FACE

Digital Personal Loans
Sep 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 Sep 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 19% of the personal loan market by sanction value, account for 80% of the sanction volume. 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 H1 FY 25-26, over 60% of sanction value went to young (< 35 years of age), 83% to males, and more than a third (about 39%) 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(~56%) coming from customers with ticket sizes > Rs 50k and bureau vintage of 5 years+ and mid-low credit risk.
- Loan amount outstanding as of Sep 2025 has increased by ~15% from Mar 2024, reaching Rs 1.20 Lakh Cr.
- Overall, the average ticket size is about Rs 15,177, but there is much diversity. The ticket size is higher for borrowing in metro/urban areas and increases with age and vintage, as expected.

Notes/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.

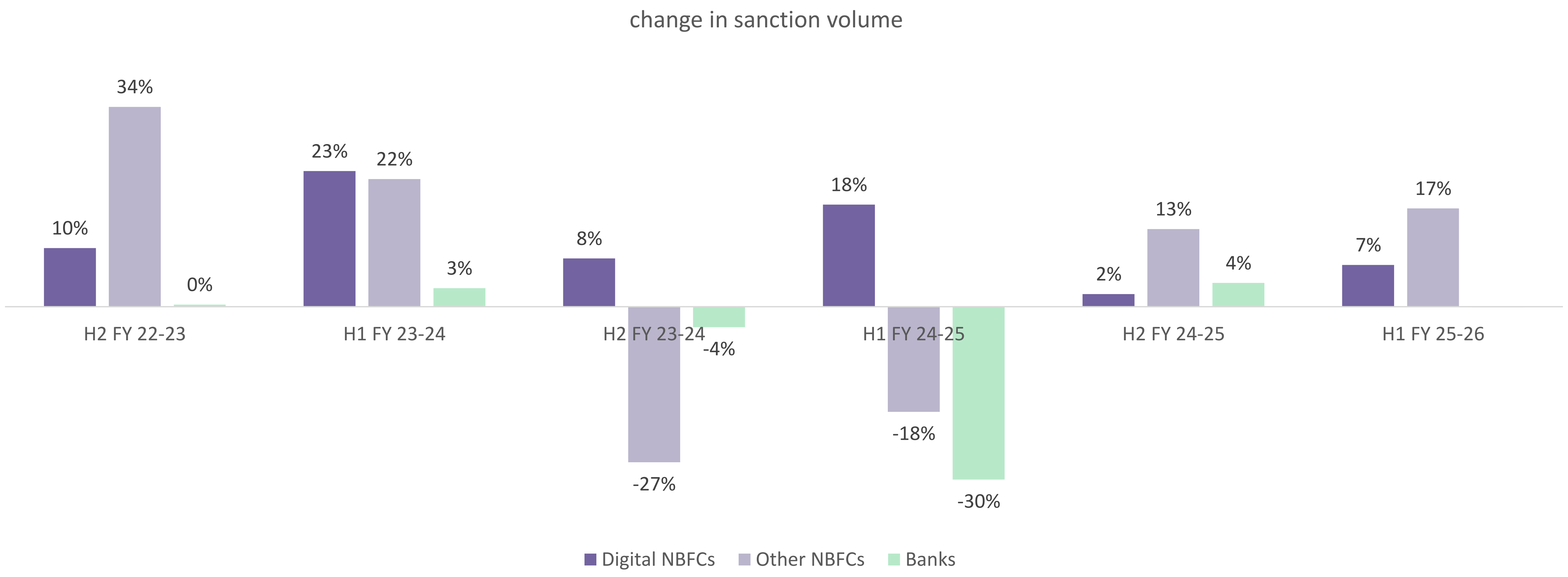
Avg	Average
dpd	Days past due
FY	Financial Year
LSP	Loan Service Provider
PAR	Portfolio at Risk
Pos	Portfolio outstanding
Q	A quarter of an FY
Rs	Rupee

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

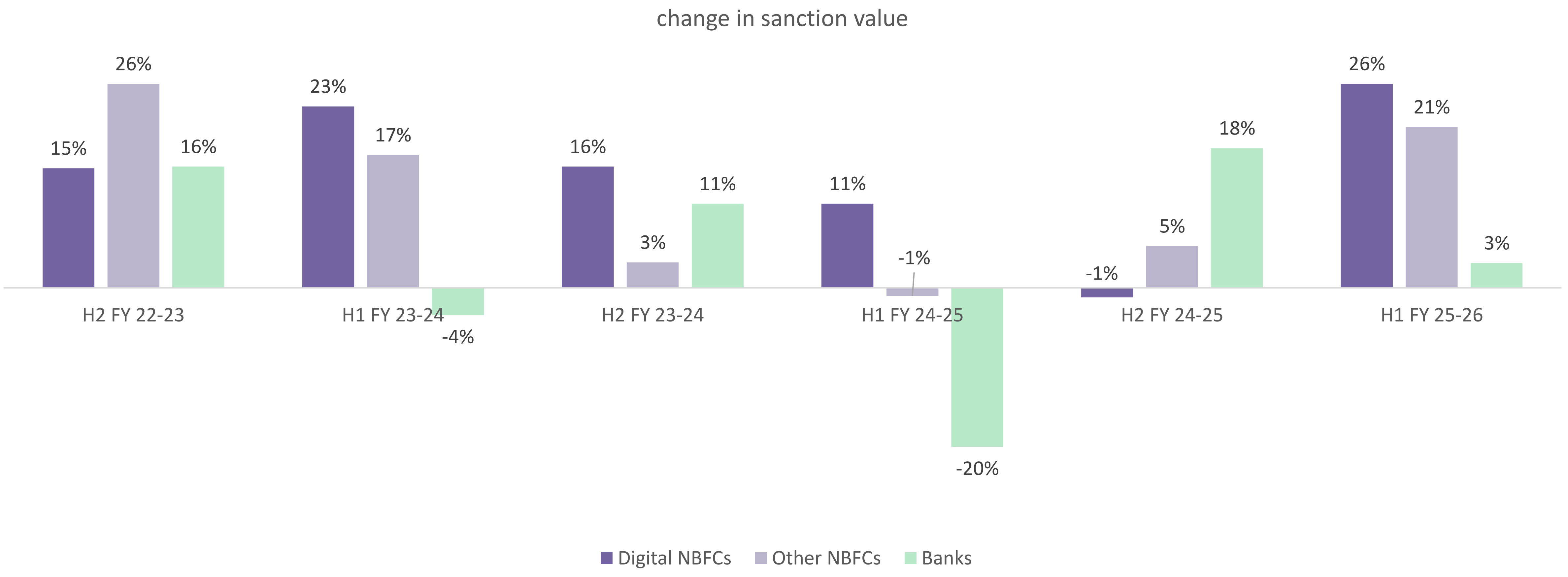
During H1 FY 25-26 ,the personal loan sanctions was about 8 Cr, totalling Rs 5.13 lakhs Cr. Digital NBFCs sanctioned 6.4 Cr loans amounting to Rs 97,381 Cr, with an average ticket size of Rs 15,177. Digital loans accounted for 19% of the sanction value and 80% of the sanction volume.

H1 FY 25-26 sanctions	volume, Cr	value, Rs Cr	avg sanction value per loan, Rs	share in volume	share in value
Digital NBFCs	6.4	97,381	15,177	80%	19%
Other NBFCs	1.0	107,590	108,701	12%	21%
Banks	0.6	308,632	485,519	8%	60%
Total	8.0	513,603	63,866	100%	100%

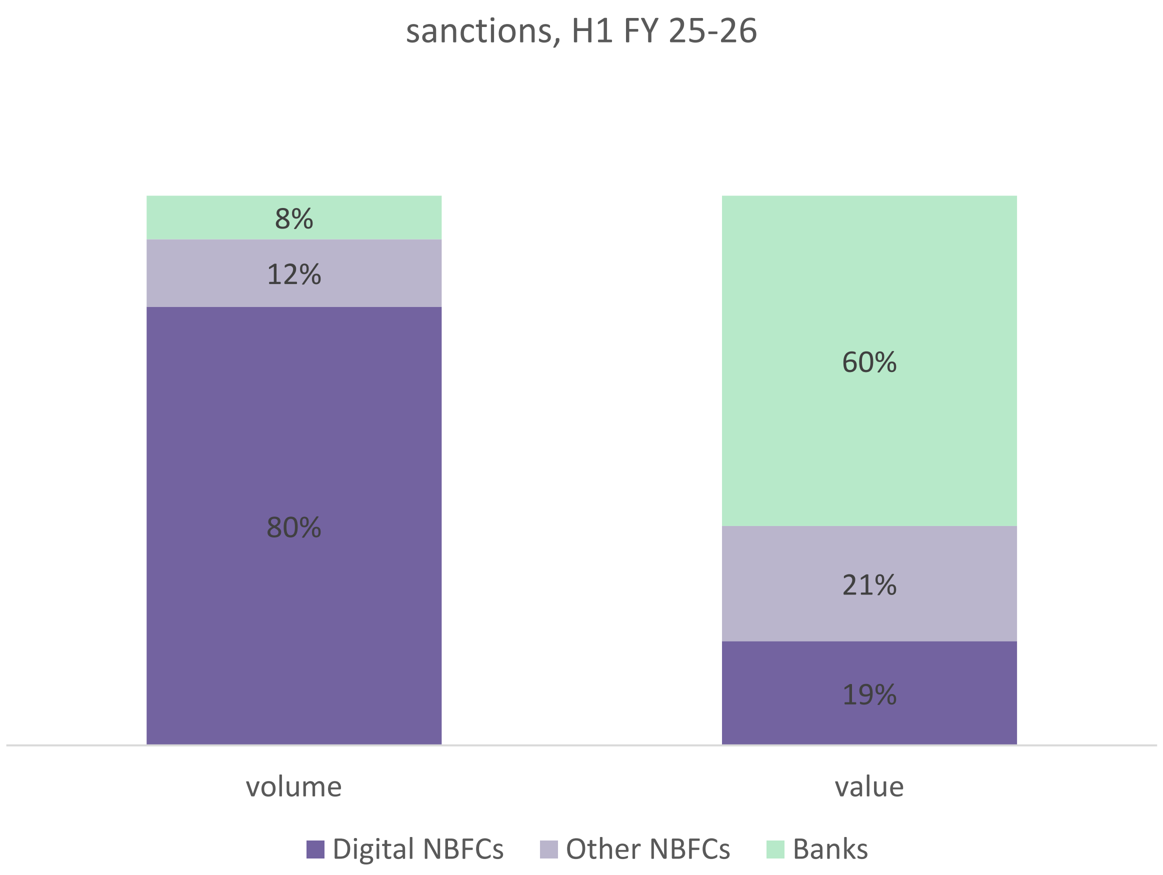
H-o-H change in digital loan volume shows a sustained growth trajectory for digital loans through digital NBFCs.

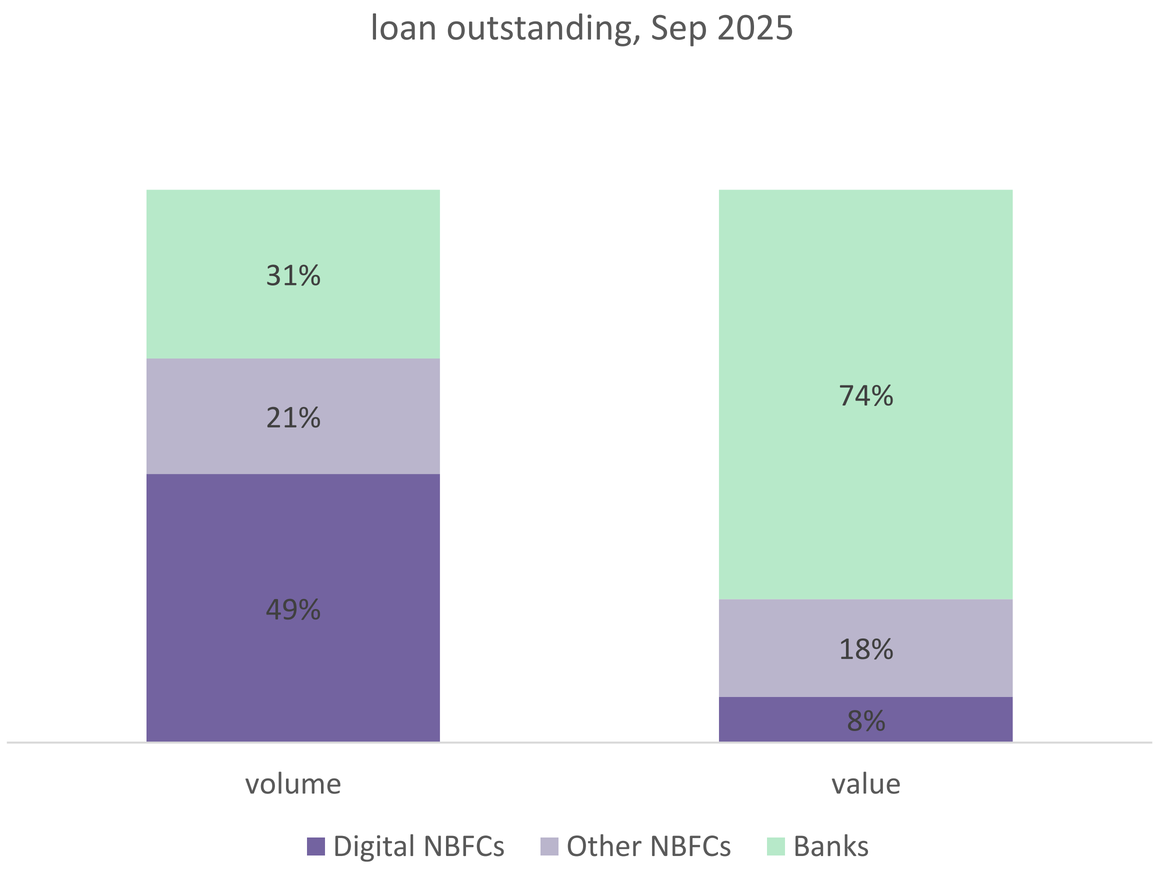


H-o-H change in digital loan value shows a positive growth trajectory, except degrowth in H2FY24-25.

