



**Fintech**

**Personal Loans**

**Apr 18-Sep 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 Sep 24.
- Based on our market understanding, the report groups the Fintech NBFCs (or digital-only NBFCs) as NBFCs 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 credit bureau data. In that sense, the report is short on presenting the totality and plurality of digital lending as 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 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 12% 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 76% of sanction volumes in H1 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. In H1 FY 24-25, sanctioned value and volume growth recovered after a dip in Q4 FY 2023-24.
- During H1 FY 24-25, 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 in ticket sizes and bureau vintage, with more than half of the sanction value coming from borrowers with ticket sizes > Rs 50k, bureau vintages of 5 years+.
- Portfolio outstanding as of Sep 2024 has decreased from Jun 2024 in value.
- Overall, the average ticket size is slightly under Rs 10,000, 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 (or digital-only NBFCs): The report groups Fintech NBFCs as those that primarily offer 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.
- 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

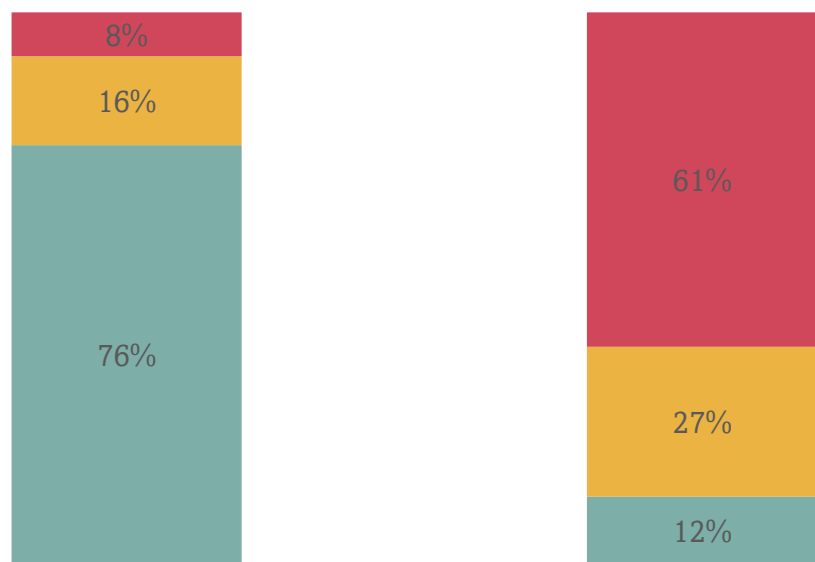
part 1: placing fintech personal loans in the overall personal loan market

During H1 FY 24-25, the personal loan sanctions reached close to 7 Cr, totalling 4 Lakh Cr. Fintech NBFCs sanctioned 5.3 Cr loans totalling Rs 48,969 Cr, with an average ticket size of Rs 9,225. Fintech loans accounted for 12% of the sanction value but 76% of the sanction volume.

H1 FY 24-25 sanctions	volume, Cr	value, Rs Cr	avg sanction value per loan, Rs	share in volume	share in value
Fintech NBFCs	5.3	48,969	9,225	76%	12%
Other NBFCs	1.1	1,09,551	96,819	16%	27%
Banks	0.6	2,44,684	4,39,721	8%	61%
Total	7.0	4,03,204	57,630	100%	100%

In H1 FY 24-25, fintech loans accounted for 12% of the sanction value but 76% of the sanction volume, focusing on sizeable underserved segments that need small-value loans. Similarly, in loans outstanding, the share of Fintech NBFCs is just 5% of the total value of personal loans outstanding as of Sep 24 but accounts for 44% of active loans.

