









MicroLend

QUARTERLY PUBLICATION ON
MICROFINANCE LENDING

VOLUME XXVIII
JUNE 2024



TABLE OF CONTENTS

 Section	# Page No.
 Executive Summary	03
 Microfinance Industry Snapshot	04
 Microfinance Portfolio	05
 Microfinance Originations	10
 Microfinance Performance	14
 Glossary and End Notes	25
 About MicroLend About CRIF High Mark	26

Executive Summary



As of Jun'24, the microfinance portfolio stood at ₹432.7K crore, reflecting a quarter-on-quarter (Q-o-Q) decline of 2.3% over Mar'24. Despite the overall contraction, Banks and NBFC-MFIs continue to dominate the market, with a total share of 72%. Among all lender types, NBFCs emerged as the fastest-growing segment, showcasing 2X year-on-year (Y-o-Y) growth compared to Industry and a Q-o-Q growth of 2.7%, while other lender types witnessed Q-o-Q decline. Originations by value grew very marginally and Originations by volume dipped by 11% in this first quarter compared to last year same quarter.



At the same time, the industry witnessed increasing stress with rising delinquencies across all DPD bands, observed from Mar'24 to Jun'24. Delinquencies increased across all lender types and ticket sizes, particularly in the top 10 states. PAR 31-180 DPD was higher for SFBs compared to other major lenders. NBFCs had lowest PAR 31-180 as of Jun'24. In terms of collection efficiency, there was increase in Net FF% rate from Mar'24 to Apr'24 in all DPD Bands. From Apr'24 onwards Net FF% rates declined in 31-60, 61-90 DPD buckets. Lower ticket sizes had higher delinquency (PAR 31-180) as of Jun'24. Among top states, TN and UP together had an impact of more than 35% towards incremental Y-o-Y and Q-o-Q PAR 31-180.



As of Jun'24, higher delinquency (Borrower Level Worst DPD 31-180) was seen for portfolio with higher lender association & higher credit exposure. 19% Y-o-Y increase in Portfolio with 5+ Active Lender Associations with 48% impact on incremental delinquency (Y-o-Y). 34% Y-o-Y increase in Portfolio with 1.5L+ Credit Exposure with 45% impact on incremental delinquency (Y-o-Y).

Microfinance Industry Snapshot

	Y-o-Y Comparison			Q-o-Q Comparison		
	As of Jun'23	As of Jun'24		As of Mar'24	As of Jun'24	
GLP (₹ Cr)	359.8K	432.7K	▲ 20.3%	442.7K	432.7K	▼ -2.3%
Active Loans (Cr)	14.6	15.9	▲ 8.9%	16.1	15.9	▼ -1.2%
Amount Disbursed in Last 3 M (₹ Cr)	78,432	79,101	▲ 0.9%	114,920	79,101	▼ -31.2%
Loans Disbursed in Last 3 M (Lakh)	182.1	162.0	▼ -11.0%	238.6	162.0	▼ -32.1%
PAR 1-30%	1.0%	1.2%	▲ 0.2%	0.7%	1.2%	▲ 0.5%
PAR 31-180%	2.0%	2.7%	▲ 0.7%	2.1%	2.7%	▲ 0.6%
PAR 180+ (incl. w/o) %	2.6%	2.0%	▼ -0.6%	1.6%	2.0%	▲ 0.4%

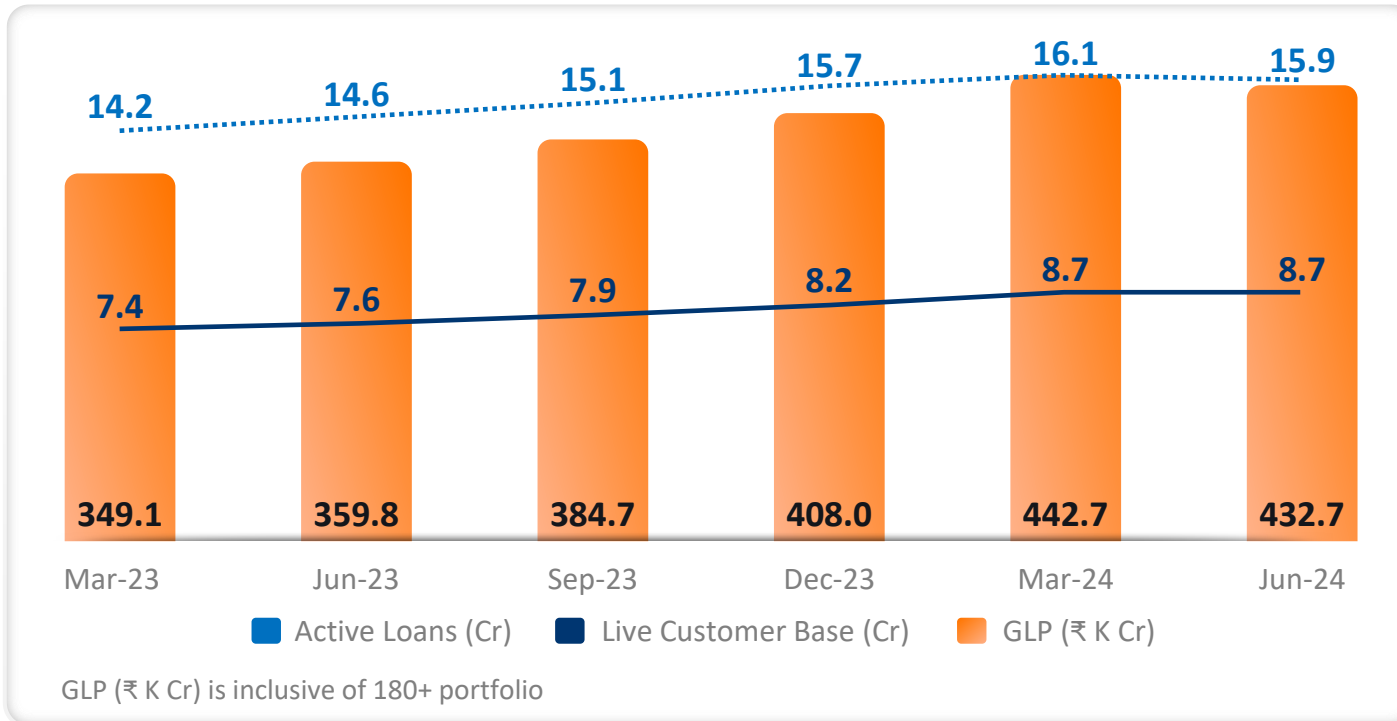
PAR Y-o-Y & Q-o-Q growth is in percentage points (unit for difference of two percentages)

PAR 180+ (Incl. w/o)% is for loans disbursed in last 24 M



Microfinance Portfolio

Decline of 2.3% in Microfinance Book from Mar'24 to Jun'24



1

Microfinance sector witnessed quarterly degrowth of 2.3% in the book, while Y-o-Y growth stood at 20.3% as of Jun'24

2

Live customer base grew by 14% Y-o-Y as of Jun'24, and remained stable over the previous quarter

Excluding 180+ portfolio	Mar 23	Jun 23	Sep 23	Dec 23	Mar 24	Jun 24
GLP (₹ K Cr)	313.1	324.7	349.1	371.1	400.4	393.5
Active Loans (Cr)	11.3	11.9	12.4	13.0	13.3	13.2

PAR 31-180% deteriorates Q-o-Q across top states | Highest Deterioration in KL, TN, OR & RJ

