



MICROFINANCE PULSE REPORT

VOL XIV - November 2022

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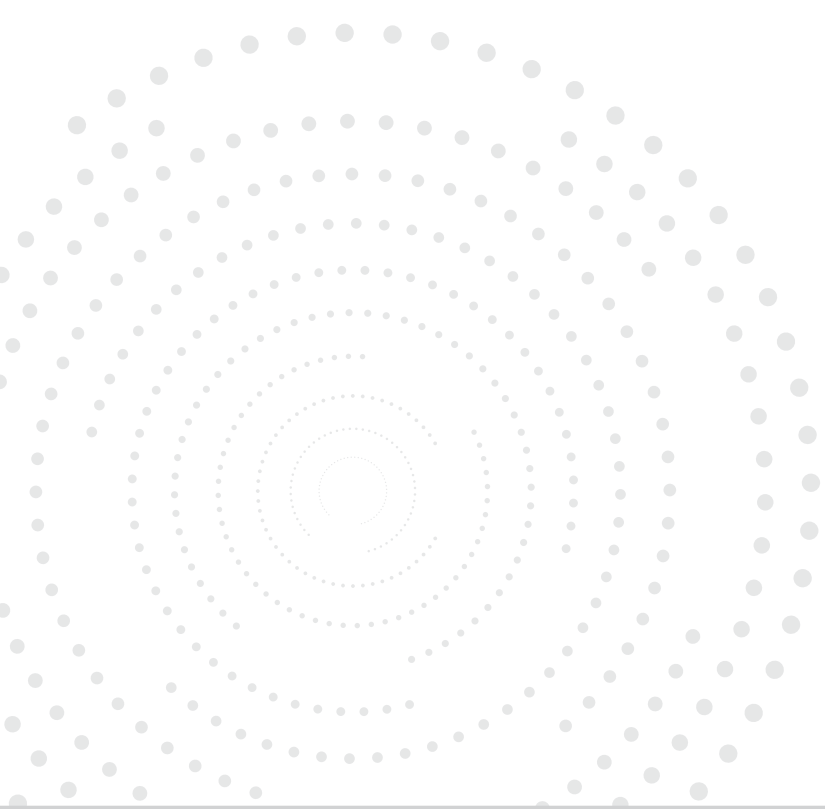
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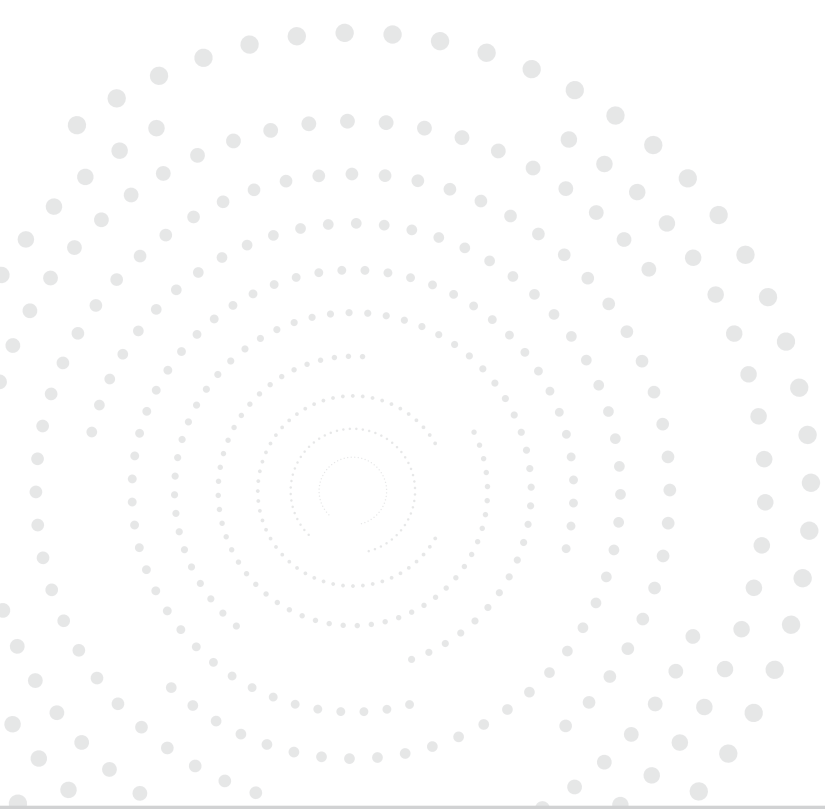
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Executive Summary

14th edition of MFI Pulse report is based on the data submitted to the bureau for the period up to 30th June 2022.

