

# CreditScape

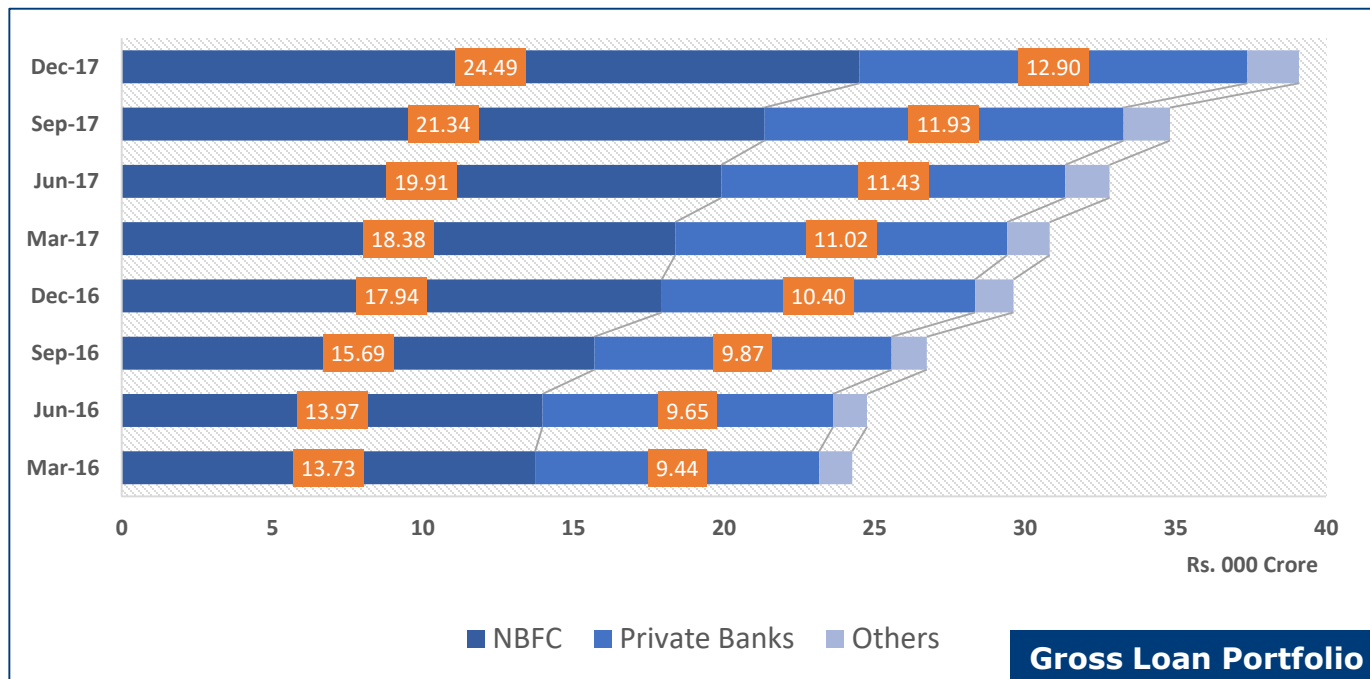
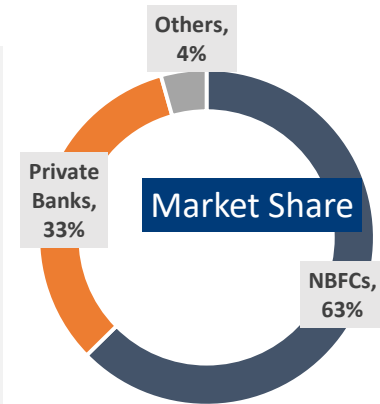


## Insights on Two-Wheeler Finance



# Rs 39K crore loan book – high growth year. NBFCs dominate

- **32%** YOY growth in Gross Loan Portfolio
- NBFCs dominate with **63% share** of the market; Private Banks at **33%**
- Oct-Dec 17 saw **12.3%** QoQ growth, higher than Q3 FY17 (10.7%)
- NBFC portfolio growing faster
  - 14.8% QoQ during Oct-Dec17 and **37% YOY**



