



**Fintech**

**Personal Loans**

**Apr 18-Mar 24**

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- This report presents trends for fintech lending by analysing the personal loan data of 71 Fintech NBFCs from Apr 18 to Mar 24.
- Based on our market understanding, the report groups the Fintech NBFCs as primarily offering digital personal loans through their own/in-house digital lending apps (DLAs). This set does not include NBFCs/Banks that might be offering digital loans (along with non-digital loans) directly through their apps and indirectly through partnerships with Fintech NBFCs and LSPs, as there is no way to distinguish loans as digital in the bureau data. In that sense, the report is short on presenting the totality and plurality of digital lending and the overall size of credit through fintechs is even larger.
- The view of these Fintech NBFCs' personal loans over the years gives us a measure of progress in scale, outreach, and borrower segments. We also map the distinct and less distinct streaks of fintech loans by placing them in the broader context of the personal loan market.
- We sourced data for this report from [Crif High Mark](#), a credit bureau.
- A slight change in the numbers for the past years/quarters in this report vis a vis the [previous version](#) is on account of reconciliation for late submissions/changes in the database as per the latest reporting period.

## Summary

- Digital personal loans by Fintech NBFCs, though worth 11% of the personal loan market by sanction value, continue to expand their outreach by seizing opportunities of vast underserved markets and customer preference for digital credit. Fintech loans drive the loan volumes, accounting for 65% of sanction volumes in FY 23-24, significantly contributing to [digital financial inclusion, a national priority for an inclusive economy](#).
- It is worth noting that [customers take personal loans for multiple reasons](#): to tap opportunities and deal with the unexpected. Digital credit is an essential component of a financial toolkit for managing finances and building resilience.
- Initial spikes in growth for fintech loans rode on lower base and post-pandemic recovery. In the last few quarters, growth has been normalising, and in Q4 FY 23-24, for the first time after 11 quarters of consistent growth, sanction value de-grew marginally by 2%, though sanction volume still grew by 5%.
- During FY 23-24, over two-thirds of sanction value went to young (< 35 years of age), 85% to males, and more than a third to borrowers belonging to Tier III and beyond.
- Fintech loans are climbing up in ticket sizes, bureau vintage and risk chain, with more than half of the sanction value coming from borrowers with ticket sizes > Rs 50k, bureau vintage of 5 years+ and mid-low credit risk.
- Portfolio quality is consistently improving, and dpd 90+ on outstanding value stands at 3.5% on Mar 24.
- Fintech customers belong to 717 districts representing 35 States/Union Territories. However, 163 districts with outstanding value > Rs 100 Cr account for over three-fourths of the total outstanding portfolio. The top 10 states account for over three-fourths of the loan outstanding value, and the top 5 states for over half.
- Overall, the average ticket size is slightly under Rs 11,000, but there is much diversity. Ticket size is higher for borrowing in metro/urban areas and increases with age and longer vintage, as expected.

# Definitions/abbreviations

- Fintech NBFCs: Report groups the Fintech NBFCs as those who primarily do digital loans through digital lending apps (DLAs) as per our market understanding.
- Other NBFCs: NBFCs other than those grouped as Fintech NBFCs.
- Banks: All types of banks.
- Credit scores: Very High Risk= 300-399, High Risk= 400-577, Medium Risk= 578-644, Low Risk: 645-693, Very Low Risk= 694-900
- Sanction value: Total amount of loans sanctioned during a specified period
- Sanction volume: Total number of loans sanctioned during a specified period
- Percentages in the stack charts may not always add up to 100% due to rounding off.

Avg	Average
dpd	Days past due
FY	Financial Year
H1	Apr – Sep of a FY
H2	Oct – Mar of a FY
LSP	Loan Service Provider
PAR	Portfolio at Risk
Pos	Portfolio outstanding
Q	A quarter of an FY
Rs	Rupee

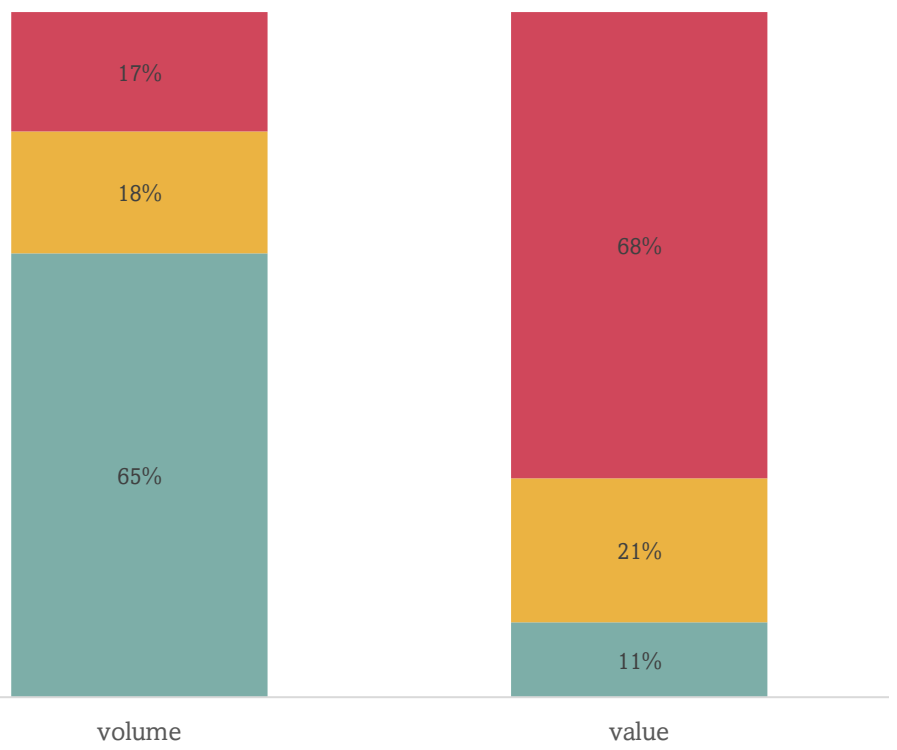
part 1: placing fintech personal loans in the overall personal loan market

During FY 23-24, the personal loan sanctions reached close to 14 Cr, totalling 9 Lakh Cr. Fintech NBFCs sanctioned 9 Cr loans totalling Rs 98,111 Cr, with an average ticket size slightly under Rs 11,000. Fintech loans accounted for 11% of the sanction value but 65% of the sanction volume.

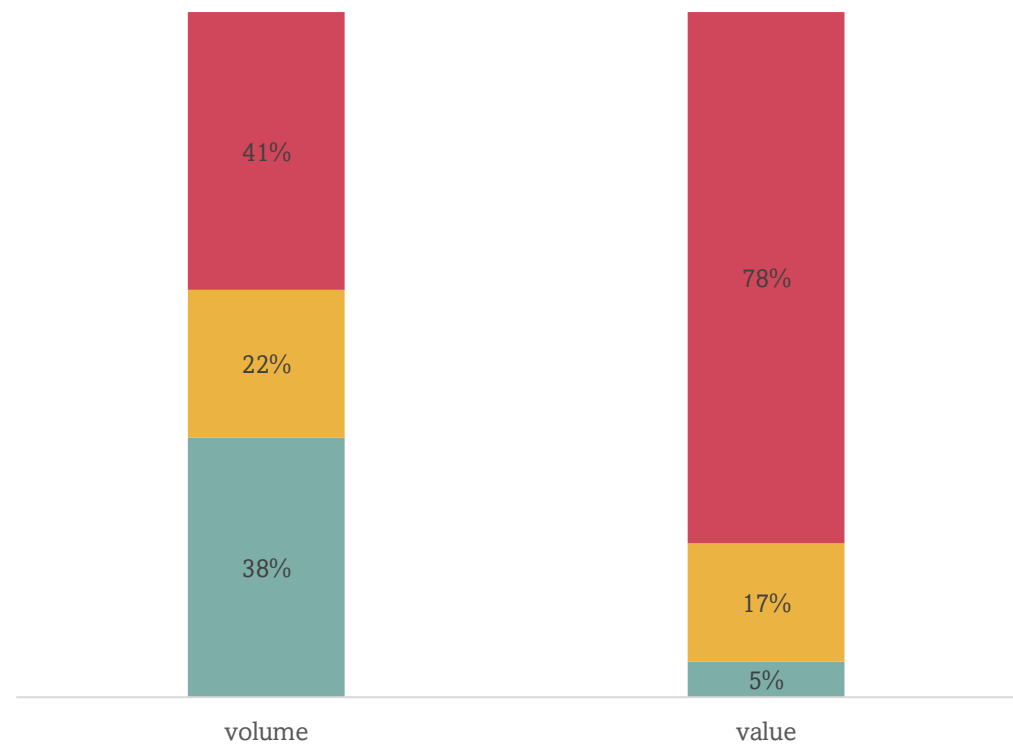
	volume, Cr	value, Rs Cr	avg sanction value per loan, Rs	share in volume	share in value
Fintech NBFCs	9.0	98,111	10,949	65%	11%
Other NBFCs	2.5	1,88,520	76,676	18%	21%
Banks	2.4	6,11,059	2,53,362	17%	68%
Total	13.8	8,97,690	64,904	100%	100%

In FY 23-24, fintech loans accounted for 11% of the sanction value but 65% of the sanction volume, focusing on sizeable underserved segments who need small-value loans. Similarly, in loans outstanding, the share of Fintech NBFCs is just 5% of the total personal loans outstanding as of March 24 but accounts for over a third of active loan volumes.

sanctions, FY 23-24



loan outstanding, Mar 24



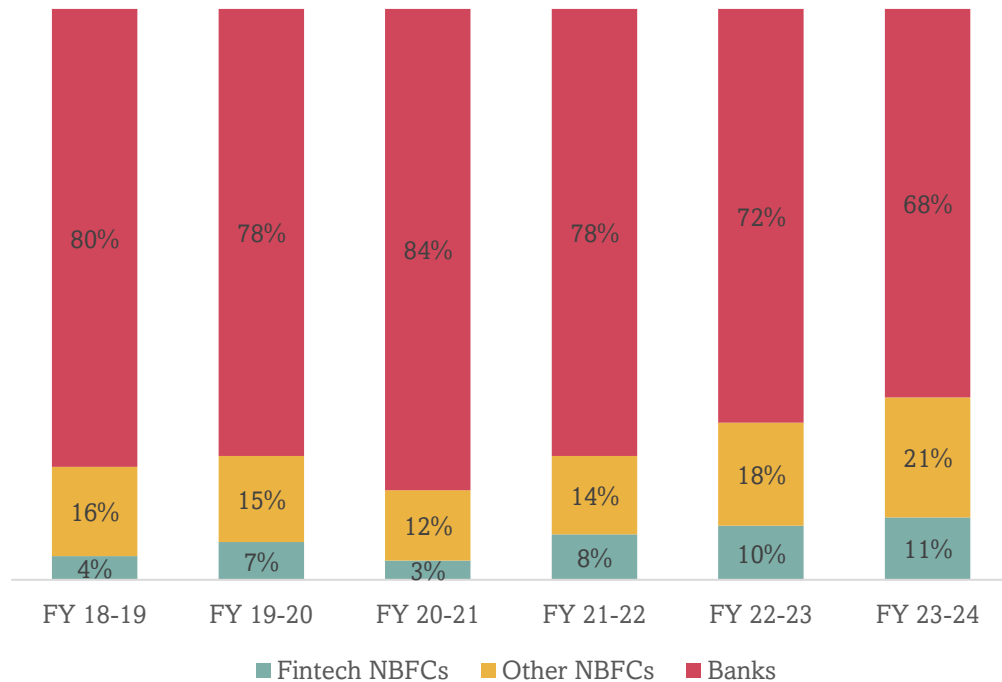
■ Fintech NBFCs ■ Other NBFCs ■ Banks

avg ticket size = sanction value/sanction volume for FY 23-24.