sanctions, H1 FY 24-25

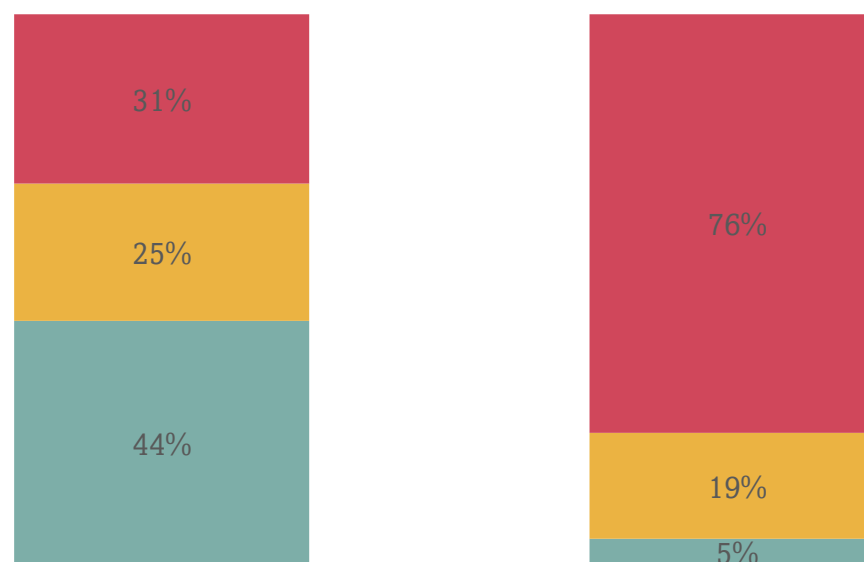


volume

value

Fintech NBFCs Other NBFCs Banks

loan outstanding, Sep 2024



volume

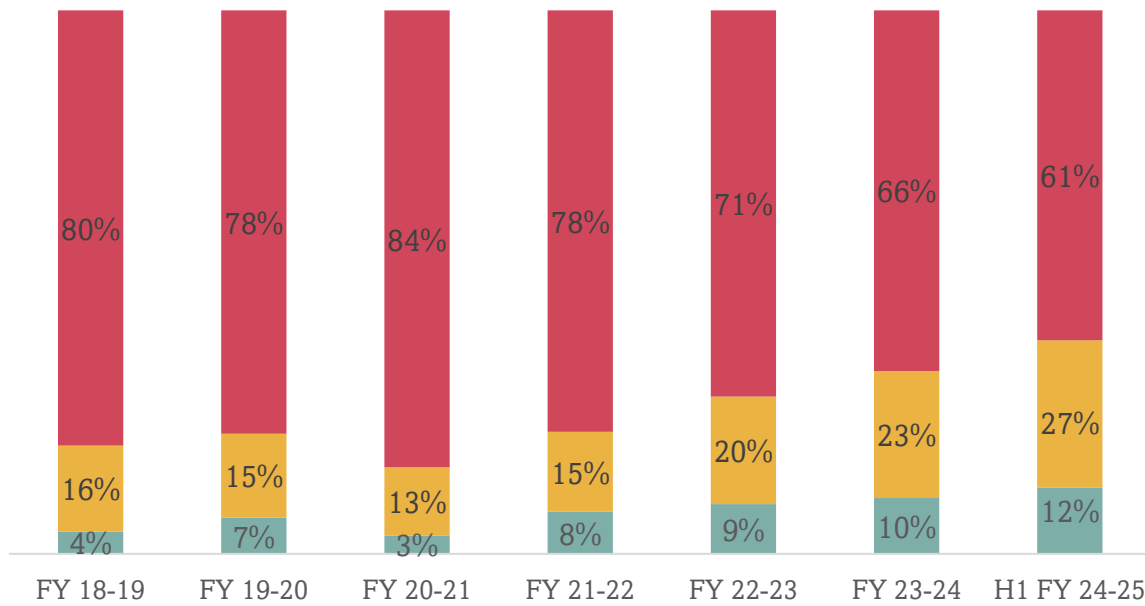
value

Fintech NBFCs Other NBFCs Banks

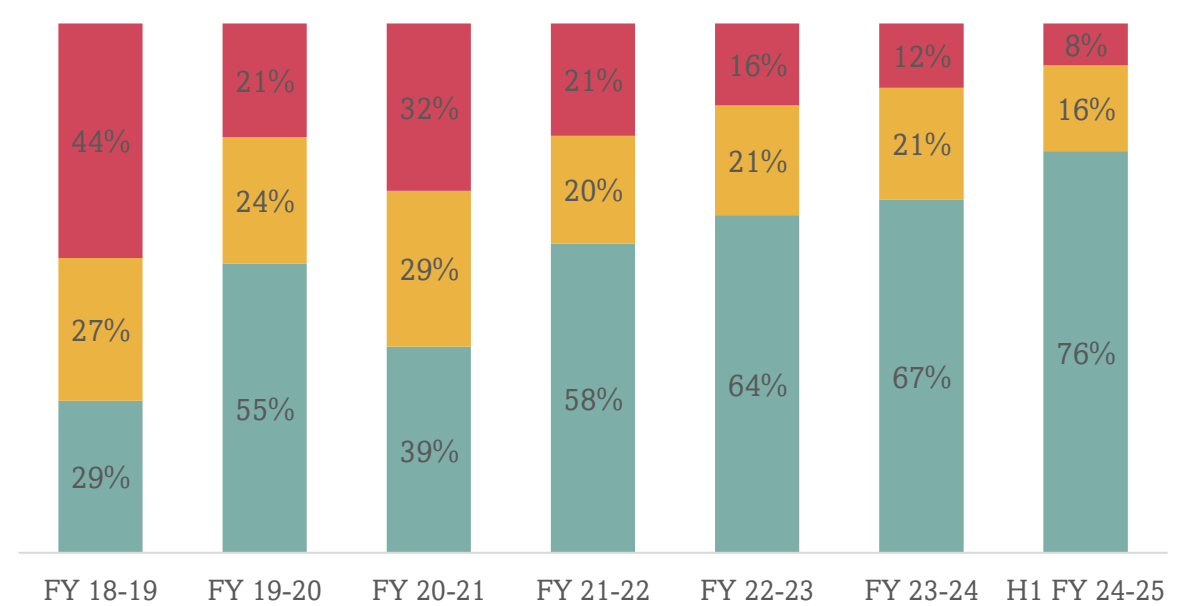


Fintech loans are gradually increasing their share in the personal loan market, with a nearly threefold rise in sanction value and more than two-fold in sanction volume since FY 18-19.

share by sanction value



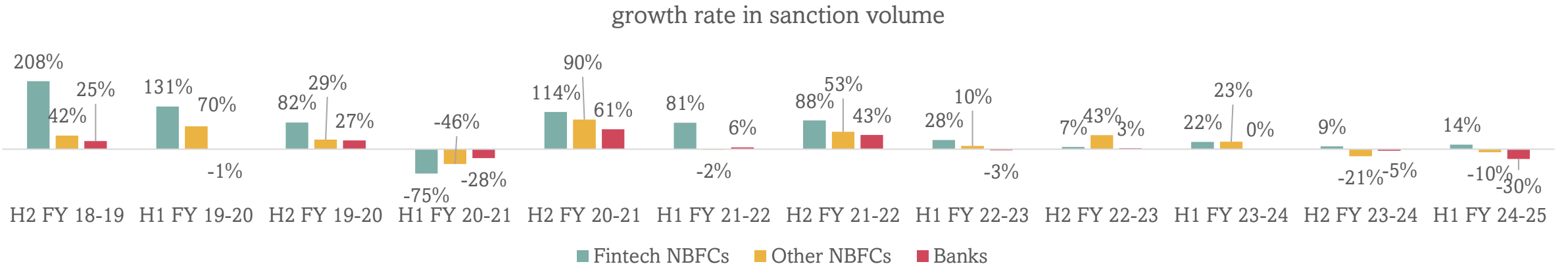
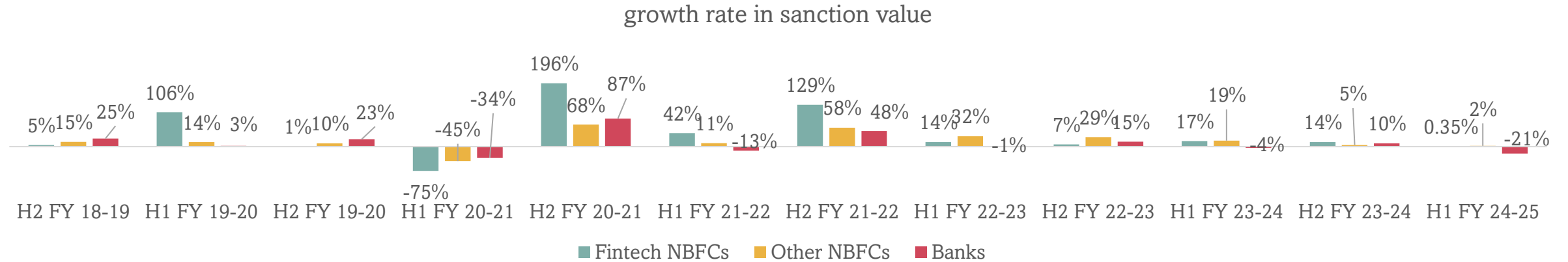
share by sanction volume



Fintech NBFCs Other NBFCs Banks

Fintech NBFCs Other NBFCs Banks

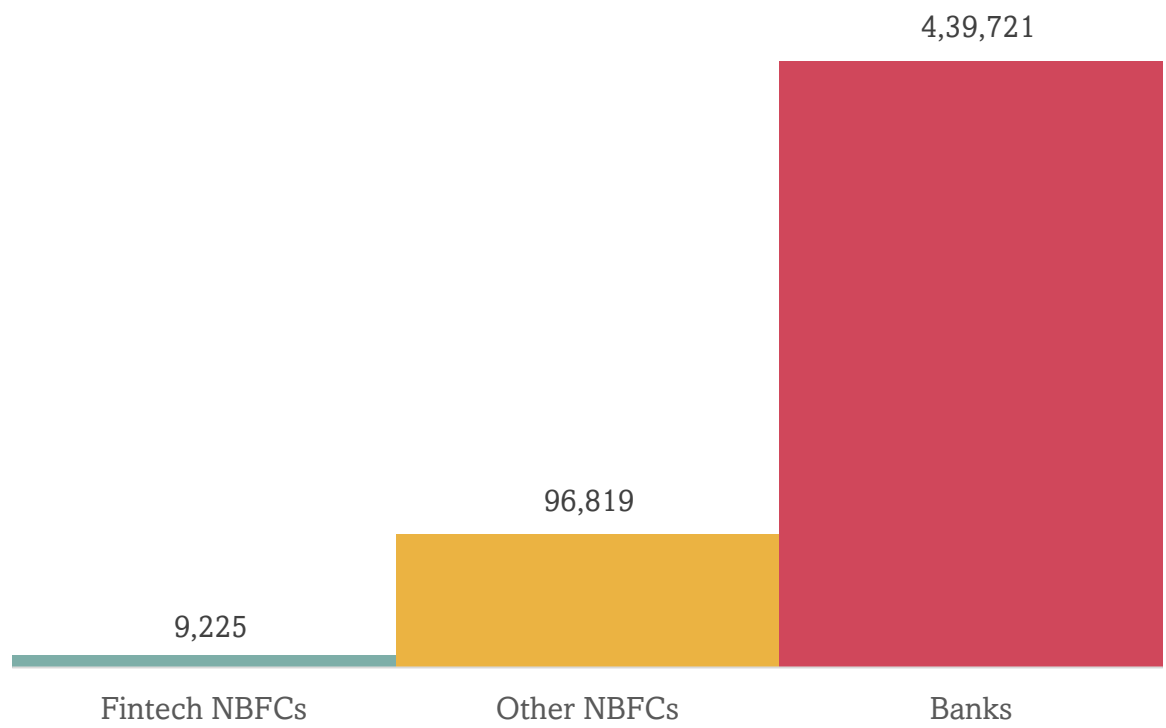
The chart below shows half-yearly growth\* in sanction value and volumes across peer groups. While growth was flat in sanction value in H1 FY 24-25, sanction volumes have increased by 14% over H2 FY 23-24. Unmet credit demand and increasing customer preference for digital credit means vast potential for fintechs to expand formal credit.



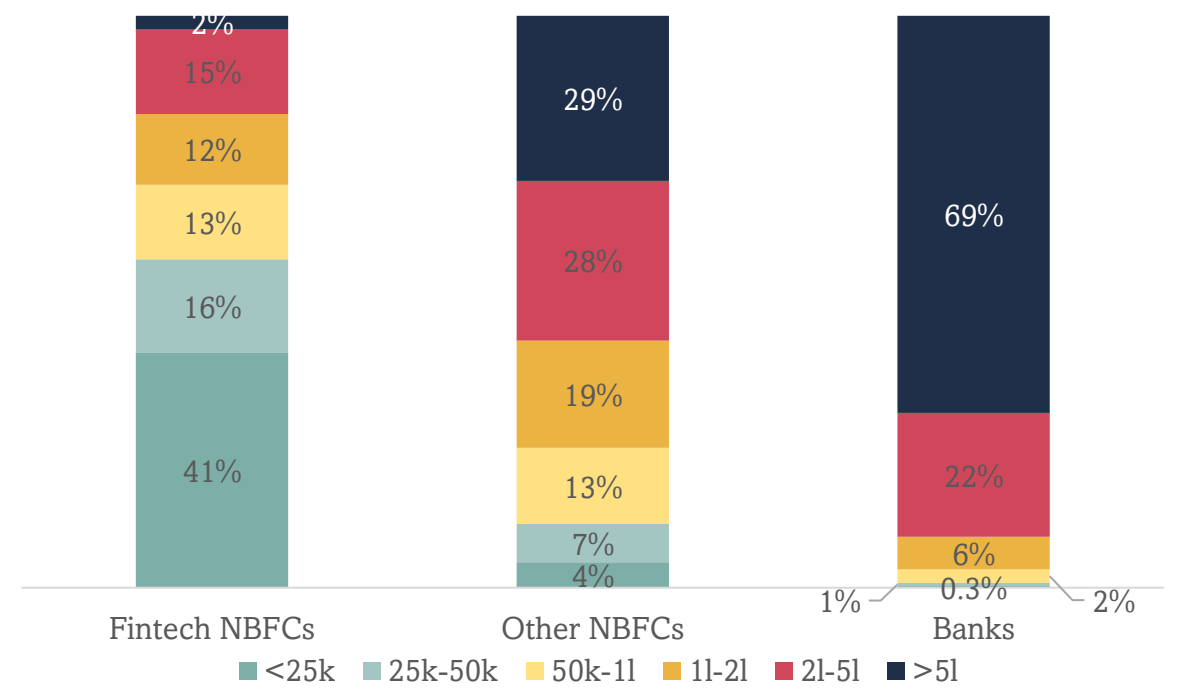
\* The growth rate is given here for a half year over the previous half-year. For example, growth in H1 FY 24-25 is over the previous half year, that is, H2 FY 23-24

