

# FACETS



Disbursement trends from FACE members, Q1 FY 22-23

Issue 3



# Notes



In this very brief issue, we present data on disbursements for the latest quarter (Q1 FY 22-23) from FACE members and trends with respect to the comparable quarter of the last financial year (Q1 FY 21-22) and the previous quarter (Q4 FY 21-22).

Due to covid induced challenges, fintech/digital lending has been on a roller-coaster in the last two financial years and trends have been choppy. However, an eye on the quarters helps us to understand changes in the market and benchmark industry.

The fintech lending industry comes with ever-increasing diversity and our members are no different. Amongst them, we see notable variations in terms of scale, growth, ticket sizes and pricing.

The report has data from 16 FACE members directly lending to customers either as a balance sheet lender and/or as a platform working with balance sheet lenders (mostly NBFCs). On the basis of an [industry report](#) capturing fintech lending volumes, we estimate that FACE members account for over 50% of the retail non-bank fintech/digital consumer lending industry. And therefore, the data presented is fairly representative.

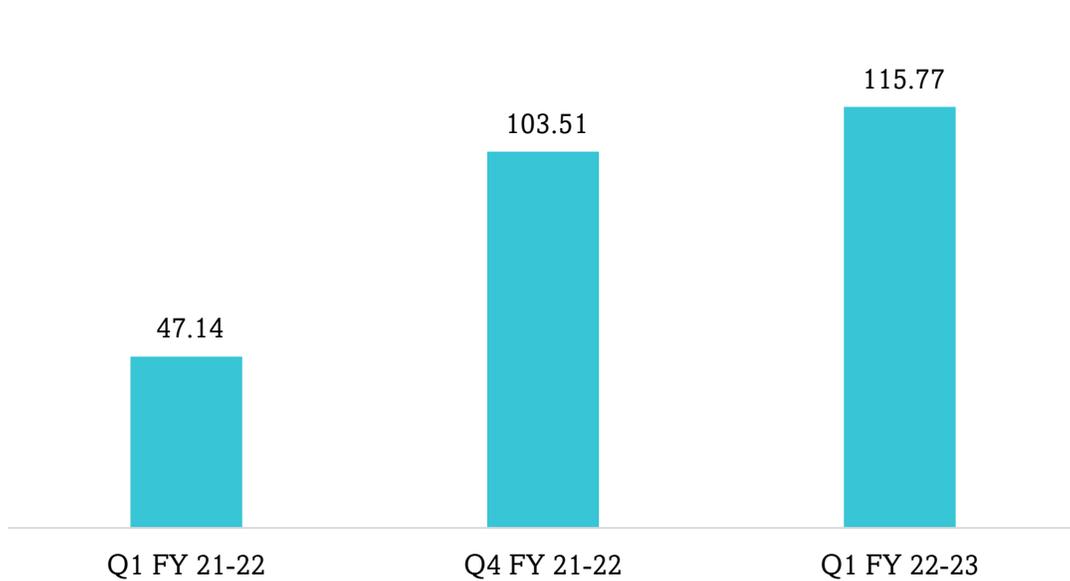
We thank our members for their trust in sharing data to prepare this report