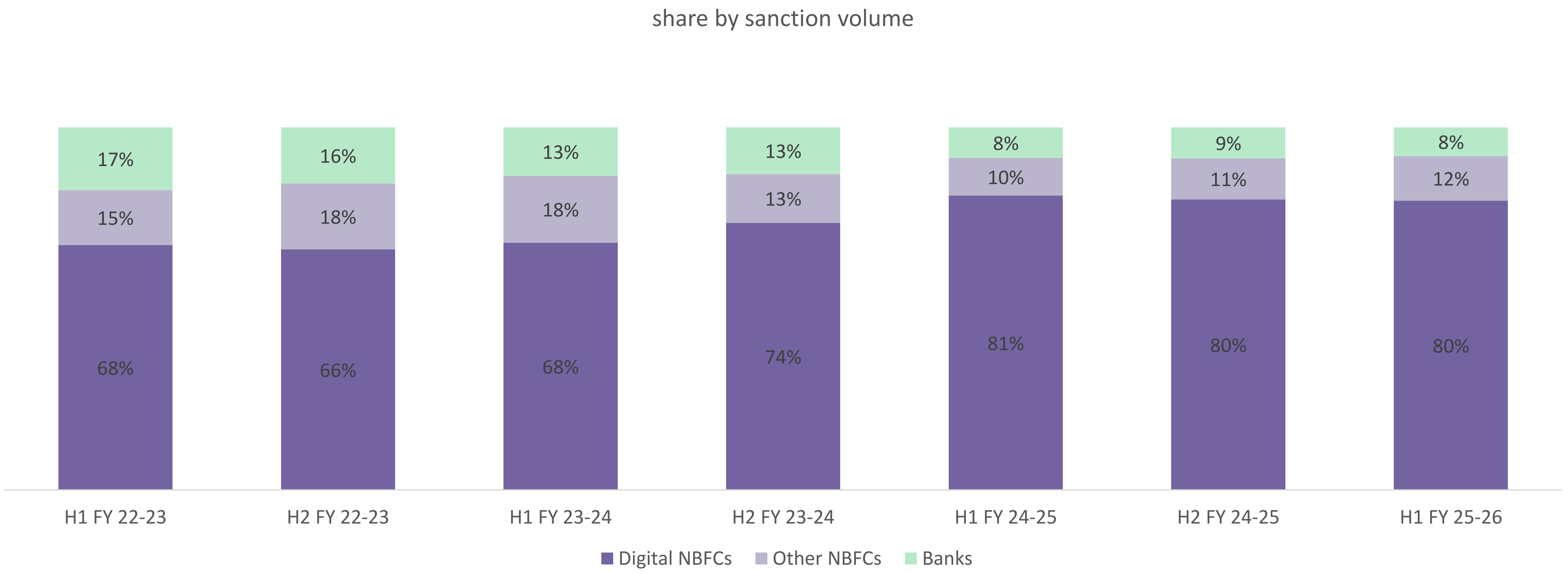


In H1 FY 25-26 digital loans accounted for 19% of the sanction value and 80% of the sanction volume, focusing on sizeable underserved segments that need small-value loans. Similarly, in loans outstanding, the share of Digital NBFCs is just 8% of the total value of personal loans outstanding as of Jun 25, but accounts for 49% of active loans.





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



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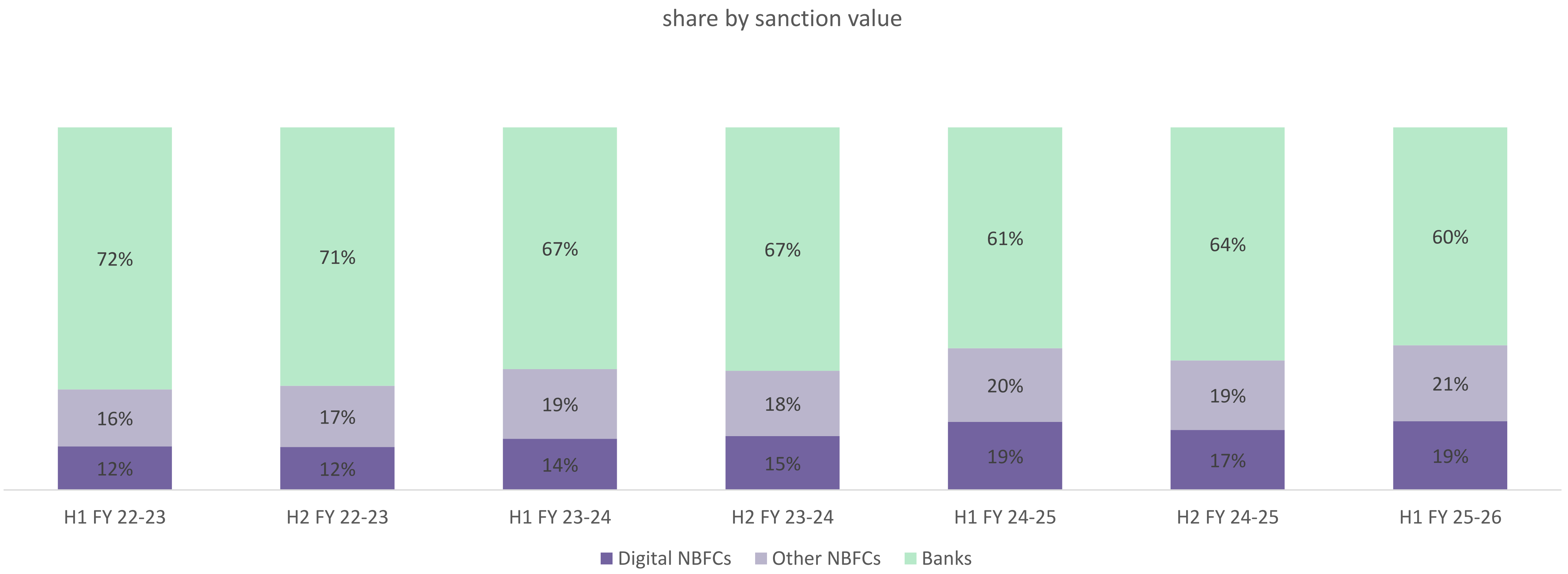
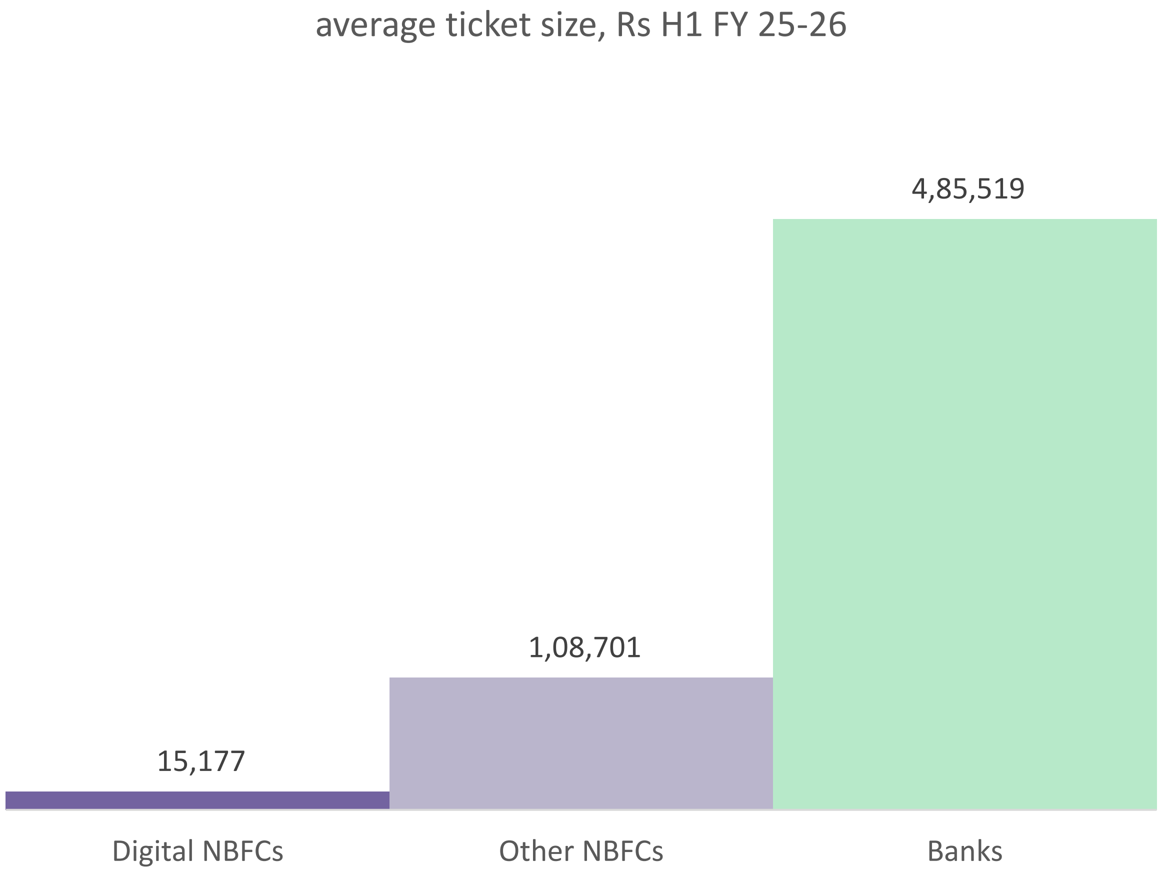
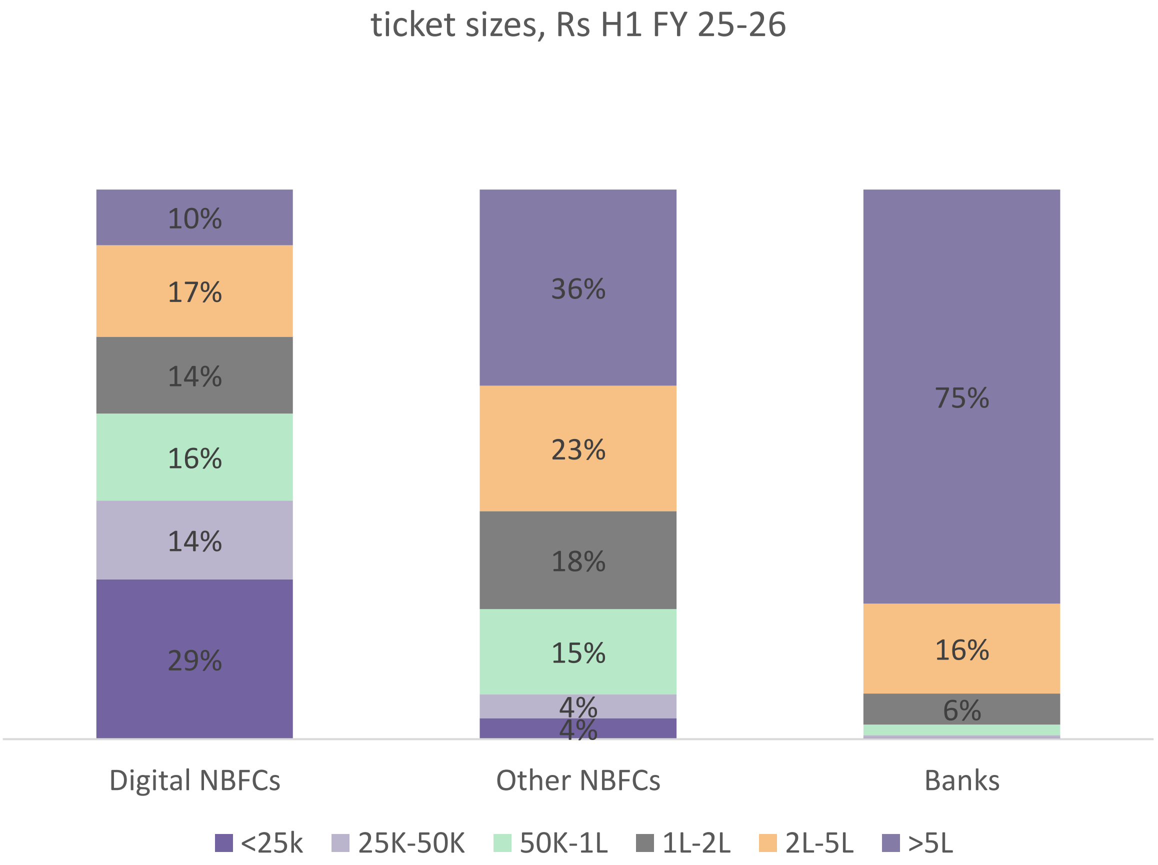


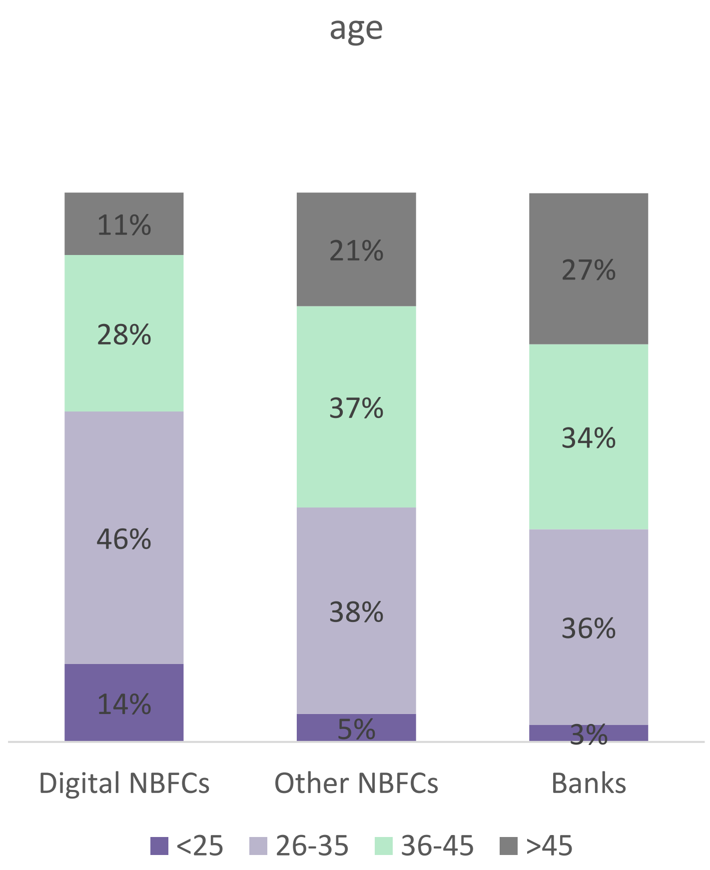
Digital lending business models are unique in their ability to reach customer segments that require small-value loans for short tenures.

