

MICROFINANCE PULSE REPORT

VOL XV - February 2023



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Executive Summary

15th edition of MFI Pulse report is based on the data submitted to the bureau for the period up to 30th September 2022.

Portfolio outstanding of microfinance industry as on 30th September 2022 is ₹271,350 crore with 1,054 lakh active loans and 6 crore active unique borrowers across lenders. NBFC-MFIs contributes highest towards portfolio outstanding. Microfinance industry grew by 20% from September 2021 to September 2022 and witnessed Q-o-Q growth of 2% from June 2022 to September 2022. NBFCs witnessed highest Y-o-Y growth of 59% from September 2021 to September 2022.

Disbursements by value witnessed annual growth of 11% and declined by 2% in terms of volume from JAS'21 to JAS'22. Not for Profit MFIs witnessed highest growth of 122% in terms of disbursement amount and in terms of loan disbursal NBFCs are leading by 63% from JAS'21 to JAS'22. Highest number of loans are issued under 30k-40k ticket size category and it witnessed annual growth of 13% from JAS'21 to JAS'22.

All the delinquency buckets have declined in September 2022 compared to September 2021. Except 90-179 days past due category all other delinquency buckets have decreased in September 2022 from June 2022.

Portfolio outstanding as on 30th September 2022 for Aspirational Districts is ₹38,682 crore and it grew by 29% from September 2021 to September 2022. Loans worth ₹43,122 crore were disbursed in Aspirational Districts from October 2021 to September 2022.

In this edition we have covered performance of top 10 districts of MFI industry. For Madhubani district portfolio outstanding grew by 60% from September 2021 to September 2022.

Abbreviations & Glossary

- ATS (Average Ticket Size) = Disbursed Amount / Number of Loans
- DPD = Days Past Due
- Live POS or Borrowers or Active loans = 0 to 179 DPD + New Accounts + Current Accounts
- MFI = Microfinance Institution
- POS = Portfolio Outstanding
- UT = Union Territory
- Aspirational Districts (AD) – Districts (currently 117 in no.) identified by NITI Aayog, GoI, in January 2018, for improvement to enhance Human Development Index, in turn, based on composite indicators like Health & Nutrition, Education, Agriculture & Water Resources, Financial Inclusion, Skill Development and Basic Infrastructure
- 1-179 = 1 to 179 DPD/ Live POS
- 1-29 = 1 to 29 DPD/ Live POS
- 30-59 = 30 to 59 DPD/ Live POS
- 60-89 = 60 to 89 DPD/ Live POS
- 90-179 = 90 to 179 DPD/ Live POS
- 30+ Delinquency = 30-179 DPD/ Live POS
- 90+ Delinquency = 90-179 DPD/ Live POS
- JAS'21 = July 2021 to September 2021
- OND'21 = October 2021 to December 2021
- JFM'22 = January 2022 to March 2022
- AMJ'22 = April 2022 to June 2022
- JAS'22 = July 2021 to September 2022

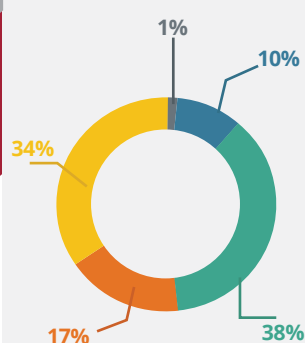


MICROFINANCE INDUSTRY OVERVIEW

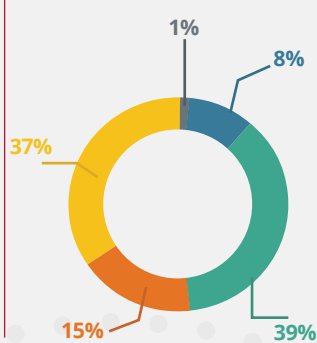
Microfinance Industry Snapshot – as on 30th September 2022

Snapshot as on 30 th September 2022	Banks	SFBs	NBFC-MFIs	NBFCs	Not for Profit MFIs	Total Industry
Unique Live Borrowers ('000)	26,983	13,483	29,753	7,595	1,041	78,855
Active Loans ('000)	38,649	16,137	40,952	8,345	1,315	105,398
Portfolio (₹crore)	98,001	45,046	102,129	23,175	2,999	271,350
Disbursed Amount (₹ crore) – JAS' 22	28,278	10,330	29,266	6,521	1,260	75,655
Average Ticket Size (₹) – JAS' 22	37,484	44,643	39,744	43,539	47,676	39,853
30+ Delinquency (POS)	8.39%	4.38%	2.75%	1.36%	2.31%	4.94%
90+ Delinquency (POS)	3.89%	1.76%	1.37%	0.56%	0.80%	2.27%

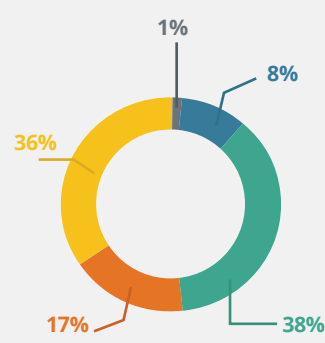
Unique Live Borrowers ('000)



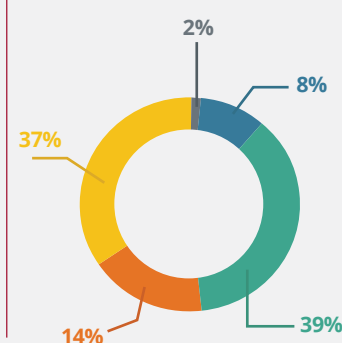
Active Loans ('000)



Portfolio (₹crore)