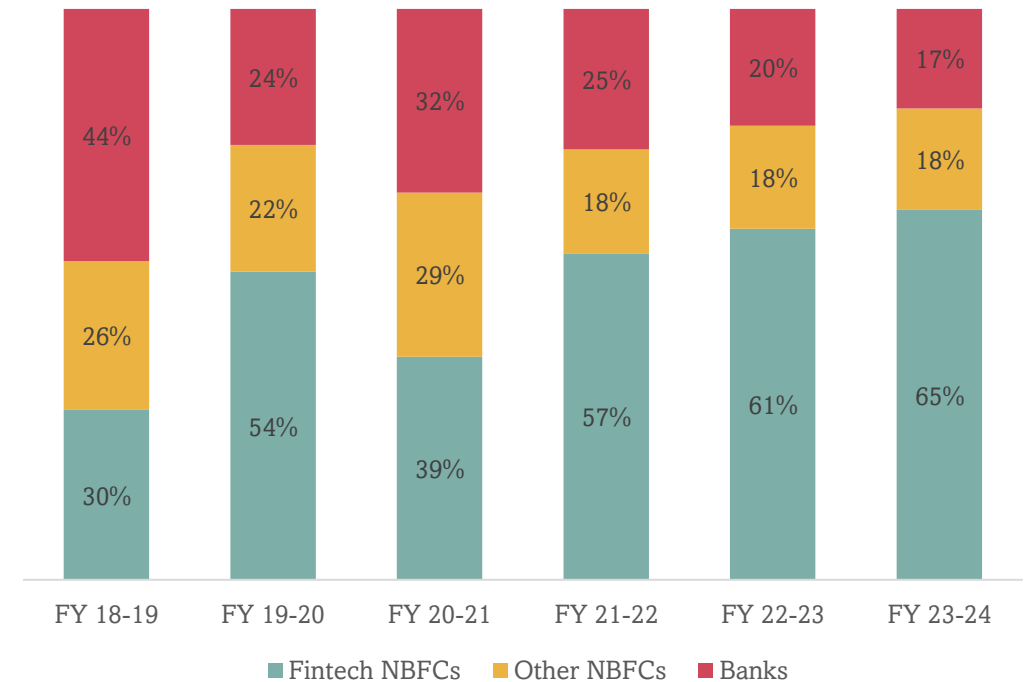


Fintech loans are gradually raising their share in the personal loan market, more than two-fold rise in share in sanction value and volume since FY 18-19.

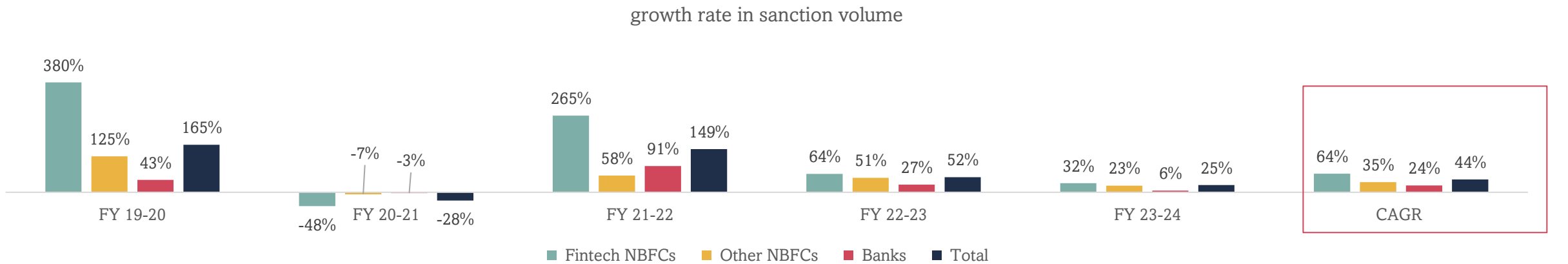
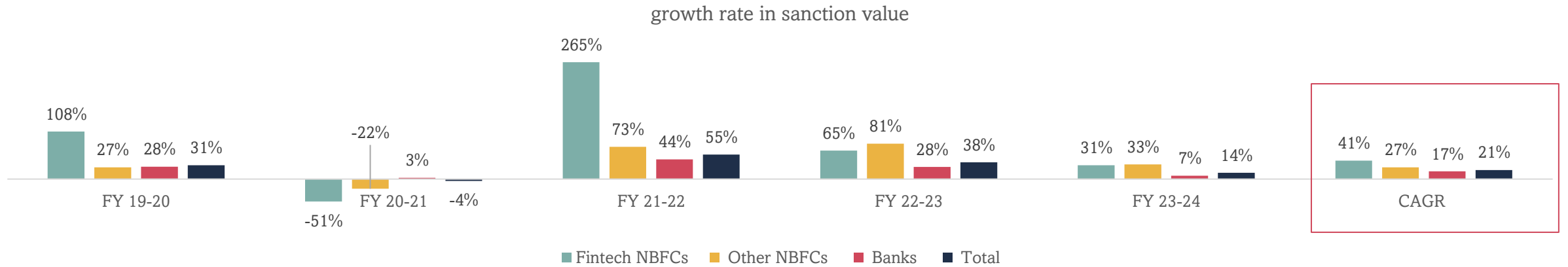
share by sanction value



share by sanction volume

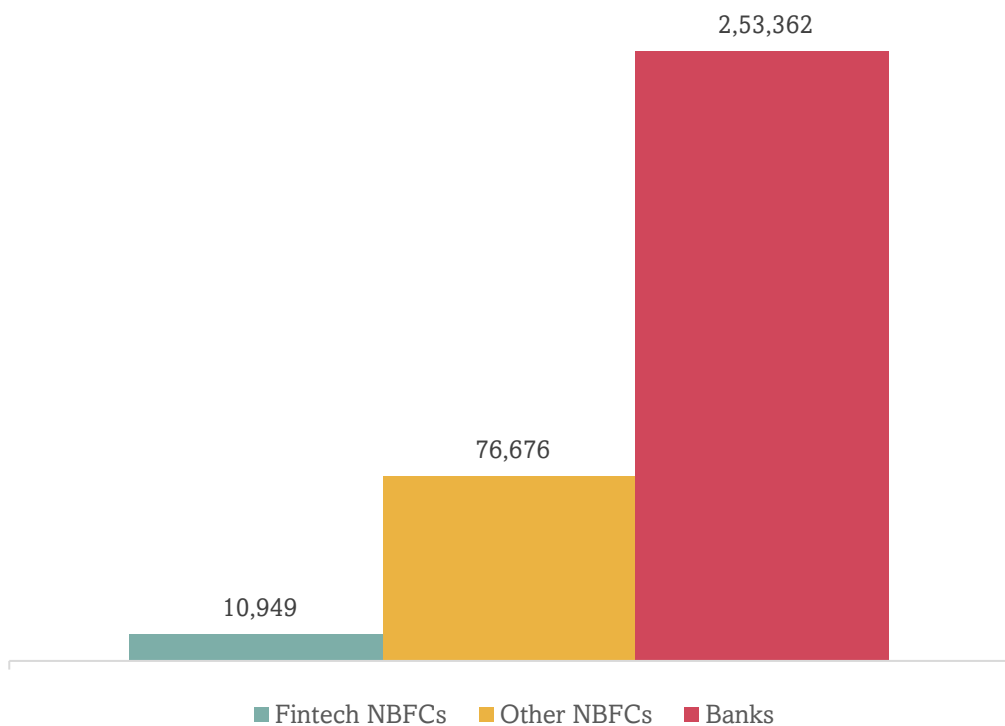


The chart below shows YoY growth in sanction value and volume across peer groups. Given their relatively smaller scale, Fintech NBFCs have higher growth rates. Unmet credit demand and increasing customer preference for digital credit means vast potential for fintechs to expand formal credit.

