



MICROFINANCE PULSE

VOL XII- May 2022

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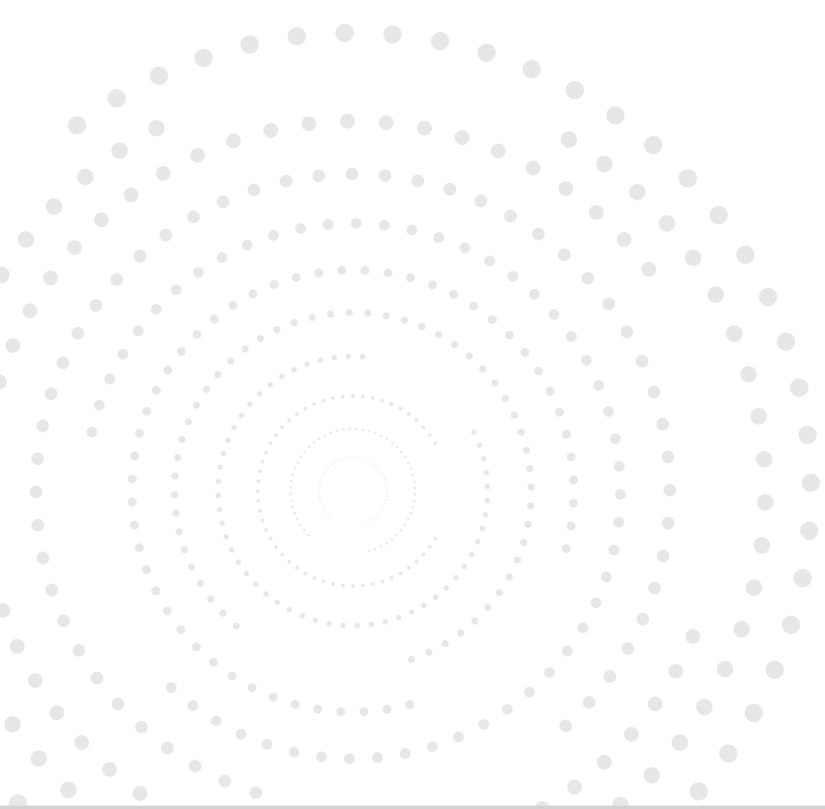
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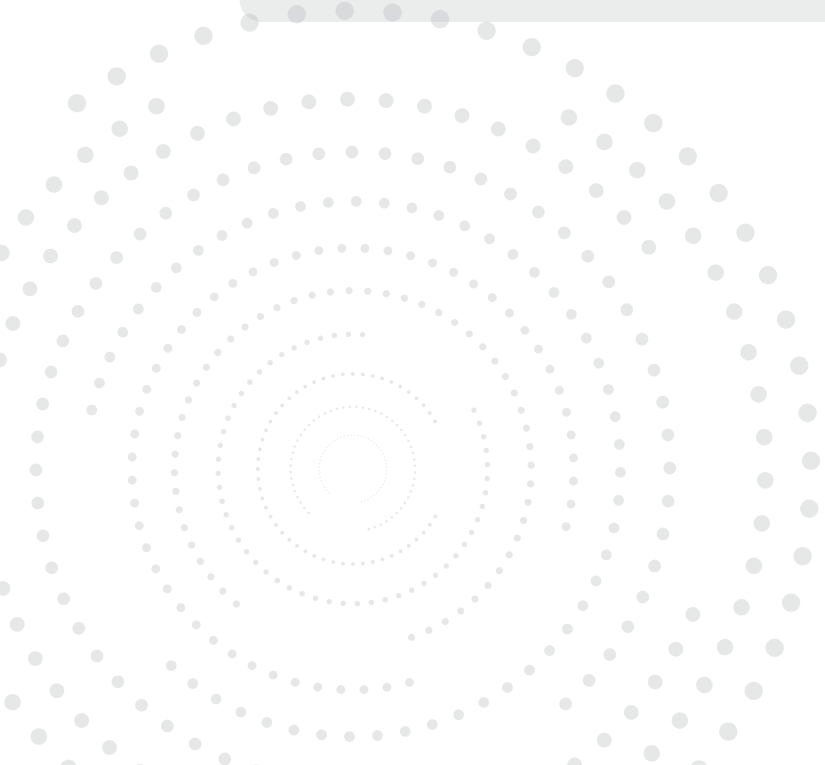
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Executive Summary

12th edition of MFI Pulse Report presents the snapshot of the data submitted for the period up to December 2021 and developments in the Microfinance industry during this period.

Portfolio outstanding as on 31st December is ₹2,36,178 crore against 9.6 crores active loans. Loans worth ₹66,849 crore were disbursed in OND' 21. Average ticket size of the NBFCs is highest, it is higher than the industry ticket size. Industry POS witnessed annual growth of 3% from December 2020 to December 2021 and Q-o-Q growth of 4% from September 2021 to December 2021. Banks contribute highest towards portfolio outstanding followed by NBFC-MFIs.

Disbursement amount grew by 7% from OND' 20 to OND' 21. Highest loan disbursal is done by the Banks followed by NBFC-MFIs across all the quarters. 30k and above ticket size category witnessed positive Y-o-Y growth. More than 55% of loans are disbursed under 20k to 50k ticket size category. Average ticket size grew by 23% from OND' 20 to OND' 21.

1-179 days past due delinquency has declined in December 2021 to 13.80% from 18.77% in September 2021. 60-179 days past due delinquency has increased from September 2021 in December 2021.

As on 31st December 2021, top 10 states contribute 82% towards portfolio outstanding. Tamil Nadu is leading the MFI Industry with portfolio outstanding ₹30,562 crore. As on 31st December 2021, Tamil Nadu, Bihar, West Bengal, Karnataka and Uttar Pradesh are top 5 states by POS. 90+ delinquency of West Bengal is higher than the industry delinquency.

In this edition Rajasthan is covered as comprehensive state profile. Portfolio outstanding of Rajasthan as on 31st December 2021 is ₹10,812 crore. Loans worth ₹2,903 crore were disbursed in Rajasthan during OND' 21. Average ticket size of NBFCs is highest across all the lenders. 90+ delinquency of Not for Profit is the lowest amongst all the lenders in Rajasthan. Except AMJ' 21 more than 60% of loans were disbursed in 20k-50k ticket size category. Rajasthan POS witnessed Y-o-Y growth of 15% from December 2020 to December 2021. Overall 90+ delinquency of Rajasthan has increased in December 2021 from September 2021.

In 12th edition of MFI Pulse Report we have covered customer level analysis as on 31st December 2021. More than 70% of the customers have only 1 outstanding loan. Not for Profit MFIs have the highest customers with 2 outstanding loans.

