

Microfinance Insights

February 2026

EQUIFAX | *powering the world with knowledge™*



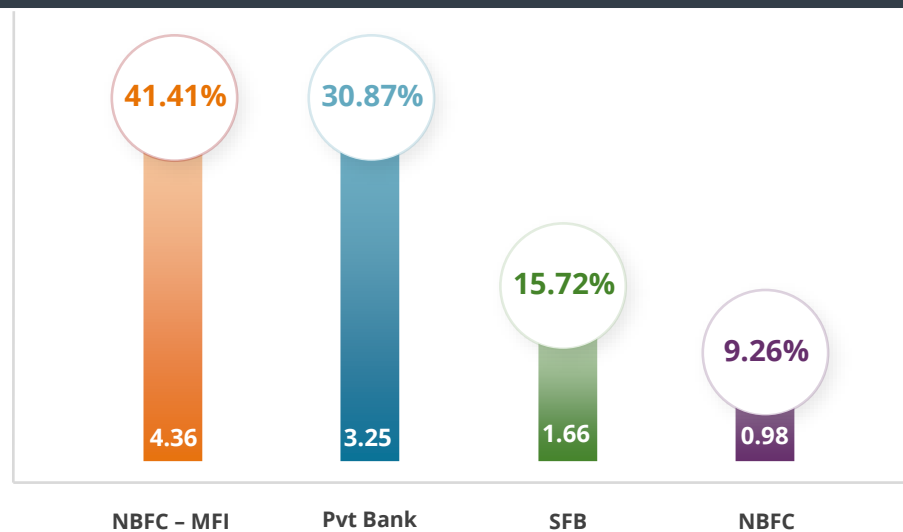
Highlights as of January 2026

- ❖ **Portfolio Scale:** The microfinance industry's total portfolio outstanding reached ₹320,797 crore, comprising 10.53 crore active loans
- ❖ **Disbursement Trends:** The industry experienced a year-on-year contraction in disbursement for the period of Feb'25 – Jan'26, with volumes declining by 31% and value decreasing by 21% compared to the previous year (Feb'24 – Jan'25)
- ❖ **Asset Quality:** The industry-wide 30+ DPD (Days Past Due) delinquency stood at 3.4%
- ❖ **Lender Performance:** Asset quality showed a positive trend with a steady decline in 30+ delinquency across all lender categories. Notably, NBFCs and NBFC-MFIs reported lower delinquency levels compared to the overall industry
- ❖ **Geographic Concentration:** The top five states remain the primary drivers of growth, contributing 58% of the industry's total portfolio outstanding
- ❖ **Regional Resilience:** Uttar Pradesh emerged as the most resilient market, showing the lowest decline in both portfolio size and disbursement

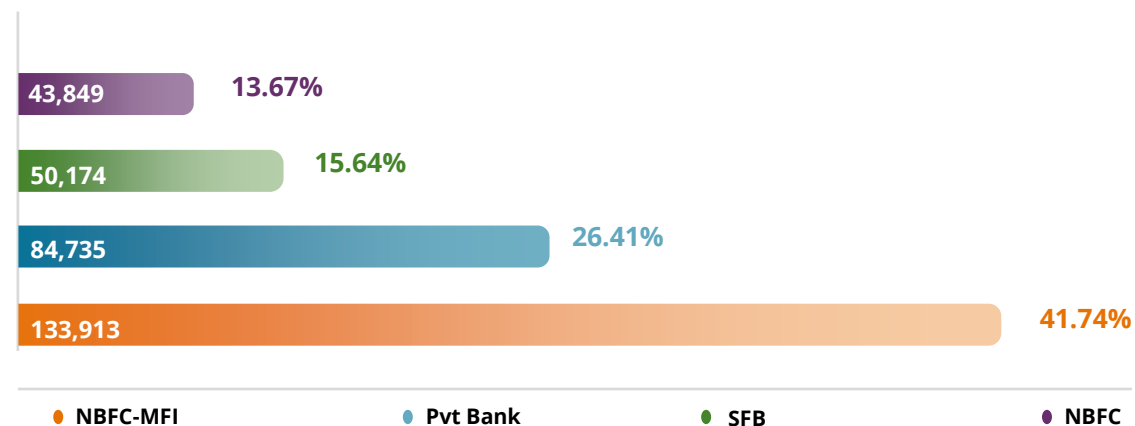
Microfinance Credit on a Page – January 2026