Fintech business models are distinct in their ability to reach the borrower segments, most of whom are young and need small-value loans for various reasons.

average ticket size, Rs H1 FY 24-25

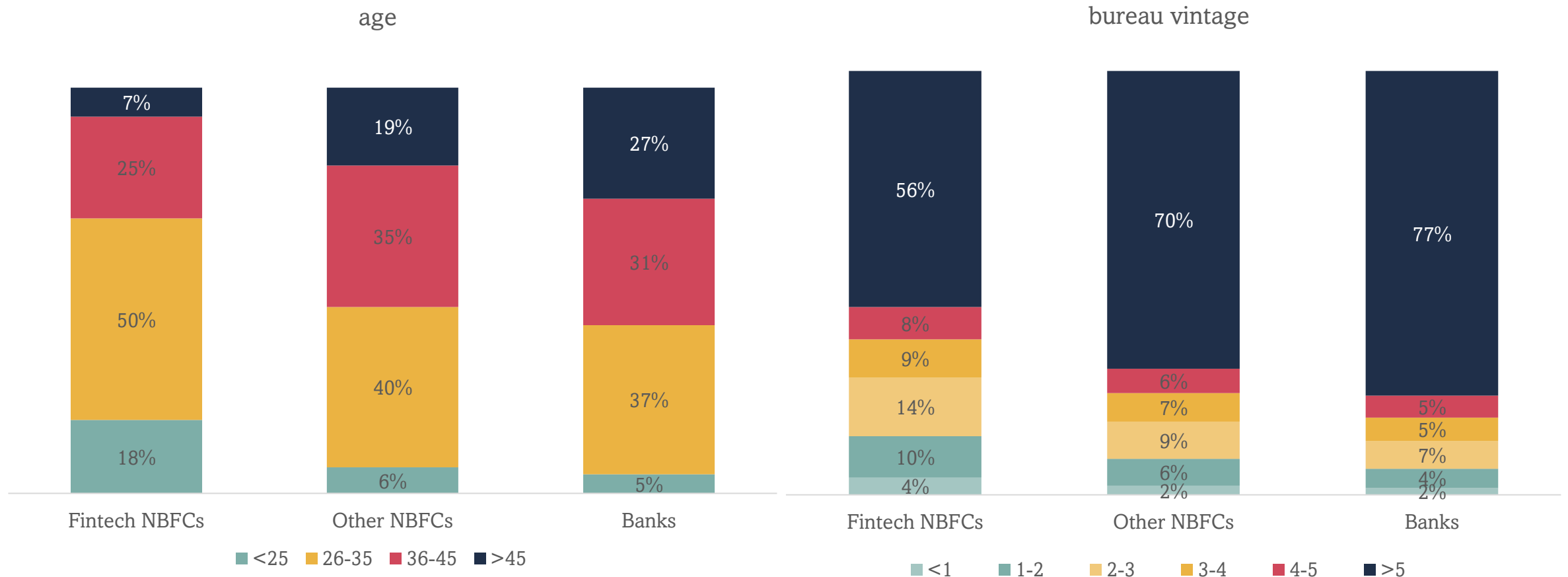


ticket sizes, Rs H1 FY 24-25



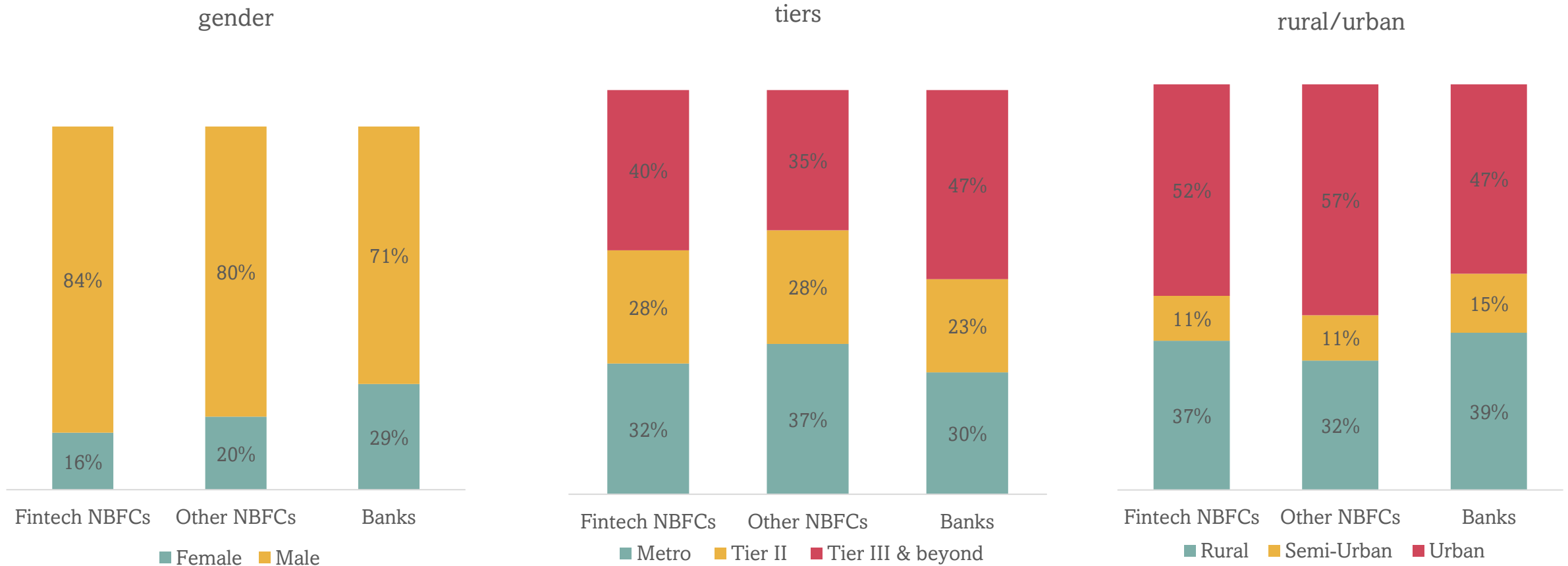
avg ticket size = sanction value/sanction volume for H1 FY24-25.

Fintech loan borrowers are younger, with over two-thirds coming from the age bracket < 35 years and having less vintage on the bureau.



share in sanction value for H1 FY24-25, age and bureau vintage in years.