# Disbursements

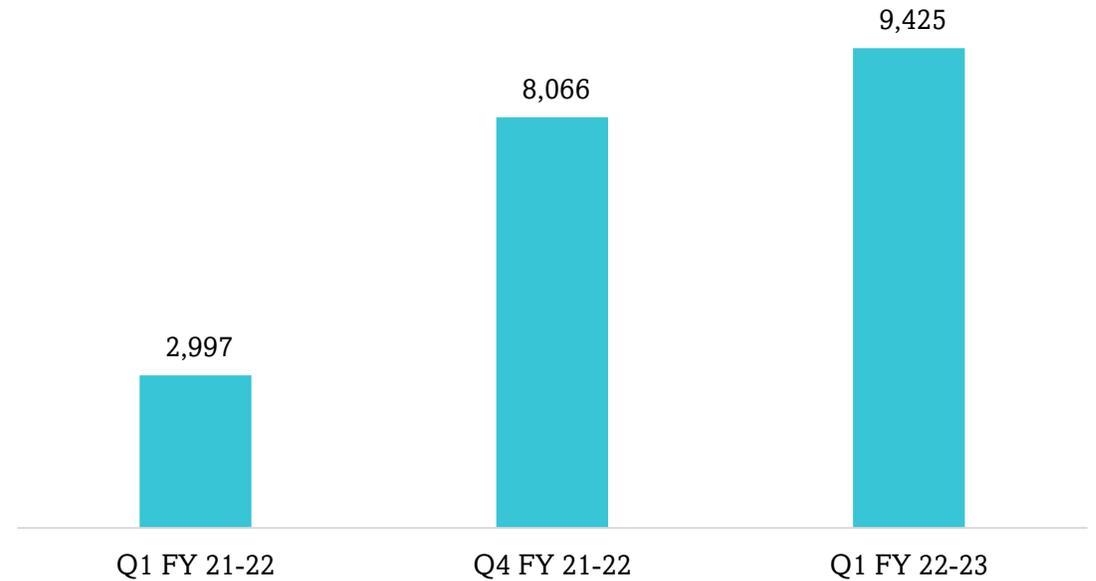


On an aggregated basis, member companies reported disbursing 1.15 Cr loans totalling nearly 9,500 Cr. We could never forget that Q1 FY 21-22 was the most challenging quarter due to the second wave of covid with the brutal impact on customers and the credit market. Since then, however, as the economy moved to normalcy, the digital lending volumes have been consistently moving upwards.

Disbursement volume, Lakhs



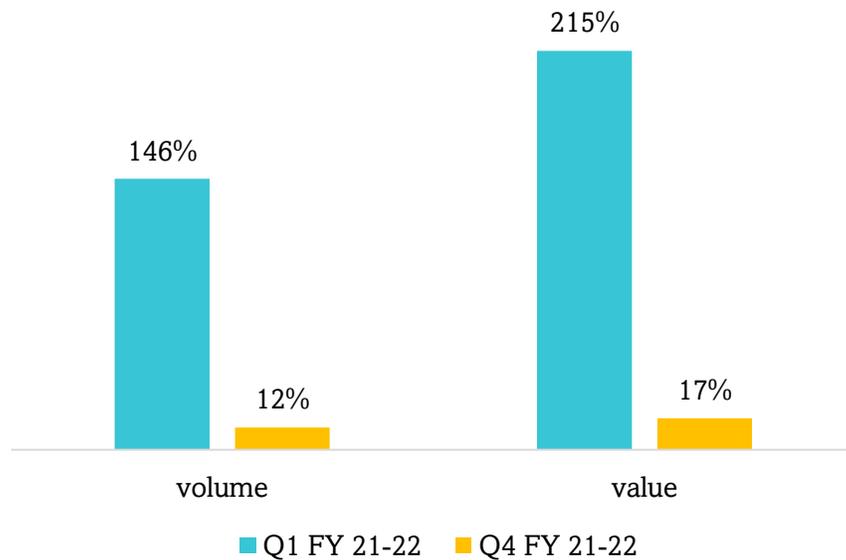
Disbursement value, Rs Cr



# Growth rate

Growth trends have been in the positive territories. Compared to the worst recent quarter (Q1 FY 21-22), disbursement volume and value grew by 146% and 215% respectively. Most companies reported positive growth in Q1 FY 22-23 to the previous quarter (Q4 FY 21-22). However, as the product mix and hence the ticket size continue to evolve, disbursement growth rates across volume and value do not always show consistent trends.

Disbursement growth in Q1 FY 22-23 with comparable quarters



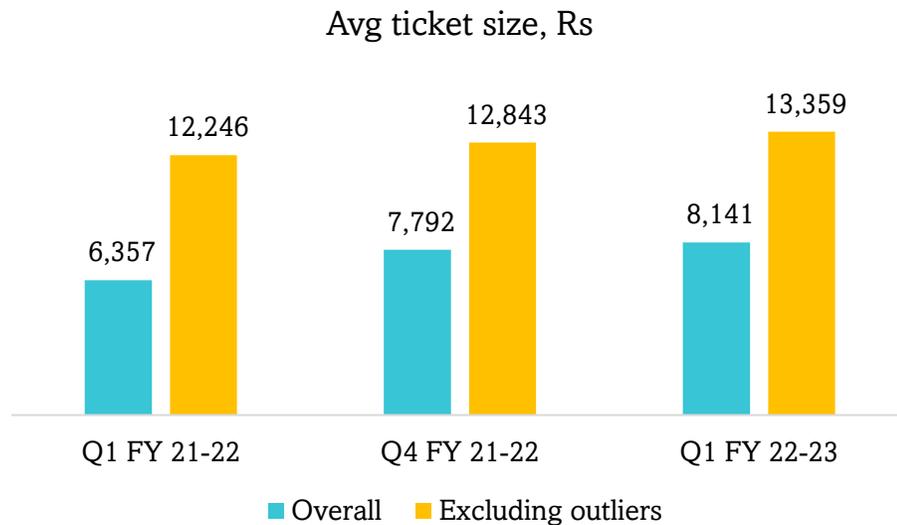
Growth in Q1 FY 21-22 vis a vis Q4 FY 21-22