Portfolio outstanding of microfinance industry as on 30th June 2022 is Rs.266,541 crore with 1,041 lakh active loans and 5 crore active unique borrowers. Banks contributes highest towards portfolio outstanding. Banks, NBFC-MFIs & SFBs contributes 90% towards portfolio outstanding and 89% towards disbursement amount in AMJ' 22 quarter. Microfinance industry grew by 20% from June 2021 to June 2022 and witnessed Q-o-Q growth of 1% from March 2022 to June 2022. NBFCs witnessed highest Y-o-Y growth of 56% from June 2021 to June 2022.

Disbursements by value witnessed annual growth of 116% and 92% by volume from AMJ'21 to AMJ'22. NBFCs witnessed highest growth of 265% in terms of disbursement amount and 225% in terms of loan disbursal from AMJ' 21 to AMJ' 22. Highest number of loans are issued under 30k-40k ticket size category and it witnessed annual growth of 153% from AMJ' 21 to AMJ' 22.

All the delinquency buckets have declined in June 2022 compared to June 2021. Except 60-89 days past due category all other delinquency buckets have declined in June 2022 from March 2022.

Portfolio outstanding as on 30th June 2022 for Aspirational Districts is Rs.37,124 crore and it grew by 29% from June 2021 to June 2022. Loans worth Rs.41,025 crore were disbursed in Aspirational Districts from July 2021 to June 2022.

NBFCs have highest number of borrowers in 25k-50k outstanding category followed by SFBs. Except for Not Profit MFIs, more than 50% of the borrowers are falling in $\geq 25k$ outstanding category.

In this edition we have introduced Indexed MFI Enquiry Volume analysis. After second wave of COVID-19 the microfinance industry has showed an improvement in new loan enquiries. Between March'21 and June'22 the month of September 2021 had the highest number of enquiries. More number of enquiries were done in June 2022 compared to June 2021.

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

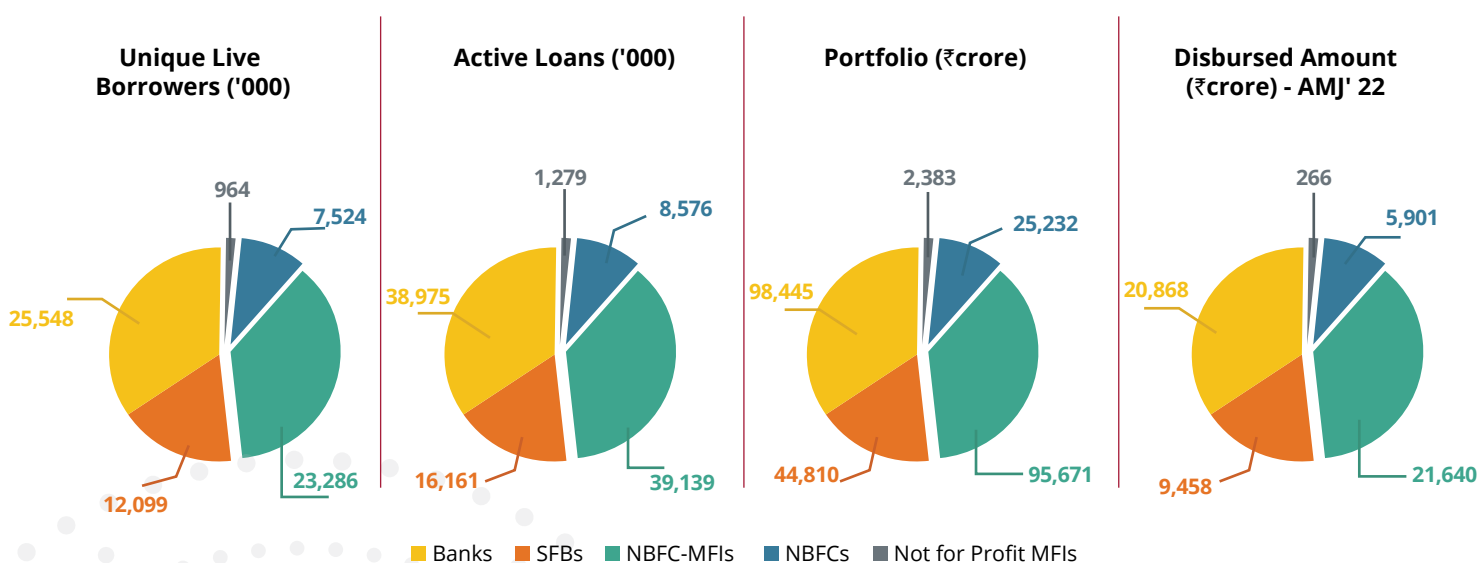
- AMJ'21 = April 2021 to June 2021
- JAS'21 = July 2021 to September 2021
- OND'21 = October 2021 to December 2021
- JFM'22 = January 2022 to March 2022
- AMJ'22 = April 2022 to June 2022