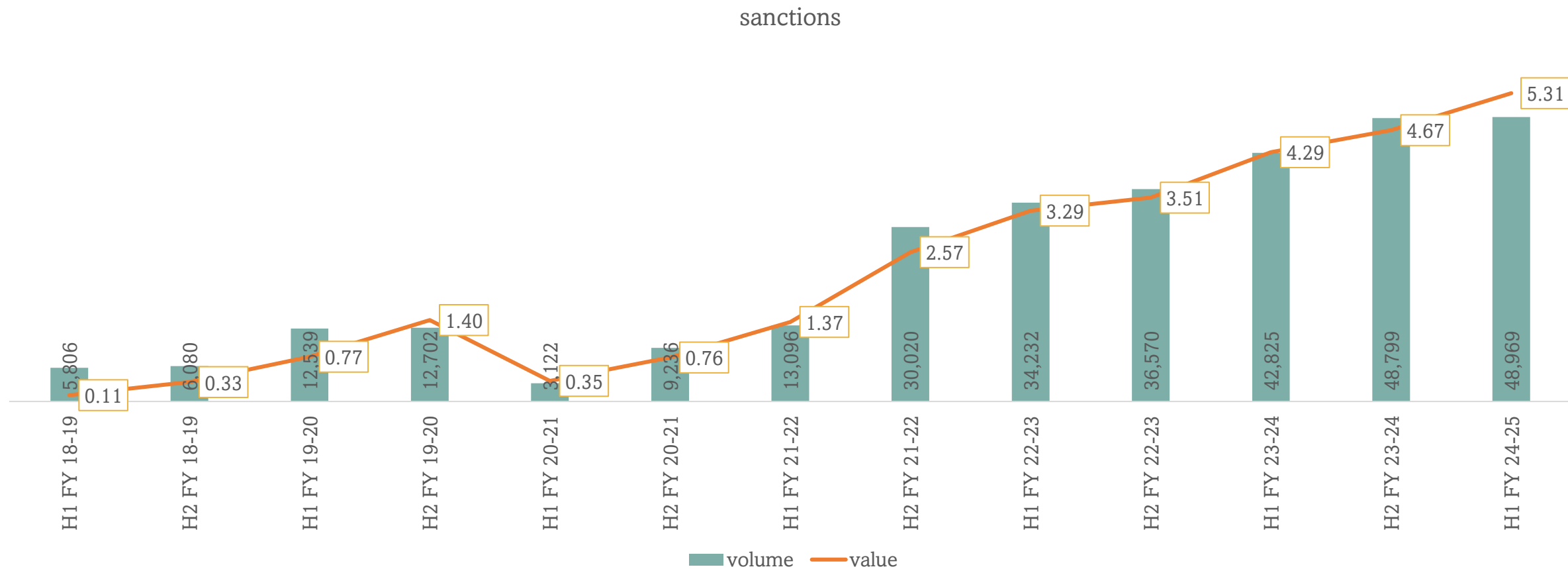
Gender and location composition are not too different for fintech loans vis-a-vis peers. Again, gaps means scope to diversify and expand by offering suitable products.



share in sanctioned value for H1 FY 24-25.

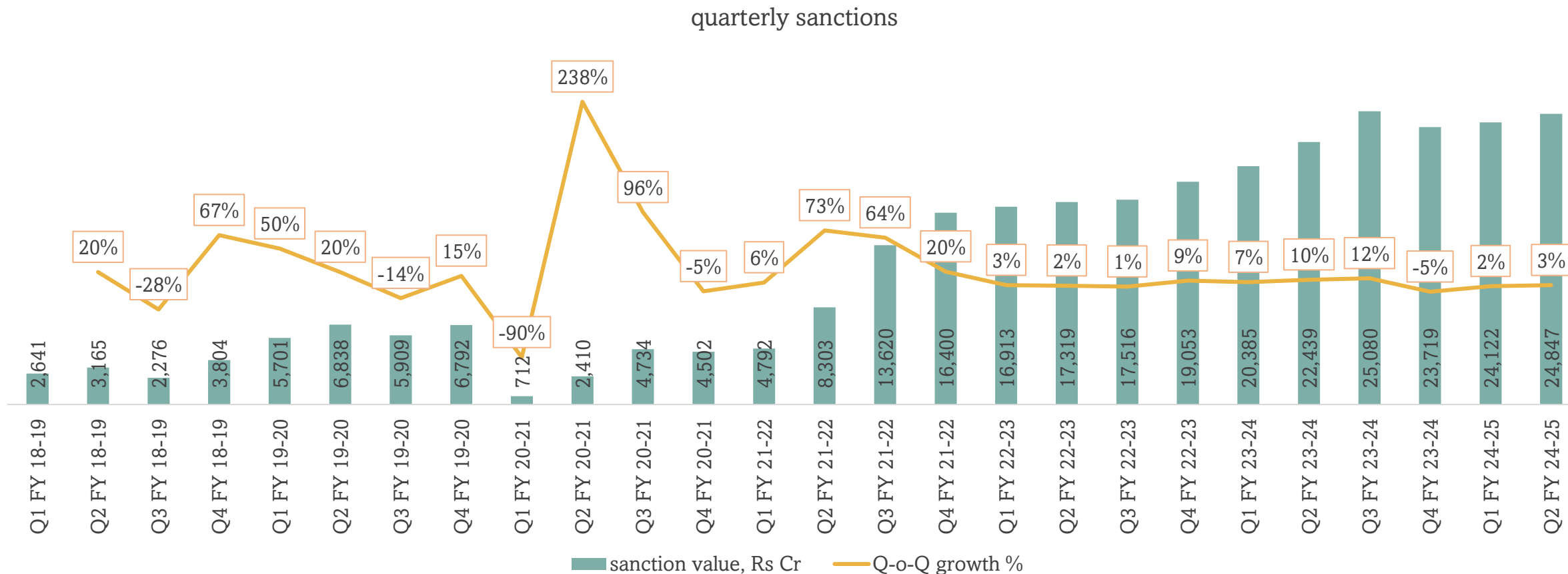
part 2: fintech personal loans

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 28 Cr personal loans crossing Rs 3 Lakh Cr sanctioned since April 18. Fintech loans account for 62% of loan volume sanctioned in the last six years.



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

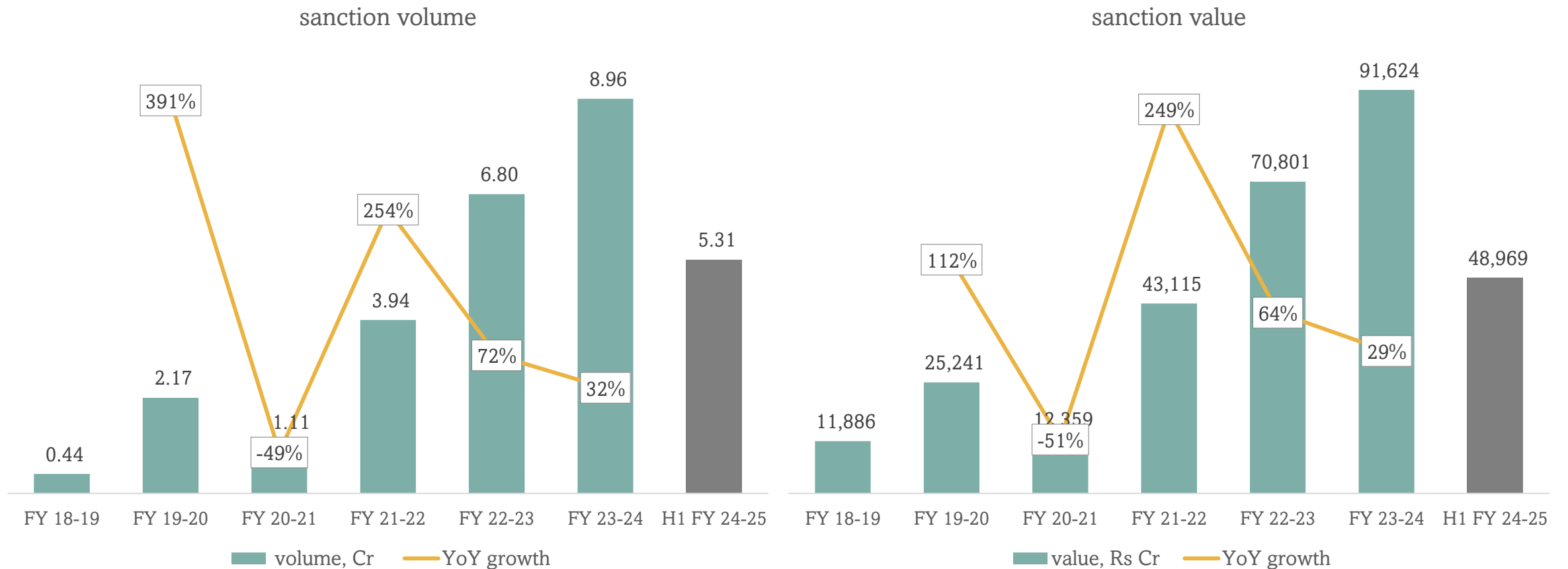
For fintech loans, the initial growth spurt came from a low base and post-pandemic recovery. Now, growth rates are normalising. After a reversal in Q2 FY 23-24, there was marginal quarterly growth in Q1 and Q2 FY 24-25.