Disbursed Amount (₹crore) - JAS' 22



■ Banks ■ SFBs ■ NBFC-MFIs ■ NBFCs ■ Not for Profit MFIs



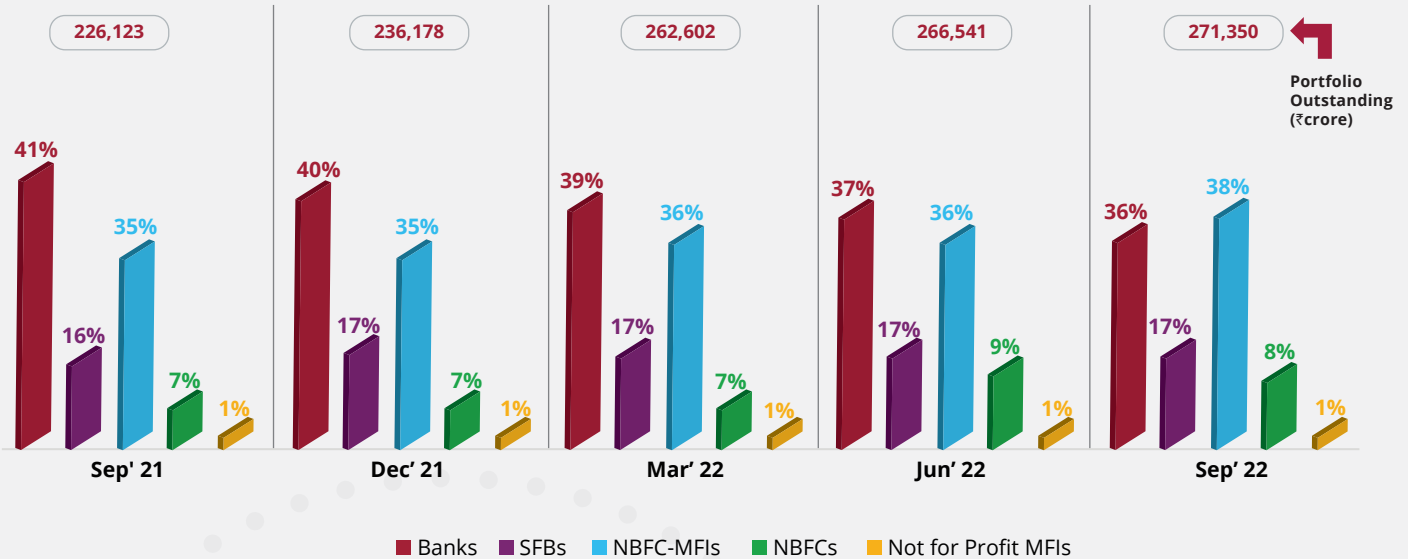
- ◆ Book size of MFI Industry as on 30th September 2022 is ₹ 271,350 crore
- ◆ NBFC-MFIs have the highest market share of 38% in portfolio outstanding
- ◆ Banks, NBFC-MFIs & SFBs contributes 90% towards portfolio outstanding and 90% towards disbursement amount in JAS' 22 quarter
- ◆ Average ticket size of SFBs, NBFCs and Not for profit MFIs is higher than the industry ticket size
- ◆ Except for Banks, 30+ and 90+ delinquency of all the lender categories is lower than the overall industry delinquency

Microfinance Industry Overview

Portfolio Outstanding (₹ crore)

Particulars	Sep' 21	Dec' 21	Mar 22	Jun' 22	Sep' 22	Y-o-Y growth%
Banks	92,725	93,841	102,032	98,445	98,001	6%
SFBs	36,863	39,675	44,134	44,810	45,046	22%
NBFC-MFIs	79,932	84,065	94,481	95,671	102,129	28%
NBFCs	14,621	16,337	19,155	25,232	23,175	59%
Not for Profit MFIs	1,982	2,260	2,800	2,383	2,999	51%
Total Industry	226,123	236,178	262,602	266,541	271,350	20%
Q-o-Q growth rate % (Industry)		4%	11%	1%	2%	

Market Share Trends by Lender type



◆ Microfinance industry grew by 20% from September 2021 to September 2022 and witnessed Q-o-Q growth of 2% from June 2022 to September 2022

★ ◆ NBFCs witnessed highest Y-o-Y growth of 59% from September 2021 to September 2022

◆ Not for Profit MFIs showed highest Q-o-Q growth of 26% from June 2022 to September 2022 followed by NBFC-MFIs with the growth rate of 7% for the same period