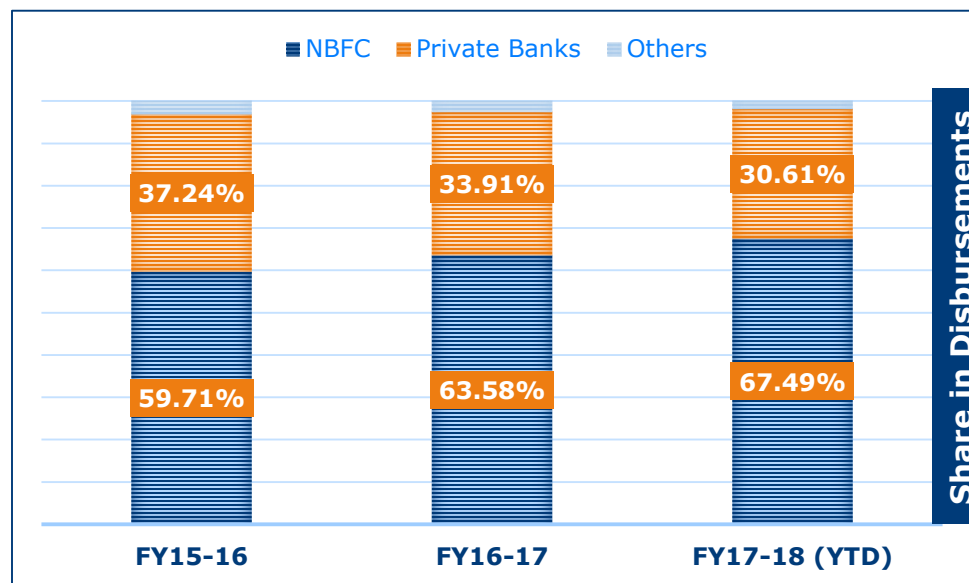
Rs 39.1K cr

32% YOY

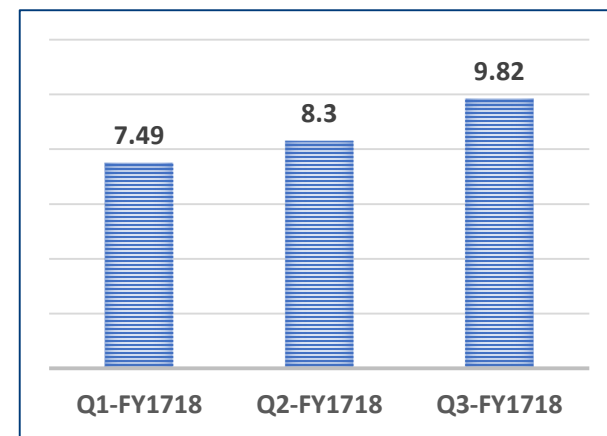
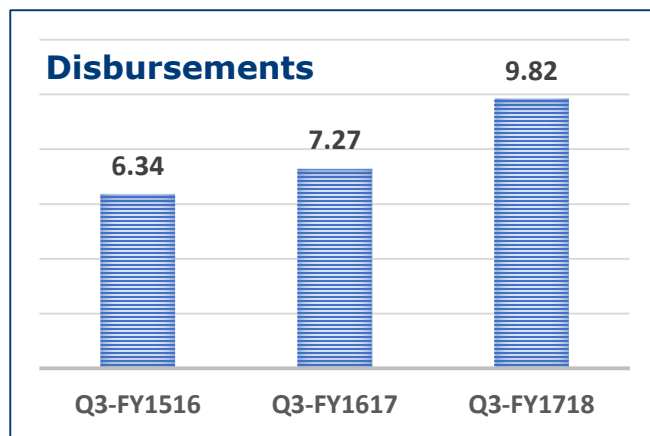
Rs 24.3K cr

# 50 lakh 2W financed in 3 quarters of FY 18 - NBFCs share growing

- NBFCs leading the share in new disbursements – **60% to 67% in 2 years**
- More than **50 lakh 2W financed in 3 quarters**. About 51 lakh 2W financed in FY17
- 32% higher number of 2W financed in Oct-Dec 2017 – Q3FY18 (YoY)



- Rs 25.6K cr disbursed this fiscal
- 35% YoY jump in disbursements for Q3 (Q3FY18 vs Q3FY17)
- 18% QoQ growth in disbursements Q3FY18 vs Q2FY18