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
-
- OND'20 = October 2020 to December 2020
 - JFM'21 = January 2021 to March 2021
 - AMJ'21 = April 2021 to June 2021
 - JAS'21 = July 2021 to September 2021
 - OND'21 = October 2021 to December 2021



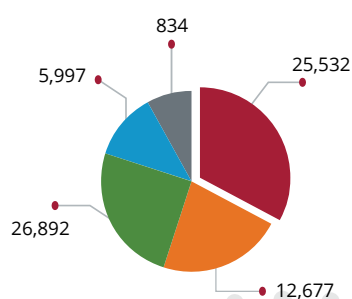
MICROFINANCE INDUSTRY OVERVIEW



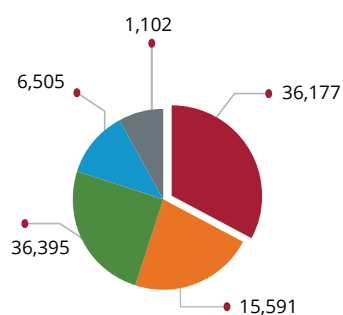
Microfinance Industry Snapshot – as on 31st December 2021

Snapshot as on 31 st December 2021	Banks	SFBs	NBFC-MFIs	NBFCs	Not for Profit MFIs	Total Industry
Unique Live Borrowers ('000)	25,532	12,677	26,892	5,997	834	71,932
Active Loans ('000)	36,177	15,591	36,395	6,505	1,102	95,770
Portfolio (₹crore)	93,841	39,675	84,065	16,337	2,260	236,178
Disbursed Amount (₹crore) - OND' 21	26,487	11,957	23,105	4,407	893	66,849
Average Ticket Size (₹) - OND' 21	41,760	41,177	36,095	44,284	31,268	39,489
30+ Delinquency (POS)	12.00%	8.45%	6.23%	5.21%	1.30%	8.78%
90+ Delinquency (POS)	5.19%	2.91%	2.14%	1.78%	0.65%	3.44%

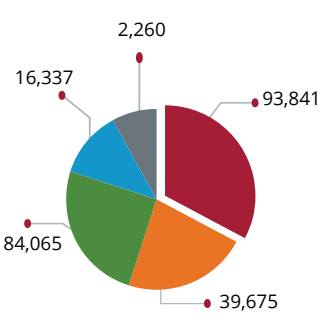
Unique Live Borrowers ('000)



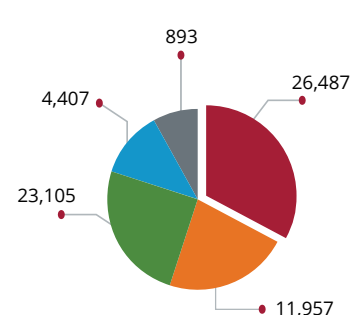
Active Loans ('000)



Portfolio (₹crore)



Disbursed Amount (₹crore) -OND' 21



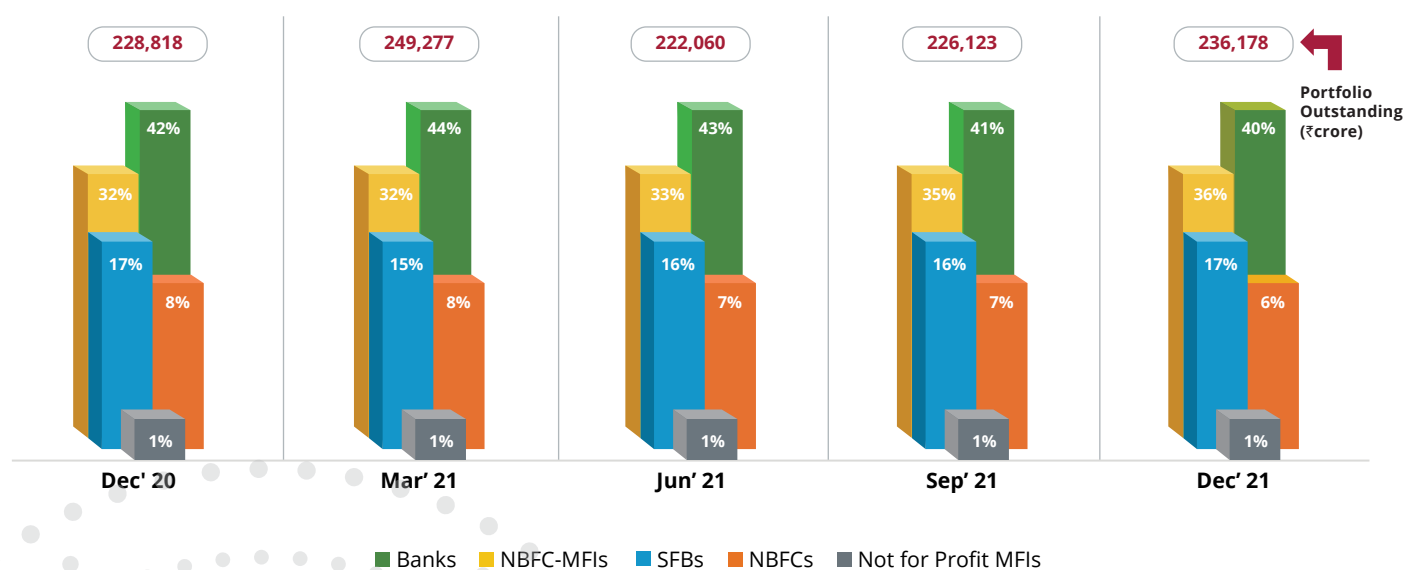
■ Banks ■ SFBs ■ NBFC-MFIs ■ NBFCs ■ Not for Profit MFIs

- Portfolio outstanding as on 31st December 2021 is ₹ 2,36,178 crore against 9.6 crore active loans
- Disbursement amount for OND' 21 is ₹ 66,849 crore
- Average ticket size of the NBFCs is highest, it is higher than the industry ticket size for OND'21
- 30+ and 90+ delinquency of Banks is higher than the industry delinquency

Microfinance Industry Overview

Particulars	Portfolio Outstanding (₹ crore)				
	Dec' 20	Mar' 21	Jun' 21	Sep' 21	Dec' 21
Banks	96,683	109,867	95,674	92,725	93,841
SFBs	38,109	38,903	35,345	36,863	39,675
NBFC-MFIs	73,166	79,420	72,856	79,932	84,065
NBFCs	18,988	18,992	16,140	14,621	16,337
Not for Profit MFIs	1,872	2,095	2,045	1,982	2,260
Total Industry	228,818	249,277	222,060	226,123	236,178
Q-o-Q growth rate %	0%	9%	-11%	2%	4%

Market Share Trends by Lender type



- ❑ MFI Industry witnessed Q-o-Q growth of 4% in December 2021 from September 2021
- ❑ MFI Industry witnessed Y-o-Y growth of 3% from December 2020 to December 2021
- ❑ Banks contribute highest towards portfolio outstanding followed by NBFC-MFIs