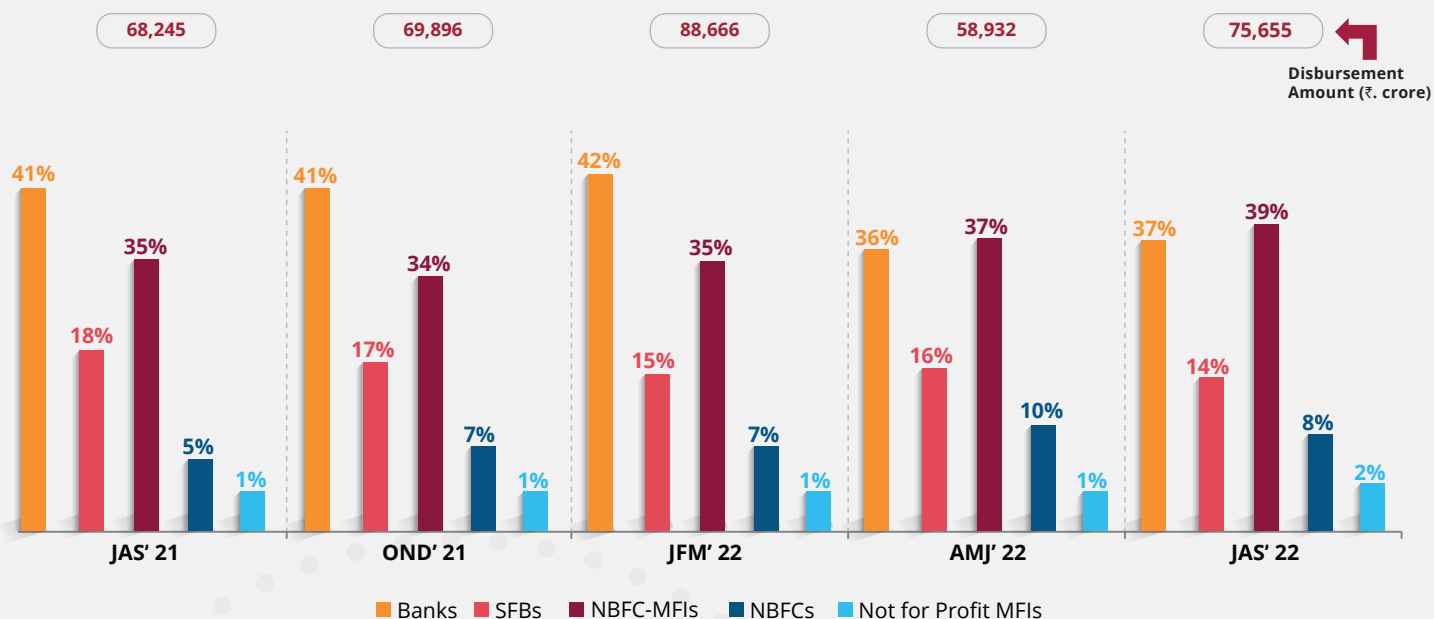


DISBURSEMENT TRENDS

Disbursement Trends – Institution wise

Lender Type	No. of Loans Disbursed (in lakh)				
	JAS'21	OND'21	JFM' 22	AMJ' 22	JAS' 22
Banks	79	70	94	56	75
SFBs	36	29	30	22	23
NBFC-MFIs	68	66	81	57	74
NBFCs	9	12	15	13	15
Not for Profit MFIs	2	3	4	1	3
Total Industry	194	180	224	149	190

Disbursement Lenders Market Share Trends



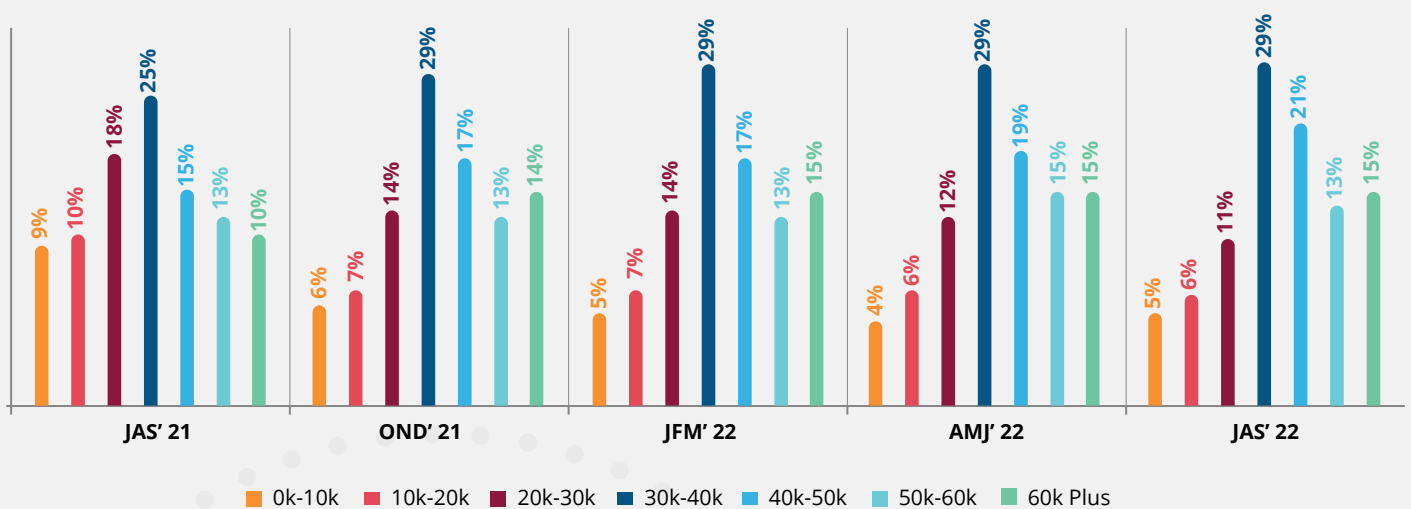
- ◆ Disbursements by value witnessed annual growth of 11% from JAS'21 to JAS'22
- ◆ NBFCs witnessed Y-o-Y growth of 81% in terms of value from JAS'21 to JAS' 22

Industry Ticket Size Trends

No. of Loans Disbursed (in lakh)

Ticket Size	JAS' 21	OND' 21	JFM' 22	AMJ' 22	JAS' 22	Y-o-Y growth rate %
0K-10K	18	10	11	7	10	-44%
10K-20K	20	13	16	8	12	-40%
20K-30K	34	26	31	18	20	-41%
30K-40K	48	51	64	44	54	13%
40K-50K	30	31	39	28	40	33%
50K-60K	25	24	30	22	25	0%
60K Plus	19	25	33	22	29	53%
Total	194	180	224	149	190	-2%
Q-o-Q loan disbursal growth rate %	-	-7%	24%	-33%	28%	-
All India ATS (₹)	35,097	38,918	39,685	39,499	39,853	-
Q-o-Q ATS growth rate %	-	11%	2%	-0.5%	1%	-

Ticket Size Market Share Trend



- ◆ Highest number of loans are issued under 30k-40k ticket size category in JAS'22 witnessing an annual growth of 13% from JAS' 21 to JAS' 22
- ◆ ATS increased by 14% from JAS'21 to JAS'22
- ◆ Highest Y-o-Y growth of 53% in number of loans disbursed is seen in 60k plus category of ticket size