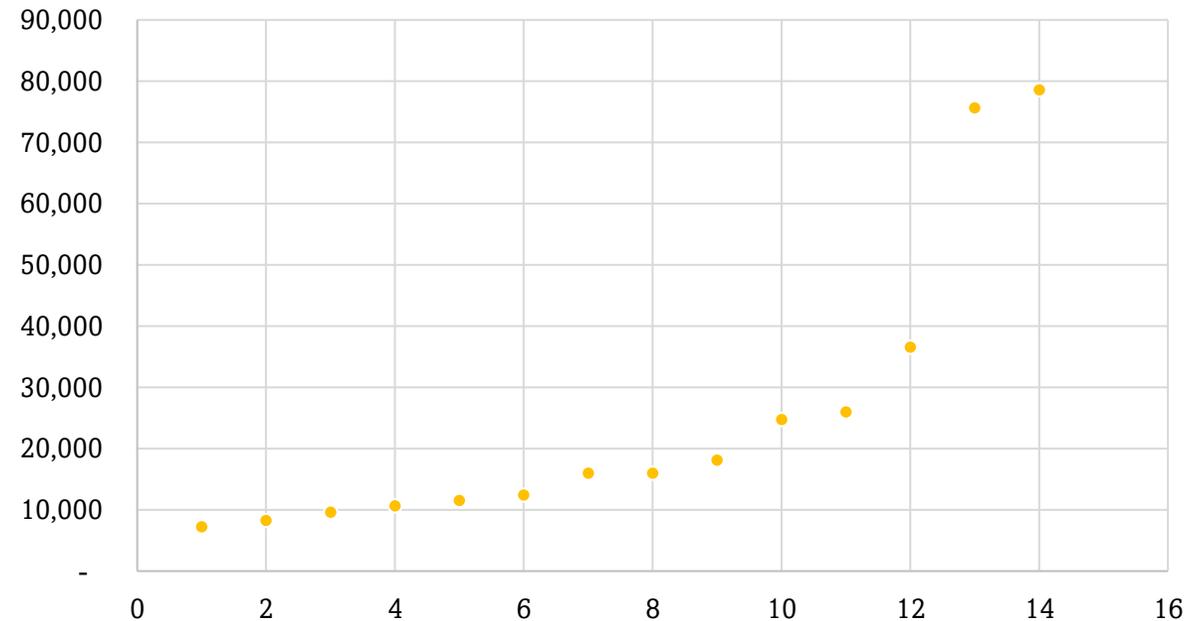
Each number on the x-axis depicts the lender and the y-axis gives the growth rate for Q1 FY 21-22 vis a vis Q4 FY 21-22.

# Ticket sizes

Avg ticket size at an aggregated level (excluding outliers at extreme ends of low and high ticket sizes) remains around 13,000 with marginal changes with respect to comparable quarters. Ticket sizes, however, significantly vary amongst lenders due to the widely different focus on products and customer segments.



Ticket sizes across lenders, Rs (Q1 FY 22-23)



