

FACETS



Disbursement trends from FACE members, Q1 FY 23-24

Issue 7



Notes



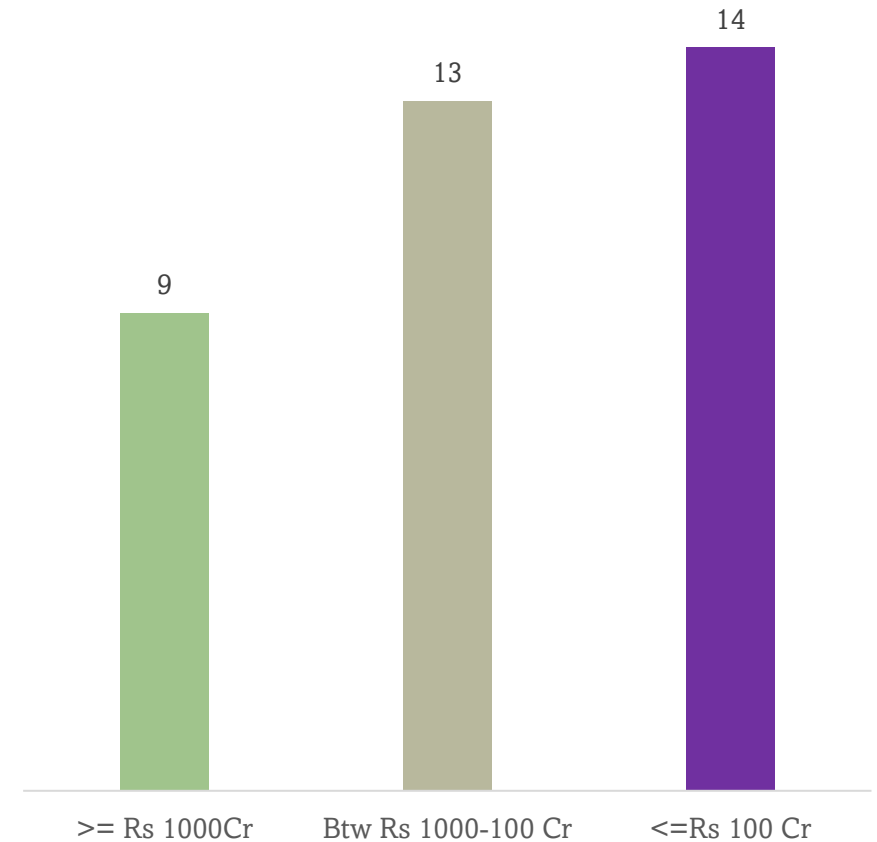
In this brief issue, we present disbursement trends from FACE members for the latest quarter (Q1 FY 23-24) and the comparable quarters.

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 36 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 75 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.

Distribution of companies based on disbursement value in Q1 FY 23-24



* 9 Companies with disbursement value > Rs 1000 Cr in Q1 FY 23-24 account for 81% of total disbursement value.

