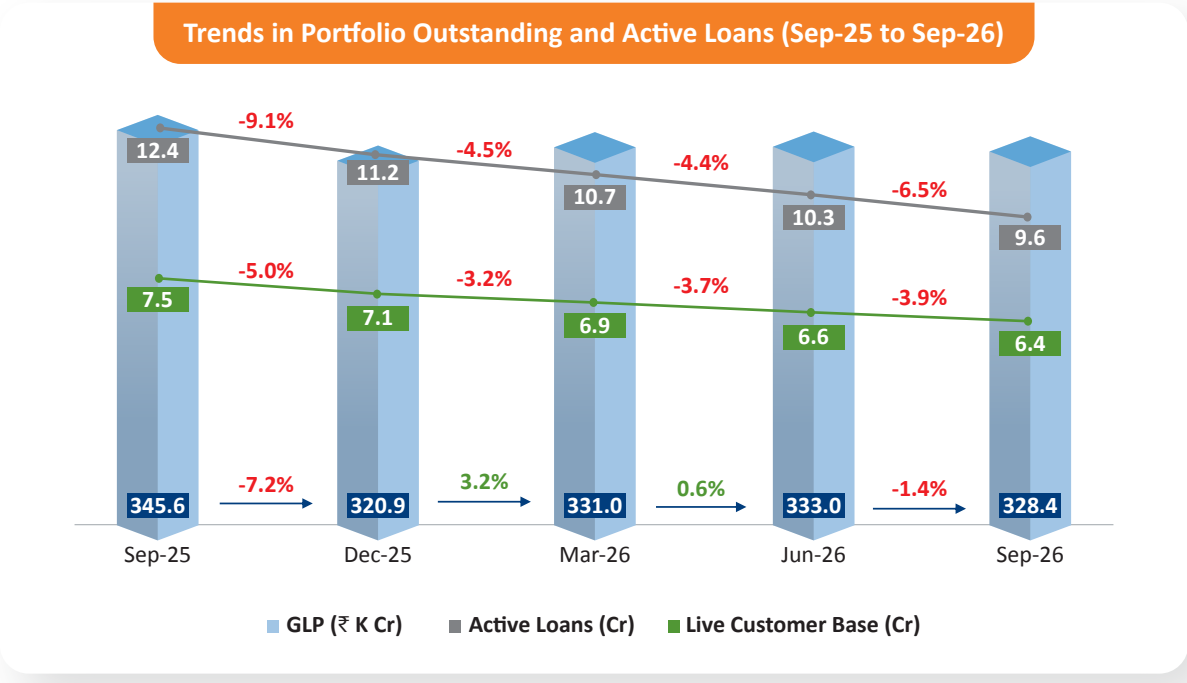
SECTION

PORTFOLIO TRENDS



Overall credit trends

The outstanding portfolio saw a marginal decline but ongoing industry consolidation with higher average loan exposure (+5.8% QoQ / +22.7% YoY) cushioned the impact of decline in active loans (-6.5% QoQ) and borrower count (-3.9% QoQ)