MICROFINANCE INDUSTRY OVERVIEW

Microfinance Industry Snapshot – as on 30th June 2022

Snapshot as on 30 th June 2022	Banks	SFBs	NBFC-MFIs	NBFCs	Not for Profit MFIs	Total Industry
Unique Live Borrowers ('000)	25,548	12,099	23,286	7,524	964	69,421
Active Loans ('000)	38,975	16,161	39,139	8,576	1,279	104,130
Portfolio (₹crore)	98,445	44,810	95,671	25,232	2,383	266,541
Disbursed Amount (₹ crore) – AMJ' 22	20,868	9,458	21,640	5,901	266	58,133
Average Ticket Size (₹) – AMJ' 22	37,743	45,118	38,756	44,482	44,380	39,830
30+ Delinquency (POS)	7.36%	5.29%	3.24%	2.02%	2.96%	4.99%
90+ Delinquency (POS)	2.32%	1.99%	1.58%	0.79%	1.12%	1.85%



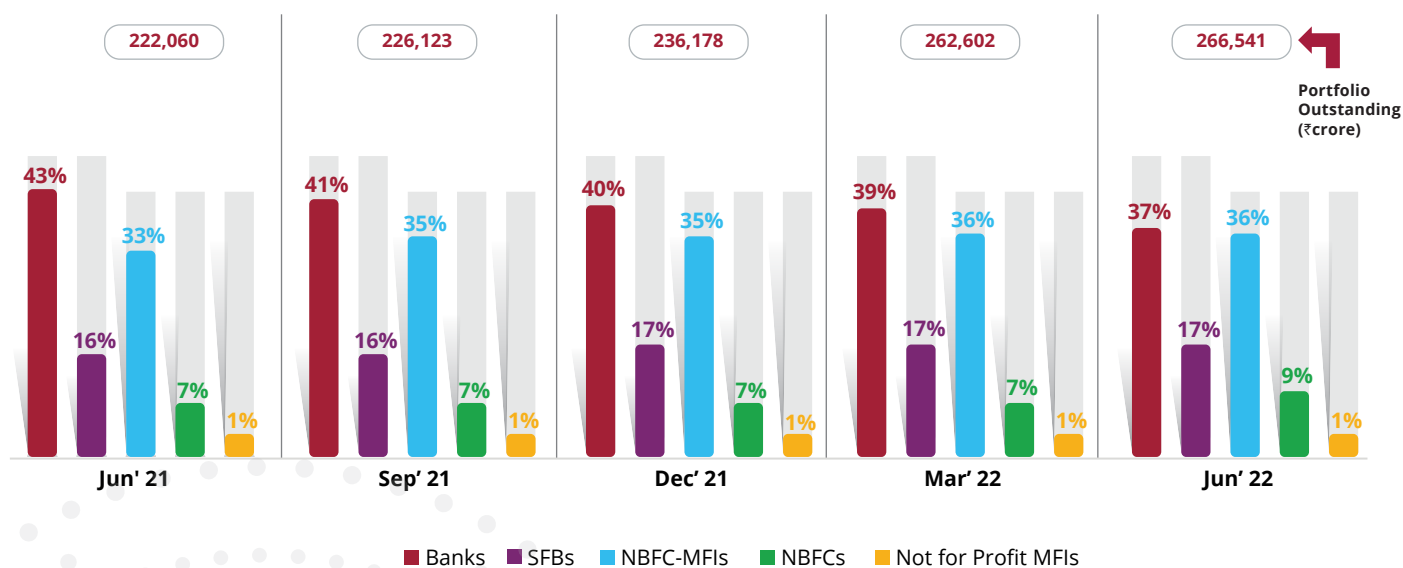
- ◆ Book size of MFI Industry as on 30th June 2022 is ₹ 266,541 crore
- ◆ Banks have the highest market share of 37% in portfolio outstanding
- ◆ Banks, NBFC-MFIs & SFBs contributes 90% towards portfolio outstanding and 89% towards disbursement amount in AMJ' 22 quarter
- ◆ Average ticket size of SFBs, NBFCs and Not for profit MFIs is higher than the industry ticket size
- ◆ 30+ and 90+ delinquency of NBFC-MFIs, NBFCs and Not for Profit MFIs is lower than the industry delinquency