Rank	State	% Share	GLP (₹ K Cr) Jun'24	Y-o-Y Growth %	GLP (₹ K Cr) Mar'24	Q-o-Q Growth %	PAR 31-180% Jun'23	PAR 31-180% Mar'24	PAR 31-180% Jun'24	Q-o-Q Change
1	Bihar (-)	15.1%	65.3	26.8%	65.5	-0.3%	0.9%	1.2%	1.7% ▲	0.5%
2	Tamil Nadu (-)	13.2%	57.1	17.2%	58.2	-1.9%	1.6%	2.1%	2.9% ▲	0.8%
3	Uttar Pradesh (-)	10.6%	46	28.9%	46.3	-0.6%	1.5%	2.2%	2.8% ▲	0.6%
4	Karnataka (-)	9.8%	42.3	30.7%	42.6	-0.7%	0.8%	0.8%	1.1% ▲	0.3%
5	West Bengal (-)	8.8%	38.3	22.4%	40.3	-5.0%	3.3%	1.3%	1.4% ▲	0.1%
6	Maharashtra (-)	7.5%	32.7	21.5%	33.3	-1.8%	2.1%	2.1%	2.5% ▲	0.4%
7	Orissa (+1) ▲	5.8%	25	18.4%	25.6	-2.3%	2.2%	2.0%	2.7% ▲	0.7%
8	Madhya Pradesh (-1) ▼	5.7%	24.5	15.5%	24.9	-1.6%	2.8%	3.3%	3.8% ▲	0.5%
9	Rajasthan (-)	4.0%	17.4	8.3%	18.1	-3.9%	2.8%	3.6%	4.3% ▲	0.7%
10	Kerala (-)	3.1%	13.4	-1.7%	14.2	-5.6%	2.0%	5.0%	6.4% ▲	1.4%

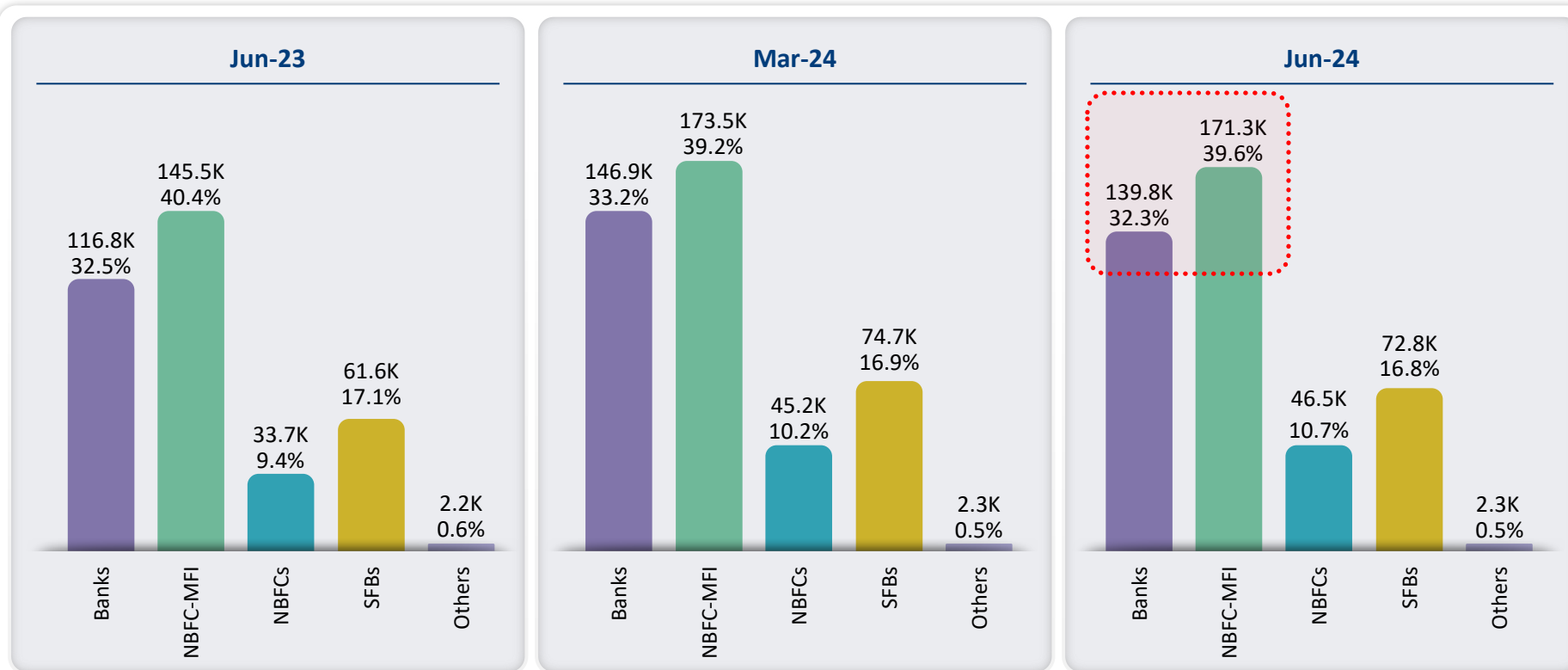
Arrows indicate Y-o-Y state rankings based on GLP, comparing the current year's rank to the previous year

PAR Q-o-Q growth is in percentage points (unit for difference of two percentages)

1 Top 10 states hold 83.7% of GLP share

2 Orissa rose to 7th position in Jun'24 from 8th in Jun'23, while MP moved down to 8th position from 7th

NBFC MFIs & Banks Dominate the Market | Highest Q-o-Q and Y-o-Y growth for NBFCs



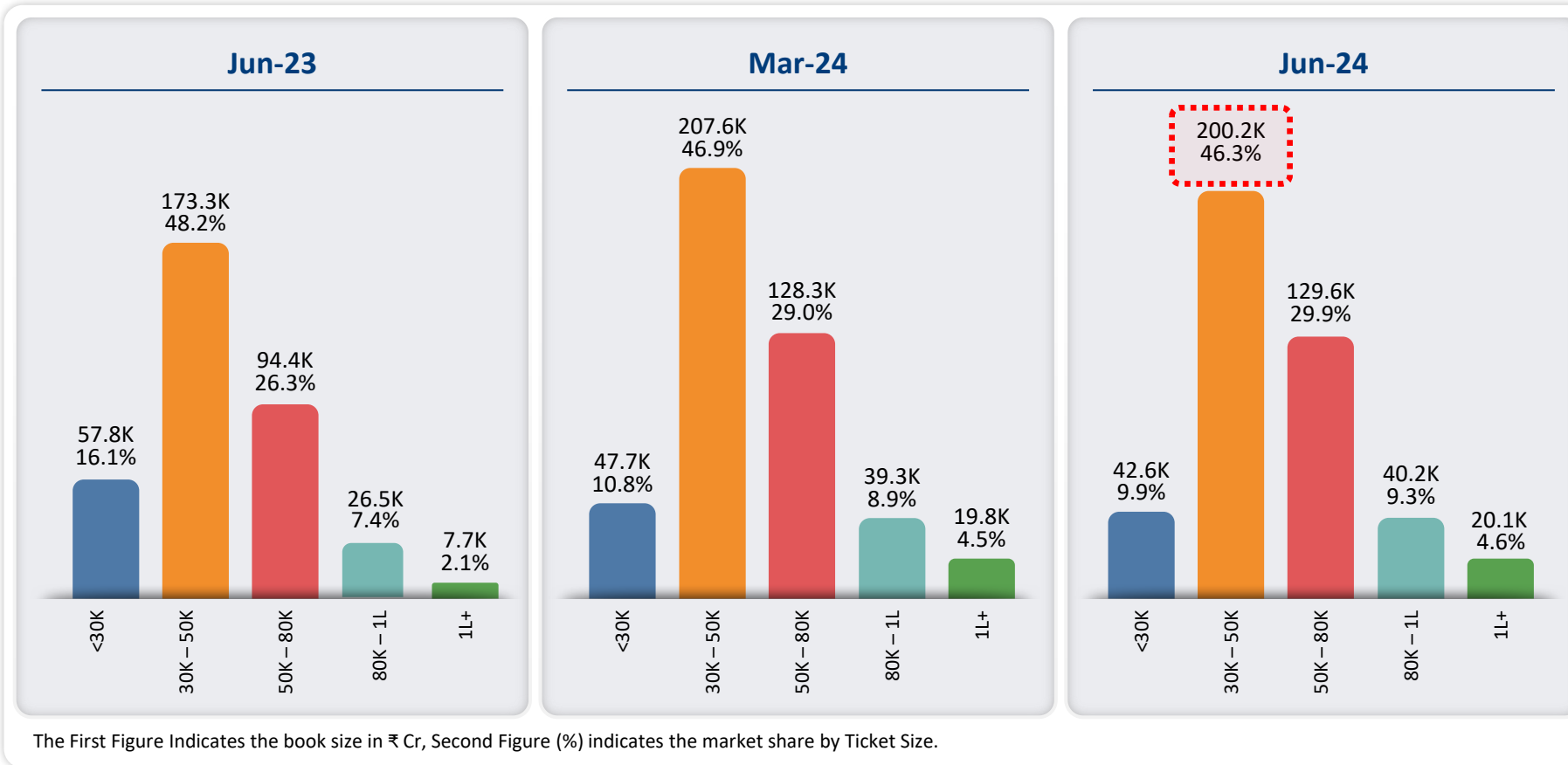
The First Figure Indicates the book size in ₹ Cr, Second Figure (%) indicates the market share by lender type