	Industry Portfolio ₹ 320,797 Cr	Industry Active Loans ₹ 10.53 Cr	Industry 30+ % Delinquency 3.4%	Industry 90+ % Delinquency 2.1%	Industry 180+ % Delinquency 17.0%
M-O-M	▼ -0.24% Dec'25 to Jan'26	▼ -1.97% Dec'25 to Jan'26	▼ -54bps Dec'25 to Jan'26	▼ -28bps Dec'25 to Jan'26	▲ 92bps Dec'25 to Jan'26
Y-O-Y	▼ -14.96% Jan'25 to Jan'26	▼ -22.57% Jan'25 to Jan'26	▼ -357bps Jan'25 to Jan'26	▼ -191bps Jan'25 to Jan'26	▲ 718bps Jan'25 to Jan'26

Active Loans (in Crore), % share

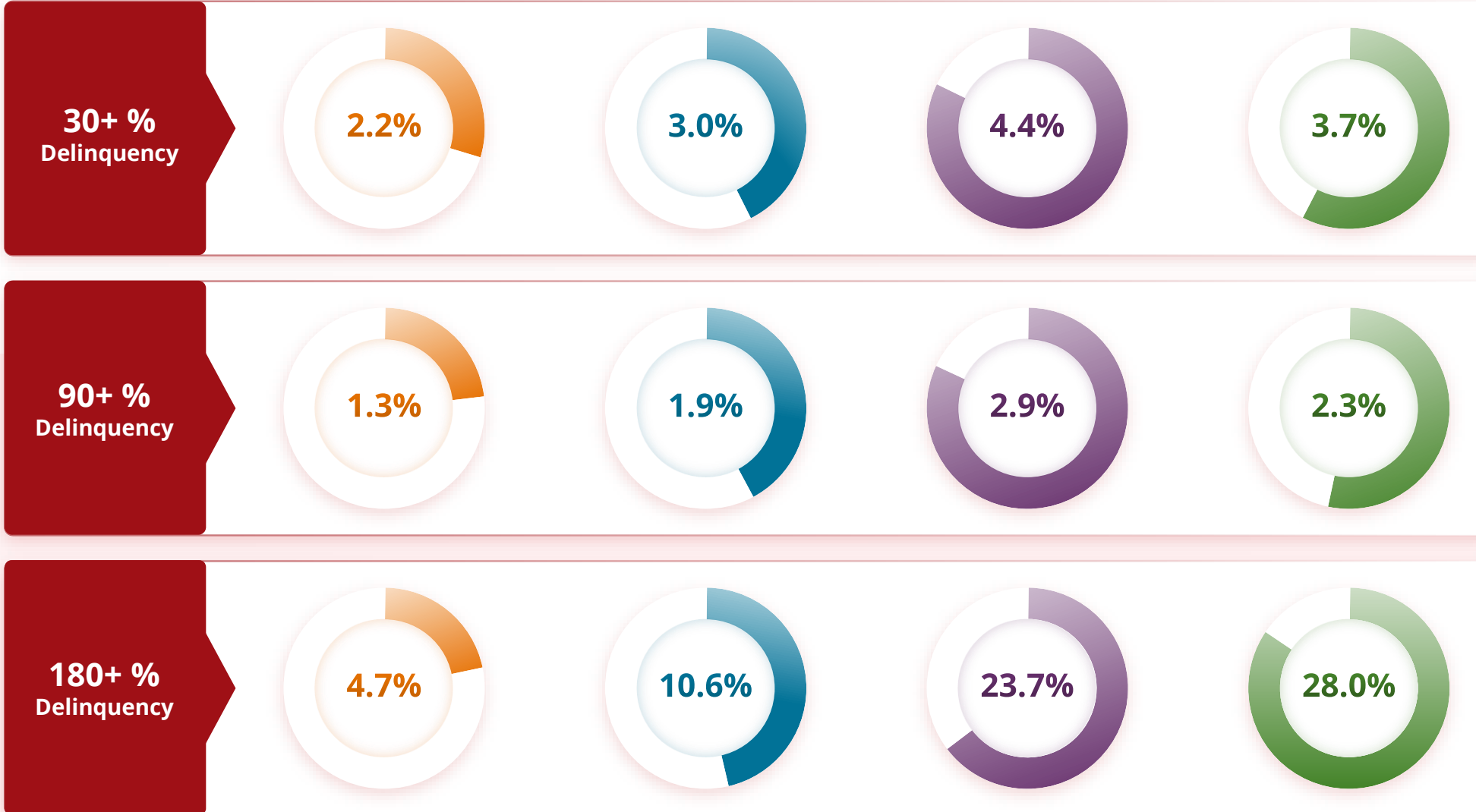


Portfolio % share, ₹ Crore