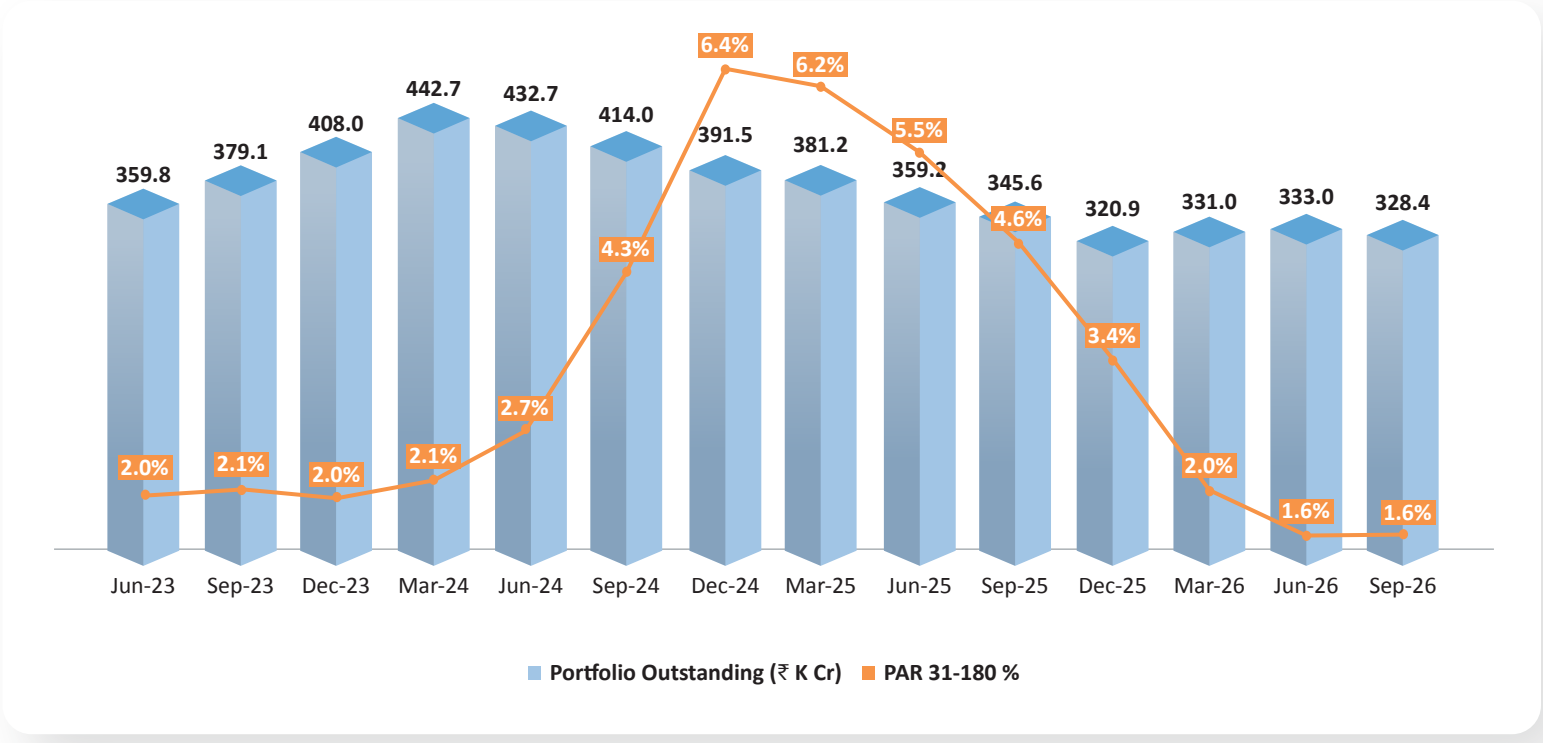


Average exposure per loan stood at ***₹34.2K in Sep'26, up 5.8% QoQ and 22.7% YoY,*** *reflecting a continued shift towards higher ticket sizes and borrowers with longer vintage & good credit history.*

GLP: Gross Loan Portfolio

Three-year trended insights

Despite a decline in portfolio outstanding during the quarter, PAR 31-180 continued to remain at 1.6% - a marked enhancement over Sep-24 and Sep-25 levels, underscoring stronger asset quality



Top 10 states concentration

Tamil Nadu stood out with a 3.7% QoQ increase in portfolio outstanding, coupled with an improvement in PAR 31–180

Regional GLP and Performance Trends

Rank	State	GLP (₹ K Cr) Sep-26	Y-o-Y Growth %	Q-o-Q Growth %	Active loans (Cr) Sep-26	Y-o-Y Growth %	Q-o-Q Growth %	PAR 31-180 Sep-25	PAR 31-180 Jun-26	PAR 31-180 Sep-26
1	Bihar (-)	51.1	*-1.7%*	*-4.2%*	1.4	*-22.7%*	*-9.3%*	4.8%	1.3%	1.2% ▼
2	Tamil Nadu (+1) ▲	40.3	*-2.9%*	*3.7%*	1.1	*-16.6%*	*-0.4%*	4.3%	1.5%	1.4% ▼
3	Uttar Pradesh (-1) ▼	39.3	*3.0%*	*-1.9%*	1.1	*-15.2%*	*-5.8%*	4.7%	1.6%	1.6% ↔
4	Karnataka (-)	29.0	*-6.2%*	*-0.8%*	0.8	*-26.3%*	*-7.6%*	7.4%	1.3%	1.2% ▼
5	West Bengal (-)	27.0	*-22.5%*	*-4.4%*	0.8	*-29.9%*	*-9.8%*	3.2%	2.0%	2.0% ↔
6	Maharashtra (-)	23.5	*-10.3%*	*-4.7%*	0.7	*-24.5%*	*-9.9%*	4.7%	1.4%	1.5% ▲
7	Madhya Pradesh (-)	19.7	*0.0%*	*-0.6%*	0.6	*-14.8%*	*-3.4%*	4.9%	1.9%	2.0% ▲
8	Odisha (-)	16.6	*-6.5%*	*-6.0%*	0.5	*-27.8%*	*-13.4%*	4.5%	0.9%	0.9% ↔
9	Rajasthan (-)	13.2	*0.1%*	*-1.2%*	0.4	*-17.9%*	*-5.7%*	4.7%	1.8%	1.9% ▲
10	Jharkhand (-)	10.4	*1.4%*	*-6.2%*	0.3	*-19.4%*	*-10.8%*	4.1%	1.2%	1.3% ▲
	Pan India	**328.4**	***-5.0%***	***-1.4%***	**9.6**	***-22.4%***	***-6.5%***	**4.6%**	**1.6%**	**1.6%** ↔