1
Q-o-Q decline in portfolio witnessed by all lender types except NBFCs, which grew at 2.7%

2
Y-o-Y growth in NBFC is almost 2X of market growth

Lender Type	Banks	NBFC MFI	NBFCs	SFBs	Others	Total
Q-o-Q GLP Growth	-4.9%	-1.2%	2.7%	-2.5%	-1.6%	-2.3%
Y-o-Y GLP Growth	19.6%	17.7%	38.0%	18.3%	3.8%	20.3%

Portfolio dominated by loans of ticket size ₹30K-₹50K | Shift in portfolio towards higher ticket sizes



1 As of Jun'24, portfolio of ticket size >50K witnessed Q-o-Q growth, while <50K declined Q-o-Q

2 Y-o-Y growth in portfolio of ticket size >50K much higher than industry growth

Ticket Size	<30K	30K – 50K	50K – 80K	80K – 1L	1L+	Total
Q-o-Q GLP Growth	-10.6%	-3.6%	1.0%	2.4%	1.3%	-2.3%
Y-o-Y GLP Growth	-26.3%	15.5%	37.2%	51.7%	161.0%	20.3%

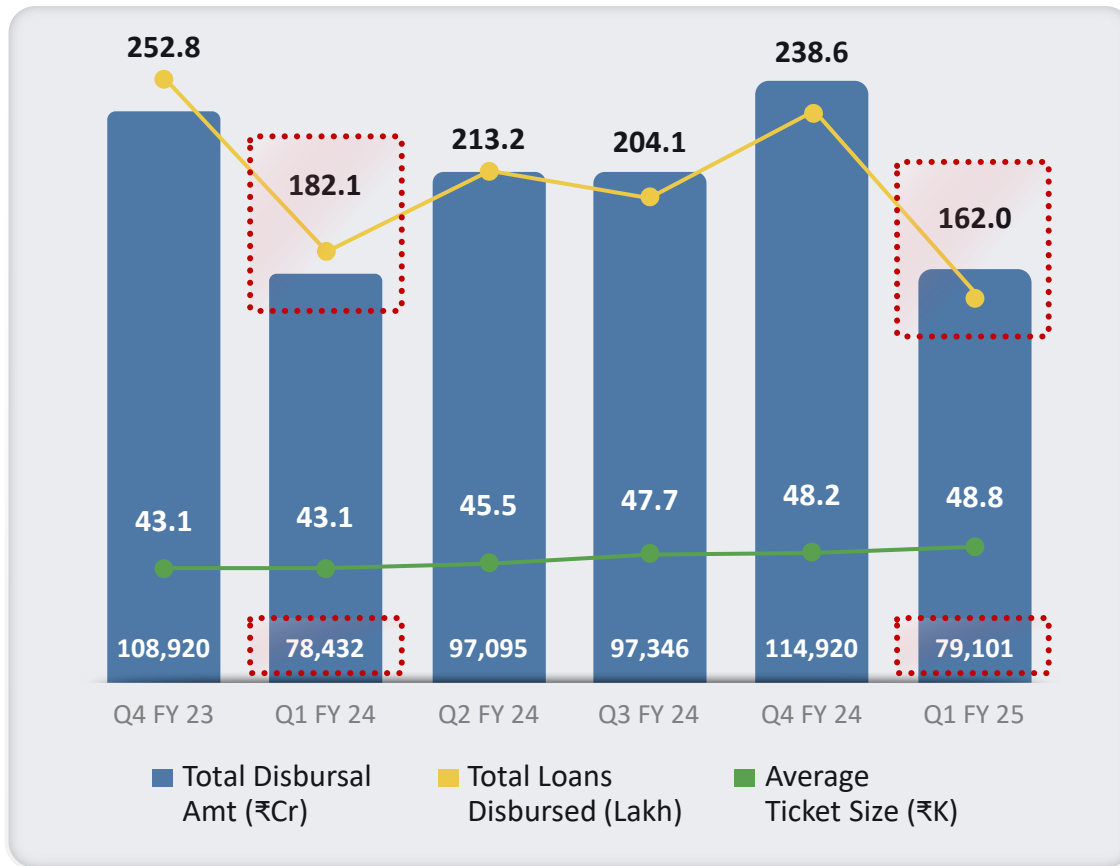


Microfinance

Originations

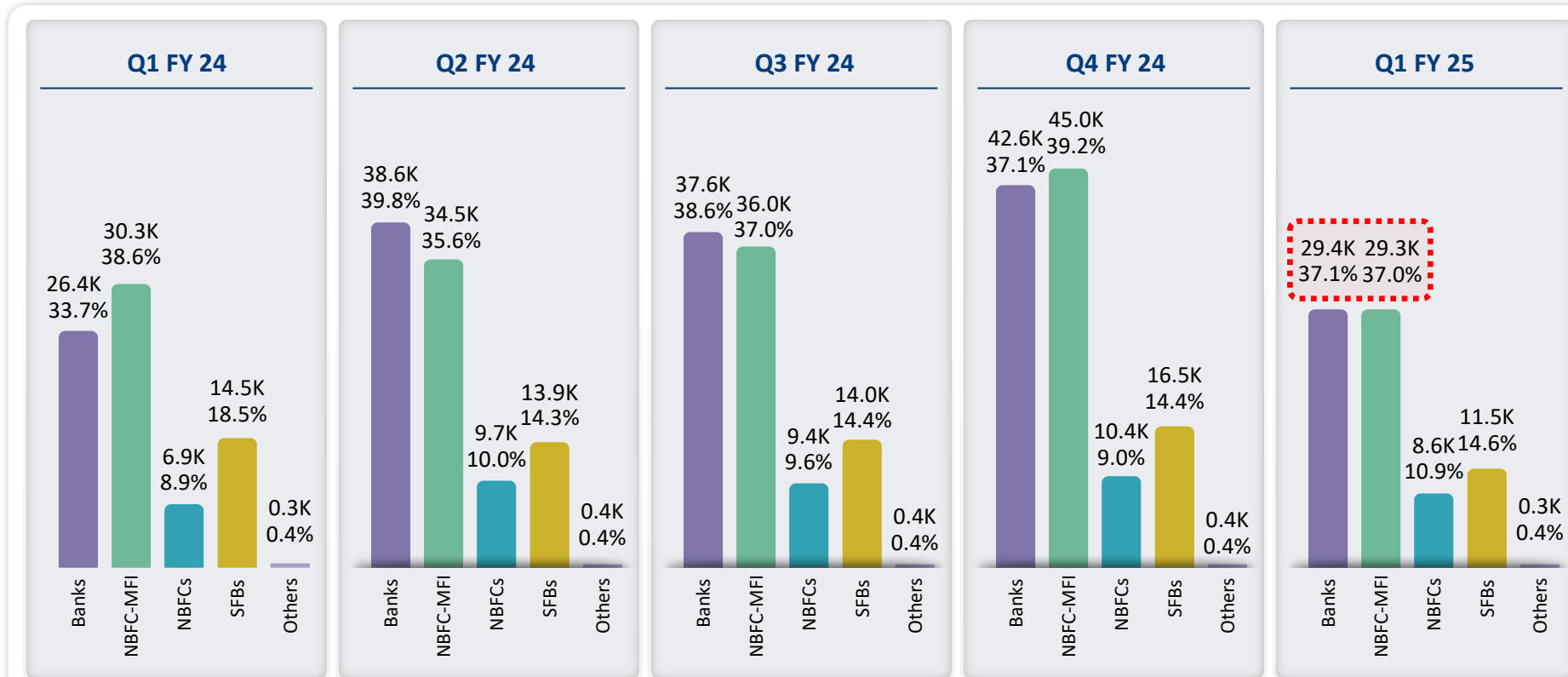
Internal

Flat Y-o-Y growth in Originations value | 11% Y-o-Y dip in Originations Volume



- 1 Q1 has historically been the slowest quarter for MFIs by Originations Value and Volume growth
- 2 In Q1 FY25, Originations value declined by 31% from Q4 FY24
- 3 Originations volume declined by 32% from Q4 FY24 to Q1 FY25