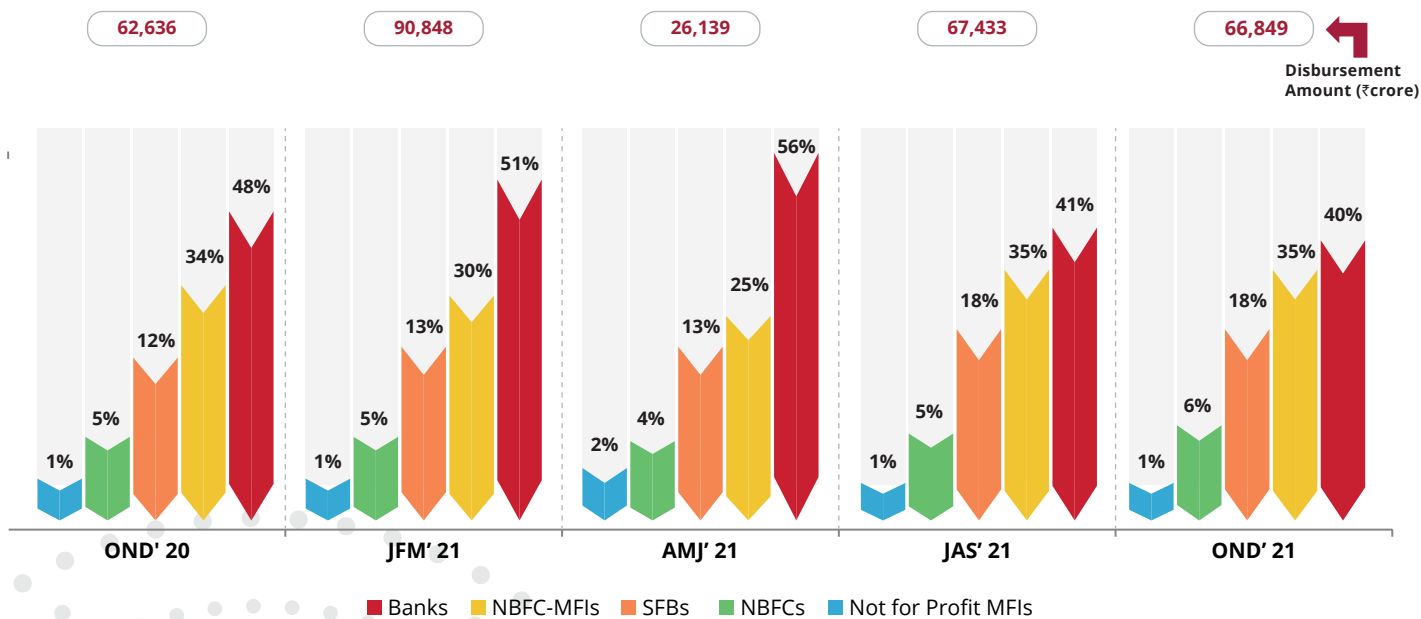


DISBURSEMENT TRENDS

Disbursement Trends – Institution wise

No. of Loans Disbursed (in lakh)					
Lender Type	OND' 20	JFM' 21	AMJ' 21	JAS' 21	OND' 21
Banks	100	111	41	77	63
SFBs	21	32	9	36	29
NBFC-MFIs	65	77	19	69	64
NBFCs	7	11	3	8	10
Not for Profit MFIs	2	3	1	2	3
Total Industry	195	234	73	192	169

Market Share Trends by Lender type

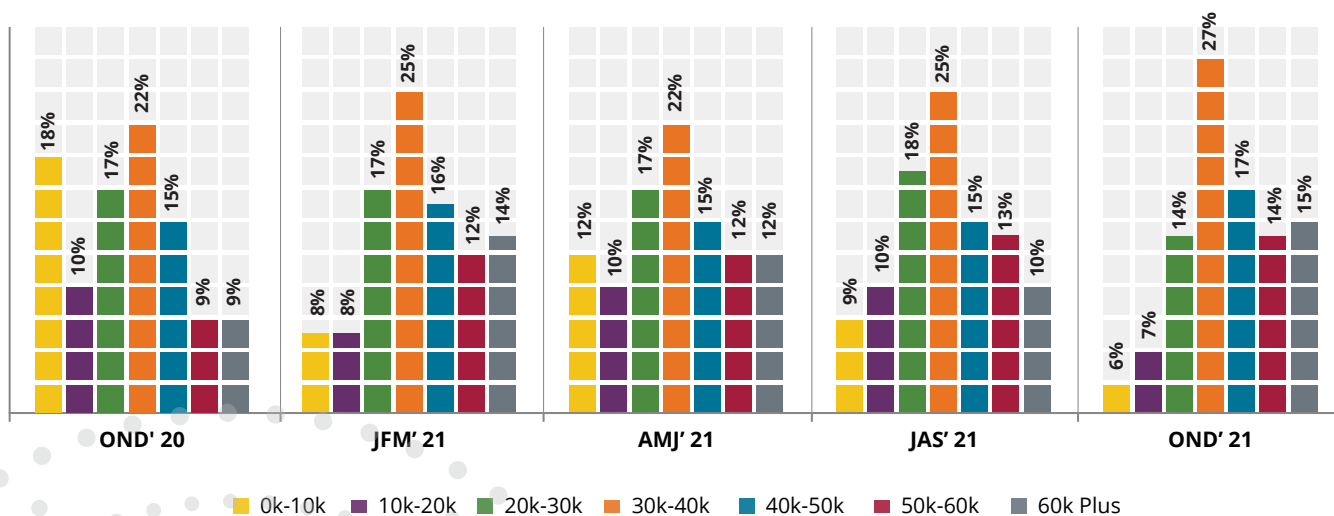


- ❑ Number of loan disbursed during OND' 21 dropped by 13% from OND' 20, however, the disbursement amount grew by 7% during the same period
- ❑ Highest loan disbursal is done by Banks followed by NBFC-MFIs across all the quarters
- ❑ In terms of loan disbursal NBFCs and Not for Profit MFIs witnessed positive growth from JAS' 21 to OND' 21

Industry Ticket Size Trends

Ticket Size	No. of Loans Disbursed (in lakh)					Y-o-Y growth rate %
	OND' 20	JFM' 21	AMJ' 21	JAS' 21	OND' 21	
0K-10K	35	19	8	18	10	-71%
10K-20K	20	18	7	20	12	-40%
20K-30K	32	40	12	34	24	-25%
30K-40K	43	58	16	47	46	7%
40K-50K	29	38	11	29	29	0%
50K-60K	18	28	9	25	23	28%
60K Plus	18	33	9	19	25	39%
Total	195	234	73	192	169	-13%
Q-o-Q loan disbursal growth rate %	-	20%	-69%	163%	-12%	-
All India ATS (₹)	32,109	38,789	35,793	35,110	39,489	-
Q-o-Q ATS growth rate %	-	21%	-8%	-2%	12%	-

No. of Loans Disbursed (in lakh)



- ❑ 50k and above ticket size category witnessed more than 25% Y-o-Y growth
- ❑ More than 55% of loans are disbursed under 20k – 50k ticket size category
- ❑ ATS grew by 23% from OND' 20 to OND' 21