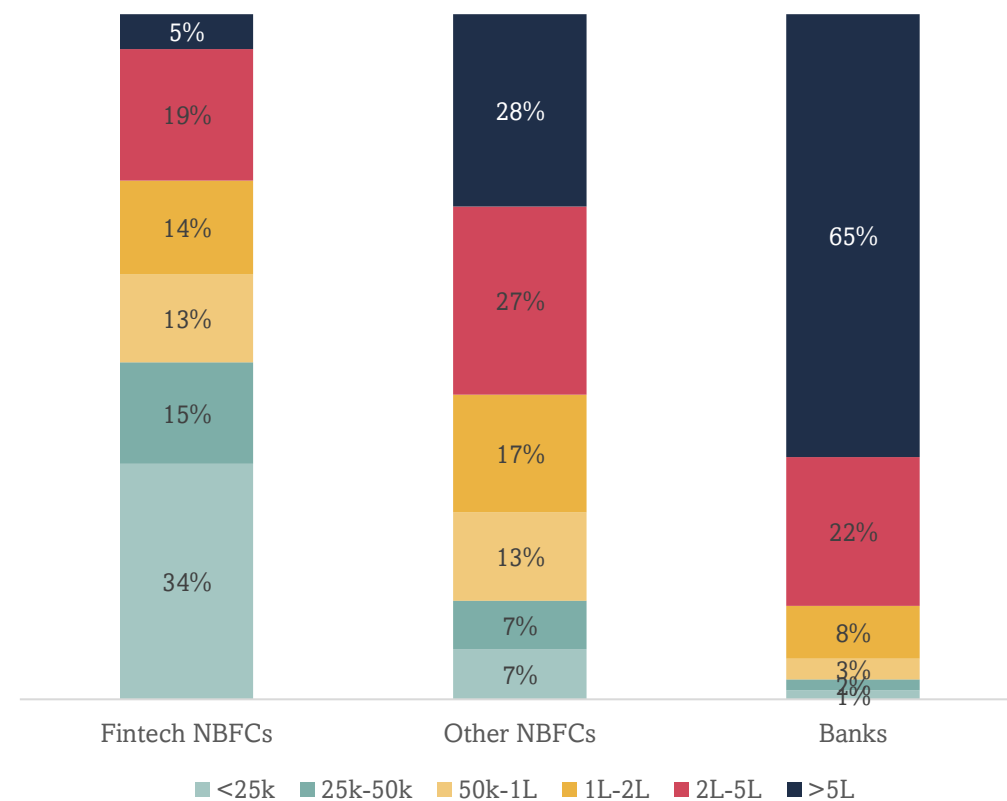


Fintech business models are distinct in their ability to reach the borrower segments (potentially over 50 Cr adults with annual family income between Rs 3-12 Lakhs), most of whom are young and need small-value loans for a variety of reasons.

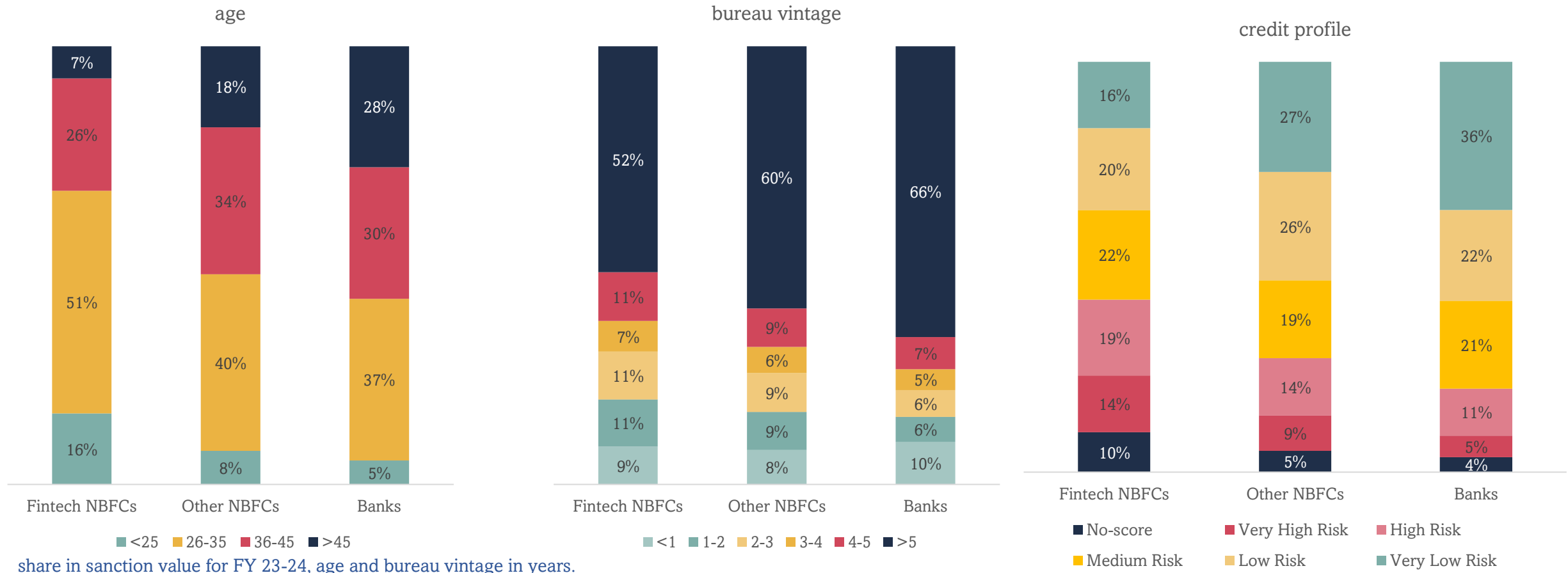
avg ticket size, Rs FY 23-24



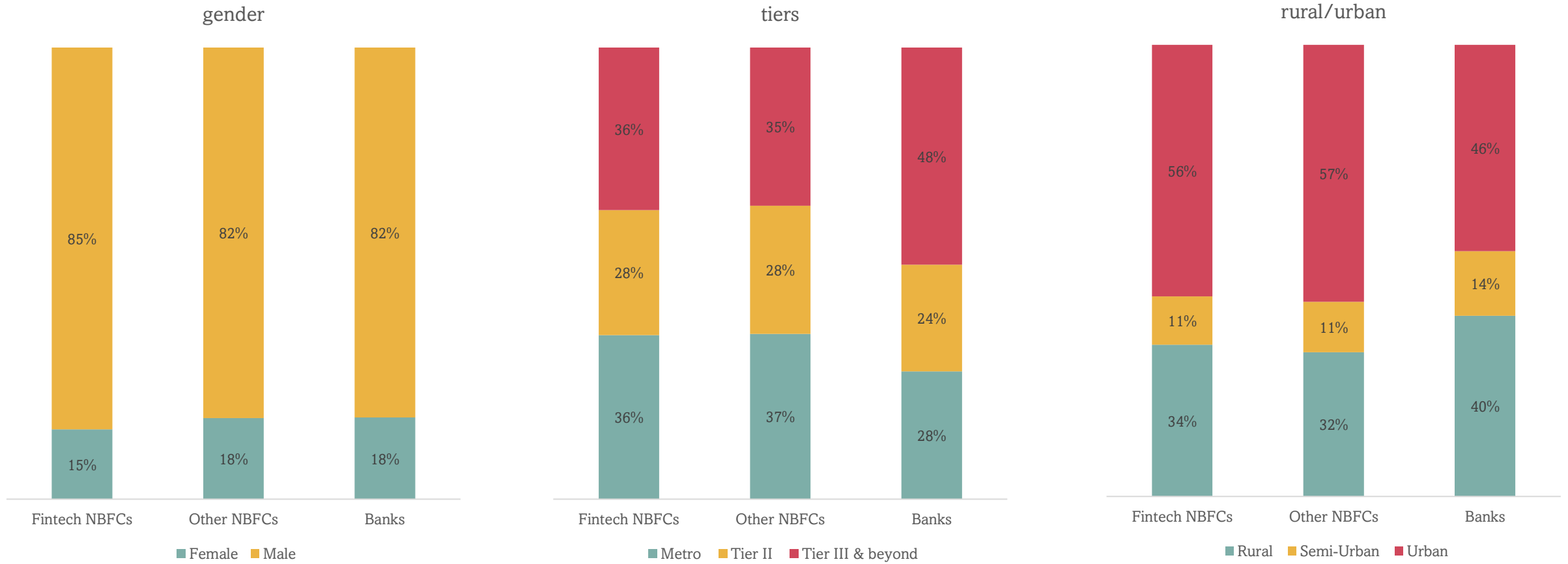
ticket sizes, Rs FY 23-24



Fintech loan borrowers are younger, with two-thirds coming from the age bracket < 35 years and having less vintage on the bureau. Fintech NBFCs reach the borrower segments lacking credit scores.



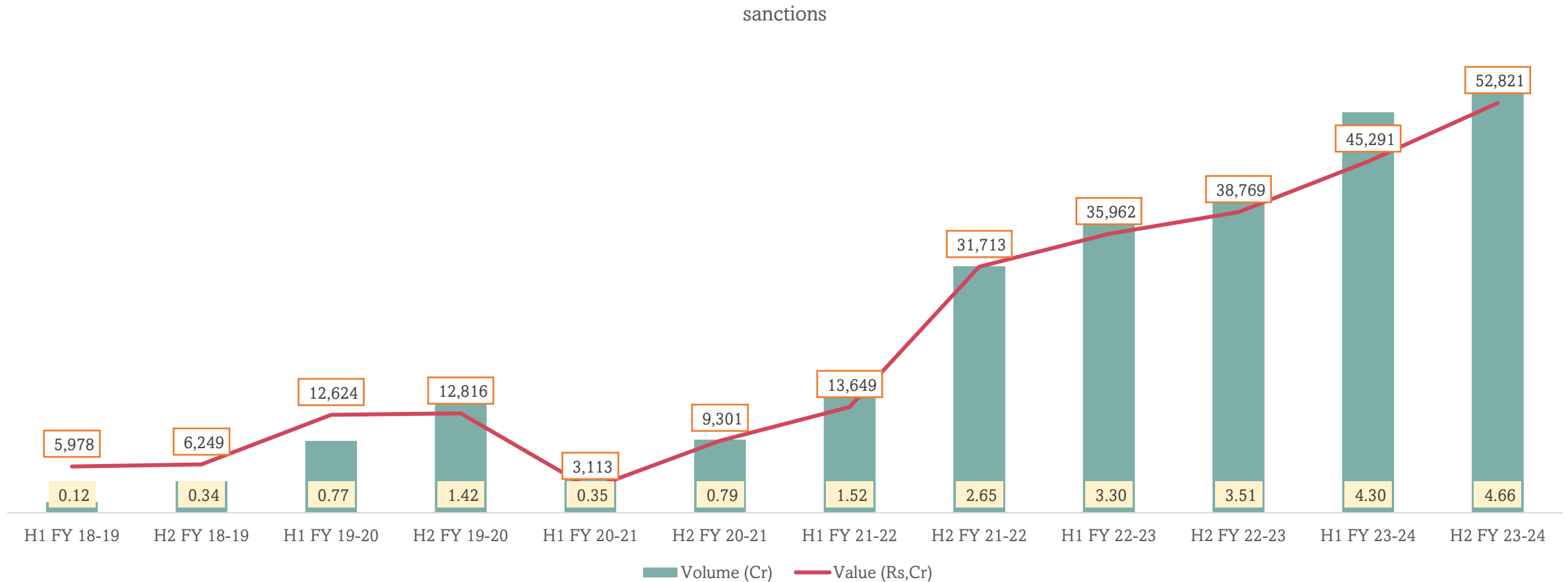
Gender and location composition are not too different for fintech loans vis-a-vis peers. Again, gaps bring scope to diversify and expand by offering suitable products.



share in sanctioned value for FY 23-24.