- 4 Average Ticket Size increased by 1% from Q4 FY24 to Q1 FY25 with a 13.2% Y-o-Y increase

Banks and NBFC MFIs Dominate Originations Value | NBFC witnessed highest Y-o-Y growth

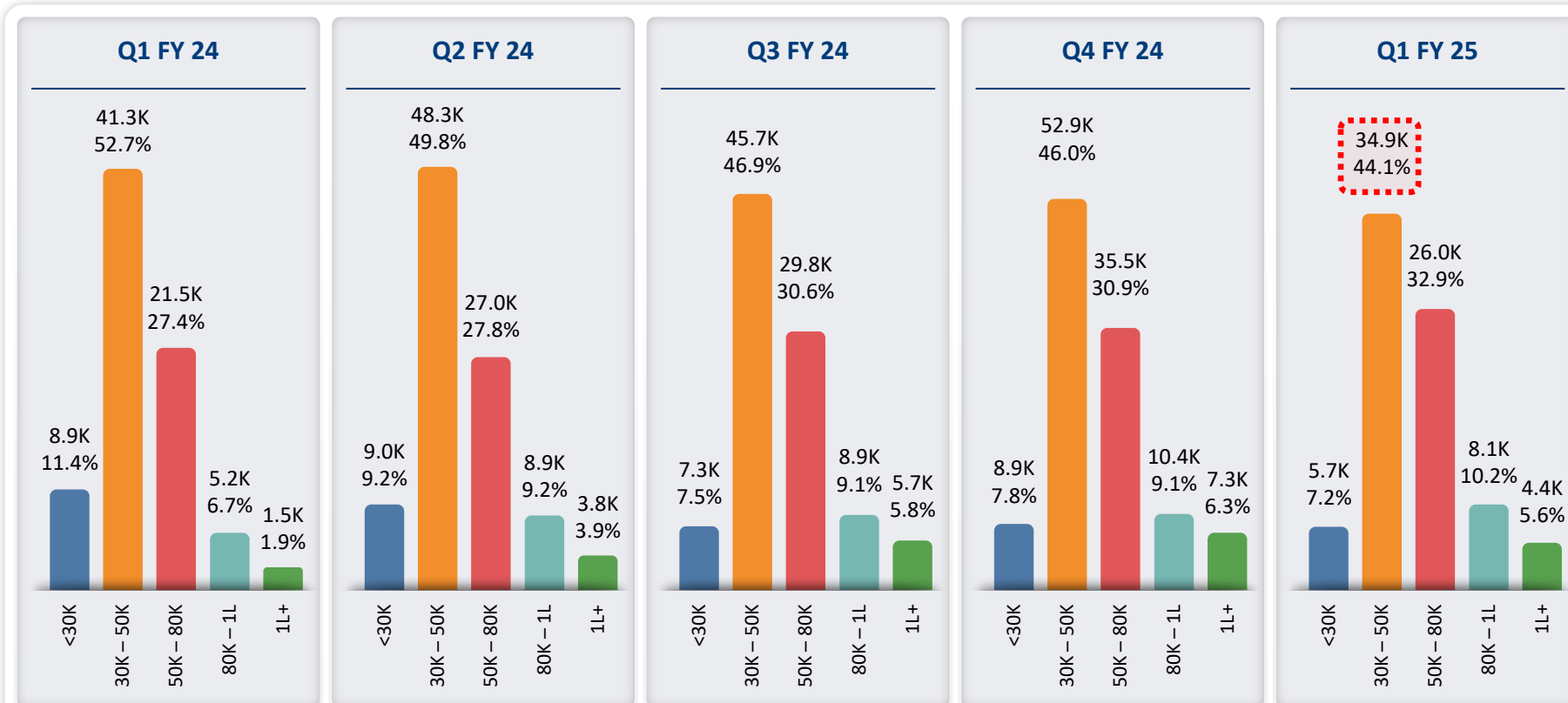


The Quarter (Q) indicates the loan Origination Periods, The first figure Indicates the disbursed amount in ₹ crore, second figure (%) indicates the market share by lender type.

- 1 Q-o-Q decline in originations value across all lender types
- 2 Y-o-Y growth in Banks and NBFCs, while other lender types witnessed Y-o-Y de growth

Lender Type	Banks	NBFC MFI	NBFCs	SFBs	Others	Total
Q-o-Q Growth	-31.0%	-34.9%	-17.0%	-30.0%	-36.1%	-31.2%
Y-o-Y* Growth	11.2%	-3.2%	23.9%	-20.3%	-10.9%	0.9%

Originations dominated by loans of ticket size ₹30K-₹50K | Ticket sizes ₹80K+ witnessed highest Y-o-Y growth



The Quarter (Q) indicates the loan Origination Periods, The first figure Indicates the disbursed amount in ₹ crore, second figure (%) indicates the market share by lender type.

- 1 Q-o-Q decline in originations value across all ticket sizes
- 2 Y-o-Y growth in originations of ticket size >50K, while <50K witnessed Y-o-Y de growth