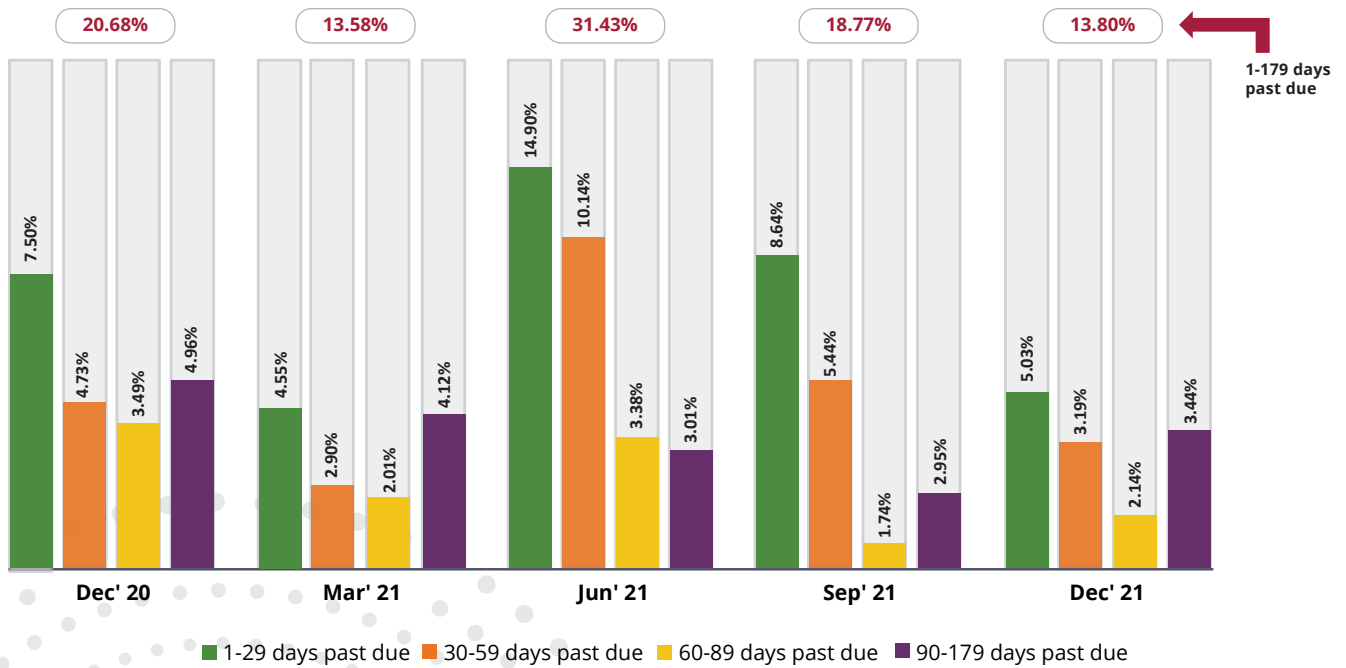
INDUSTRY RISK PROFILE

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
Dec' 20	7.50%	4.73%	3.49%	4.96%	20.68%
Mar' 21	4.55%	2.90%	2.01%	4.12%	13.58%
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%

Delinquency by Days Past Due

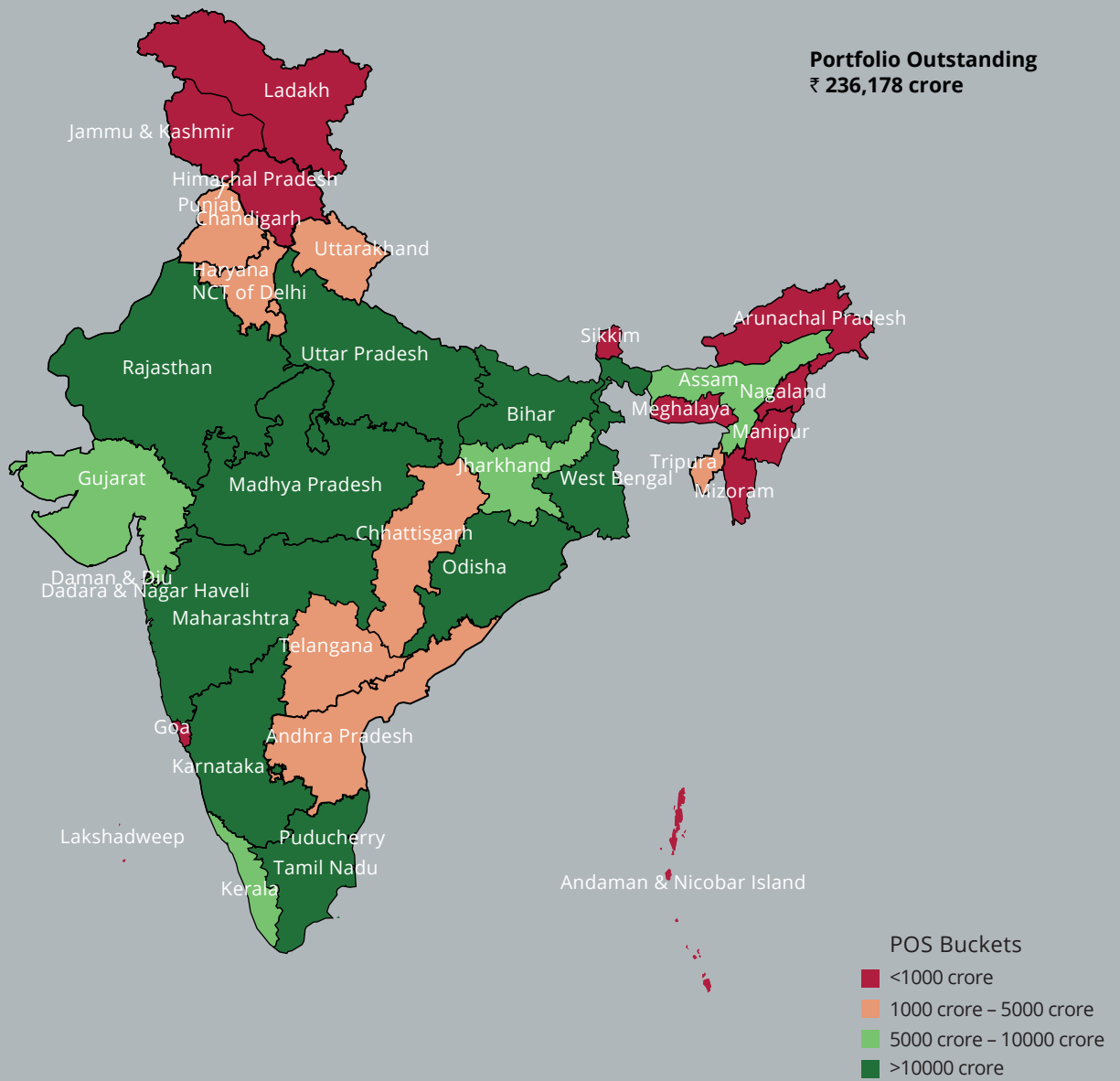


- ❑ 1-179 days past due delinquency has declined in December 2021 to 13.80% from 18.77% in September 2021
- ❑ 60-179 days past due delinquency has increased from September 2021 in December 2021



