

FACETS



Disbursement trends from FACE members, FY 22-23

Issue 6



Notes



In this brief issue, we present data from FACE members on disbursement trends from the latest quarter (Q4 FY 22-23) and the comparable quarter of the last financial year (Q4 FY 21-22) and the previous quarters (Q1-Q3 of FY 22-23). We also present the disbursement trend for the full financial year of FY 22-23 and a comparison with the previous two financial years.

The fintech lending industry has an ever-evolving variety, and FACE members are no different. Amongst them, we see notable diversity in scale, growth and ticket sizes.

The report has data from 35 FACE member companies lending to customers through their own NBFC and in partnership with other regulated entities (mostly NBFCs). We clarify that our other report [Fintech Lending Trends](#), is based on data from a cohort of 95 NBFCs (who largely do fintech/digital loans) for their balance sheet lending, as submitted to the credit bureaus. Hence, the two reports are not comparable, given different underlying data sets.

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

Highlights, FY 22-23



Disbursement Volume: 7.26 Cr



YoY Growth Rate in Disbursement Volume: 131%



Disbursement Value: Rs 92,848 Cr



YoY Growth Rate in Disbursement Value: 129%



Avg Ticket Size: Rs 10,155



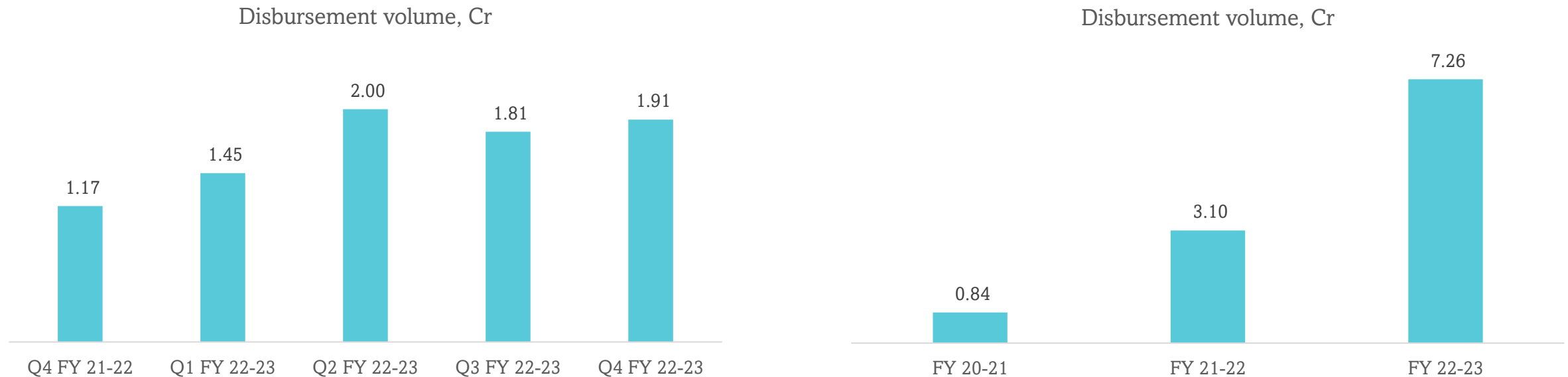
Employees: 15,326



YoY Growth Rate in Employees: 42%

Disbursements volume

On an aggregated basis, during Q4 FY 22-23, member companies reported disbursing over 1.9 Cr loans. The last two quarters saw a slight dip in overall volume due to a few companies either pivoting into different business models or decreasing their volume. During FY 22-23, member companies reported an impressive disbursement volume of 7.26 Cr*, more than twice the number compared to FY 21-22, when the impact of covid-related challenges was still strongly present. These volumes testify to the huge impact and potential of digital lending to provide unsecured loans at scale to meet the massive credit demand for inclusive economic growth.

