

MicroLend

QUARTERLY PUBLICATION ON
MICROFINANCE LENDING

VOLUME XXVII
MARCH 2024



Table of Contents

| Section | Page No. |
|----------------------------------------|----------|
| Microfinance Industry Snapshot | 3 |
| Key Takeaways | 4 |
| Portfolio | 5 |
| Originations | 10 |
| Performance | 22 |
| Retail Exposure of MFI Borrowers | 32 |
| Glossary and End Notes | 38 |
| About MicroLend About CRIF High Mark | 39 |

Microfinance Industry Snapshot (Mar 2024)

Portfolio

GLP (Cr)

₹442.7K

- Q-o-Q Growth %
8.5%
- Y-o-Y Growth %
26.8%

Active Loans (Cr)

16.1

- Q-o-Q Growth %
2.5%
- Y-o-Y Growth %
14%

Avg. Balance Per Account

₹27.4K

- Q-o-Q Growth %
5.9%
- Y-o-Y Growth %
6.3%

Originations

Amount Disbursed in Last 3 M (Cr)

₹1,13,862

- Q-o-Q Growth %
17.2%
- Y-o-Y Growth* %
4.6%

Loans Disbursed in Last 3 M (Lakh)

232.6

- Q-o-Q Growth %
16%
- Y-o-Y Growth* %
(-6.4%)

Average Ticket Size in Last 3M

₹48.2K

- Q-o-Q Growth %
1.0%
- Y-o-Y Growth* %
11.8%

Performance

PAR 1-30%

0.7%

- Q-o-Q Growth %
(-0.4%)
- Y-o-Y Growth %
(-0.2%)

PAR 31-180%

2.1%

- Q-o-Q Growth# %
0.1%
- Y-o-Y Growth# %
(-0.1%)

PAR 91-180%

0.9%

- Q-o-Q Growth# %
0.0%
- Y-o-Y Growth# %
(-0.2%)

*Y-o-Y Growth refers to growth compared to same quarter previous year
Growth in percentage points (unit for difference of two percentages)

Microfinance Industry – Key Takeaways (Mar 2024)

Portfolio outstanding of Microfinance sector at ₹ 442.7 K crore as of Mar'24 with 8.5% Q-o-Q and 26.8% Y-o-Y growth

NBFC MFIs continue to dominate the market with portfolio share of 39.2%, followed by Banks 33.2%, SFBs 16.9%, NBFCs 10.2% as of Mar'24

PAR 31-180 DPD increased from 2.0% as of Dec'23 to 2.1% as of Mar'24, PAR 91-180 DPD remained stable

Top 10 states by GLP contribute to 83.5% of national GLP, West Bengal recording highest Q-o-Q growth of 11.8%

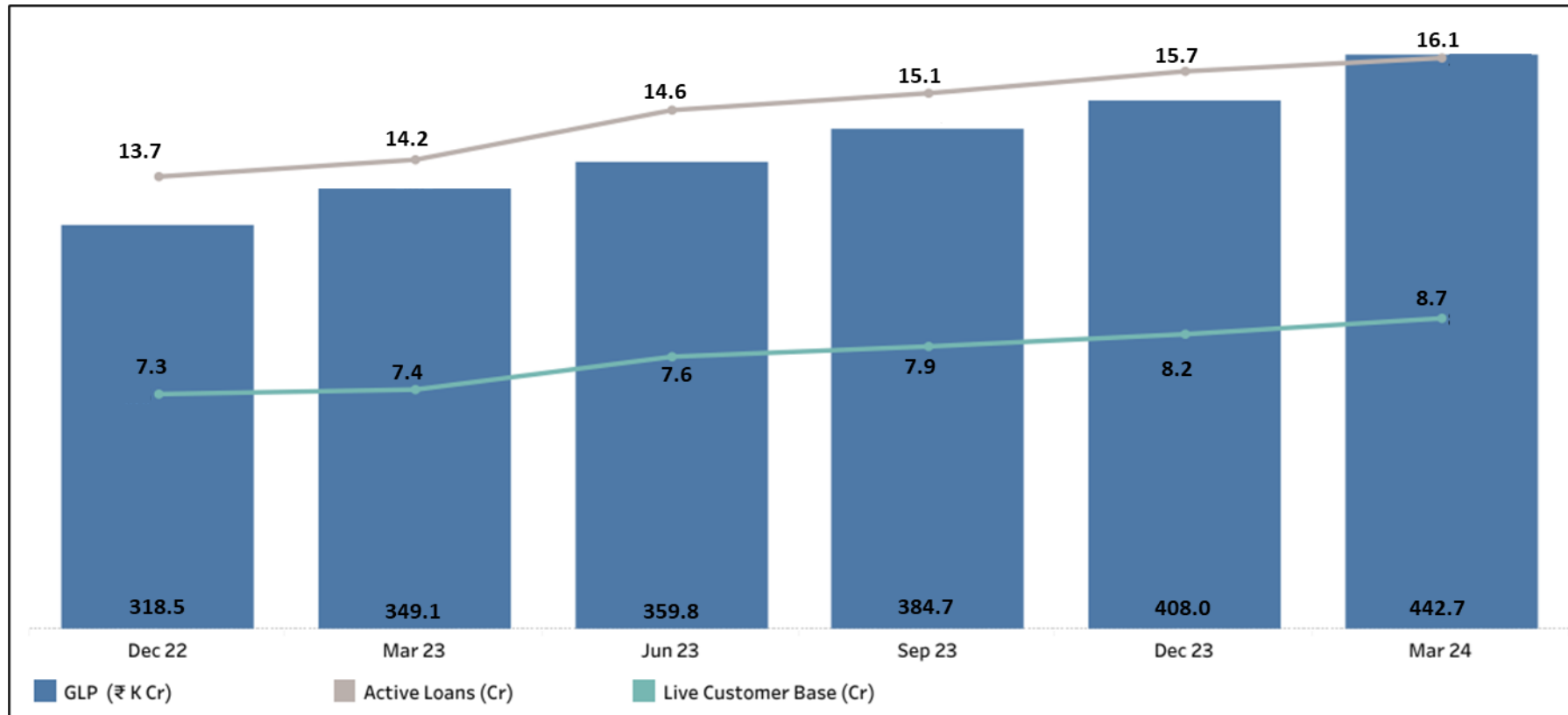
₹113.8 K crore originations (by value) and 236.2 lakh originations (by volume) in Q4 FY24



Microfinance Portfolio

27% YoY Growth in POS, 18% in # Borrowers, 60% from Rural

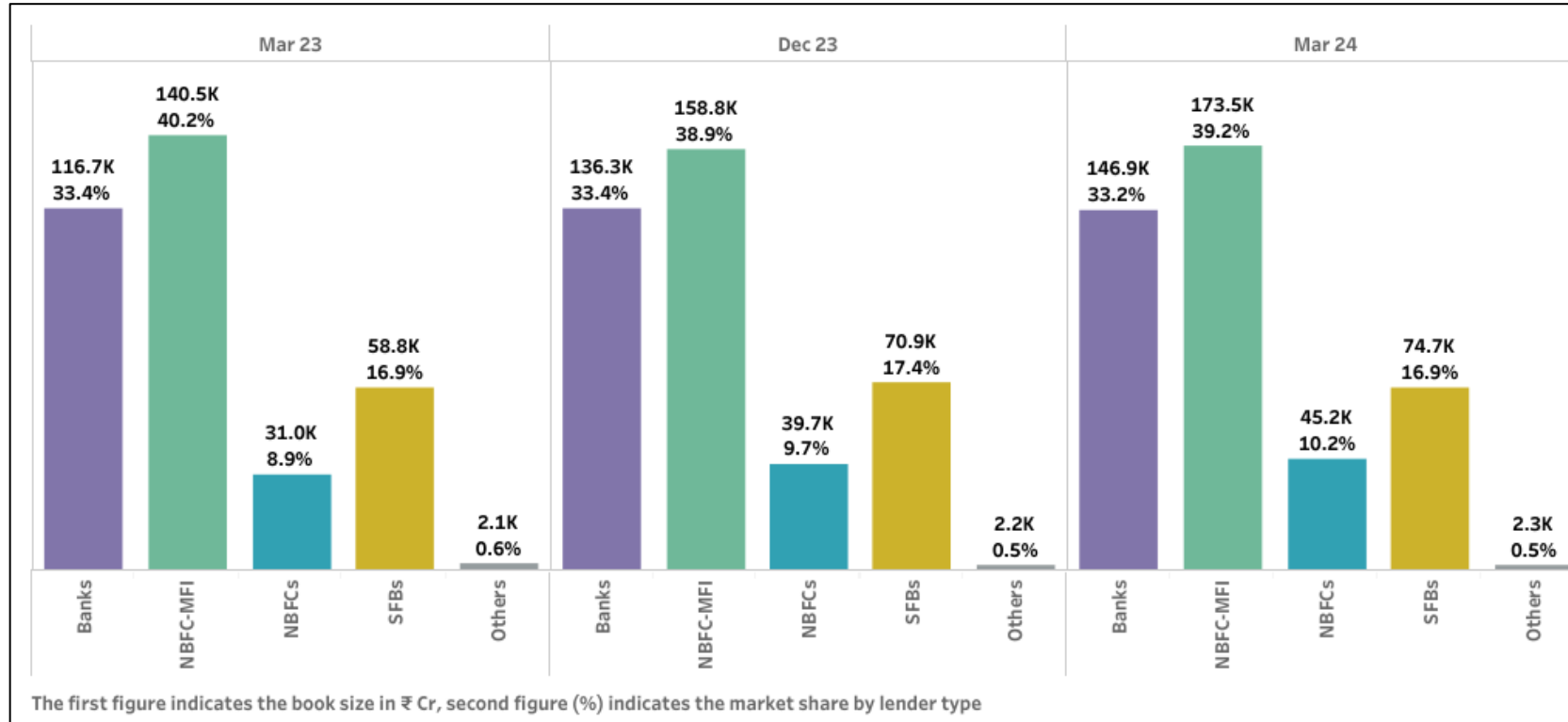
Microfinance Universe



- ❑ Microfinance sector witnessed quarterly growth of 8.5% in the book, and Y-o-Y growth of 26.8% as of Mar'24
- ❑ Live customer base grew by 6.1% Q-o-Q and by 17.6% Y-o-Y as of Mar'24

