Digital Personal Loans
Jun 2025

Contents

This report

- This report captures the trends for digital lending by analysing the personal loans of 110+ digital NBFCs from Apr 2022 to Jun 2025.
- Based on our market understanding, the report groups the Digital NBFCs as NBFCs primarily offering digital personal loans through their own/in-house digital lending apps (DLAs) or in partnership with DLAs of LSPs. This set does not include NBFCs/Banks that offer both digital and non-digital loans, as it is not possible to distinguish between digital and non-digital loans 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 digital is even larger.
- Observing these Digital NBFCs' personal loans gives us a measure of progress in scale, outreach, and customer segments. We also place digital loans in the broader context of the personal loan market to highlight the differences and similarities.
- We sourced data for this report from Crif High Mark, a credit bureau.
- Please note that we have changed the underlying peer group for digital NBFCs from our previous reports titled FinTech Personal Loans, as the market has evolved in two years since we first identified the digital-only NBFCs. We have also narrowed the period under consideration, starting with Apr 2022 for recency and a steady-state picture, removing COVID-induced abnormalities in the trends.

Summary

- Digital personal loans by digital NBFCs, though just 20% of the personal loan market by sanction value, account for 80% of the sanction value. Digital personal loans continue to expand their reach by seizing opportunities in vast, underserved markets and serving customer preferences for digital credit.
- It is worth noting that customers take personal loans for multiple reasons to manage cash flows, tap opportunities and deal with the unexpected events. Access to convenient and timely digital credit is a crucial component of a financial toolkit for managing finances and building economic resilience.
- During Q1 FY 25-26, over 60% of sanction value went to young (< 35 years of age), 83% to males, and more than a third (about 38%) to customers from Tier III cities and beyond.
- Digital loans are climbing up in ticket sizes, bureau vintage and risk chain, with more than half of the sanction value(~55%) coming from customers with ticket sizes > Rs 50k and bureau vintage of 5 years+ and mid-low credit risk.
- Loan amount outstanding as of Jun 2025 has increased by ~10% from Jun 2024, reaching Rs 1.20 Lakh Cr.
- Overall, the average ticket size is about Rs 14,500, but there is much diversity. The ticket size is higher for borrowing in metro/urban areas and increases with age and vintage, as expected.

Definitions/Abbreviations

- Digital NBFCs: Report groups the Digital 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 Digital 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.

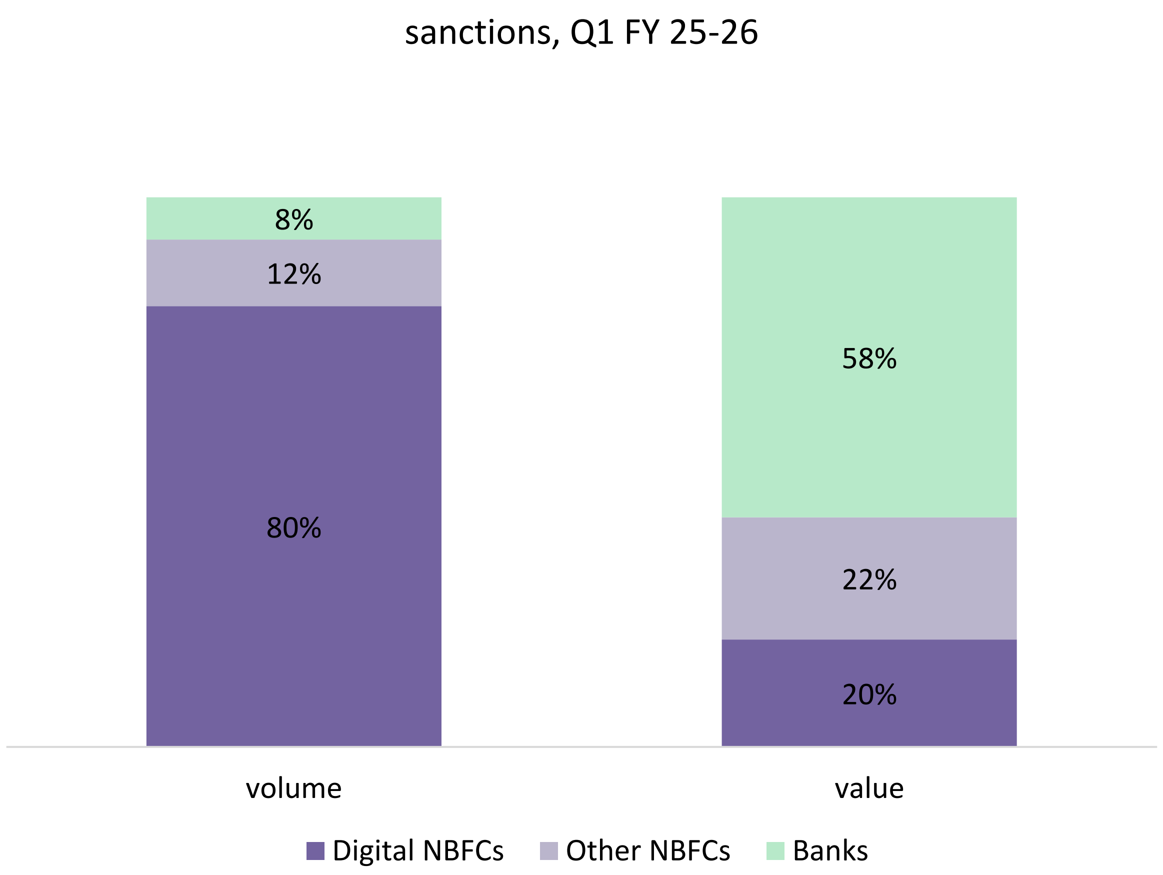
Avg	Average
dpd	Days past due
FY	Financial Year
LSP	Loan Service Provider
PAR	Portfolio at Risk
Pos	Portfolio outstanding
Q	A quarter of an FY
Rs	Rupee

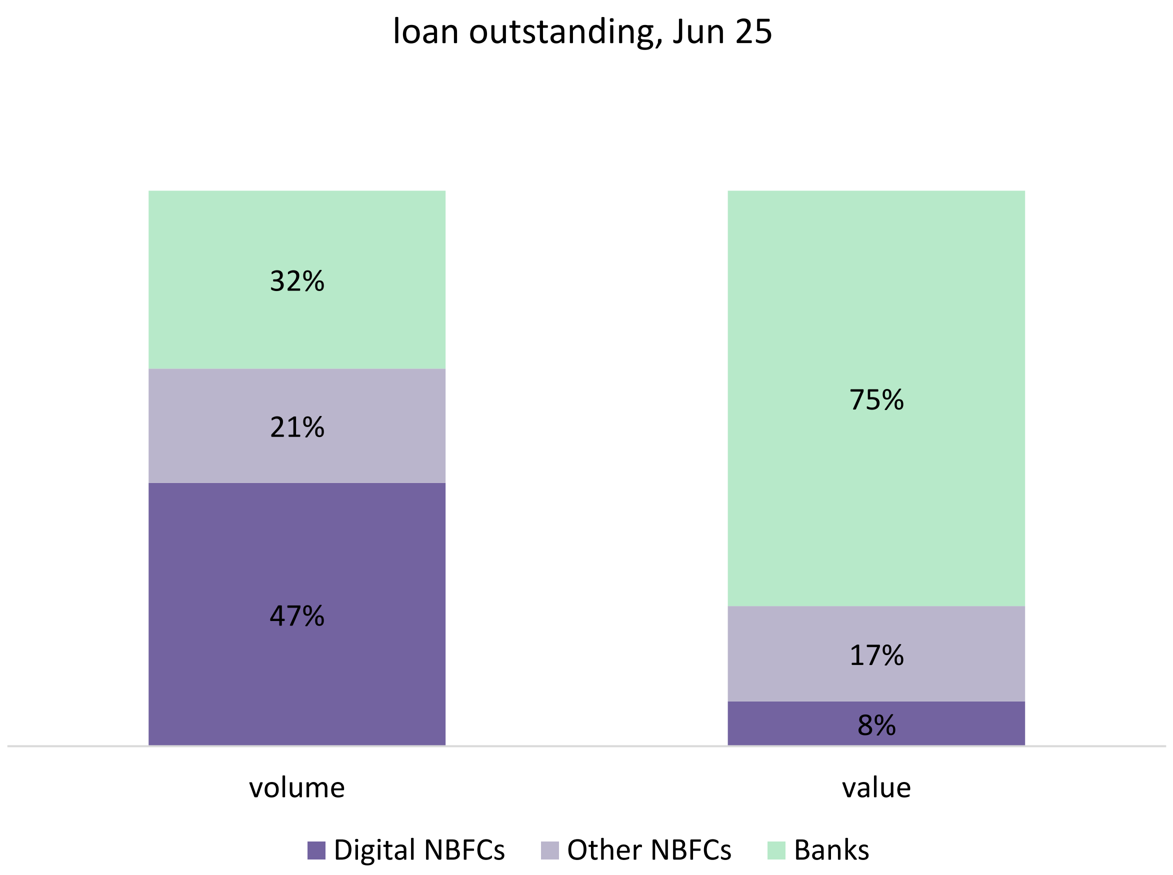
Part 1: placing Digital personal loans in the overall personal loan market

During Q1 FY 25-26 ,the personal loan sanctions reached was about 3.8 Cr, totalling Rs 2.19 Lakh Cr. Digital NBFCs sanctioned 3 Cr loans amounting to Rs 43,019 Cr, with an average ticket size of Rs 14,270. Digital loans accounted for 20% of the sanction value and 80% of the sanction volume.

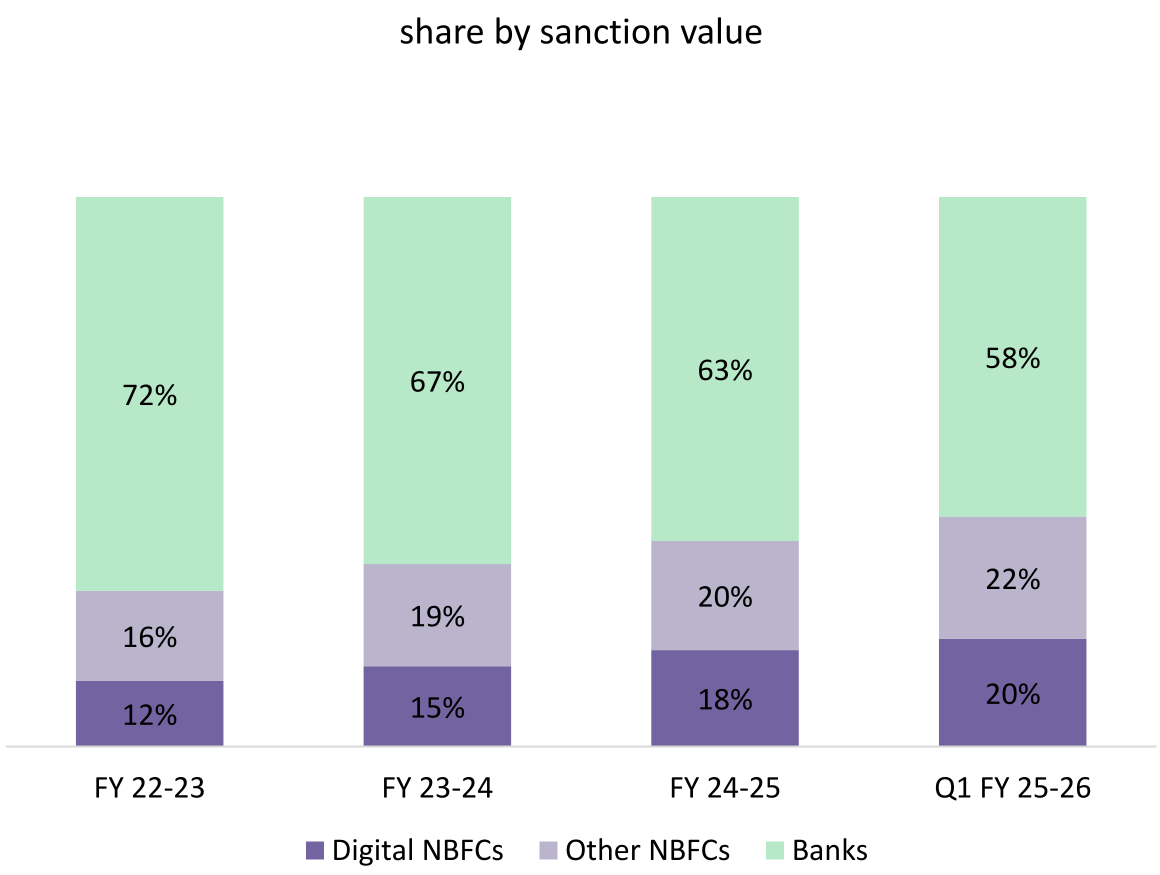
Q1 FY 25-26 sanctions	volume, Cr	value, Rs Cr	avg sanction value per loan, Rs	share in volume	share in value
Digital NBFCs	3.0	43,019	14,270	80%	20%
Other NBFCs	0.5	48,912	107,536	12%	22%
Banks	0.3	127,973	444,090	8%	58%
Total	3.8	219,903	58,522	100%	100%