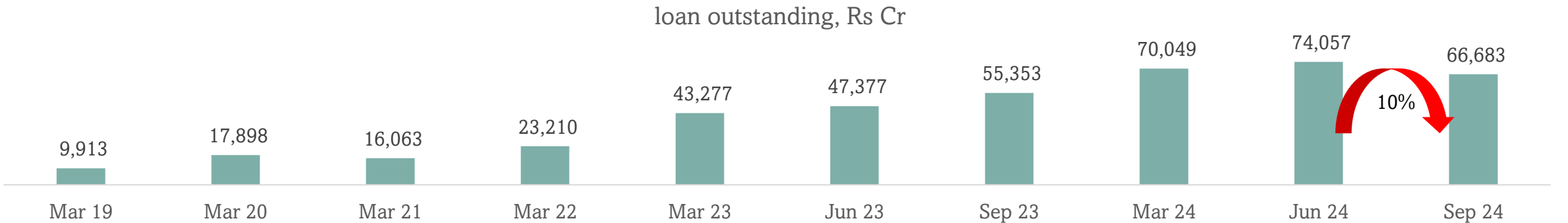
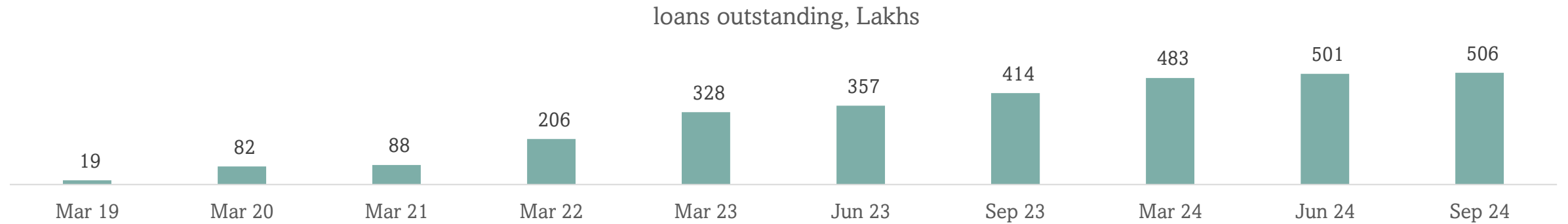
FY 20-21 was worse of pandemic leading to sharp decline in sanctions.



In H1 FY 24-25, the sanction volume growth rate is half of the growth rate in FY 23-24

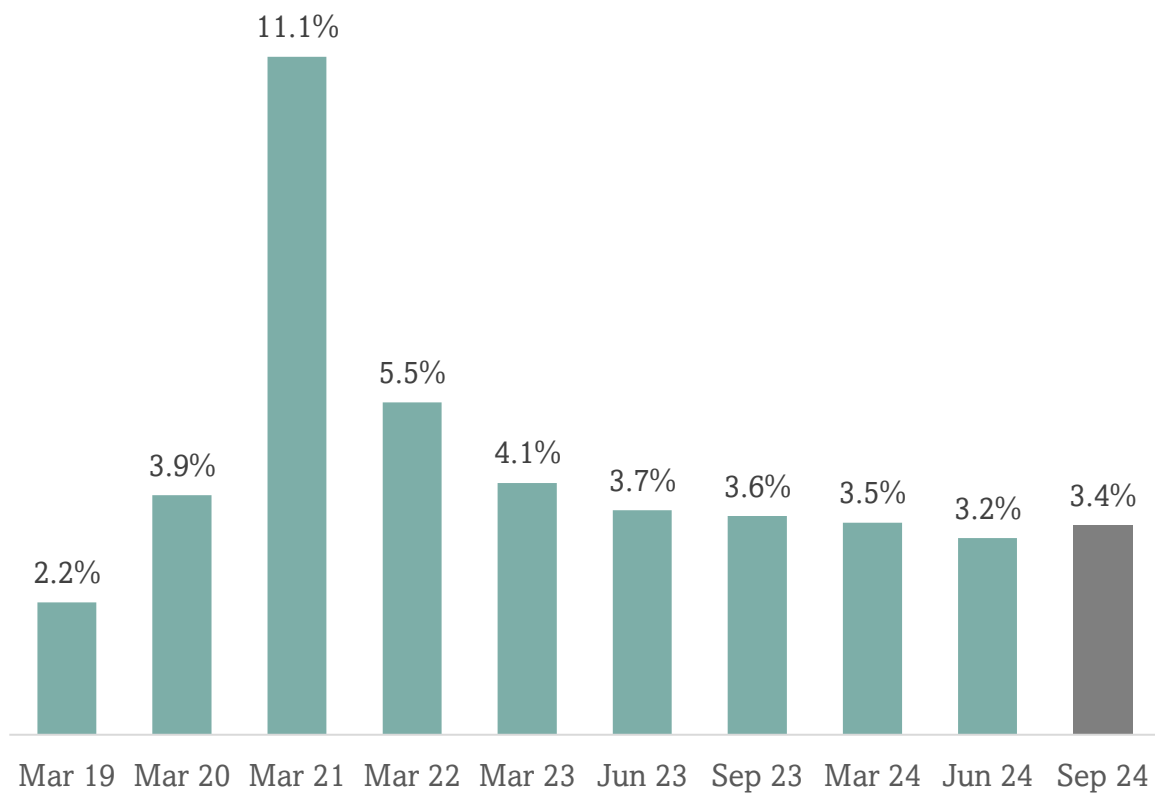


As of Sep 24, the fintech personal loan volume is 5.06 Cr with an outstanding value of Rs 66,683 Cr, 10% less than Jun 24.

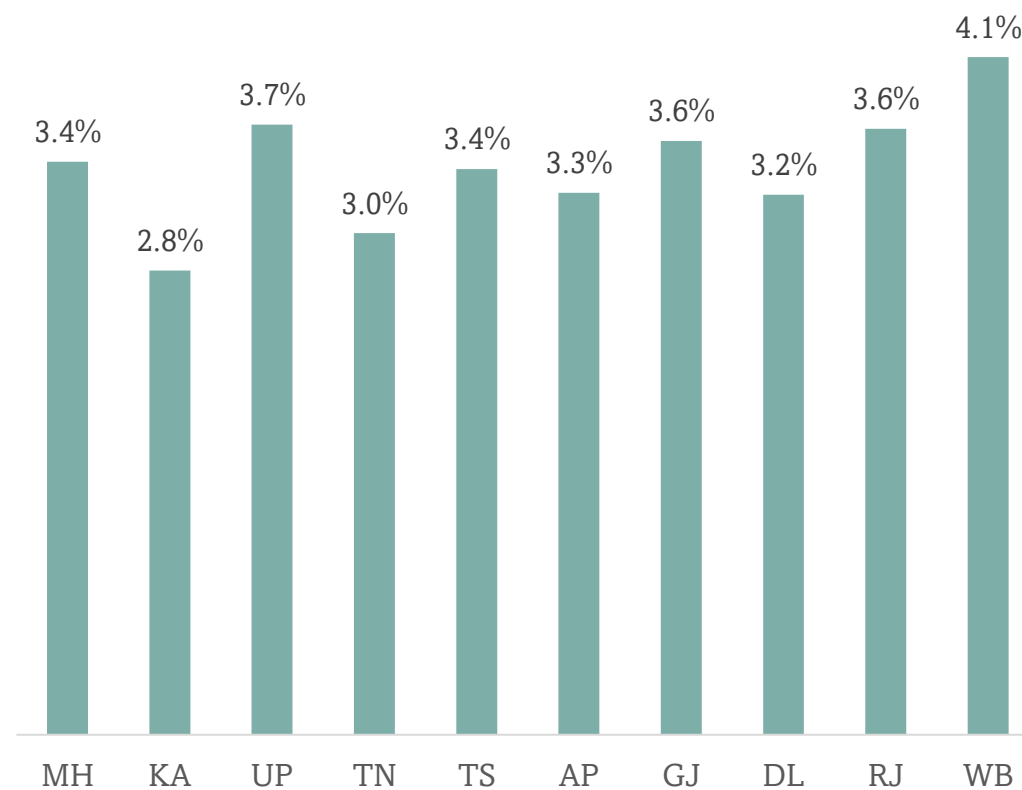


Overall, the portfolio quality remains stable.