Robust Y-o-Y Growth in NBFCs, almost 2X of Market Growth

Portfolio - Lender Type Mix

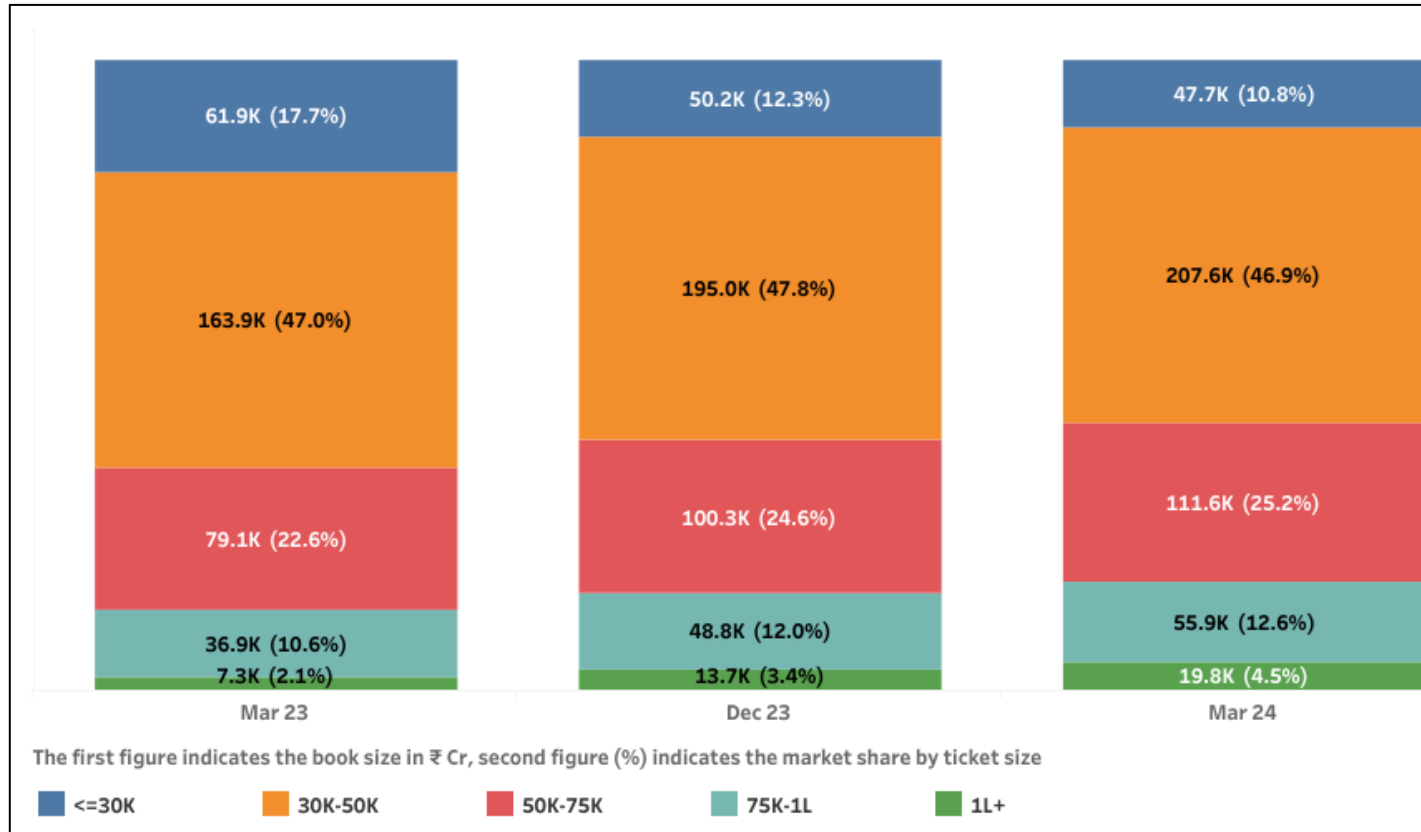


- ❑ NBFC MFIs continue to dominate the market with portfolio share of 39.2% as of Mar'24
- ❑ 13.9% Q-o-Q growth in GLP for NBFCs as against 7.7% for Banks, 9.3% for NBFC-MFI and SFBS 5.5% as of Mar'24
- ❑ Y-o-Y growth of nearly 45.8% for NBFCs, 25.9% for banks, 23.5% for NBFC MFIs, 27% for SFBS

| Lender Type | Banks | NBFC MFI | NBFCs | SFBs | Others | Total |
|------------------|-------|----------|-------|-------|--------|-------|
| Q-o-Q GLP Growth | 7.7% | 9.3% | 13.9% | 5.5% | 5.0% | 8.5% |
| Y-o-Y GLP Growth | 25.9% | 23.5% | 45.8% | 27.0% | 13.0% | 26.8% |

Portfolio Growth in ₹50K+ ticket size, de-growth in <₹30K

Portfolio – Ticket Size Mix



- ❑ Ticket size ₹30K-₹50K continues to dominate the portfolio with share of 46.9% as of Mar'24
- ❑ Portfolio of ticket size ₹75K-₹1L witnessed Y-o-Y growth of 51.7% and Q-o-Q growth of 14.7% as of Mar'24
- ❑ As of Mar'24, ticket size <₹30K witnessed Q-o-Q and Y-o-Y degrowth

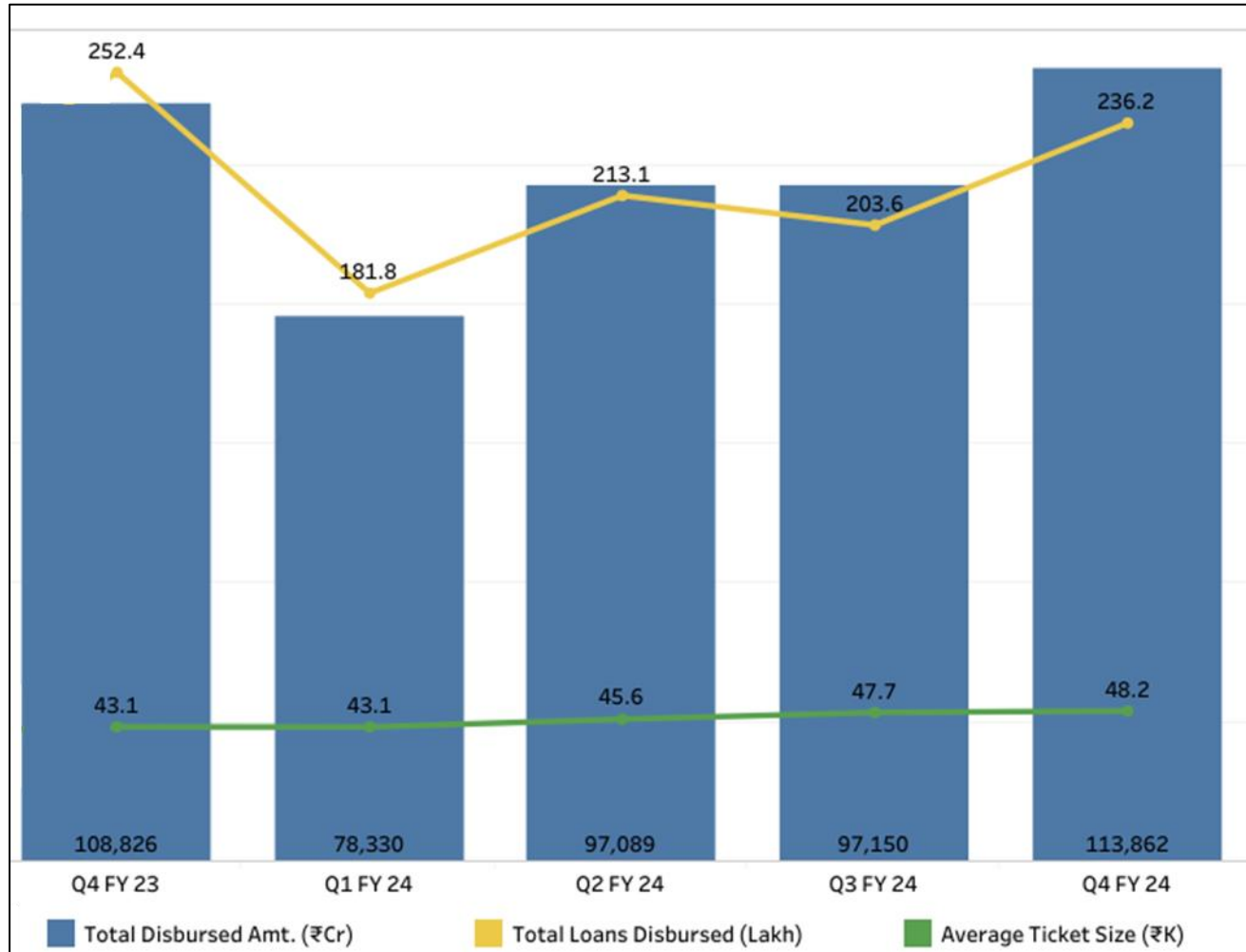
| Ticket Size | <=30K | 30K-50K | 50K-75K | 75K-1L | 1L+ | Total |
|------------------|--------|---------|---------|--------|--------|-------|
| Q-o-Q GLP Growth | -5.0% | 6.4% | 11.4% | 14.7% | 44.5% | 8.5% |
| Y-o-Y GLP Growth | -23.0% | 26.6% | 41.2% | 51.7% | 171.9% | 26.8% |

A hand is shown holding a glowing, semi-transparent globe. The globe is surrounded by a network of white dots connected by thin lines, creating a digital or data network effect. A stylized, glowing logo is superimposed on the globe. The background is a soft blue gradient with light rays and bokeh effects.

Microfinance Originations

12% Y-o-Y increase in ATS, Flat Y-o-Y growth in Originations

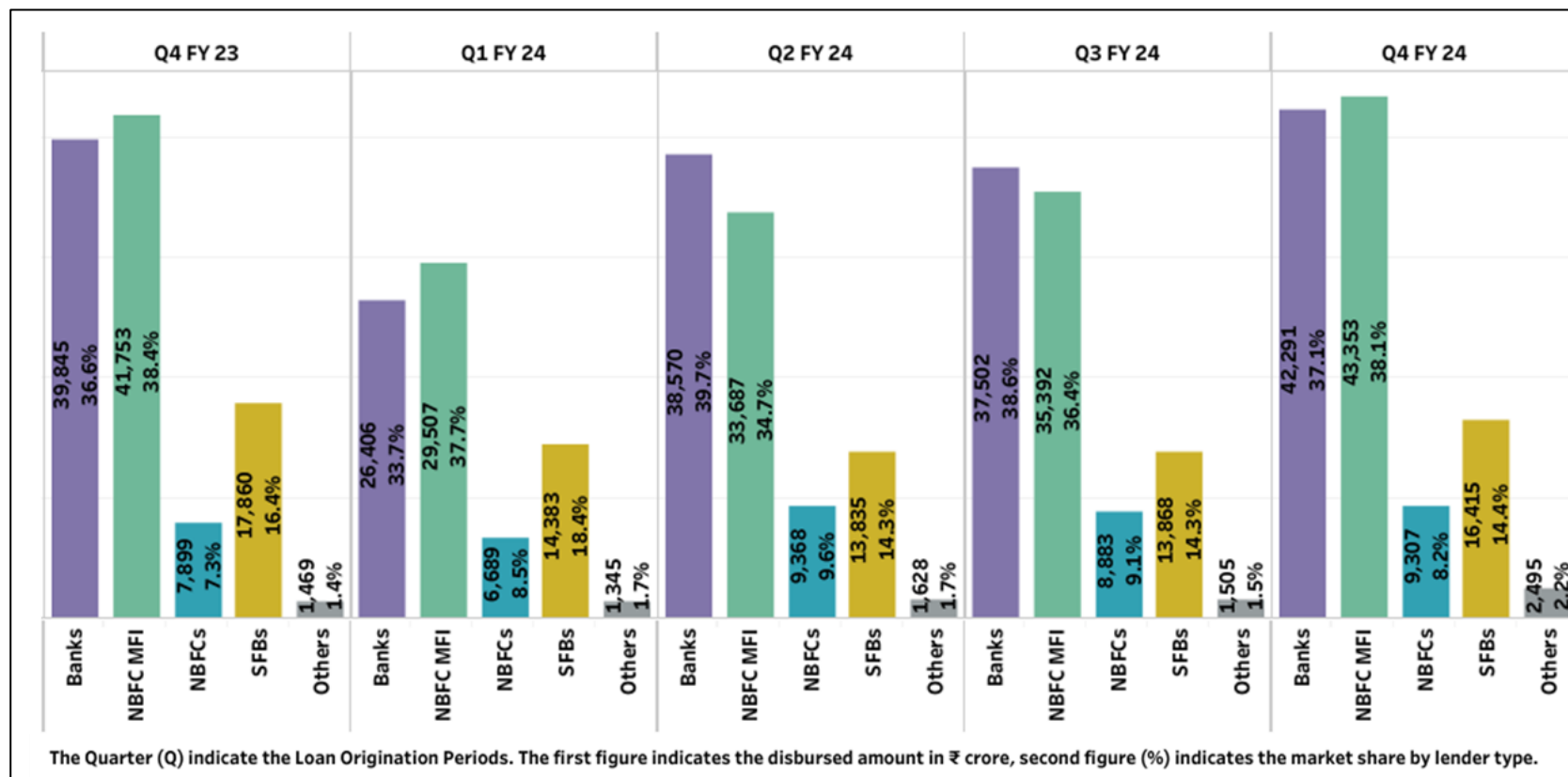
Originations - Trends



- ❑ ₹113.8K crore originations (by value) in Q4 FY24 growth of 17.2% compared to Q3 FY24
- ❑ 236.2 lakh loans disbursed in Q4 FY24, increase of 16% compared to Q3 FY24
- ❑ Average ticket size at ₹48.2K in Q4 FY24, growth of 1% compared to Q3 FY24

Originations dominated by NBFC MFIs and Banks

Originations – Lender Type Mix (Value in ₹ Cr)



