



MICROFINANCE PULSE REPORT

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Executive Summary



18th edition of MFI Pulse report is based on the data submitted to the bureau for the period up to 30th June 2023.

Portfolio outstanding of microfinance industry as on 30th June 2023 is ₹330,261 crore with 1,201 lakh active loans and 6 crore unique live borrowers. NBFC-MFIs contributes highest towards portfolio outstanding. Banks, NBFC-MFIs & SFBs contributes 91% towards portfolio outstanding and disbursement amount in AMJ'23 quarter. Microfinance industry in terms of portfolio outstanding grew up by 24% in June 2023 over June 2022 and witnessed Q-o-Q growth of 11% in June 2023 over March 2023. NBFCs witnessed highest Y-o-Y growth of 51% in June 2023 over June 2022.

Disbursements by value witnessed annual growth of 30% and 18% by volume from AMJ'22 to AMJ'23. NBFC-MFIs witnessed highest growth of 48% in terms of disbursement amount and by 36% in terms of loan disbursal from AMJ'22 to AMJ'23. Highest number of loans are issued under 40k-50k ticket size category and witnessed annual growth of 82% from AMJ'22 to AMJ'23.

All the delinquency buckets have declined in June 2023 over June 2022.

Portfolio outstanding as on 30th June 2023 for Aspirational Districts is ₹45,145 crore and it grew by 22% in June 2023 over June 2022. Loans worth ₹48,396 crore were disbursed in Aspirational Districts from July 2022 to June 2023.

In this edition we have covered Y-o-Y growth of MFI industry trends. As on Jun'23, top 10 states contributes 83% towards portfolio outstanding. In terms of disbursement amount, Uttar Pradesh has witnessed highest Y-o-Y growth of 37% from July 2021-June 2022 to July 2022-June 2023.

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, Gol, 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'22 =April 2022 to June 2022
- JAS'22 =July 2022 to September 2022
- OND'22 =October 2022 to December 2022
- JFM'23 = January 2023 to March 2023
- AMJ'23 =April 2023 to June 2023

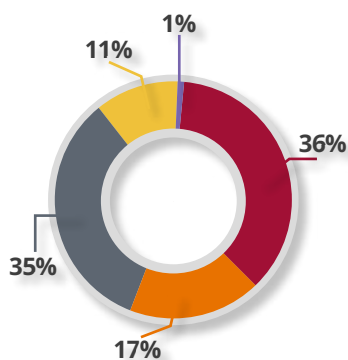
MICROFINANCE INDUSTRY OVERVIEW



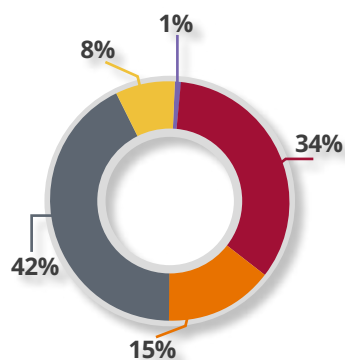
Microfinance Industry Snapshot – as on 30th June 2023

Snapshot as on 30 th June 2023	Banks	SFBs	NBFC-MFIs	NBFCs	Not for Profit MFIs	Total Industry
Active Live Borrowers ('000)	29,061	14,385	28,929	8,758	240	81,373
Active Loans ('000)	41,101	17,686	51,164	9,828	295	120,074
Portfolio (₹ crore)	102,004	56,296	140,026	31,278	657	330,261
Disbursed Amount (₹ crore) – AMJ' 23	24,512	12,601	32,356	6,697	108	76,274
Average Ticket Size (₹) – AMJ' 23	41,059	49,194	42,153	51,934	27,196	43,494
30+ Delinquency (POS)	2.71%	2.14%	1.54%	1.12%	3.03%	1.96%
90+ Delinquency (POS)	1.24%	0.75%	0.86%	0.49%	1.31%	0.92%

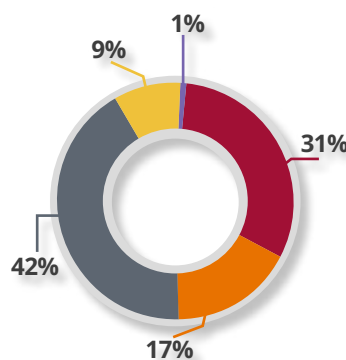
Active Live Borrowers ('000)



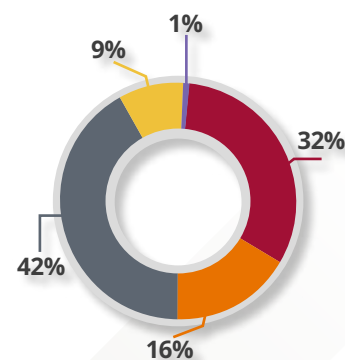
Active Loans ('000)