Slight increase in PAR 31-180 in MH, MP, JH, and RJ

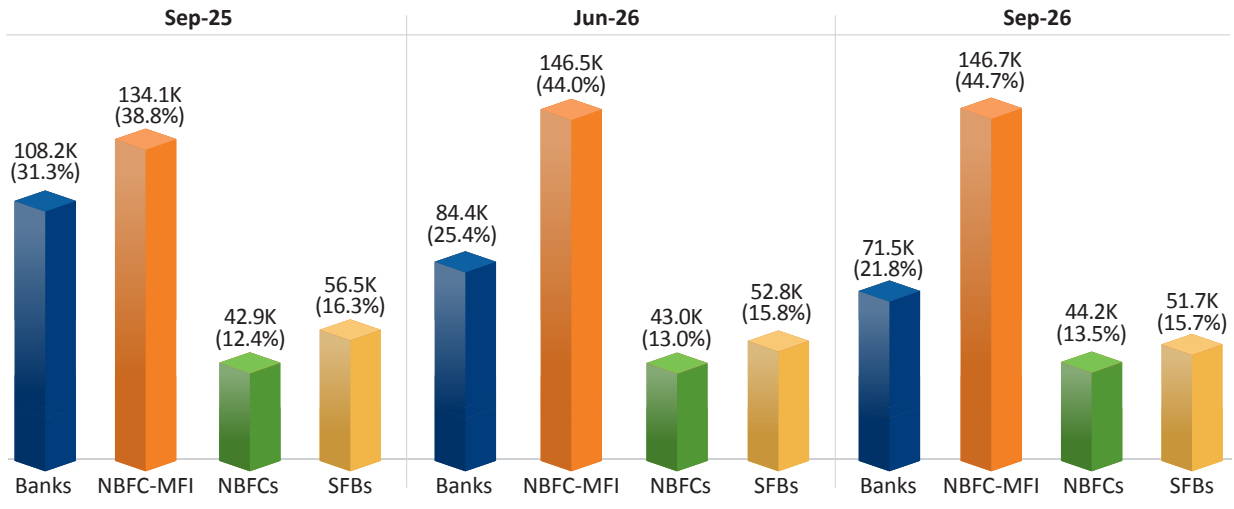
The top 10 states constitute 82.3% of the GLP.

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

Lender dynamics

NBFC-MFIs and NBFCs remain the key growth drivers of the microfinance loan portfolio, while banks continue to witness a decline- partly also due to the continuing portfolio recalibration

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



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

Lender Type (Sep-26) POS	Banks	NBFC-MFIs	NBFCs	SFBs	Total
Q-o-Q GLP Growth	-15.2%	0.2%	2.4%	-2.0%	-1.4%
Y-o-Y GLP Growth	-33.9%	9.4%	2.9%	-8.5%	-5.0%

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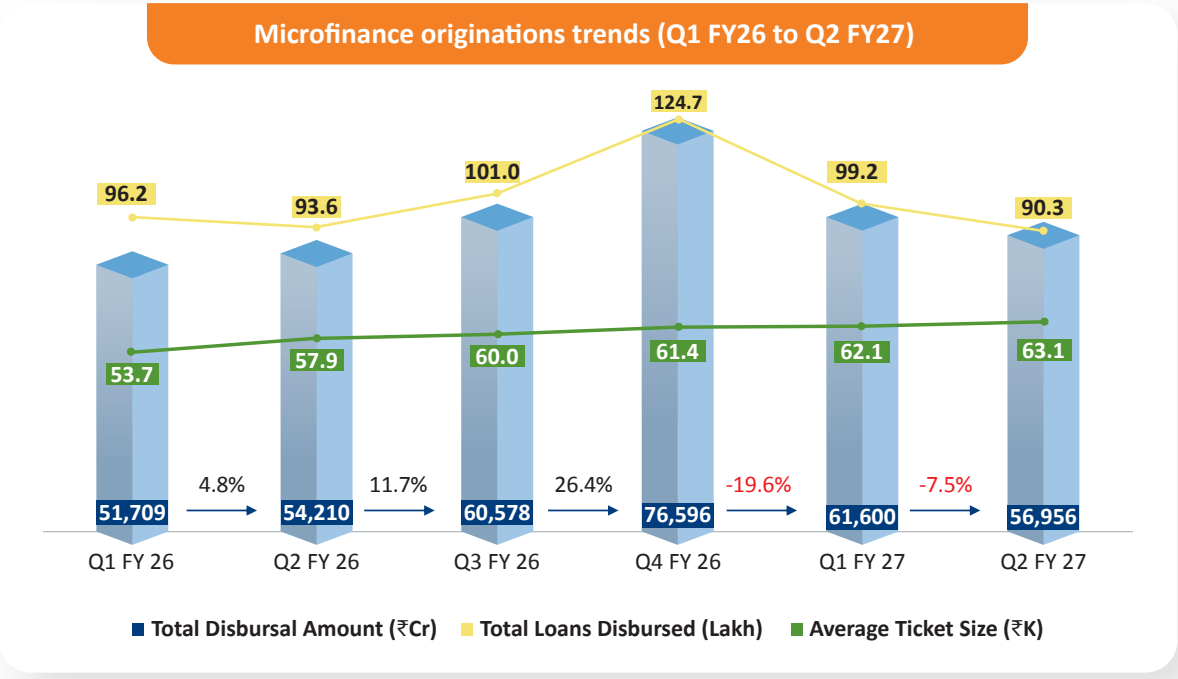
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ORIGINATIONS DYNAMICS



Overall originations - quarterly trends

Despite a transient 7.5% QoQ moderation to ₹56.9K crore in Q2 FY27, loan disbursements grew 5.1% YoY, driven primarily by expanding average ticket sizes