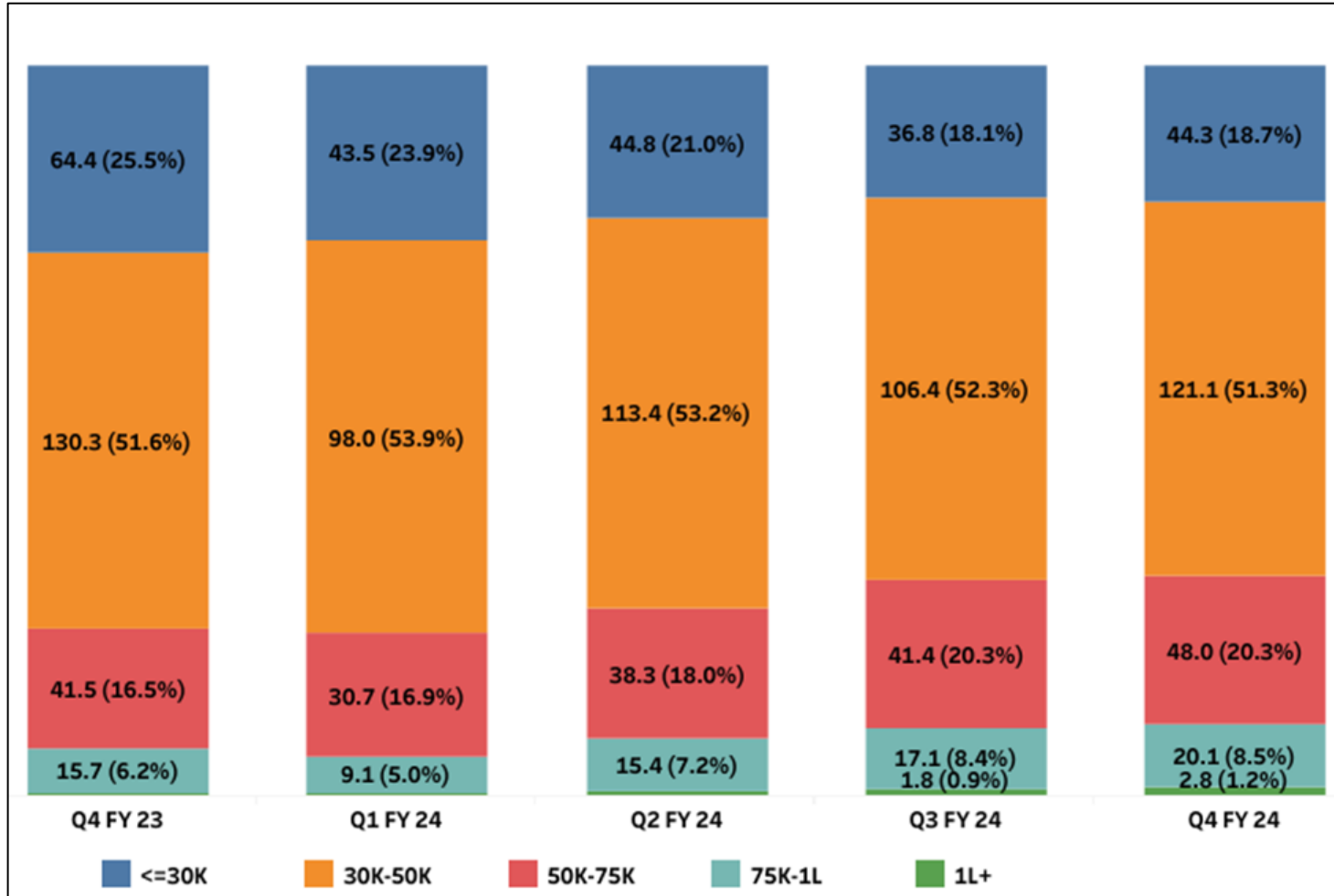
- ❑ NBFC MFIs dominate with 38.1% Originations share (by value) in Q4 FY24
- ❑ Originations share (by value) of banks at 37.1%, for SFBS at 14.4% in Q4 FY24
- ❑ Average ticket size for Banks declined by 2.2%, for NBFC MFIs ATS grew by 10.4% and for NBFCs by 5.5%, SFBS by 1.5% from Q3 FY24 to Q4 FY24

| Lender Type | Banks | NBFC MFI | NBFCs | SFBs | Others | Total |
|---------------|-------|----------|-------|-------|--------|-------|
| Q-o-Q Growth | 12.8% | 22.5% | 4.8% | 18.4% | 65.7% | 17.2% |
| Y-o-Y* Growth | 6.1% | 3.8% | 17.8% | -8.1% | 69.8% | 4.6% |

*Y-o-Y Growth refers to growth compared to same quarter previous year

Growth in Rs 30K+, Degrowth in <Rs30K Ticket size loans

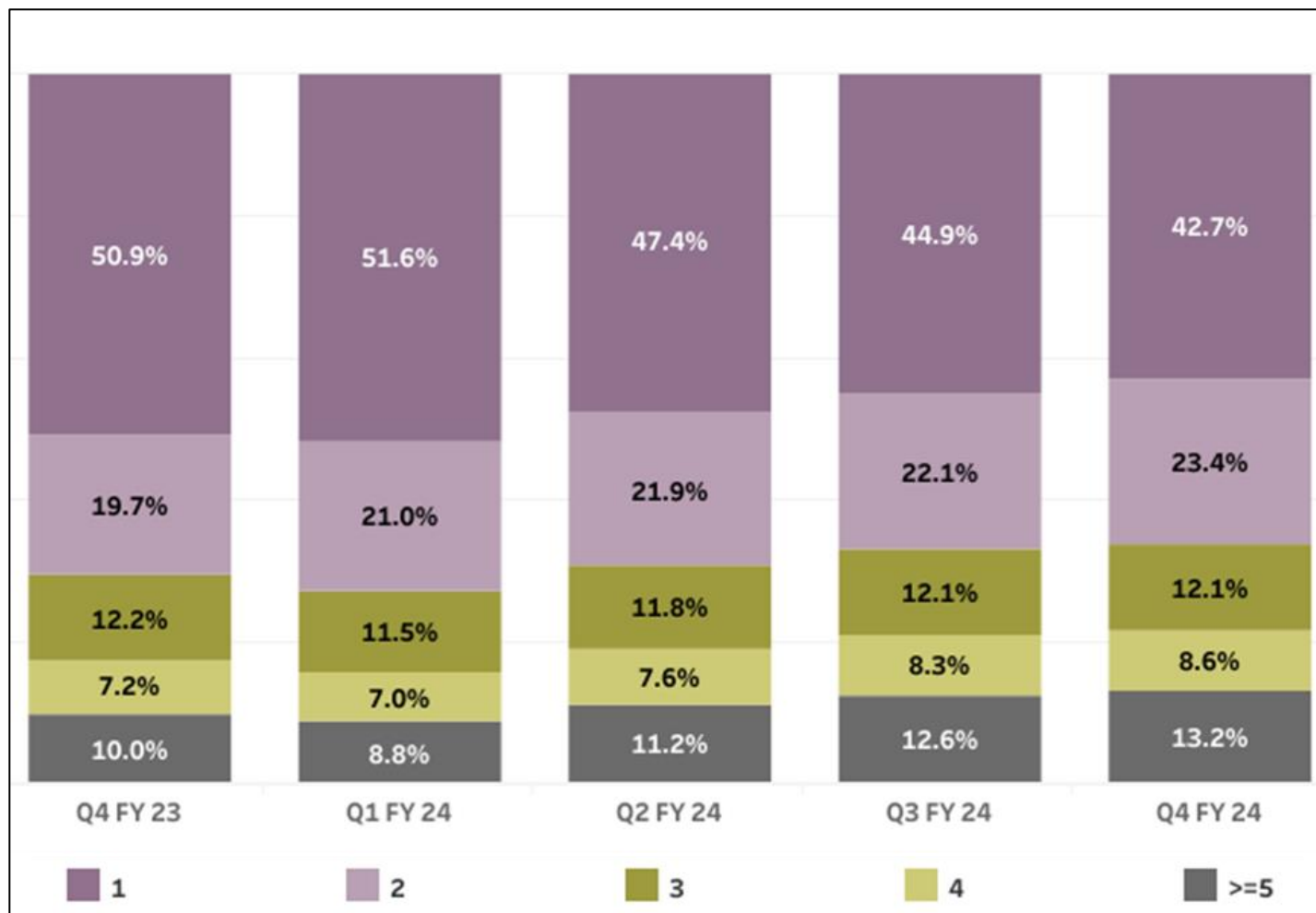
Originations – Ticket Size Mix (Volume in Lakh)



- ❑ Originations share (by volume) of loans ₹30K-₹50K remained the largest at 51.3% in Q4 FY24
- ❑ Originations share (by volume) of loans <=30K reduced from 25.3% in Q4 FY23 to 18.7% in Q4 FY24

Decline in Originations Share of Loan cycle 1

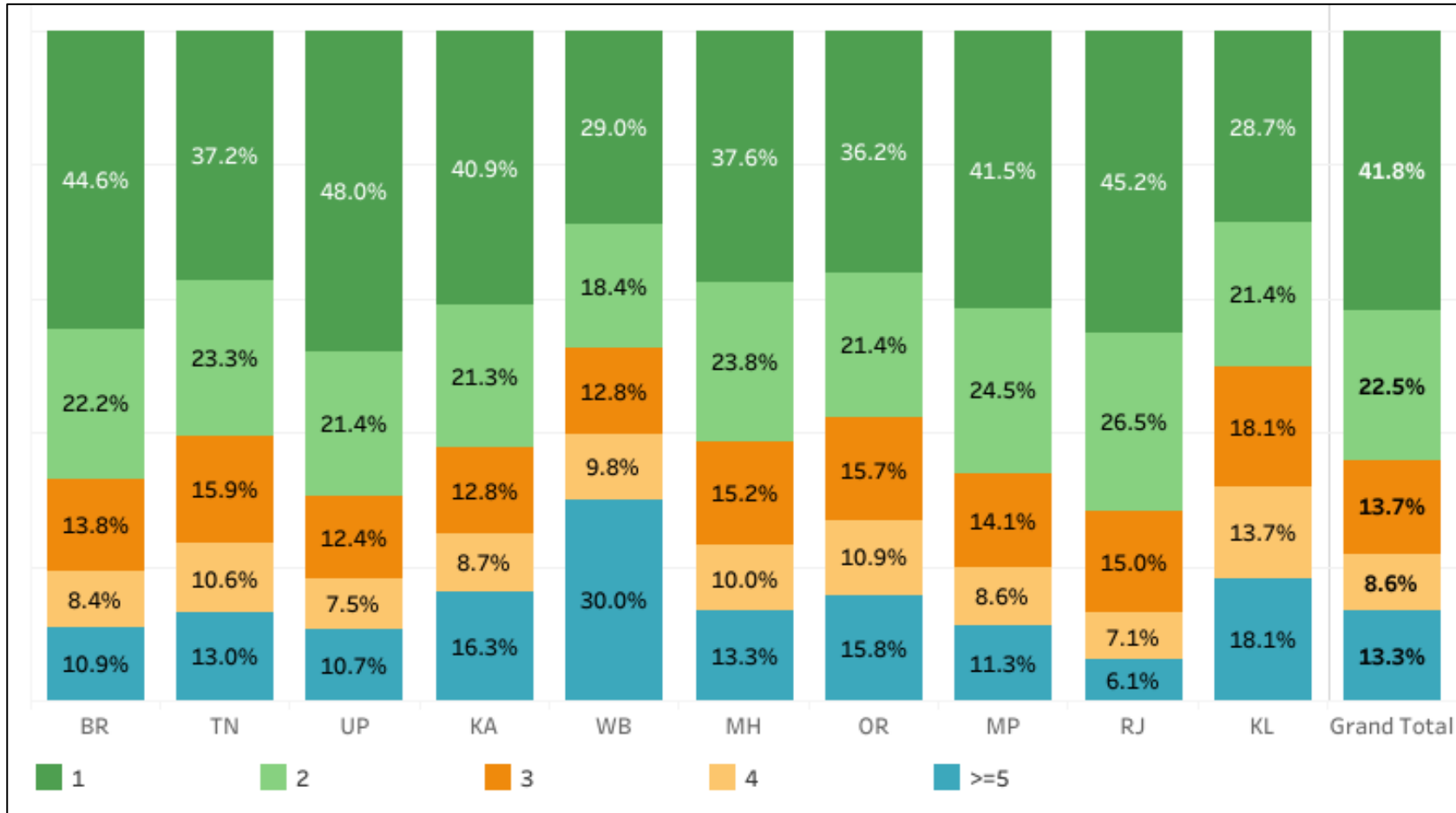
Originations – Loan Cycle



- ❑ Share of originations (value) in 1st Loan Cycle reduced from 50.9% in Q4 FY23 to 42.7% in Q4 FY24
- ❑ Share of originations (value) in 2nd Loan Cycle increased from 19.7% to 23.4% during the same period
- ❑ Share of originations (value) in 4+ Loan Cycle increased from 17.2% in Q4 FY23 to 21.8% in Q4 FY24