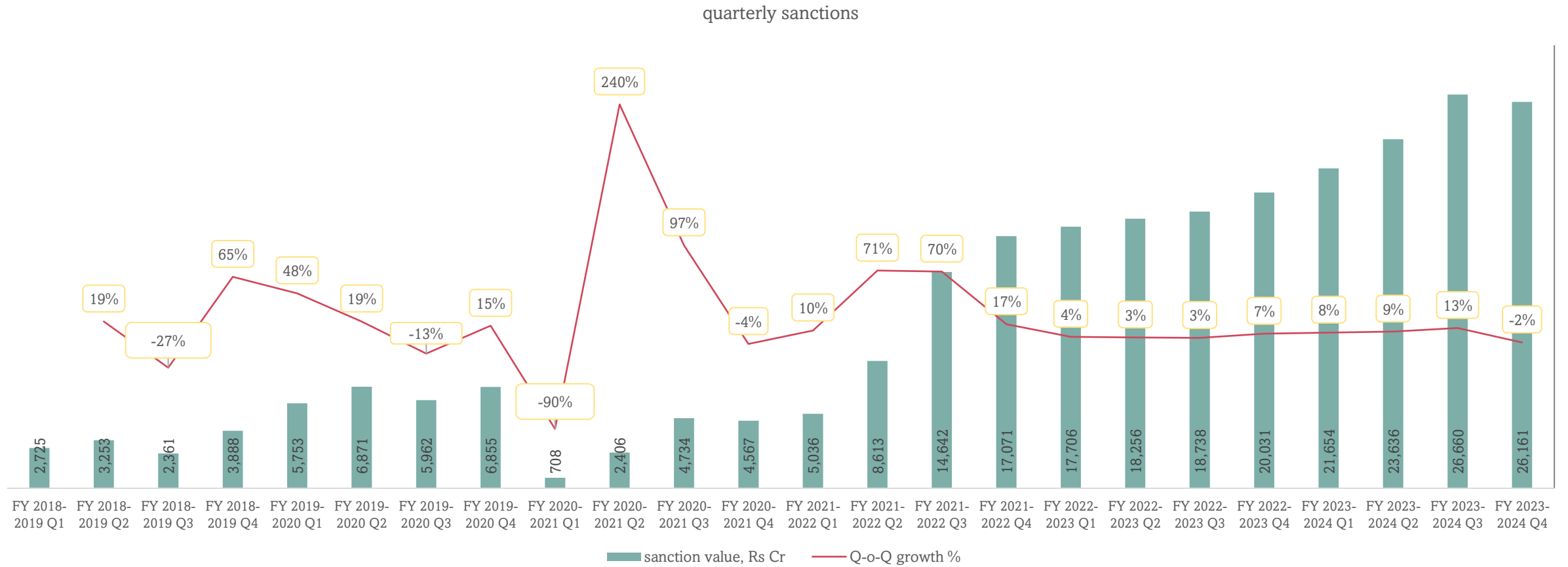
part 2: fintech personal loans

Like the overall personal loan market, fintech personal loans have steadily grown. The emergence of fintech loans has played a transformative role in bringing new market segments to formal credit, with nearly 24 Cr personal loans worth Rs 2.7 Lakh Cr sanctioned since April 18. Fintech loans account for 58% of loan volume sanctioned in the last six years.



FY 20-21 was worse of pandemic leading to sharp decline in sanctions.

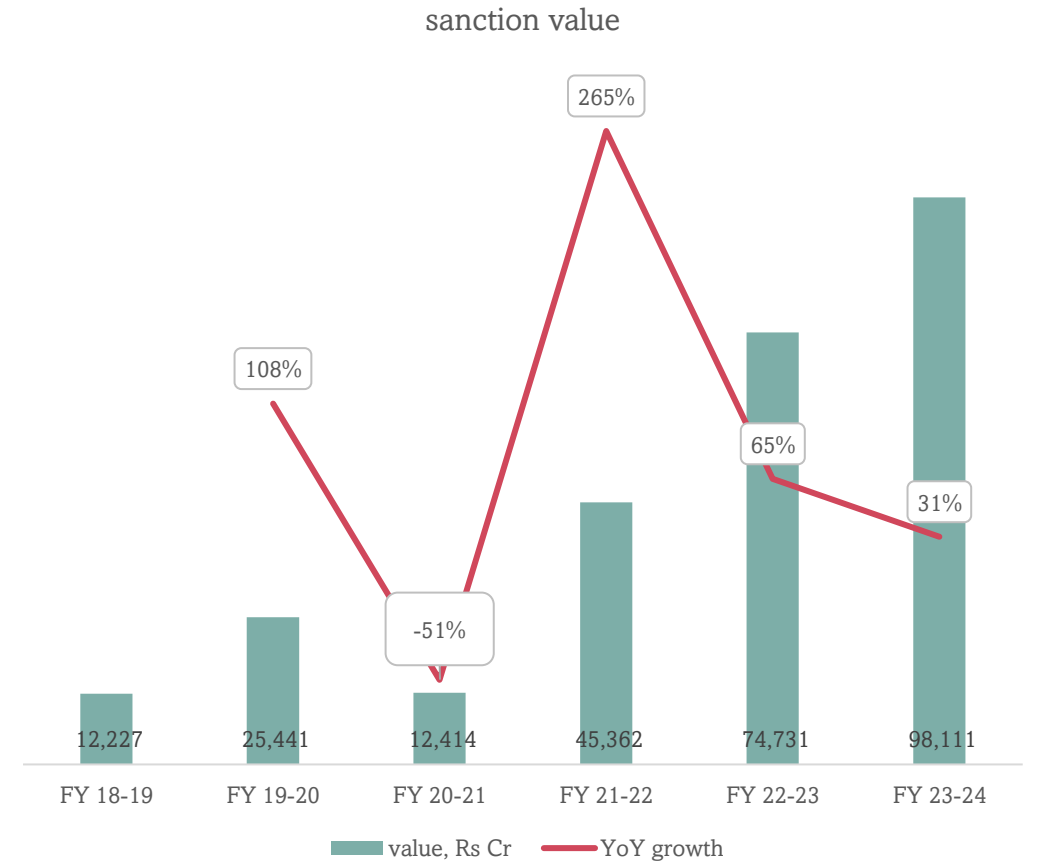
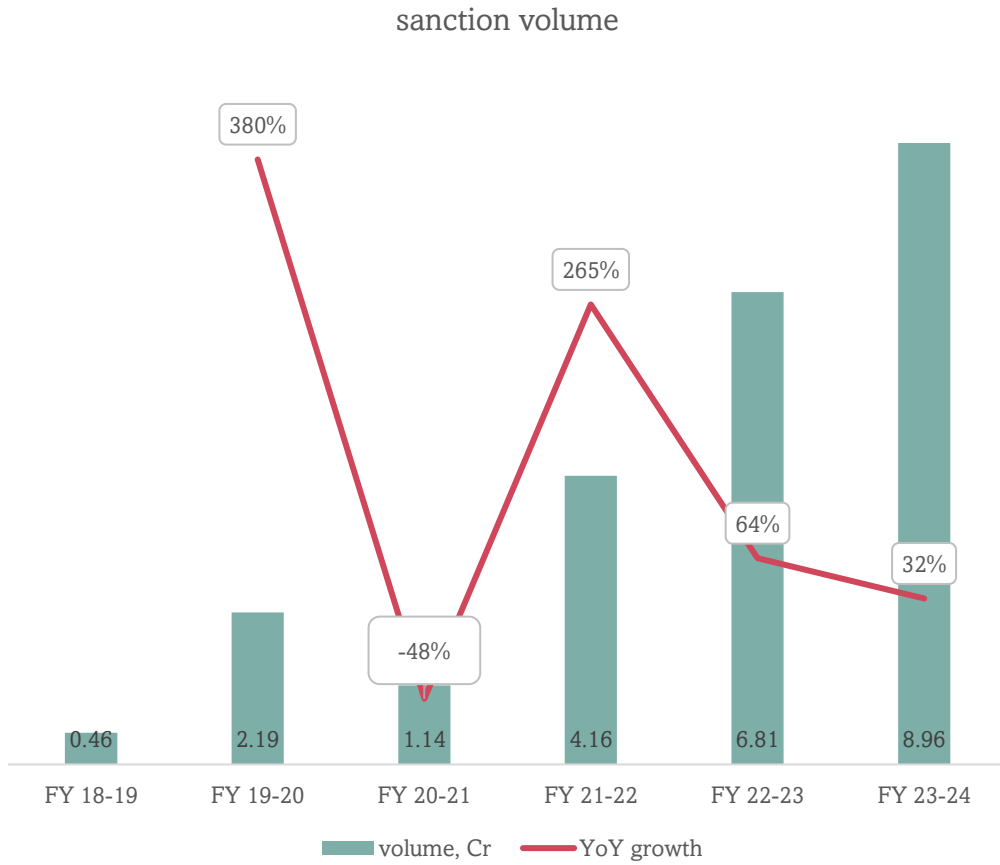
For fintech loans, the initial growth spurt came from low-base and post-pandemic recovery, now giving way to normalising growth rates.