Portfolio (₹ Crore)



Disbursed Amount (₹ Crore) - AMJ' 23



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

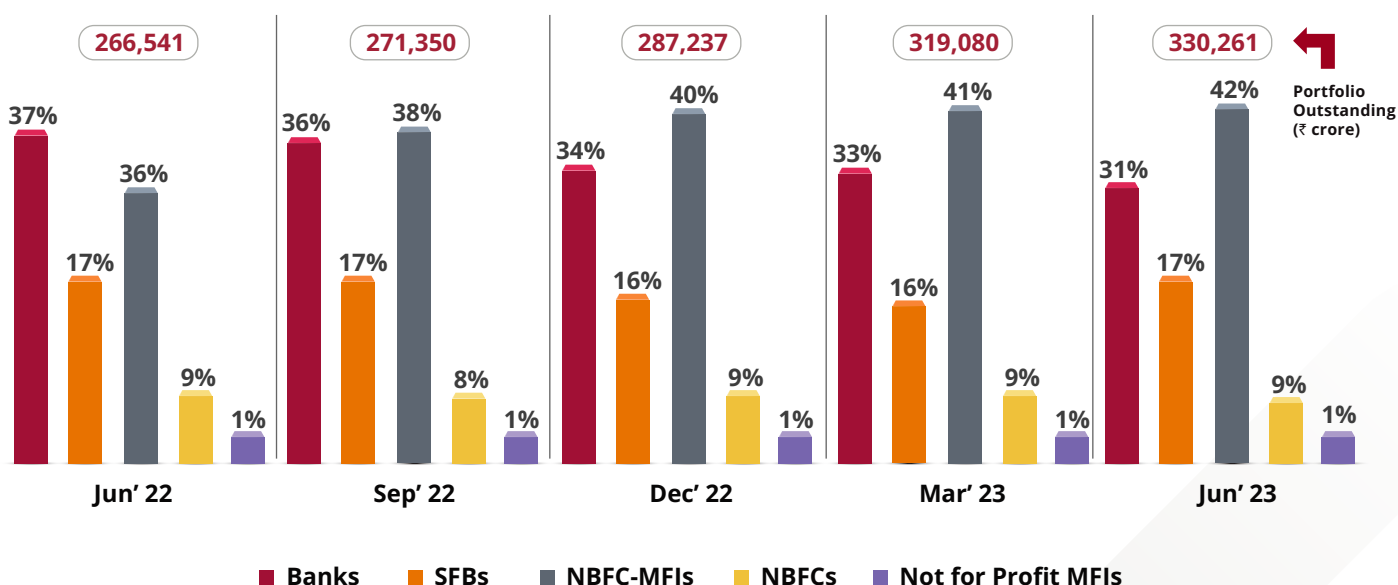
- ◆ Book size of MFI Industry as on 30th June 2023 is ₹330,261 crore
- ◆ NBFC-MFIs have the highest market share of 42% in terms of portfolio outstanding and disbursed amount
- ★ ◆ Average ticket size of SFBs and NBFCs is higher than the industry ticket size
- ◆ 30+ delinquency of NBFC-MFI and NBFCs is lower than the industry 30+ delinquency
- ◆ 90+ delinquency of all the lenders is lower than the industry 90+ delinquency except Banks and Not for Profit MFIs

Microfinance Industry Overview

Portfolio Outstanding (₹ crore)

Particulars	Jun' 22	Sep' 22	Dec' 22	Mar' 23	Jun' 23	Y-o-Y growth%
Banks	98,445	98,001	95,923	104,984	102,004	4%
SFBs	44,810	45,046	46,878	52,386	56,296	26%
NBFC-MFIs	95,671	102,129	114,776	129,414	140,026	46%
NBFCs	25,232	23,175	26,506	28,850	31,278	24%
Not for Profit MFIs	2,383	2,999	3,154	3,446	657	-72%
Total Industry	266,541	271,350	287,237	319,080	330,261	24%
Q-o-Q growth rate %		2%	6%	11%	4%	

Market % Share Trends by Lender Type



◆ Microfinance industry grew by 24% from June 2022 to June 2023 and witnessed Q-o-Q growth of 4% from March 2023 to June 2023.

★ ◆ SFBs witnessed the growth of 26% from June 2022 to June 2023 and witnessed Q-o-Q growth of 7% from March 2023 to June 2023.