13.3% Borrowers belong to ≥ 5 Loan Cycle, led by WB & KL

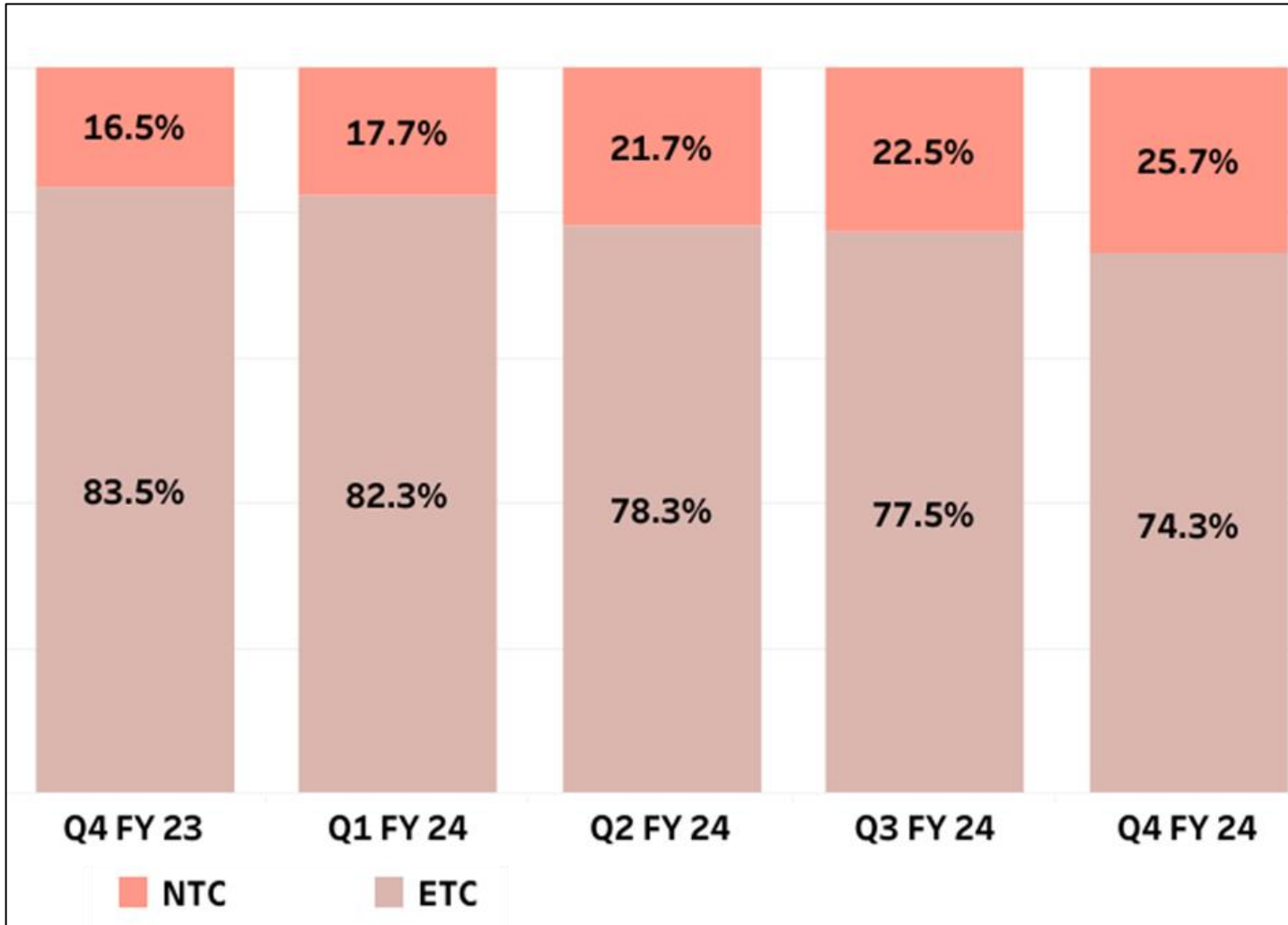
Imputed Loan Cycle – State Wise - Mar'24



- As of Mar'24, 42% of active customers belong to 1 loan cycle
- 8.4% active customers belong to >5 loan cycle as of Mar'24

Increase in Originations Share of NTC

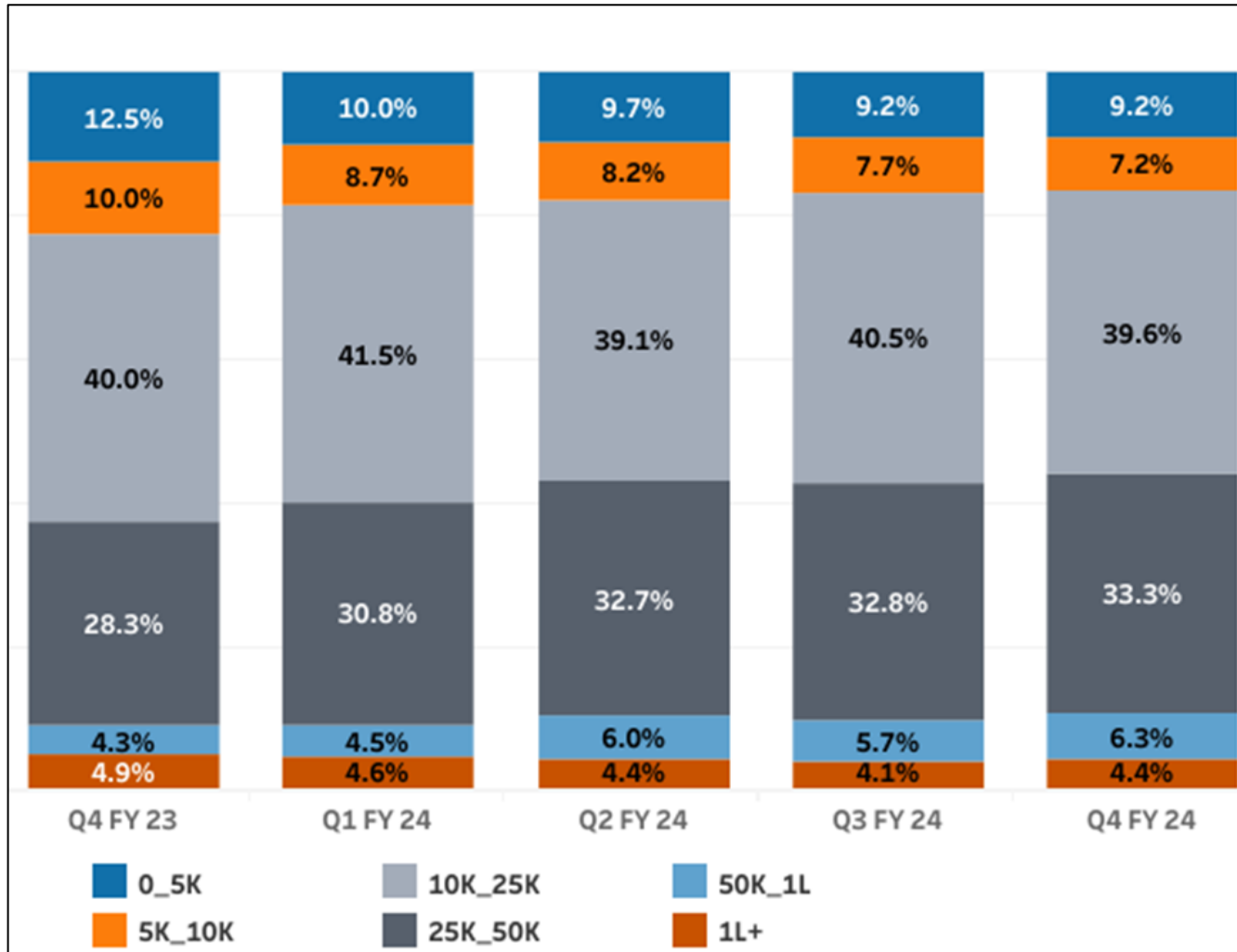
Originations – Borrower Vintage



- ❑ Nearly 26% originations (value) of NTC in Q4 FY24
- ❑ Share of originations (value) of NTC increased from 16.5% in Q4 FY23

Increase in Originations Share of Household Income 25K+

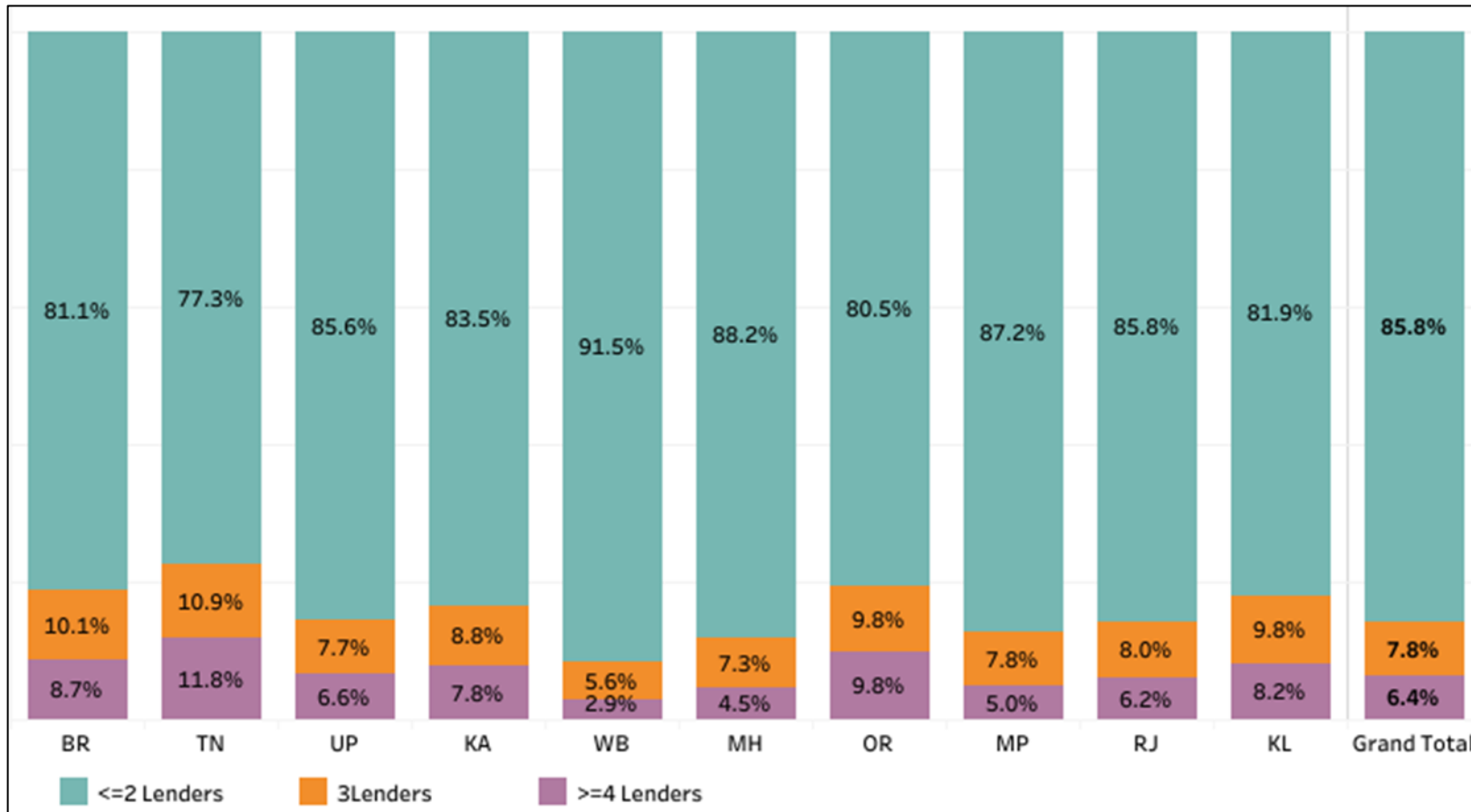
Originations – Household Income



- ❑ 40% originations (value) in 10K-25K household income band in Q4 FY24
- ❑ Share of originations (value) in 25K-50K increased from 28.3% in Q4 FY23 to 33.3% in Q4 FY24

6.4% Borrowers have 4+ Lender Exposure, led by TN & OR

Lender Exposure – State Wise - Mar'24



- ❑ 6.4% of borrowers have exposure to 4 or more lenders
- ❑ Among major states, the proportion is
 - ❑ Highest for Tamil Nadu (11.8%)
 - ❑ Least for West Bengal (2.9%)

