

Micro loans grew in Q4FY26 after declining for 8 quarters

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After declining for eight quarters, the microfinance sector's gross loan portfolio rose 3.2 per cent quarter-on-quarter (Q-o-Q) to ₹3.31 trillion in Q4FY26, aided by higher loan originations, larger ticket sizes and improving asset quality, a CRIF High Mark report said. On a year-on-year basis, the sector's portfolio declined 13.2 per cent.

NBFC-MFIs remained the key growth driver of the sector, while banks' share in portfolio outstanding declined to 26.4 per cent from

32.6 per cent a year ago.

Portfolio at risk (PAR) 180+ (including write-offs) improved to 16.3 per cent in March 2026 from 17.3 per cent in December 2025, while PAR 1-180 improved to 2.6 per cent from 4.4 per cent. Nearly 95 per cent of portfolio exposure remained concentrated among borrowers linked to three or fewer lenders, reflecting tighter underwriting standards and regulatory guardrails.

Average ticket size rose 18.3 per cent year-on-year to ₹61,500, while loans disbursed increased to 126.1 lakh in Q4FY26 from 102.7 lakh in Q3FY26.