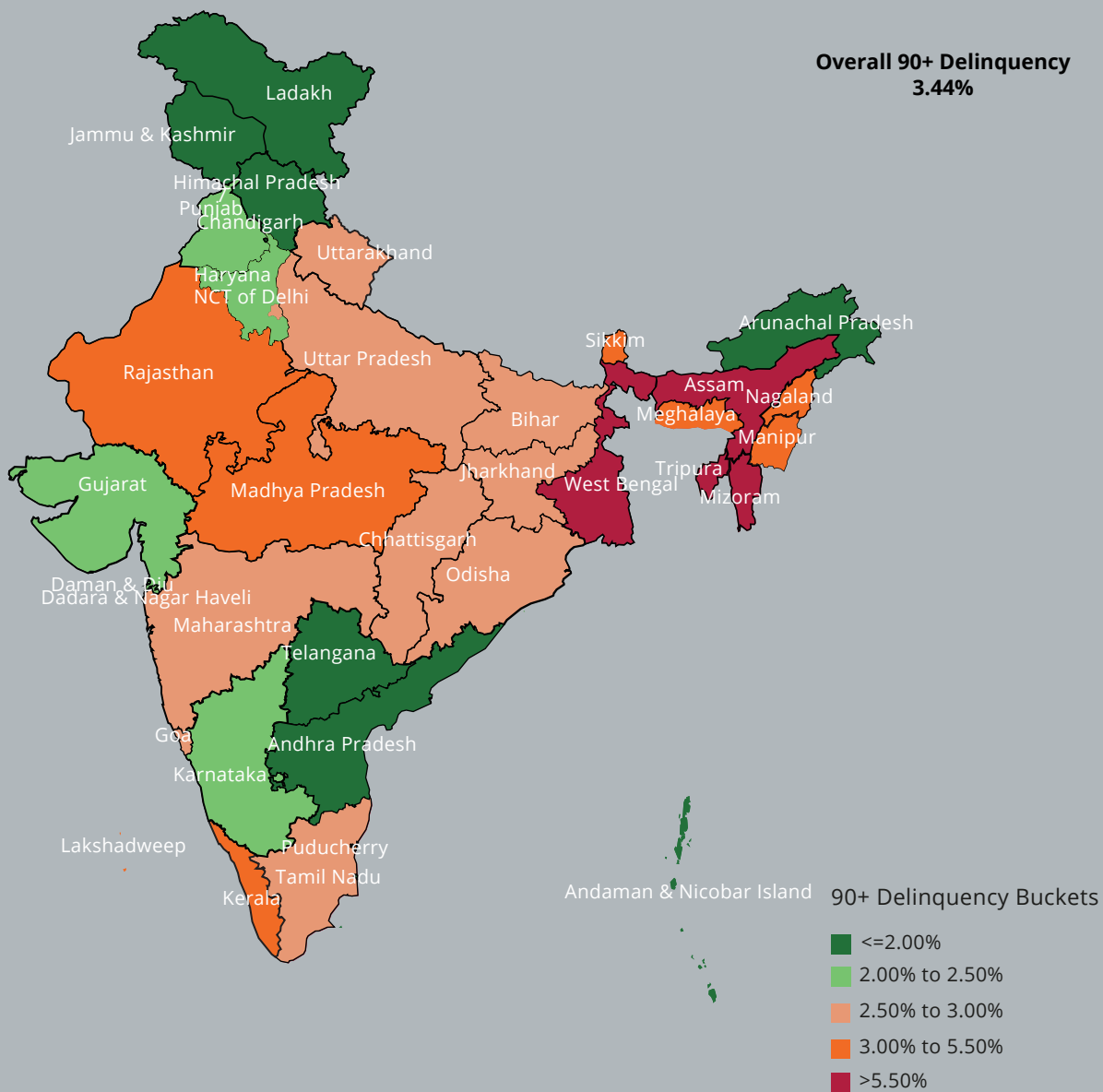
GEOGRAPHICAL EXPOSURE

State/UT wise Portfolio Outstanding - as on 31st December 2021



- ❑ As on 31st December 2021, top 10 states contribute 82% towards portfolio outstanding
- ❑ Tamil Nadu is leading the MFI Industry with portfolio outstanding of ₹30,652 crore
- ❑ As on 31st December 2021 Tamil Nadu, Bihar, West Bengal, Karnataka and Uttar Pradesh are top 5 states

State/UT wise 90+ Delinquency - as on 31st December 2021



This Map is a generalized illustration only and is not intended to be used for reference purpose.

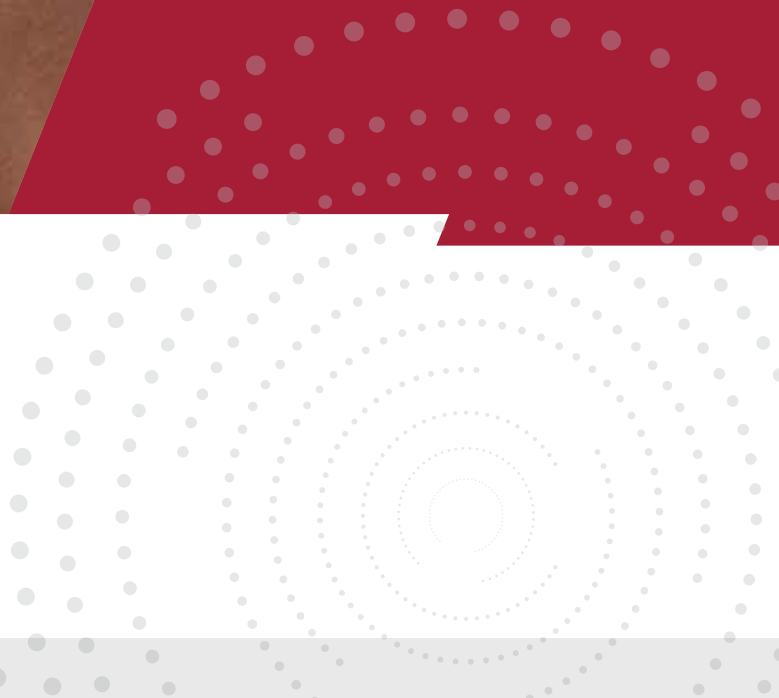
90+ delinquency of top 5 states is as follows:

Tamil Nadu	Bihar	West Bengal	Karnataka	Uttar Pradesh
2.54%	2.71%	7.88%	2.01%	2.01%

90+ delinquency of West Bengal is higher than the industry delinquency of 3.44%



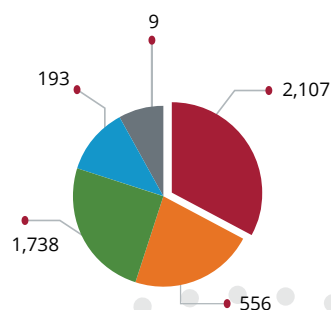
COMPREHENSIVE STATE PROFILE: RAJASTHAN



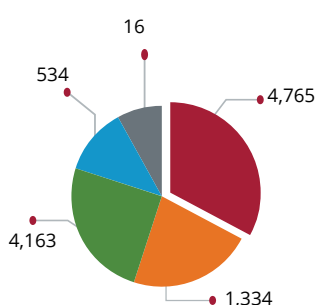
Rajasthan: State View

Rajasthan view as on 31 st December 2021	Banks	SFBs	NBFC-MFIs	NBFCs	Not for Profit MFIs	Total Industry
Active Loans ('000)	2,107	556	1,738	193	9	4,603
Portfolio (₹crore)	4,765	1,334	4,163	534	16	10,812
Market Share in Portfolio Outstanding	44%	12%	39%	5%	0%	-
Disbursed Amount (₹crore) - OND' 21	1,192	371	1,180	154	6	2,903
Average Ticket Size (₹) - OND' 21	36,209	37,792	36,319	42,946	31,738	36,744
30+ Delinquency (POS)	9.73%	6.61%	6.83%	7.07%	3.85%	8.09%
90+ Delinquency (POS)	4.03%	2.75%	2.25%	2.21%	1.34%	3.09%

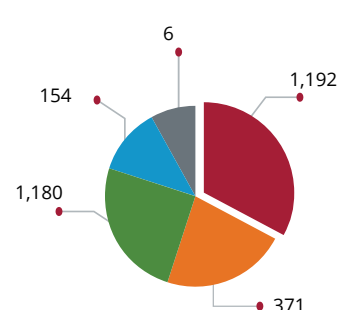
Active Loans ('000)



Portfolio (₹crore)