30+ % = 30-179 DPD / 0-179 DPD | 90+ % = 90-179 DPD / 0-179 DPD | 180+ % = 180+ DPD / 0-180+ DPD | Market share is exclusive of MFI & others

NBFCs demonstrating the lowest delinquency across all the buckets



- NBFC
- NBFC-MFI
- Pvt Bank
- SFB

30+ % = 30-179 DPD/ 0-179 DPD

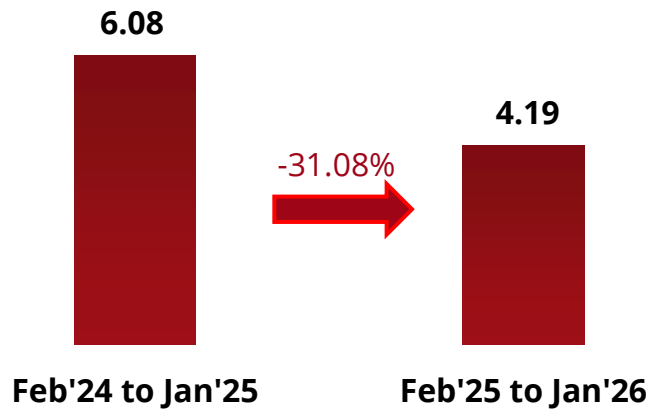
90+ % = 90-179 DPD/ 0-179 DPD

180+ % = 180+ DPD/ 0-180+ DPD

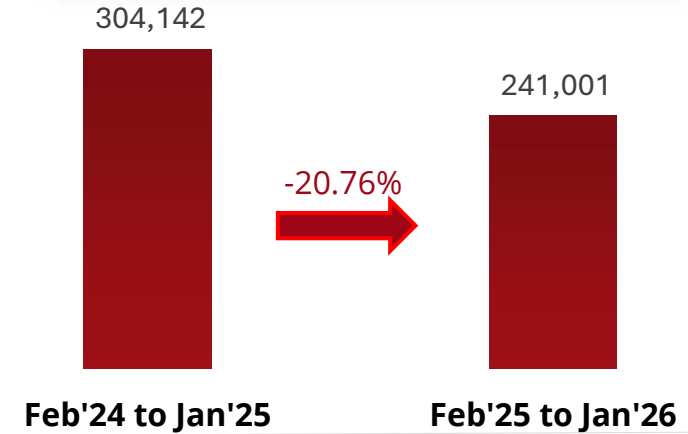
Graphs are exclusive of MFI & others

NBFC-MFIs expanded their disbursement share

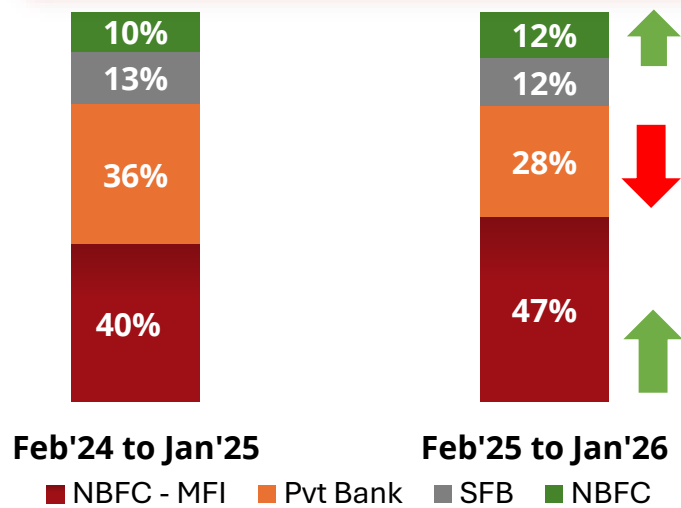
No. of Accounts (in crore)