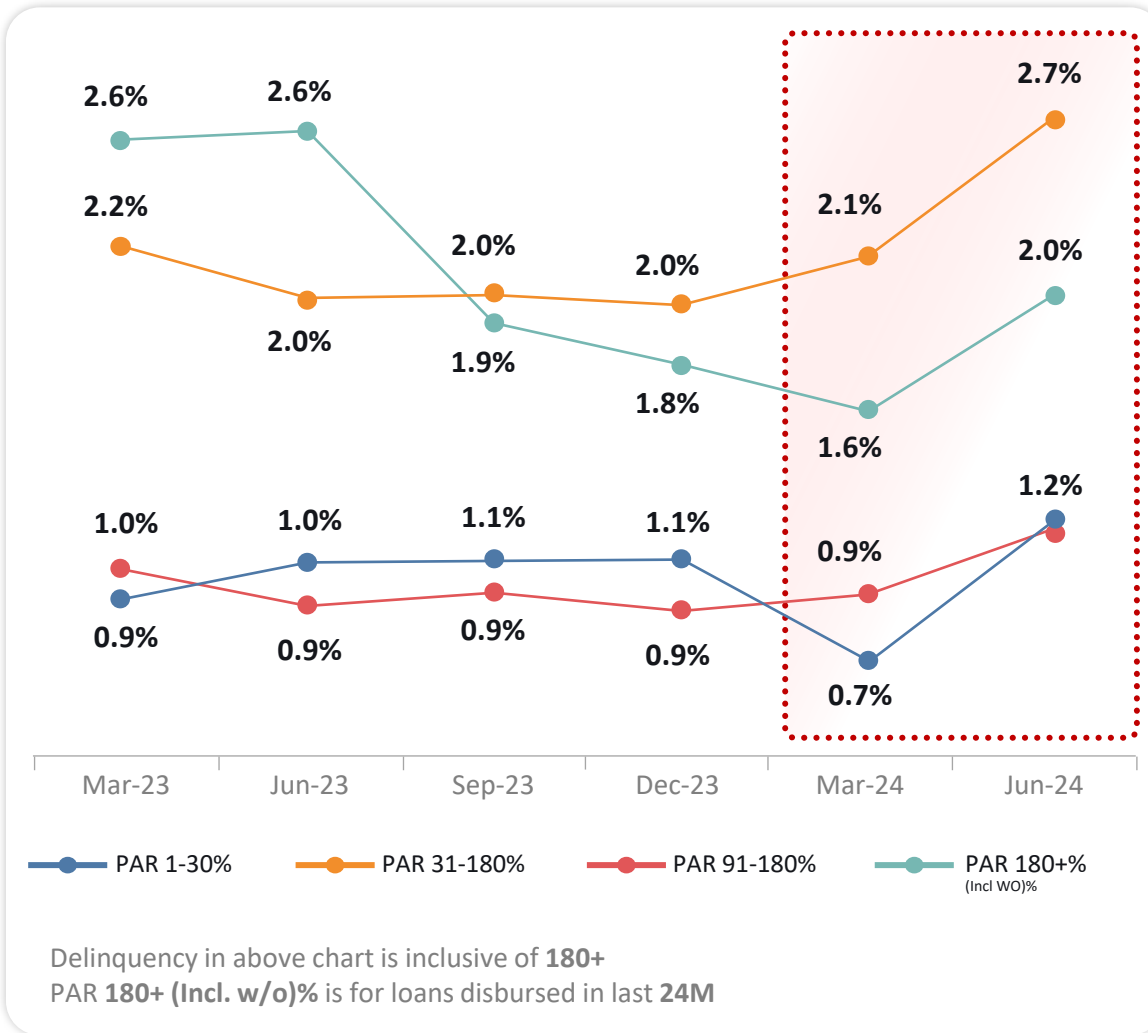
Ticket Size	<30K	30K – 50K	50K – 80K	80K – 1L	1L+	Total
Q-o-Q Growth	-35.9%	-33.9%	-26.7%	-22.8%	-39.2%	-31.2%
Y-o-Y Growth*	-36.0%	-15.5%	21.1%	54.0%	199.5%	0.9%

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



Microfinance Performance

Q-o-Q increase in MFI Delinquency across all DPD Bands

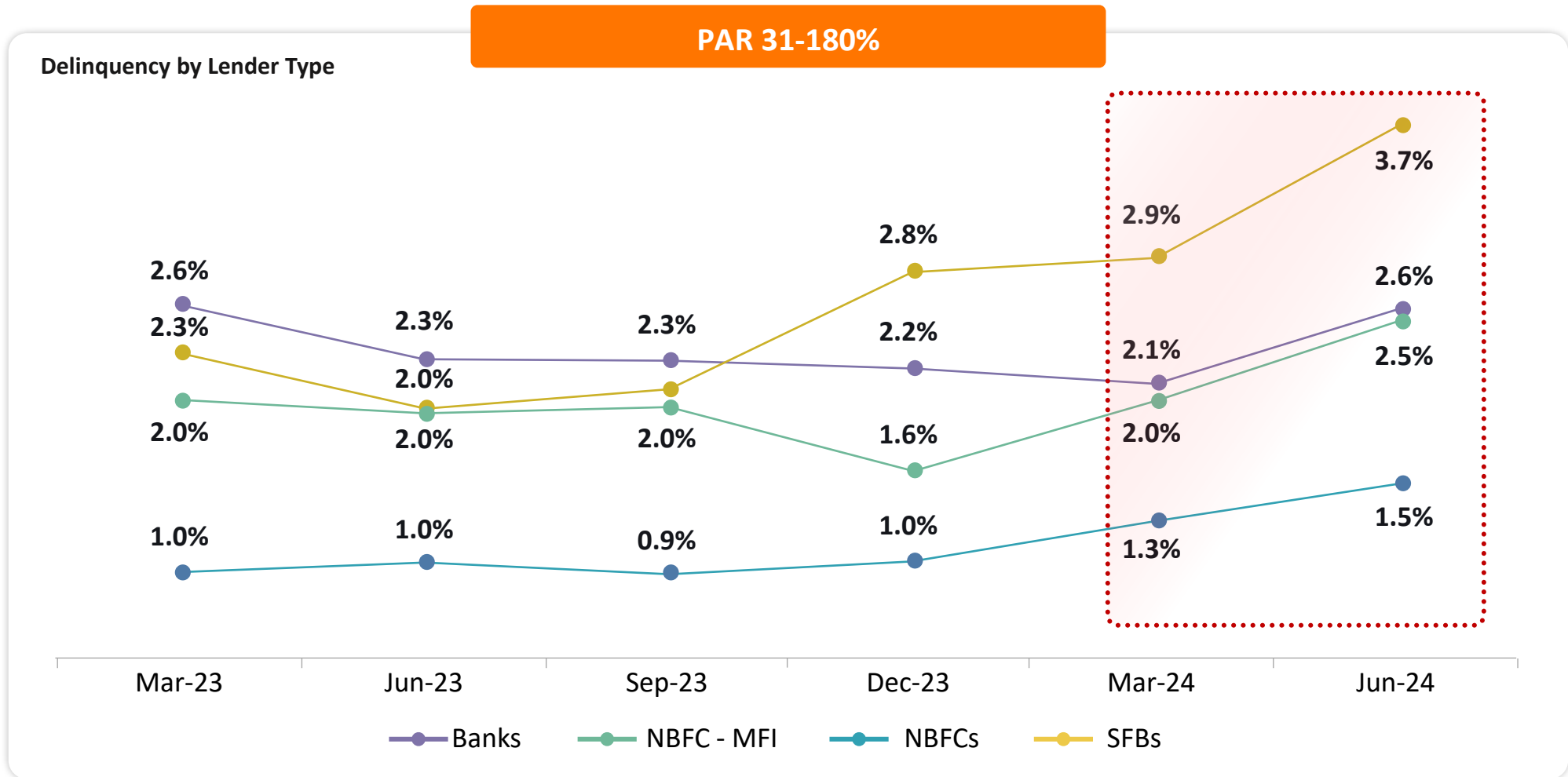


As of Jun 24	5 Best Performing Lenders	5 Worst Performing Lenders	Industry
GLP (₹ K Cr)	73.6	92.3	432.7
PAR 1-30%	0.6%	1.7%	1.2%
PAR 31-180%	1.1%	4.1%	2.7%
PAR 180+ (incl. w/o) %	0.8%	2.5%	2.0%