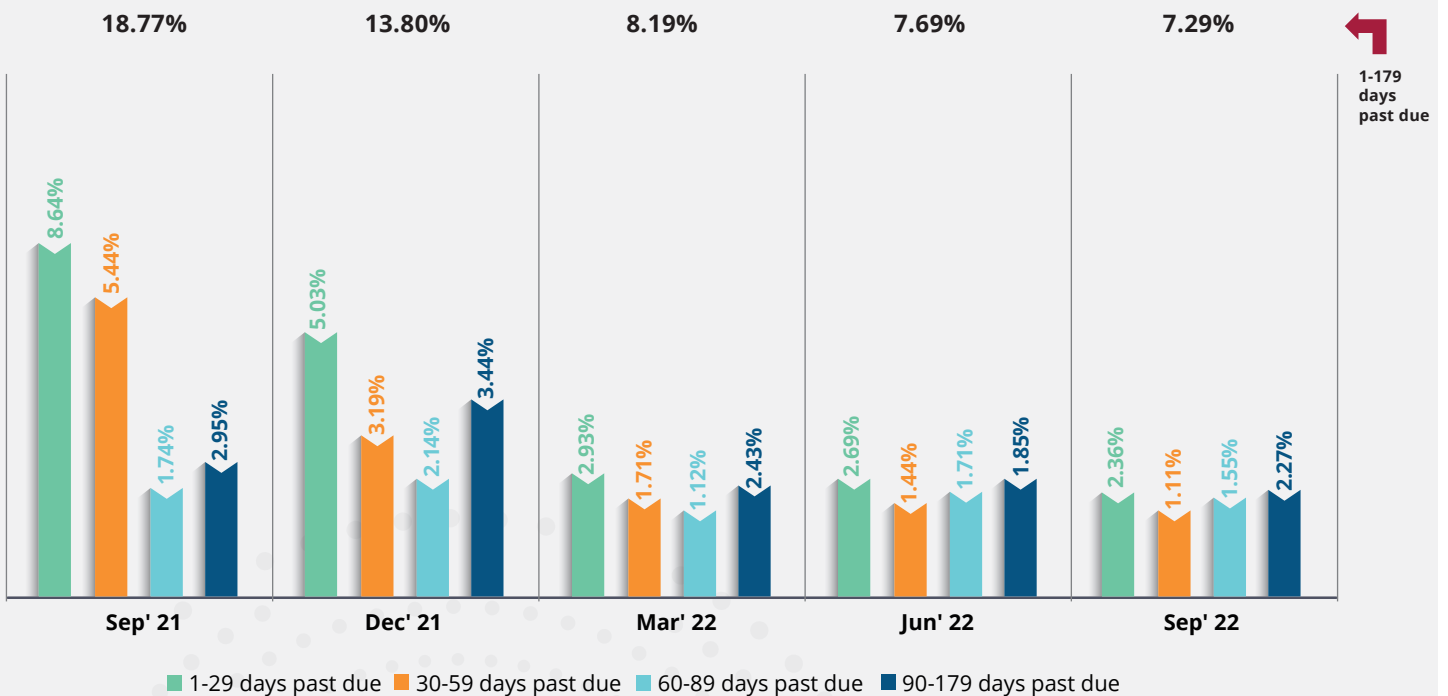


INDUSTRY RISK PROFILE

Delinquency Trends

Delinquency by Days Past Due

Reporting Quarter	1-29 days past due	30-59 days past due	60-89 days past due	90-179 days past due	1-179 days past due
Sep' 21	8.64%	5.44%	1.74%	2.95%	18.77%
Dec' 21	5.03%	3.19%	2.14%	3.44%	13.80%
Mar' 22	2.93%	1.71%	1.12%	2.43%	8.19%
Jun' 22	2.69%	1.44%	1.71%	1.85%	7.69%
Sep' 22	2.36%	1.11%	1.55%	2.27%	7.29%



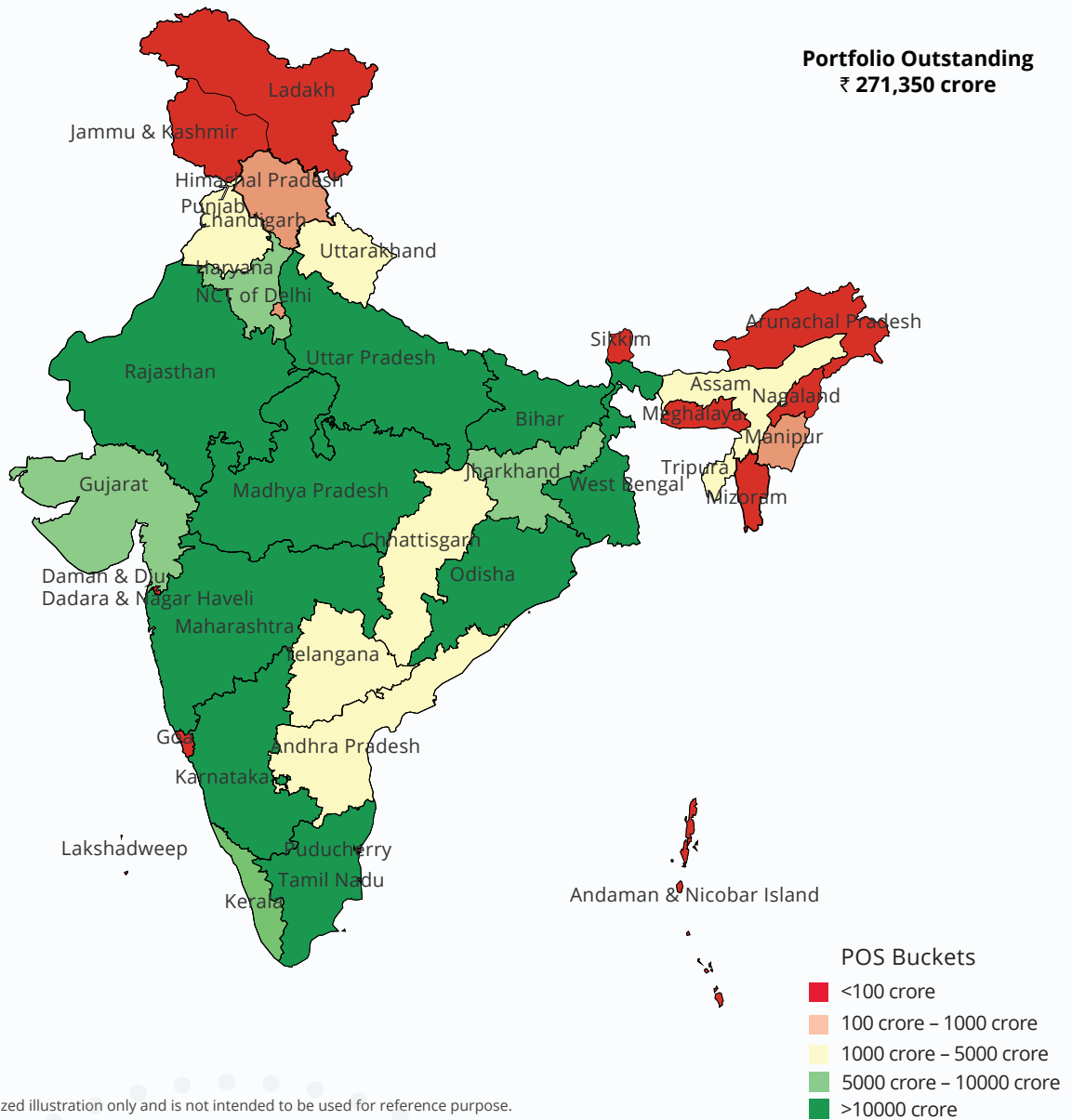
- ◆ 90+ Delinquency of all the buckets have declined in September 2022 compared to September 2021
- ◆ Except 90-179 days past due category, all other delinquency buckets have declined in September 2022 from June 2022
- ★ ◆ 90+ Delinquency dropped by 68bps in September 2022 compared to September 2021
- ◆ 90+ Delinquency got increased by 42bps in September 2022 compared to June 2022