Borrowers with higher Lender Exposure have higher Delinquency

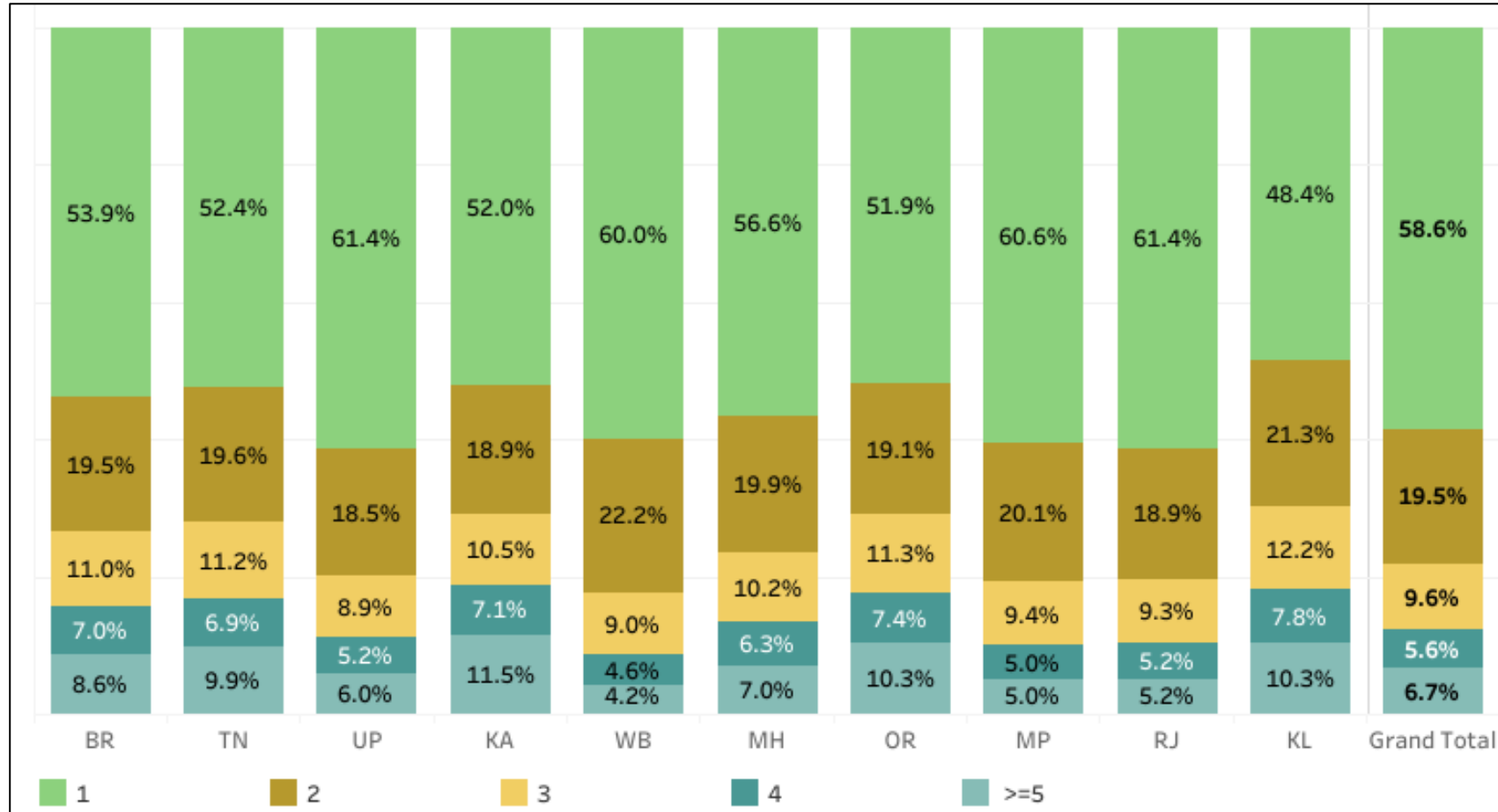
Borrower Max DPD by Lender Exposure

| Borrower Worst DPD | Lender Exposure (Mar'24) | | | |
|--------------------|--------------------------|------|------|-------|
| | <=2 | 3 | 4 | >=5 |
| 1-30 | 0.9% | 2.4% | 3.6% | 6.1% |
| 31-180 | 2.5% | 5.9% | 8.3% | 12.7% |
| 91-180 | 1.0% | 1.5% | 1.8% | 2.2% |

❑ Borrowers with higher lender exposure have higher delinquency 1-30, 31-180 and 91-180

12.3% Borrowers have ≥ 4 Active Loans, led by KA, OR & KL

Active Loans Per Borrower – State Wise - Mar'24



- ❑ As of Mar'24, 59% of active borrowers have 1 active loan
- ❑ 3.6% active borrowers have >5 active loans as of Mar'24

Borrowers with higher # Active loans have higher Delinquency

Borrower Max DPD by # Active Loans per Borrower

| Borrower Worst DPD | Active Loans Per Borrower (Mar'24) | | | | | |
|--------------------|------------------------------------|------|------|------|------|-------|
| | 1 | 2 | 3 | 4 | 5 | >5 |
| 1-30 | 0.8% | 1.2% | 1.8% | 2.3% | 3.0% | 4.8% |
| 31-180 | 2.1% | 3.2% | 4.6% | 6.0% | 7.4% | 10.5% |
| 91-180 | 0.9% | 1.1% | 1.3% | 1.5% | 1.6% | 1.8% |

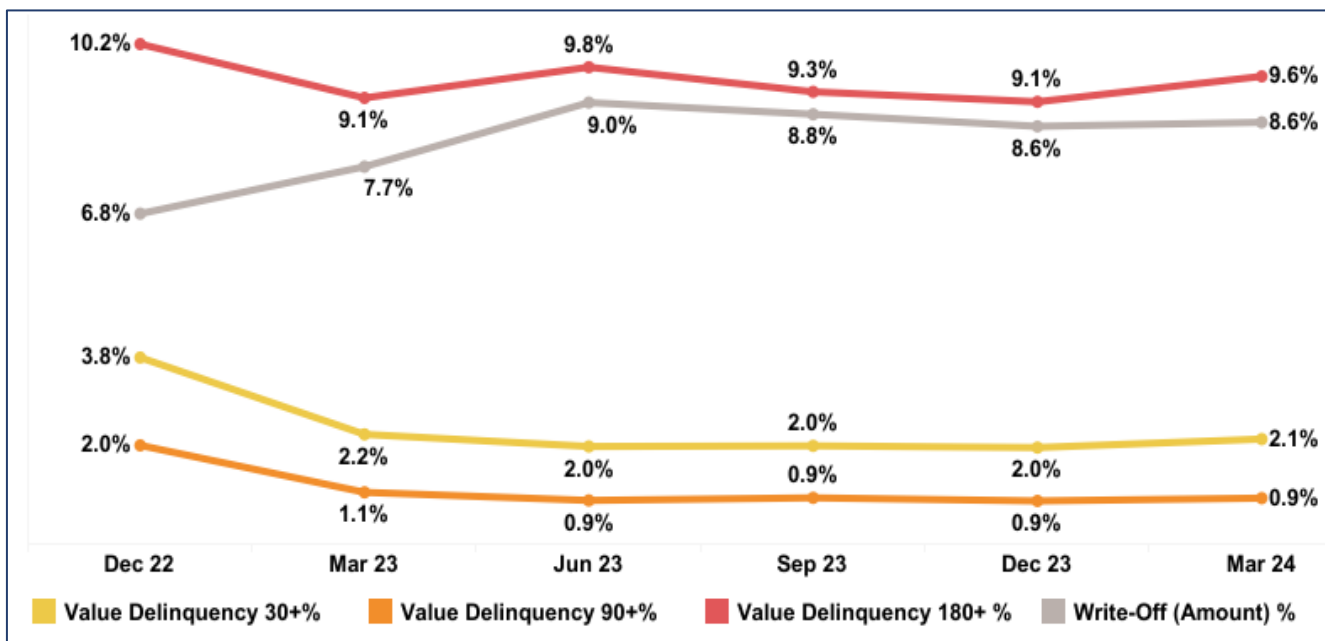
❑ Borrowers with higher number of active loans have higher delinquency 1-30, 31-180 and 91-180

A hand holding a glowing globe with a network overlay and a stylized logo. The globe is surrounded by a network of white dots and lines, and a bright light source is visible on the right side of the image.

Microfinance Performance

Flat PAR 31-180 & PAR 91-180, Increase in PAR 180+

Delinquency Trends



Value delinquency 30+% refers to proportion of portfolio delinquent by 31-180 days past due (DPD), value delinquency 90+% refers to proportion of portfolio delinquent by 91-180 DPD, value delinquency 180+% refers to proportion of portfolio delinquent by >180 DPD (excluding write-offs), calculated as % of total portfolio outstanding

- ❑ PAR 31-180 DPD deteriorated from 2.0% as of Dec'23 to 2.1% as of Mar'24
- ❑ PAR 91-180 DPD and write-offs remained stable during the same period
- ❑ PAR 180+ DPD increased to 9.6% as of Mar'24. Maharashtra, West Bengal, Madhya Pradesh and Odisha have highest PAR 180+ DPD

| | 5 Best Performing Lenders | 5 Worst Performing Lenders | Industry |
|-----------------------------|---------------------------|----------------------------|----------|
| Cumulative GLP (₹Cr) | 69,913 | 45,928 | 4,42,700 |
| PAR 31-180% | 0.9% | 4.1% | 2.1% |
| PAR 91-180% | 0.5% | 1.8% | 0.9% |
| PAR 180+% | 4.6% | 12.7% | 9.6% |

Note: The analysis is limited to top 30 MFI institutions with a market share of 87.4% as of Mar'24. Performance is based on PAR 31-180 DPD performance as of Mar'24

Risk Profile – Top Districts

| Best Performing Districts | | | | | | Worst Performing Districts | | | | | |
|---------------------------|------------|--------------|-------------|------------|--------------------|----------------------------|------------|--------------|-------------|------------|--|
| GLP Band (₹ Cr) | GLP (₹ Cr) | PAR 31-180 % | PAR 91-180% | PAR 180+ % | | GLP Band (₹ Cr) | GLP (₹ Cr) | PAR 31-180 % | PAR 91-180% | PAR 180+ % | |
| >2000 Cr | 2,021 | 0.6% | 0.3% | 4.0% | Tirunelveli | >2000 Cr | 2,194 | 3.6% | 1.7% | 9.3% | |
| >2000 Cr | 3,149 | 0.5% | 0.2% | 4.1% | Coimbatore | >2000 Cr | 2,112 | 2.8% | 1.2% | 9.4% | |
| >2000 Cr | 2,341 | 0.4% | 0.1% | 1.6% | Madurai | >2000 Cr | 2,608 | 2.5% | 1.1% | 7.4% | |
| 1,500 Cr-2000 Cr | 1,619 | 0.7% | 0.3% | 3.0% | Thrissur | 1,500 Cr-2000 Cr | 1,545 | 8.1% | 3.5% | 11.8% | |
| 1,500 Cr-2000 Cr | 1,635 | 0.6% | 0.2% | 1.9% | Kollam | 1,500 Cr-2000 Cr | 1,861 | 6.4% | 2.5% | 12.6% | |
| 1,500 Cr-2000 Cr | 1,957 | 0.5% | 0.3% | 4.1% | Thiruvananthapuram | 1,500 Cr-2000 Cr | 1,972 | 5.0% | 2.1% | 12.3% | |
| 1000 Cr-1500 Cr | 1,253 | 0.4% | 0.2% | 4.1% | Ernakulam | 1000 Cr-1500 Cr | 1,063 | 5.4% | 2.1% | 13.4% | |
| 1000 Cr-1500 Cr | 1,275 | 0.7% | 0.3% | 3.7% | Udaipur | 1000 Cr-1500 Cr | 1,103 | 4.7% | 2.4% | 8.1% | |
| 1000 Cr-1500 Cr | 1,238 | 0.3% | 0.2% | 2.2% | Thoothukkudi | 1000 Cr-1500 Cr | 1,135 | 4.5% | 1.2% | 6.4% | |
| 500 Cr-1000 Cr | 594 | 0.8% | 0.4% | 6.4% | Pathanamthitta | 500 Cr-1000 Cr | 755 | 7.4% | 2.4% | 8.1% | |
| 500 Cr-1000 Cr | 961 | 0.6% | 0.3% | 5.9% | Ludhiana | 500 Cr-1000 Cr | 564 | 6.6% | 2.4% | 8.8% | |
| 500 Cr-1000 Cr | 607 | 0.5% | 0.3% | 4.3% | Ganganagar | 500 Cr-1000 Cr | 566 | 6.1% | 3.2% | 14.2% | |