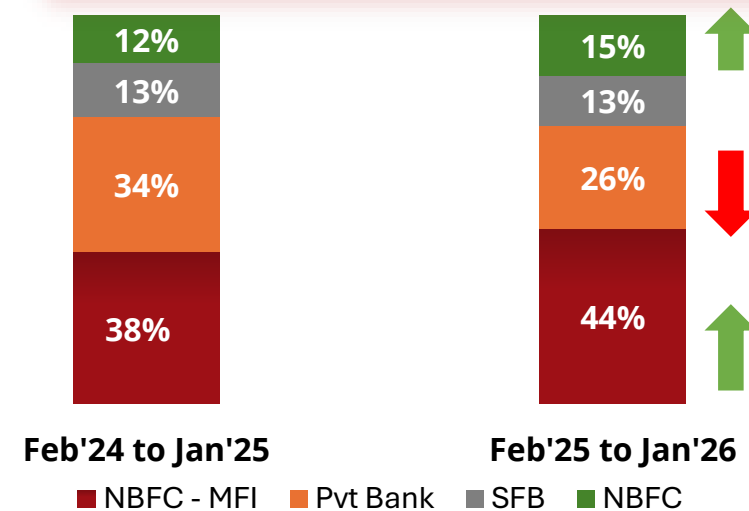
Disbursement Amount (₹ crore)