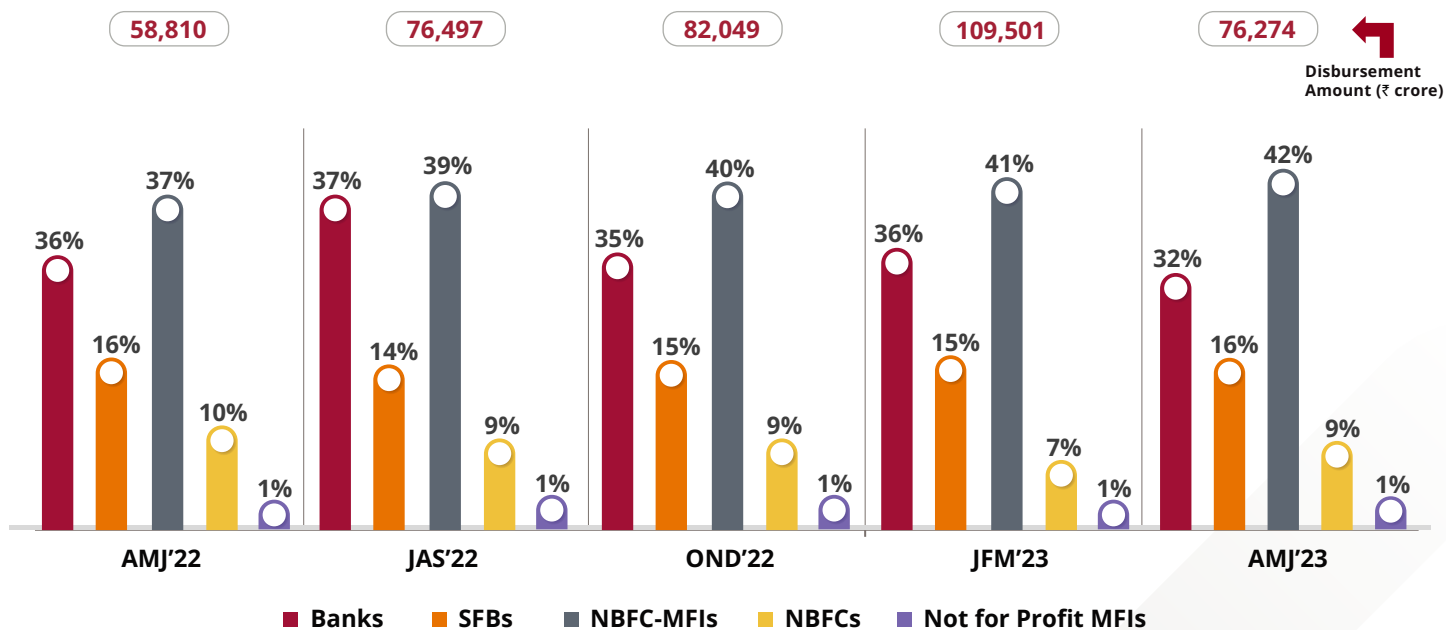
◆ Not for Profit MFI's witnessed decline in Q-o-Q growth by 81% from Mar'23 to Jun'23.



DISBURSEMENT TRENDS

Disbursement Trends - Institution wise

Lender Type	No. of Loans Disbursed (in lakh)				
	AMJ'22	JAS'22	OND'22	JFM'23	AMJ'23
Banks	56	77	75	94	60
SFBs	22	23	26	34	26
NBFC-MFIs	57	75	80	106	77
NBFCs	13	16	17	17	13
Not for Profit MFIs	1	1	1	1	0
Total Industry	149	192	199	252	176