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

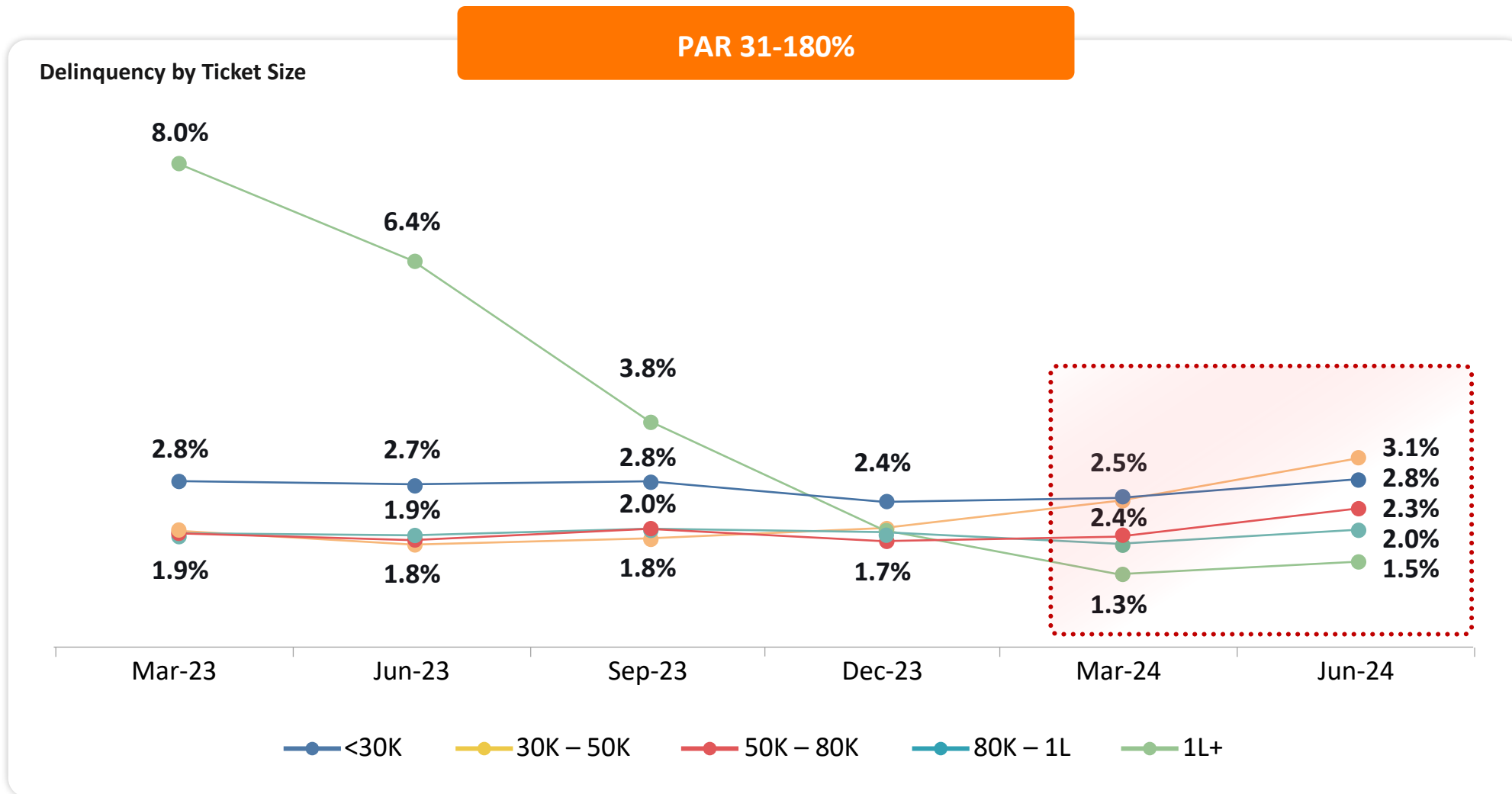
Delinquency Exclusive 180+	Mar 23	Jun 23	Sep 23	Dec 23	Mar 24	Jun 24
PAR 1-30%	1.0%	1.2%	1.2%	1.2%	0.8%	1.3%
PAR 31-180%	2.4%	2.2%	2.2%	2.2%	2.4%	2.9%
PAR 180+ (Incl. w/o) %	2.9%	2.9%	2.1%	1.9%	1.8%	2.2%

Q-o-Q deterioration in PAR 31-180 for all lenders from Mar'24 to Jun'24



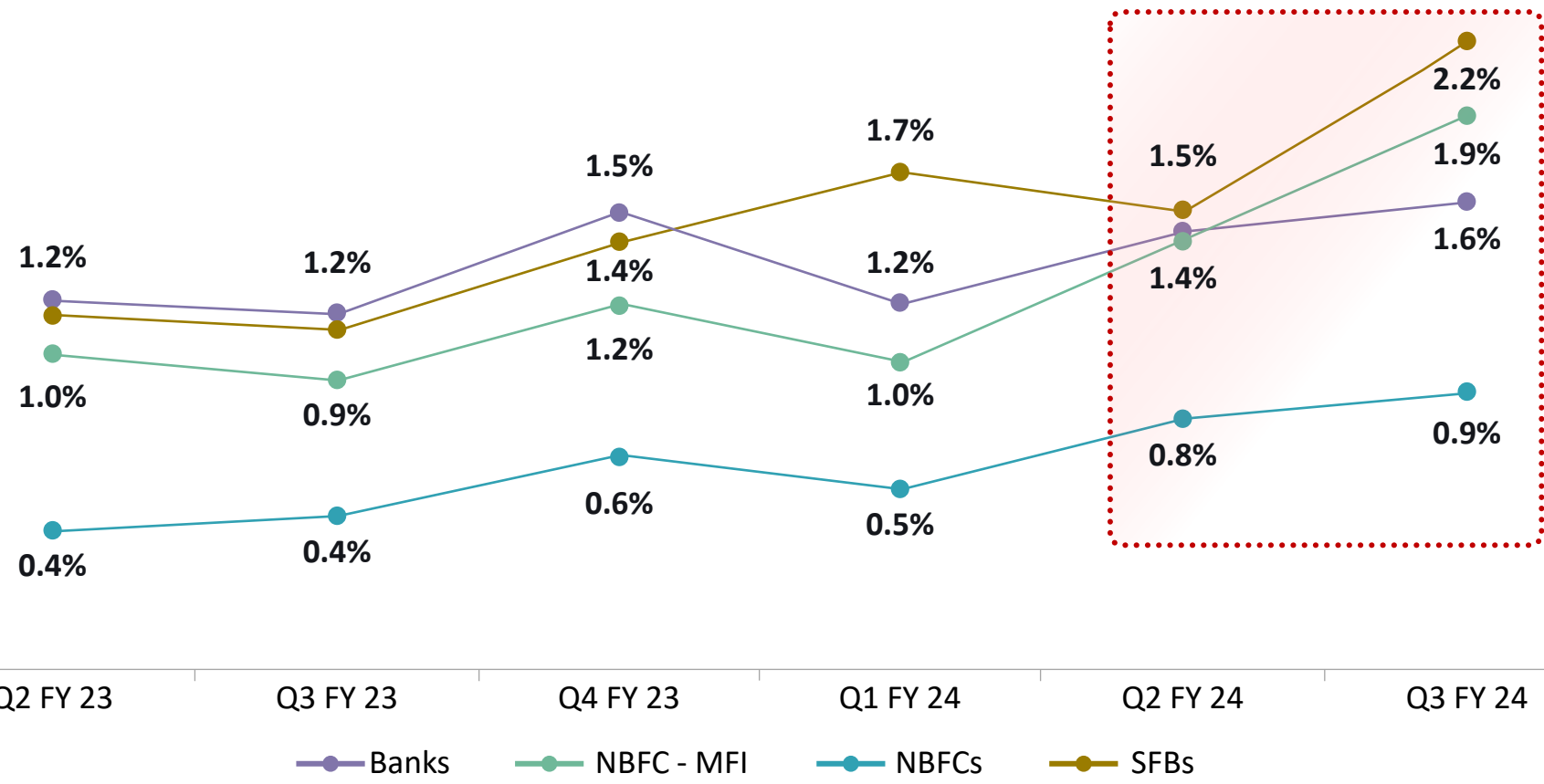
1 Y-o-Y deterioration in PAR 31-180 % for all lenders as of Jun'24