Disbursed Amount (₹crore) -OND' 21



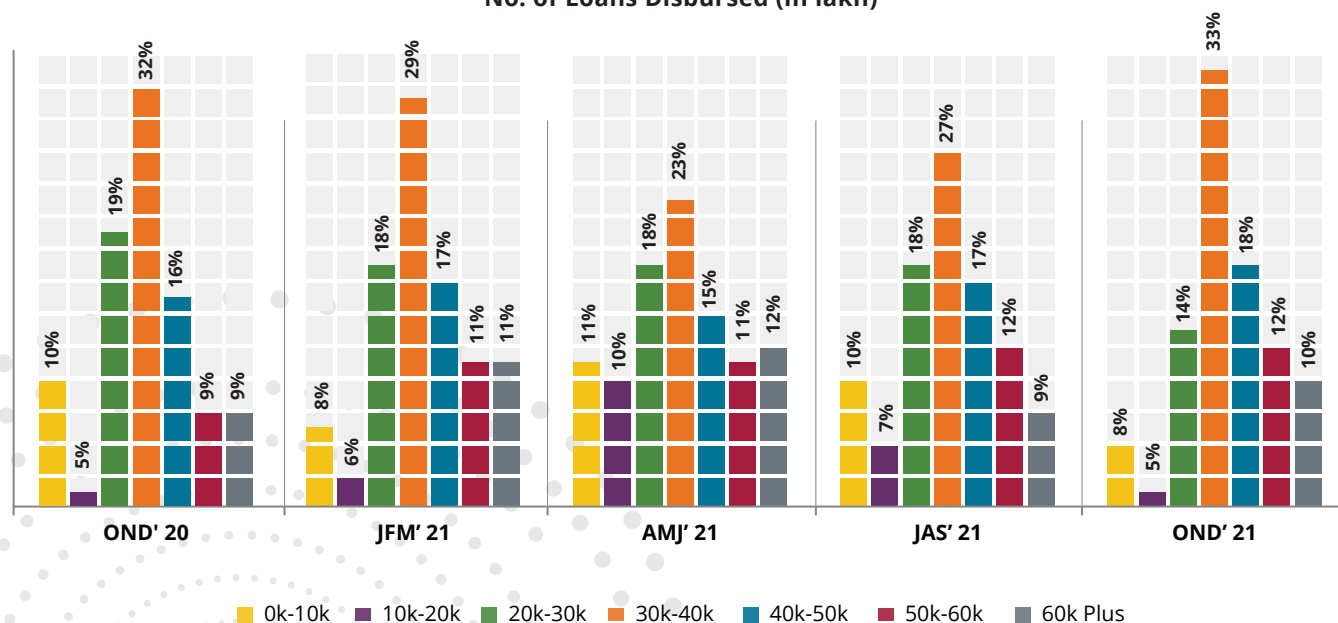
■ Banks ■ SFBs ■ NBFC-MFIs ■ NBFCs ■ Not for Profit MFIs

- Portfolio outstanding of Rajasthan as on 31st December 2021 is ₹ 10,812 crore
- Highest contribution towards portfolio outstanding is from Banks followed by NBFC-MFIs
- Loans worth ₹ 2,903 crore were disbursed in Rajasthan during OND' 21
- Average ticket size of NBFCs is highest across all the lenders
- 90+ delinquency of Not for Profit is the lowest amongst all the lenders in Rajasthan

Rajasthan- Industry Ticket Size Trends

Ticket Size	No. of Loans Disbursed (in lakh)					
	OND' 20	JFM' 21	AMJ' 21	JAS' 21	OND' 21	Y-o-Y growth rate %
0K-10K	88	93	37	94	59	-33%
10K-20K	40	75	32	70	43	8%
20K-30K	168	224	59	164	107	-36%
30K-40K	274	362	73	247	261	-5%
40K-50K	137	211	49	158	145	6%
50K-60K	74	137	36	108	93	26%
60K Plus	80	135	38	79	82	2%
Total	861	1,237	324	920	790	-8%
Q-o-Q loan disbursal growth rate %	-	44%	-74%	184%	-14%	-
All India ATS (₹)	35,204	37,419	35,797	34,942	36,744	-
Q-o-Q ATS growth rate %	-	6%	-4%	-2%	5%	-

No. of Loans Disbursed (in lakh)

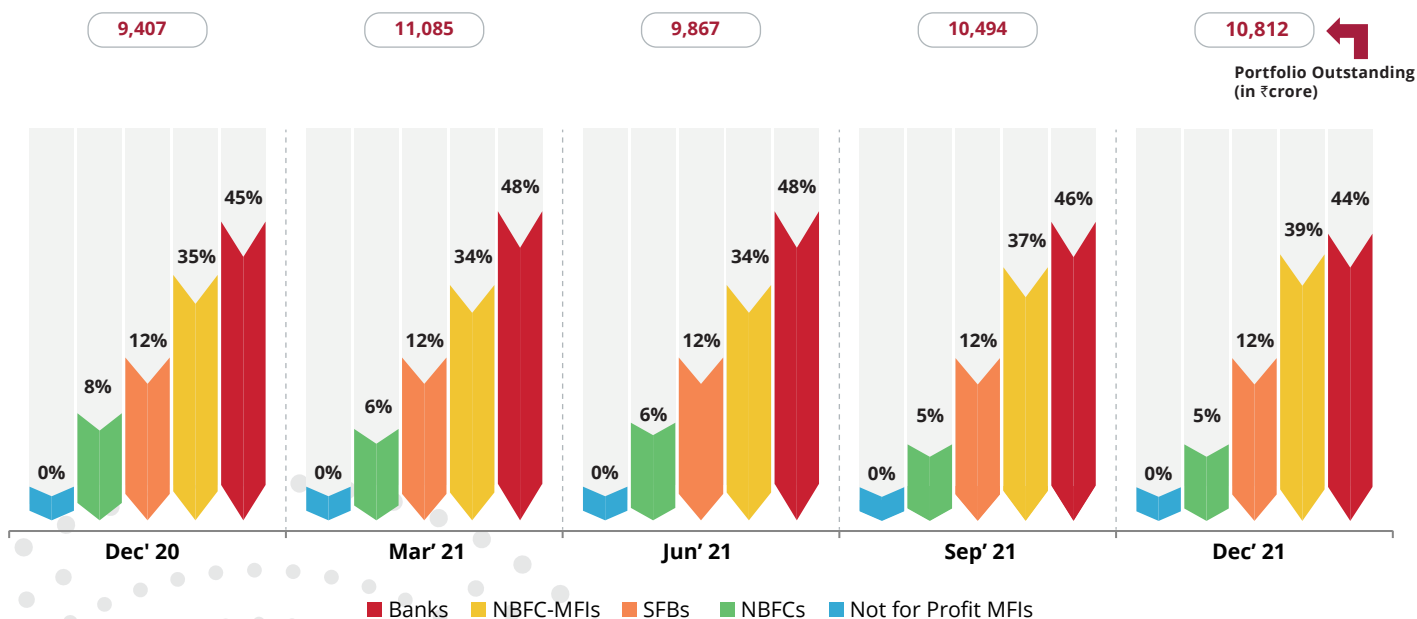


- ❑ Number of loans disbursed declined by 8% from OND' 20 to OND' 21 in Rajasthan
- ❑ Except AMJ' 21 more than 60% of loans were disbursed in 20k-50k ticket size category
- ❑ ATS of Rajasthan grew by 5% from JAS' 21 to OND'21 and by 4% from OND' 20 to OND'21

Rajasthan: Portfolio Trends

Portfolio Outstanding (in ₹ crore)