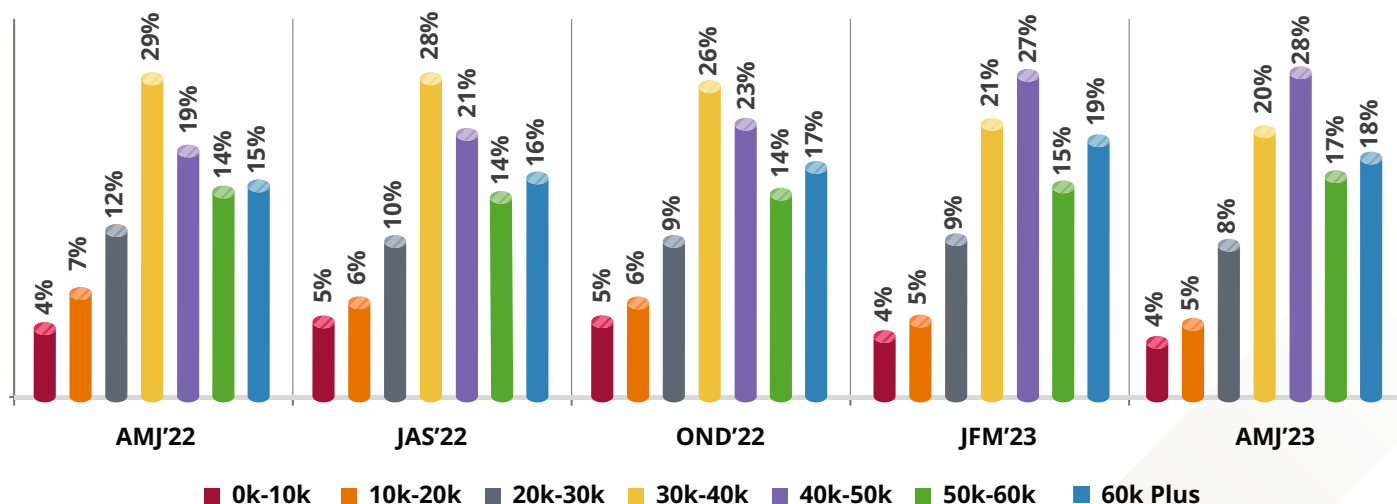


- ◆ Industry disbursed 176 lakhs loan of amount 76,274 crore in AMJ'23
- ◆ Industry witnessed Y-o-Y growth of 18% in terms of number of loans and 30% in terms of loan disbursement by amount
- ◆ NBFC-MFIs witnessed highest growth of 36% in terms of number of loan disbursement and 48% in terms of disbursement amount in AMJ'23 over AMJ'22

Industry Ticket Size Trends

No. of Loans Disbursed (in lakh)

Ticket Size	AMJ'22	JAS'22	OND'22	JFM'23	AMJ'23	Y-o-Y Growth Rate %
0K-10K	7	10	11	10	7	6%
10K-20K	10	12	12	12	8	-13%
20K-30K	18	20	17	21	14	-21%
30K-40K	43	54	51	54	35	-19%
40K-50K	28	40	46	69	51	82%
50K-60K	21	26	28	39	30	35%
60K Plus	22	30	34	47	31	42%
Total	149	192	199	252	176	18%
Q-o-Q loan disbursal growth rate %	-	29%	3%	27%	-30%	-
All India ATS (₹)	39,600	39,930	41,416	43,545	43,494	-
Q-o-Q ATS growth rate %	-	1%	4%	5%	0%	-



- ★ In AMJ'23 highest number of loans were disbursed under 40k-50k ticket size category and this category witnessed highest YoY growth of 82%
- ◆ ATS increased by 10% in AMJ'23 over AMJ'22

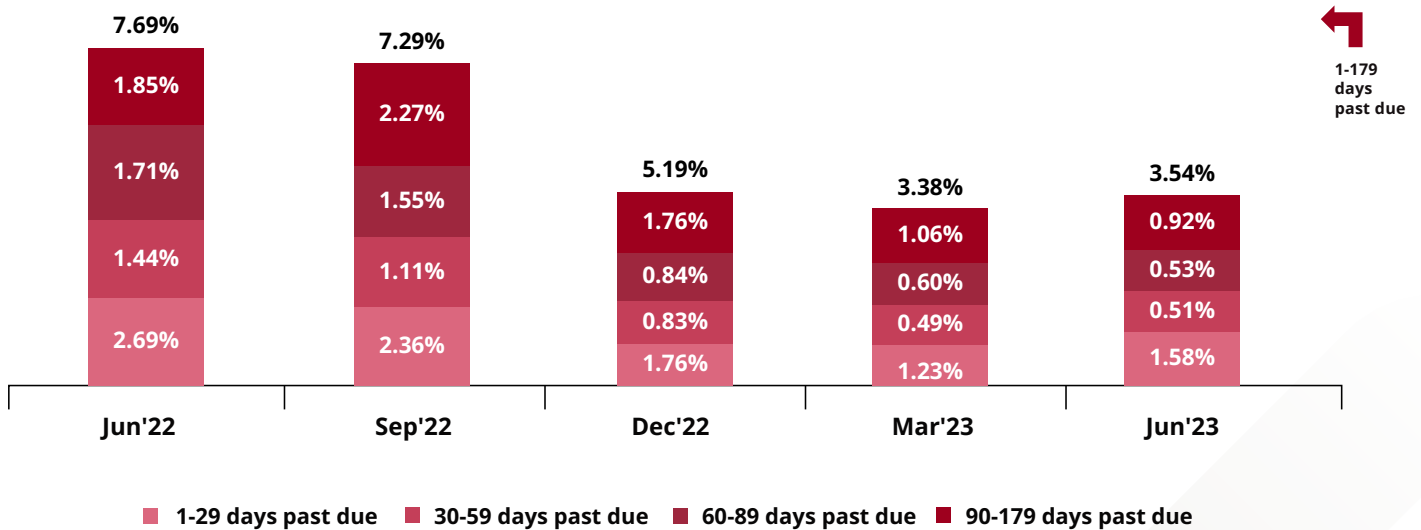
A hand is shown balancing several wooden blocks on a dark wooden surface. One block is standing upright and has the letters 'R', 'I', 'S', and 'K' stacked vertically on its top face. Other blocks are leaning against it or standing nearby. The background is a blurred image of a person in a blue shirt. The image is overlaid with large, abstract, overlapping shapes in shades of red and pink, and a pattern of small white dots in the upper left corner.