Microfinance Industry Overview

Portfolio Outstanding (₹ crore)

Lender Type	Jun' 21	Sep' 21	Dec' 21	Mar' 22	Jun' 22	Y-o-Y growth%
Banks	95,674	92,725	93,841	102,032	98,445	3%
SFBs	35,345	36,863	39,675	44,134	44,810	27%
NBFC-MFIs	72,856	79,932	84,065	94,481	95,671	31%
NBFCs	16,140	14,621	16,337	19,155	25,232	56%
Not for Profit MFIs	2,045	1,982	2,260	2,800	2,383	17%
Total Industry	222,060	226,123	236,178	262,602	266,541	20%
Q-o-Q growth rate %		2%	4%	11%	1%	

Market Share Trends by Lender type



- ◆ Microfinance industry grew by 20% from June 2021 to June 2022 and witnessed Q-o-Q growth of 1% from March 2022 to June 2022
- ◆ NBFCs witnessed highest Y-o-Y growth of 56% from June 2021 to June 2022

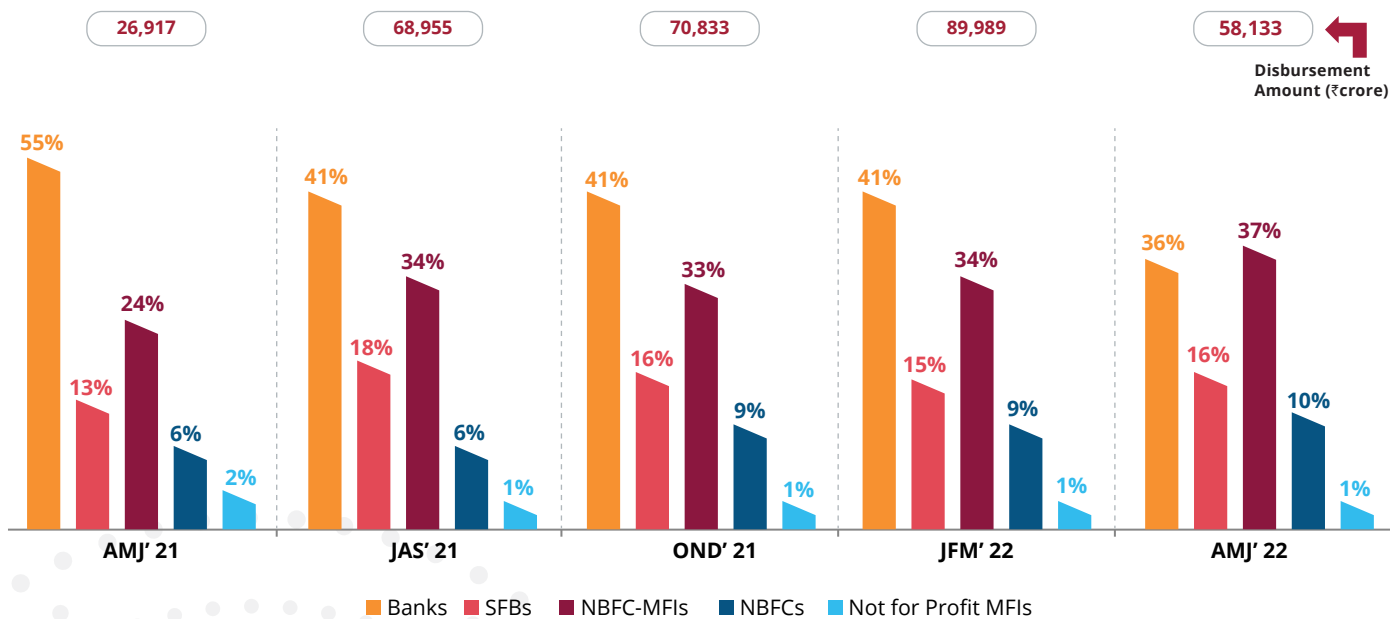


**DISBURSEMENT
TRENDS**

Disbursement Trends – Institution wise

No. of Loans Disbursed (in lakh)					
Lender Type	AMJ' 21	JAS'21	OND' 21	JFM' 22	AMJ' 22
Banks	42	79	70	94	55
SFBs	10	36	29	30	21
NBFC-MFIs	19	69	65	79	56
NBFCs	4	9	13	17	13
Not for Profit MFIs	1	2	3	4	1
Total Industry	76	195	180	224	146