## 2.02% Industry PAR90-180 : Private Banks see better quality

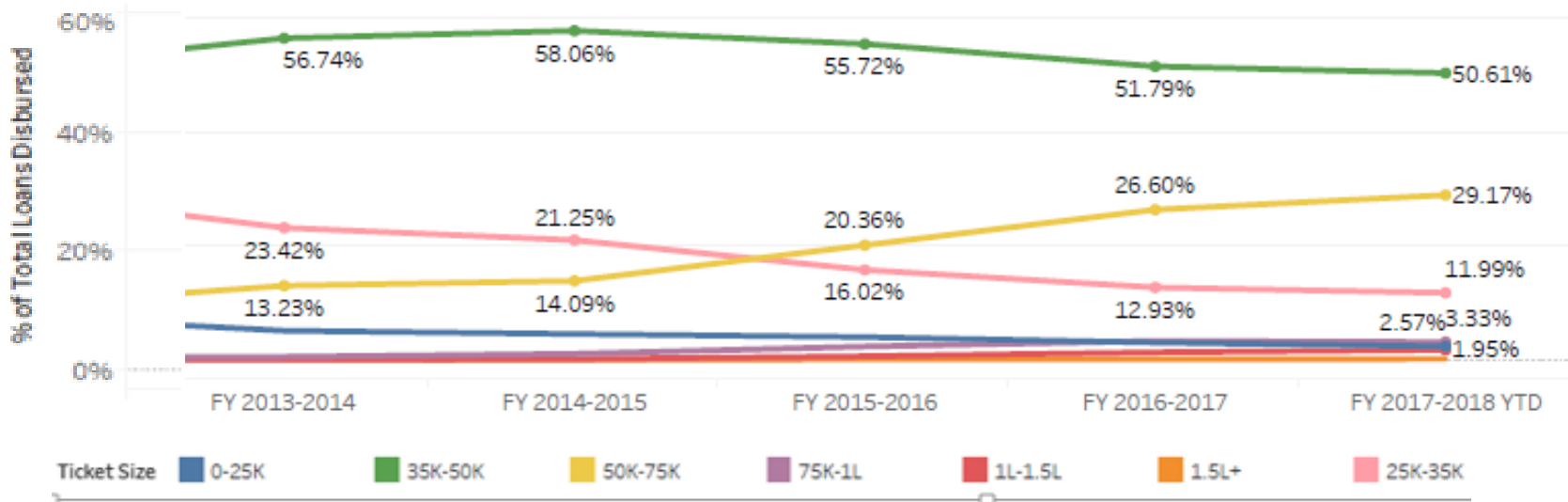
	0-25K	25K-35K	35K-50K	50K-75K	75K-1L	1L-1.5L	1.5L+	Total
NBFCs	232 Cr 3.36%	1,811 Cr 1.61%	11,012 Cr 2.51%	9,143 Cr 2.75%	1,395 Cr 1.65%	684 Cr 0.88%	209 Cr 3.53%	24,486 Cr 2.45%
PRIVATE BANKS	91 Cr 0.44%	739 Cr 0.71%	5,362 Cr 1.46%	3,979 Cr 1.06%	1,108 Cr 0.63%	1,000 Cr 0.35%	616 Cr 0.24%	12,895 Cr 1.07%
Others	10 Cr 6.50%	34 Cr 4.16%	249 Cr 3.31%	175 Cr 2.15%	95 Cr 2.09%	64 Cr 2.57%	1,077 Cr 2.93%	1,703 Cr 2.89%
Grand Total	332 Cr 2.65%	2,583 Cr 1.39%	16,623 Cr 2.18%	13,297 Cr 2.23%	2,598 Cr 1.23%	1,748 Cr 0.64%	1,902 Cr 2.12%	39,084 Cr 2.02%



Position as of Dec 2017

# ~35% 2W sold this year financed – higher than previous years

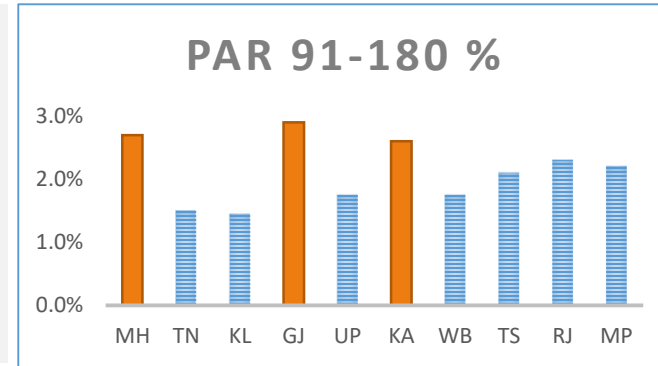
- 35% YoY increase in number of units financed. 11.67% jump in 2W sales during this period.
- 77% in 35-75K range – 2/3<sup>rd</sup> with NBFC
- Average ticket size ranges between **Rs 48000-50000**. Profile of loans disbursed changed in last 5 years
  - 56.7% to 50.6% - 35-50K ↓
  - 23.4% to 11.9% - 25-35K ↓
  - 13.2% to 29.2% - 50-75K ↑