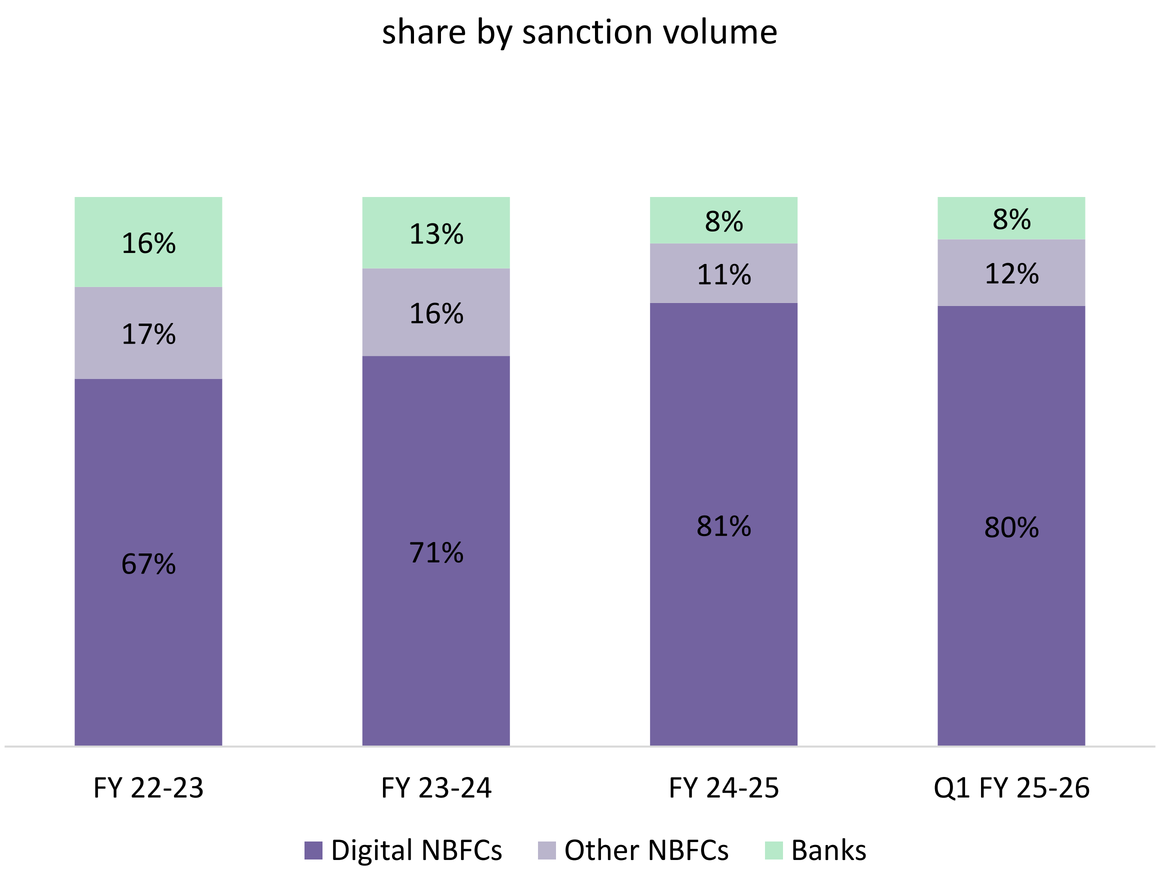
In Q1 FY 25-26 digital loans accounted for 20% of the sanction value and 80% of the sanction volume, focusing on sizeable underserved segments that need small-value loans. Similarly, in loans outstanding, the share of Digital NBFCs is just 8% of the total value of personal loans outstanding as of Jun 25, but accounts for 47% of active loans.





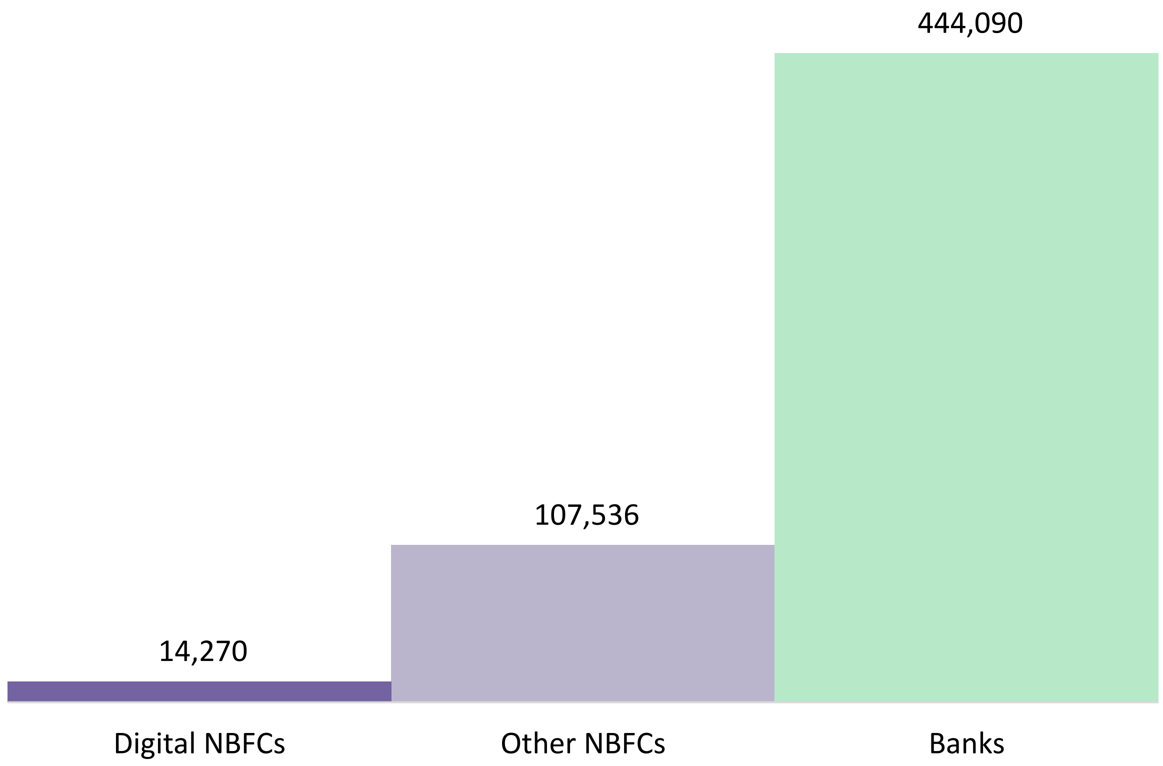
Digital loans are consistently increasing their share in the personal loan market.



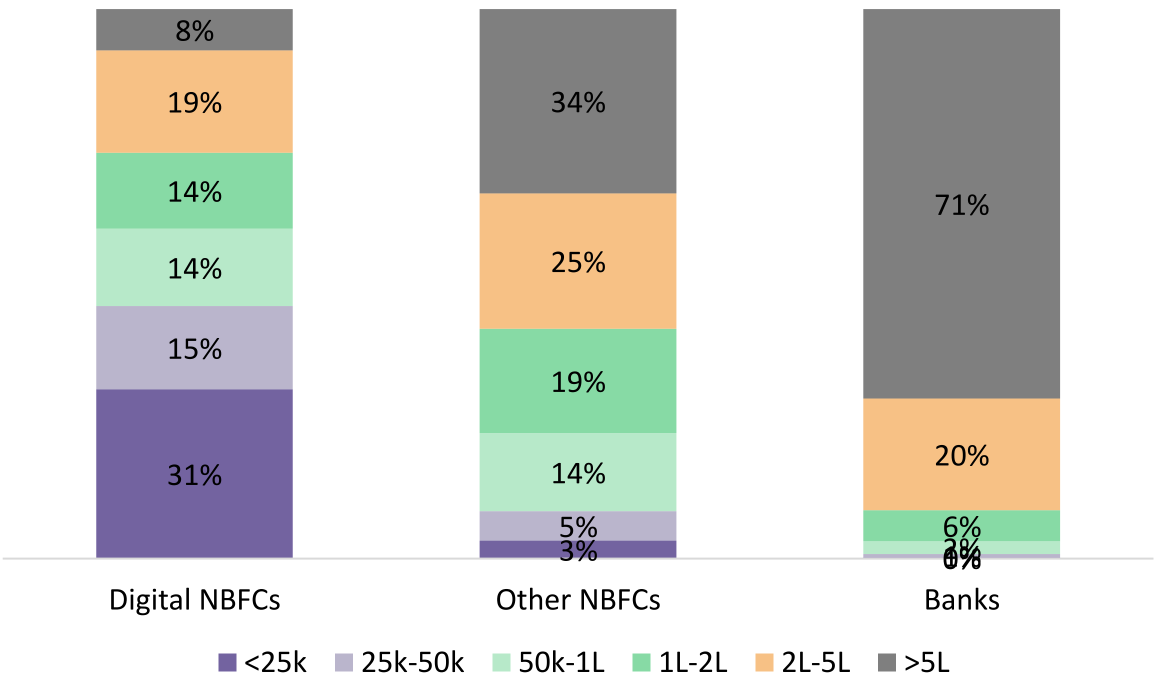


Digital lending business models are unique in their ability to reach customer segments that require small-value loans for short tenures.

average ticket size, Rs Q1 FY 25-26

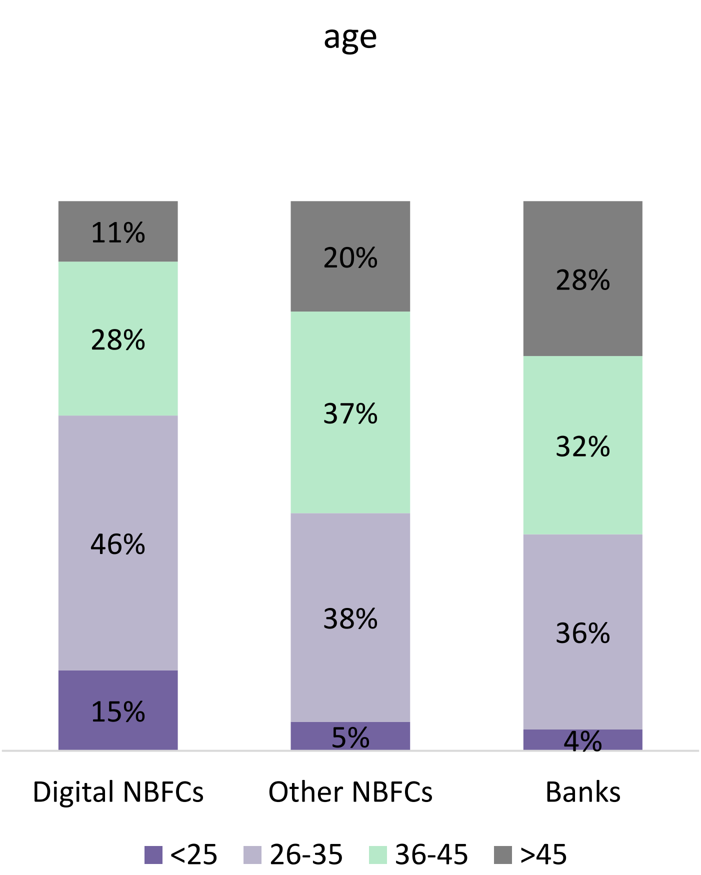


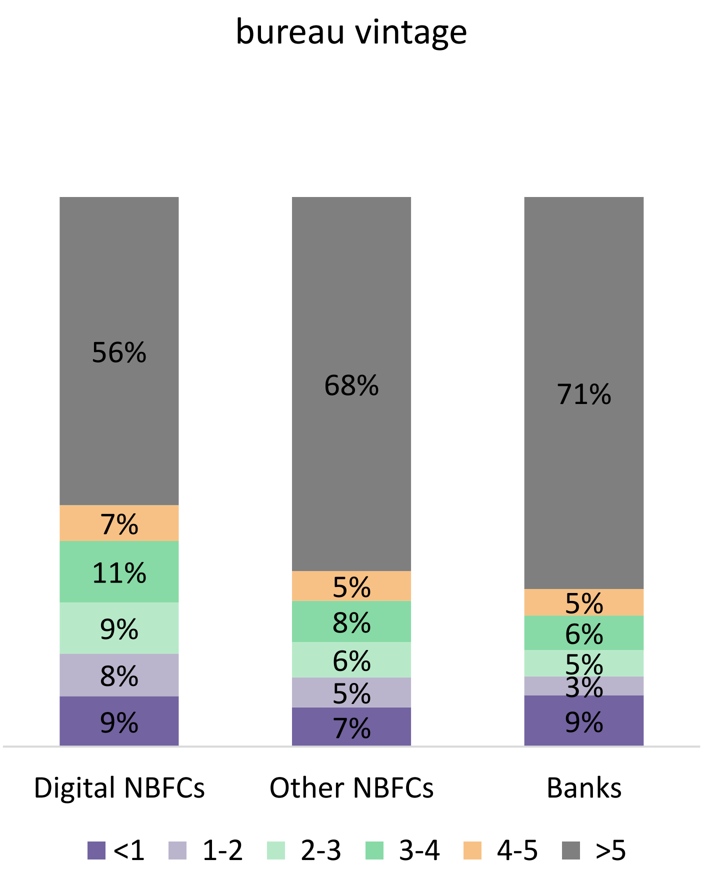
ticket sizes, Rs Q1 FY 25-26

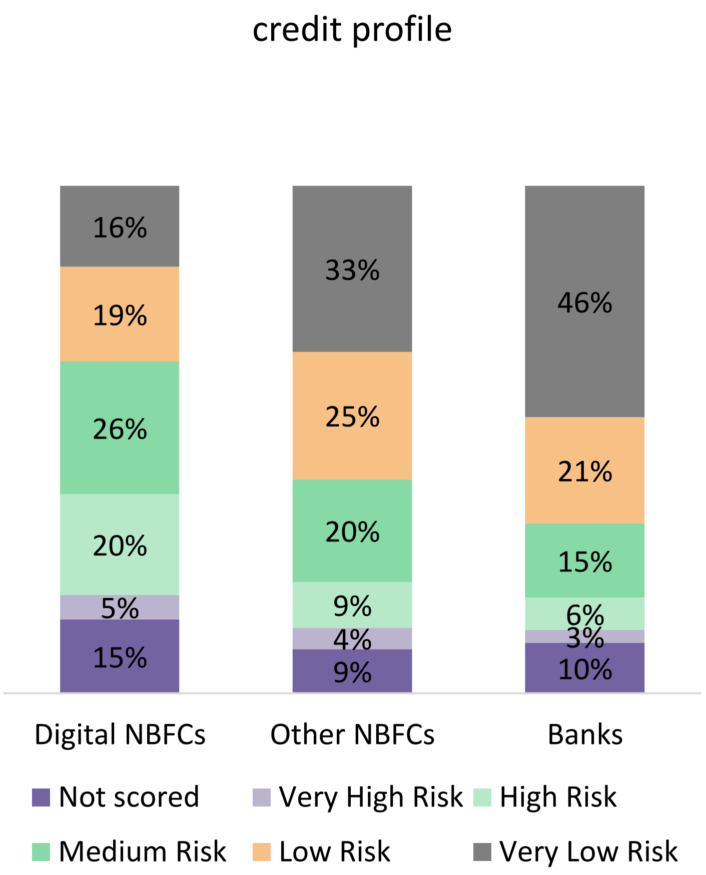


avg ticket size = sanction value/sanction volume

Digital loan customers are younger, with over 60% coming from the age bracket < 35 years. 44% of loans are to customers who have a bureau vintage of < 5 years and 60% to customers having a mid-low risk profile.