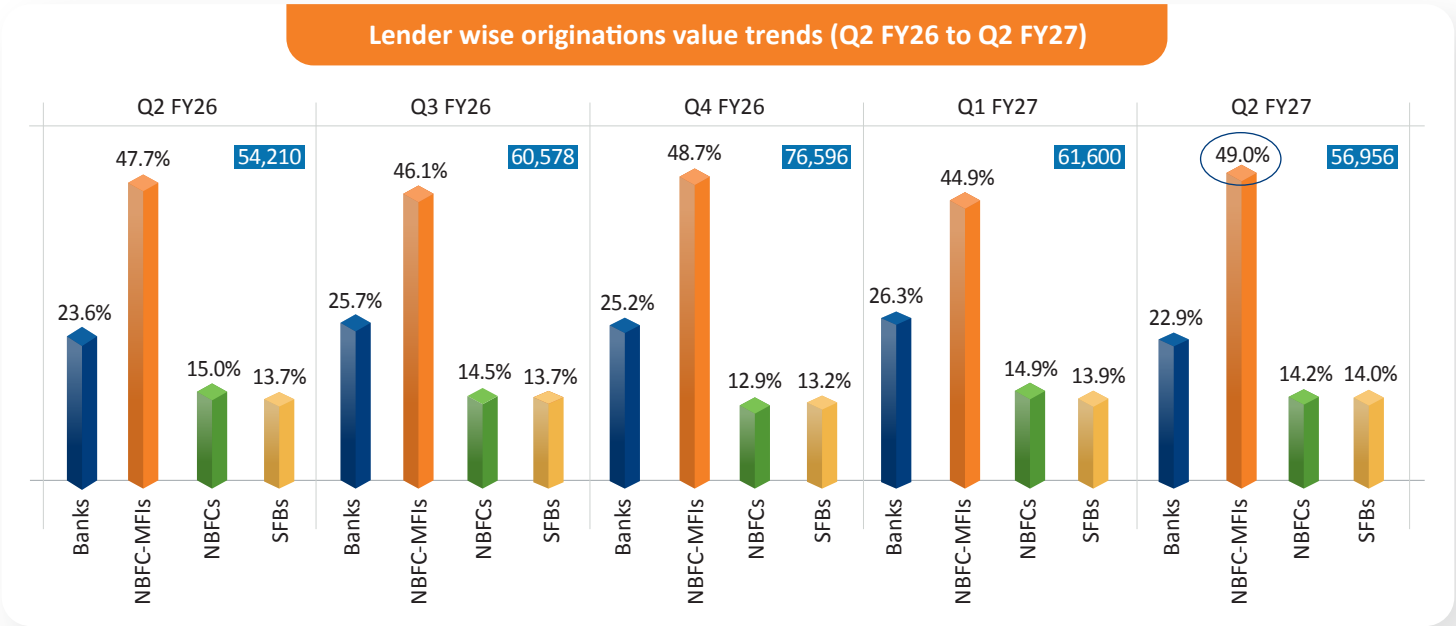


Average MFI ticket size rose further to ₹63K in Q2 FY27, up 1.6% QoQ and 17.5% YoY reflecting a sustained focus on existing borrowers

New To Credit (NTC) trends	19.7%	*Share of loans in Q2 FY27 that were extended to first-time borrowers*
	16.5%	*Share of total sanctioned amount in Q2 FY27 that were extended to first-time borrowers*

Originations by lender type

NBFC-MFIs accounted for nearly half of origination value. All lender types recorded YoY growth in disbursements, led by NBFC-MFIs with an 8.9% increase. On a QoQ basis, however, disbursements declined across all lender types except NBFC-MFIs



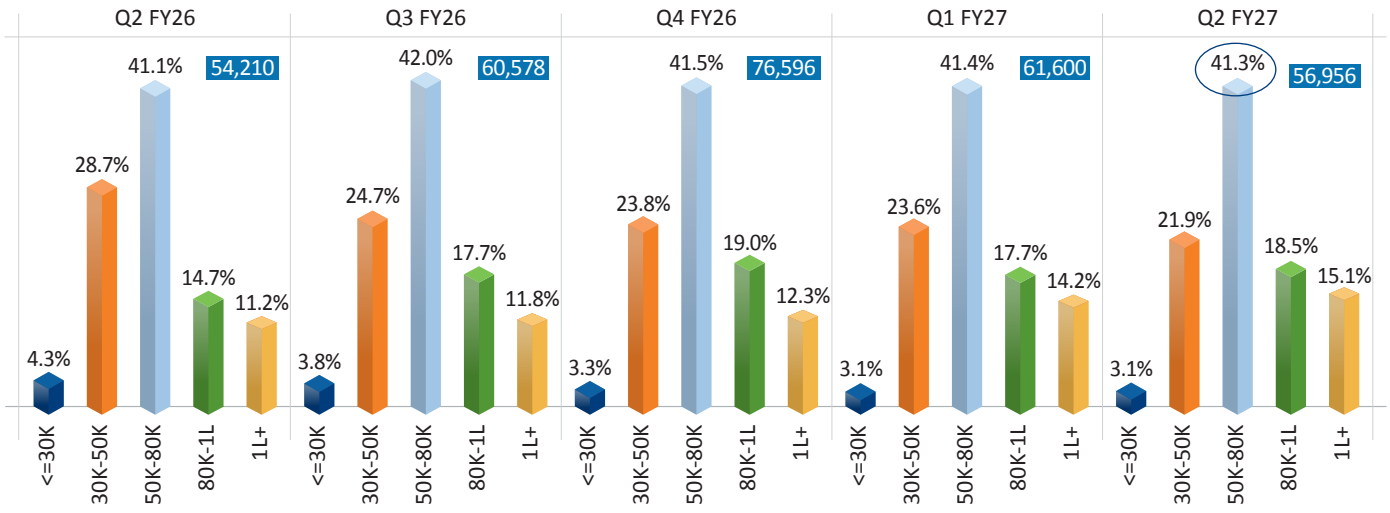
The Quarter (Q) indicates the loan Origination Periods and (%) indicates the market share by lender type.