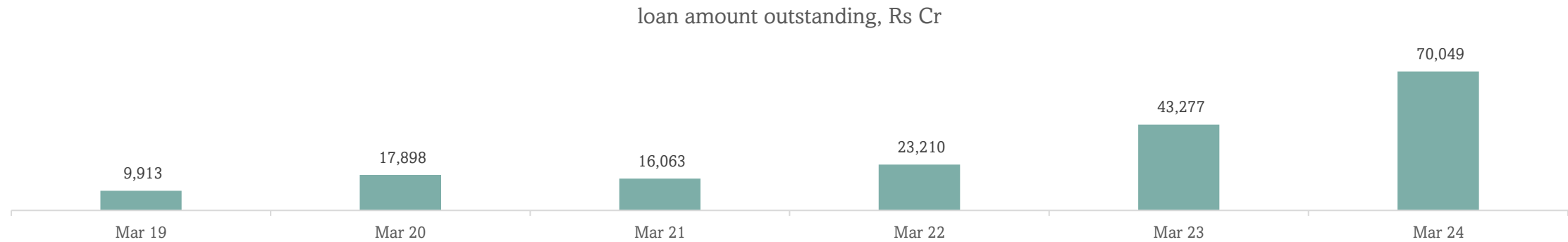
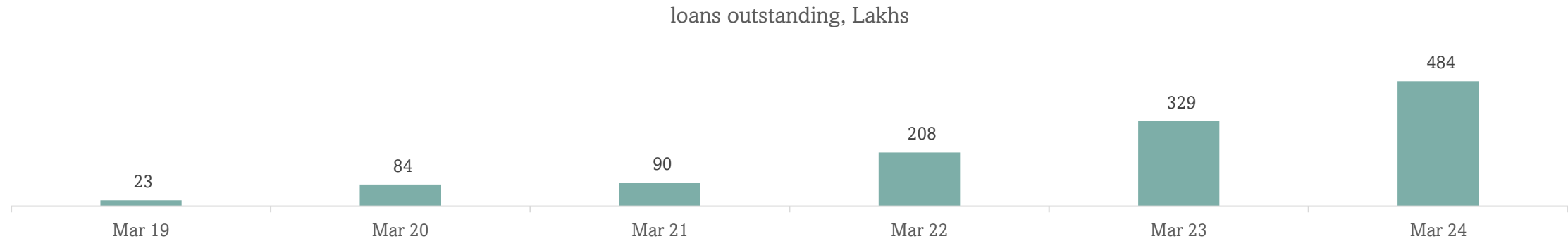
FY 20-21 was worse of pandemic leading to sharp decline in sanctions.



In FY 23-24, the sanction volume and value growth rate is half of the growth rate in FY 22-23.



As of Mar 24, the fintech personal loan volume is 4.84 Cr with an outstanding value of Rs 70,049 Cr.



Fintech borrowers come from 717 districts. The share of the top 10 states slightly reduced from 80% to 77%, and the top 5 states still account for half of the outstanding.

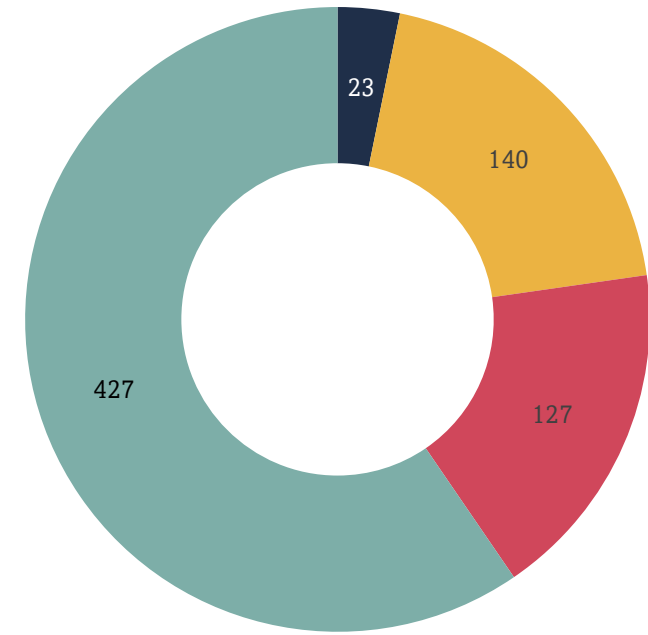
top 10 states



Mar 19

Mar 24

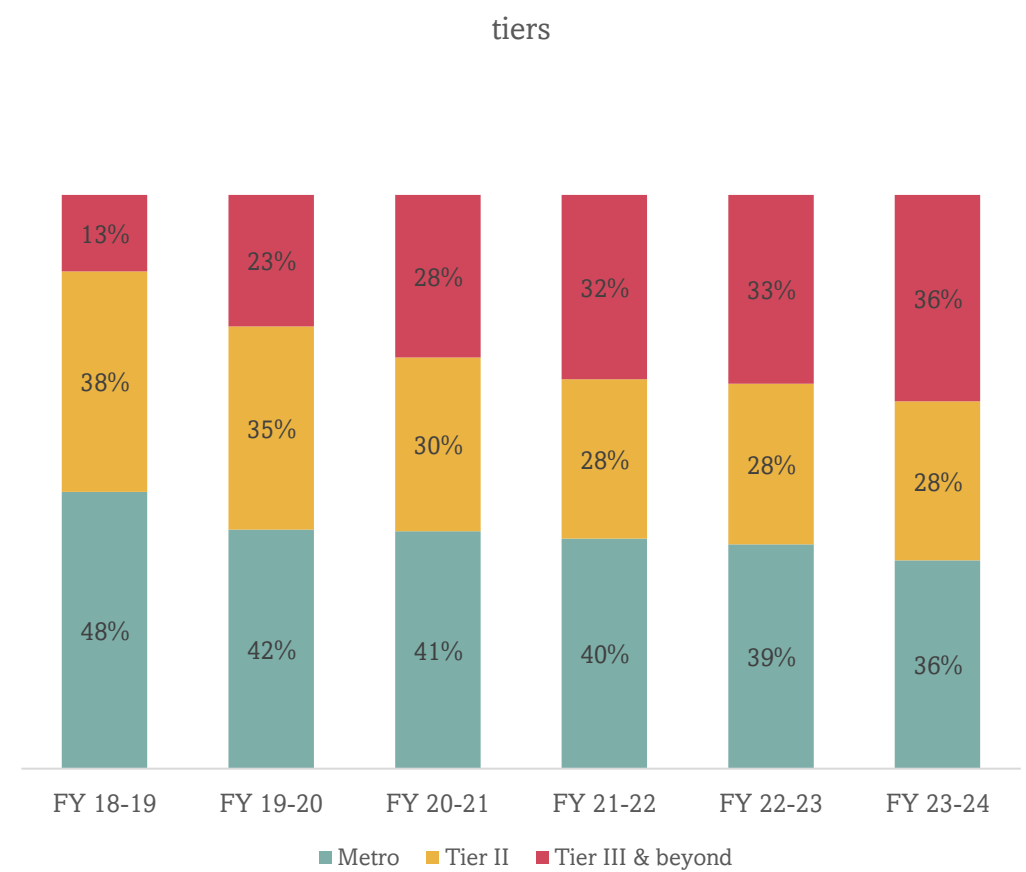
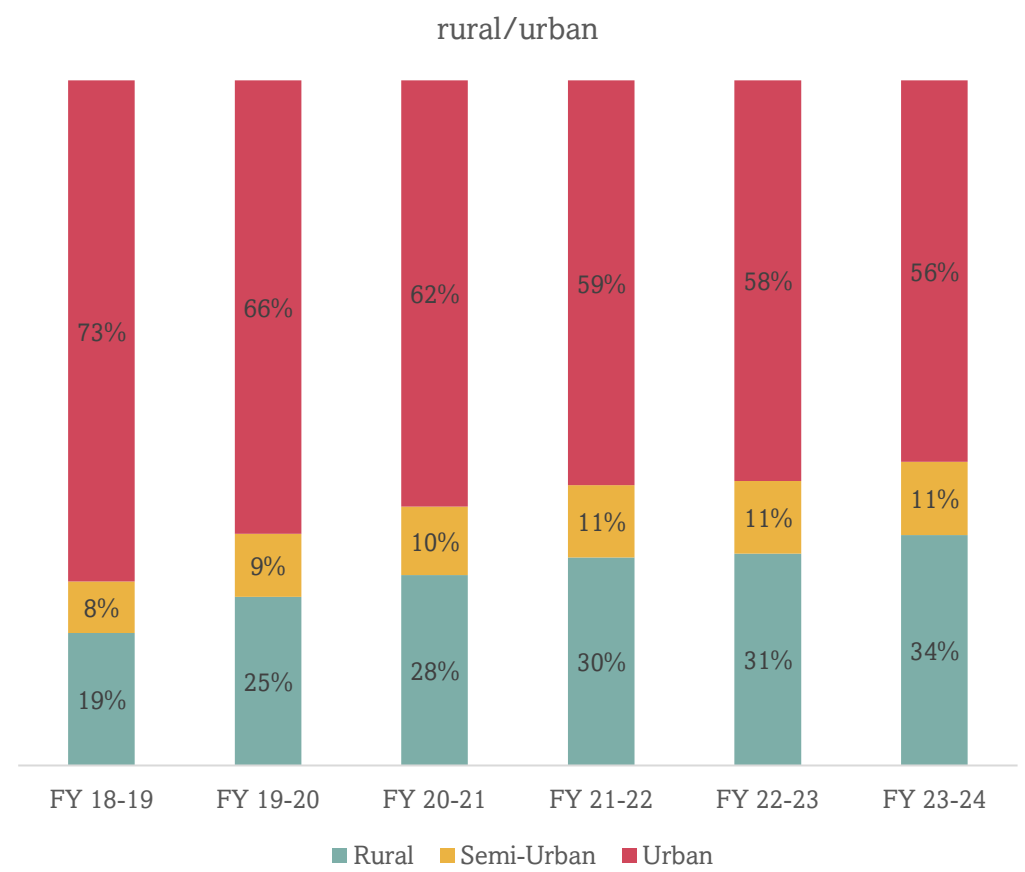
distribution of districts