Market Share by Disbursement Volume

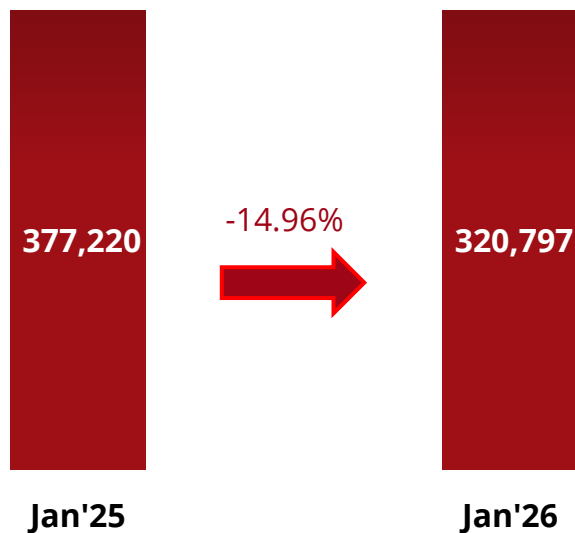


Market Share by Disbursement Value



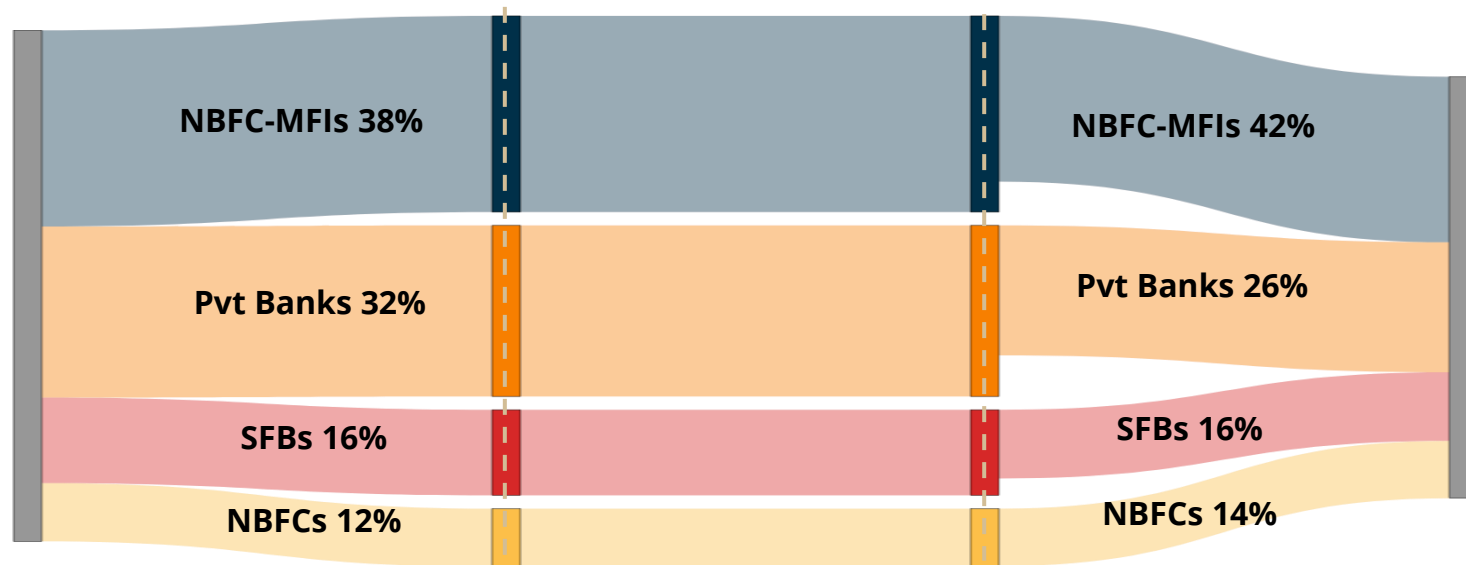
SFBs maintained a flat market share demonstrating resilience despite the contraction in industry outstanding

Industry Portfolio Outstanding (₹ crore)