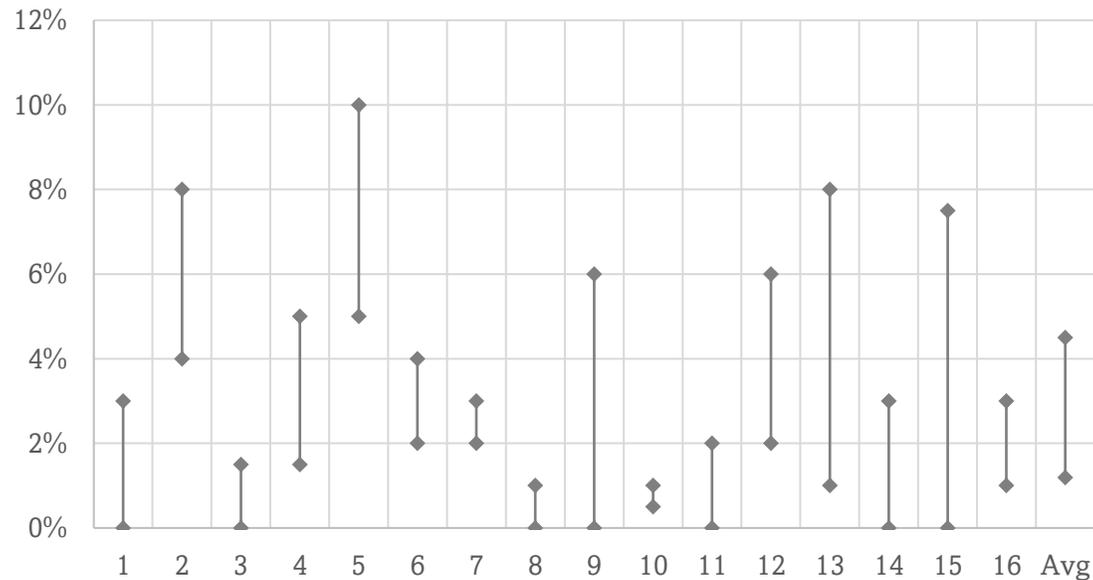
Each number on the x-axis depicts the lender and the y-axis gives the ticket size for Q1 FY 22-23. Two outliers with lowest and highest ticket sizes removed to give representative picture.

# Pricing

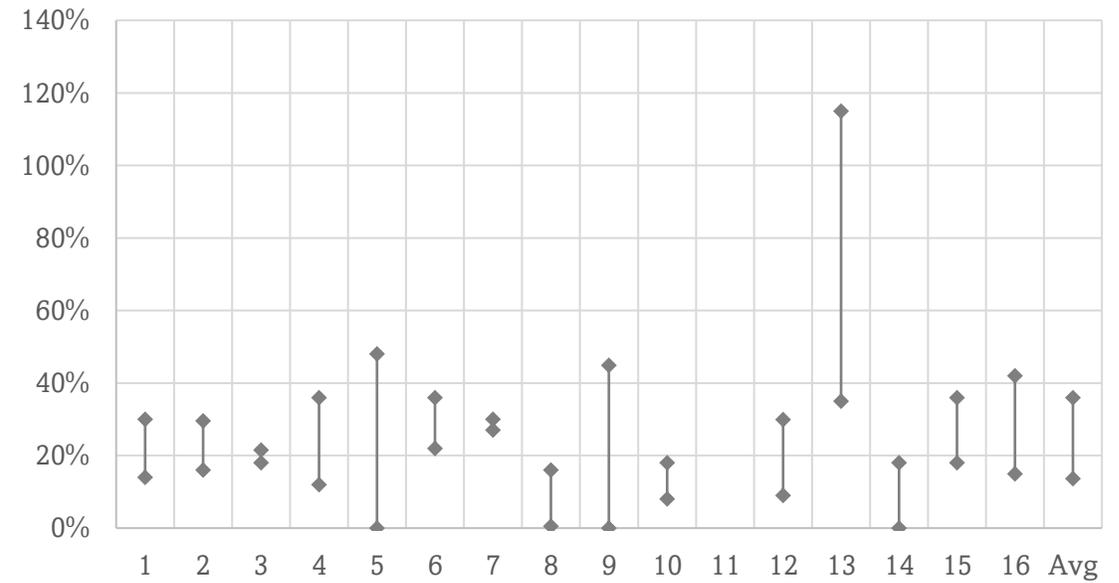


The chart below shows the spread of pricing, processing fee and interest rate amongst lenders. Clearly, there are significant spreads within a lender and across lenders. In simple average terms, the processing fee spread (range between min and max) is 1.5% to 4.9% and the interest rate spread is 13.7% to 35.9%. A number of factors, including the cost of funds, operations and risk profile of customers, influence the pricing for the customers and the range is perhaps reflective of the same.

Processing fee, min/max as % of loan amount disbursed



Interest rate, min/max, % (annualised, reducing balance)



Each number on the x-axis depicts the lender and the y-axis gives the range of pricing. Average is a simple average here. Pricing here is reported for open loans as of June 2022



For clarification/suggestions please reach us at [teamface@faceofindia.org](mailto:teamface@faceofindia.org)