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
Jun' 22	2.69%	1.44%	1.71%	1.85%	7.69%
Sep' 22	2.36%	1.11%	1.55%	2.27%	7.29%
Dec' 22	1.76%	0.83%	0.84%	1.76%	5.19%
Mar' 23	1.23%	0.49%	0.60%	1.06%	3.38%
Jun' 23	1.58%	0.51%	0.53%	0.92%	3.54%



- ◆ Delinquencies dropped for all the buckets in June 2023 over June 2022
- ★ ◆ Among all categories, delinquencies of 60-89 days past due and 90-179 days past dues are dropped from March 2023 to June 2023



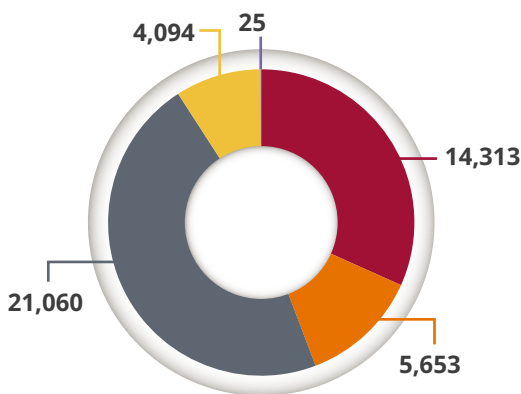
ASPIRATIONAL DISTRICTS

Aspirational Districts – June 2023 Overview

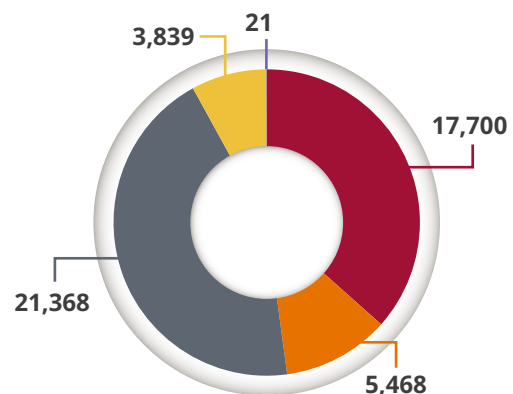
Aspirational Districts Growth Particulars	30 th June 2022	30 th June 2023	Growth %
Active Borrower Penetration ('000)	9,867	12,229	24%
Disbursement Amount (₹ in crore)	*41,025	**48,396	18%
Active Loans ('000)	15,031	17,102	14%
Portfolio Outstanding (₹ in crore)	37,123	45,145	22%
***30+ Delinquency	3.98%	1.69%	-
***90+ Delinquency	1.48%	0.82%	-

- ★ Portfolio outstanding as on 30th June 2023 for Aspirational Districts is ₹45,145 crore.
- ♦ Aspirational Districts contribute 14% towards total portfolio outstanding of Microfinance Industry.
- ♦ NBFCs have the lowest 30+ and 90+ delinquency.

Portfolio (₹ crore)