Jan'25
₹ 3.77 Lakh Crores

Jan'26
₹ 3.21 Lakh Crores



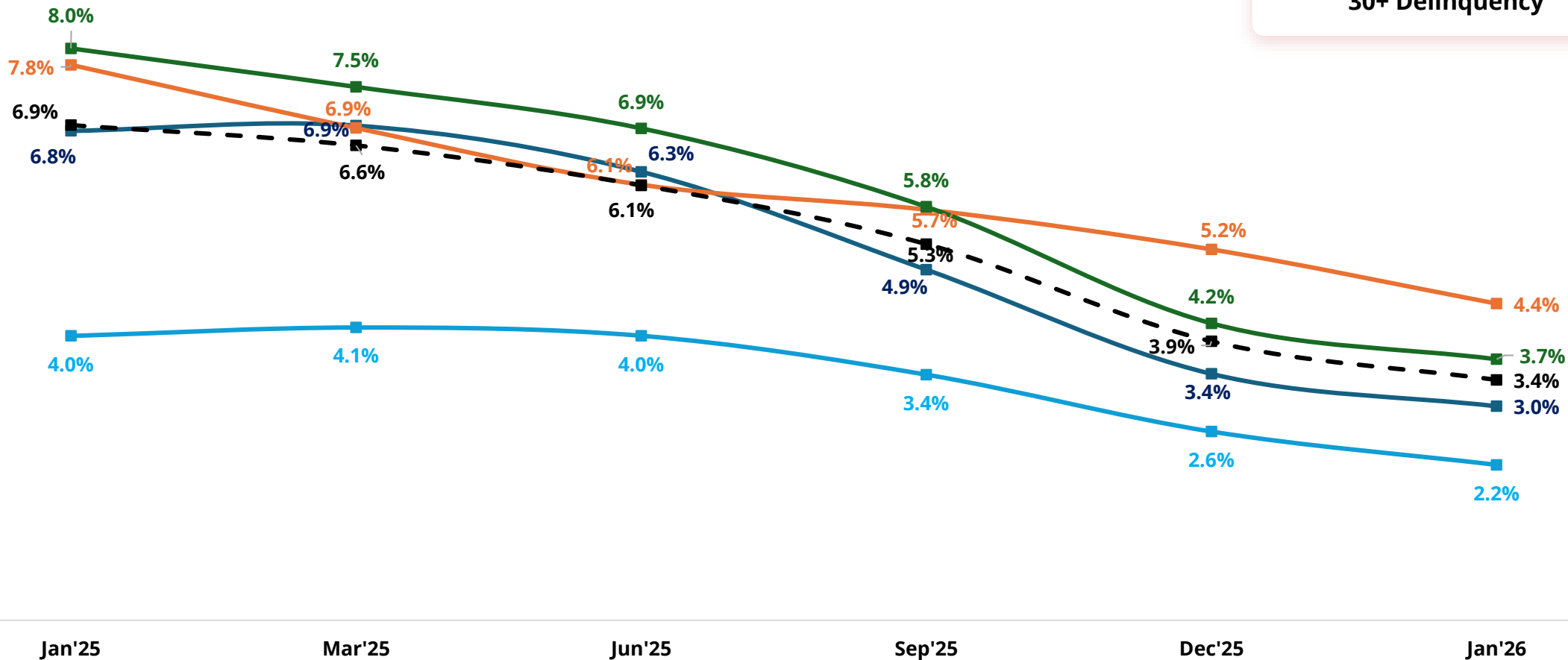
Portfolio Definition: 0-180+ DPD

% indicates Market Share with Total Portfolio Outstanding

Market share is exclusive of MFI & others

Industry witnessed steady decline in 30+ delinquency across all lender categories from January 2025 to January 2026

30+ Delinquency



Graph is exclusive of MFI & others
*30+ % = 30-179 DPD/ 0-179 DPD

■ NBFC - MFI ■ Pvt Bank ■ SFB ■ NBFC ■ Industry

Uttar Pradesh registered the lowest decline in portfolio and disbursements


Industry Top 10 States	Portfolio Outstanding		Disbursement Amount		30+%		90+%		180+%	
	Portfolio Outstanding as of Jan'26 (₹ crore)	YoY Growth % (Jan'26 vs Jan'25)	Disbursement Amount between Feb'25 to Jan'26 (₹ crore)	YoY Growth % (Feb'25 to Jan'26 vs Feb'24 to Jan'25)	Jan'25	Jan'26	Jan'25	Jan'26	Jan'25	Jan'26
	Bihar	50,077	-13%	40,904	-17%	8.8%	3.4%	5.2%	2.2%	6.1%
Tamil Nadu	39,810	-15%	26,014	-25%	6.4%	2.7%	3.7%	1.8%	8.0%	18.0%
Uttar Pradesh	37,663	-8%	31,008	-12%	8.9%	3.4%	5.3%	2.2%	8.7%	14.3%
Karnataka	28,530	-21%	18,486	-40%	5.5%	3.6%	2.7%	2.4%	5.1%	19.8%
West Bengal	27,849	-21%	23,808	-19%	3.8%	3.3%	2.0%	1.8%	8.3%	12.4%
Maharashtra	23,917	-16%	17,265	-26%	5.2%	4.1%	3.3%	2.9%	11.8%	18.9%
Madhya Pradesh	18,804	-12%	14,416	-16%	7.3%	3.9%	4.5%	2.6%	13.7%	17.8%
Odisha	16,640	-20%	11,356	-30%	11.0%	3.2%	7.0%	2.1%	13.4%	23.7%
Rajasthan	13,180	-17%	9,784	-14%	7.5%	3.9%	4.5%	2.4%	13.9%	17.7%
Jharkhand	10,238	-10%	8,194	-17%	10.1%	2.9%	6.5%	1.9%	11.5%	18.6%

POS = 0 to 180+ DPD

30+ % = 30-179 DPD/ 0-179 DPD

90+ % = 90-179 DPD/ 0-179 DPD

180+ % = 180+ DPD/ 0-180+ DPD

A woman in a red shirt and colorful sari is weaving on a loom outdoors. The background is a blurred natural setting with trees. The image is framed by a large red circular graphic on the left side.

EQUIFAX | *powering the world with knowledge* | **DISHA**
Equifax Insights

Thank you