dpd 90+



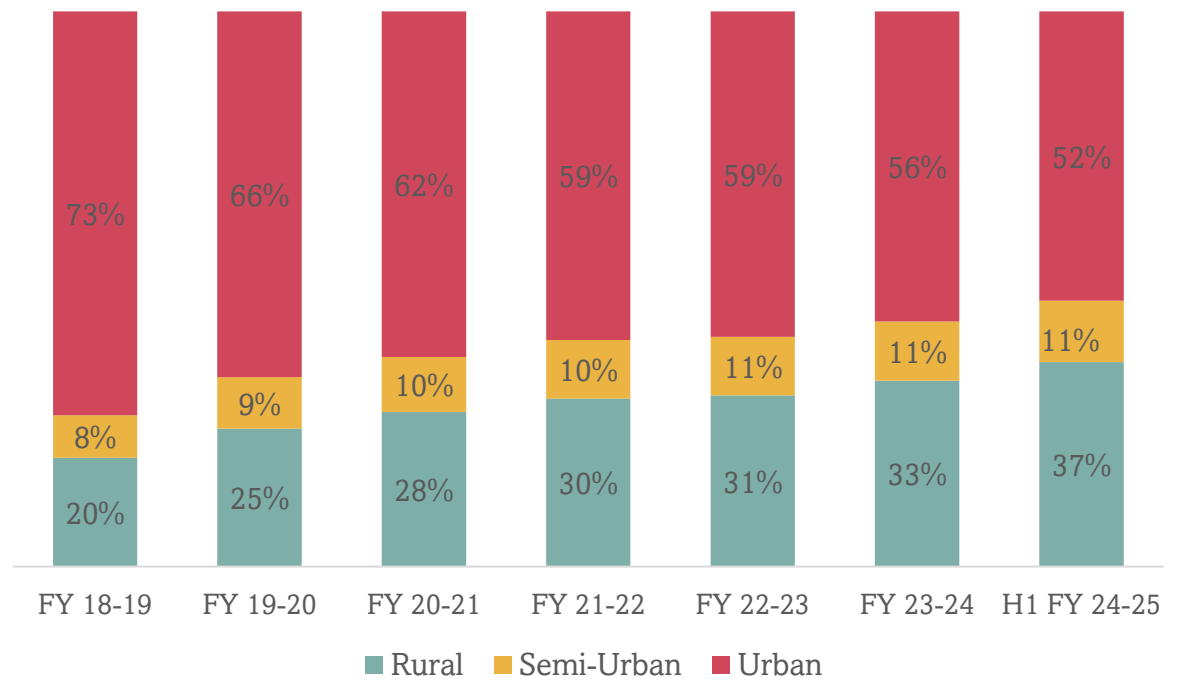
dpd 90+ across top 10 states, Sep 2024



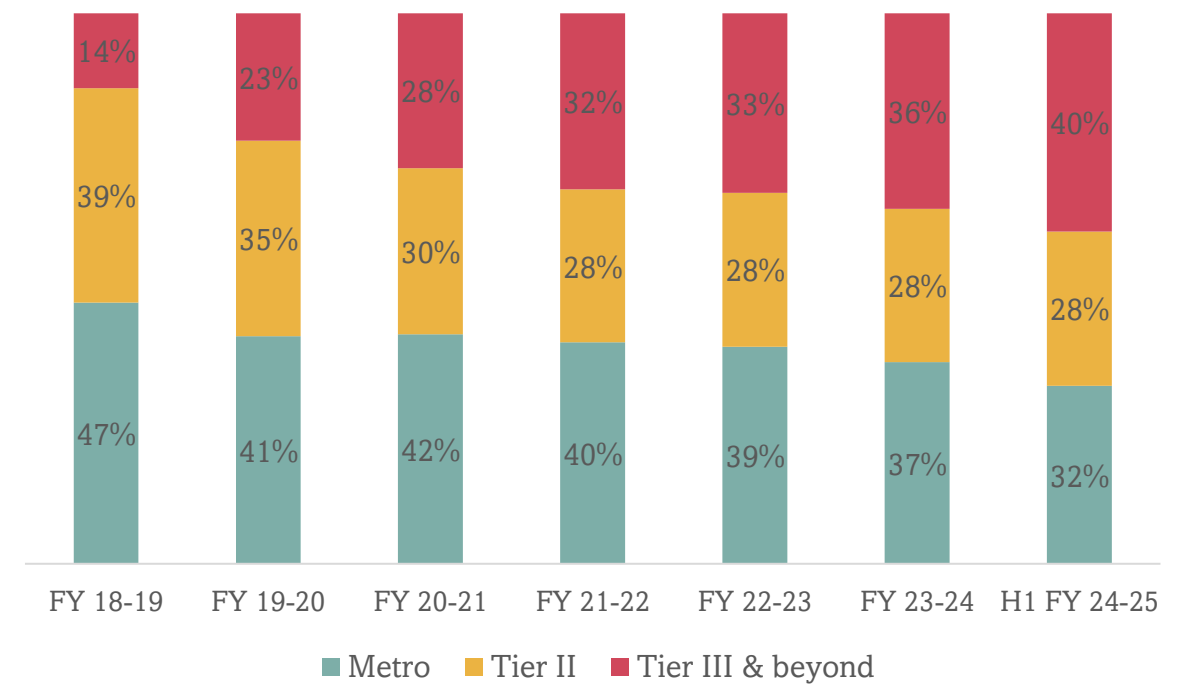
dpd 90+% = loan outstanding (90 to 180 dpd)/loan outstanding (0 to 180 dpd)

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.

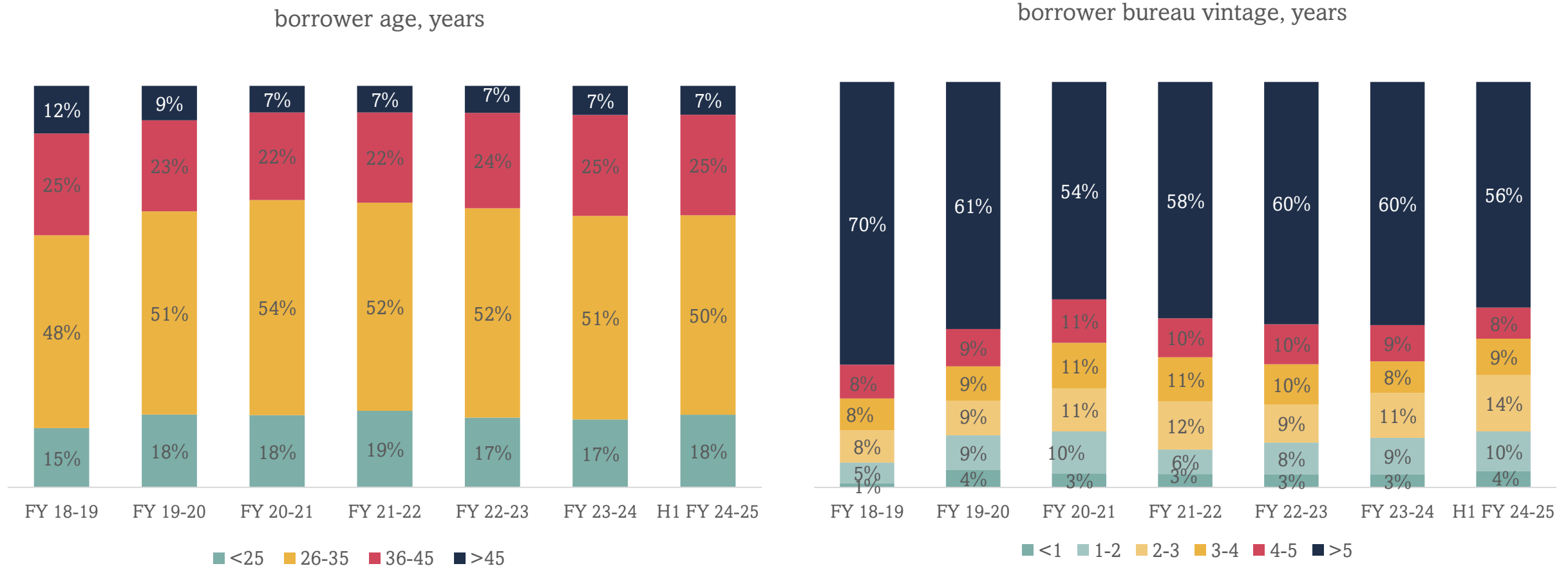
rural/urban



tiers

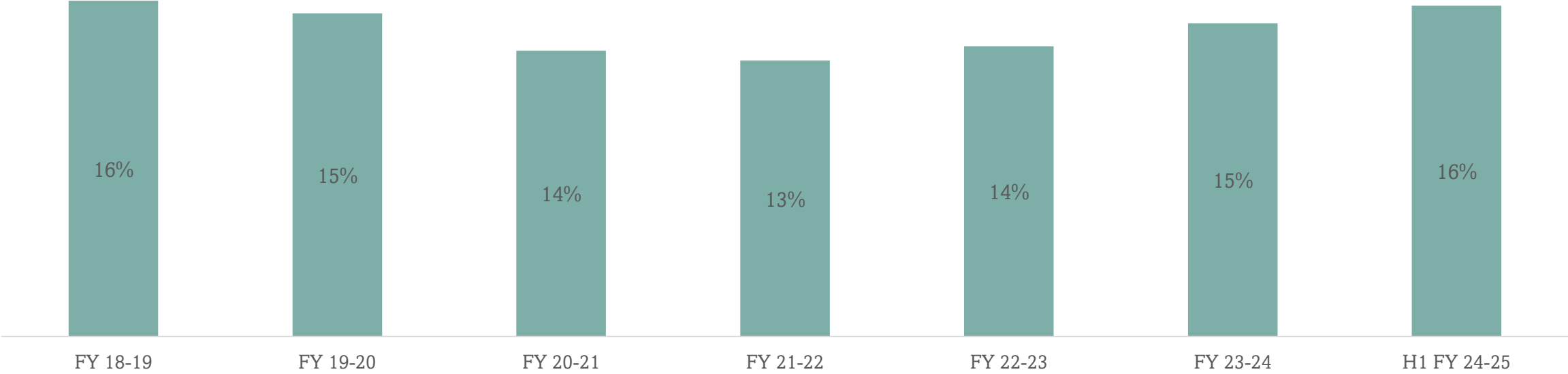


For young borrowers, fintech lending is the choice, with two-thirds of loan sanction value to borrowers aged <35 years. Fintech lending's ability to seize the opportunities offered by a growing segment for their current and future needs holds enormous promise to grow responsibly and sustainably for many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



Female participation is improving but very gradually.