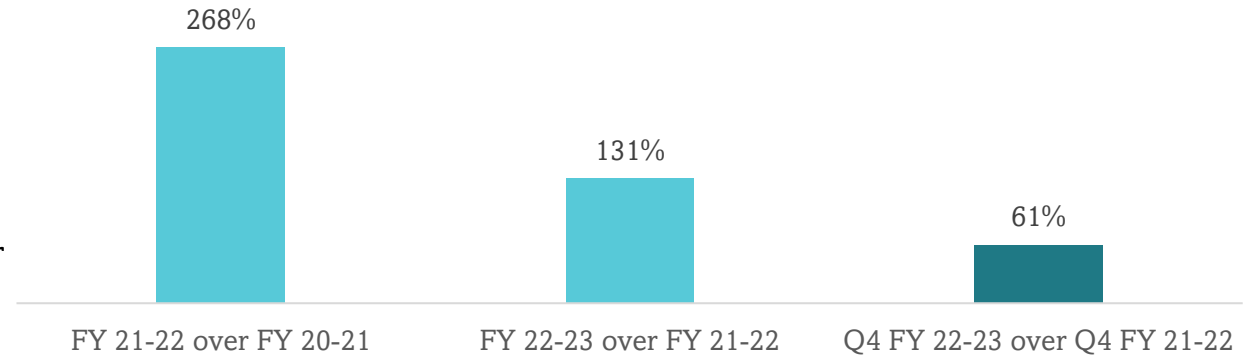


Please note that the disbursement volume includes data from 32 companies. *Based on avg ticket size for the companies, we estimate the total disbursement volume to be more than 9 Cr in FY 22-23 for the full cohort of companies.

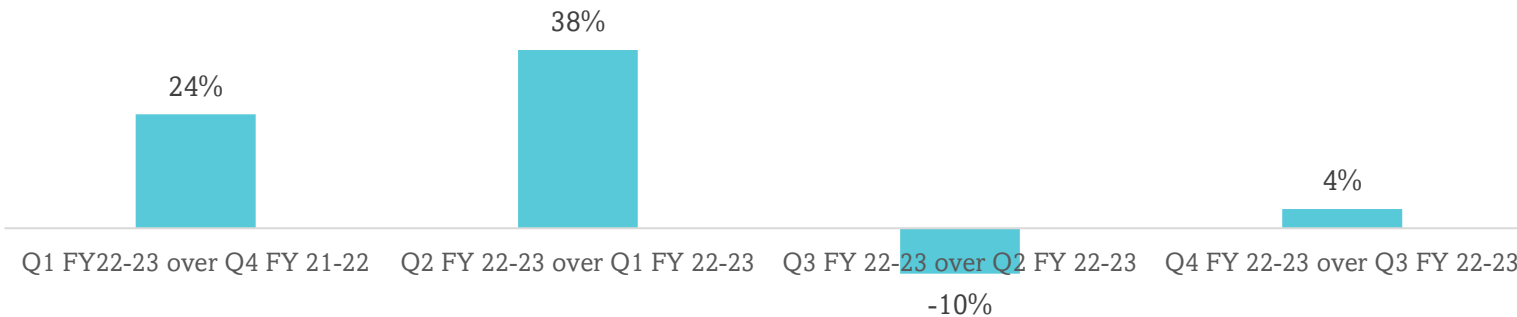
Disbursements volume > progress

After increasing strongly in the first half of FY 22-23, disbursement volume de-grew during the third quarter but moved to positive territory in the last quarter. Drop is a function of variable factors, including individual companies moving to different market segments, increasing ticket size and focusing on regulatory changes. It is worth reminding the growth of 268% in FY 21-22 came from the low base/covid-impact year FY 20-21. During FY 22-23, disbursement volume grew by 131%. All except two companies reported positive YoY growth in disbursement volume during FY 22-23, with half reporting growth exceeding 100%.