Market Share Trends by Lender type

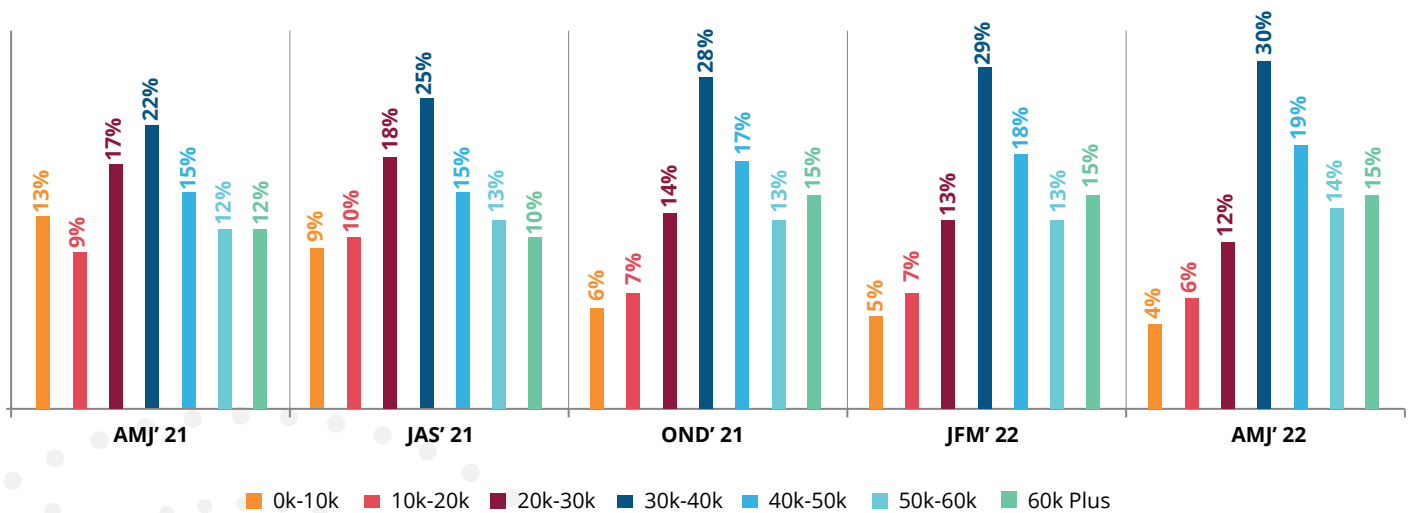


- ◆ MFI Industry is recovering from the second wave of COVID-19, disbursements by value witnessed annual growth of 116% and 92% by volume from AMJ'21 to AMJ'22
- ◆ NBFCs witnessed highest growth in terms of loan disbursal and disbursement amount from AMJ' 21 to AMJ' 22

Industry Ticket Size Trends

Ticket Size	No. of Loans Disbursed (in lakh)					Y-o-Y growth rate %
	AMJ' 21	JAS' 21	OND' 21	JFM' 22	AMJ' 22	
0K-10K	10	18	10	11	6	-40%
10K-20K	7	20	13	16	9	29%
20K-30K	13	34	25	30	17	31%
30K-40K	17	48	51	64	43	153%
40K-50K	11	30	31	39	28	155%
50K-60K	9	25	24	30	21	133%
60K Plus	9	20	26	34	22	144%
Total	76	195	180	224	146	92%
Q-o-Q loan disbursal growth rate %	-	157%	-8%	24%	-35%	-
All India ATS (₹)	35,438	35,299	39,194	40,080	39,830	12%
Q-o-Q ATS growth rate %	-	-0.4%	11%	2%	-1%	-

No. of Loans Disbursed



- ◆ Highest number of loans are issued under 30k-40k ticket size category and it witnessed annual growth of 153% from AMJ' 21 to AMJ' 22
- ◆ ATS increased by 12% from AMJ'21 to AMJ'22