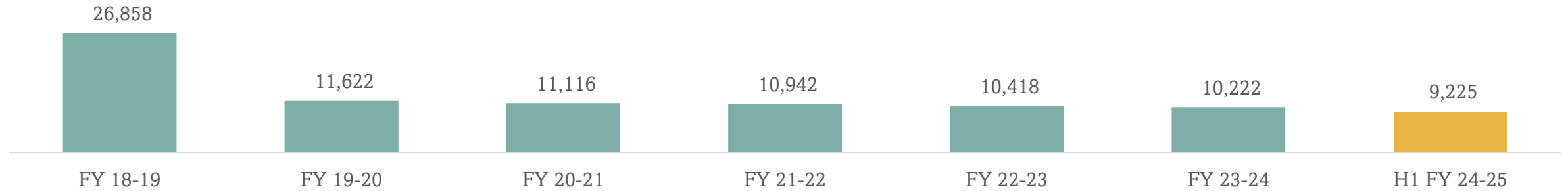
female participation



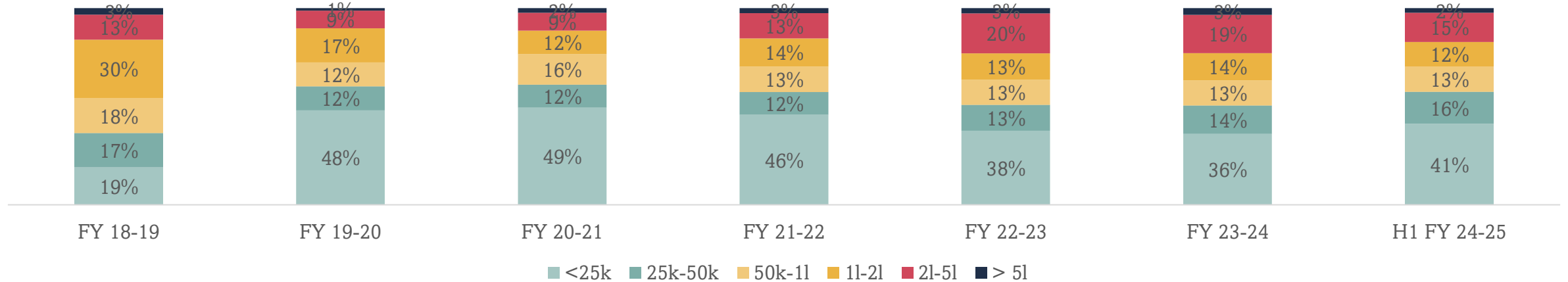
percentages here are share in the sanction value.

At an aggregated level, the average ticket size hovers around Rs 10k, 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 across ticket sizes. Compared to FY 23-24, the average ticket size in H1 FY 24-25 has decreased marginally by ~10%.

avg ticket size, Rs



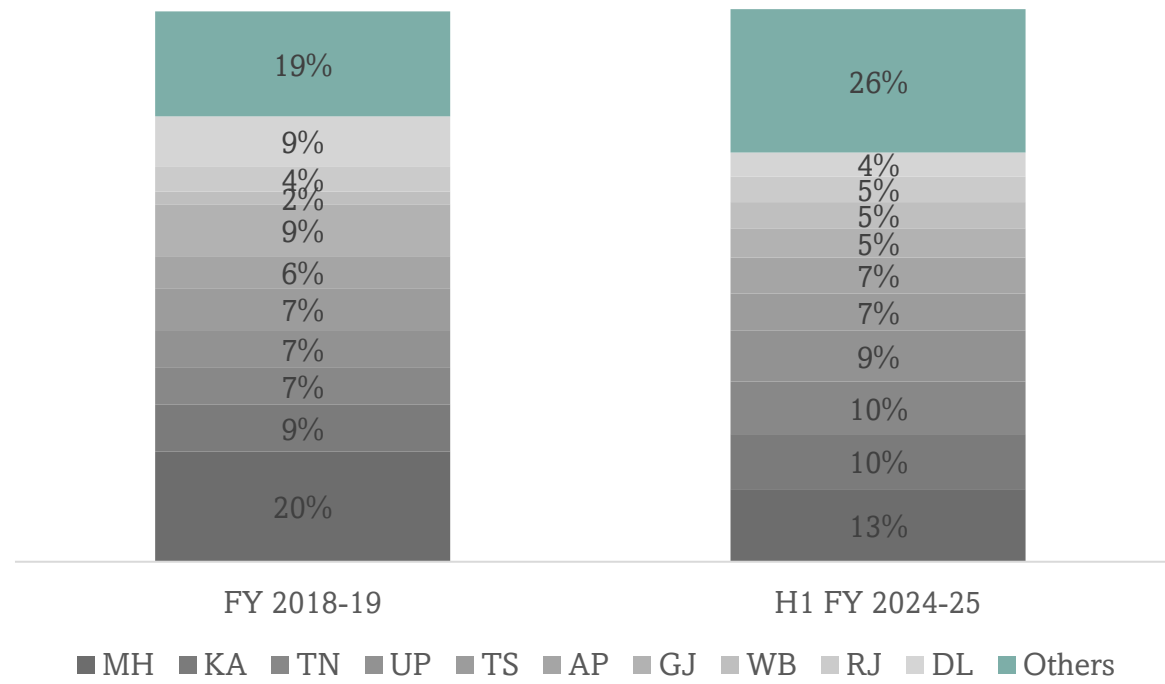
ticket sizes, Rs



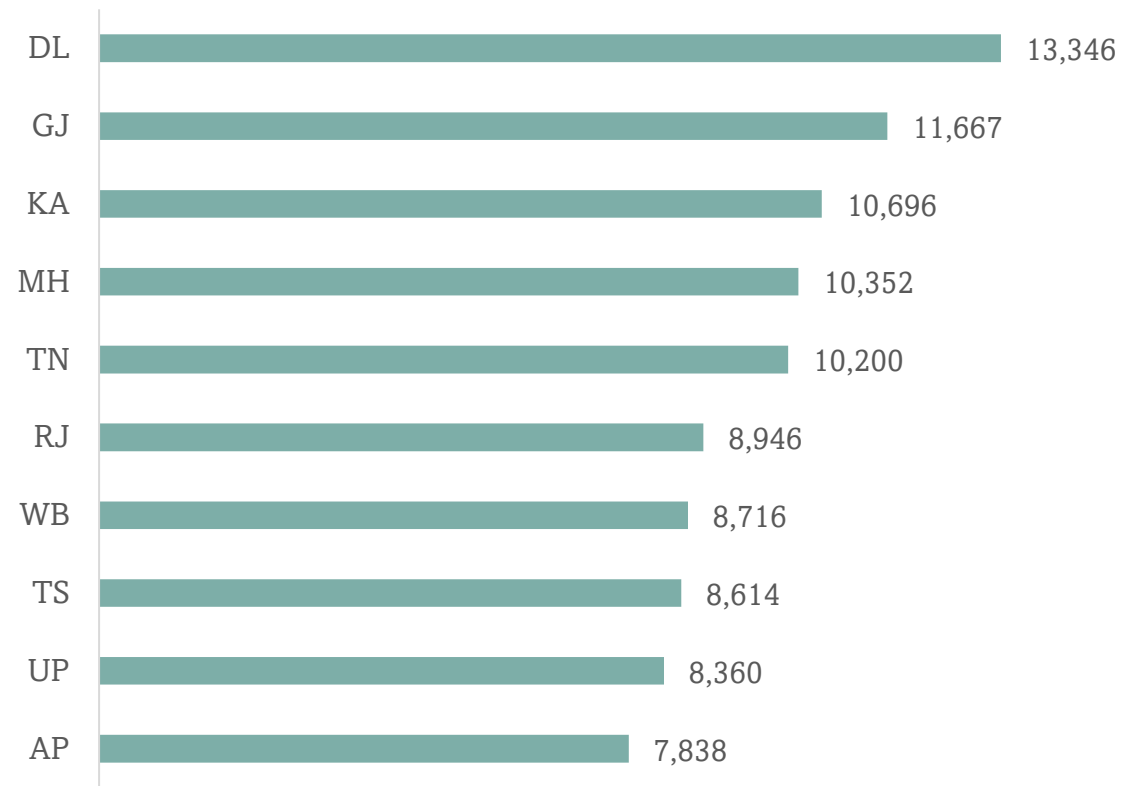
avg ticket size = sanction value/sanction volume