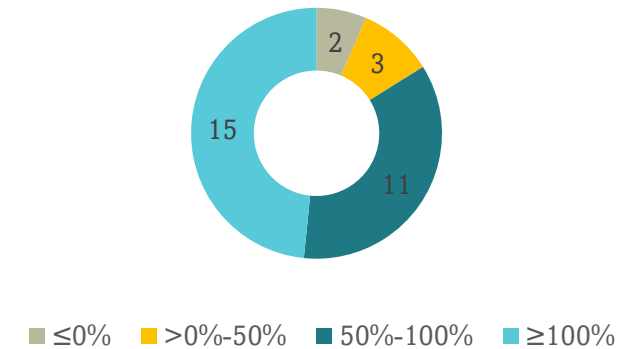
YoY changes in disbursement volume



QoQ changes in disbursement volume



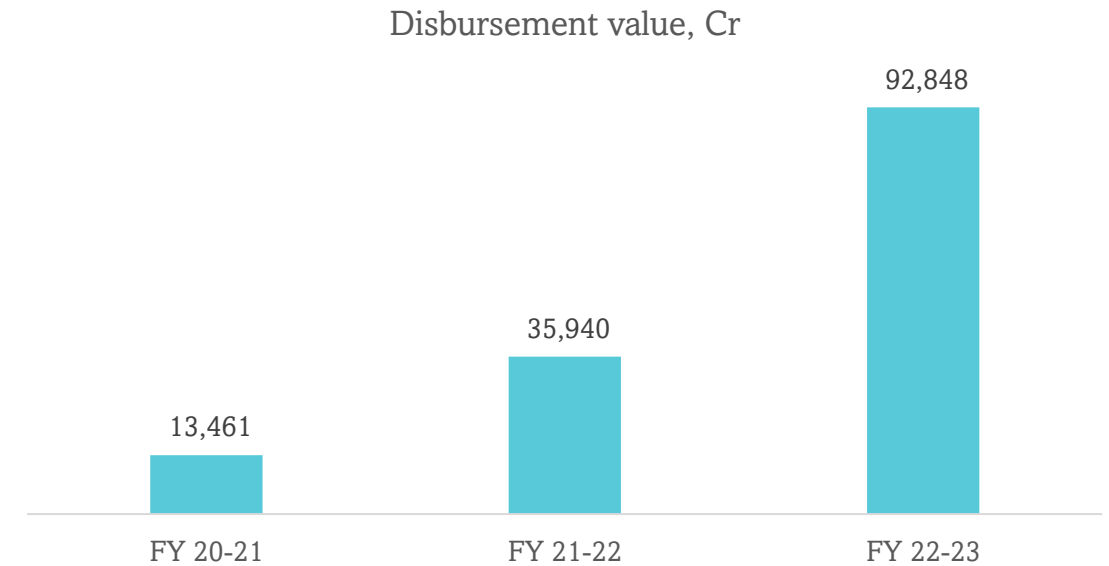
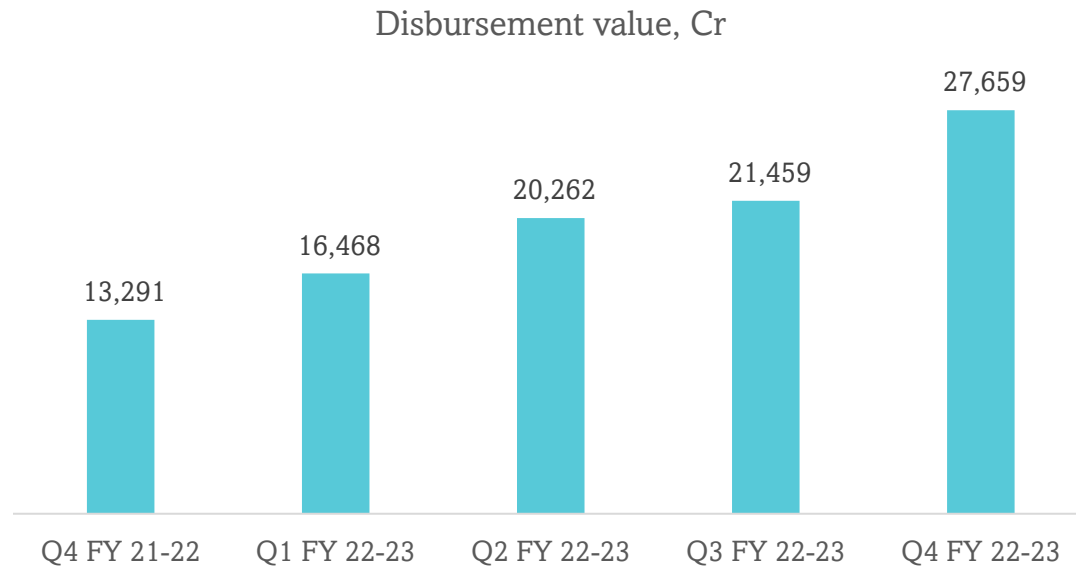
YoY changes in disbursement volume across companies in FY 22-23 over FY 21-22



For the accurate and comparable presentation of growth, we have factored data for 31 companies where data is uniformly available for all quarters and financial years.

Disbursements value

On an aggregated basis, during Q4 FY 22-23, member companies reported a disbursement value crossing Rs 27,500 Cr, healthy progress over the quarters during the FY 22-23 as companies aligned to Digital Lending Guidelines. During FY 22-23, member companies reported disbursements nearing Rs 93,000 Cr, about two and half times the last financial year.