Q-o-Q deterioration in PAR 31-180 for all ticket sizes from Mar'24 to Jun'24

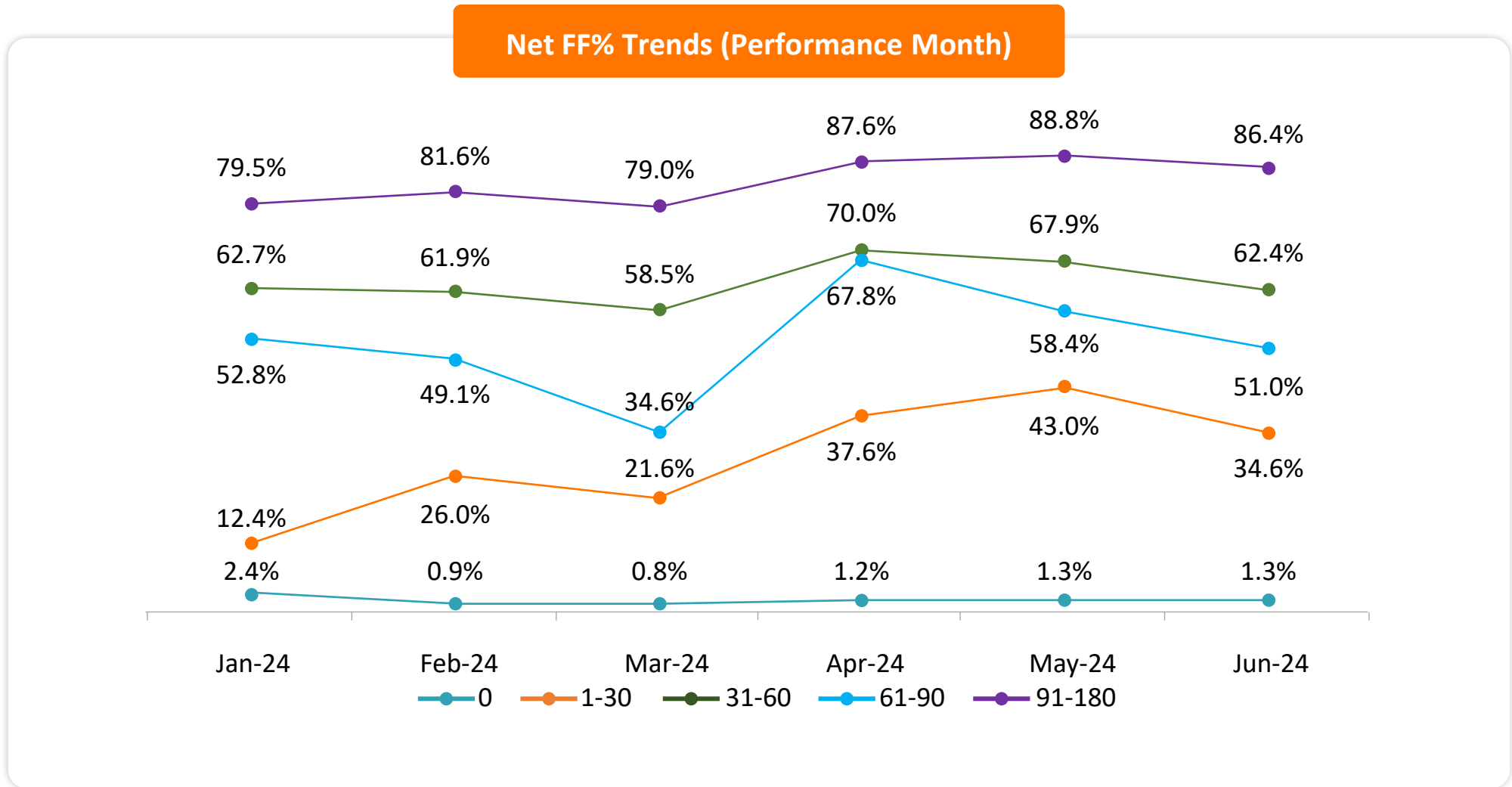


Q-o-Q Deterioration in Sourcing quality (7-9 MOB PAR 30+%) for all lender types

7-9 MOB PAR 30+% by Lender Type

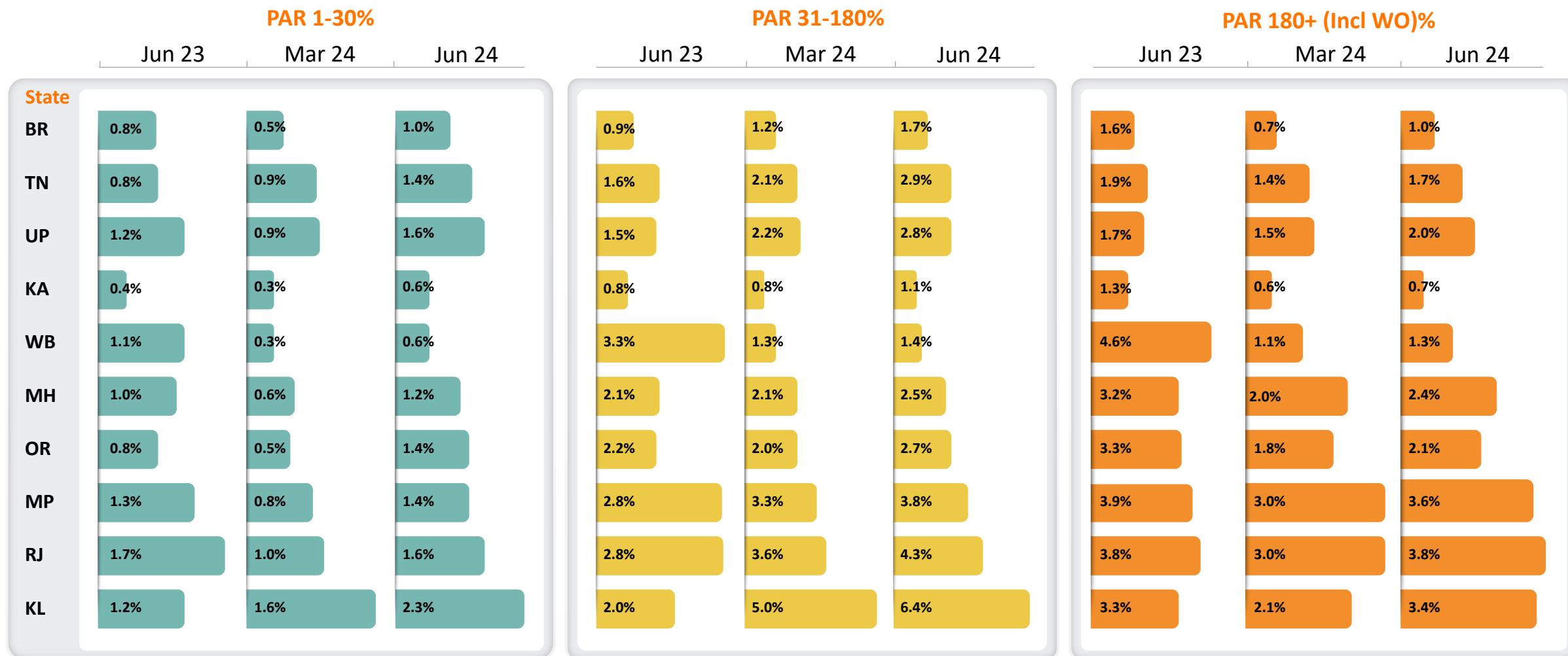


Increase in Net FF% Rate from Mar'24 to Apr'24 in all DPD Bands | Apr'24 onwards decline in Net FF% in 31-60 & 61-90