# Loan distribution and average ticket size across states

top 10 states, sanction value

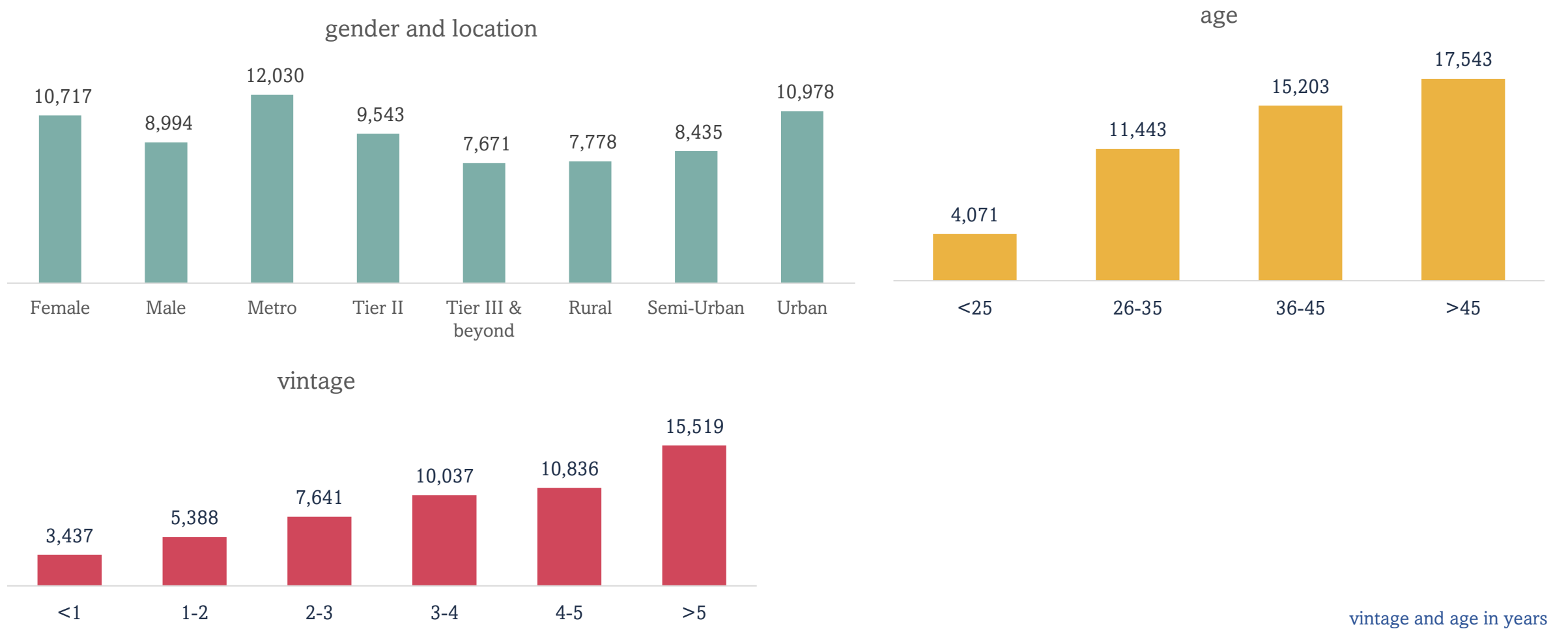


avg ticket size across states, Rs, H1 FY 24-25





The average ticket size for H1 FY 24-25 varies across demographics and customer vintage. It is higher for female, urban, and metro borrowers and increases linearly with age and vintage.



vintage and age in years

part 3: annexures

## 1: personal loan market, sanctions in H1 FY 24-25

	volume, Cr	value, Rs Cr	avg sanction value per loan, Rs	share in volume	share in value
Fintech NBFCs	5.3	48,969	9,225	76%	12%
Other NBFCs	1.1	1,09,551	96,819	16%	27%
Banks	0.6	2,44,684	4,39,721	8%	61%
Total	7.0	4,03,204	57,630	100%	100%

## 2: personal loan market, loan outstanding, Sep 24

	volume, Cr	value, Rs Cr	avg outstanding per loan, Rs	share in volume	share in value
Fintech NBFCs	5.0	66,683	13,176	44%	5%
Other NBFCs	2.8	2,63,554	92,900	25%	19%
Banks	3.5	10,42,597	2,97,888	31%	76%
Total	11.4	13,72,834	1,34,655	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
Sep-24	5.06	2.84	3.50	11.40

#### 4: loan 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
Sep-24	66,683	2,63,554	10,42,597	13,72,834

5: sanction volume, Cr

	Fintech NBFCs	Other NBFCs	Banks	Total
FY 18-19	0.4	0.4	0.7	1.5
FY 19-20	2.1	0.9	0.8	3.9
FY 20-21	1.1	0.8	0.9	2.8
FY 21-22	3.9	1.4	1.4	6.7
FY 22-23	6.8	2.2	1.6	10.6
FY 23-24	8.9	2.8	1.6	13.4
H1 FY 24-25	5.3	1.1	0.5	7.0

6: sanction value, Rs Cr

	Fintech NBFCs	Other NBFCs	Banks	Total
FY 18-19	11,886	46,094	2,33,145	2,91,125
FY 19-20	25,241	58,745	2,95,647	3,79,633
FY 20-21	12,359	45,584	3,06,717	3,64,660
FY 21-22	43,115	81,876	4,32,121	5,57,113
FY 22-23	70,801	1,52,322	5,48,886	7,72,009
FY 23-24	91,624	2,08,875	5,93,364	8,93,863
H1 FY 24-25	48,969	1,09,551	2,44,684	4,03,204



## 7: average ticket size, Rs

	Fintech NBFCs	Other NBFCs	Banks	Total
FY 18-19	26,858	1,11,145	3,41,563	1,89,061
FY 19-20	11,622	61,959	3,46,048	95,520
FY 20-21	11,116	54,122	3,39,498	1,27,616
FY 21-22	10,942	59,752	3,01,532	82,613
FY 22-23	10,418	69,063	3,32,240	72,464
FY 23-24	10,222	73,449	3,63,282	66,504
H1 FY 24-25	9,225	96,819	4,39,721	57,630

8: share across gender/rsu/tiers, sanctioned value H1 FY 24-25

	Female	Rural	Semi-Urban	Urban	Metro	Tier II	Tier III & beyond
Fintech NBFCs	16%	37%	11%	52%	32%	28%	40%
Other NBFCs	20%	32%	11%	57%	37%	28%	35%
Banks	29%	39%	15%	47%	30%	23%	47%
Total	24%	37%	13%	50%	32%	25%	43%

9: share across age (years), sanctioned value H1 FY 24-25

	<25	26-35	36-45	> 46
Fintech NBFCs	18%	50%	25%	7%
Other NBFCs	6%	40%	35%	19%
Banks	5%	37%	31%	27%
Total	7%	39%	31%	23%

10: share across bureau vintage (years), sanction value H1 FY 24-25

	<1	1-2	2-3	3-4	4-5	>5
Fintech NBFCs	4%	10%	14%	9%	8%	56%
Other NBFCs	2%	6%	9%	7%	6%	70%
Banks	2%	4%	7%	5%	5%	77%
Total	2%	6%	8%	6%	6%	72%

11: share across ticket size (Rs), sanction value H1 FY 24-25

	<25k	25k-50k	50k-1l	1l-2l	2l-5l	>5l
Fintech NBFCs	41%	16%	13%	12%	15%	2%
Other NBFCs	4%	7%	13%	19%	28%	29%
Banks	0.3%	1%	2%	6%	22%	69%
Total	6%	4%	7%	10%	23%	50%



Fintech Association for Consumer Empowerment (FACE) is an RBI-recognised Self-Regulatory Organization in the FinTech sector (SRO-FT). FinTech companies of all kinds come together at FACE to build an industry that enables customer-centric financial services that are safe, suitable, and transparent - delivering positive impacts on society and the economy.

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