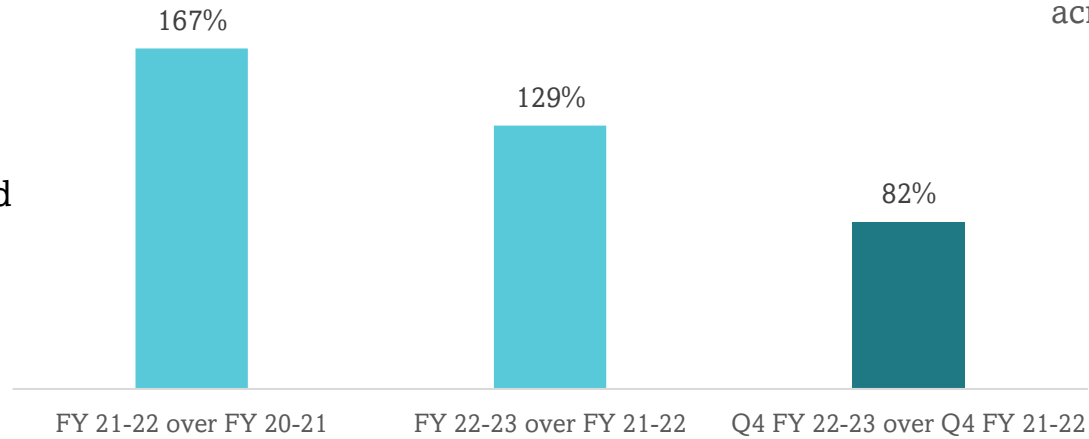


FY 20-21 and FY 21-22 data is from 34 companies, and FY 22-23 for 35 companies, hence not strictly comparable.

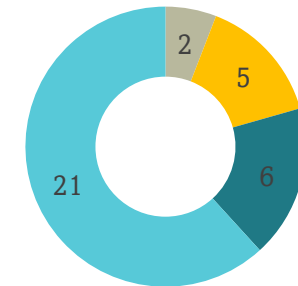
Disbursements value > progress

Given the low base and huge demand, the digital lending industry remains in an expansive phase. The growth rates in the disbursement value saw a consistent move upward though the pace of growth decreased in the second half of the year. Overall, the disbursement value in FY 22-23 grew by 129%* over the previous financial year. All except two companies grew in disbursement value during FY 22-23 over FY 21-22.