Lender Type (Q2 FY27)	Banks	NBFC-MFIs	NBFCs	SFBs	Total
Q-o-Q Growth (Disbursement value)	-19.8%	0.6%	-12.6%	-7.3%	-7.5%
Y-o-Y Growth (Disbursement value)	2.7%	8.9%	0.1%	8.1%	5.1%

Ticket size trends

Loans in the ₹50K–₹80K segment accounted for ~41% of origination value. Meanwhile, the share of ₹80K–₹1L and ₹1L+ loans expanded from 14.7% to 18.5% and from 11.2% to 15.1%, respectively YoY

Ticket size wise originations value trends (Q2 FY26 to Q2 FY27)



*In Q2 FY27, 73.5% of originations above ₹1L were **extended to existing borrowers with the same lender**, reflecting sustained originations from repeat borrowers and portfolio upscaling*

Ticket Size (Q2 FY27)	<=30K	30K-50K	50K-80K	80K-1L	1L+	Total
Q-o-Q Growth (Disbursement value)	-5.2%	-14.2%	-7.6%	-3.2%	-2.0%	-7.5%
Y-o-Y Growth (Disbursement value)	-23.8%	-19.7%	5.7%	32.5%	41.3%	5.1%

Ticket size trends by states

Most states reported an increase in ticket sizes within the ₹80K and above segment. Tamil Nadu, in particular, registered a notable ~7pp rise in the share of ₹1L+ loans

Regional Originations Value Trends (by Ticket Size Share) – Each state's origination value is distributed across ticket sizes.

		<=30K		30K-50K		50K-80K		80K-1L		1L+	
Rank	State	Q2 FY26	Q2 FY27	Q2 FY26	Q2 FY27	Q2 FY26	Q2 FY27	Q2 FY26	Q2 FY27	Q2 FY26	Q2 FY27
1	Bihar	2.5%	2.3%	23.2%	17.9%	46.0%	44.8%	15.8%	18.6%	12.5%	16.4%
2	Tamil Nadu	2.9%	2.0%	20.0%	14.2%	32.1%	33.7%	21.0%	19.7%	**23.9%**	**30.4%**
3	Uttar Pradesh	4.6%	2.8%	33.4%	25.9%	43.6%	42.6%	15.4%	21.8%	2.9%	6.9%
4	Karnataka	4.3%	3.6%	22.1%	20.0%	37.9%	37.0%	15.2%	17.6%	20.5%	21.9%
5	West Bengal	6.9%	4.9%	29.9%	23.8%	35.6%	38.2%	15.6%	20.1%	12.0%	13.0%
6	Maharashtra	5.6%	3.8%	31.2%	27.2%	41.2%	39.9%	12.0%	16.0%	10.0%	13.1%
7	Madhya Pradesh	5.9%	4.4%	36.1%	28.3%	43.1%	44.6%	10.5%	14.7%	4.4%	8.0%
8	Odisha	5.3%	3.8%	31.9%	23.8%	45.1%	41.7%	13.5%	18.9%	4.1%	11.7%
9	Rajasthan	2.7%	2.0%	29.0%	22.7%	49.6%	47.5%	14.5%	18.9%	4.2%	8.9%
10	Jharkhand	5.9%	4.2%	33.6%	25.9%	45.1%	41.7%	12.6%	19.9%	2.8%	8.4%
	Grand Total	**4.3%**	**3.1%**	**28.7%**	**21.9%**	**41.1%**	**41.3%**	**14.7%**	**18.5%**	**11.2%**	**15.1%**

States showing increase in ATS

The Top 10 states together accounted for 82.5% of origination value in Q2 FY27.