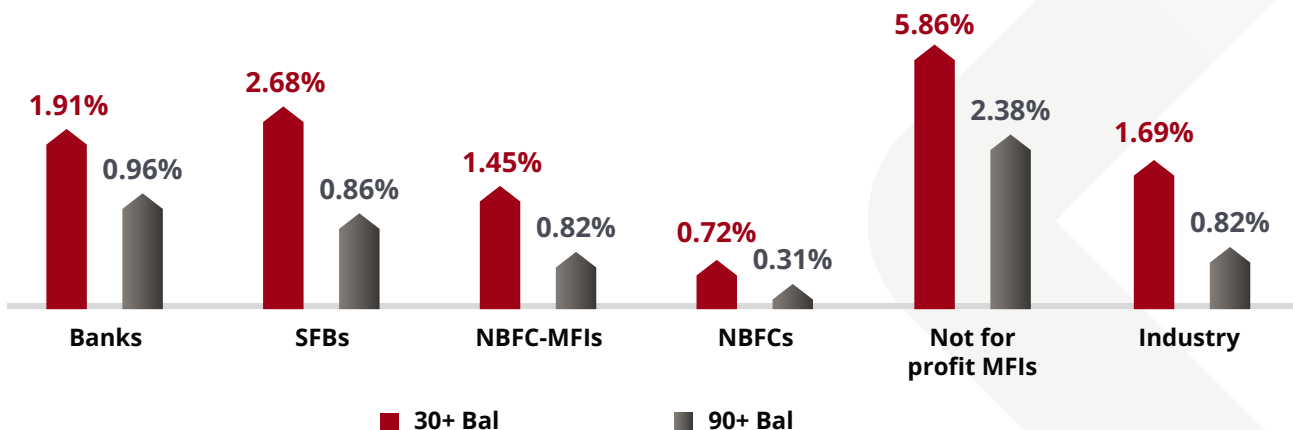


Amount Disbursed (₹ crore) - Jul'22 to Jun'23



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

30+ and 90+ Delinquency by Lender Type

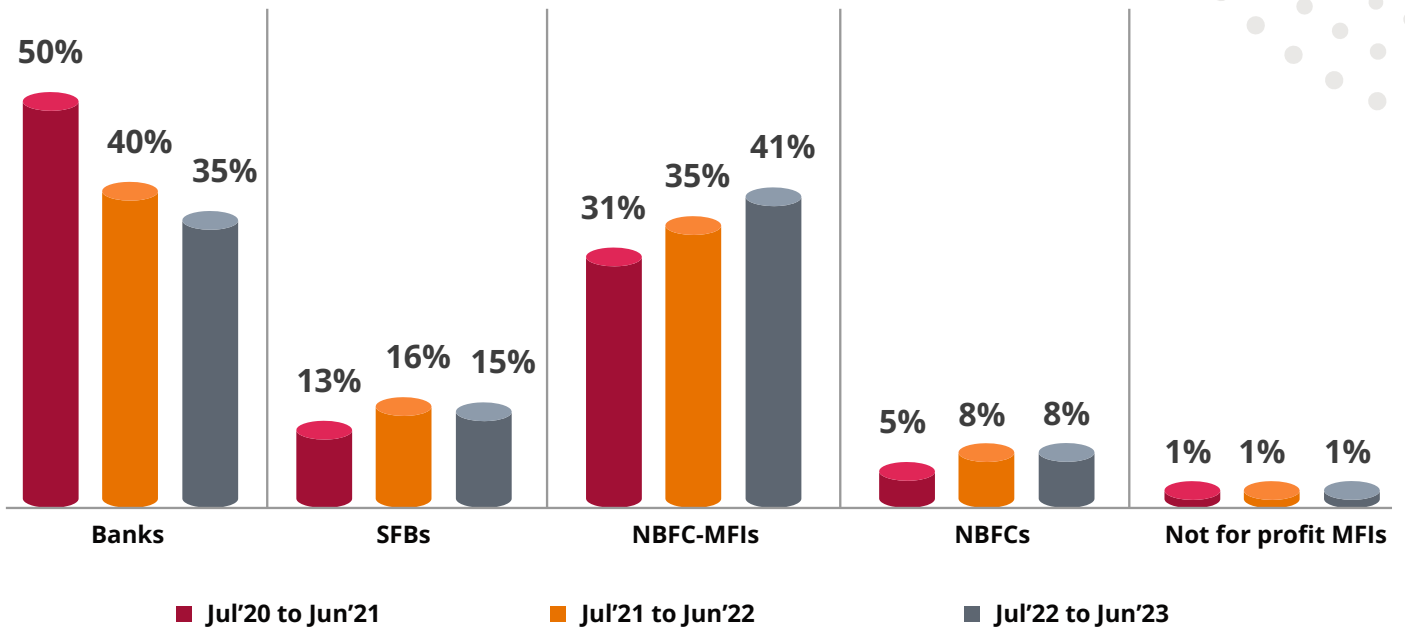


Y-O-Y YEAR GROWTH OF MICROFINANCE INDUSTRY



Year-on-Year Disbursement Growth

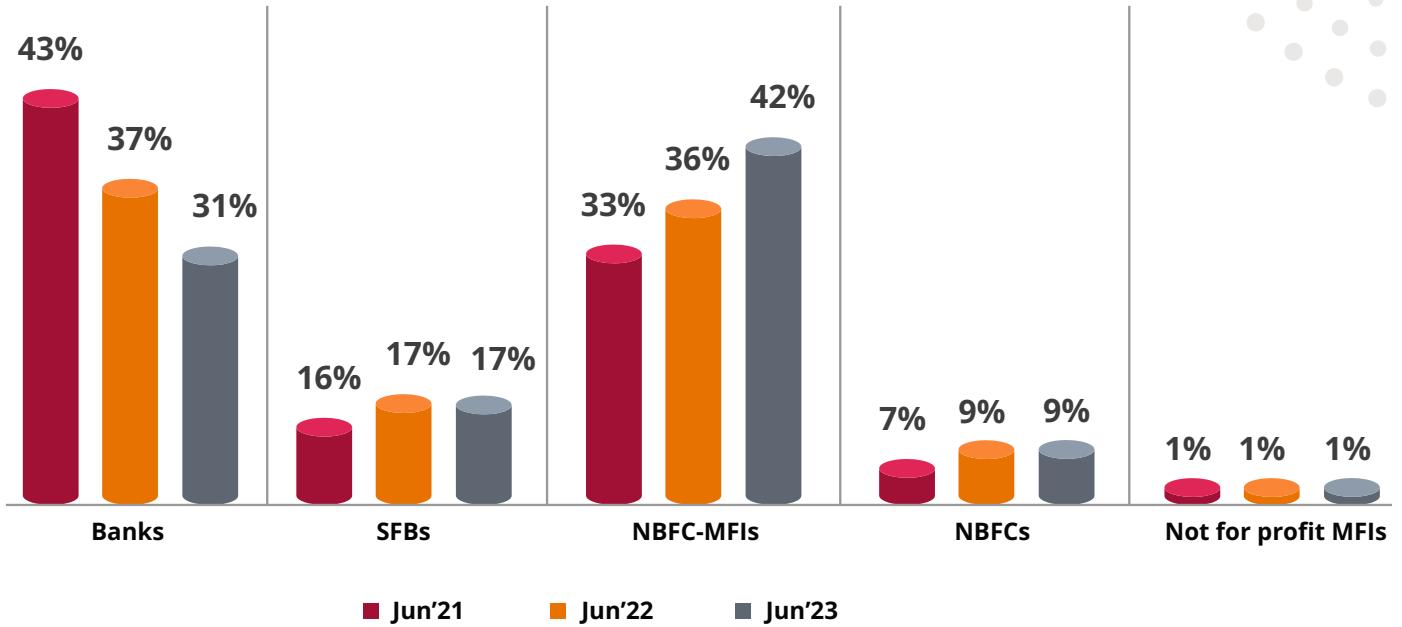