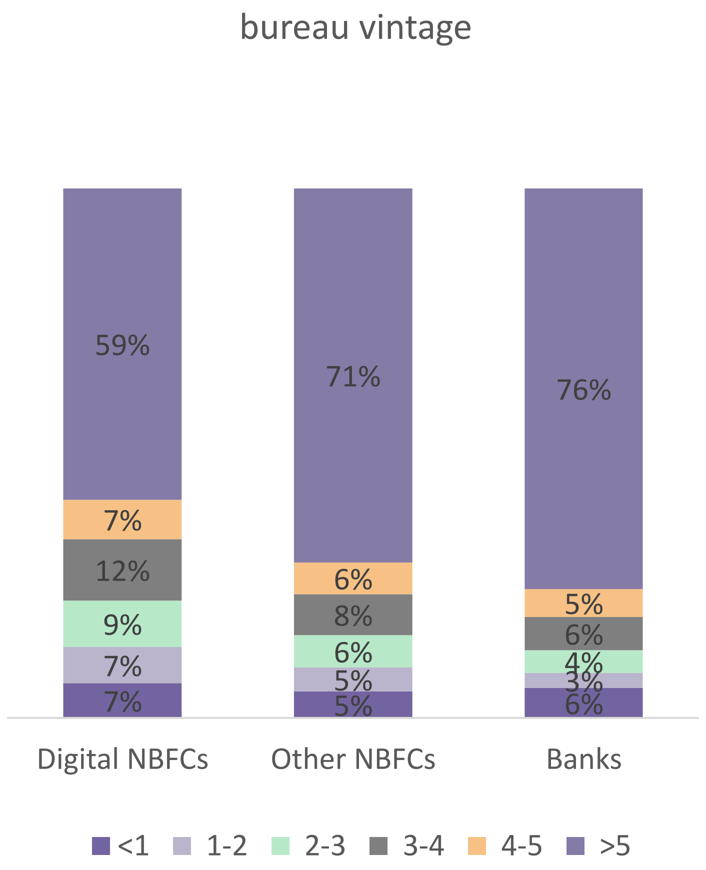


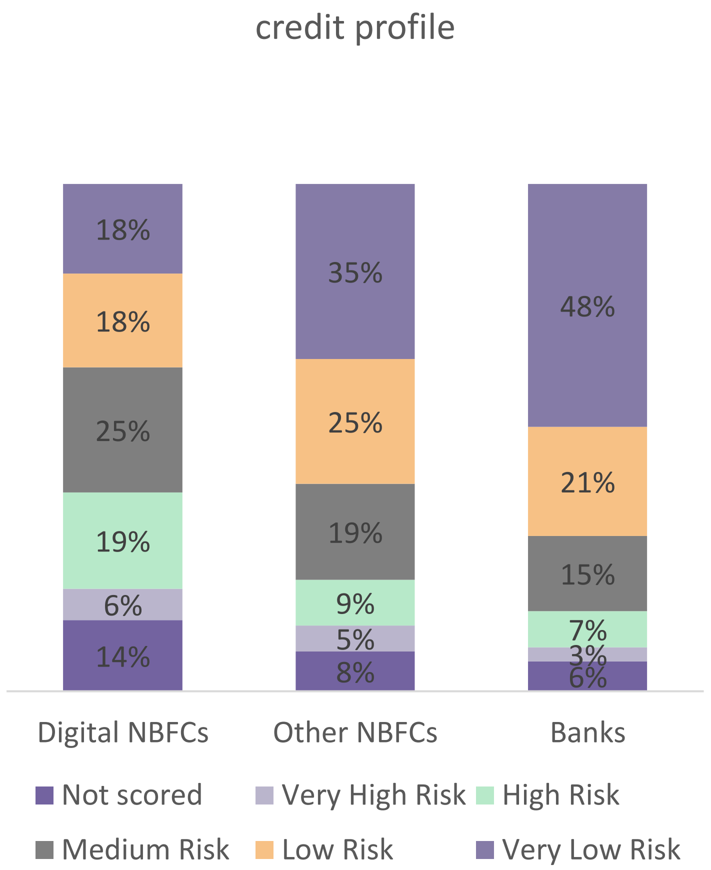


avg ticket size = sanction value/sanction volume

Digital loan customers are younger, with over 60% coming from the age bracket < 35 years. 41% of loans are to customers who have a bureau vintage of < 5 years and 60% to customers having a mid-low risk profile.