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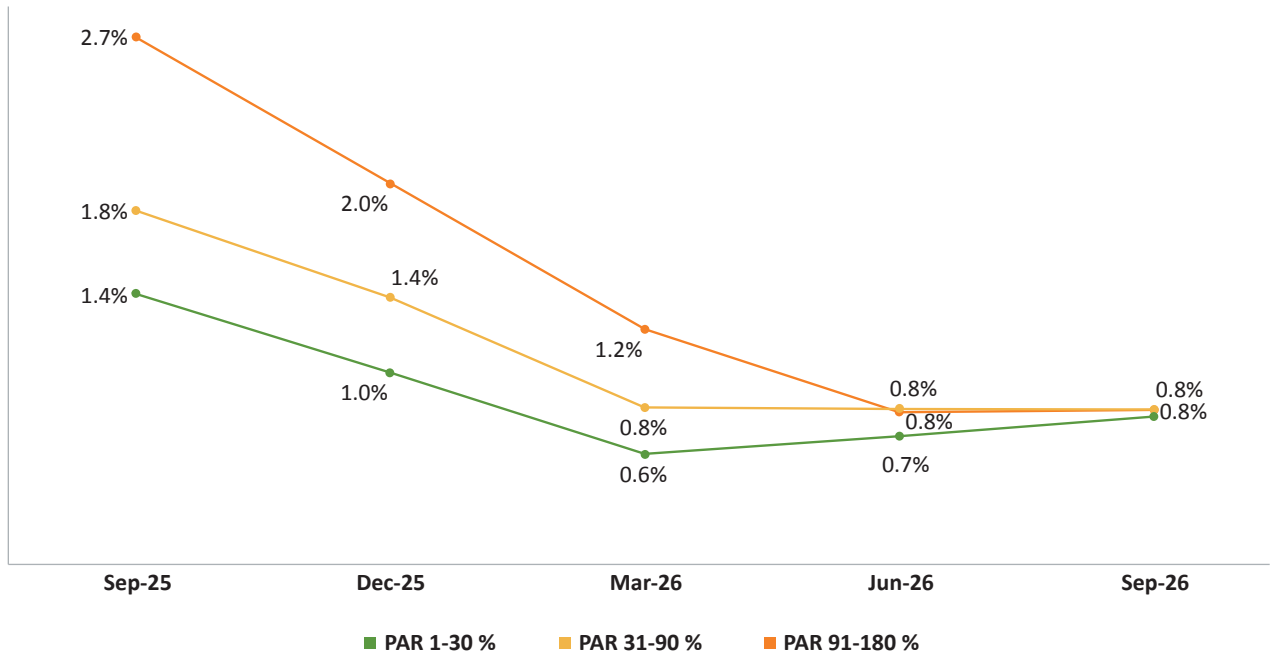
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PORTFOLIO PERFORMANCE



Performance dynamics

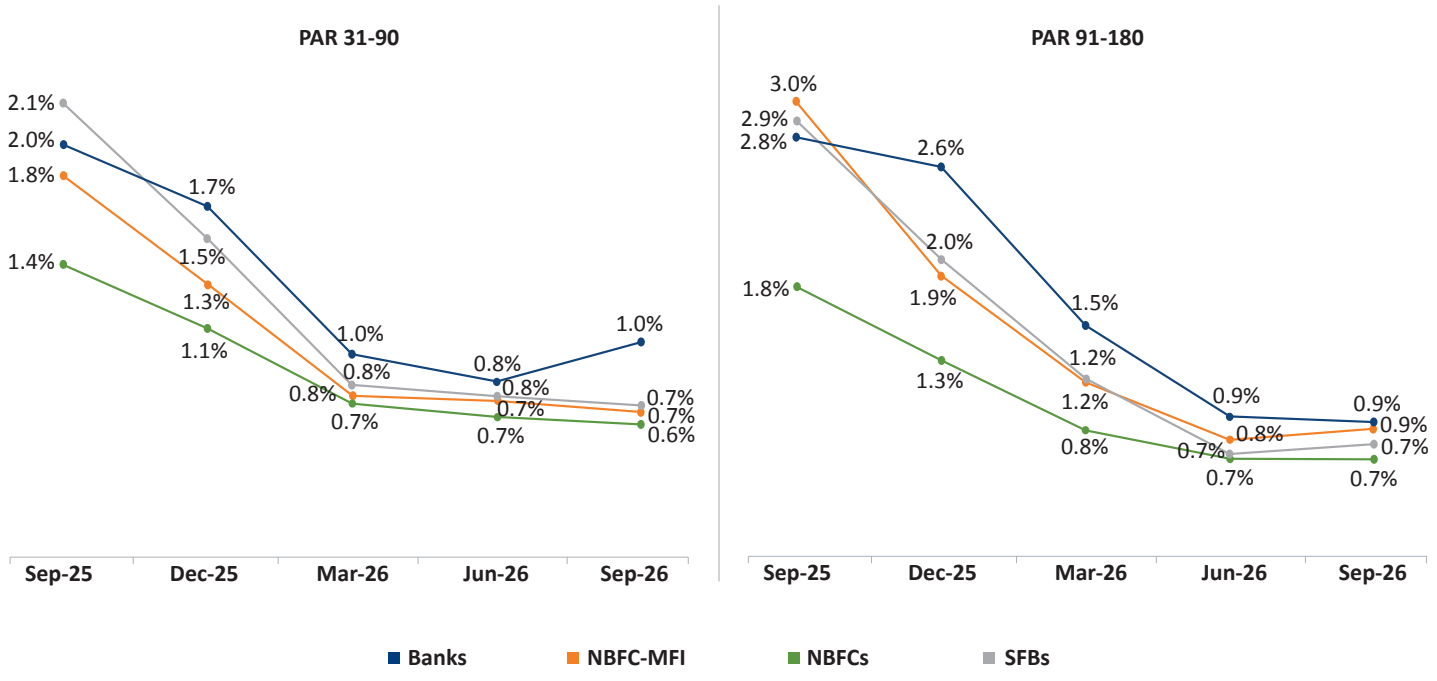
Overall microfinance loan delinquency remained stable as of Sep-26, with levels contained below 1%