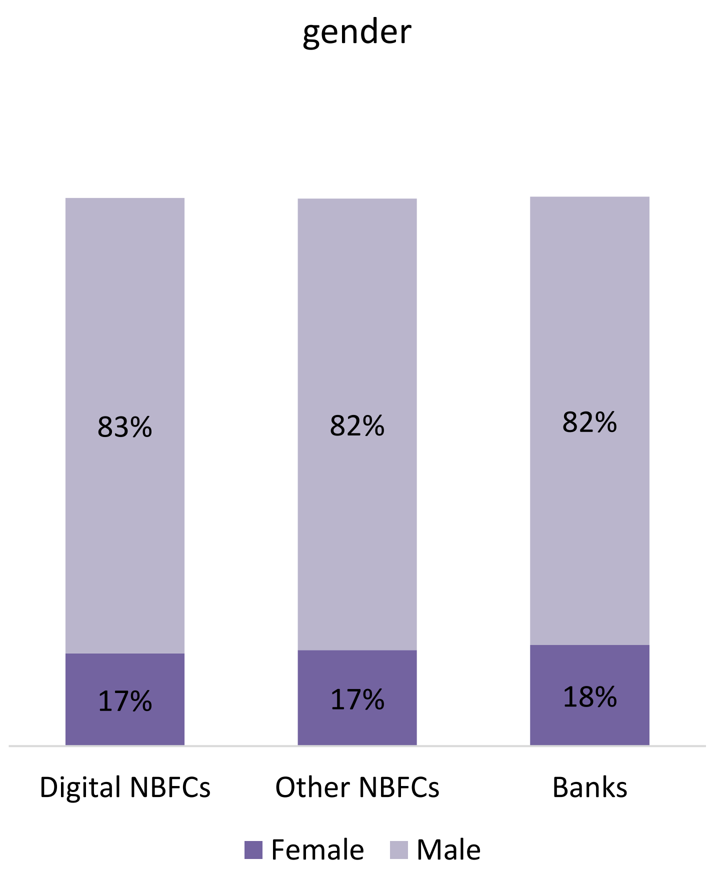


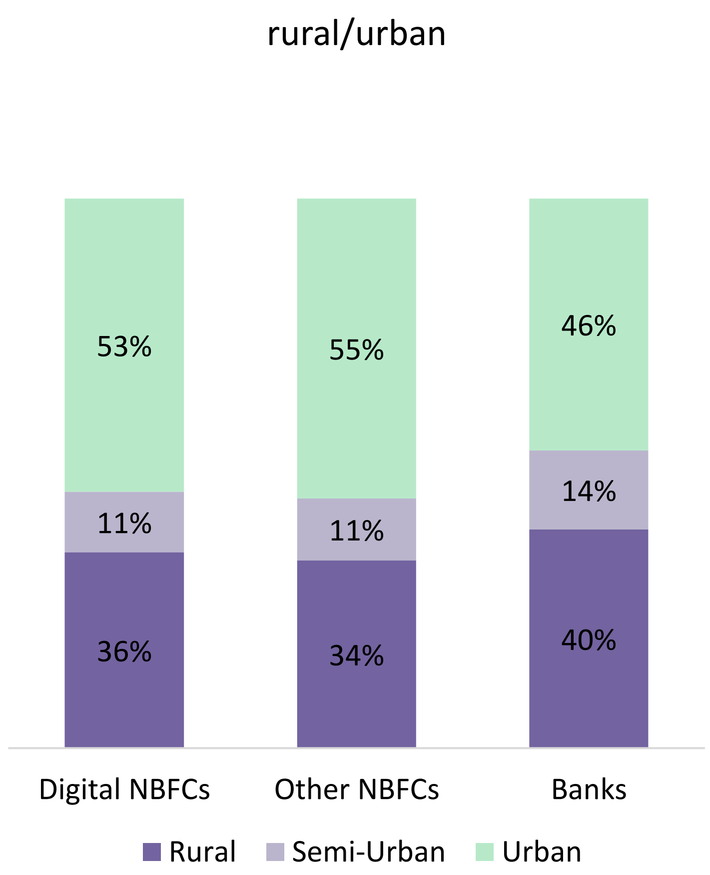


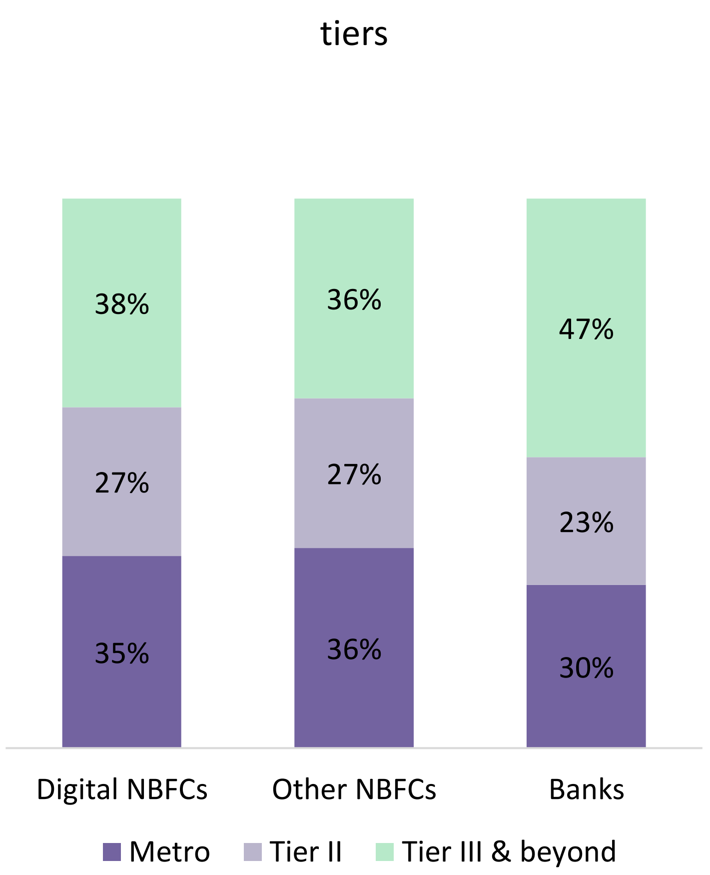


share in sanction value for Q1 FY 25-26, age and bureau vintage in years.

The composition of gender and location for personal loans by Digital NBFCs is not significantly different from that of their peer. This presents scope to diversify and expand by offering suitable products.