■ >500 Cr ■ 100-500 Cr ■ 50-100 Cr ■ <50 Cr

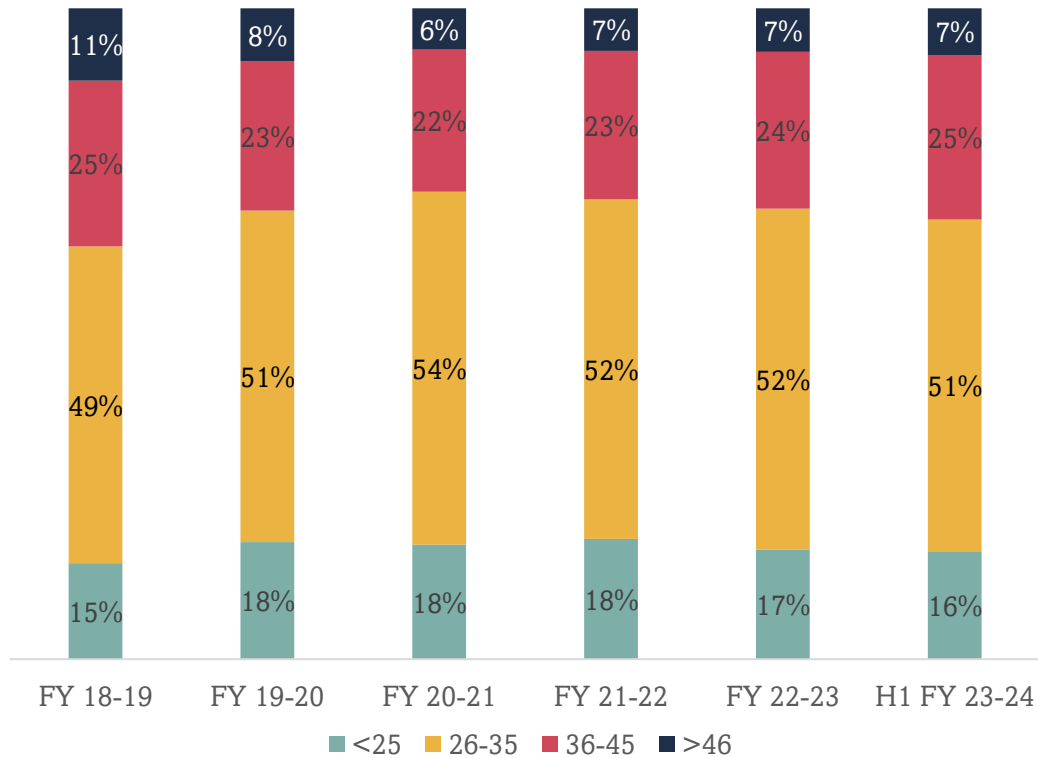
top states and distribution of districts based on loan amount outstanding for Mar 24

The share of borrowers belonging to rural areas is increasing, though borrowers are less likely to be living there. Two points here. One, the mapping of rural/urban is based on the 2011 census and is not truly reflective of the current reality of urbanisation. Two, many new urban migrants submit permanent home addresses in rural areas. Over a third of customers belong to Tier III and beyond.



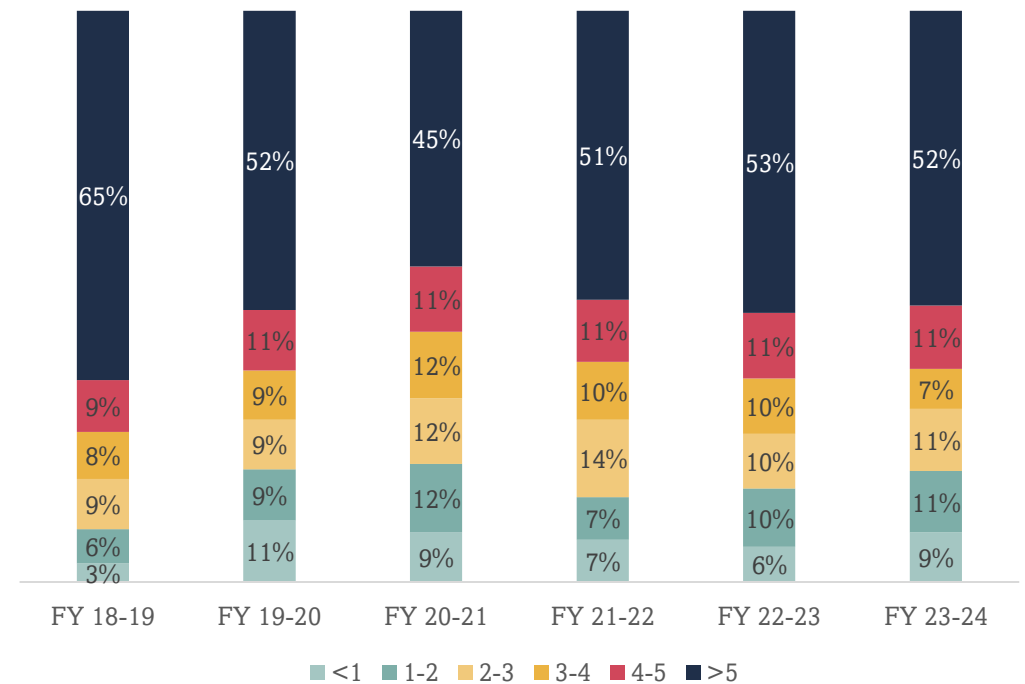
For young borrowers, fintech lending is the choice, with two-thirds of loan sanction value to borrowers aged <35 years. Fintech lending's ability to seize the opportunities offered by a growing segment for their current and future needs holds enormous promise to grow responsibly and sustainably for many years.

borrower age, years

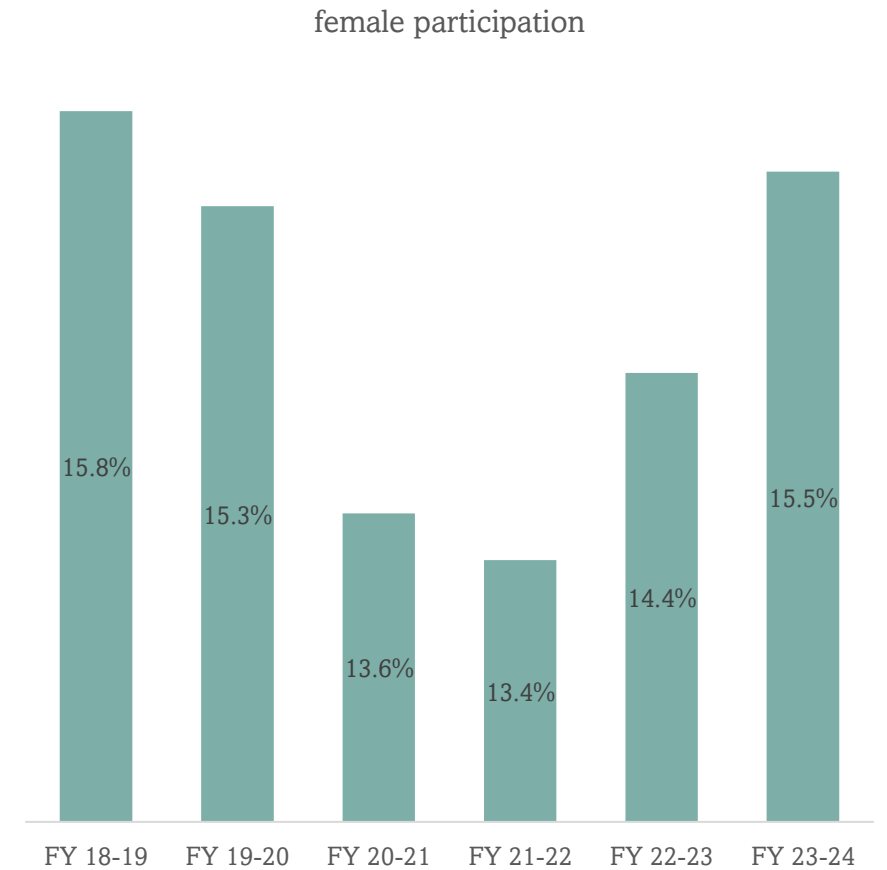
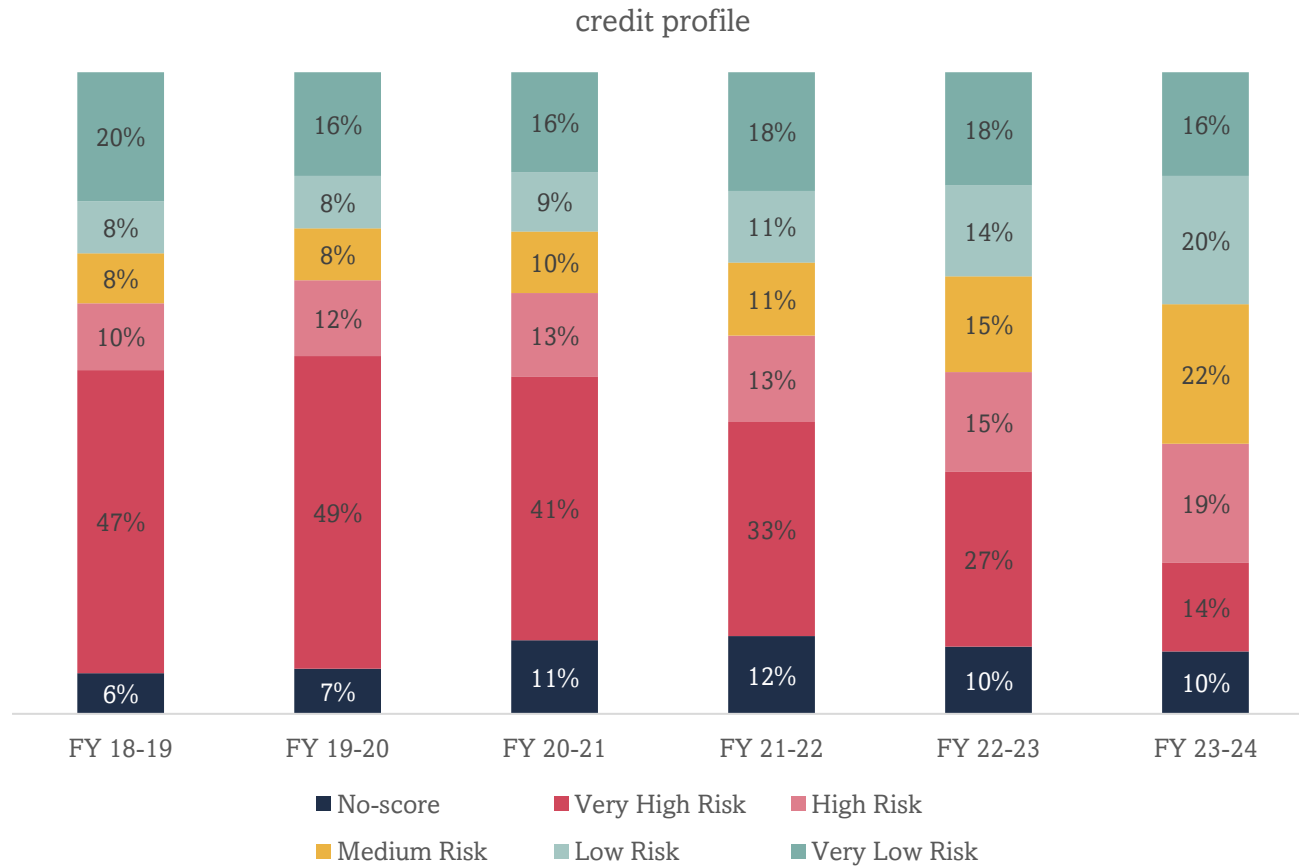


share on sanction value

borrower bureau vintage, years



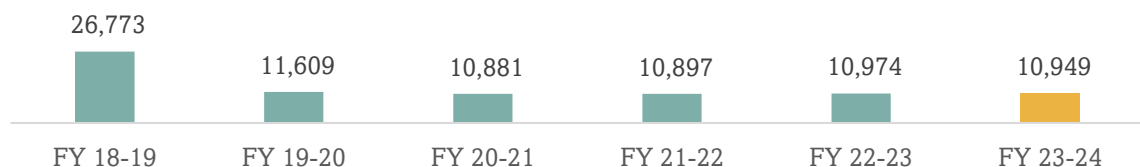
Fintech loans are moving up in the risk chain. The distribution of sanctioned value across credit scores shows that the share of mid-low-risk borrowers is increasing, from 36% in FY 18-19 to 58% in FY 23-24. Female participation is improving but very gradually.