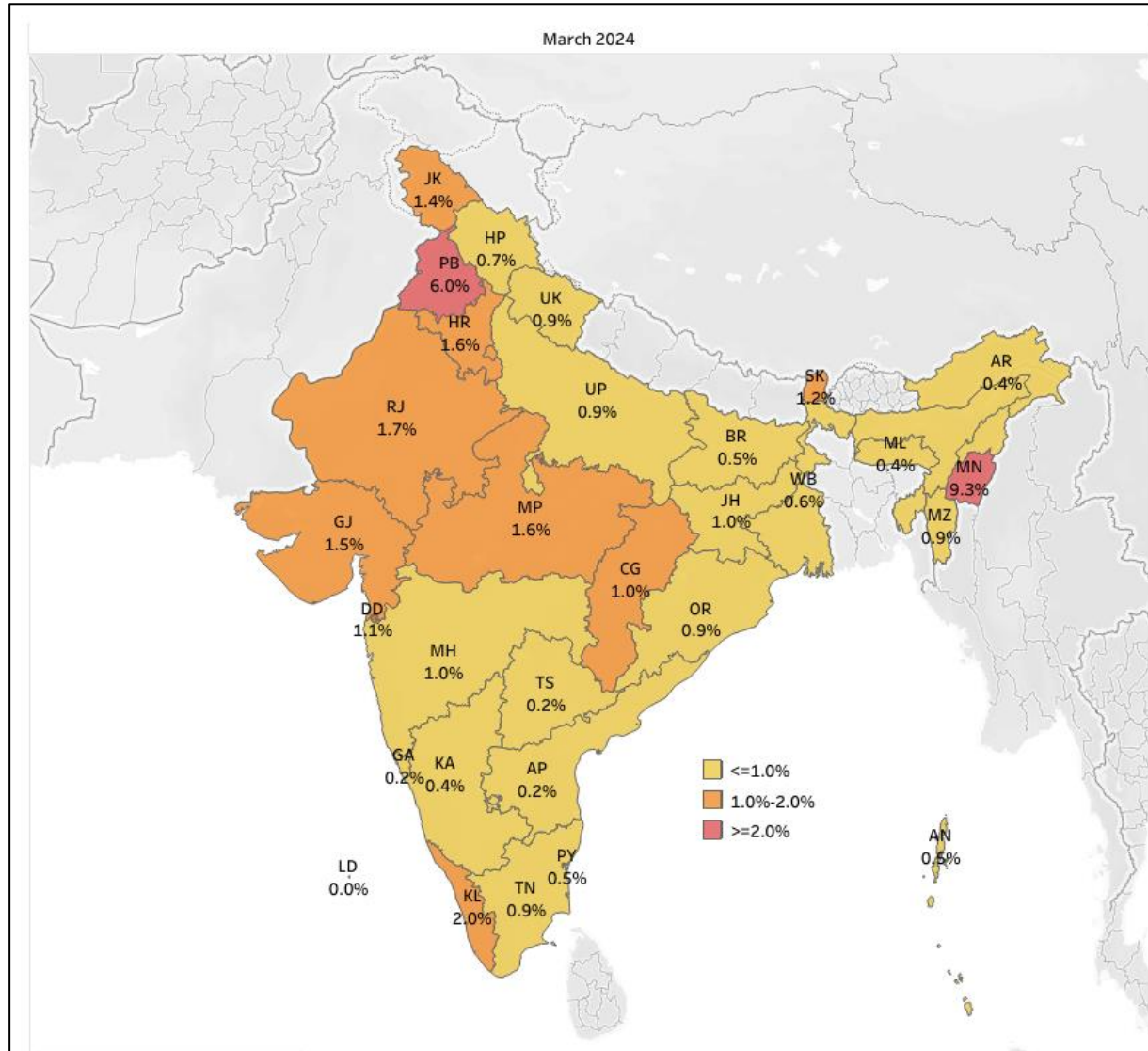
| GLP Band (₹ Cr) | >2000 Cr | 1,500 Cr-2000 Cr | 1000 Cr-1500 Cr | 500 Cr-1000 Cr | <500 Cr | Industry |
|----------------------|----------|------------------|-----------------|----------------|---------|----------|
| # Districts | 48 | 34 | 64 | 137 | 373 | 656 |
| Cumulative GLP (₹Cr) | 1,33,681 | 60,004 | 79,770 | 98,849 | 70,396 | 4,42,700 |
| PAR 31-180% | 1.5% | 2.3% | 1.8% | 2.3% | 3.4% | 2.1% |
| PAR 91-180% | 0.6% | 1.0% | 0.8% | 1.0% | 1.5% | 0.9% |
| PAR 180+% | 7.5% | 8.2% | 7.5% | 11.9% | 13.9% | 9.6% |

Note: Performance is based on PAR 31-180 DPD performance as of Mar'24

Internal

Top 10 States have PAR 91-180 of 0.9% as of Mar'24

Delinquency 91-180 – State Level



- ❑ Top 10 states have a combined PAR 91-180 DPD of 0.9% as of Mar'24
- ❑ PAR 31-180 DPD as of Mar'24 is lower for all top 10 states compared to overall Industry (2.1%), except UP, MP, RJ, KL
- ❑ PAR 91-180 DPD as of Mar'24 is lower for all top 10 states compared to overall Industry (0.9%), except MH, MP, RJ, KL

Y-o-Y increase in PAR 31-180 for UP, MP, RJ, KL

Y-o-Y improvement in PAR 31-180 for KA, WB, OR, MH

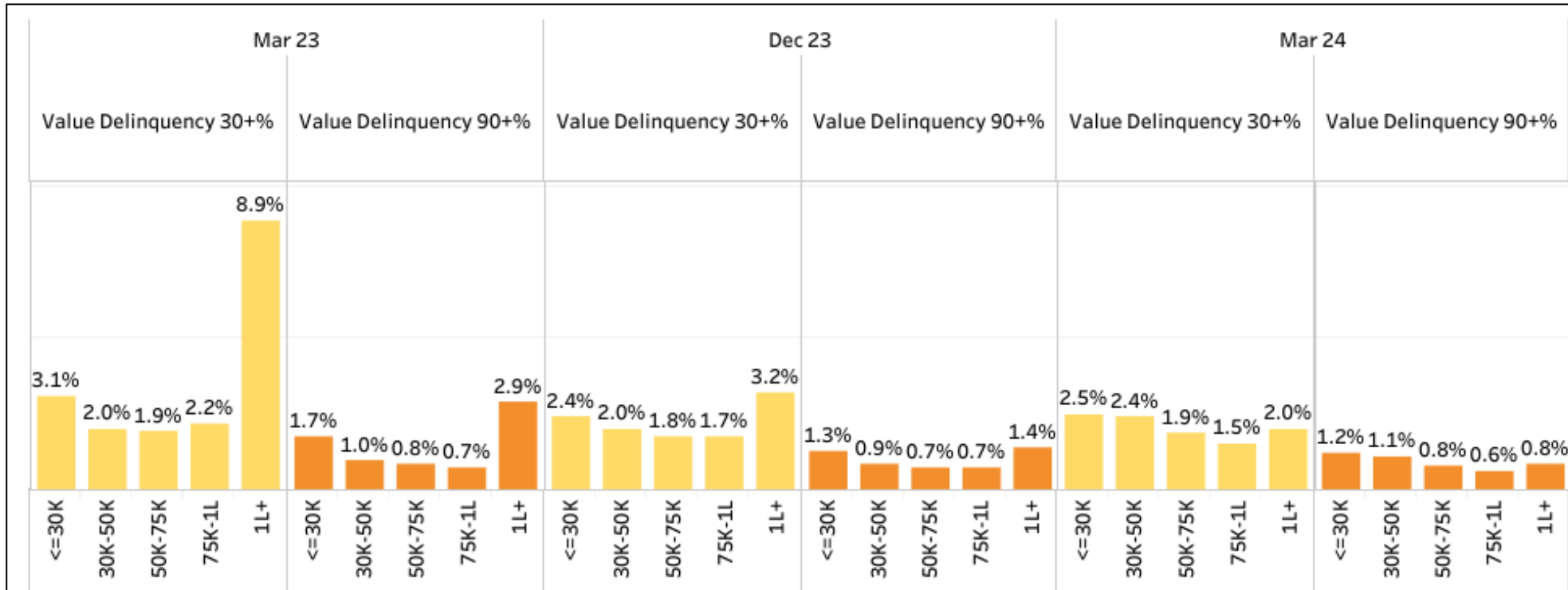
Delinquency Trends – Top 10 States

| State | PAR 1-30 % | | | PAR 31-180% | | | PAR 91-180 % | | | PAR 180+% | | |
|-------|------------|--------|--------|-------------|--------|--------|--------------|--------|--------|-----------|--------|--------|
| | Mar 23 | Dec 23 | Mar 24 | Mar 23 | Dec 23 | Mar 24 | Mar 23 | Dec 23 | Mar 24 | Mar 23 | Dec 23 | Mar 24 |
| BR | 0.6% | 0.7% | 0.5% | 1.2% | 1.1% | 1.2% | 0.6% | 0.5% | 0.5% | 3.6% | 3.5% | 3.6% |
| TN | 0.9% | 1.4% | 0.9% | 2.1% | 1.7% | 2.1% | 0.9% | 0.7% | 0.9% | 7.9% | 6.5% | 6.9% |
| UP | 1.0% | 1.3% | 0.9% | 1.6% | 2.2% | 2.2% | 0.6% | 1.0% | 0.9% | 3.8% | 3.9% | 4.5% |
| KA | 0.4% | 0.5% | 0.3% | 1.0% | 0.7% | 0.8% | 0.5% | 0.4% | 0.4% | 7.6% | 4.9% | 4.9% |
| WB | 1.2% | 0.6% | 0.3% | 4.1% | 1.6% | 1.3% | 1.9% | 0.7% | 0.6% | 14.3% | 13.5% | 14.7% |
| MH | 0.9% | 0.9% | 0.6% | 2.2% | 2.3% | 2.1% | 1.1% | 1.1% | 1.0% | 16.0% | 11.8% | 11.9% |
| OR | 0.8% | 0.8% | 0.5% | 2.6% | 1.8% | 2.0% | 1.4% | 0.8% | 0.9% | 10.4% | 10.3% | 10.5% |
| MP | 1.1% | 1.2% | 0.8% | 2.8% | 3.2% | 3.3% | 1.4% | 1.7% | 1.6% | 10.7% | 9.6% | 10.9% |
| RJ | 1.4% | 1.4% | 1.0% | 2.9% | 3.4% | 3.6% | 1.4% | 1.6% | 1.7% | 7.4% | 7.5% | 8.9% |
| KL | 0.8% | 1.8% | 1.6% | 2.4% | 3.8% | 5.0% | 1.0% | 1.2% | 2.0% | 10.1% | 8.8% | 10.6% |

- ❑ PAR 1-30 DPD as of Mar'24 improved Q-o-Q for all top 10 states
- ❑ PAR 31-180 DPD as of Mar'24 increased Q-o-Q for all top 10 states except WB and MH
- ❑ PAR 91-180 DPD as of Mar'24 decreased Q-o-Q for all top 10 states, except TN, OR, RJ, KL
- ❑ PAR 180+ DPD as of Mar'24 increased Q-o-Q across all top 10 states except KA which remained stable