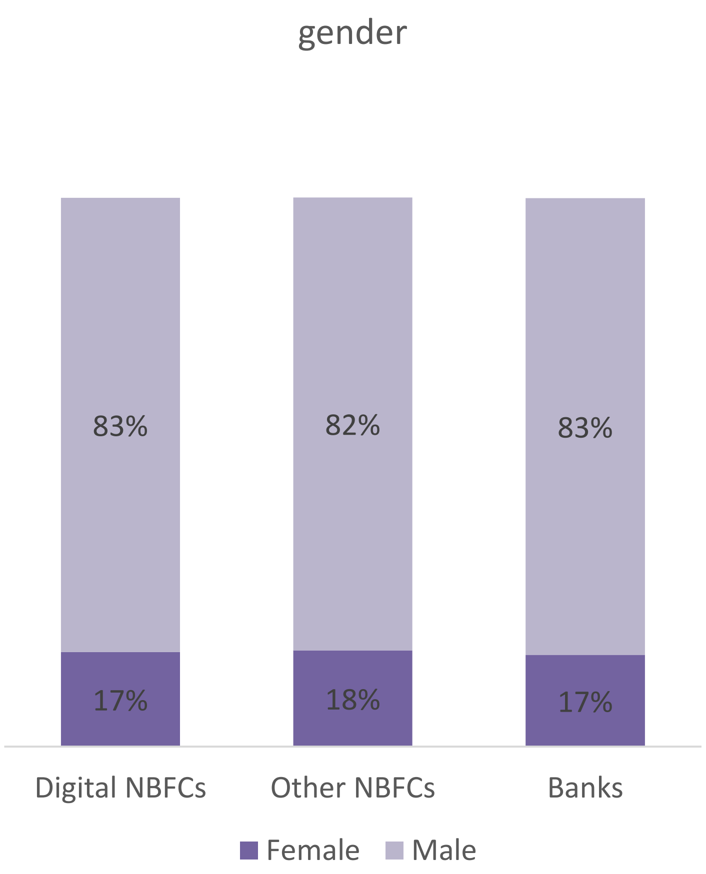


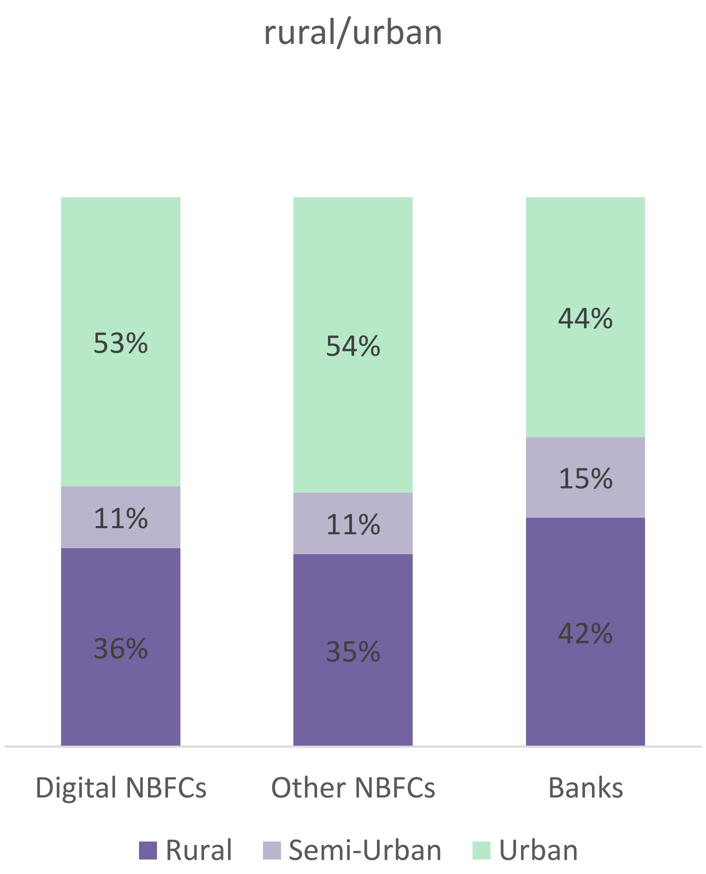


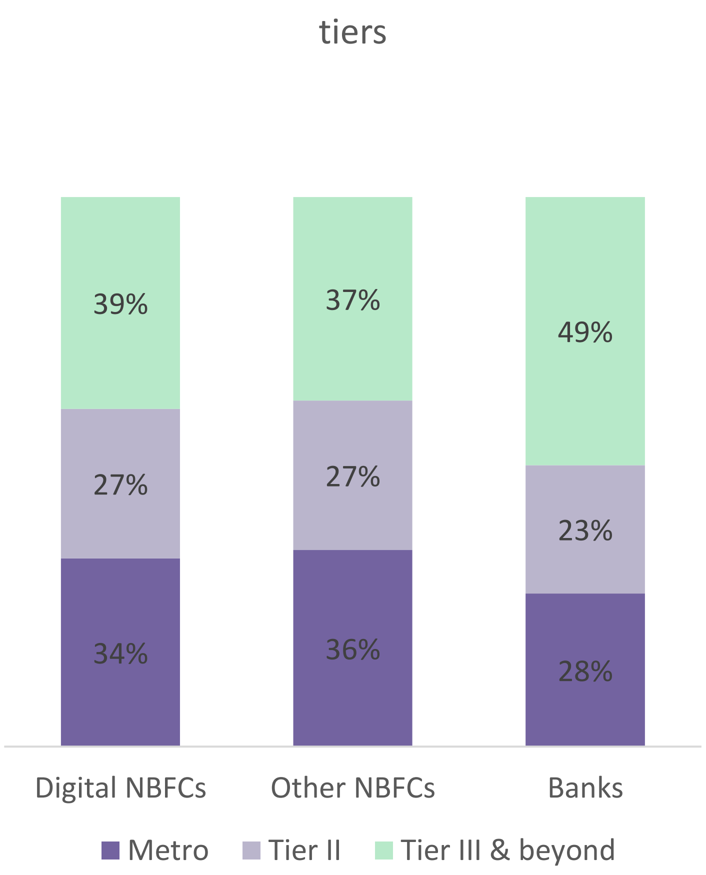


share in sanction value for H1 FY 25-26, age and bureau vintage in years

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



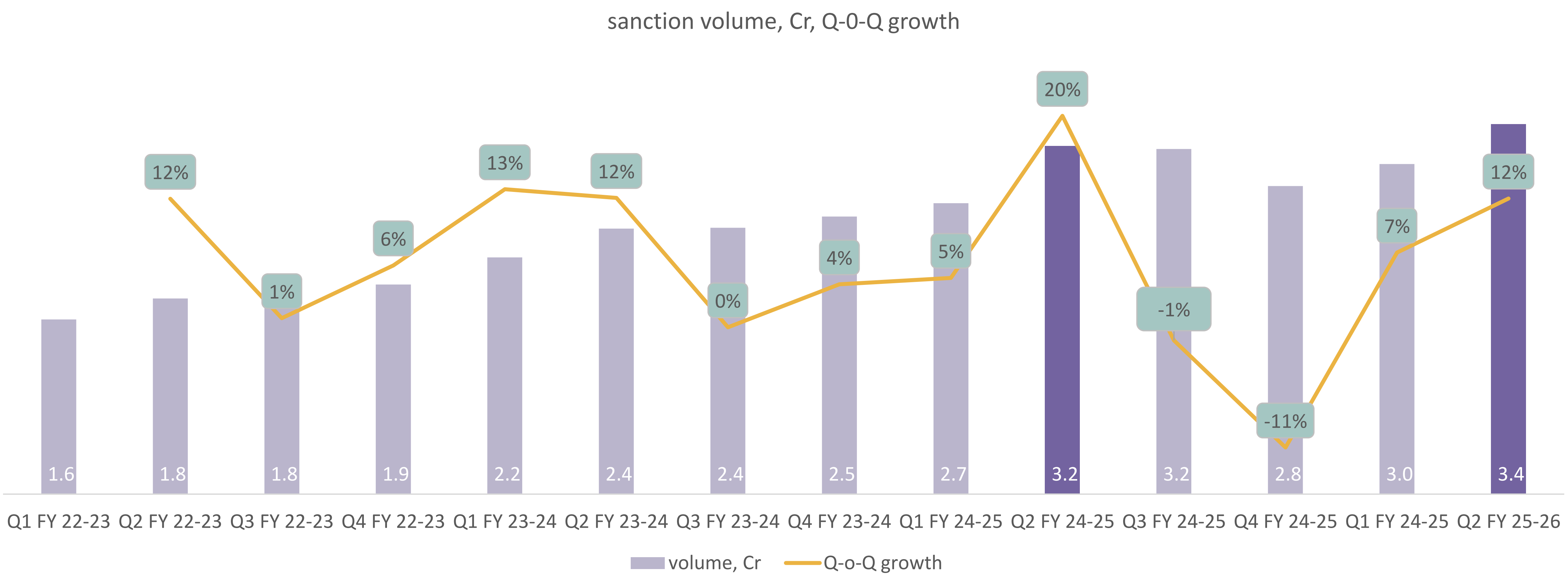




share in sanctioned value for H1 FY 25-26

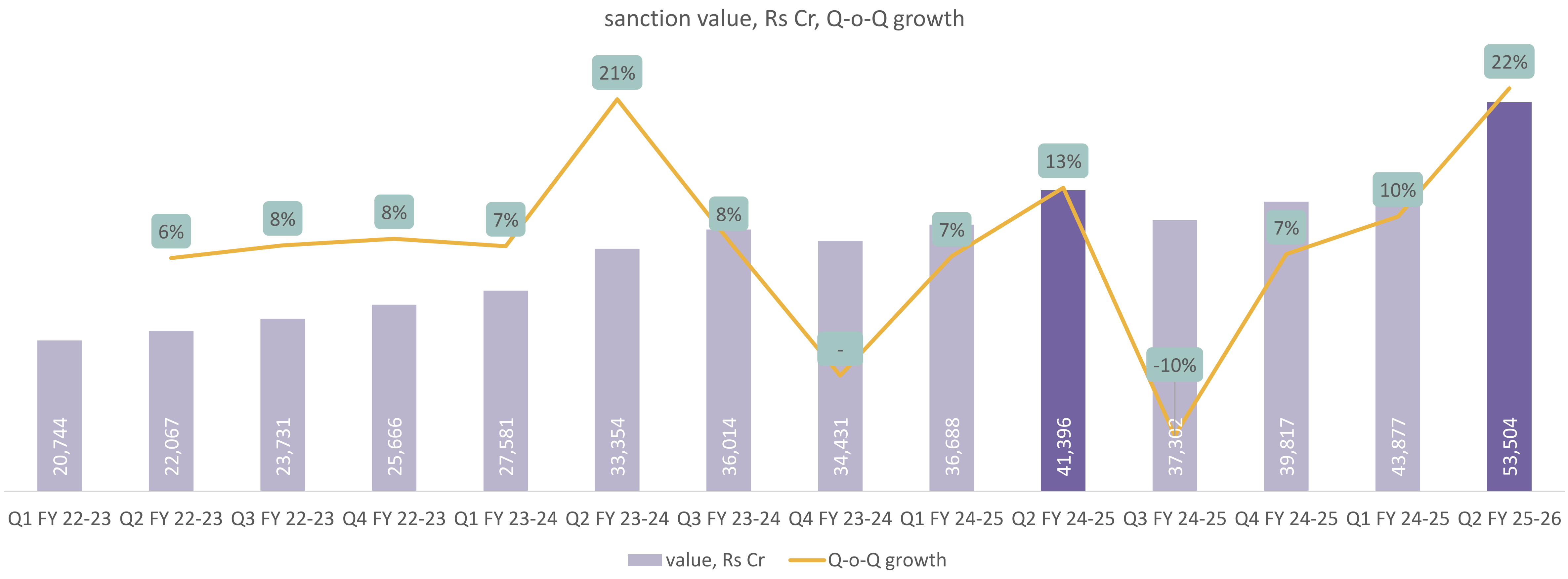
Part 2: digital personal loans

The growth rate of the sanction volume is moderating over time. In Q2 FY 2025-26, the sanction volume increased by 12% from Q1 FY 2025-26, and by 6% from Q2 FY 24-25.



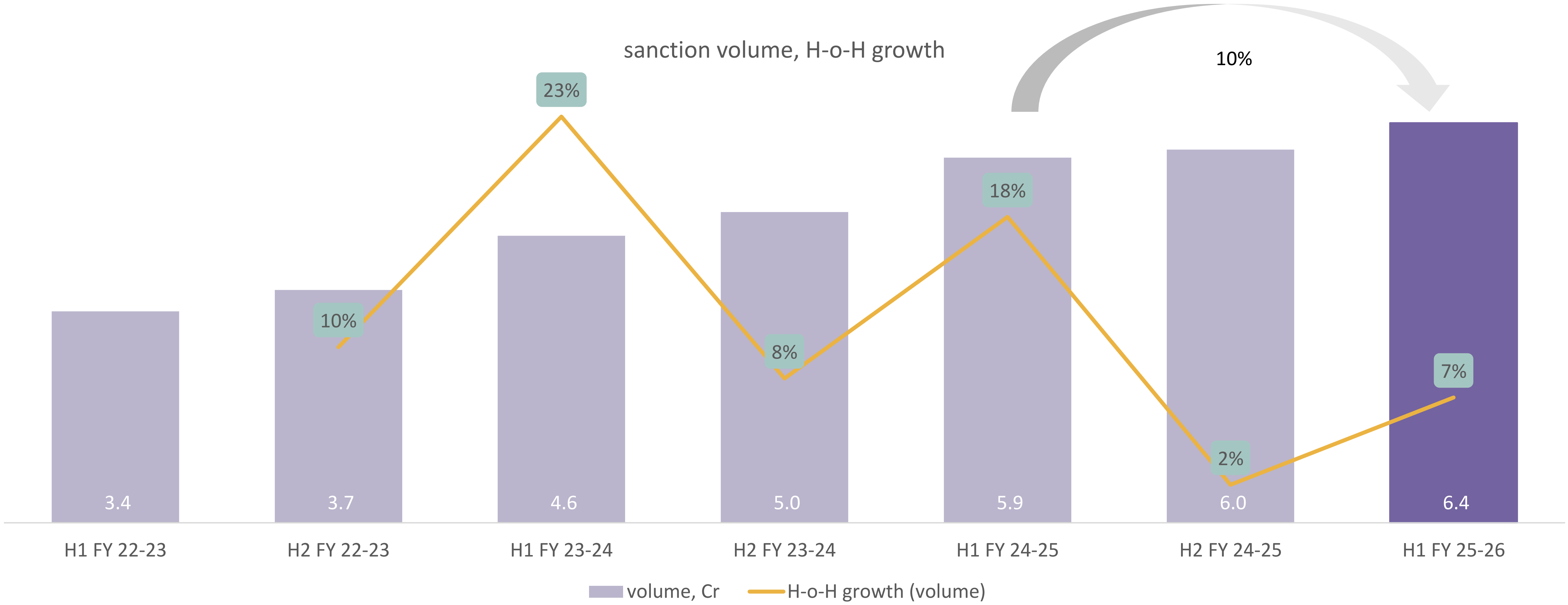
The Q-o-Q growth rate in the line chart is over the previous quarter.

The growth rate of the sanction value is moderating over time. In Q2 FY 2025-26, the sanction value increased by 22% from Q1 FY 2025-26, and by 30% from Q2 FY 24-25.



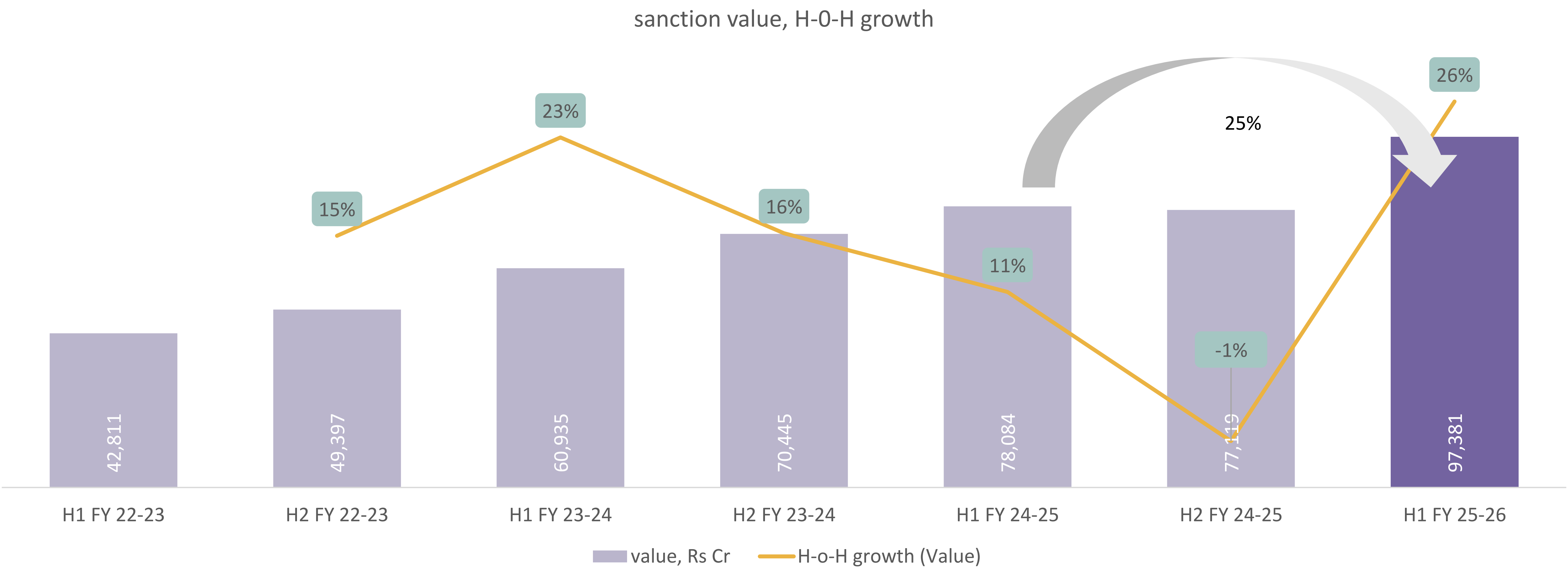
The Q-o-Q growth rate in the line chart is over the previous quarter.

The growth rate of the sanctions has picked up a bit this half year, and in H1 FY 2025-26, the sanction volume increased by 7% over H2FY 24-25 and 10% over H1FY24-25.



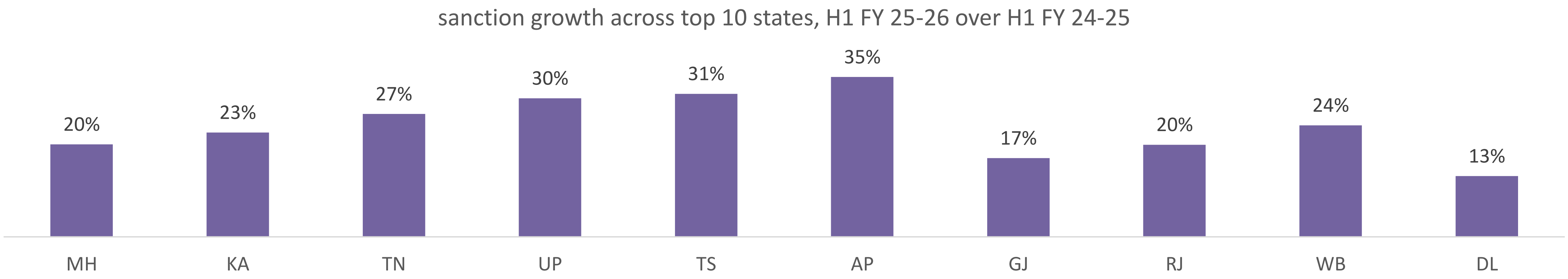
The H-o-H growth rate in the line chart is over the previous half-year.

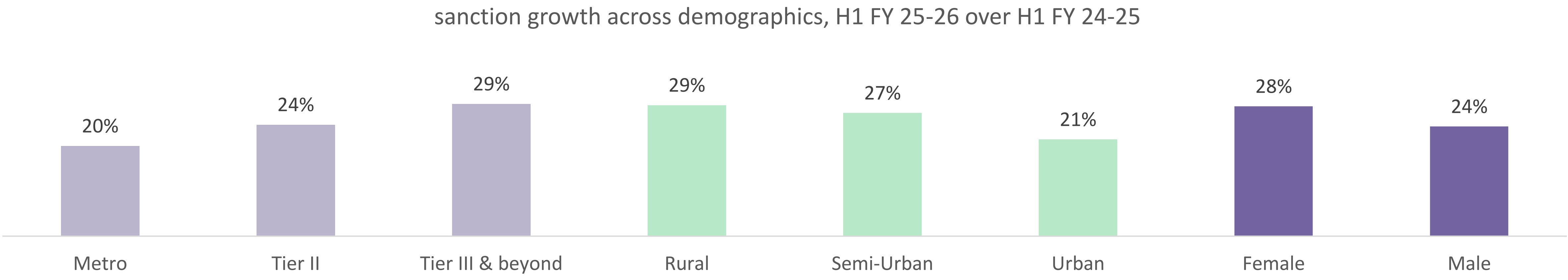
In H1 FY25-26, the sanction value increased by 26% over H2FY24-25 and 25% over H1FY24-25.



The H-o-H growth rate in the line chart is over the previous half-year.

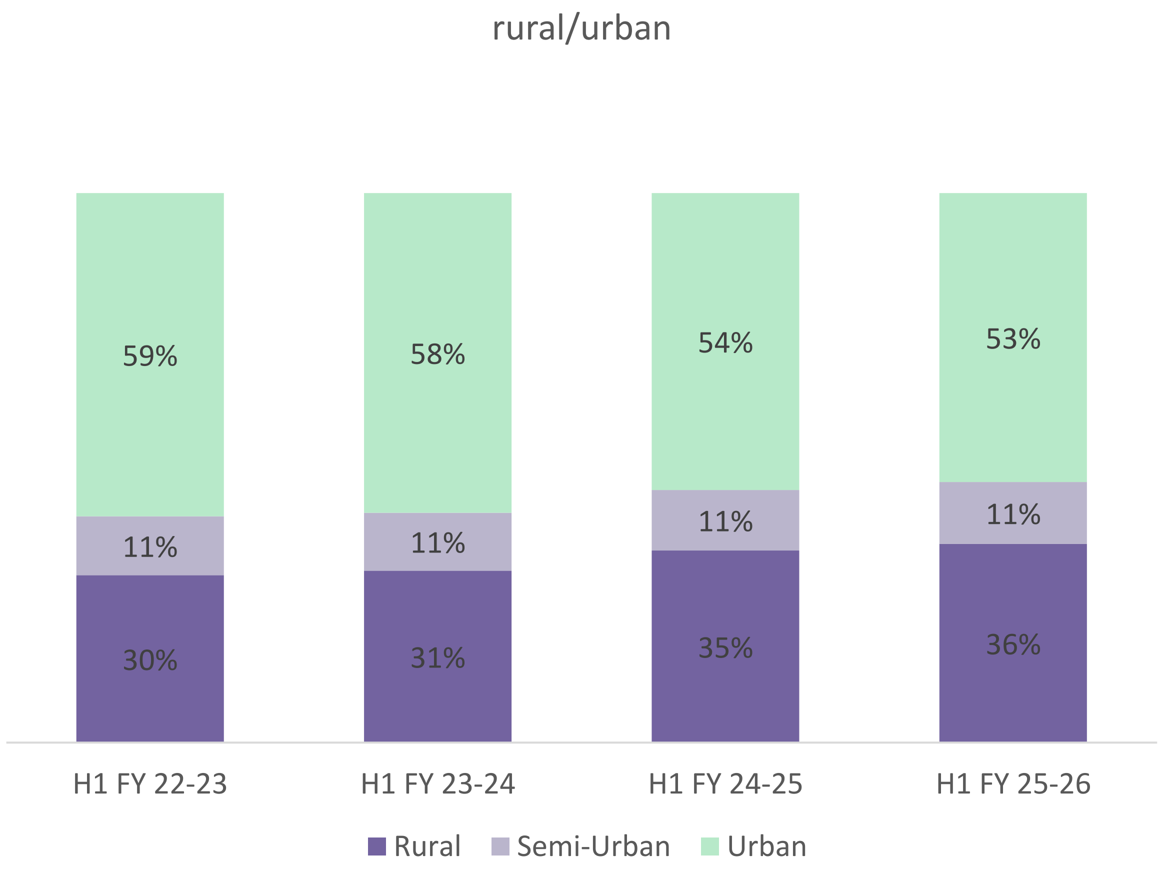
The chart below shows change in sanction value in H1 FY 25-26 over H1 FY 24-25 across top 10 states, geography and gender.