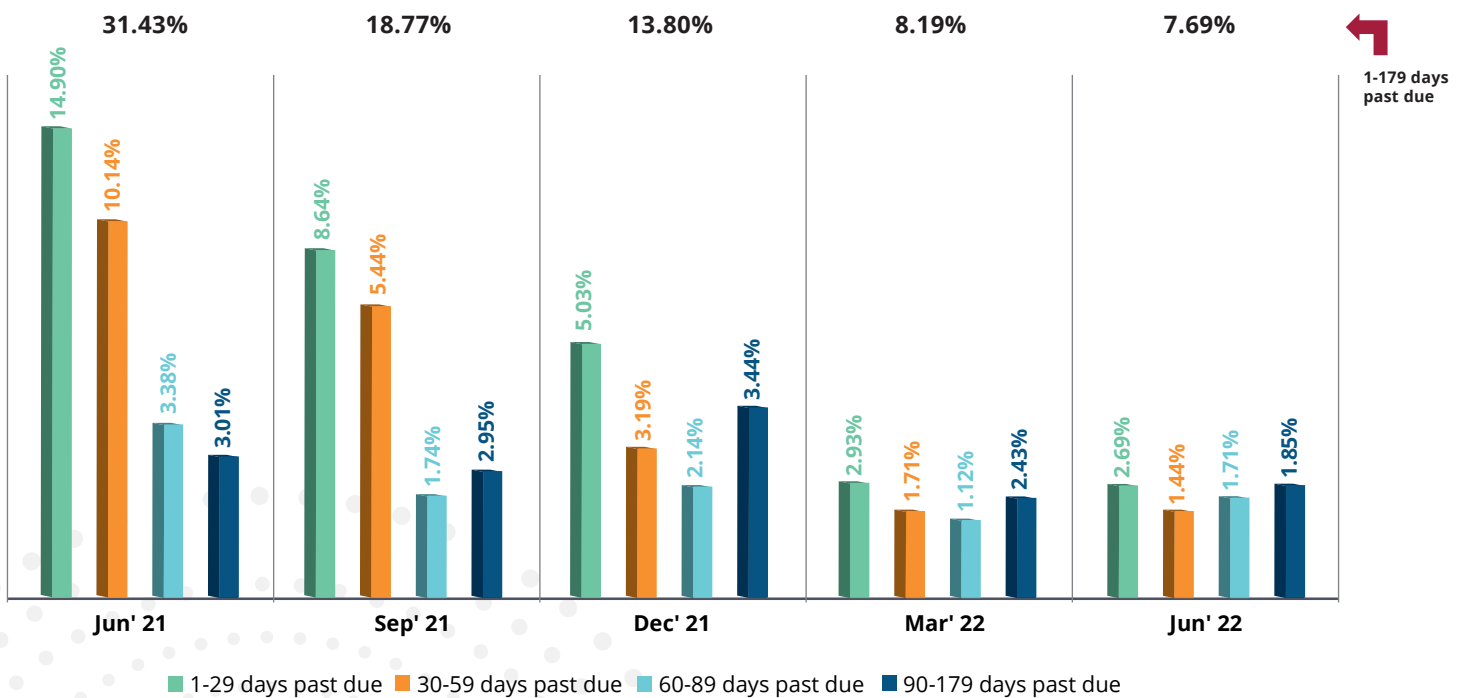


**INDUSTRY RISK
PROFILE**

Delinquency Trends

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
Jun' 21	14.90%	10.14%	3.38%	3.01%	31.43%
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%

Delinquency by Days Past Due



- ◆ All the delinquency buckets have declined in June 2022 compared to June 2021
- ★ Except 60-89 days past due category all other delinquency buckets have decreased in June 2022 from March 2022



**ASPIRATIONAL
DISTRICTS**

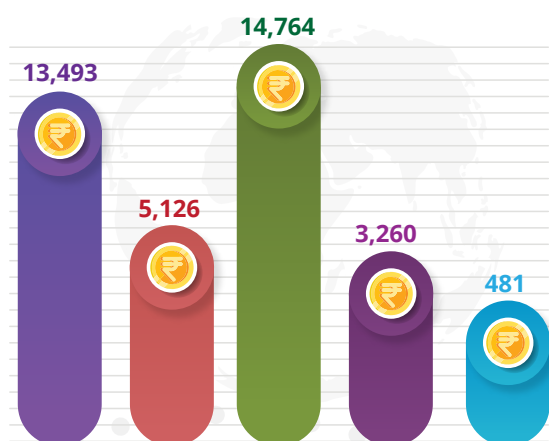
Aspirational Districts – June 2022 Overview

Aspirational Districts Growth Particulars	30th June 2021	30th June 2022	Growth %
Active Borrower Penetration ('000)	8,143	9,867	21%
Disbursement Amount (₹crore)	30,353*	41,025**	35%
Active Loans ('000)	12,730	15,031	18%
Portfolio Outstanding (₹crore)	28,737	37,124	29%
30+ Delinquency	11.80%	3.98%	-
90+ Delinquency	2.36%	1.48%	-