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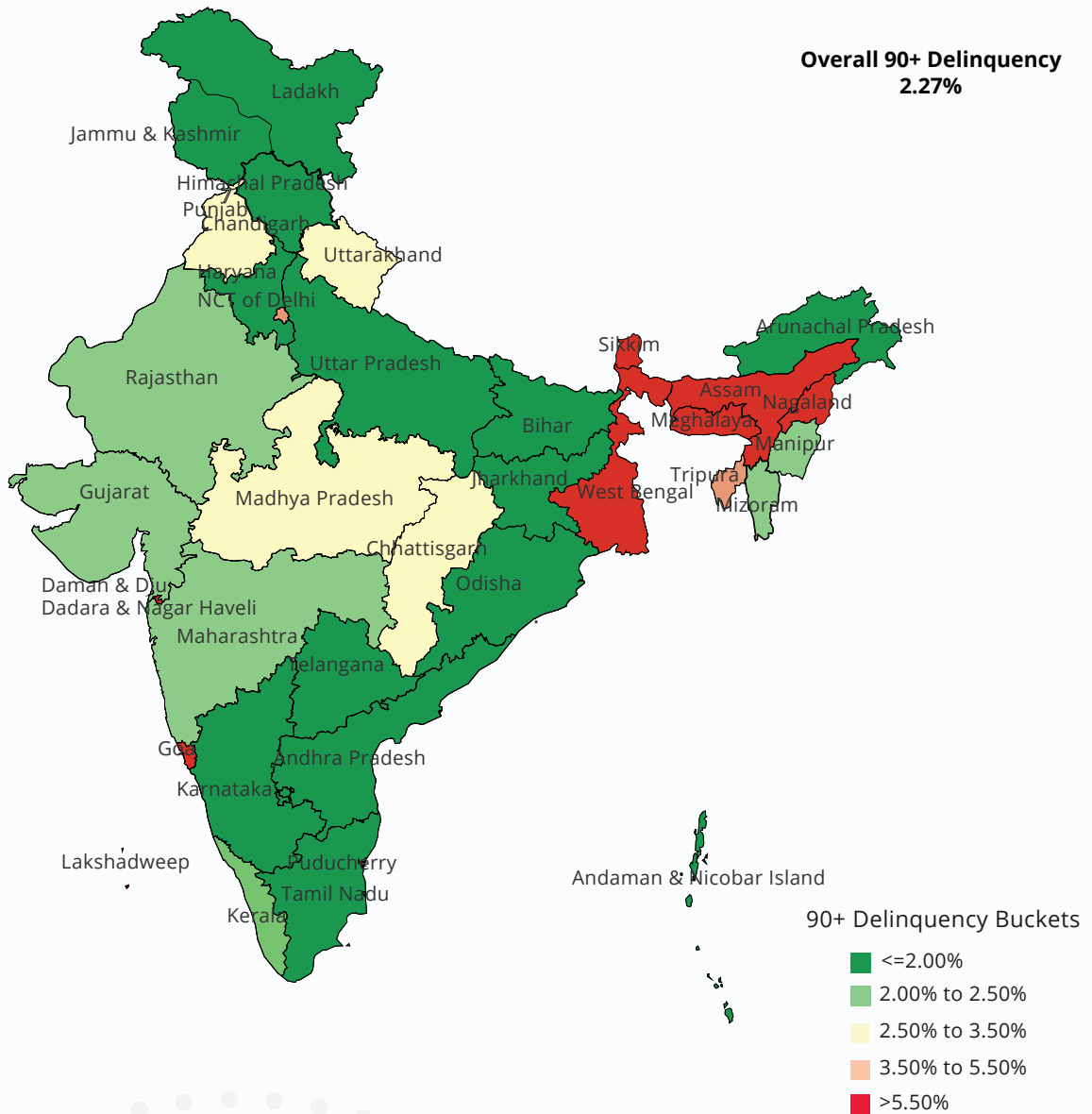
GEOGRAPHICAL EXPOSURE