YoY changes in disbursement value

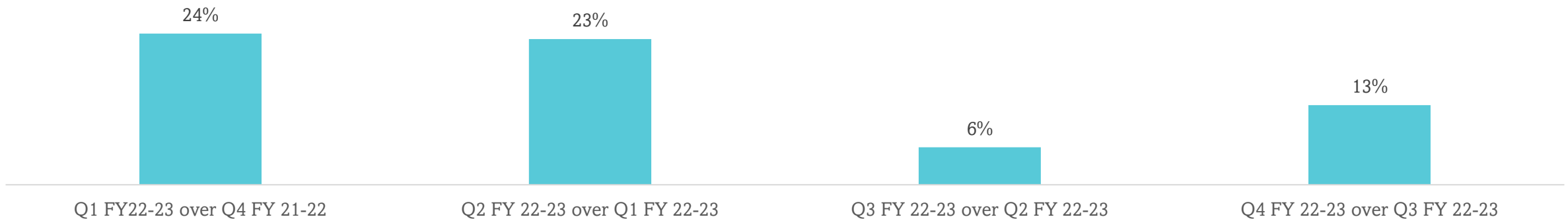


YoY changes in disbursement value across companies in FY 22-23 over FY 21-22



Legend: ■ ≤0% ■ >0%-50% ■ 50%-100% ■ ≥100%

QoQ changes in disbursement value

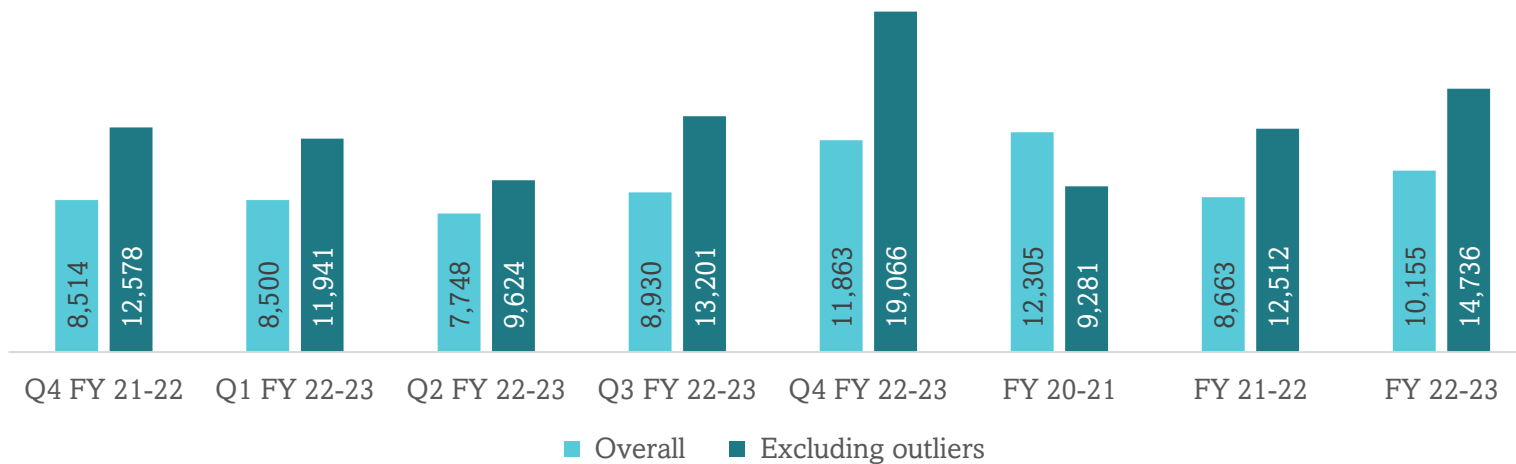


For the accurate, comparable presentation of growth percentages, we have factored data for 34 companies where data is uniformly available for all quarters and financial years.

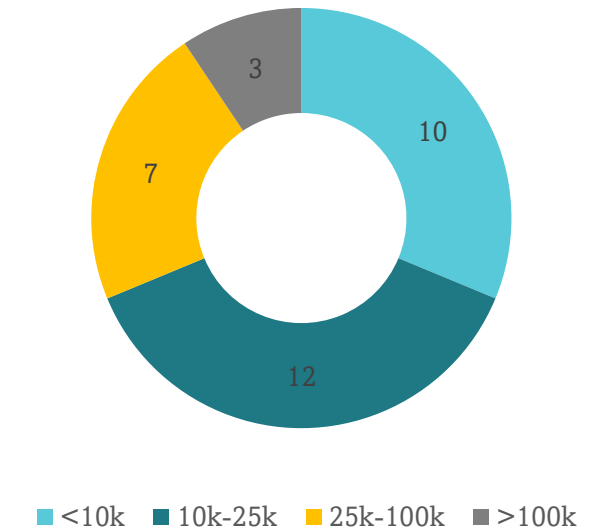
Ticket sizes

There is significant variation in ticket sizes across companies as they focus on different customer needs and market segments. Overall, ticket sizes have hovered in the range of Rs 10,000 – 12,000. There is a great deal of variation across companies regarding ticket sizes as shown in the second chart, though the majority still operate in low-ticket sizes (Rs 25k).

Avg ticket size, Rs



Avg ticket size across companies, Rs, FY 22-23



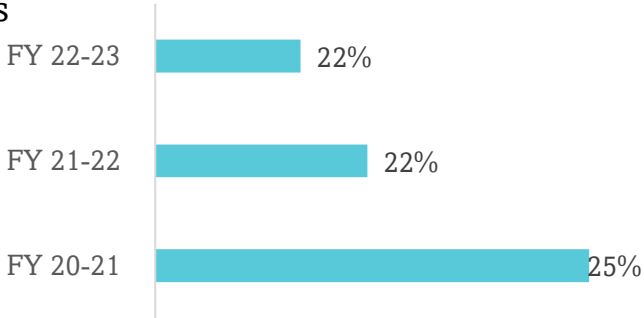
Avg ticket size data does not include data from 3 companies where disbursement volume was unavailable. Outliers with the smallest (<Rs 5k) and highest ticket sizes (>Rs 1 Lakh) were removed to give a representative picture. 10 companies have avg ticket size < Rs 10k, 12 within Rs 10-25k, 7 in Rs 25-100k and just 3 companies reported ticket sizes > Rs 100k.