Lender type performance

Except for a slight uptick in the early-stage bucket for banks, overall critical delinquency remained steady across lender types despite moderation in aggregated portfolio outstanding

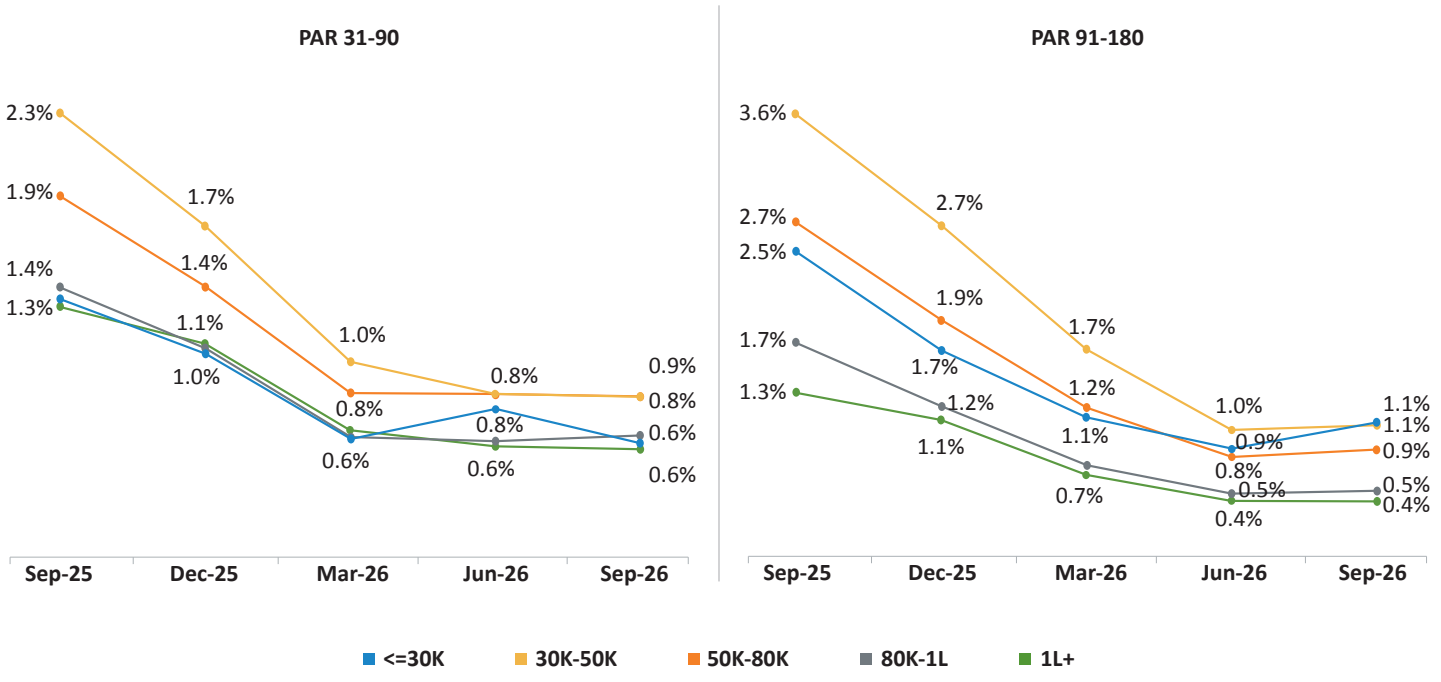
Delinquency by lender type



Performance by ticket size

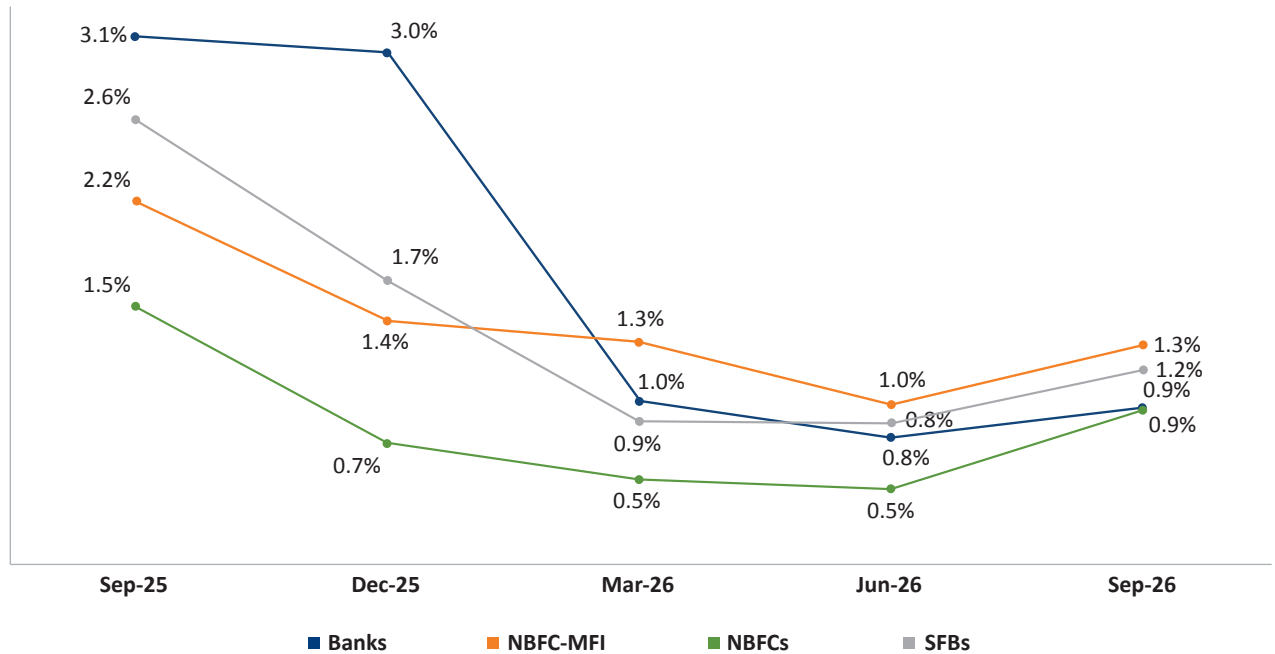
Ticket sizes above ₹80K continue to anchor the lower delinquency levels in the industry

Delinquency by ticket size



Static delinquency

7-9 MOB PAR 30+ has slightly increased between Jun-26 and Sep-26 across lender types which needs to be monitored closely



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BORROWER ANALYSIS



Trended borrower analysis - basis lender association

Driven by regulatory guardrails, borrowers with ≤2 active lenders constitute the majority of the portfolio and demonstrate stronger performance. Granular risk segmentation can be identified through borrower profile trends

Active Lender Associations	Portfolio O/S (₹ Cr)					
	Sep-25	POS % share (for Sep-25)	Jun-26	POS % share (for Jun-26)	Sep-26	POS % share (for Sep-26)
<=2	2,59,916	*75.2%*	269,294	*80.9%*	2,66,592	*81.2%*
3	55,193	*16.0%*	48,982	*14.7%*	47,705	*14.5%*
4	19,791	*5.7%*	11,000	*3.3%*	10,582	*3.2%*
>=5	10,703	*3.1%*	3,711	*1.1%*	3,480	*1.1%*
Industry	**3,45,603**	***100.0%***	**332,986**	***100.0%***	**3,28,359**	***100.0%***

PAR 31-180			
Active Lender Association	Sep-25	Jun-26	Sep-26
<=2	**4.2%**	**1.9%**	**1.9%**
3	**8.9%**	**4.1%**	**4.1%**
>3	**19.0%**	**7.5%**	**6.6%**

Trended borrower analysis - basis exposure data

While contributions to POS vary across borrower credit exposure segments, PAR 31–180 remains broadly similar-indicating consistent repayment behavior. Exposures above ₹1.5 lakh reflect slightly higher risk