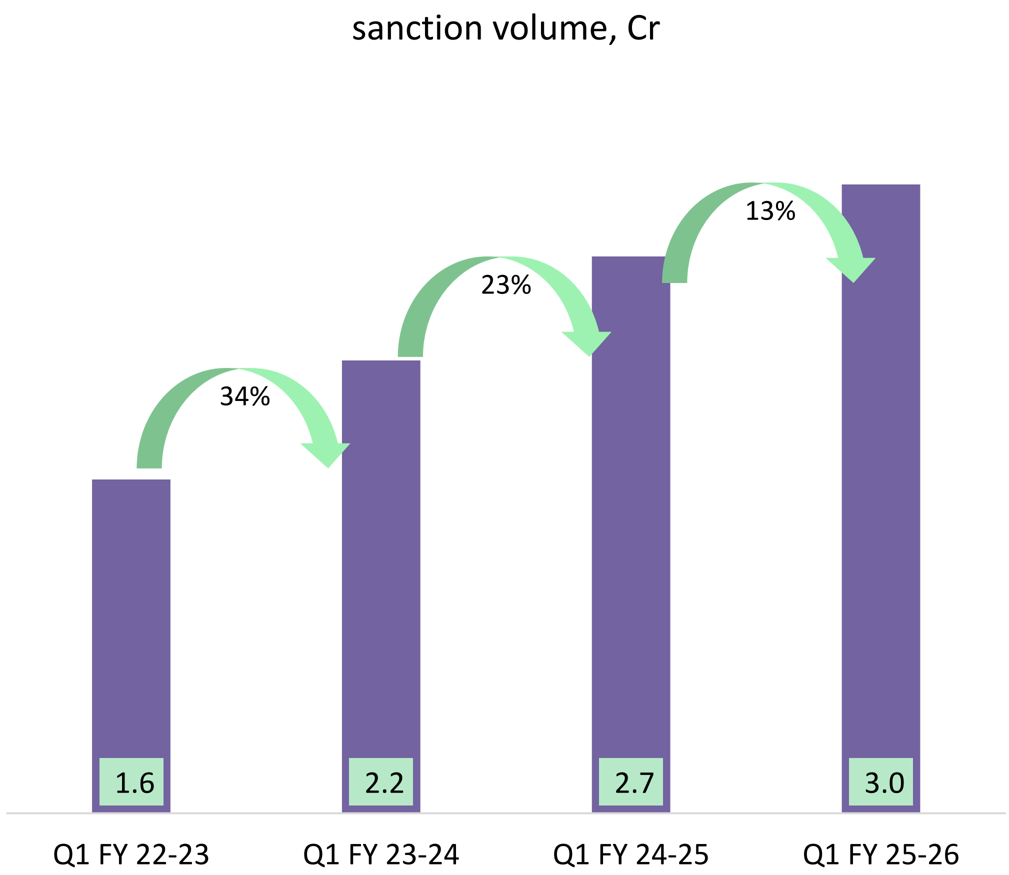


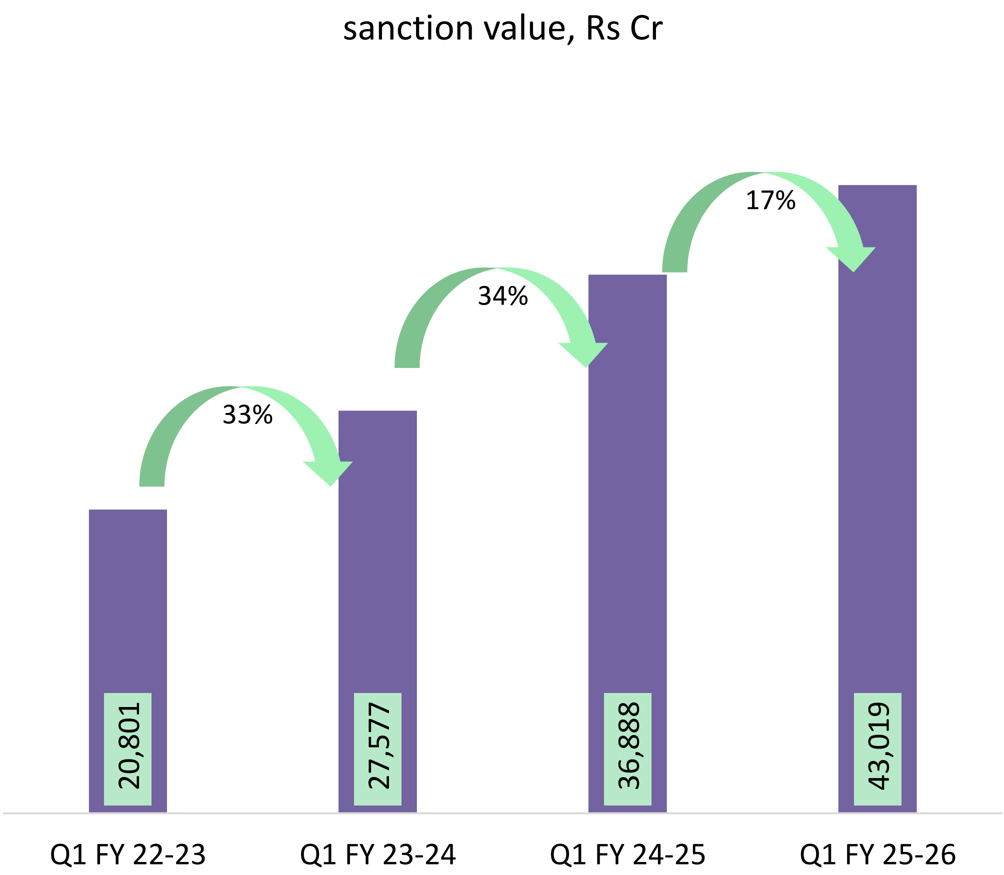


share in sanctioned value for Q1 FY 25-26

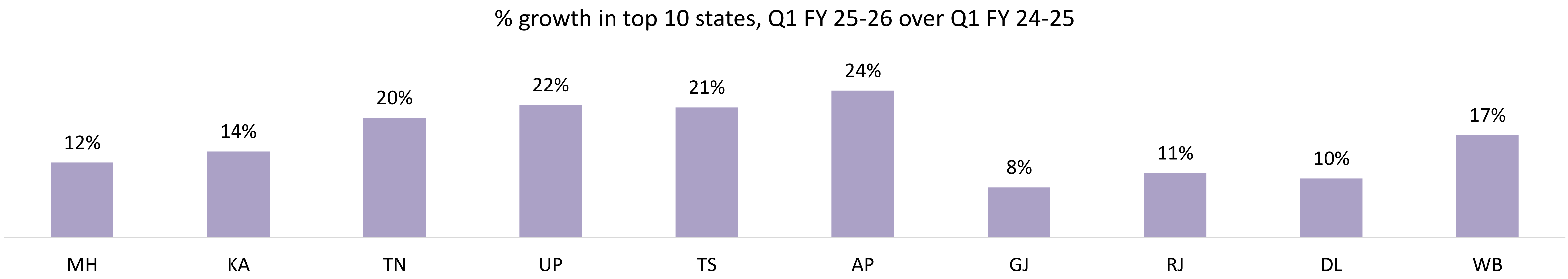
Part 2: digital personal loans

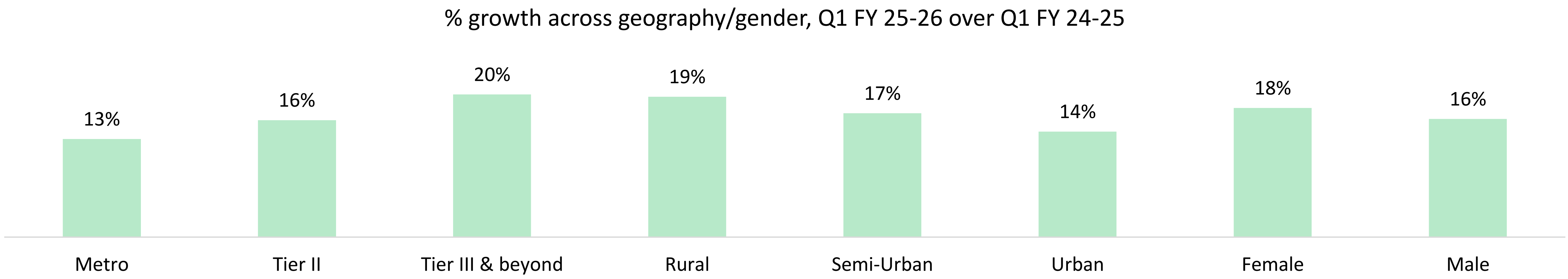
The growth rate of the sanctions is moderating over time. In Q1 FY 2025-26, the sanction volume and value increased by 13% and 17%, respectively.



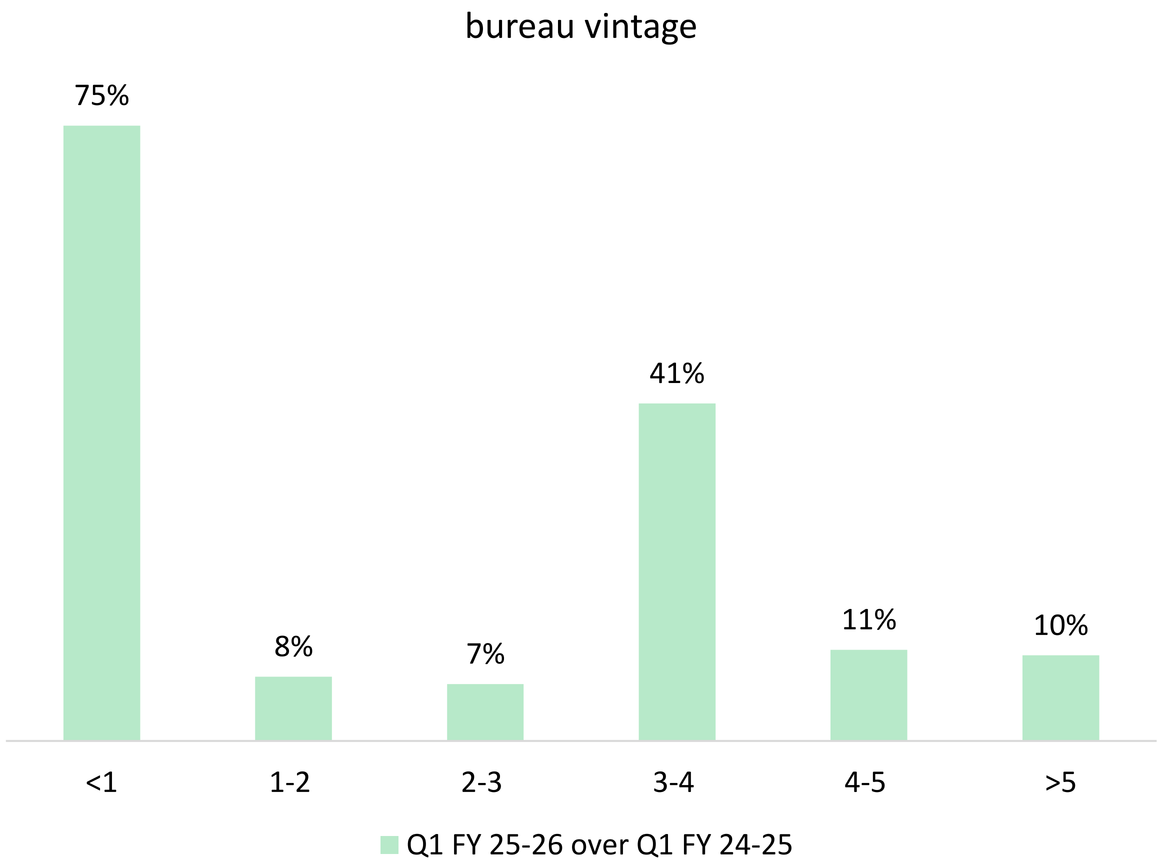


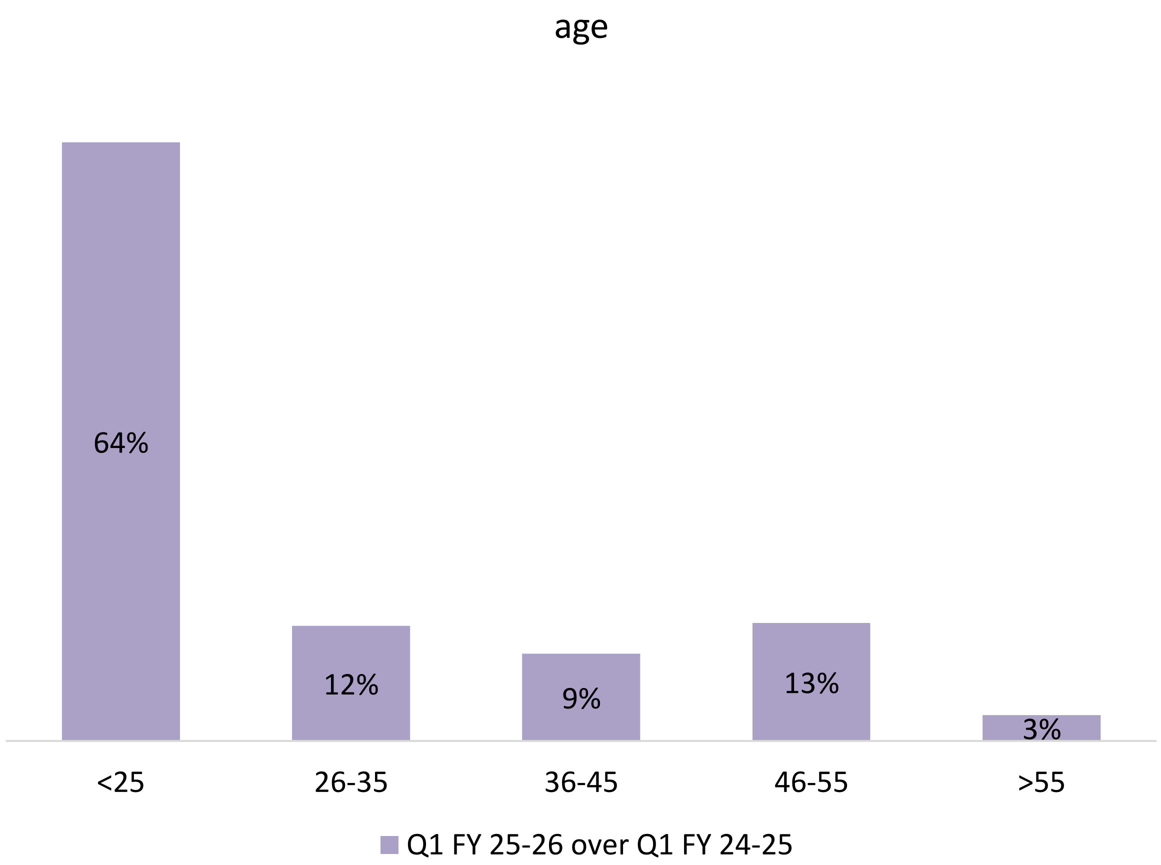
The chart below show change in sanction value in Q1 FY 25-26 over Q1 FY 24-25 across top 10 states, geography and gender.





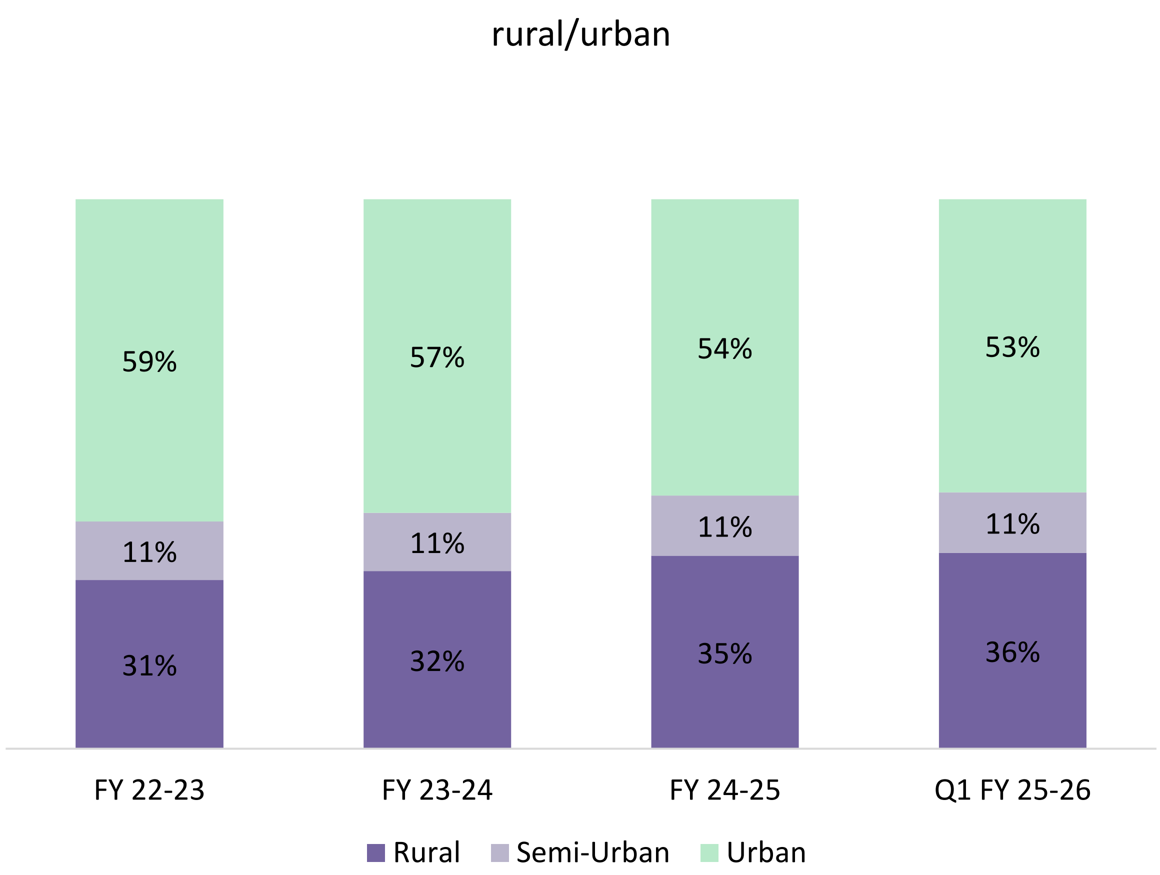
The growth rate across bureau vintage and age for digital NBFCs is shown in the charts below. The growth is significantly higher among low-bureau vintage and younger customers.