Highlights, Q1 FY 23-24



Disbursement Volume: 2.2 Cr



YoY Growth Rate in Disbursement Volume: 31%



Disbursement Value: Rs 29,875 Cr



YoY Growth Rate in Disbursement Value: 32%



Avg Ticket Size: Rs 11,043

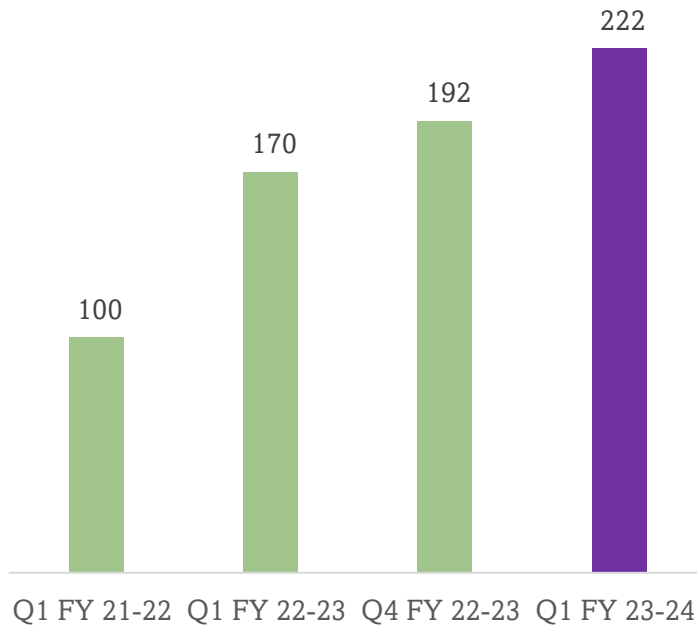


Companies using Account Aggregators: 10

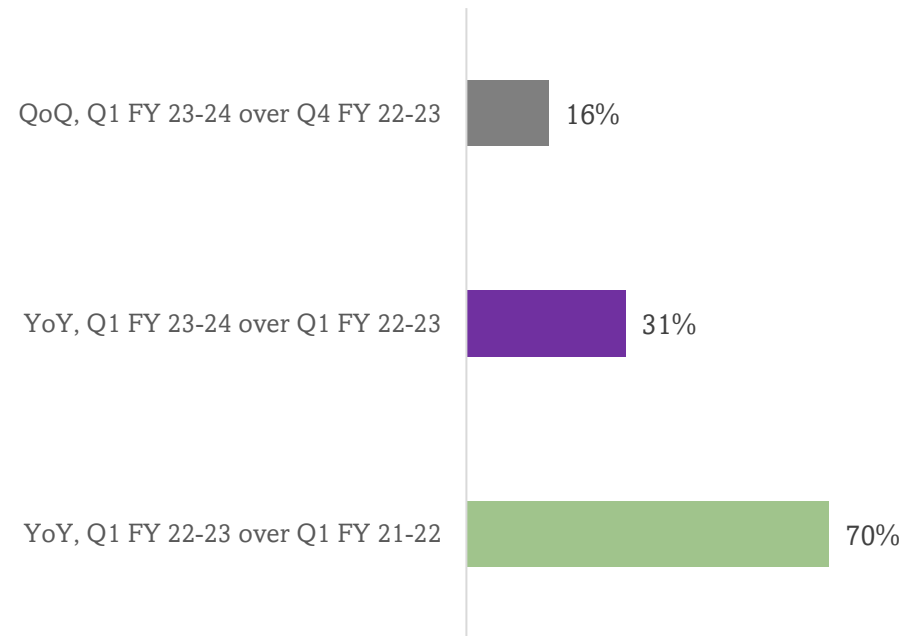
Disbursement volume

On an aggregated basis, during Q1 FY 23-24, member companies reported disbursing over 2.2 Cr* loans, a YoY increase of 31% from Q1 FY 22-23 and 16% over the previous quarter (Q4 FY 22-23). Growth rates vary significantly across companies, attributed to multiple factors, including scale, segment focus, and access to capital. Overall, more than half reported increase in disbursement volumes.