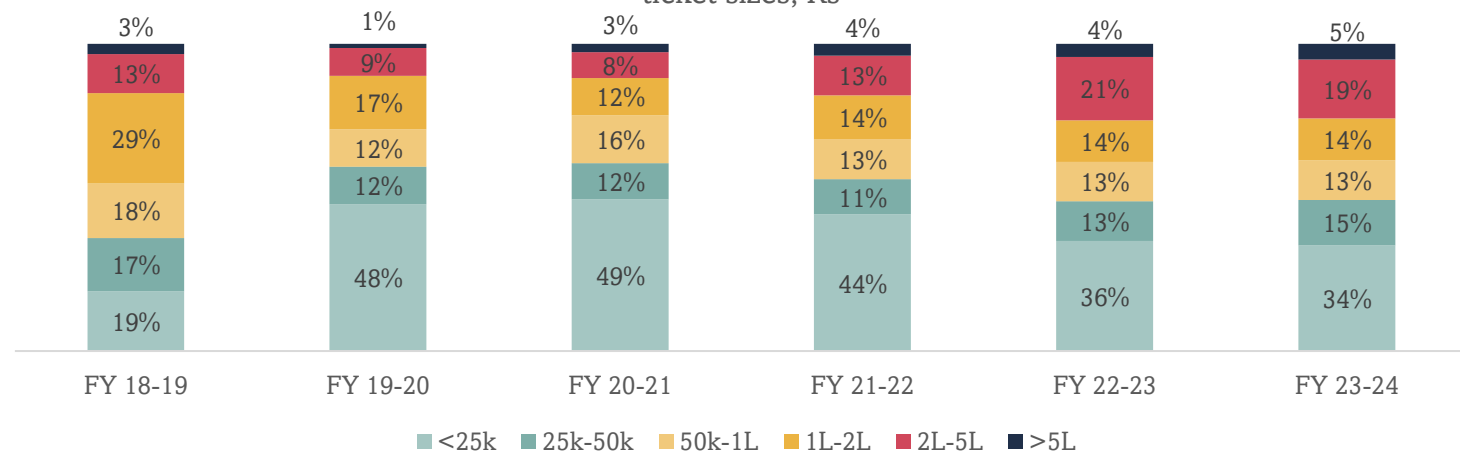
share on sanction value. Very High Risk= 300-399, High Risk= 400-577, Medium Risk= 578-644, Low Risk: 645-693, Very Low Risk= 694-900

At an aggregated level, the average ticket size is hovering around Rs 10-11k, driven by a higher volume of small-value loans. There is slight variation across top states. However, the overall composition of fintech loans is more diverse and spread in different ticket sizes.

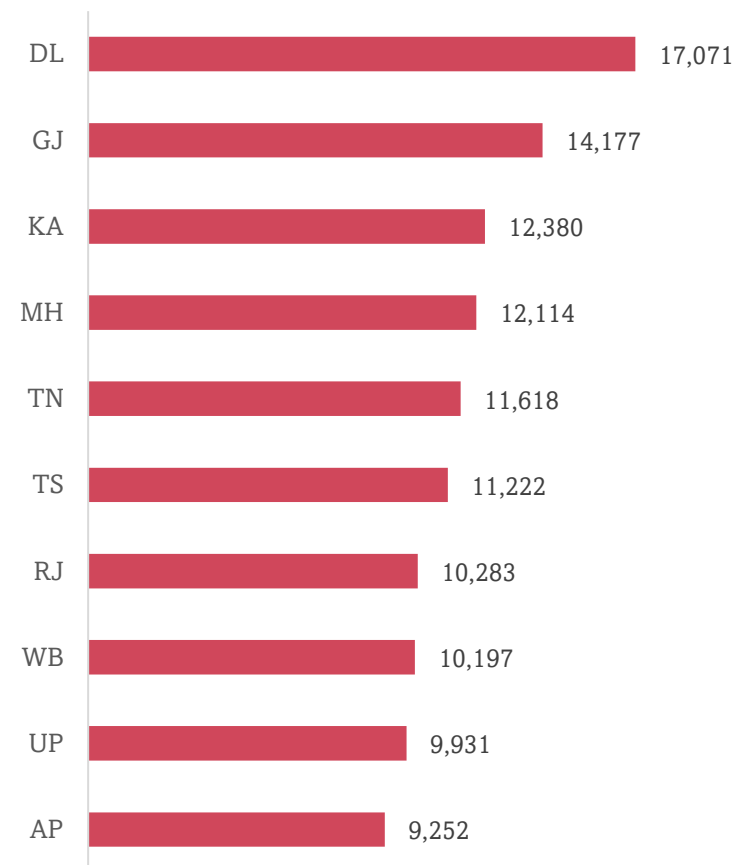
avg ticket size, Rs



ticket sizes, Rs

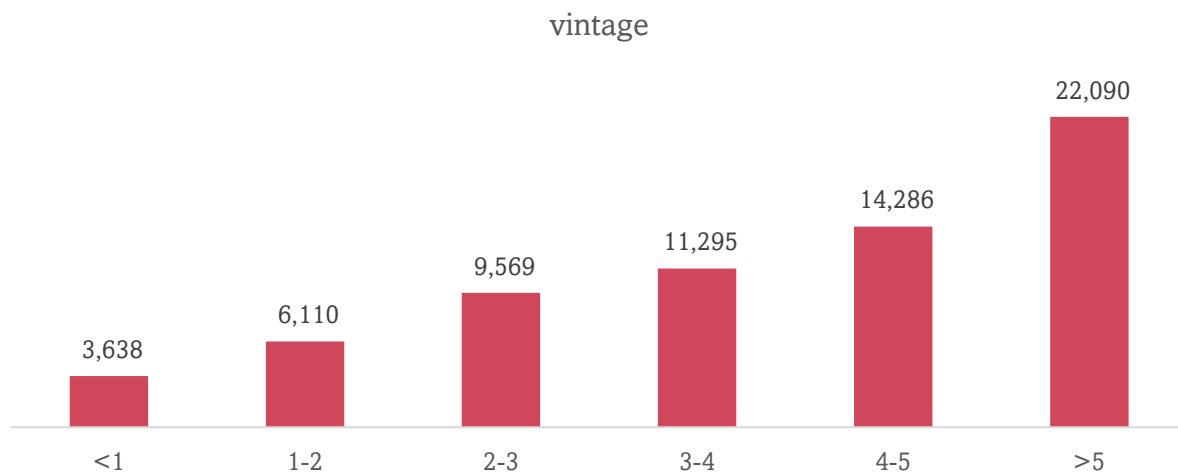
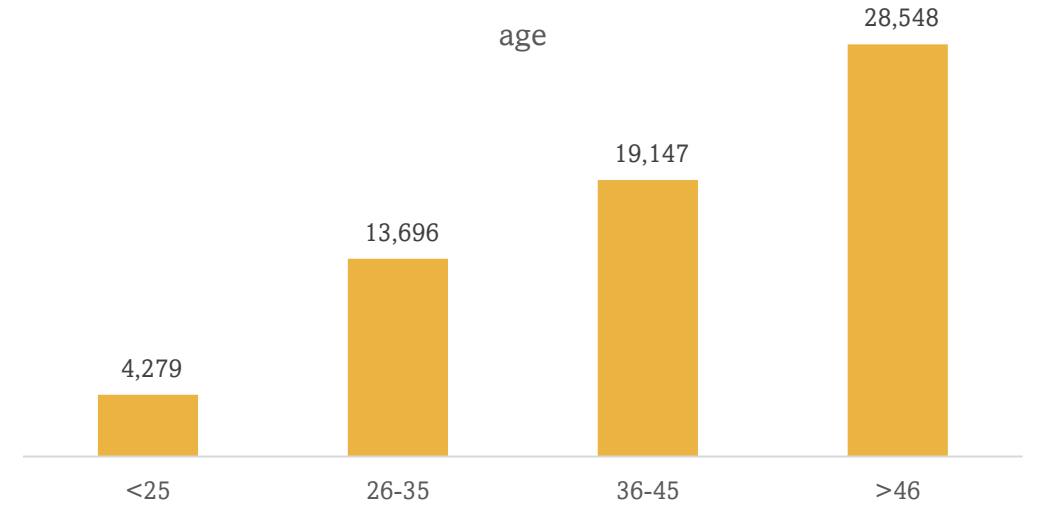
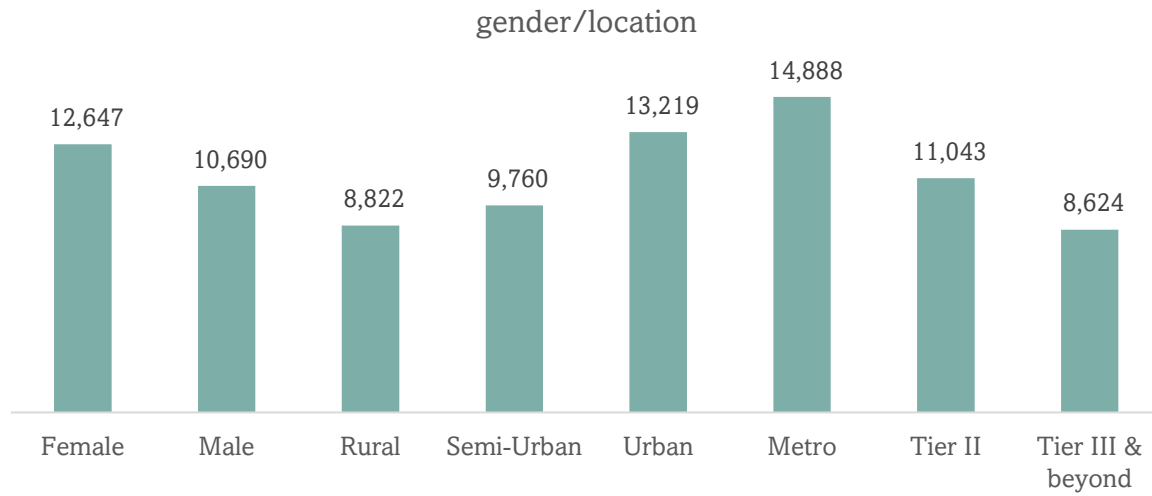