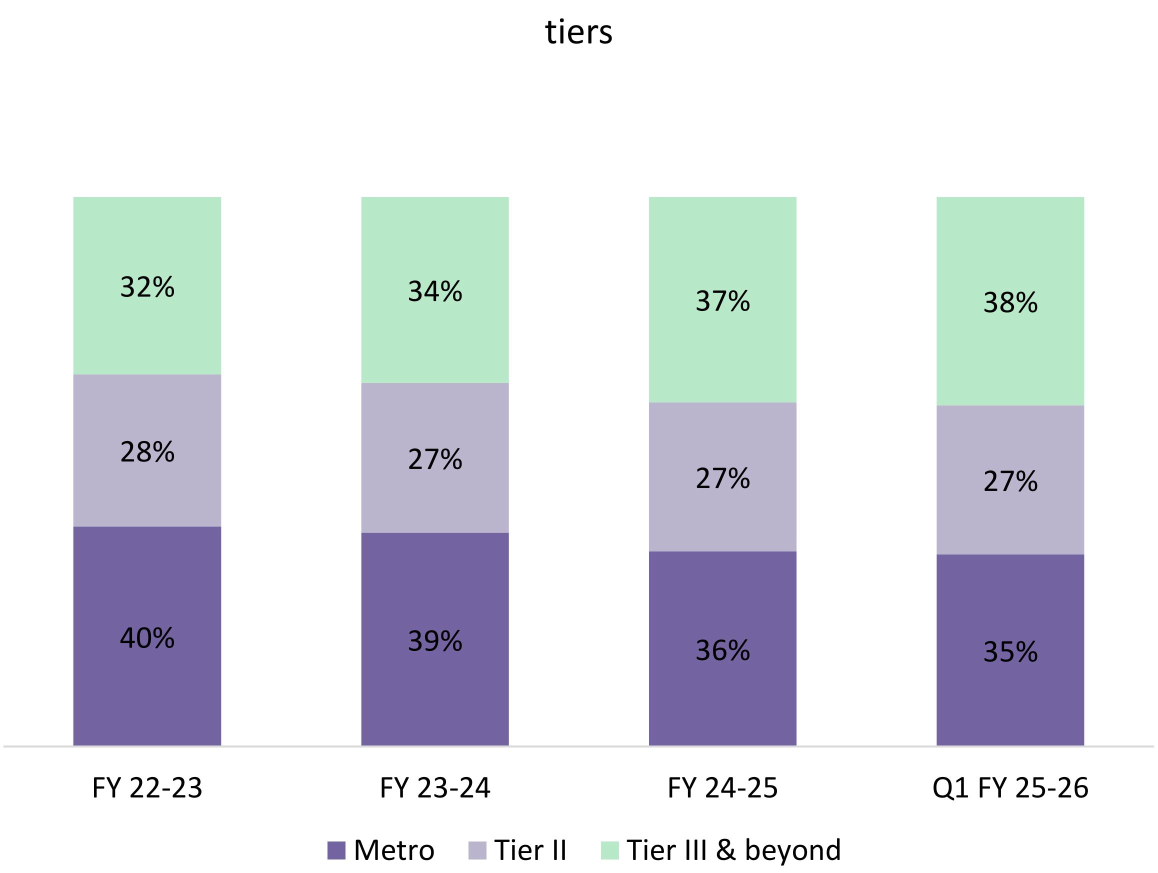




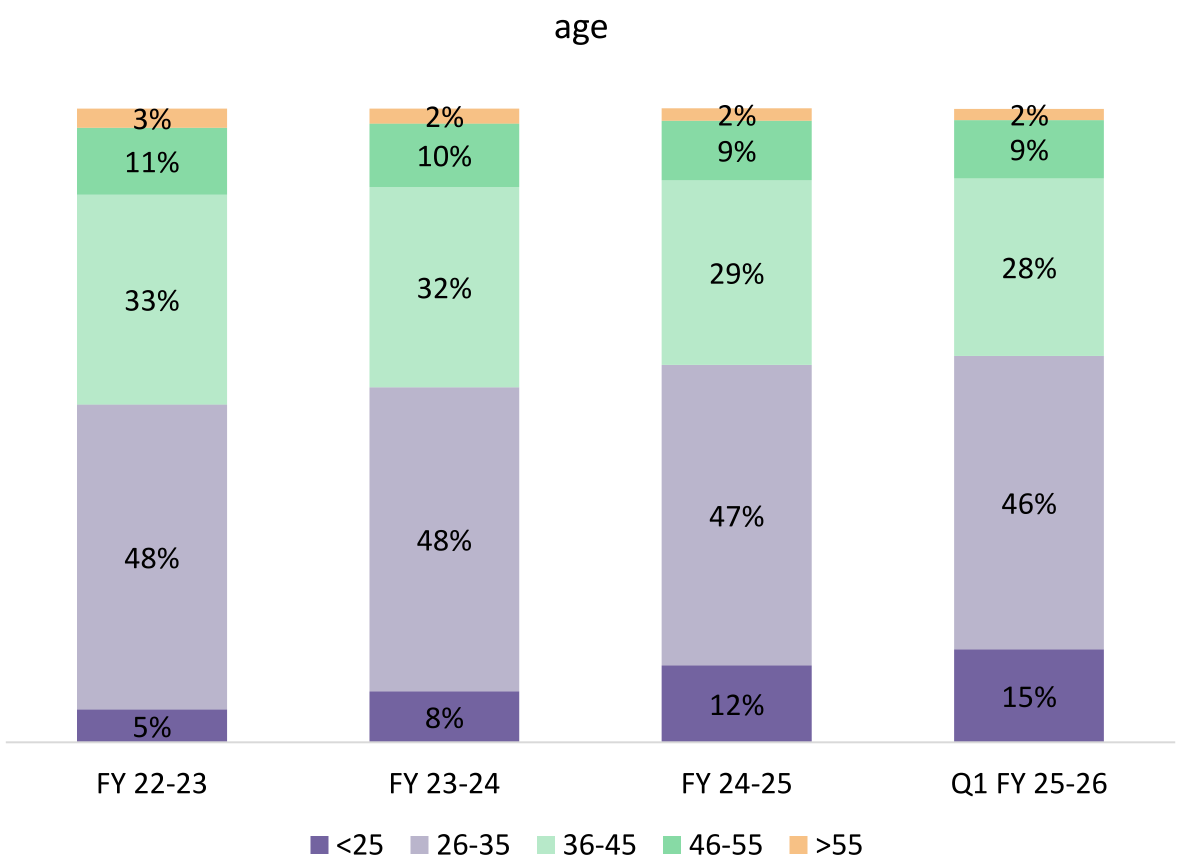
Bureau vintage and age in years

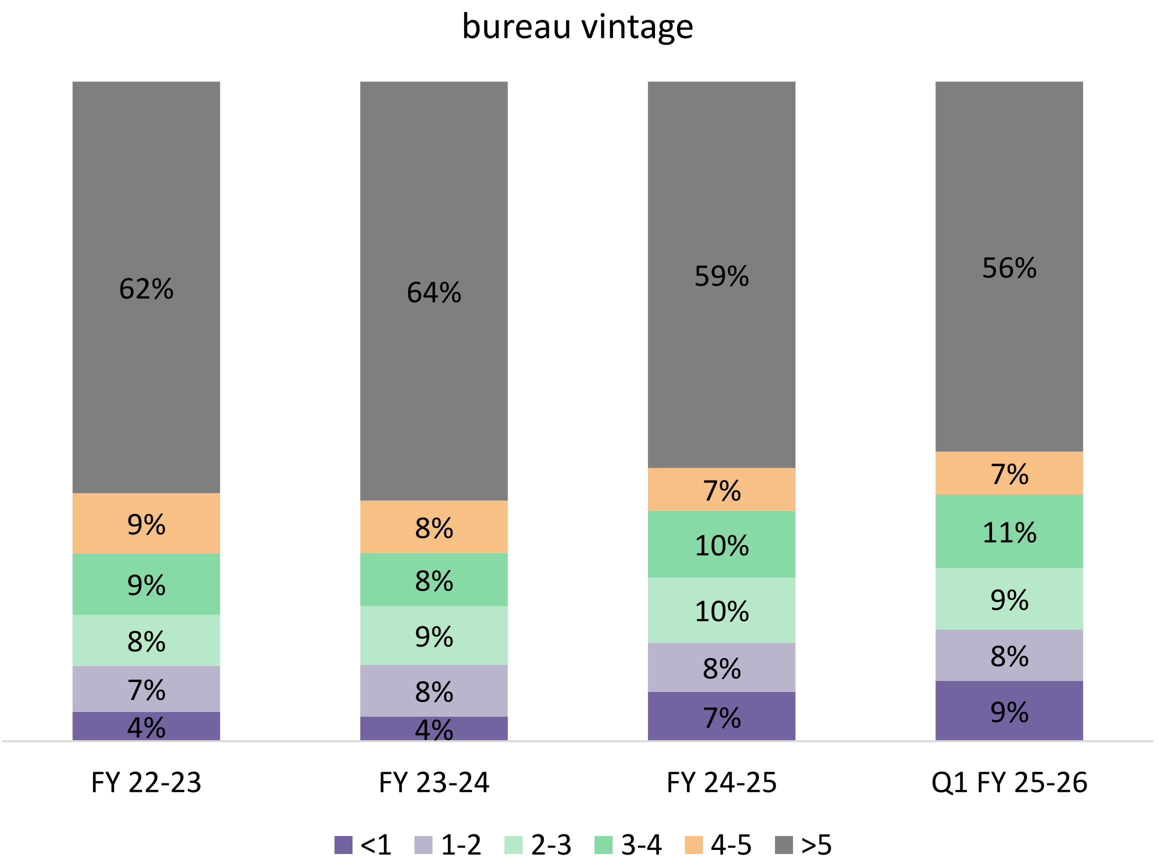
The share of customers from rural areas is marginally increasing, although they are less likely to reside there. We note that a) mapping of rural/urban is based on the 2011 census and is not truly reflective of the current reality of urbanisation, and b) many new urban migrants submit permanent home addresses in rural areas. Most customers belong to Tier III and beyond.





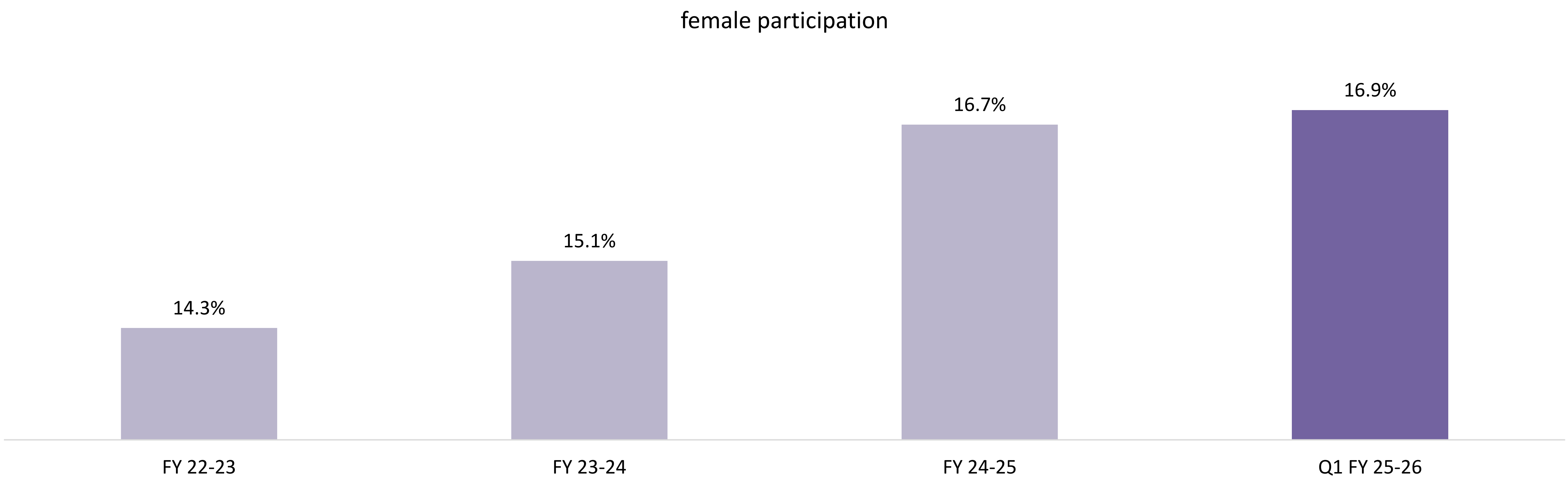
For young customers, Digital lending is the choice, with two-thirds of loan sanction value to customers aged <35 years. Digital lending's ability to meet the opportunities presented by credit demand for current and future needs holds enormous promise for responsible and sustainable growth over the long term.





share on sanction value, bureau vintage and age in years

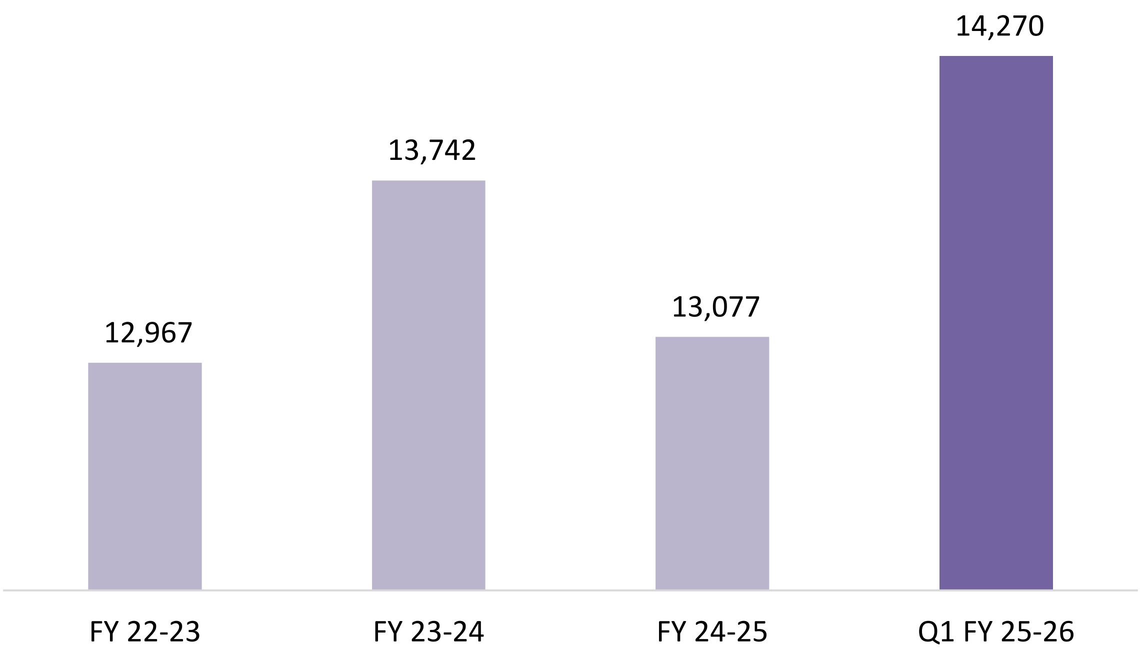
Female participation is gradually improving in the Digital personal loan market.