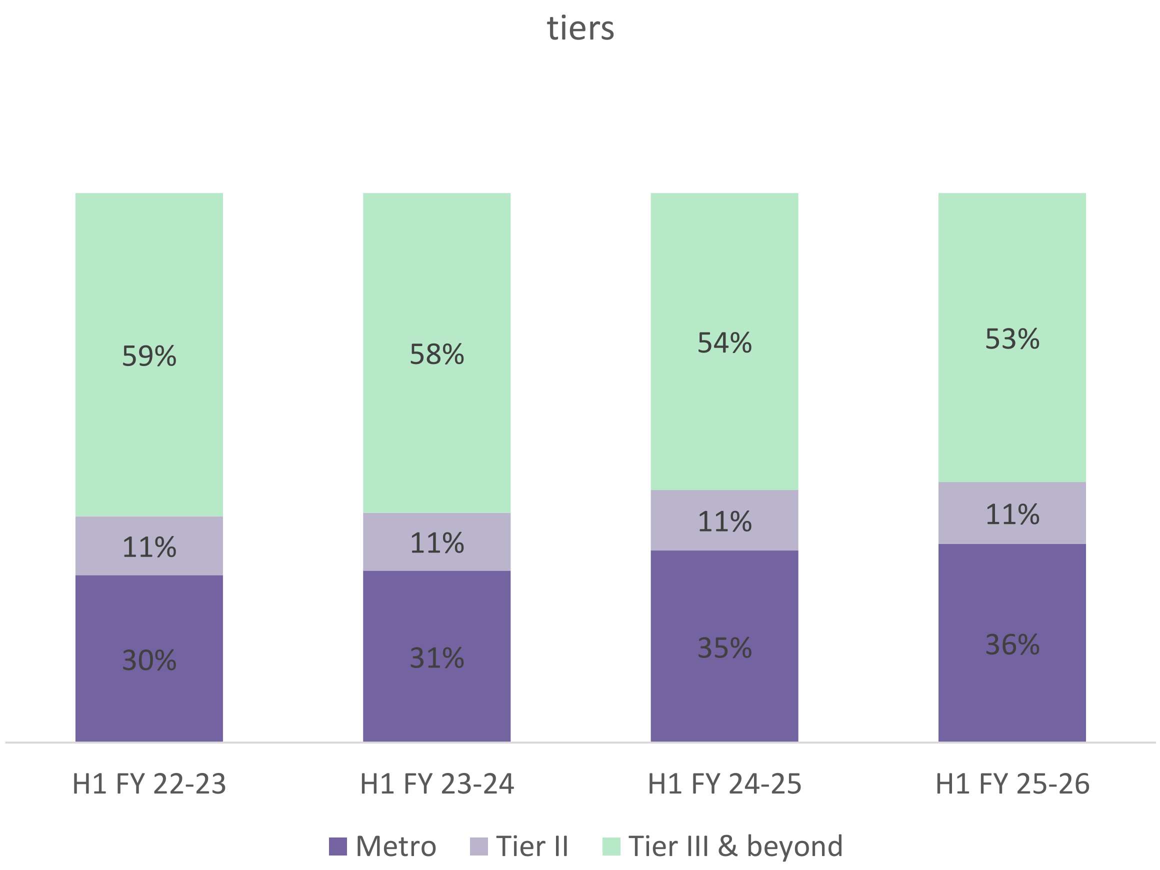




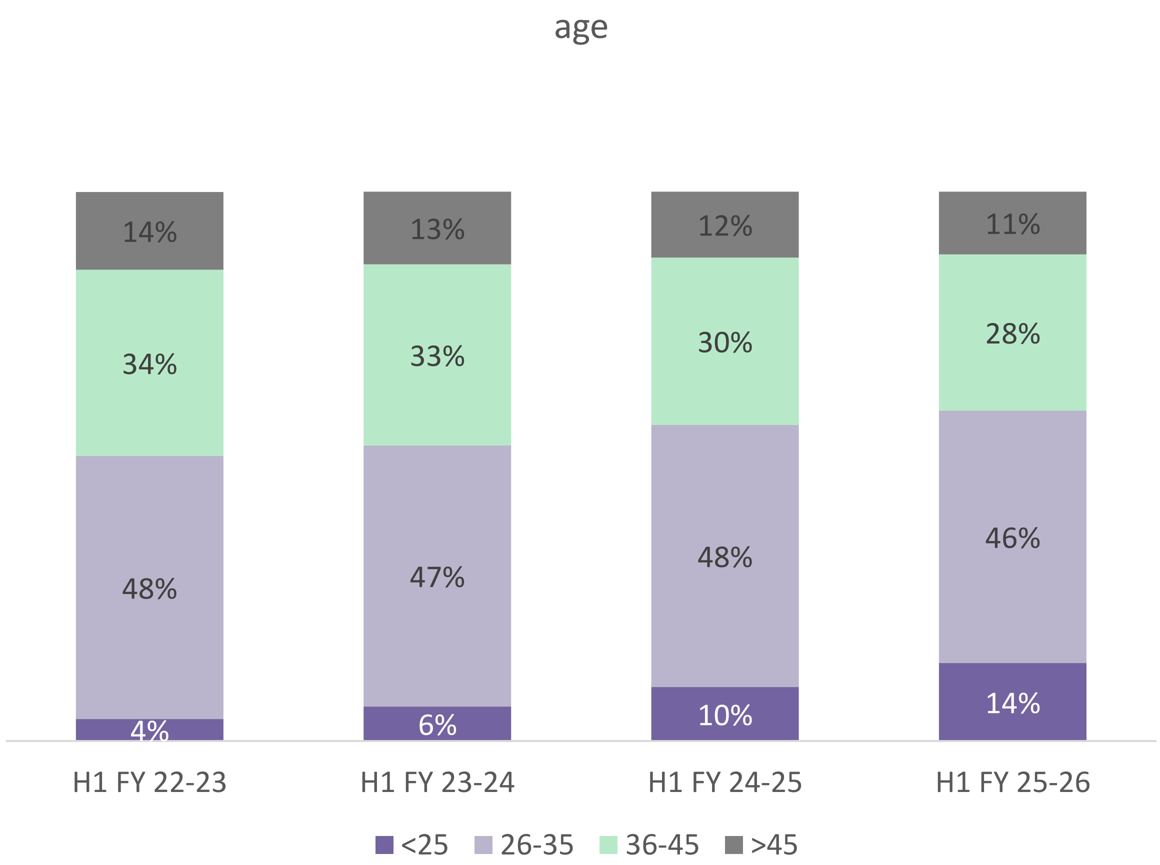
growth rate in sanction value.

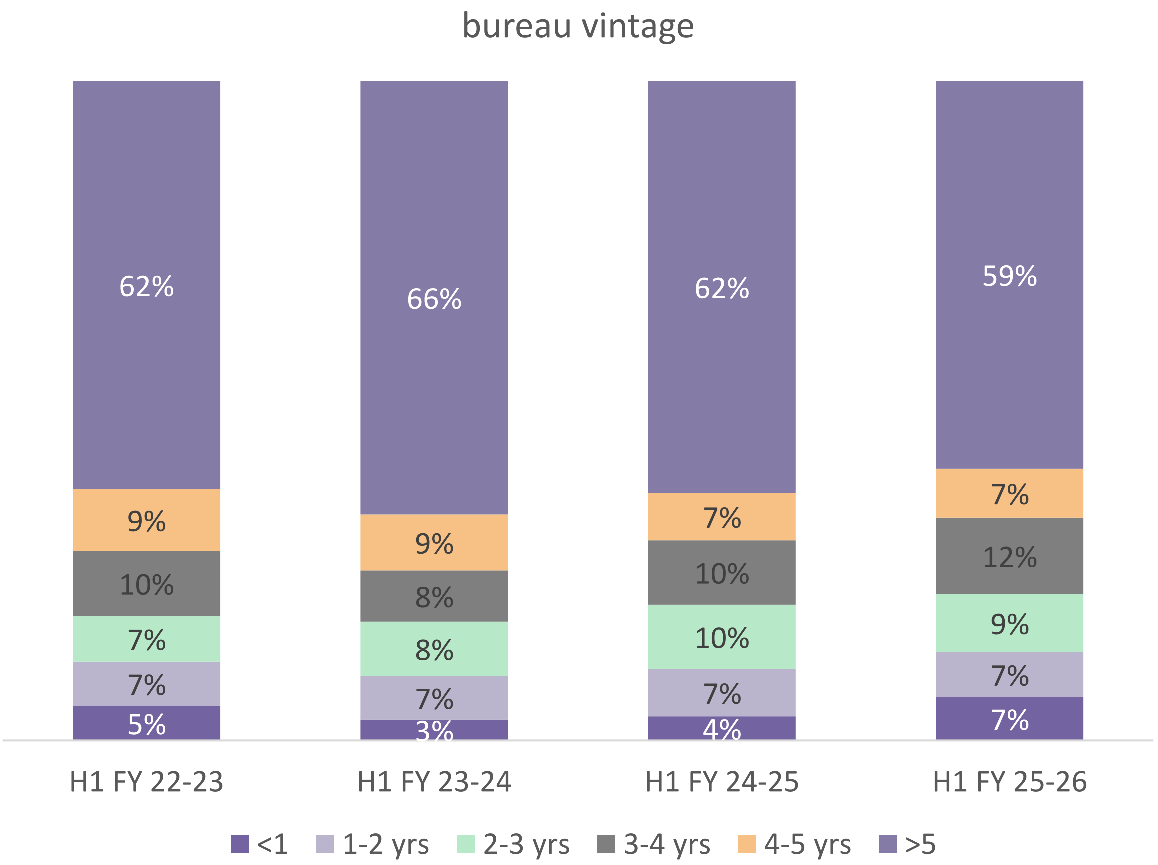
The share of customers from rural areas is increasing marginally, though they are less likely to reside there. We note that a) mapping of rural/urban is based on the 2011 census and is not truly reflective of the current reality of urbanisation, and b) many new urban migrants submit permanent home addresses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





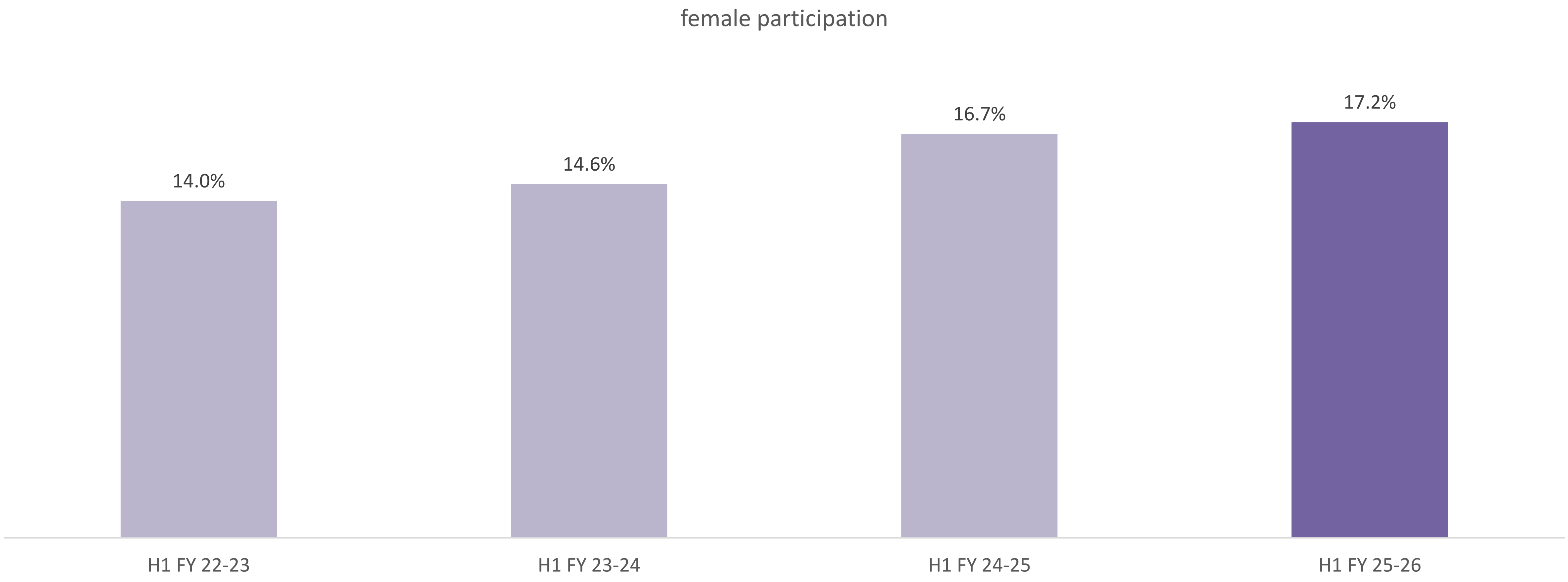
For young customers, digital lending is the choice, with two-thirds of loan sanction value to customers aged <35 years. Digital lending's ability to meet the opportunities presented by credit demand for current and future needs holds enormous promise for responsible and sustainable growth over the long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