Borrower level credit Exposure	Portfolio O/S (₹ Cr)					
	Sep-25	POS % share (for Sep-25)	Jun-26	POS % share (for Jun-26)	Sep-26	POS % share (for Sep-26)
0-30K	45,874	*13.3%*	34,517	*10.4%*	32,114	*9.8%*
30K-60K	92,094	*26.6%*	83,488	*25.1%*	80,411	*24.5%*
60K-1L	98,790	*28.6%*	93,687	*28.1%*	90,586	*27.6%*
1L-1.5L	73,429	*21.2%*	75,806	*22.8%*	76,188	*23.2%*
1.5L-2L	27,327	*7.9%*	35,622	*10.7%*	36,311	*11.1%*
> 2L	8,089	*2.3%*	9,865	*3.0%*	12,749	*3.9%*

PAR 31-180			
Borrower Credit Exposure	Sep-25	Jun-26	Sep-26
<=₹60K	5.3%	2.6%	2.4%
₹60K-₹1.5L	6.8%	2.4%	2.3%
>1.5L	7.5%	2.6%	2.8%

Glossary and End Notes

GLP	ATS	PAR	DPD	Y-o-Y	Q-o-Q	M-o-M	Q2 FY26	Q1 FY27	Q2 FY27
Gross Loan Portfolio	**Average Ticket Size**	**Portfolio at Risk**	**Days Past Due**	**Year on Year**	**Quarter on Quarter**	**Month on Month**	**Second Quarter of the Financial Year 2025-26**	**First Quarter of the Financial Year 2026-27**	**Second 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 Sep 2026 compared to Sep 2025	Quarterly comparison for change, example Sep 2026 compared to Jun 2026	Monthly comparison for change, example Sep 2026 compared to Aug 2026	Jul-Aug-Sep'2025	Apr-May-Jun'2026	Jul-Aug-Sep'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 Sep'26 as received by the bureau.

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About MicroLend

MicroLend is a quarterly publication from CRIF Credit Information Services Private Limited 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.

Analytical Contacts

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CRIF Credit Information Services - 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.

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