avg ticket size across states, Rs, FY 23-24



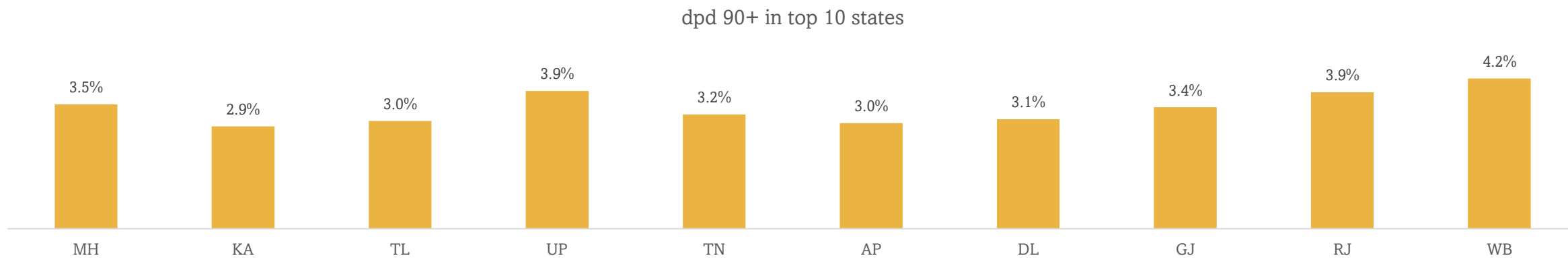
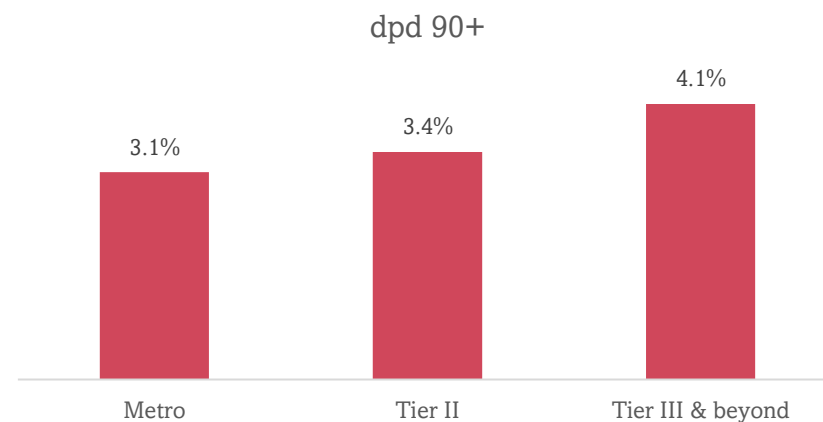
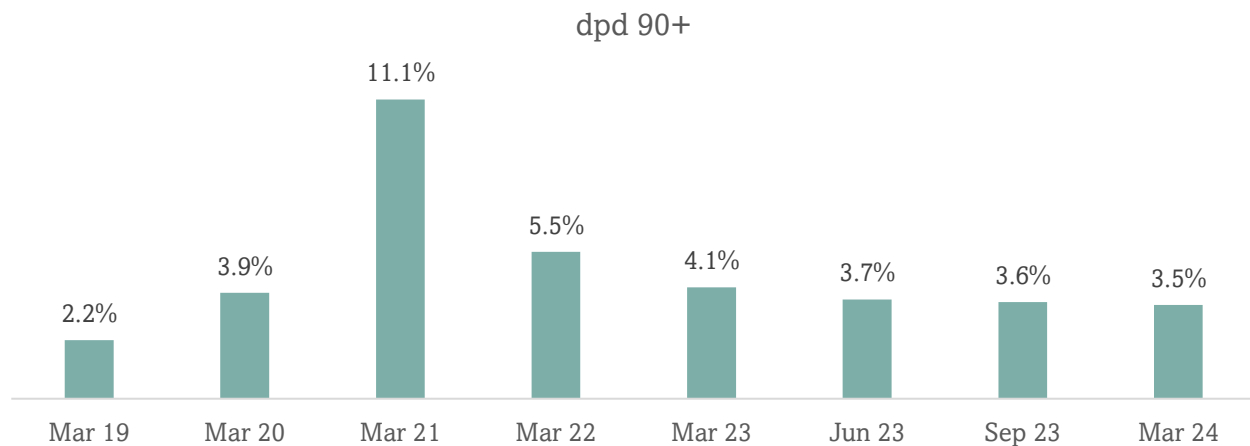
avg ticket size = sanction value/sanction volume

The average ticket size for FY 23-24 varies across demographics and customer vintage. It is higher for female, urban, and metro borrowers and increases linearly with age and vintage.





Overall portfolio quality is consistently improving.



dpd 90+% = loan outstanding (90 to 180 dpd)/loan outstanding (0 to 180 dpd)

part 3: annexures

# 1: personal loan market, loan outstanding, Mar 24

	volume, Cr	value, Rs Cr	avg outstanding per loan, Rs	share in volume	share in value
Fintech NBFCs	4.8	70,049	14,480	38%	5%
Other NBFCs	2.8	2,32,981	84,480	22%	17%
Banks	5.2	10,44,202	2,01,701	41%	78%
Total	12.8	13,47,233	1,05,479	100%	100%

## 2: personal loan market, sanctions in FY 23-24

	volume, Cr	value, Rs Cr	avg sanction value per loan, Rs	share in volume	share in value
Fintech NBFCs	9.0	98,111	10,949	65%	11%
Other NBFCs	2.5	1,88,520	76,676	18%	21%
Banks	2.4	6,11,059	2,53,362	17%	68%
Total	13.8	8,97,690	64,904	100%	100%

3: loan outstanding volume, Cr

	Fintech NBFCs	Other NBFCs	Banks	Total
Mar 19	0.23	0.47	1.61	2.31
Mar 20	0.84	0.71	2.07	3.62
Mar 21	0.90	0.86	2.44	4.20
Mar 22	2.08	1.13	3.36	6.57
Mar 23	3.29	1.81	4.40	9.50
Mar 24	4.84	2.76	5.18	12.77

4: loans outstanding value, Rs Cr

	Fintech NBFCs	Other NBFCs	Banks	Total
Mar 19	9,913	58,201	3,57,400	4,25,514
Mar 20	17,898	78,274	4,64,790	5,60,962
Mar 21	16,063	84,039	5,61,688	6,61,790
Mar 22	23,210	1,09,255	6,90,001	8,22,466
Mar 23	43,277	1,58,786	8,68,856	10,70,919
Mar 24	70,049	2,32,981	10,44,202	13,47,233

5: sanction volume, Cr

	Fintech NBFCs	Other NBFCs	Banks	Total
FY 18-19	0.5	0.4	0.7	1.5
FY 19-20	2.2	0.9	1.0	4.1
FY 20-21	1.1	0.8	0.9	2.9
FY 21-22	4.2	1.3	1.8	7.3
FY 22-23	6.8	2.0	2.3	11.1
FY 23-24	9.0	2.5	2.4	13.8

6: sanction value, Rs Cr

	Fintech NBFCs	Other NBFCs	Banks	Total
FY 18-19	12,227	45,833	2,34,918	2,92,978
FY 19-20	25,441	58,042	3,00,930	3,84,412
FY 20-21	12,414	45,337	3,09,459	3,67,211
FY 21-22	45,362	78,495	4,46,980	5,70,837
FY 22-23	74,731	1,41,696	5,69,931	7,86,358
FY 23-24	98,111	1,88,520	6,11,059	8,97,690



7: share across gender/rsu/tiers, sanctioned value FY 23-24

	Female	Rural	Semi-Urban	Urban	Metro	Tier II	Tier III & beyond
NBFCs Fintech	15%	34%	11%	56%	36%	28%	36%
NBFCs	18%	32%	11%	57%	37%	28%	35%
Banks	18%	40%	14%	46%	28%	24%	48%
Total	18%	38%	13%	49%	36%	28%	36%

8: share across age (years), sanctioned value FY 23-24

	<25	26-35	36-45	> 46
NBFCs Fintech	16%	51%	26%	7%
NBFCs	8%	40%	34%	18%
Banks	5%	37%	30%	28%
Total	7%	39%	30%	23%

9: share across bureau vintage (years), sanction value FY23-24

	<1	1-2	2-3	3-4	4-5	>5
Fintech NBFCs	9%	11%	11%	7%	11%	52%
Other NBFCs	8%	9%	9%	6%	9%	60%
Banks	10%	6%	6%	5%	7%	66%
Total	9%	7%	7%	5%	8%	63%

10: share across ticket size (Rs), sanction value FY 23-24

	<25k	25k-50k	50k-1L	1L-2L	2L-5L	>5L
Fintech NBFCs	34%	15%	13%	14%	19%	5%
Other NBFCs	7%	7%	13%	17%	27%	28%
Banks	1%	2%	3%	8%	22%	65%
Total	6%	4%	6%	10%	23%	50%

11: share across credit profile, sanction value FY 23-24

	No-score	Very High Risk	High Risk	Medium Risk	Low Risk	Very Low Risk
Fintech NBFCs	10%	14%	19%	22%	20%	16%
Other NBFCs	5%	9%	14%	19%	26%	27%
Banks	4%	5%	11%	21%	22%	36%
Total	5%	7%	13%	21%	23%	32%



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