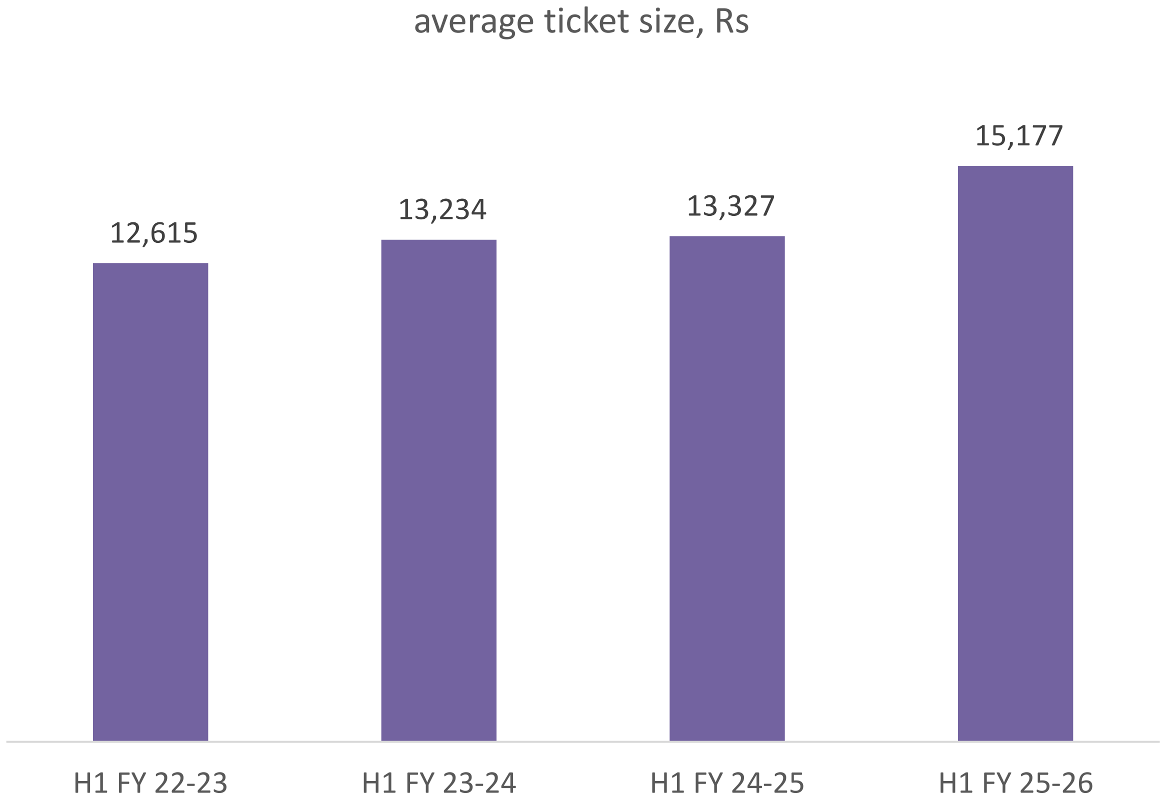
share on sanction value, bureau vintage and age in years

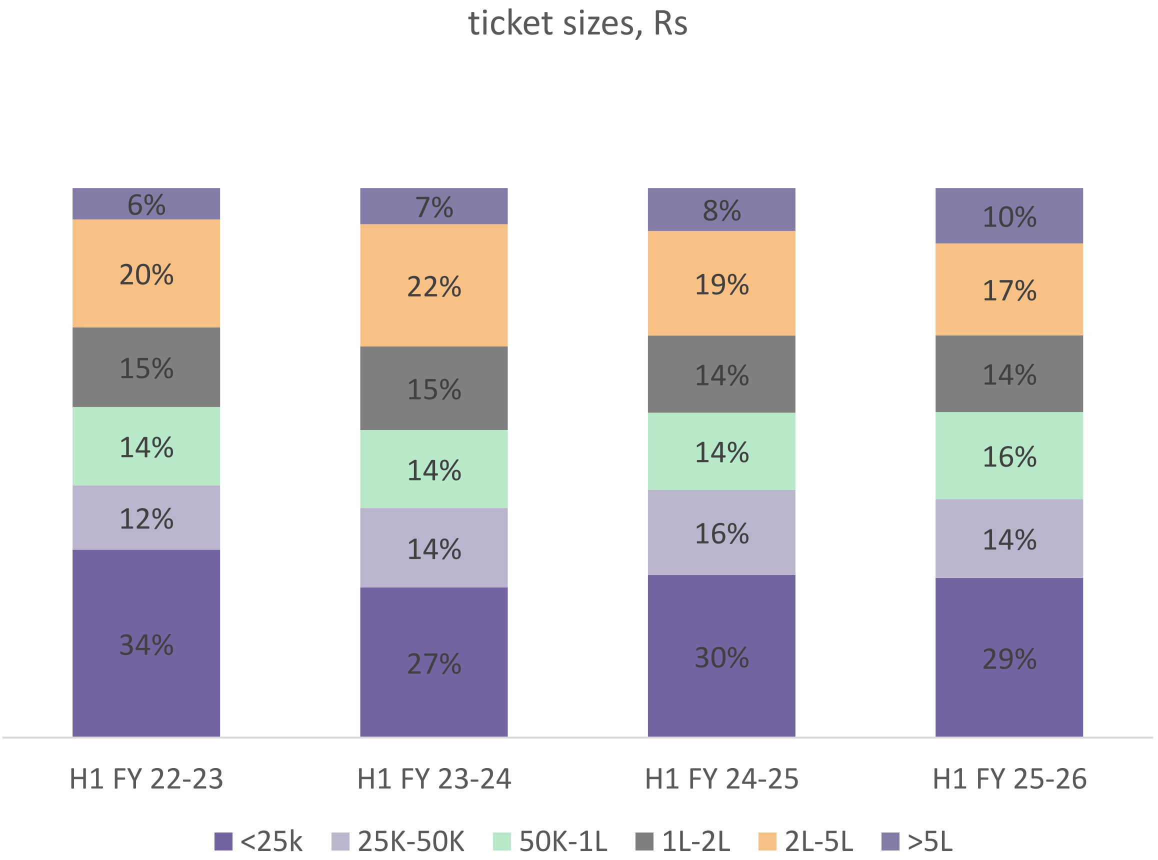
Female participation is improving in the digital personal loan market but very gradually.



share on sanction value

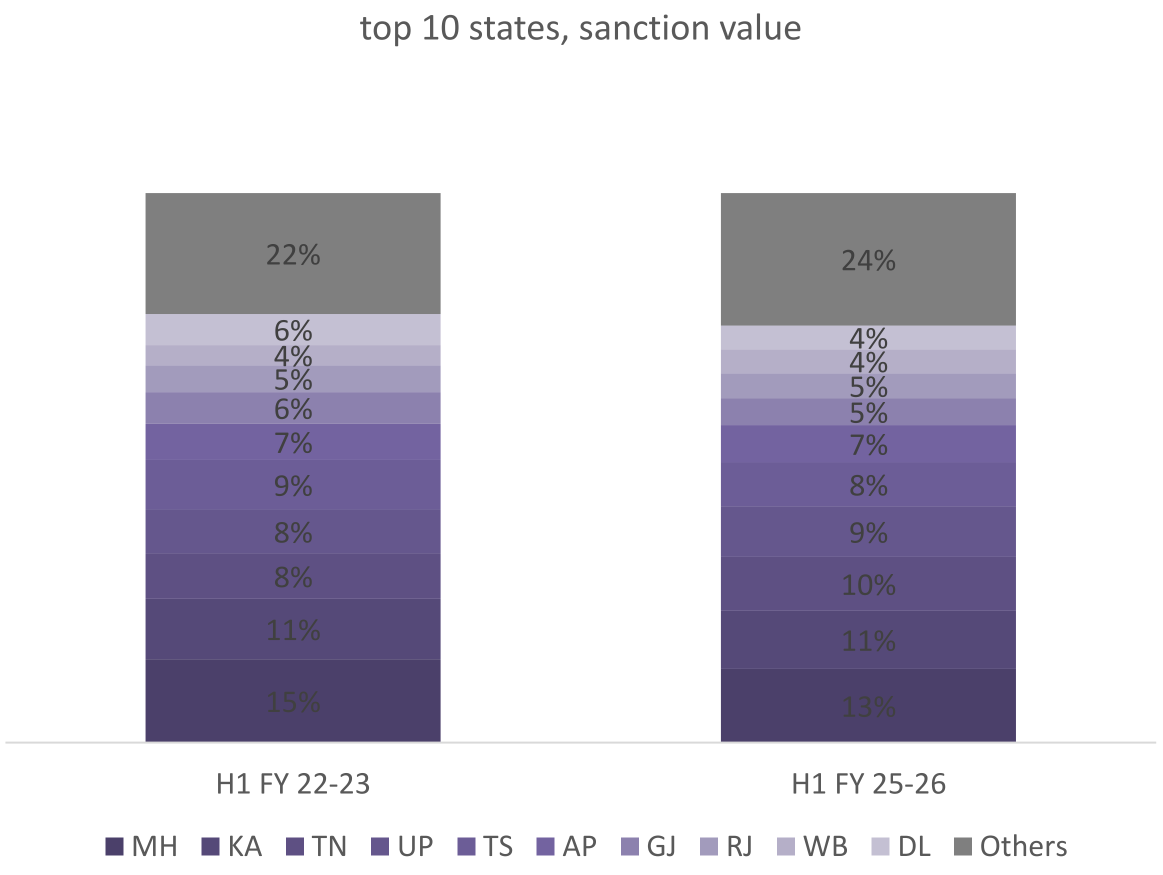
At an aggregated level, the average ticket size is around Rs 15k driven by a higher volume of small-value loans. There is a slight variation across the top states. However, the overall composition of digital loans is more diverse and spread in different ticket sizes. As compared to FY 24-25, the average ticket size in H1 FY 25-26 has increased marginally by ~14%

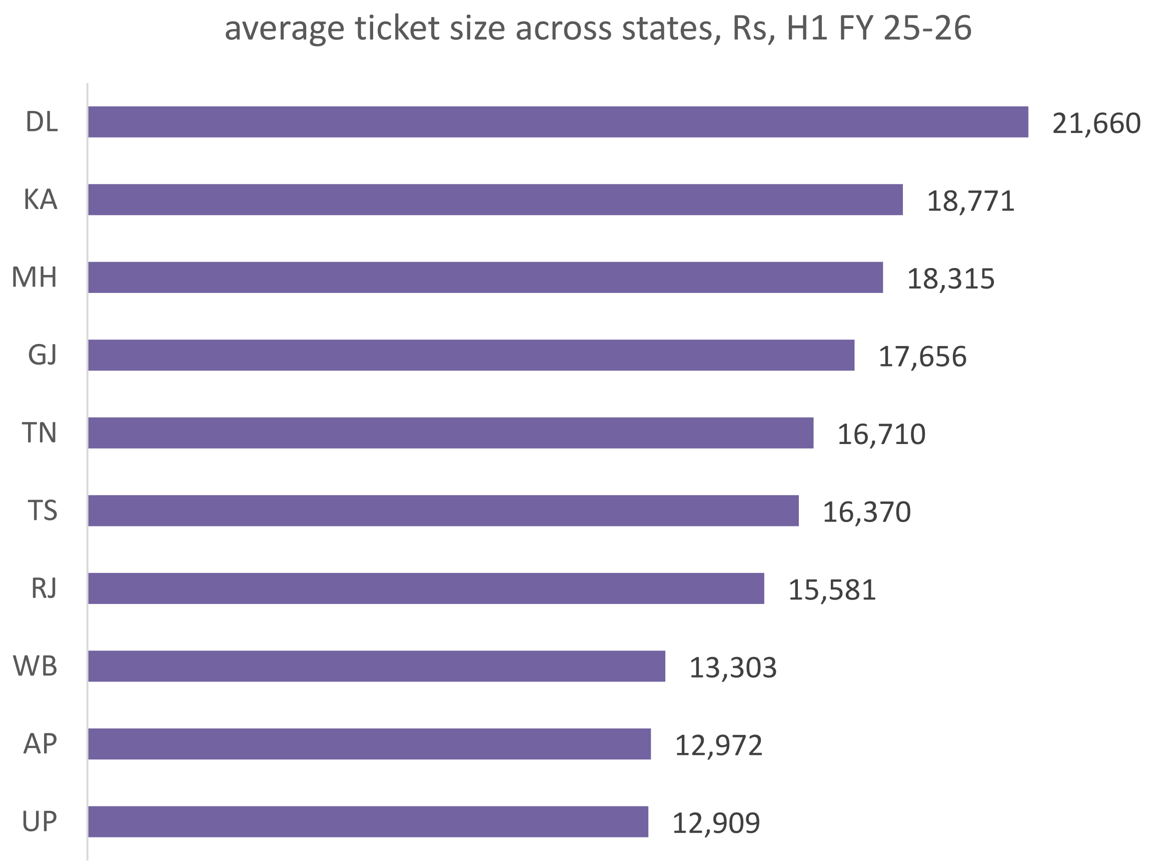




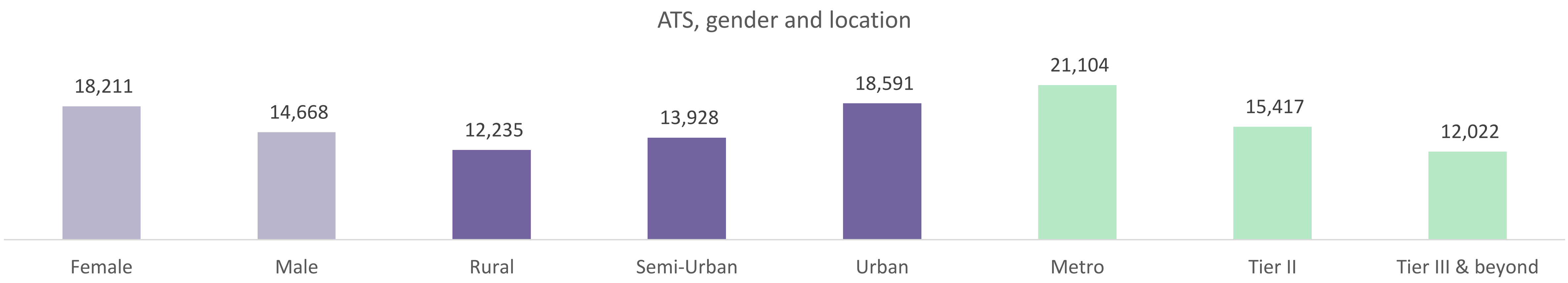
avg ticket size = sanction value/sanction volume