share on sanction value

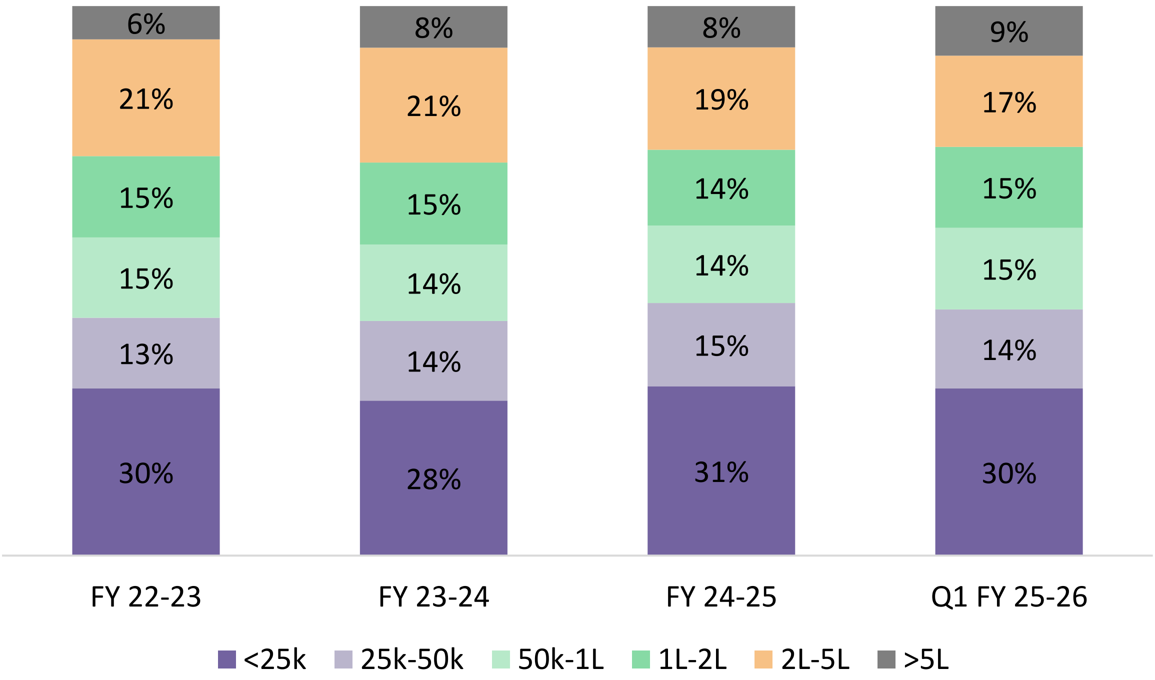
At an aggregated level, the average ticket size is hovering around Rs 12k-14k, driven by a higher volume of small-value loans. There is a slight variation across the top states. However, the overall composition of Digital loans is more diverse and spread in different ticket sizes. As compared to FY 24-25, the average ticket size in Q1 FY 25-26 has increased marginally by ~10%

average ticket size, Rs

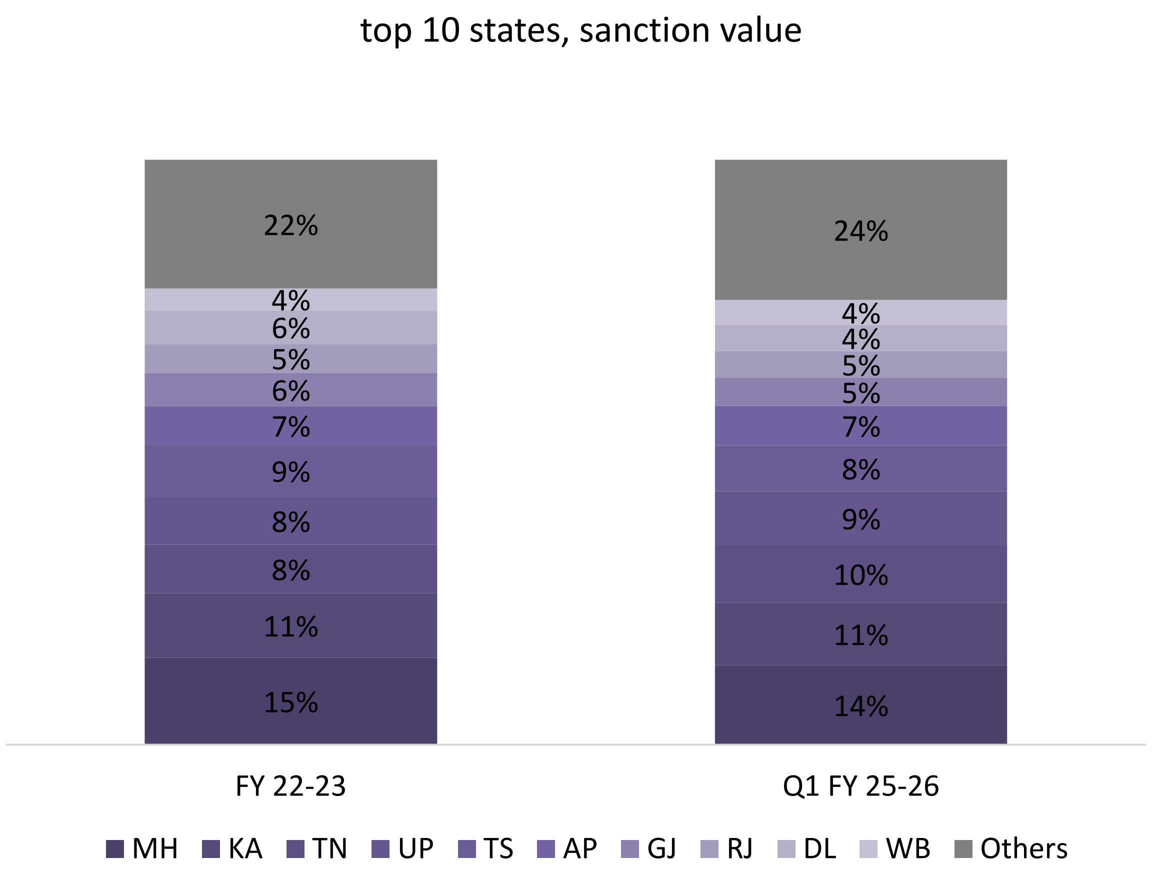


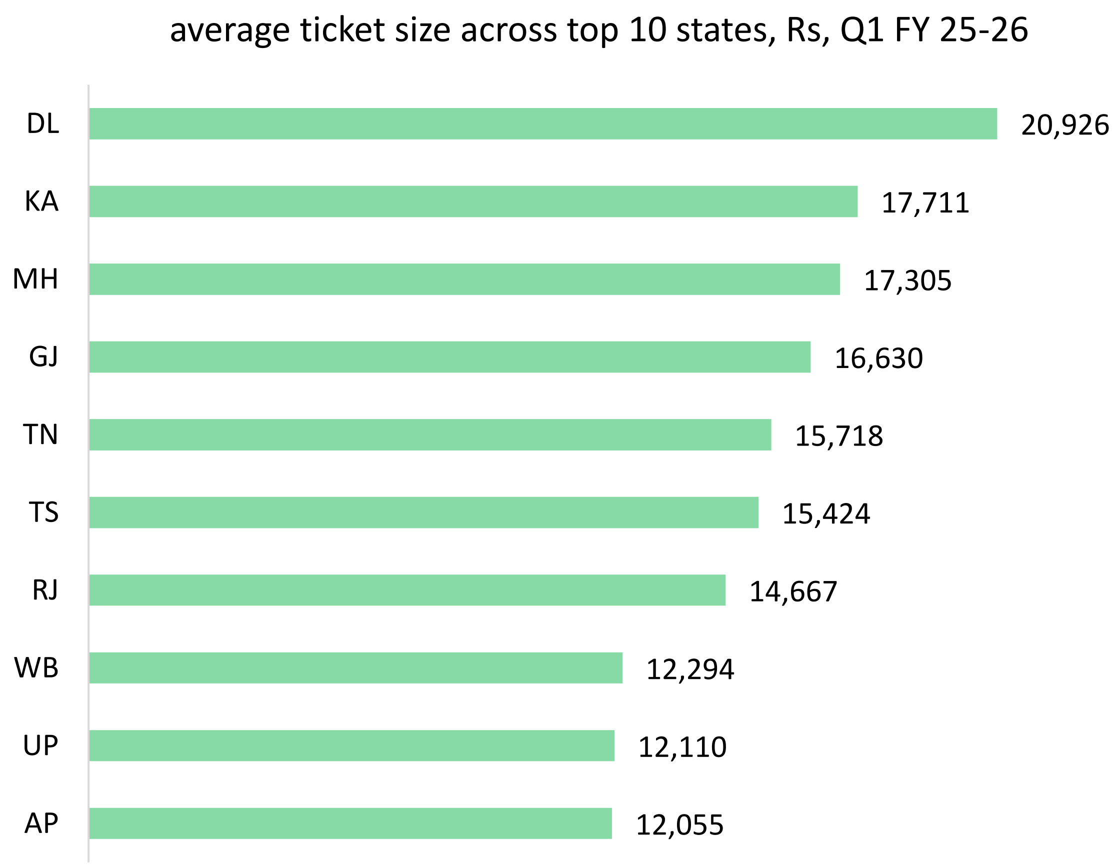
avg ticket size = sanction value/sanction volume

ticket sizes, Rs

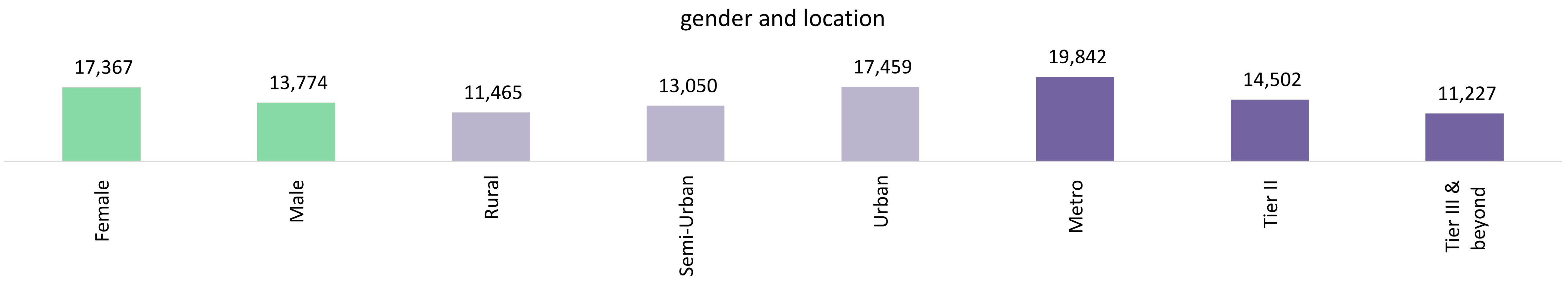


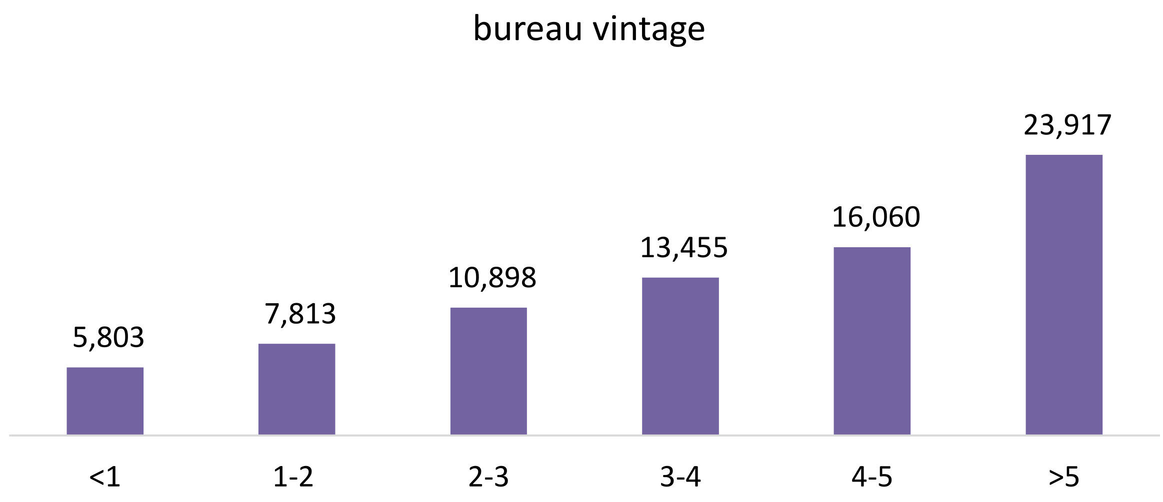
Charts below show loan sanctions and average ticket size across states.