Employment

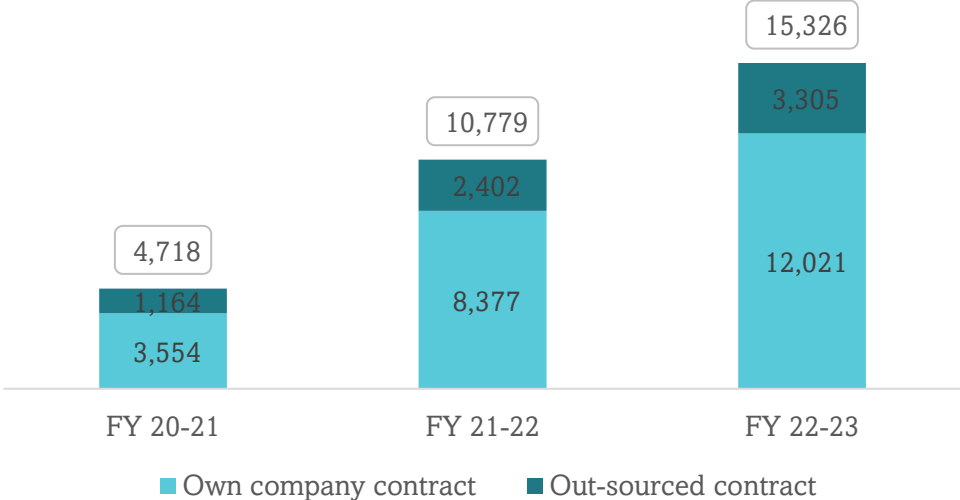


Bucking the lay-off trend of many other-tech sectors, fintech lending, in line with business growth, is generating more employment. Member companies reported a 42% growth in employment in FY 22-23 over the previous year. The share of out-sourced employees remains a fifth of the employee base and is reducing over the years as the companies rely more on their employees for customer support and recovery functions.

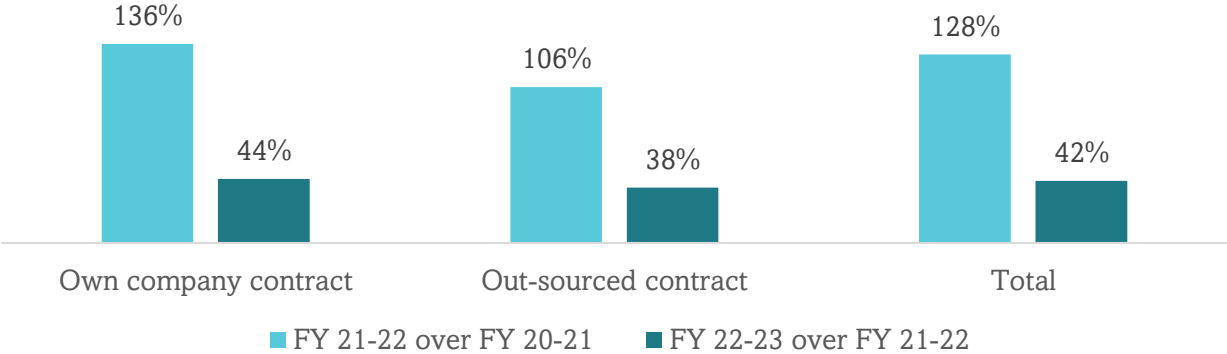
Share of outsourced employees in total



Employees



Growth in employment



Employee data includes data from 26 companies that accounted for 82% of aggregated disbursement value. This translates into a business value of Rs 5 Cr per employee at an aggregated level. But as with other indicators, there is a great degree of variations across companies, with some large companies reporting business value in the range of Rs 8-10 Cr per employee.

Beyond business



Received ISO 9001 & ISO 27001 certificates



Closed Series D Equity funding in Jan 2023 raising \$170M from existing/new investors



Received certificate of accomplishment from TransUnion CIBIL for consistently reporting best data quality for FY 22-23



The Economic Times Best BFSI Brands 2023

Annex: Companies* who contributed data



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CAPITAL

Reports include data from 35 companies, and 23 companies here have consented to disclose their names/logos in the report.



[Fintech Association for Consumer Empowerment \(FACE\)](#) is a non-profit association representing the fintech/digital lending industry. FACE convenes companies directly involved in fintech lending and other stakeholders to collectively advance fair and responsible digital lending practices through self-regulation and customer protection.

Previous reports may be accessed [here](#), and for clarification/suggestions on the report please reach us at teamface@faceofindia.org