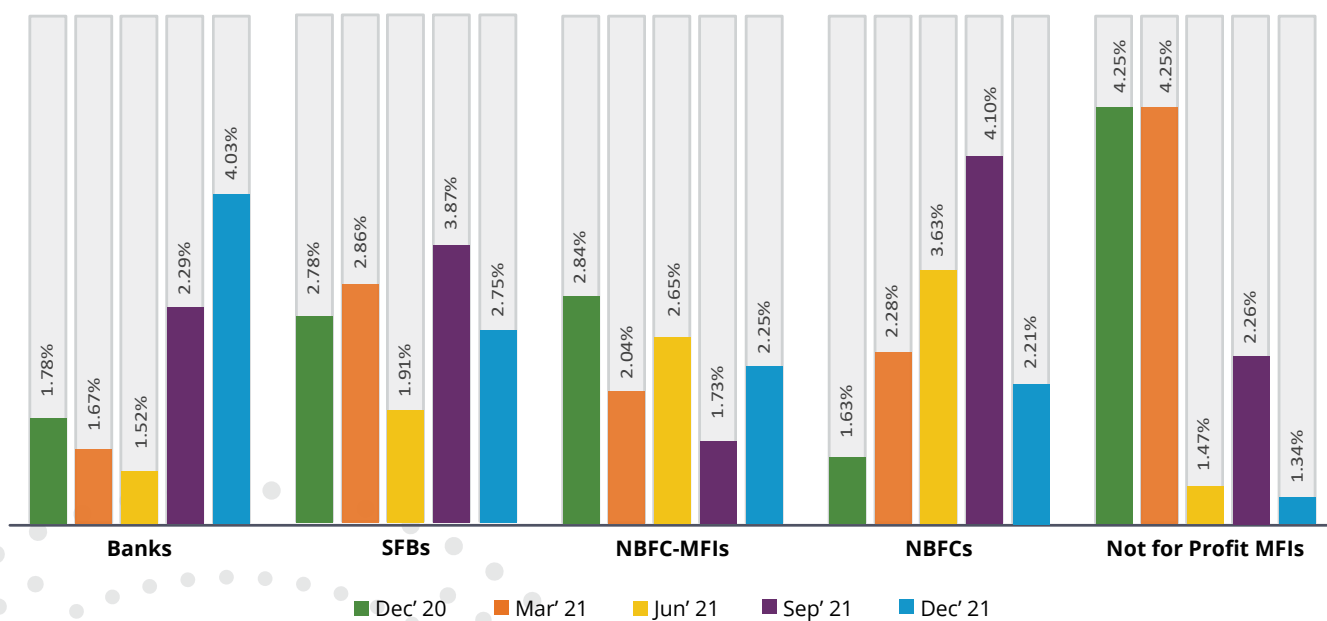
Particulars	Dec' 20	Mar' 21	Jun' 21	Sep' 21	Dec' 21
Banks	4,222	5,346	4,768	4,844	4,765
SFBs	1,173	1,300	1,177	1,280	1,334
NBFC-MFIs	3,261	3,771	3,389	3,860	4,163
NBFCs	748	665	531	496	534
Not for Profit MFIs	3	3	2	14	16
Rajasthan	9,407	11,085	9,867	10,494	10,812
Q-o-Q Growth Rate %	-	18%	-11%	6%	3%



- ❑ POS in Rajasthan witnessed Y-o-Y growth of 15% from December 2020 to December 2021
- ❑ Not for Profit MFIs have witnessed highest Y-o-Y growth of 433% from December 2020 to December 2021 followed by NBFC-MFIs with 28% growth for the same period
- ❑ More than 80% of contribution towards POS is by Banks and NBFCs

Rajasthan: 90+ Delinquency Trends

Lender Type	Dec' 20	Mar' 21	Jun' 21	Sep' 21	Dec' 21
Banks	1.78%	1.67%	1.52%	2.29%	4.03%
SFBs	2.78%	2.86%	1.91%	3.87%	2.75%
NBFC-MFIs	2.84%	2.04%	2.65%	1.73%	2.25%
NBFCs	1.63%	2.28%	3.63%	4.10%	2.21%
Not for Profit MFIs	4.25%	4.25%	1.47%	2.26%	1.34%
Rajasthan	2.26%	1.98%	2.07%	2.36%	3.09%



- ❑ Overall 90+ delinquency of Rajasthan has increased in December 2021 from September 2021
- ❑ 90+ delinquency of SFBs, NBFCs and Not for Profit MFIs has improved compared to September 2021
- ❑ As on December 2021, 90+ delinquency of Banks is higher than the overall 90+ delinquency of Rajasthan



ASPIRATIONAL DISTRICTS

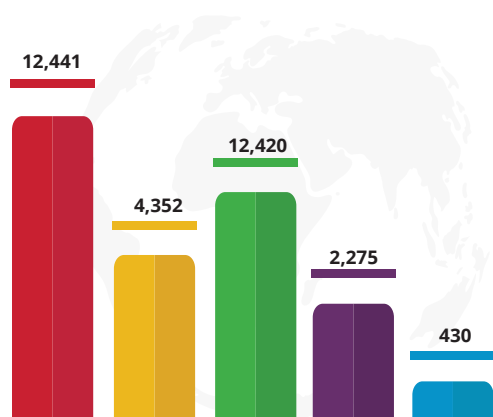


Aspirational Districts – December 2021 Overview

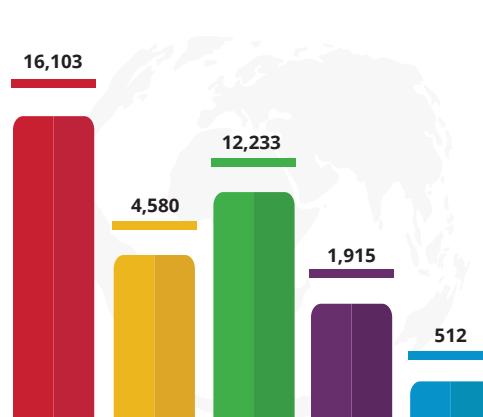
Aspirational Districts Growth Particulars	December 2017	December 2021	Growth %
Active Customer Penetration ('000)	4,155	8,618	107%
Disbursement Amount (₹crore)	14,374 *	35,343**	146%
Active Loans ('000)	6,925	13,363	93%
Portfolio Outstanding (₹crore)	11,175	31,918	186%
30+ Delinquency	1.54%	6.87%	-
90+ Delinquency	0.75%	2.70%	-

- Portfolio outstanding as on 31st December for Aspirational District is ₹ 31,918 crore against 1.33 crore active loans
- Active customer penetration in Aspirational Districts increased by 107% from December 2017 to December 2021
- Loans worth ₹ 35,343 crore were disbursed from January 2021 to December 2021
- 30+ and 90+ delinquency of Banks & SFBs is higher than the overall 30+ and 90+ delinquency of Aspirational Districts

Portfolio (₹ crore)