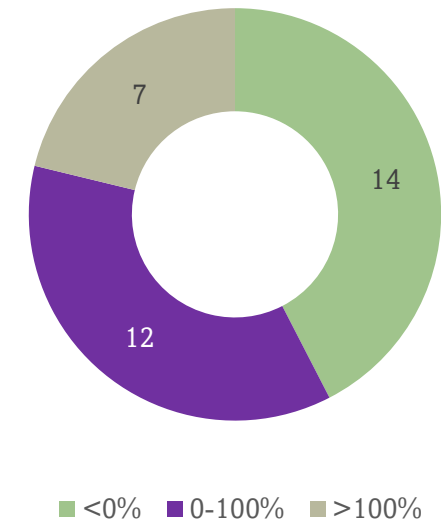
Disbursement volume, Lakhs



Growth in disbursement volumes



YoY growth in Q1 FY 23-24 in disbursement volumes across companies

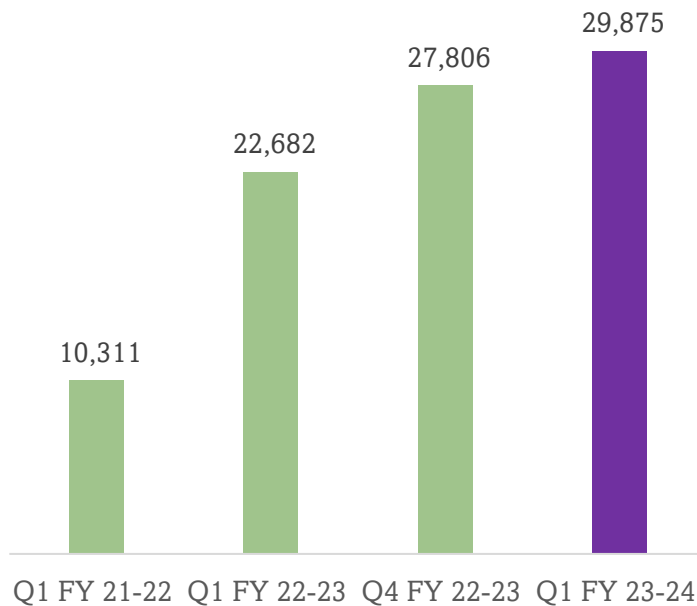


* Please note that the disbursement volume includes data from 33 companies. Based on avg ticket size for the 33 companies, we estimate the total disbursement volume to be more than 2.7 Cr in Q1 FY 23-24 for the full cohort 36 of companies who reported data for the report.

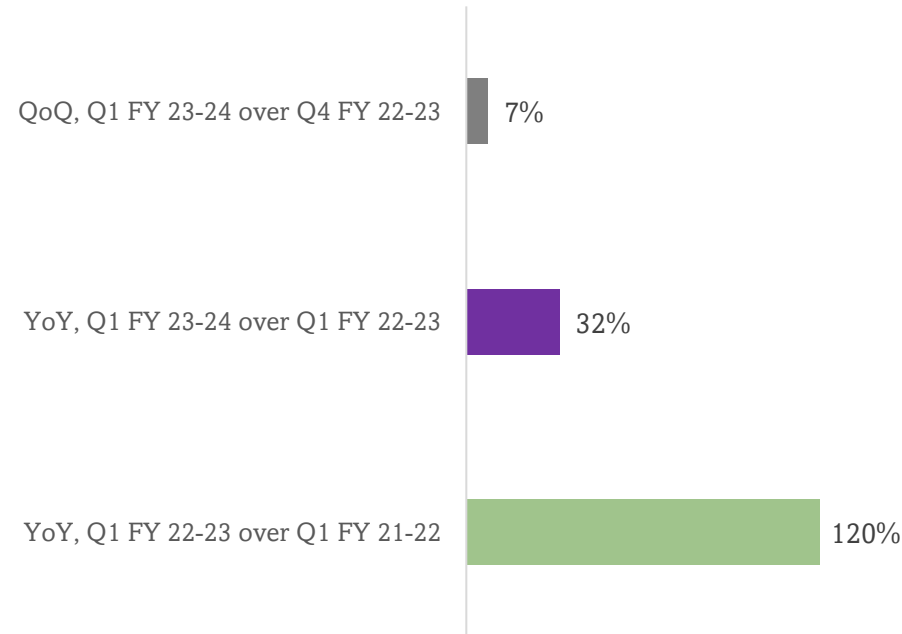
Disbursement value

On an aggregated basis, during Q1 FY 23-24, member companies reported disbursing Rs 29,875 Cr, a YoY increase of 32% over Q1 FY 22-23 and quarterly increase of 7% over Q4 FY 22-23. There is high variation across companies regarding growth rate, but three-fourths reported YoY growth over the comparable quarter in FY 22-23.