% Market Share by Disbursement Amount



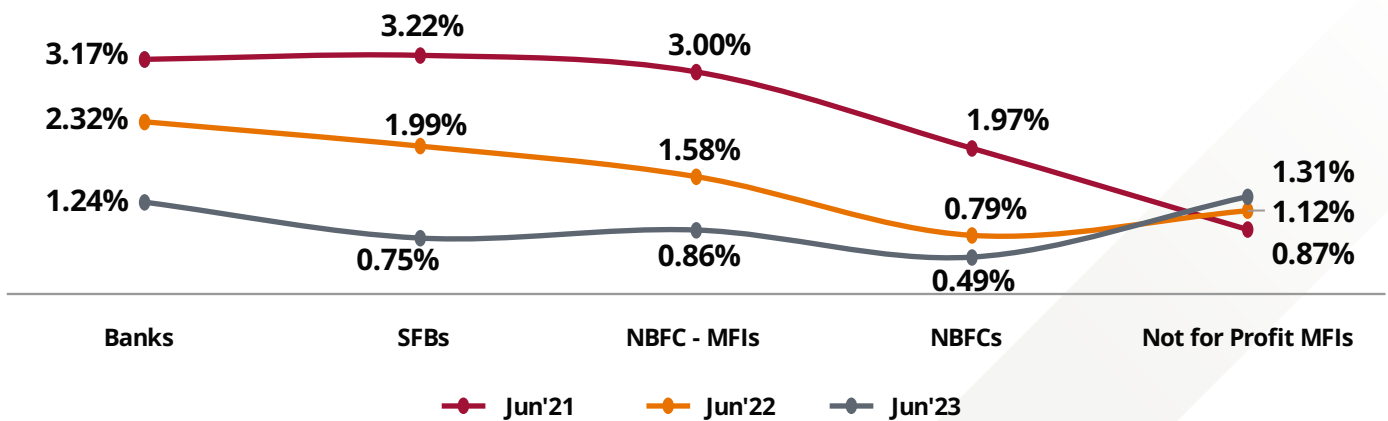
- ◆ NBFC-MFIs has 31% of market share in period of Jul'20 to Jun'21 which increased to 41% in period of Jul'22 to Jun'23 with highest YOY growth of 38% in Jun'23 over Jun'22
- ◆ Share of Banks have reduced but they have witnessed a positive growth of 5% from Jul'21 to Jun'22 in Jul'22 to Jun'23