Y-o-Y improvement in PAR 31-180 & PAR 91-180 for most ticket sizes

Delinquency by Ticket Size

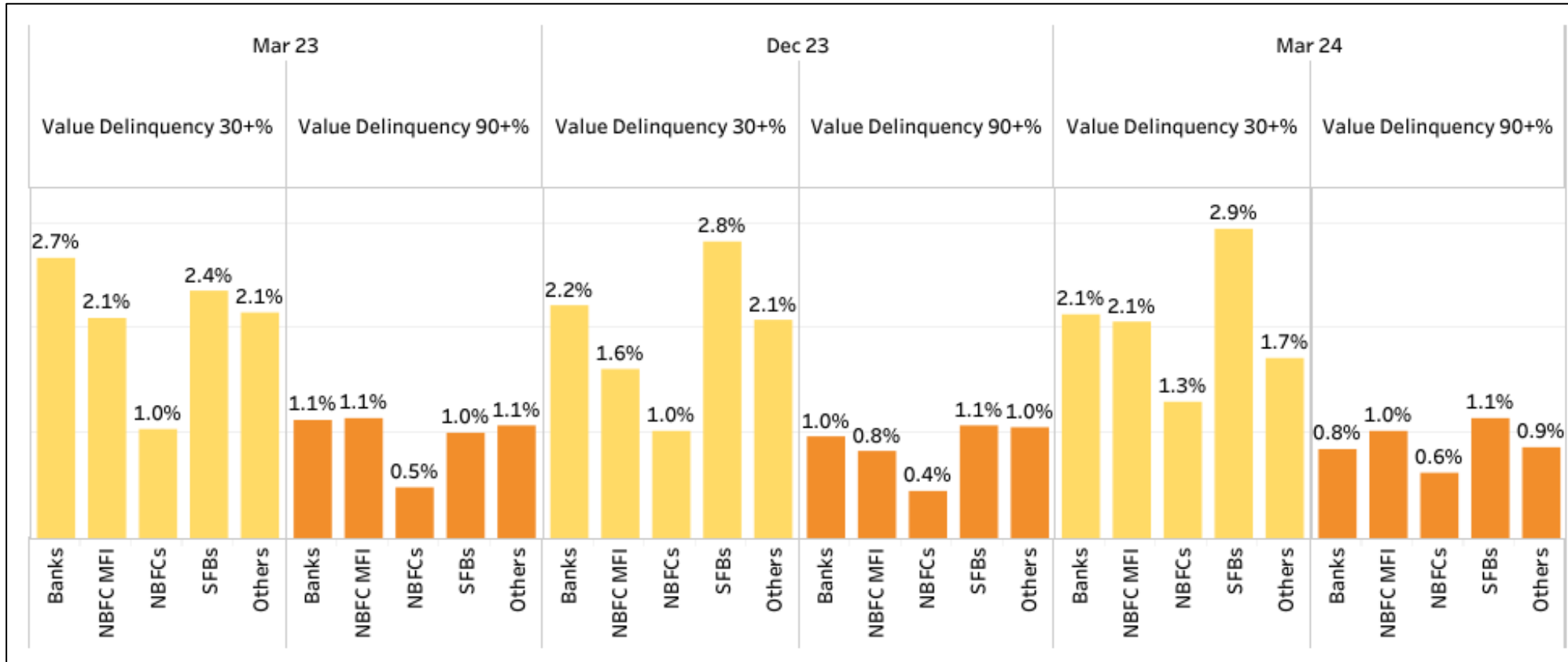


Value delinquency 30+% refers to PAR 31-180 DPD, value delinquency 90+% refers to PAR 91-180 DPD

- ❑ PAR 31-180 DPD improved for ticket sizes <75K from Dec'23 to Mar'24
- ❑ PAR 31-180 and PAR 91-180 DPD improved for all ticket sizes except 25K-50K from Mar'23 to Mar'24
- ❑ PAR 91-180 DPD improved for all ticket sizes except ticket size <15K and 30K-75K from Dec'23 to Mar'24

Y-o-Y increase in PAR 31-180 & PAR 91-180 for NBFCs, SFBs

Delinquency by Lender Type

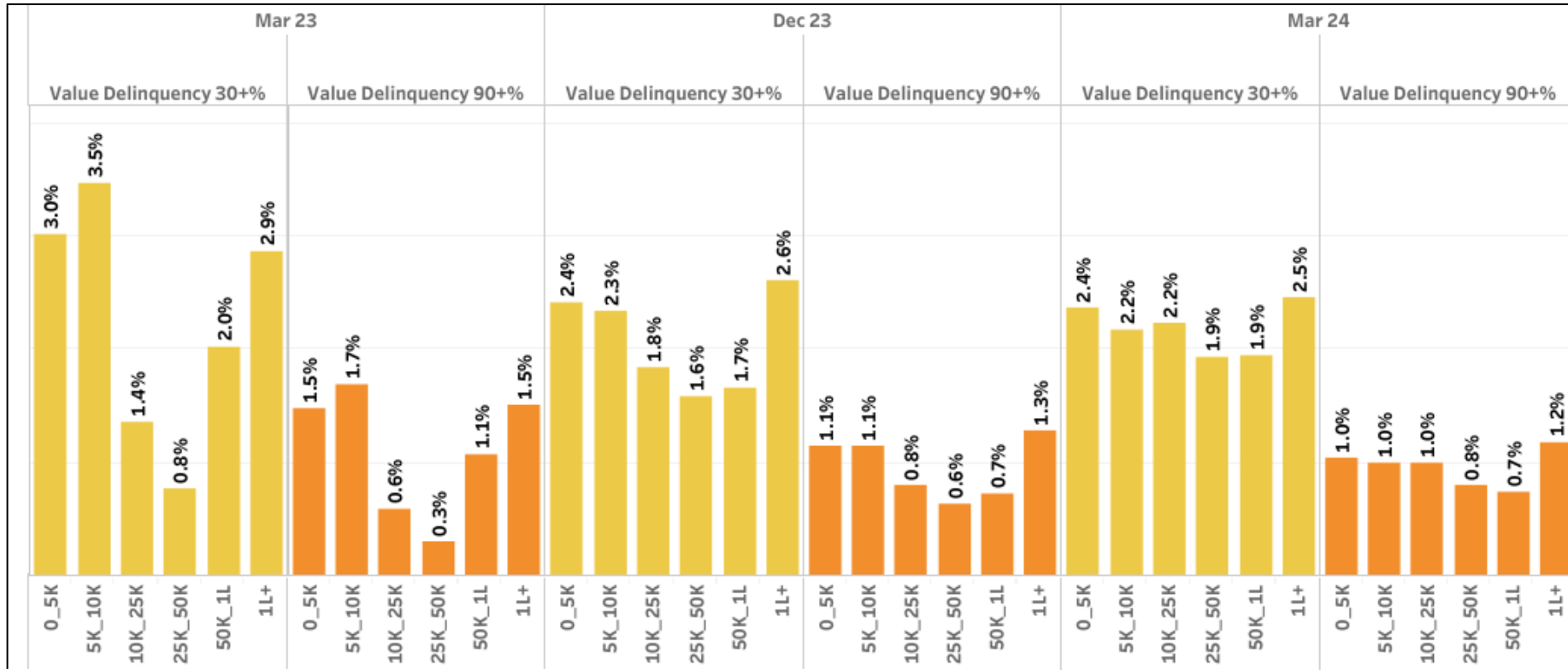


Value delinquency 30+% refers to PAR 31-180 DPD, value delinquency 90+% refers to PAR 91-180 DPD

- PAR 31-180 DPD and PAR 91-180 DPD both increased for NBFC MFI, NBFCs and SFBs from Dec'23 to Mar'24
- PAR 31-180 DPD and PAR 91-180 DPD both increased for NBFCs and SFBs from Mar'23 to Mar'24

Y-o-Y improvement in PAR 31-180, PAR 91-180 for <10K, >50K Income

Delinquency by Household Income

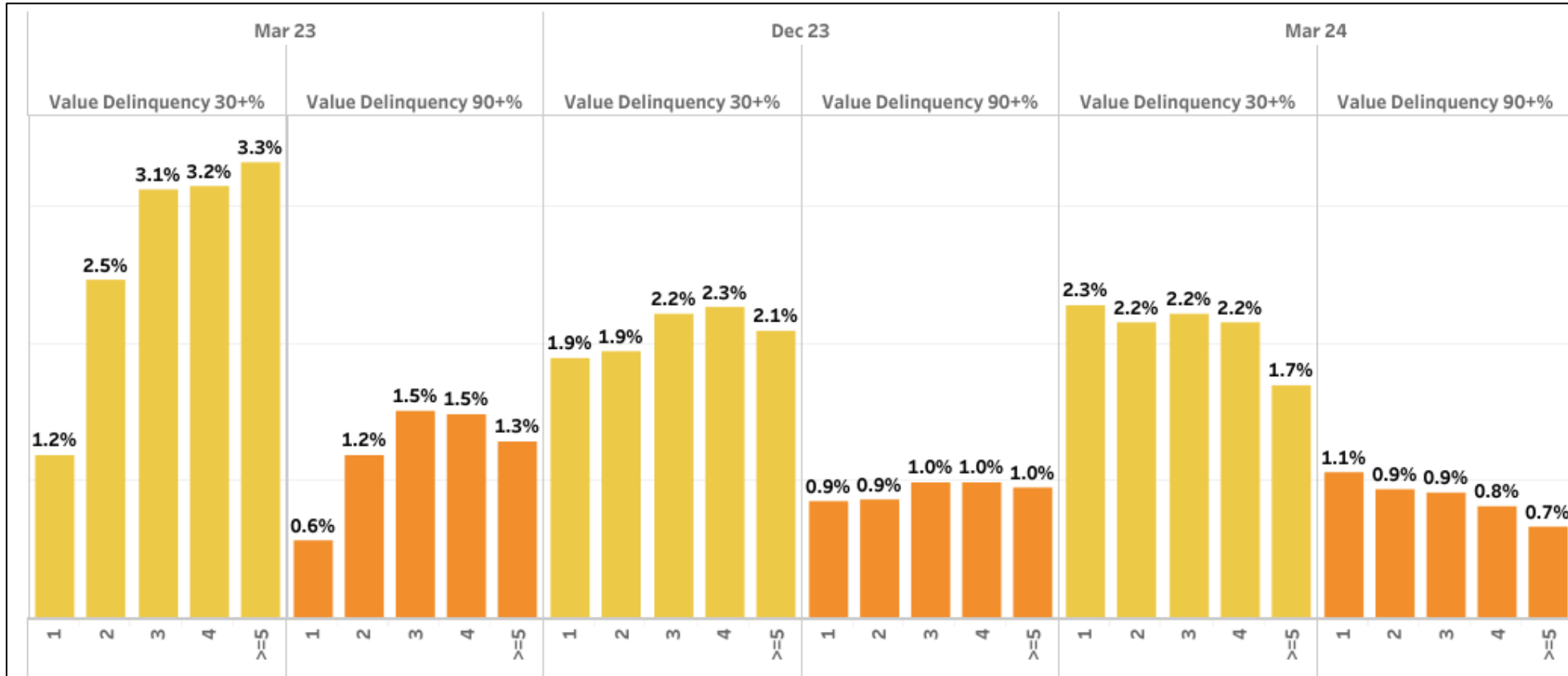


Value delinquency 30+% refers to PAR 31-180 DPD, value delinquency 90+% refers to PAR 91-180 DPD

- ❑ PAR 31-180 and 91-180 DPD reduced for all household income bands from Mar'23 to Mar 24, except ₹10K - ₹50K
- ❑ PAR 31-180 and 91-180 DPD lowest for household income ₹50K-₹1L as of Mar'24

Y-o-Y improvement in PAR 31-180 & PAR 91-180 for loan cycles 2+

Delinquency by Loan Cycle



Value delinquency 30+% refers to PAR 31-180 DPD, value delinquency 90+% refers to PAR 91-180 DPD

- ❑ PAR 31-180 and 91-180 DPD reduced for all loan cycles from Mar'23 to Mar'24, except 1st loan
- ❑ PAR 31-180 and 91-180 DPD lowest for >=5 loan cycle as of Mar'24

Opportunity to Tighten Collection Efforts for Portfolio in 31-60 DPD

Collections Performance (Volume)

| DPD Next Month – Mar'24 | | | | | | | | | | |
|--------------------------------|--------|---------|--------|--------|--------|--------|---------|---------|--------|-------------|
| DPD Observation Month – Feb'24 | Closed | Current | 1_30 | 31_60 | 61_90 | 91_120 | 121_150 | 151_180 | 180+ | Written Off |
| Current | 4.54% | 94.72% | 0.51% | 0.03% | 0.00% | 0.00% | 0.00% | 0.00% | 0.18% | 0.01% |
| 1_30 | 5.64% | 12.98% | 46.92% | 32.09% | 1.89% | 0.03% | 0.02% | 0.00% | 0.10% | 0.21% |
| 31_60 | 4.80% | 3.13% | 1.75% | 38.23% | 49.73% | 2.05% | 0.01% | 0.02% | 0.08% | 0.05% |
| 61_90 | 4.81% | 1.96% | 0.60% | 1.69% | 50.83% | 38.45% | 1.29% | 0.02% | 0.15% | 0.14% |
| 91_120 | 2.63% | 2.91% | 0.34% | 0.27% | 1.11% | 19.74% | 66.67% | 4.26% | 0.23% | 1.79% |
| 121_150 | 2.59% | 2.31% | 0.13% | 0.11% | 0.21% | 0.59% | 16.42% | 71.65% | 5.12% | 0.82% |
| 151_180 | 1.98% | 0.43% | 0.10% | 0.06% | 0.09% | 0.31% | 0.94% | 21.64% | 69.21% | 5.22% |
| 180+ | 0.78% | 0.04% | 0.01% | 0.00% | 0.00% | 0.01% | 0.01% | 0.01% | 97.34% | 1.78% |

| | | |
|---------|--------------|-----------|
| No Flow | Forward Flow | Roll Back |
|---------|--------------|-----------|

- ❑ Forward flow in 31-60 DPD is higher than 61-90 DPD, opportunity for industry to tighten collection efforts for portfolio in 31-60 DPD
- ❑ Roll backs reduce in 31-60 and 61-90 DPD; Roll backs further reduce in 91-180 DPD