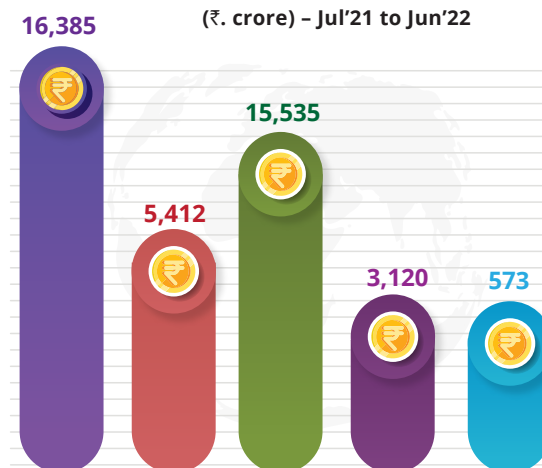


- ♦ Portfolio outstanding as on 30th June 2022 for Aspirational Districts was ₹ 37,124 crore and it grew by 29% from June 2021 to June 2022
- ♦ Active Borrower penetration in Aspirational Districts increased by 21% from June 2021 to June 2022
- ♦ Loans worth ₹ 41,025 crore were disbursed in Aspirational Districts from July 2021 to June 2022
- ♦ 30+ and 90+ delinquency of Banks & SFBs is higher than the overall 30+ and 90+ delinquency of Aspirational Districts