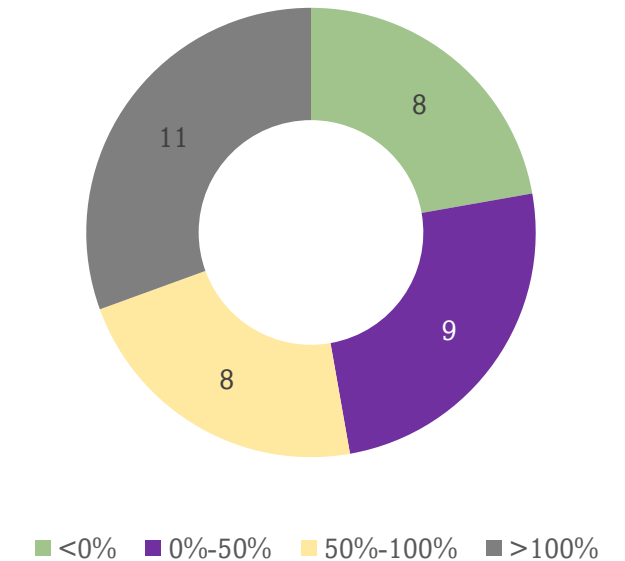
Disbursement value, Rs Cr



Growth in disbursement value



YoY growth in Q1 FY 23-24 in disbursement value across companies

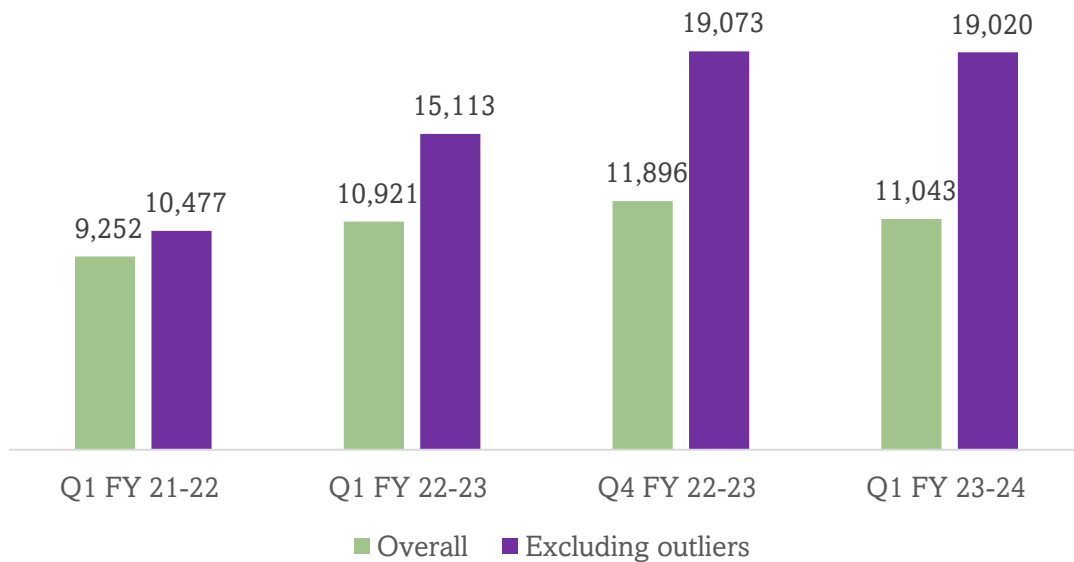


Please note that the disbursement value includes data from 36 companies.