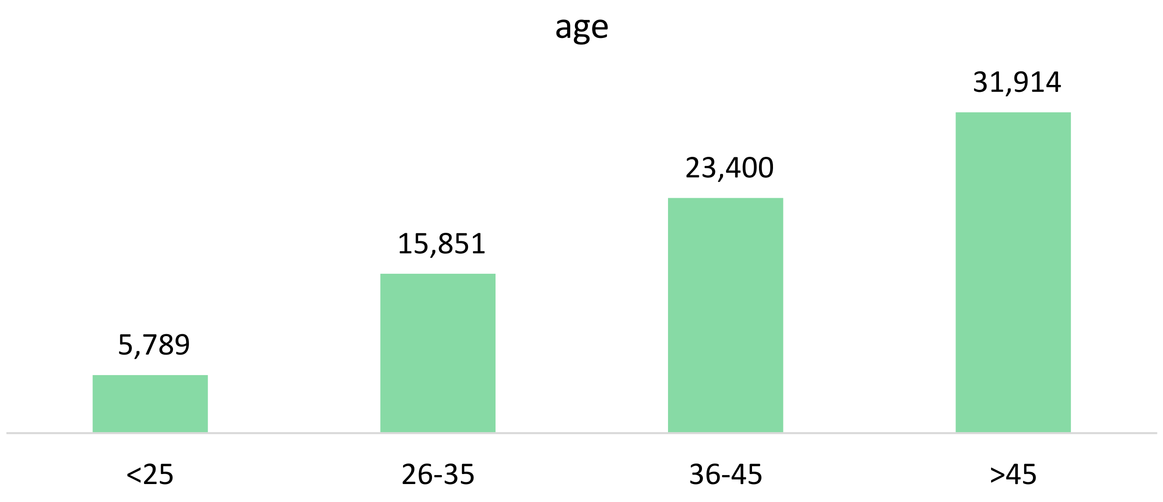




The average ticket size for Q1 FY 25-26 varies across demographics and customer vintage. It is higher for female, urban, and metro customers and increases linearly with age and vintage.

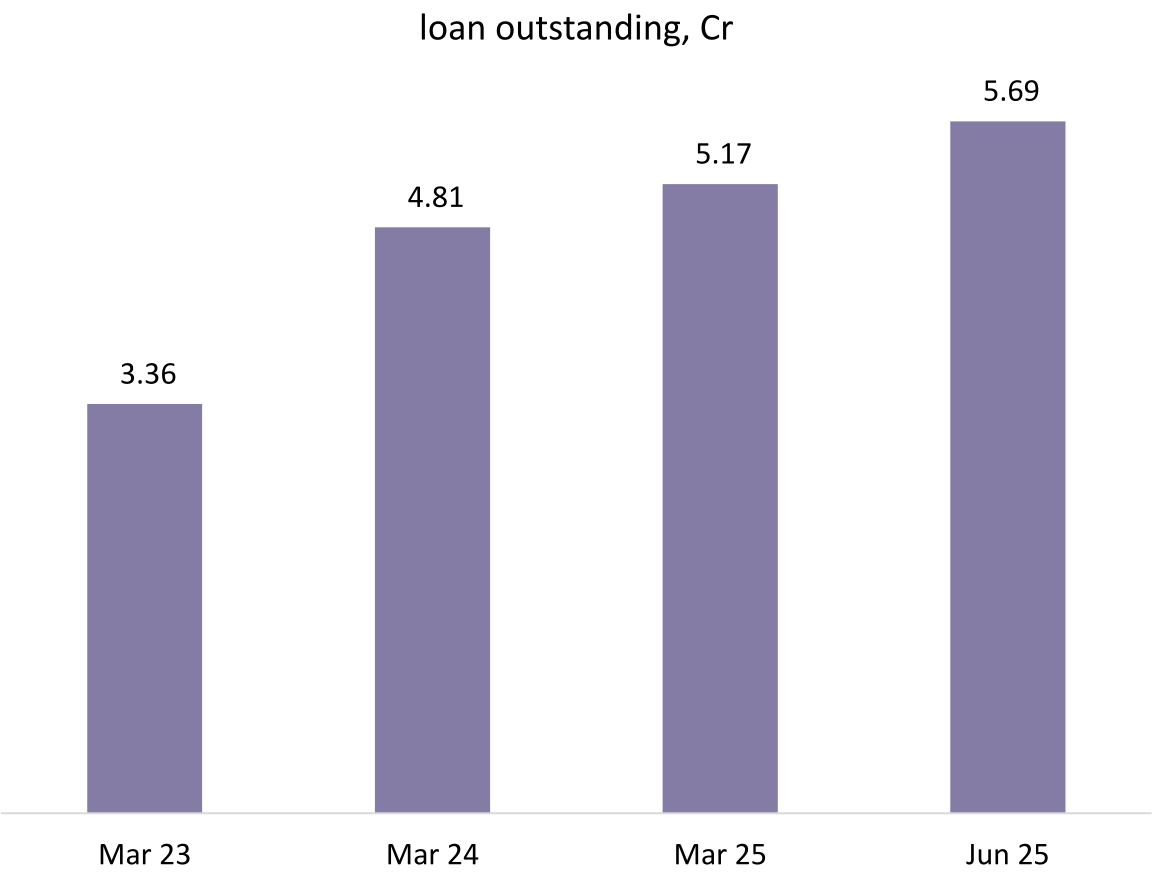


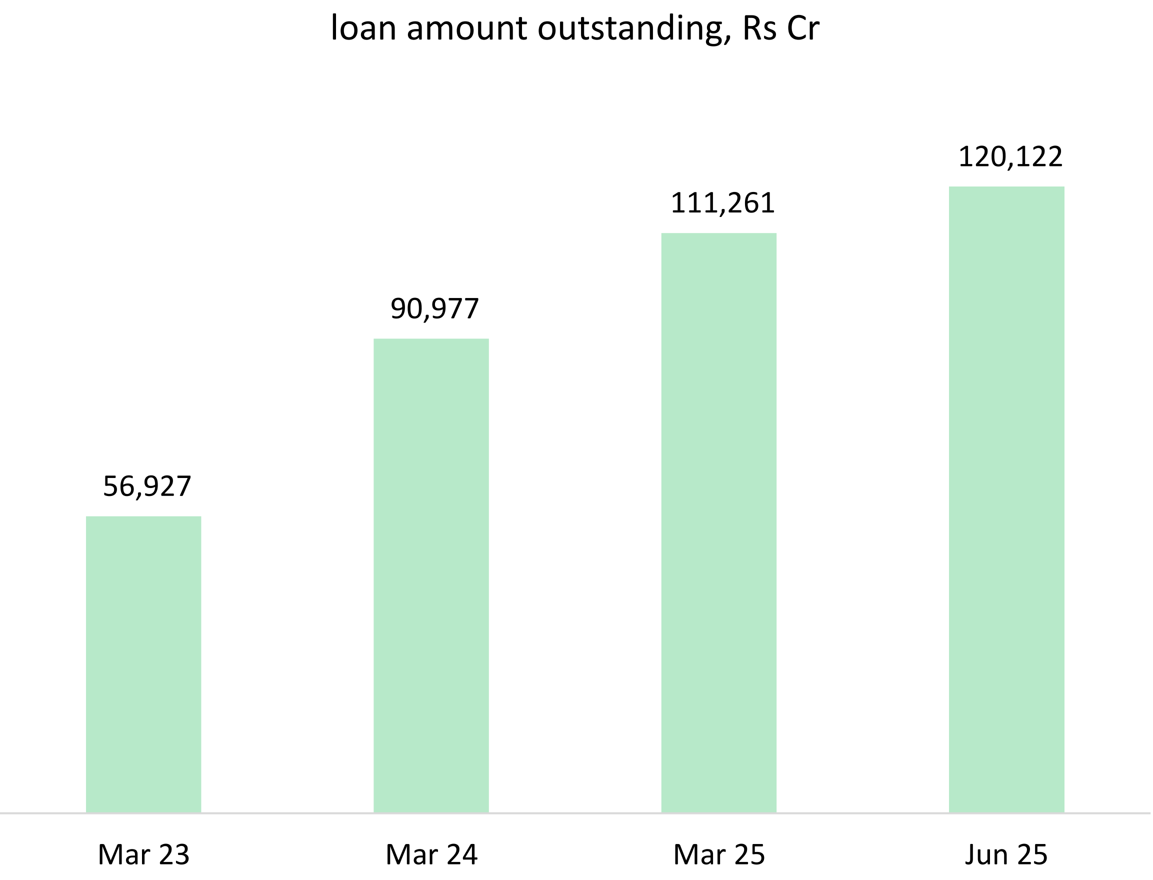




bureau vintage and age in years

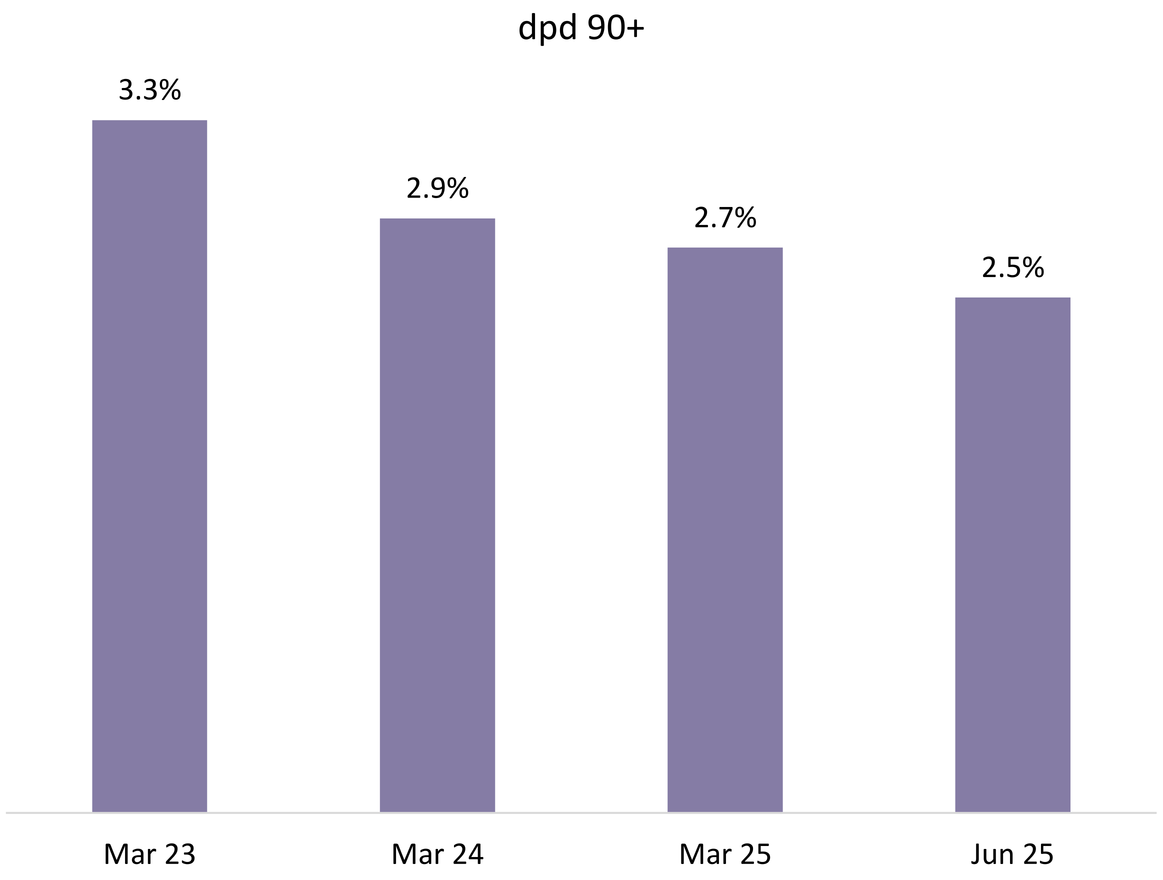
As of Jun 25, the Digital personal loan volume is 5.69 Cr with an outstanding value of Rs 1.20 Lakh Cr