State/UT wise Portfolio Outstanding as on 30th September 2022

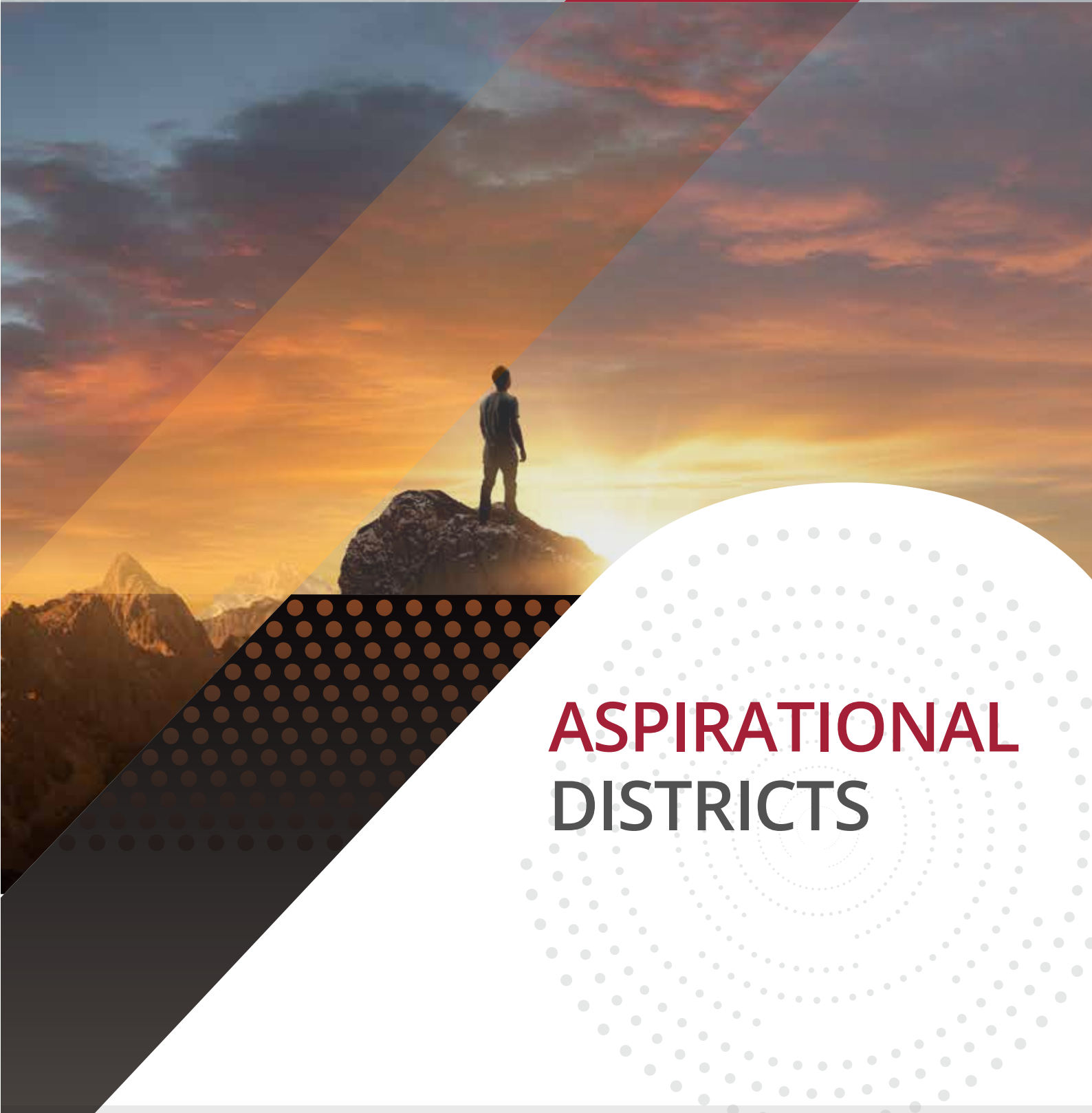


- ◆ Bihar is leading with portfolio outstanding ₹ 38,039 crore and contributes 14% towards the total portfolio outstanding
- ◆ As on 30th September 2022 Bihar, Tamil Nadu, West Bengal, Uttar Pradesh, Karnataka are top 5 states

State/UT wise 90+ Delinquency as on 30th September 2022



- ◆ 90+ Delinquency of top 5 states is as follows: Bihar-1.20%, Tamil Nadu-1.44%, West Bengal-5.31%, Uttar Pradesh-1.21%, Karnataka - 0.96%
- ◆ Except West Bengal, 90+ delinquency of other top states is lower than the industry 90+ delinquency



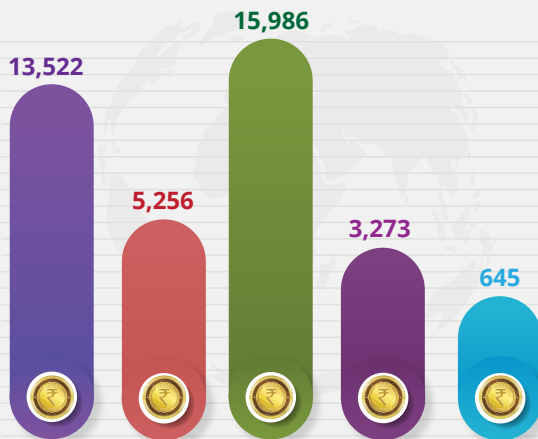
ASPIRATIONAL DISTRICTS

Aspirational Districts - September 2022 Overview

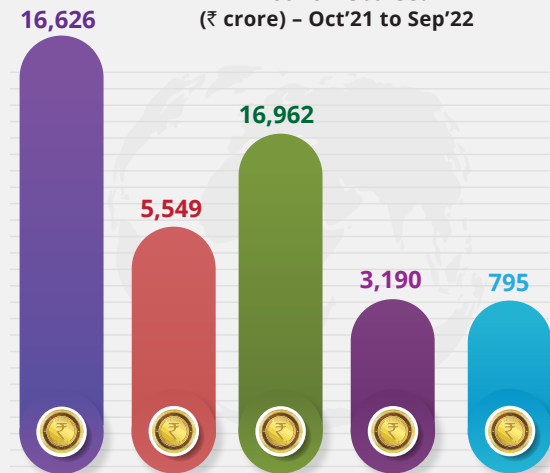
Aspirational Districts Growth Particulars	30th September 2021	30th September 2022	Growth %
Active Borrower Penetration ('000)	8,440	10,357	23%
Disbursement Amount (₹crore)	35,032*	43,122**	23%
Active Loans ('000)	13,203	15,487	17%
Portfolio Outstanding (₹crore)	29,975	38,682	29%
30+ Delinquency	7.47%	3.95%	-
90+ Delinquency	2.28%	1.88%	-