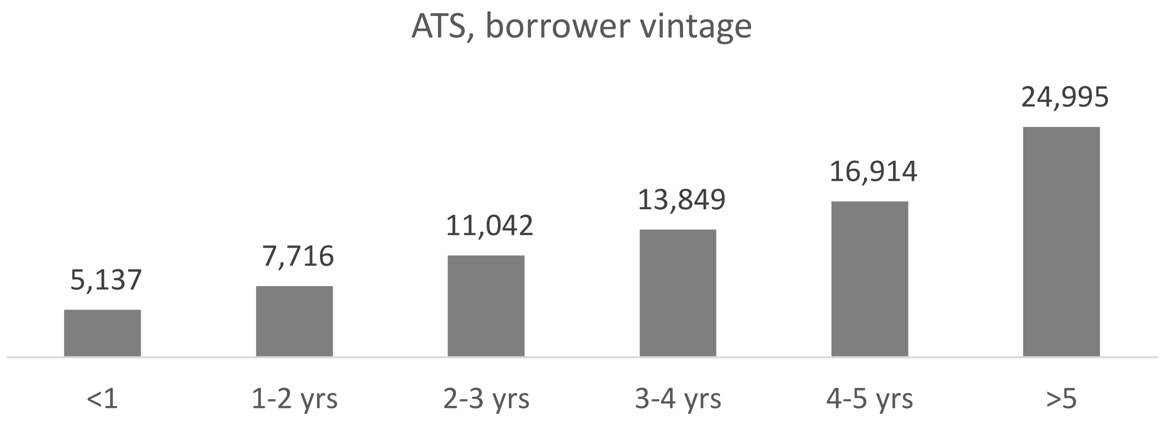
Charts below show loan sanctions and average ticket size across states.

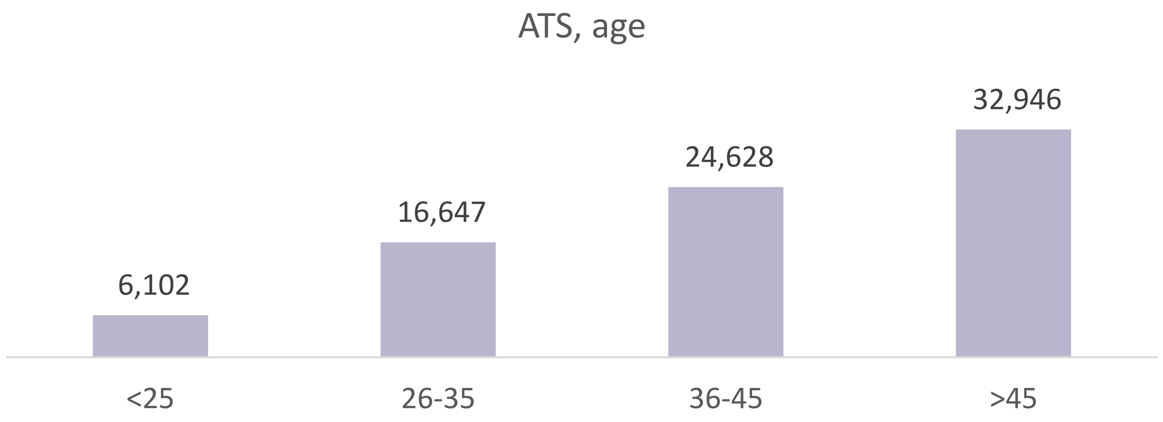




The average ticket size for H1 FY 25-26 varies across demographics and customer vintage. It is higher for female, urban, and metro customers and increases linearly with age and vintage.

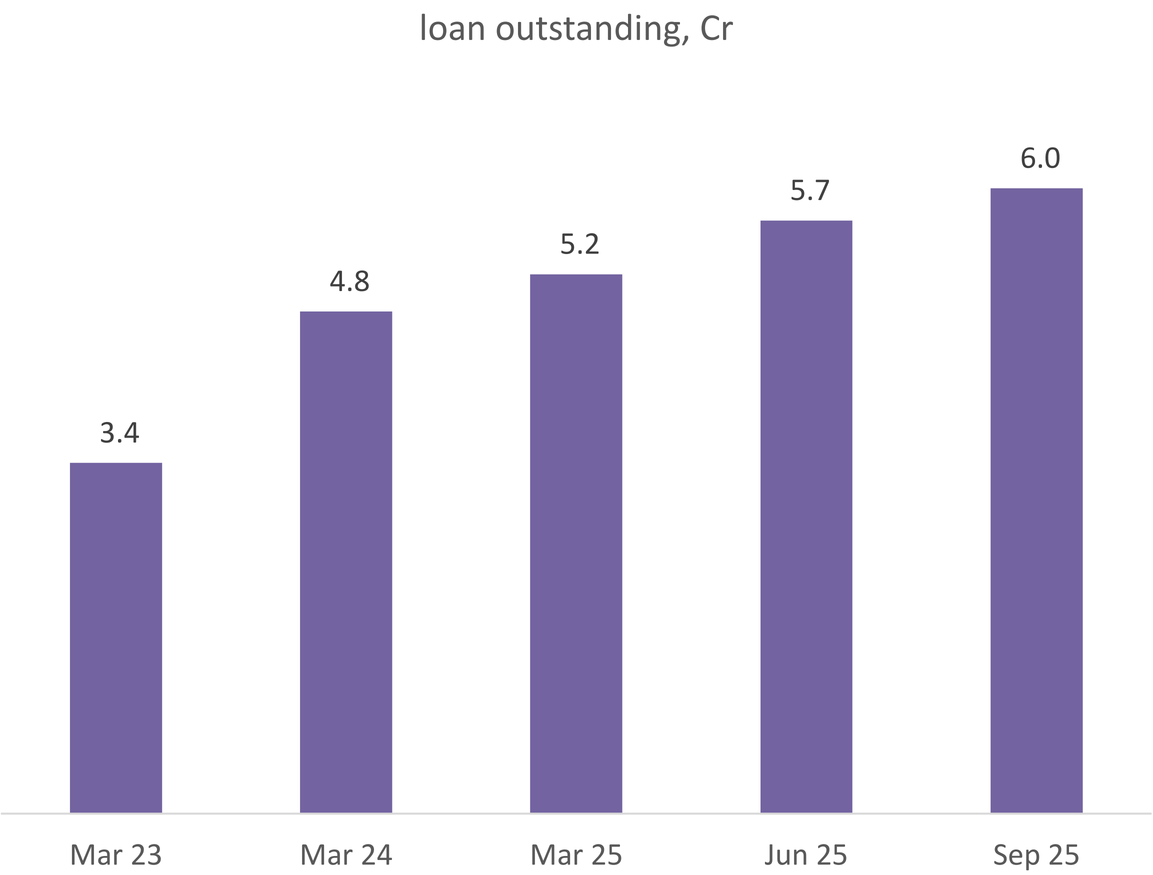


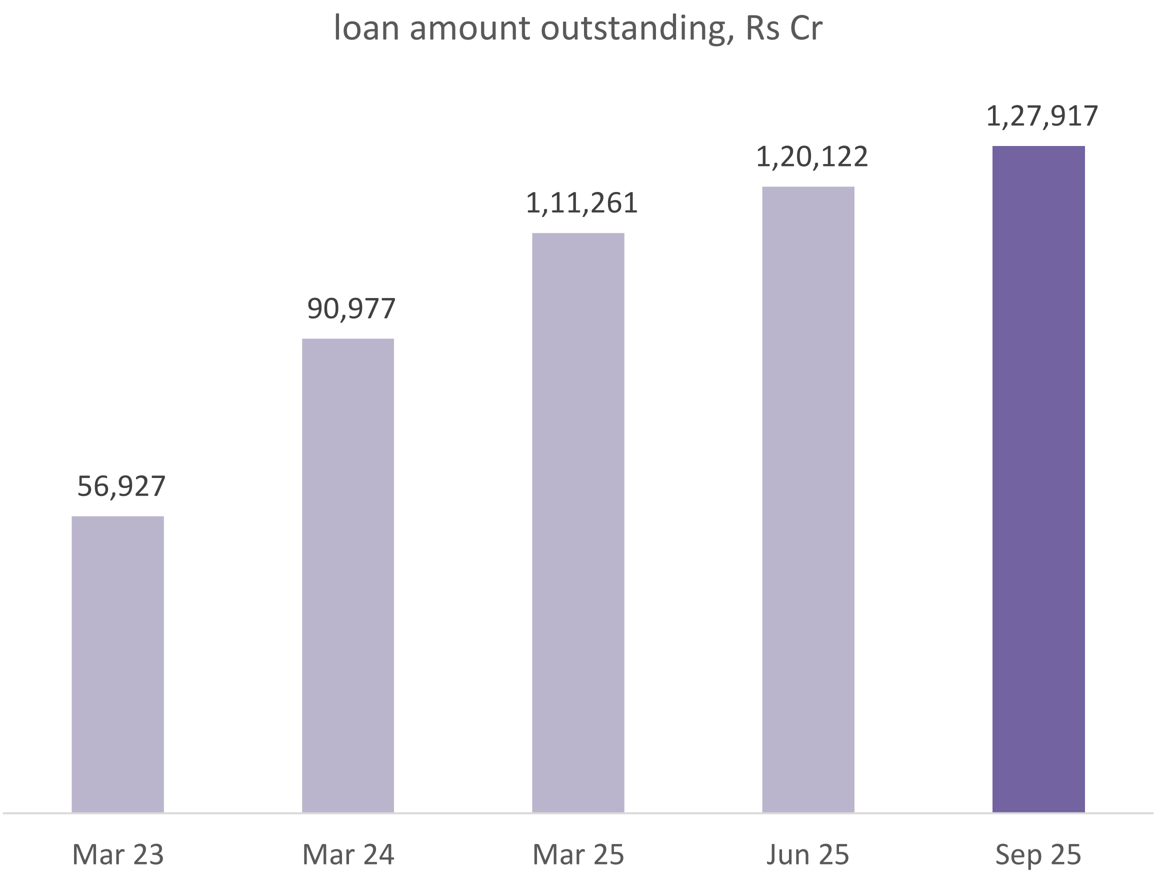




bureau vintage and age in years

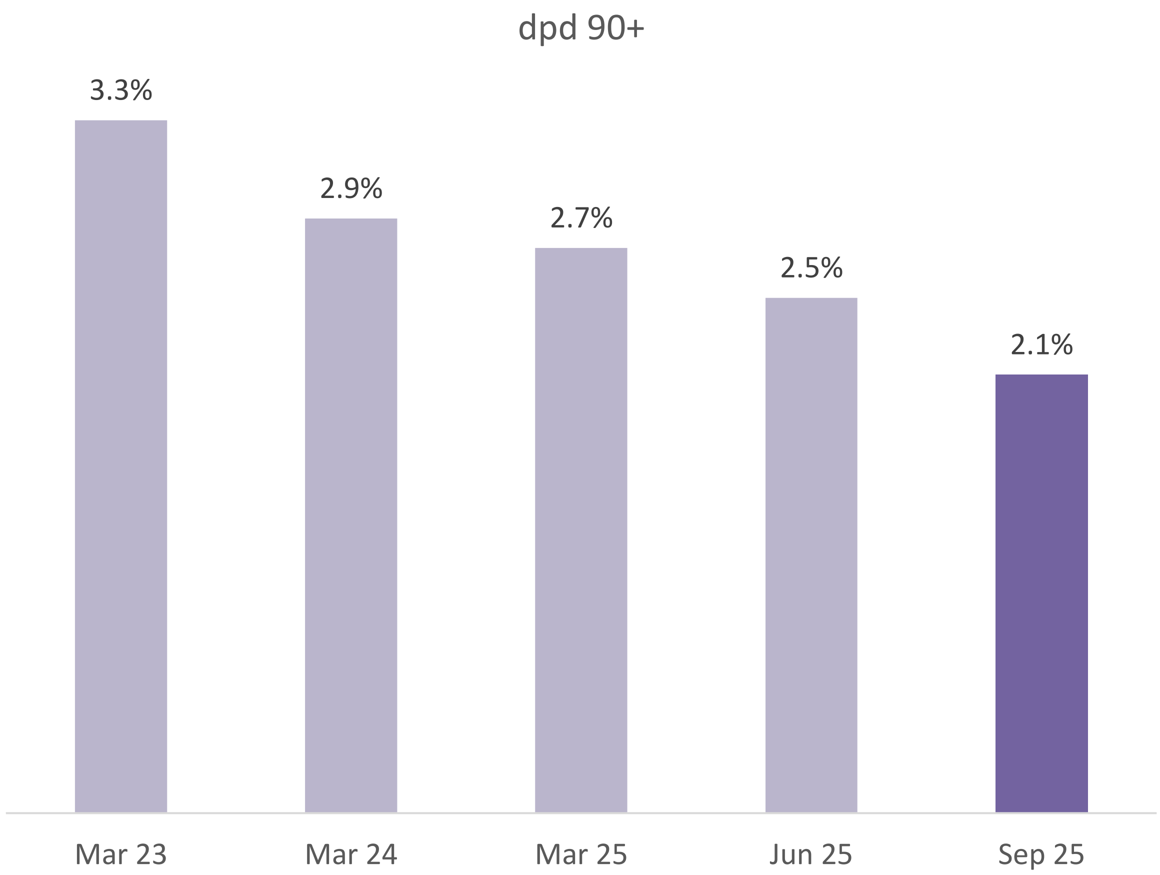
As of Sep 25, the digital personal loan volume is 5.99 Cr with an outstanding value of Rs 1.27 Lakh Cr