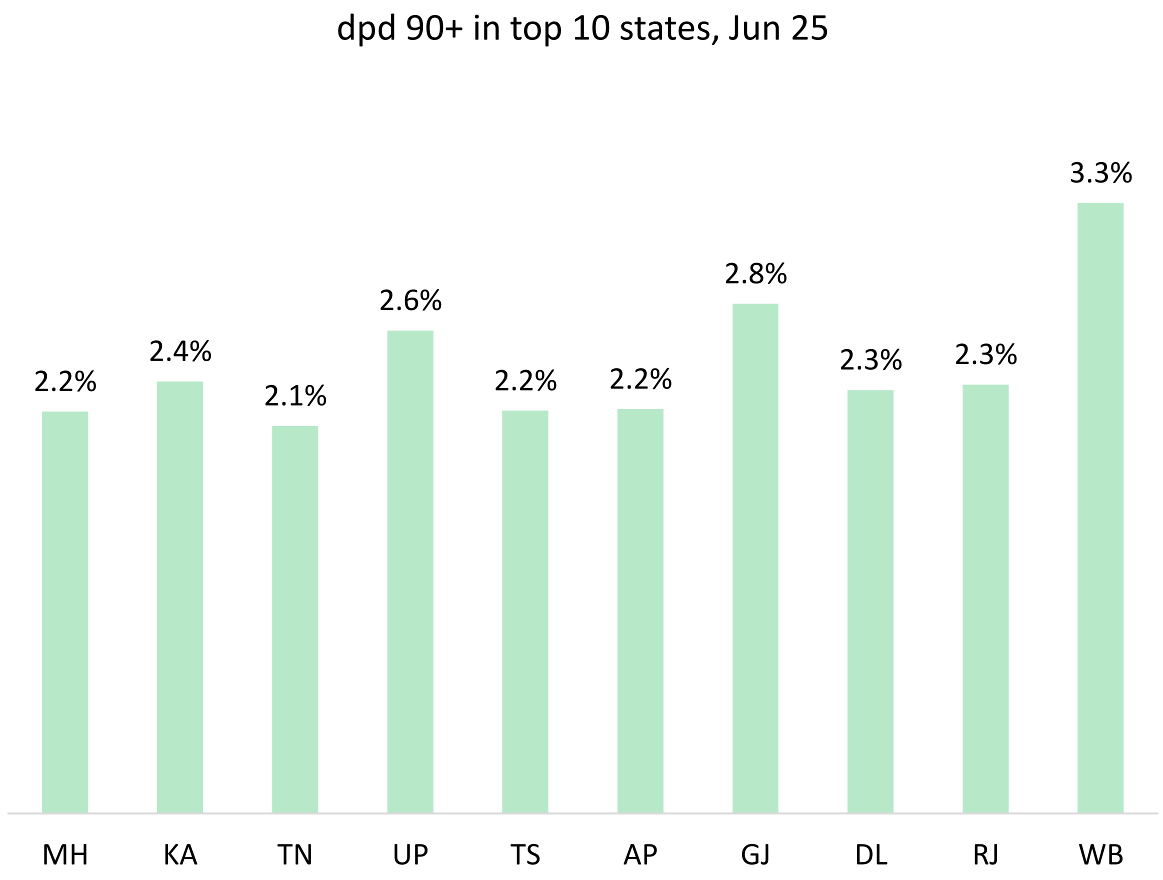




Loan amount outstanding includes 180+ portfolio

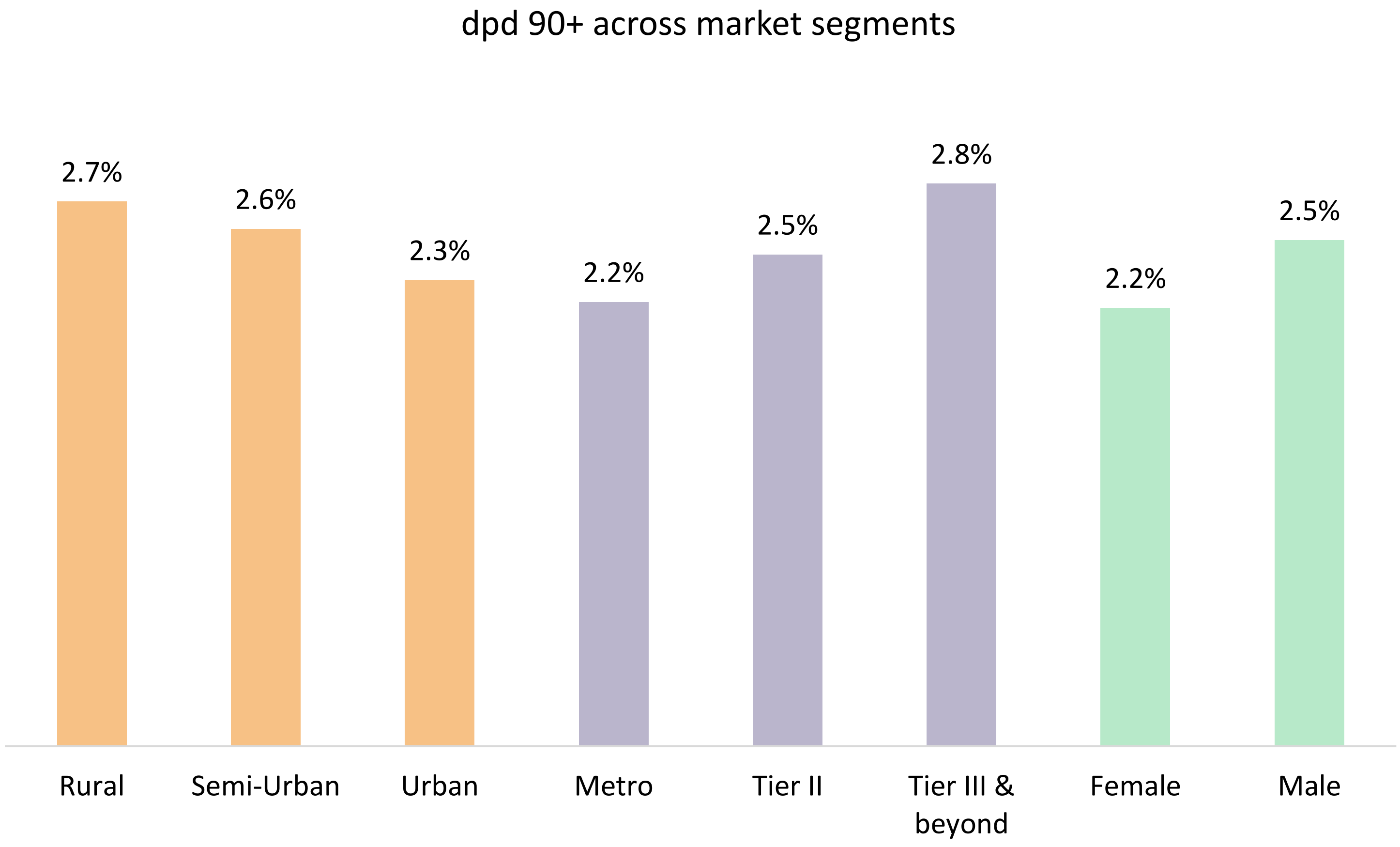
Overall, the portfolio quality (dpd 90+) is improving consistently and stands at 2.5%.

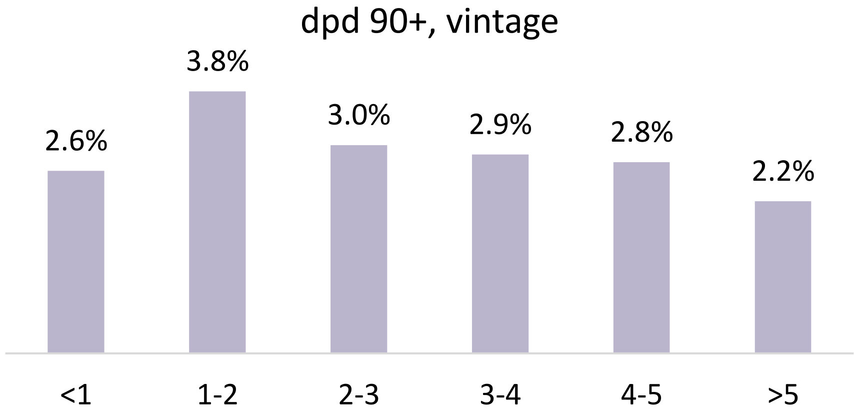


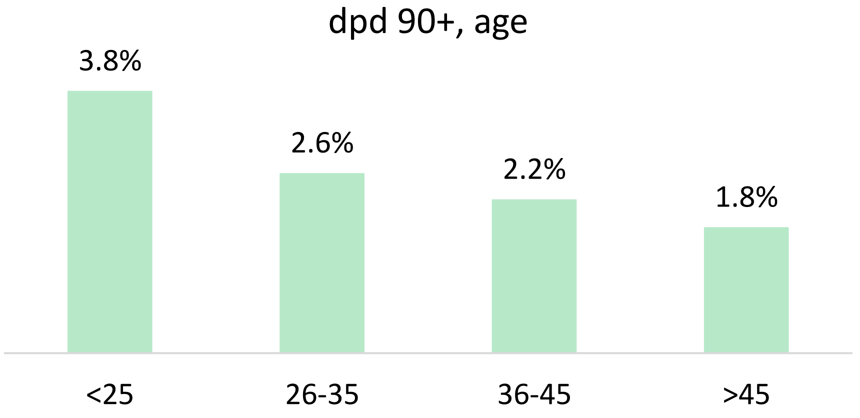


dpd 90+% = loan outstanding (90 to 180 dpd)/loan outstanding (0 to 180 dpd). Top 10 states based on sanction value in Q1 FY 25-26.

Portfolio quality varies across market segments, as shown in the chart below.







bureau vintage and age in years

Part 3: annexures

1: personal loan market, sanctions in Q1 FY 25-26

Q1 FY 25-26	volume, Cr	value, Rs Cr	avg sanction value per loan, Rs	share in volume	share in value
Digital NBFCs	3.0	43,019	14,270	80%	20%
Other NBFCs	0.5	48,912	107,536	12%	22%
Banks	0.3	127,973	444,090	8%	58%
Total	3.8	219,903	58,522	100%	100%

2: personal loan market, loan outstanding, Jun 25

	volume, Cr	value, Rs Cr	avg outstanding per loan, Rs	volume	value
Digital NBFCs	5.69	120,122	21,126	47%	8%
Other NBFCs	2.47	256,703	104,031	21%	17%
Banks	3.85	1,117,594	290,656	32%	75%
Total	12.00	1,494,419	138,605	100%	100%

Loan amount outstanding includes 180+ portfolio

3: loan outstanding volume, Cr

	Digital NBFCs	Other NBFCs	Banks	Total
Mar 23	3.36	1.60	4.32	9.29
Mar 24	4.81	2.53	5.08	12.43
Mar 25	5.17	2.34	3.70	11.21
Jun 25	5.69	2.47	3.85	12.00

4: loan outstanding value, Rs Cr

	Digital NBFCs	Other NBFCs	Banks	Total
Mar 23	56,927	147,387	865,535	1,069,849
Mar 24	90,977	211,859	1,036,690	1,339,526
Mar 25	111,261	239,689	1,088,276	1,439,226
Jun 25	120,122	256,703	1,117,594	1,494,419

5: sanction volume, Cr

	Digital NBFCs	Other NBFCs	Banks	Total
Q1 FY 22-23	1.60	0.37	0.42	2.39
Q1 FY 23-24	2.17	0.63	0.42	3.23
Q1 FY 24-25	2.67	0.35	0.30	3.32
Q1 FY 25-26	3.01	0.45	0.29	3.76

6: sanction value, Rs Cr

	Digital NBFCs	Other NBFCs	Banks	Total
Q1 FY 22-23	20,801	26,435	123,127	170,362
Q1 FY 23-24	27,577	40,565	134,294	202,435
Q1 FY 24-25	36,888	41,019	122,282	200,190
Q1 FY 25-26	43,019	48,912	127,973	219,903

7: average ticket size, Rs

	Digital NBFCs	Other NBFCs	Banks	Total
FY 22-23	12,967	71,148	318,298	72,618
FY 23-24	13,742	78,140	344,578	66,973
FY 24-25	13,077	109,934	444,324	60,065
Q1 FY 25-26	14,270	107,536	444,090	58,522

8: share across gender/rsu/tiers, sanctioned value Q1 FY 25-26

	Female	Rural	Semi-Urban	Urban	Metro	Tier II	Tier III & beyond
Digital NBFCs	17%	36%	11%	53%	35%	27%	38%
Other NBFCs	17%	34%	11%	55%	36%	27%	36%
Banks	18%	40%	14%	46%	30%	23%	47%
Total	18%	37%	12%	51%	34%	26%	40%

9: share across age (years), sanctioned value Q1 FY 25-26

	<25	26-35	36-45	>45	Total
Digital NBFCs	15%	46%	28%	11%	100%
Other NBFCs	5%	38%	37%	20%	100%
Banks	4%	36%	32%	28%	100%
Total	6%	38%	32%	23%	100%

10: share across bureau vintage (years), sanction value Q1 FY 25-26

	<1	1-2	2-3	3-4	4-5	>5	Total
Digital NBFCs	9%	8%	9%	11%	7%	56%	100%
Other NBFCs	7%	5%	6%	8%	5%	68%	100%
Banks	9%	3%	5%	6%	5%	71%	100%
Total	9%	5%	6%	8%	5%	68%	100%

11: share across credit profile, sanction value Q1 FY 25-26

	Not scored	Very High Risk	High Risk	Medium Risk	Low Risk	Very Low Risk	Total
Digital NBFCs	15%	5%	20%	26%	19%	16%	100%
Other NBFCs	9%	4%	9%	20%	25%	33%	100%
Banks	10%	3%	6%	15%	21%	46%	100%
Total	11%	4%	12%	20%	22%	31%	100%

12: share across ticket size (Rs), sanction value Q1 FY 25-26

	<25k	25k-50k	50k-1L	1L-2L	2L-5L	>5L	Total
Digital NBFCs	31%	15%	14%	14%	19%	8%	100%
Other NBFCs	3%	5%	14%	19%	25%	34%	100%
Banks	0%	1%	2%	6%	20%	71%	100%
Total	11%	7%	10%	13%	21%	37%	100%

Fintech Association for Consumer Empowerment (FACE) is the RBI-recognised Self-Regulatory Organisation in the FinTech sector (SRO-FT). Currently comprised of over 275 members, 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.

Previous reports may be accessed here. For clarification/suggestions on the report and membership inquiry, please reach us at teamface@faceofindia.org

Subscribe to the FACE monthly digest Cube for the latest on the FinTech ecosystem and more.