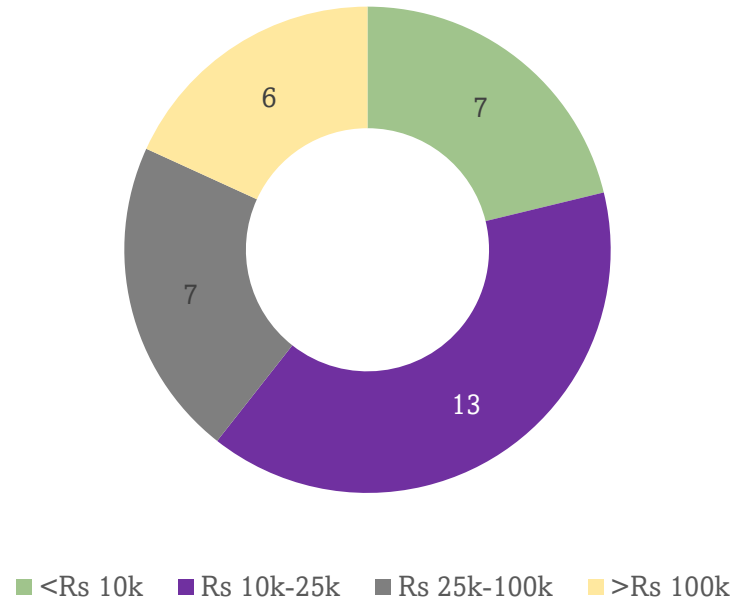
Ticket sizes

Overall, the average ticket size in Q1 FY 23-24 is Rs 11,043. Companies differ significantly in the average ticket size based on their product and segment focus, as shown in the second chart.

Avg ticket size, Rs



Avg ticket size across companies, Q1 FY 23-24



Avg ticket size data does not include data from 3 companies where disbursement volume was unavailable. Companies on the highest and lowest end of average ticket size i.e. with the smallest ticket size (<Rs 5k) and highest ticket sizes (>Rs 1 Lakh) are removed to give a representative picture. 7 companies have avg ticket size < Rs 10k, 13 within Rs 10-25k, 7 in Rs 25-100k and 6 companies reported ticket sizes > Rs 100k.

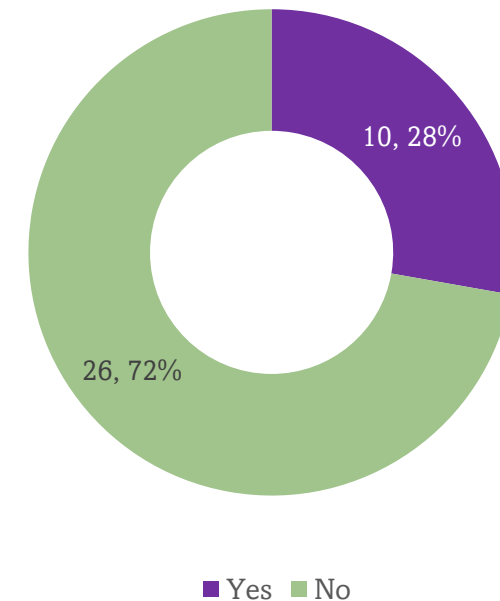
Use of Account Aggregator (AA) Framework

The Account Aggregator (AA) framework officially went live in September 2021. The adoption of the framework has seen a steady rise since late 2022 as public-sector and large private-sector banks joined the framework.

Fintech NBFCs are quickly adopting the AA framework, as it rapidly expanded this year. 10 Companies (accounting for 38% of total disbursement volumes in Q1 FY 23-24) disbursed 3.6 Lakhs loans using AA, which is 4% of their total disbursement volumes. At an aggregated, about 2% of loans were disbursed using AA, which is an encouraging beginning considering that the AA ecosystem has progressed in recent months.

As AA becomes more comprehensive and robust, we expect more companies to leverage the AA. Early learnings suggest significant benefits of the AA framework, such as higher conversion rates and nil fraud rates compared to those inherent in other channels to access banking data.

Number of companies using AA





[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