Portfolio (₹. crore) - as on June 30, 2022

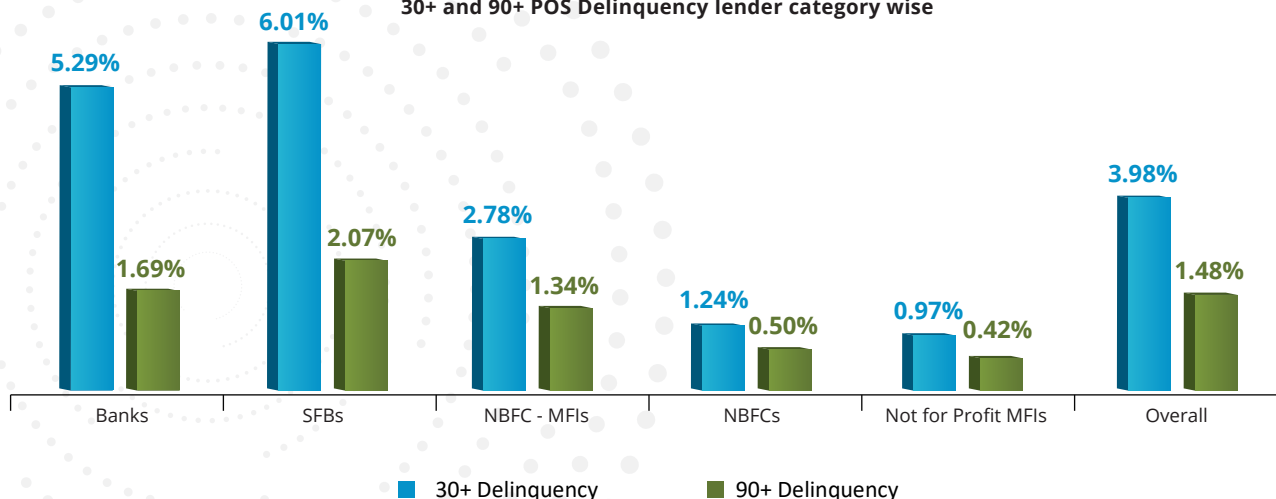


Amount Disbursed (₹. crore) - Jul'21 to Jun'22



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

30+ and 90+ POS Delinquency lender category wise

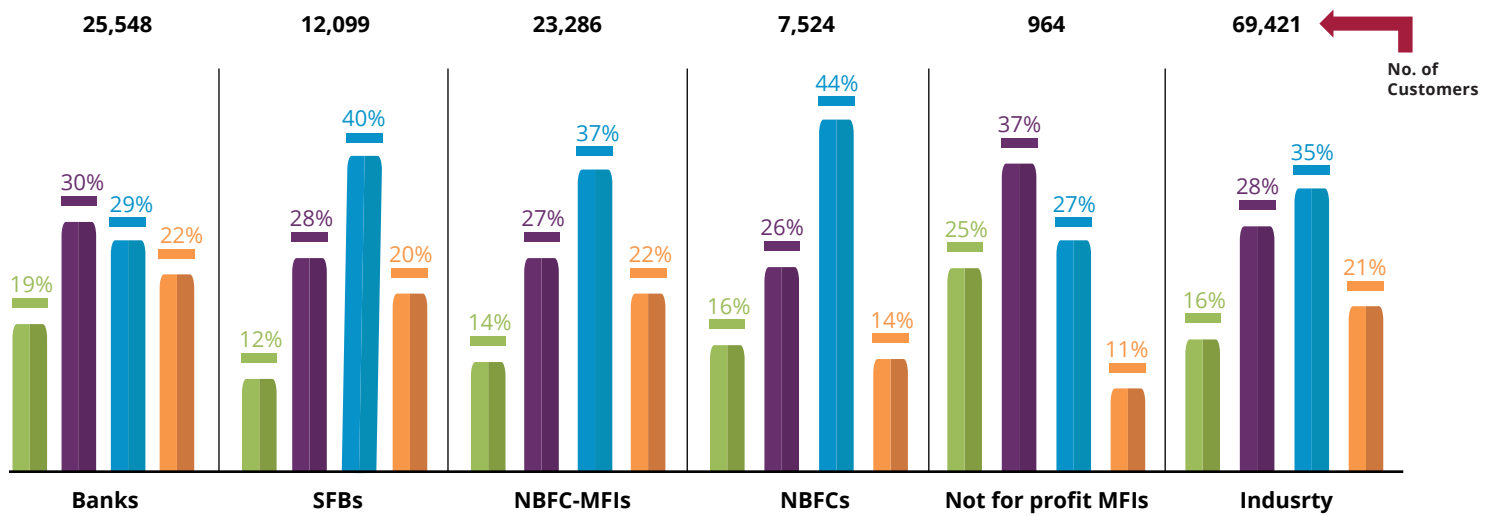


■ 30+ Delinquency ■ 90+ Delinquency



BORROWER LEVEL ANALYSIS

Active Customers by Outstanding Amount as on 30th June 2022



- No. of Active Borrowers by Outstanding Amount <10k
- No. of Active Borrowers by Outstanding Amount Between 10K-25K
- No. of Active Borrowers by Outstanding Amount Between 25k-50k
- No. of Active Borrowers by Outstanding Amount >=50k

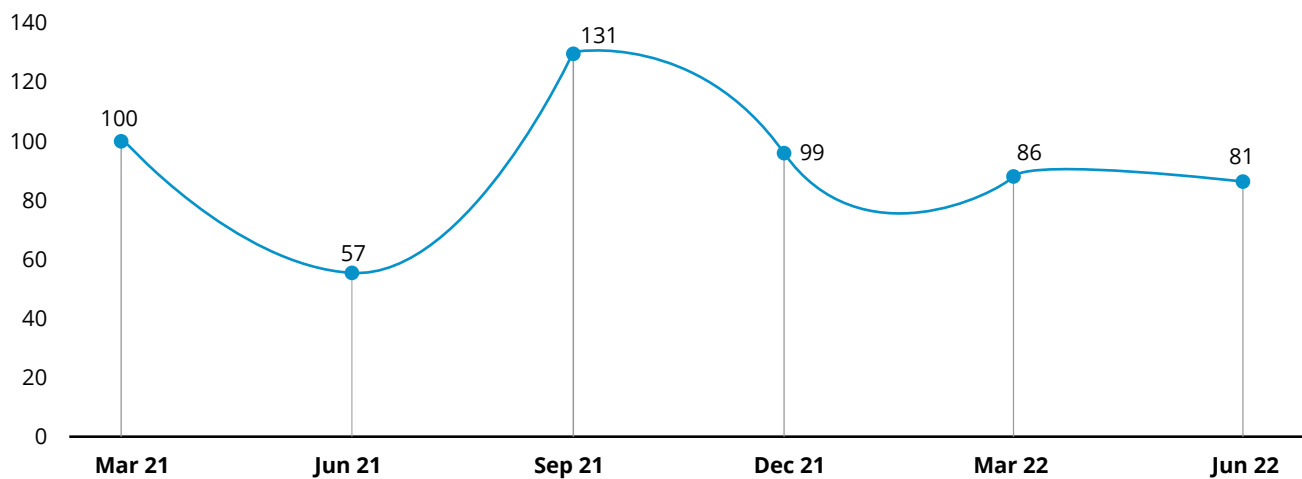
- ★ NBFCs have highest number of borrowers in 25k-50k outstanding category followed by SFBs
- ★ Except Not for Profit MFIs, more than 50% of the borrowers are falling in >=25k outstanding category



ENQUIRY ANALYSIS



Indexed MFI Enquiry Volume



- ◆ After second wave of COVID-19 the microfinance industry showed an improvement in new loan enquiries
- ★ ◆ Between March 2021 and June 2022 the month of September 2021 had the highest number of enquiries
- ◆ More number of enquiries were done in June 2022 compared to June 2021

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

SIDBI in Microfinance space

SIDBI has played 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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