Net Forward Flow (FF) % = Forward Flow% - Roll Back % for each DPD band

Q-o-Q increase in delinquency across all DPD bands for all Top 10 states



PAR 180+ (Incl. w/o)% is for loans disbursed in last 24 M

TN and UP have >35% Impact on Y-o-Y & Q-o-Q Incremental Delinquency

State	Portfolio O/S (₹ Cr)			PAR 31-180%*			Y-o-Y increase in PAR 31-180 (₹ Cr)	% Impact on incremental Delinquency (Y-o-Y)	Q-o-Q increase in PAR 31-180 (₹ Cr)	% Impact on incremental Delinquency (Q-o-Q)
	Jun-23	Mar-24	Jun-24	Jun-23	Mar-24	Jun-24	Jun-24	Jun-24	Jun-24	Jun-24
BR	51,531	65,487	65,342	3.5%	3.6%	4.2%	926	16%	356	15%
TN	48,706	58,239	57,067	4.3%	4.4%	5.6%	1,080	18%	643	26%
UP	35,703	46,304	46,029	3.4%	4.2%	5.0%	1,086	19%	354	14%
KA	32,376	42,560	42,313	2.2%	1.8%	2.3%	249	4%	209	9%
WB	31,260	40,328	38,256	4.7%	2.0%	2.2%	-604	-10%	31	1%
MH	26,871	33,304	32,658	3.3%	3.2%	3.9%	392	7%	195	8%
OR	21,156	25,615	25,043	3.8%	3.5%	4.6%	361	6%	259	11%
MP	21,175	24,870	24,453	4.3%	5.2%	5.5%	420	7%	46	2%
RJ	16,075	18,144	17,407	4.7%	5.9%	6.7%	425	7%	106	4%
KL	13,642	14,159	13,413	4.9%	8.1%	9.7%	642	11%	155	6%
Industry	3,59,802	4,42,700	4,32,718	3.9%	4.0%	4.6%	5,844	100%	2,444	100%

* Borrower level worst DPD

17.2% Y-o-Y Increase in Borrowers having 5+ Active Lender Associations in Jun'24, Highest in WB (99%), KA (40%)

State/# Borrowers (Lakh)	Active Lender Associations											
	<=2			3			4			>=5		
	Jun-23	Jun-24	Y-o-Y growth	Jun-23	Jun-24	Y-o-Y growth	Jun-23	Jun-24	Y-o-Y growth	Jun-23	Jun-24	Y-o-Y growth
BR	68.3	92.4	35%	11.4	11.1	-2%	5.3	5.7	6.2%	3.5	4.0	14%
TN	64.3	70.7	10%	10.5	10.1	-3%	5.7	5.6	-1.6%	5.0	5.7	13%
UP	61.1	81.0	33%	6.7	7.1	6%	3.1	3.5	13.0%	2.3	2.7	18%
KA	43.6	55.4	27%	5.5	5.7	3%	2.5	2.8	11.6%	1.8	2.5	40%
WB	64.7	71.1	10%	4.4	4.2	-4%	1.2	1.5	31.5%	0.4	0.9	99%
MH	49.6	58.1	17%	4.8	4.7	-1%	1.8	1.9	7.6%	0.9	1.1	21%
OR	32.6	38.2	17%	4.7	4.4	-6%	2.2	2.3	4.7%	1.7	2.2	32%
MP	40.5	47.5	17%	4.4	4.1	-8%	1.7	1.7	-4.5%	1.0	1.0	2%
RJ	28.5	33.0	16%	3.3	3.0	-9%	1.4	1.4	-5.5%	1.0	0.9	-7%
KL	16.5	18.2	10%	2.3	2.1	-7%	1.0	1.0	0.8%	0.7	0.8	10%
Industry	639.8	743	16.1%	69.1	66.7	-3.5%	30.2	31.5	4.3%	20.9	24.5	17.2%

19% Y-o-Y increase in Portfolio with 5+ Active Lender Associations | 48% impact on incremental delinquency (Y-o-Y) and 38% Q-o-Q

Active Lender Associations	Portfolio O/S (₹ Cr)			PAR 31-180%*			Y-o-Y increase in PAR 31-180 (₹ Cr)	% Impact on incremental Delinquency (Y-o-Y)	Q-o-Q increase in PAR 31-180 (₹ Cr)	% Impact on incremental Delinquency (Q-o-Q)
	Jun-23	Mar-24	Jun-24	Jun-23	Mar-24	Jun-24	Jun-24	Jun-24	Jun-24	Jun-24
<=2	2,22,022	2,87,834	2,82,811	2.7%	2.2%	2.6%	1,235	21%	909	37%
3	64,676	69,569	66,859	4.5%	4.8%	5.4%	699	12%	272	11%
4	37,598	42,200	40,941	5.7%	6.9%	8.0%	1,098	19%	343	14%
>=5	35,506	43,098	42,106	8.4%	11.3%	13.8%	2,812	48%	920	38%
Industry	3,59,802	4,42,700	4,32,718	3.9%	4.0%	4.6%	5,844	100%	2,444	100%

* Borrower level worst DPD

34% Y-o-Y increase in Portfolio with 1.5L+ Credit Exposure | 45% impact on incremental delinquency (Y-o-Y) and 32% Q-o-Q

Borrower Credit Exposure	Portfolio O/S (₹ Cr)			PAR 31-180%*			Y-o-Y increase in PAR 31-180 (₹ Cr)	% Impact on incremental Delinquency (Y-o-Y)	Q-o-Q increase in PAR 31-180 (₹ Cr)	% Impact on incremental Delinquency (Q-o-Q)
	Jun-23	Mar-24	Jun-24	Jun-23	Mar-24	Jun-24	Jun-24	Jun-24	Jun-24	Jun-24
0_20K	22,259	21,824	22,472	3.1%	2.6%	2.8%	-64	-1%	41	2%
20K_80K	1,59,667	1,94,322	1,95,254	3.3%	2.9%	3.3%	1,160	20%	795	33%
80K_1L	44,573	50,121	49,775	3.9%	4.0%	4.5%	464	8%	236	10%
1L_1.25L	43,502	51,523	49,883	4.3%	4.6%	5.4%	809	14%	311	13%
1.25L_1.5L	32,711	40,219	38,559	4.5%	5.0%	6.0%	847	14%	286	12%
1.5L_1.75L	22,217	29,368	27,628	4.8%	5.4%	6.6%	759	13%	256	10%
1.75L_2L	14,356	20,642	18,806	5.2%	5.6%	7.1%	592	10%	184	8%
2L+	20,515	34,596	30,284	6.1%	6.3%	8.3%	1,277	22%	335	14%
Industry	3,59,802	4,42,700	4,32,718	3.9%	4.0%	4.6%	5,844	100%	2,444	100%

* Borrower level worst DPD

Glossary and End Notes

GLP	ATS	PAR	DPD	Y-o-Y	Q-o-Q	M-o-M	Q1 FY24	Q4 FY24	Q1 FY25
Gross Loan Portfolio	Average Ticket Size	Portfolio at Risk	Days Past Due	Year on Year	Quarter on Quarter	Month on Month	First Quarter of the Financial Year 2023-24	Fourth Quarter of the Financial Year 2023-24	First Quarter of the Financial Year 2024-25
Portfolio outstanding of the microfinance sector	The average size of the microfinance loan disbursed	The proportion of portfolio outstanding which is delinquent by >0 days	Measure of loan delinquency/o verdue, segmented as 1-30, 31-180, 180+	Year on year comparison for change, example Jun 2024 compared to Jun 2023	Quarterly comparison for change, example Jun 2024 compared to Mar 2024	Monthly comparison for change, example Jun 2024 compared to May 2024	April-May-June 2023	January-February-March 2024	April-May-June 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 Jun'24 as received by the bureau

About MicroLend

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.



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About CRIF High Mark

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.

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