Retail Exposure of MFI Borrowers

Retail Exposure of MFI Borrowers - Snapshot

| Retail Exposure of MFI Borrowers | As of Mar'23 | As of Mar'24 |
|-----------------------------------------------------------------------|--------------|--------------|
| Total Number of Live MFI Borrowers | 7.4 Cr | 8.7 Cr |
| % of Live MFI Borrowers with Active Retail loans | 14.9% | 14.2% |
| Total Number of Active Retail Loans (Lakh) of MFI Borrowers | 187.9 | 195.3 |
| Portfolio Outstanding for Active Retail Loans (₹ Cr) of MFI Borrowers | 1,54,066 | 1,69,367 |
| PAR 31-180%* | 7.3% | 8.1% |
| PAR 91-180%* | 2.9% | 3.1% |

* Retail delinquencies on Overlap Base

- ❑ 8.7 Cr Live MFI borrowers in India as of Mar'24
- ❑ 14.2% of live MFI borrowers have an active retail loan
- ❑ Retail Portfolio Outstanding of MFI Borrowers at 1.69 Lakh Cr as of Mar'24, Y-o-Y increase of 10%

TN & KA Lead share of MFI borrowers with Retail Exposure

Exposure across Top 10 States

| State | Mar 23 | | | Mar 24 | | |
|-------|-----------------------------------------------------|----------------------------------|--------------------------|-----------------------------------------------------|----------------------------------|--------------------------|
| | % of Live MFI Borrowers with Active Retail Exposure | Retail Portfolio Outstanding ₹Cr | Retail Active Loans Lakh | % of Live MFI Borrowers with Active Retail Exposure | Retail Portfolio Outstanding ₹Cr | Retail Active Loans Lakh |
| TN | 24.2% | 51,248 | 58.1 | 23.4% | 54,347 | 55.6 |
| KA | 10.9% | 17,446 | 20.2 | 10.9% | 20,439 | 21.1 |
| KL | 5.8% | 10,527 | 13.9 | 5.7% | 11,840 | 14.5 |
| MH | 7.1% | 8,761 | 12.8 | 7.3% | 10,033 | 14.1 |
| UP | 6.4% | 8,437 | 9.2 | 7.3% | 9,885 | 11.1 |
| MP | 5.2% | 7,843 | 9.2 | 5.0% | 8,144 | 9.3 |
| BR | 7.9% | 7,221 | 10.3 | 7.6% | 7,690 | 10.7 |
| RJ | 3.9% | 6,332 | 6.1 | 3.7% | 6,642 | 6.3 |
| HR | 2.7% | 5,589 | 4.6 | 2.7% | 6,093 | 5.1 |
| WB | 5.7% | 5,224 | 8.6 | 5.6% | 5,652 | 9.3 |

- Top 10 States constitute 83.1% by portfolio outstanding (value) and 80.4% by active loans (volume) as of Mar'24
- Tamil Nadu and Karnataka are top 2 states with largest retail portfolio outstanding as of Mar'24

PAR 31-180 DPD on Retail Loans of MFI Borrowers reduced for Top States, except TN

Performance in Top 10 States

| State | Mar'23 | | Mar'24 | |
|-------|--------------|--------------|--------------|--------------|
| | PAR 31-180%* | PAR 91-180%* | PAR 31-180%* | PAR 91-180%* |
| TN | 5.9% | 1.9% | 3.8% | 2.4% |
| KA | 6.7% | 3.0% | 3.9% | 3.0% |
| KL | 9.3% | 3.5% | 7.4% | 5.1% |
| MH | 9.0% | 3.6% | 6.0% | 3.7% |
| UP | 7.6% | 3.5% | 6.0% | 3.0% |
| MP | 7.7% | 3.1% | 5.5% | 3.3% |
| BR | 8.0% | 3.7% | 5.3% | 3.3% |
| RJ | 7.4% | 3.1% | 5.0% | 3.2% |
| HR | 6.1% | 2.8% | 4.1% | 2.8% |
| WB | 9.7% | 4.3% | 5.4% | 3.1% |

❑ PAR 31-180 for retail loans of MFI borrowers improved for all top 10 states except TN from Mar'23 to Mar'24

❑ PAR 91-180 for retail loans of MFI borrowers improved for UP, BR and WB from Mar'23 to Mar'24

* Retail delinquencies on Overlap Base

Gold Loans, Home Loan and Agri KCC dominate Retail Exposure of MFI borrowers

Exposure of Major Products

| Major Products | Mar 23 | | Mar 24 | |
|-------------------------|------------------------------|---------------------|------------------------------|---------------------|
| | Portfolio Outstanding (₹ Cr) | Active Loans (Lakh) | Portfolio Outstanding (₹ Cr) | Active Loans (Lakh) |
| Gold Loan | 35,462 | 46.2 | 35,679 | 41.2 |
| Housing Loan | 27,105 | 4.8 | 29,329 | 5.1 |
| Agri KCC | 19,662 | 18.4 | 20,257 | 19.1 |
| Personal Loan | 10,471 | 19.2 | 14,484 | 28.9 |
| Property Loan | 8,331 | 1.6 | 11,777 | 2.4 |
| Unsecured BL | 8,788 | 13.6 | 10,932 | 17.2 |
| Secured BL | 7,583 | 11.4 | 8,942 | 11.3 |
| Other BL | 5,544 | 9.7 | 6,092 | 8.2 |
| Commercial Vehicle Loan | 4,866 | 1.4 | 6,051 | 2.4 |
| Two-Wheeler Loan | 4,180 | 10.7 | 5,475 | 11.8 |
| Auto Loan | 3,408 | 1.3 | 3,642 | 1.3 |
| Tractor Loan | 1,731 | 0.6 | 2,078 | 0.7 |
| Consumer Loan | 1,831 | 25.6 | 1,995 | 28.7 |

- ❑ Retail exposure of MFI borrowers is dominated by Home Loans, Agri KCC and Gold Loans by value as of Mar'24
- ❑ By volume Gold Loans, personal loans and Consumer Durable loans have the highest share as of Mar'24
- ❑ Highest Y-o-Y growth in POS for Property Loans (41.4%) and Personal Loans (38.3%)

Performance of Retail Loans better than Retail Loans of MFI Borrowers

Performance across Major Products

| Major Products | Mar 23 | | | | Mar 24 | | | |
|-------------------------|----------------------|------------|-------------------------------|------------|----------------------|------------|-------------------------------|------------|
| | Overall Retail Loans | | Retail Loans of MFI Borrowers | | Overall Retail Loans | | Retail Loans of MFI Borrowers | |
| | PAR 31-180 | PAR 91-180 | PAR 31-180 | PAR 91-180 | PAR 31-180 | PAR 91-180 | PAR 31-180 | PAR 91-180 |
| Gold Loan | 2.6% | 0.6% | 2.7% | 0.7% | 2.2% | 0.4% | 2.7% | 0.5% |
| Housing Loan | 2.4% | 0.5% | 8.2% | 1.6% | 2.8% | 0.6% | 10.2% | 2.7% |
| Agri KCC | 4.2% | 3.4% | 6.0% | 5.3% | 3.7% | 2.8% | 5.5% | 4.3% |
| Personal Loan | 2.7% | 0.8% | 5.4% | 1.8% | 2.8% | 0.9% | 6.4% | 2.6% |
| Property Loan | 3.9% | 1.0% | 8.4% | 2.4% | 3.6% | 0.9% | 8.2% | 2.6% |
| Unsecured BL | 4.7% | 1.9% | 7.0% | 1.9% | 3.4% | 1.4% | 4.7% | 1.8% |
| Secured BL | 3.9% | 1.8% | 5.4% | 2.9% | 3.6% | 1.3% | 6.6% | 2.6% |
| Other BL | 7.0% | 3.1% | 7.8% | 3.8% | 7.5% | 2.3% | 8.6% | 2.8% |
| Commercial Vehicle Loan | 6.3% | 1.2% | 9.9% | 2.2% | 4.8% | 0.8% | 7.8% | 1.6% |
| Two-Wheeler Loan | 5.2% | 1.9% | 7.1% | 2.5% | 4.7% | 1.6% | 7.7% | 2.4% |
| Auto Loan | 3.0% | 0.7% | 9.4% | 2.3% | 2.6% | 0.7% | 8.0% | 2.8% |
| Tractor Loan | 6.7% | 1.8% | 12.0% | 3.1% | 6.1% | 1.9% | 11.7% | 3.6% |
| Consumer Loan | 2.8% | 1.2% | 4.4% | 1.8% | 2.6% | 1.1% | 5.9% | 2.4% |

- ❑ PAR 31-180 and 91-180 DPD of overall Retail Loans for major products is lower than that of MFI borrowers with these retail loans

Glossary and End Notes

| | | |
|----------------|----------------------------------------------|---------------------------------------------------------------------------|
| GLP | Gross Loan Portfolio | Portfolio outstanding of the microfinance sector |
| ATS | Average Ticket Size | The average size of the microfinance loan disbursed |
| PAR | Portfolio at Risk | The proportion of portfolio outstanding which is delinquent by >0 days |
| DPD | Days Past Due | Measure of loan delinquency/overdue, segmented as 1-30, 31-180, 180+ |
| Y-o-Y | Year on Year | Year on year comparison for change, example Sep 2023 compared to Sep 2022 |
| Q-o-Q | Quarter on Quarter | Quarterly comparison for change, example Sep 2023 compared to Jun 2023 |
| M-o-M | Month on Month | Monthly comparison for change, example Sep 2023 compared to Aug 2023 |
| Q4 FY23 | Fourth Quarter of the Financial Year 2022-23 | January-February-March 2023 |
| Q3 FY24 | Third Quarter of the Financial Year 2023-24 | October-November-December 2023 |
| Q4 FY24 | Fourth Quarter of the Financial Year 2023-24 | January-February-March 2024 |

Notes:

1. The CRIF Microfinance Credit Bureau 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 Mar'24 as received by the bureau
3. Value delinquency 30+% refers to proportion of portfolio delinquent by 31-180 days past due (DPD), value delinquency 90+% refers to proportion of portfolio delinquent by 91-180 DPD, value delinquency 180+% refers to proportion of portfolio delinquent by >180 DPD (excluding write-offs), calculated as % of total portfolio outstanding

Disclaimer: This report contains only aggregate level information. It does not contain any Credit Information and shall not be construed as Credit Information Report or part thereof. The analysis in this report is based on Credit Information in CRIF High Mark's database. The results are NOT to be construed or used as a "legal description". CRIF High Mark strives to keep its data accurate and up to date but does not guarantee its accuracy. CRIF High Mark does not assume any liability for any errors, omissions, or inaccuracies in the data provided regardless of the cause of such or for any decision made, action taken, or action not taken by the user in reliance upon any data provided herein. The contents of the report shall not be reproduced in part or whole without permission from CRIF High Mark Credit Information Services Pvt. Ltd. The opinions expressed herein are those of the author. Its contents, therefore, do not represent any commitment between CRIF High Mark and the recipient(s) and no liability or responsibility is accepted by CRIF High Mark for the content herein.

About MicroLend

About CRIF High Mark

MicroLend is a quarterly publication from CRIF High Mark on Microfinance lending in India. The publication presents trends & analysis of key parameters such as Gross Loan Portfolio, Growth, Market Share, Borrower Leverage, Compliance and Portfolio Risks. The report also slices the data for major states and Urban/Rural geographies. Semi-urban portfolio is reported as part of urban split in the report.

Analytical Contacts

Srikanth Goli

Vice President, Research & Insights
srikant.goli@crifhighmark.com

Saumya Sah

Sr Manager, Research & Insights
saumya.sah@crifhighmark.com

Reach us at research@crifhighmark.com for any queries

CRIF High Mark is an RBI licensed credit bureau in India that commenced its bureau operations in March 2011. CRIF High Mark offers Credit Bureau Information and Identification and anti-fraud services. It is India's first full service credit information bureau which provides comprehensive information solutions for all borrower segments – MSME and Commercial borrowers, Retail consumers, and Microfinance borrowers. With the databases of individuals and businesses from over 5,000 financial institutions CRIF High Mark provides credit information services and supports millions of lending decisions every month.

CRIF High Mark is part of CRIF S.p.A. a global company headquartered in Bologna, Italy. CRIF is a global company specializing in credit & business information systems, analytics, outsourcing and processing services, as well as advanced digital solutions for business development and open banking. Globally, CRIF operates in 37 countries with more than 10,500 financial institutions and over 600 insurance companies. CRIF's services are used by over 90,000 companies and more than 1,000,000+ consumers.

Stay updated with Insights, follow us on



www.crifhighmark.com