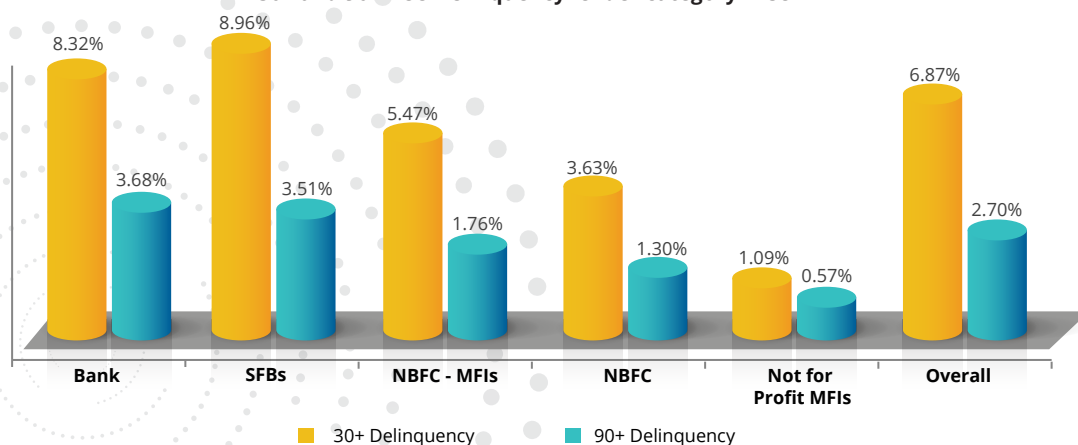


Amount Disbursed (₹crore) – Jan'21 to Dec'21



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

30+ and 90+ POS Delinquency lender category wise

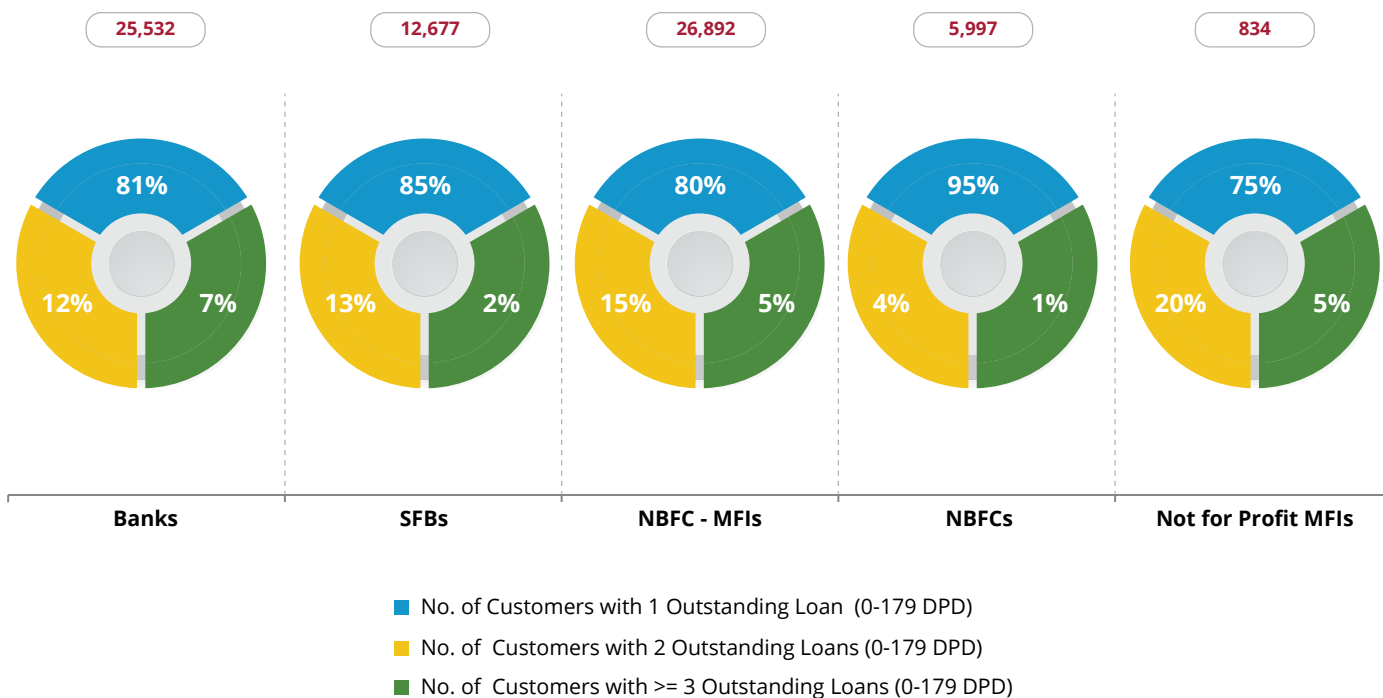




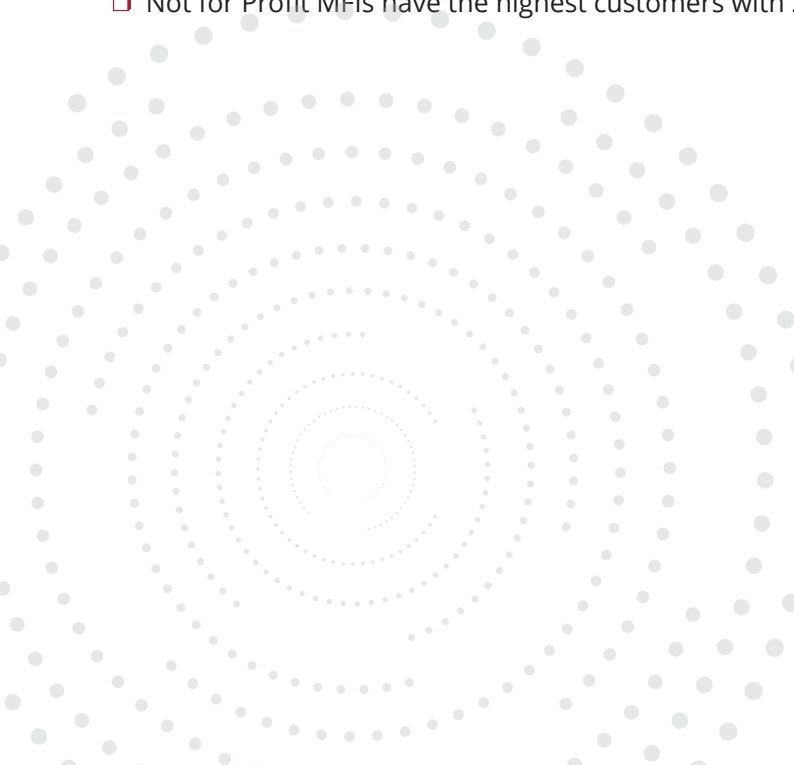
CUSTOMER LEVEL ANALYSIS

Customer Level Analysis as on 31st December 2021

Unique Live Borrowers (in '000)



- More than 70% of the customers have only 1 outstanding loan
- Not for Profit MFIs have the highest customers with 2 outstanding loans



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. Under Microfinance, the Bank has cumulatively sanctioned ₹19,871 crore to more than 100 MFIs, as on March 2020. 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 a 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 the bottom of the pyramid with interest rates comparatively lower than market rates under a partnership model.

About Equifax

Equifax is a global information solutions company that uses trusted unique data, innovative analytics, technology and industry expertise to power organizations and individuals around the world by transforming knowledge into insights that help make more informed business and personal decisions.

Headquartered in Atlanta, Ga., Equifax operates or has investments in 24 countries in North America, Central and South America, Europe and the Asia Pacific region. It is a member of Standard & Poor's (S&P) 500® index and its common stock is traded on the New York Stock Exchange (NYSE) under the symbol EFX. Equifax employs 11,000 employees worldwide. With a global legacy of over 120 years in the credit industry, in 2010, Equifax established a presence in the India market and was licensed by RBI to operate as a CIC. Over the last 9 years, the credit bureau has grown to 4000+ members including Banks, NBFCs, MFIs and insurers. These members provide data on demographic and repayment information on millions of Indian consumers. In 2014, Equifax further grew its footprint in India through acquisition of an analytics firm. Equifax Analytics Pvt. Ltd is Equifax's fully owned analytics entity in India, which delivers unparalleled customized analytics solutions that enrich both the performance of businesses and the lives of consumers.

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