- ♦ Portfolio outstanding as on 30th September 2022 for Aspirational Districts is ₹ 38,682 crore and it grew by 29% from September 2021 to September 2022
- ♦ Active borrower penetration in Aspirational Districts increased by 23% from September 2021 to September 2022
- ♦ Loans worth ₹ 43,122 crore were disbursed in Aspirational Districts from October 2021 to September 2022
- ♦ 30+ Delinquency of Banks & SFBs is higher than the overall 30+ delinquency of Aspirational Districts and 90+ delinquency of Banks is higher than the overall 90+ delinquency of Aspirational Districts

Portfolio (₹ crore)

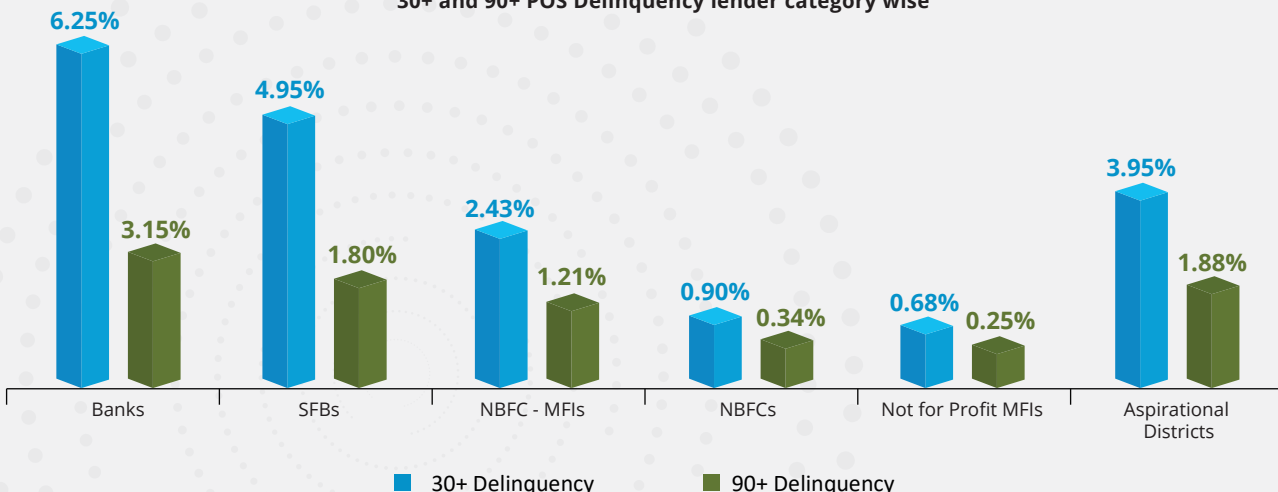


Amount Disbursed (₹ crore) - Oct'21 to Sep'22



Legend: Banks (Purple), SFBs (Red), NBFC - MFIs (Green), NBFCs (Dark Purple), Not for Profit MFIs (Blue)

30+ and 90+ POS Delinquency lender category wise



Legend: 30+ Delinquency (Blue), 90+ Delinquency (Green)



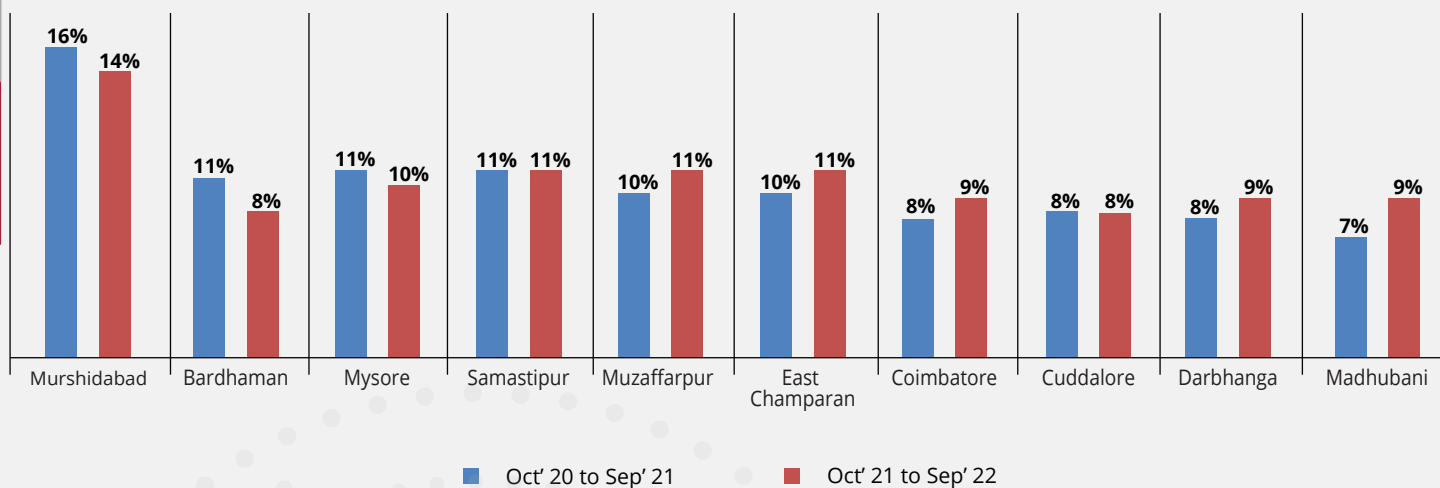
**PERFORMANCE OF
TOP 10 DISTRICTS**

Top 10 Districts – Disbursement Growth

Rank of Top 10 District basis Disbursement

Top 10 Districts	Oct' 20 to Sep' 21	Oct' 21 to Sep' 22	Y-o-Y growth in Disbursement
Murshidabad	1	1	3%
Bardhaman	2	10	-7%
Mysore	3	5	13%
Samastipur	4	3	32%
Muzaffarpur	5	2	44%
East Champaran	6	4	41%
Coimbatore	7	6	40%
Cuddalore	8	9	29%
Darbhanga	9	7	47%
Madhubani	10	8	49%