Year-on-Year Portfolio Outstanding & 90+ Delinquency

% Market Share by Lender Type

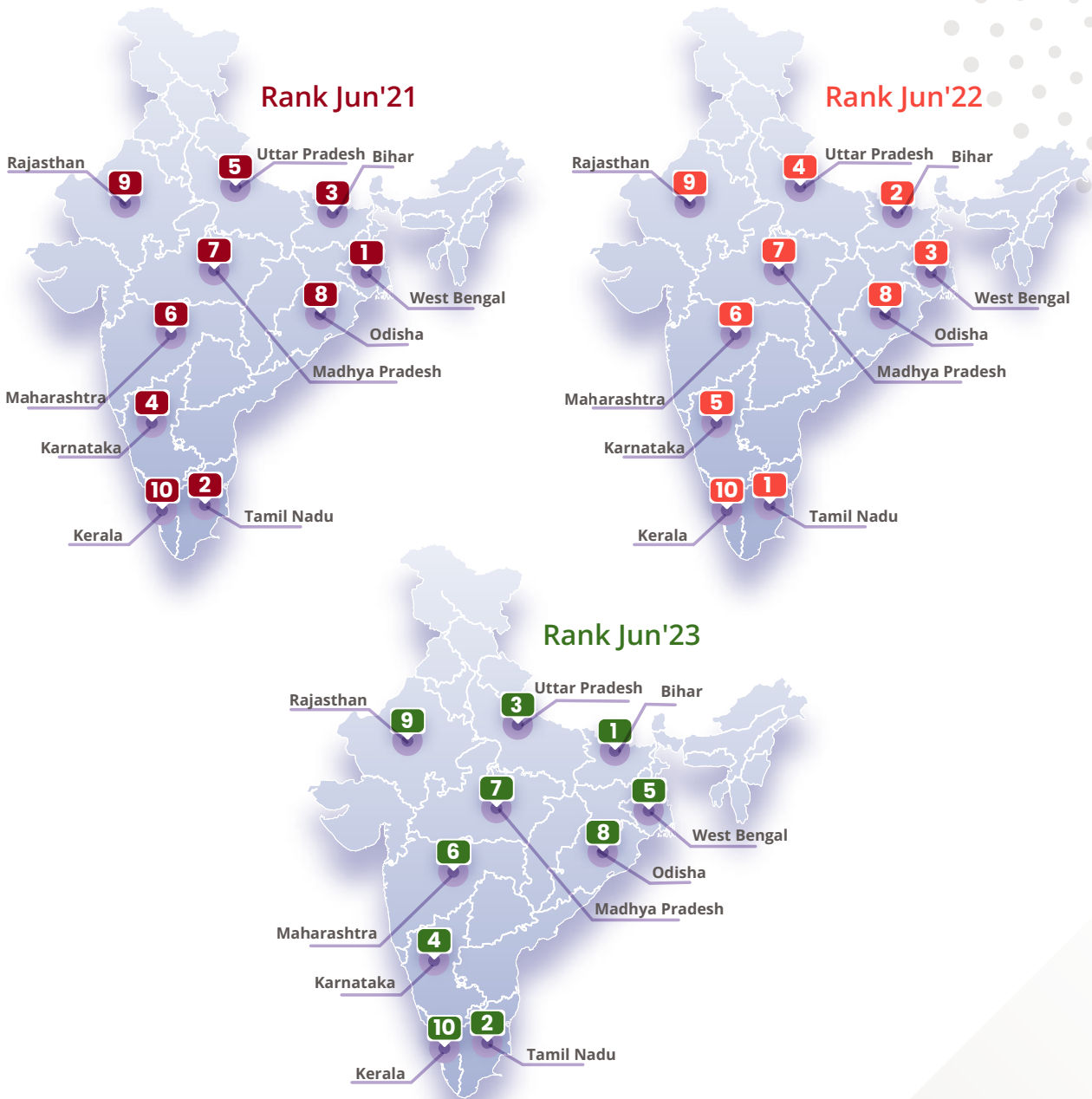


90+ Delinquency



- ★ As on Jun'23, NBFC - MFIs have highest market share of 42% and witnessed highest YoY growth of 46% from Jun'22 to Jun'23
- ◆ Except Not for Profit MFIs, 90+ delinquencies dropped for all sectors in Jun'23 over Jun'22

Year-on-Year State Performance



◆ Bihar witnessed a continuous growth in terms of portfolio outstanding. From 3rd position in June 2021 it got moved to 1st position June 2023 by showing growth of 38% from Jun'22 to Jun'23.

- ★ ◆ Among the top ten states Bihar is having lowest 90+ delinquency of 0.40% which is lower than the industry 90+ delinquency
- ◆ As per Y-o-Y performance of Portfolio Outstanding Uttar Pradesh is leading by 44% with 90+ delinquency of 0.68% as on Jun'23

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 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, 2023 aggregate to ₹27,271 crore benefitting around 5 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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