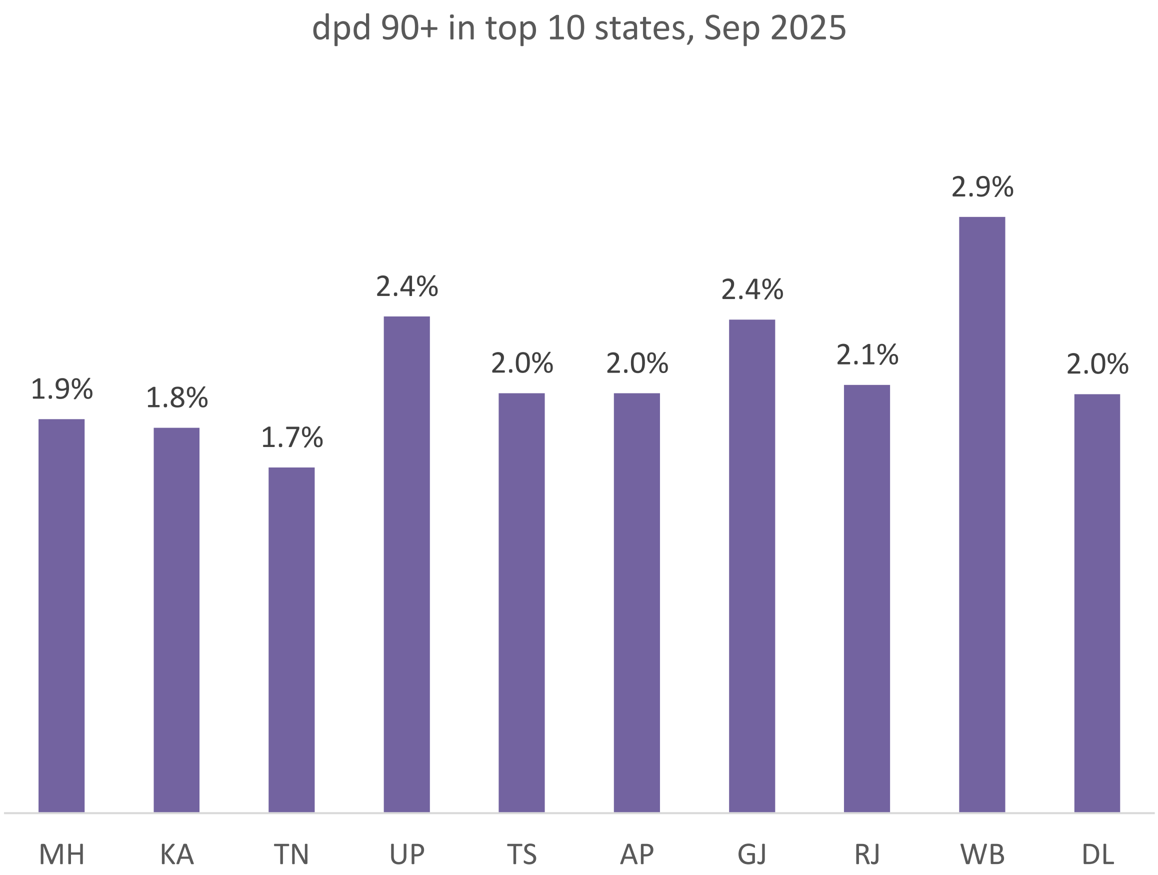




Loan amount outstanding includes 180+ portfolios.

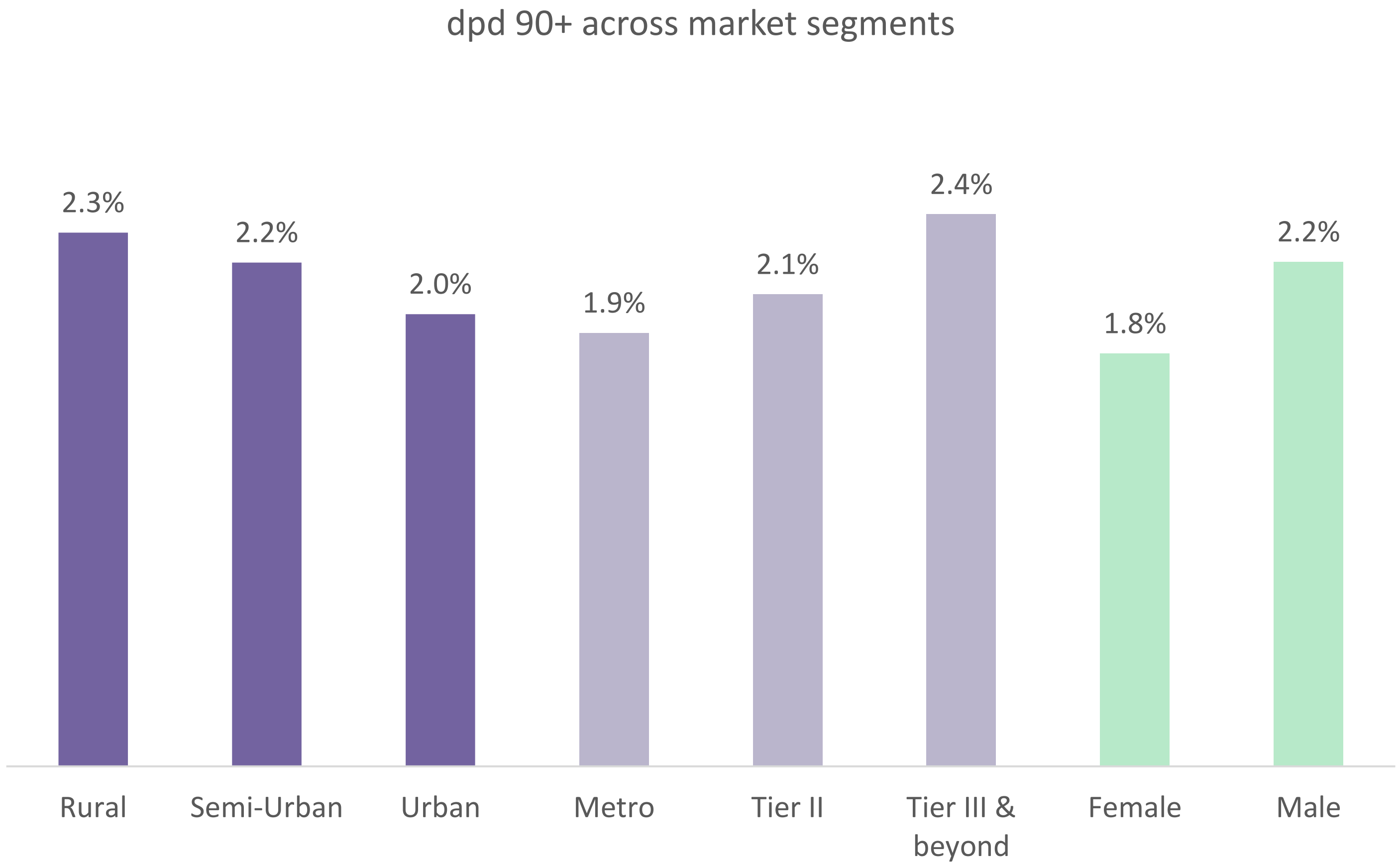
Overall, the portfolio quality (dpd 90+) is improving consistently and stands at 2.1%.

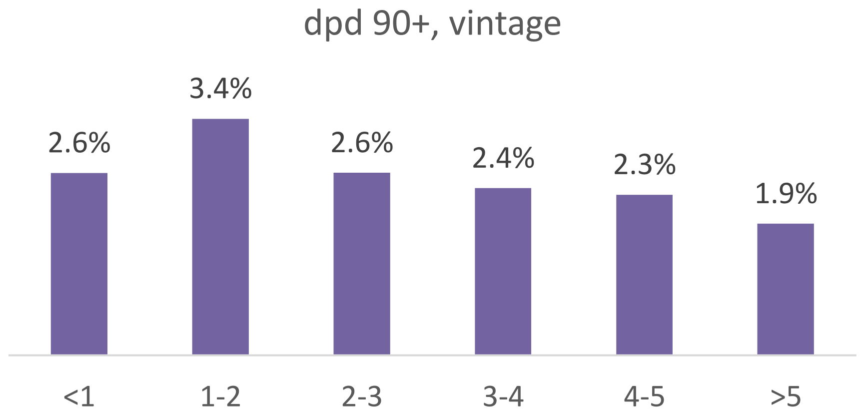


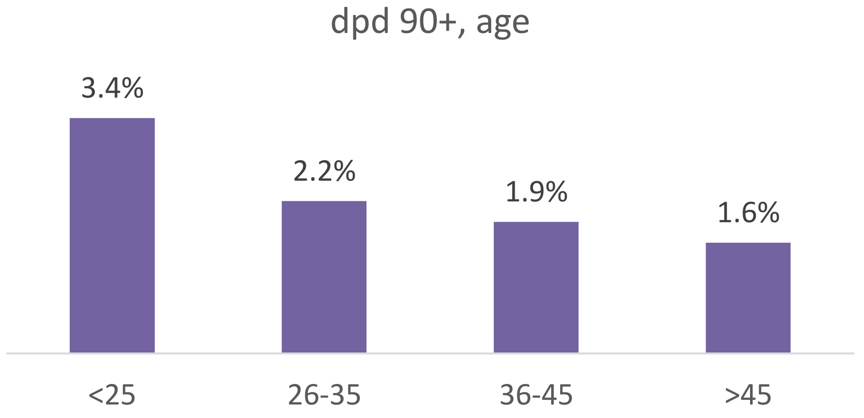


dpd 90+% = loan outstanding (90 to 180 dpd)/loan outstanding (0 to 180 dpd). Top 10 states based on sanction value in H1 FY 25-26

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 H1 FY 25-26

H1 FY 25-26	volume, Cr	value, Rs Cr	avg sanction value per loan, Rs	share in volume	share in value
Digital NBFCs	6.4	97,381	15,177	80%	19%
Other NBFCs	1.0	107,590	108,701	12%	21%
Banks	0.6	308,632	485,519	8%	60%
Total	8.0	513,603	63,866	100%	100%

2: personal loan market, loan outstanding, Sep 25

	volume, Cr	value, Rs Cr	avg outstanding per loan, Rs	volume	value
Digital NBFCs	5.99	127,917	21,338	49%	8%
Other NBFCs	2.58	271,476	105,279	21%	18%
Banks	3.77	1,138,782	302,206	31%	74%
Total	12.34	1,538,175	142,941	100%	100%

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
Sep 25	5.99	2.58	3.77	12.34

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
Sep 25	127,917	271,476	1,138,782	1,538,175

5: sanction volume, Cr

	Digital NBFCs	Other NBFCs	Banks	Total
H1 FY 22-23	3.39	0.76	0.87	5.02
H1 FY 23-24	4.60	1.24	0.90	6.75
H1 FY 24-25	5.86	0.75	0.61	7.22
H1 FY 25-26	6.42	0.99	0.64	8.04

6: sanction value, Rs Cr

	Digital NBFCs	Other NBFCs	Banks	Total
H1 FY 22-23	42,811	55970	257,752	356,533
H1 FY 23-24	60,935	82756	287,545	431,236
H1 FY 24-25	78,084	84589	253,484	416,157
H1 FY 25-26	97,381	107590	308,632	513,603

7: average ticket size, Rs

	Digital NBFCs	Other NBFCs	Banks	Total
H1 FY 22-23	12,615	73,673	296,201	70,974
H1 FY 23-24	13,234	66,527	319,060	63,890
H1 FY 24-25	13,327	113,196	414,466	57,657
H1 FY 25-26	15,177	108,701	485,519	63,866

8: share across gender/rsu/tiers, sanctioned value H1 FY 25-26

	Female	Rural	Semi-Urban	Urban	Metro	Tier II	Tier III & beyond
Digital NBFCs	17%	36%	11%	53%	37%	27%	36%
Other NBFCs	18%	35%	11%	54%	36%	28%	36%
Banks	17%	42%	15%	44%	29%	24%	48%
Total	17%	39%	13%	47%	37%	27%	36%

9: share across age (years), sanctioned value H1 FY 25-26

	<25	26-35	36-45	>45	Total
Digital NBFCs	14%	46%	28%	11%	100%
Other NBFCs	5%	38%	37%	21%	100%
Banks	3%	36%	34%	27%	100%
Total	6%	38%	33%	23%	100%

10: share across bureau vintage (years), sanction value H1 FY 25-26

	<1	1-2	2-3	3-4	4-5	>5	Total
Digital NBFCs	7%	7%	9%	12%	7%	59%	100%
Other NBFCs	5%	5%	6%	8%	6%	71%	100%
Banks	6%	3%	4%	6%	5%	76%	100%
Total	6%	4%	6%	8%	6%	71%	100%

11: share across credit profile, sanction value H1 FY 25-26

	Not scored	Very High Risk	High Risk	Medium Risk	Low Risk	Very Low Risk	Total
Digital NBFCs	14%	6%	19%	25%	18%	18%	100%
Other NBFCs	8%	5%	9%	19%	25%	35%	100%
Banks	6%	3%	7%	15%	21%	48%	100%
Total	8%	4%	10%	18%	22%	39%	100%

12: share across ticket size (Rs), sanction value H1 FY 25-26

	<25k	25k-50k	50k-1L	1L-2L	2L-5L	>5L	Total
Digital NBFCs	29%	14%	16%	14%	17%	10%	100%
Other NBFCs	4%	4%	15%	18%	23%	36%	100%
Banks	0%	0%	2%	6%	16%	75%	100%
Total	6%	4%	7%	10%	18%	55%	100%

Fintech Association for Consumer Empowerment (FACE) is the RBI-recognised Self-Regulatory Organisation in the FinTech sector (SRO-FT). Currently comprised of nearly 300 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 inquiries, please reach us at teamface@faceofindia.org.

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