% Market Share



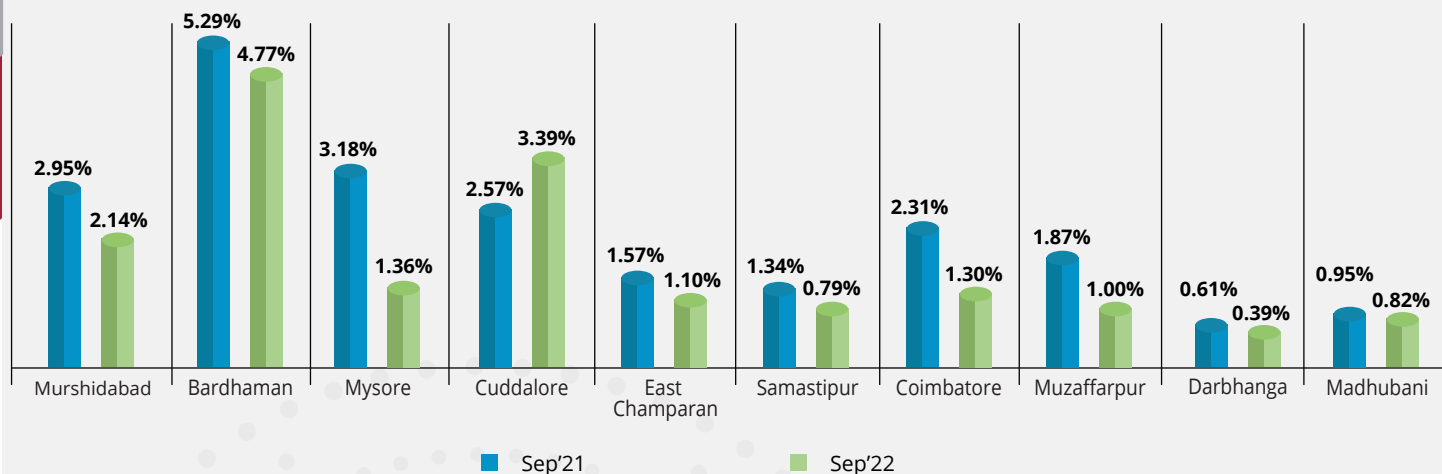
★ ♦ Madhubani district had highest growth of 49% in terms of disbursement during the period October 2021 to September 2022 over the period October 2020 to September 2021, followed by Darbhanga with 47% for the same period.

Top 10 Districts – Portfolio & 90+ delinquency Trends

Rank of Top 10 District basis Portfolio Outstanding

Top 10 Districts	Position as on Sep' 21	Position as on Sep' 22	Y-o-Y Growth Rate in Portfolio Outstanding
Murshidabad	1	1	7%
Bardhaman	2	10	-5%
Mysore	3	5	19%
Cuddalore	4	9	19%
East Champaran	5	4	41%
Samastipur	6	3	42%
Coimbatore	7	6	28%
Muzaffarpur	8	2	43%
Darbhanga	9	7	56%
Madhubani	10	8	60%

90+ Delinquency



- ★ Madhubani had highest Y-o-Y growth of 60% in terms of portfolio outstanding and also moved from 10th position to 8th position in September 2022
- 90+ Delinquency of all the top 10 district has declined, except Cuddalore from September 2021 to September 2022

About SIDBI

Small Industries Development Bank of India has been established under an Act of the Parliament in 1990. SIDBI is mandated to serve as the Principal Financial Institution for executing the triple agenda of promotion, financing and development of the Micro, Small and Medium Enterprises (MSME sector) and co-ordination of the functions of the various Institutions engaged in similar activities. Over the years, through its various financial and developmental measures, the Bank has touched the lives of people across various strata of the society, impacted enterprises over the entire MSME spectrum and engaged with many credible institutions in the MSME ecosystem.

Under Vision 2.0, SIDBI has spearheaded various Initiatives to address the Information Asymmetry in MSME sector like MSME Pulse, the health tracker of MSMEs and CriSidEx, for gauging the MSE sentiments & aspirations, Industry spotlight, a comprehensive report on industry Lenders and Fintech Pulse, for credit data insights on Fintech lending segment, apart from Microfinance Pulse.

SIDBI in Microfinance space

SIDBI has played a pioneering role in furthering the inclusive finance agenda through supporting the Microfinance movement. The cumulative assistance disbursed under SIDBI's microfinance initiatives upto March 31, 2022 aggregate to ₹23,460 crore benefitting around 4.83 crore poor clients. The debt and equity support to MFIs is well complemented by capacity building support to these institutions and imbibing the corporate governance culture by supporting Compliance Assessment Tools etc. Apart from handholding the Microfinance industry from fragile beginning to a full-fledged industry segment, culminating in the transition of 8 of our partner MFIs into SFBs/ Universal Banks. A path breaking initiative in Micro Lending is to make available small loans directly from SIDBI (through partnership arrangements), at interest rates which are substantially lower than the market rates. Under this initiative, titled Prayaas, the Bank has been extending small ticket size loans of ₹0.50 lakh to ₹5 lakh to Micro borrowers at bottom of the pyramid with interest rates comparatively lower than market rates under partnership model.

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