# Maharashtra the biggest market - nearly Rs 5K crore GLP

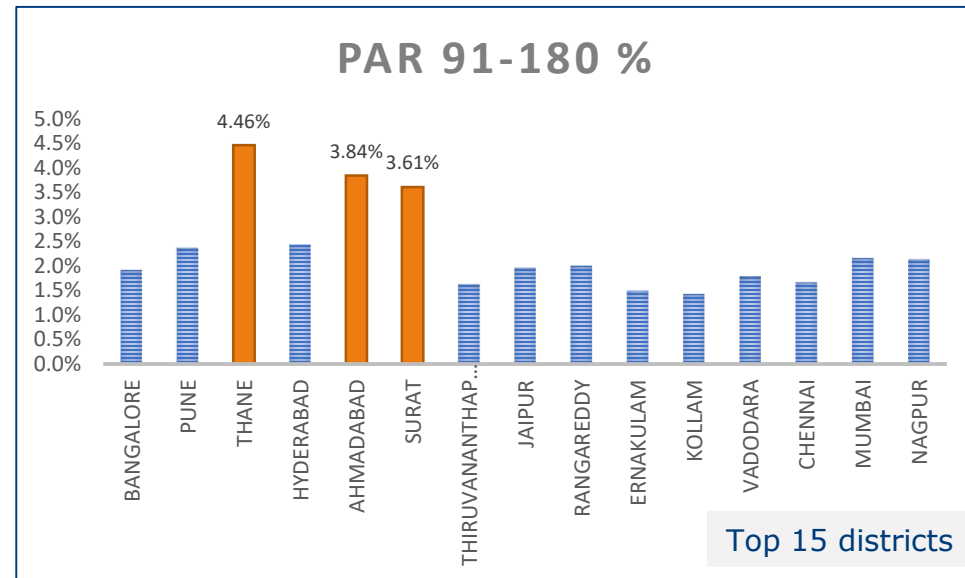
- NPA rises from Rs 579 cr (Dec-16) to Rs 600 cr (Dec-17)
  - 55 bps improvement in last 12 months
- MH, TN, KL, UP – larger states; UP, MH and Telangana show good growth (~35%)
- GJ shows ~3% NPA

\*NPA=PAR 91-180 days due



- Tenure: upto 50K (24-30mths), 50K-1L (30-42mths), 1L+ (48-60mths)
- 64% of new loans in Urban/Semi-Urban. 36% of loans are in Rural.

- Bangalore, Pune, Ahmedabad – top 3 cities in terms of GLP
- Thane, Hyderabad – other top districts
- Thane, Ahmedabad, Surat – show higher NPA > 3.5%



## Two-wheeler sales growing by 15%. Financing to experience a boom

Two-wheeler sales to touch [20 mn](#) in FY18: SIAM



2-wheeler financing running on top-gear: it is boom time for [two-wheeler financing](#)," said Devang Mody, CEO, *Reliance Money*.

Ashok Khanna, business head, vehicle loans, *HDFC Bank*, 'Our [two wheeler loan book](#) is currently crossing Rs 7000 crore and we are doing business worth Rs 500 crore every month in this segment. This year has seen terrific growth in the two-wheeler business and we are disbursing an average of 1,00,000 vehicles a month.

## New Entrants eyeing the market leveraging Aadhaar, Analytics & Tech

To Fast Track Sales, *InCred* Offers Loans For [Two-Wheelers](#). Post GST, the automobile sector has been witnessing a surge in demand.

*Tab capital* has launched a 10 minutes [2 wheeler loan](#) disbursal product

To woo youngsters, *Catholic Syrian Bank*, rolls out a [two-wheeler financing](#) vertical in 2018.

*Jana small finance bank* would also foray into consumer durable loan and [two-wheeler loans](#) in a phased way in the later part of this year or early next year.



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