HOW INDIA LENDS

Credit Landscape in India FY 2021
Welcome to the inaugural issue of our report, How India Lends - FY 2021.

India with a population of over 1.3 billion people is one of the largest and most complex credit markets in the world. With increasing incomes and consumption, the demand for retail credit is on the rise. Similarly, there is a lot of activity in the microfinance and commercial loan segments. The credit landscape in India is ever evolving and has witnessed changing consumer preferences, shift in demand towards smaller ticket loans, ease of access to credit, increased usage of digital platforms and entry of non-traditional lenders in the ecosystem to name a few.

Our report, How India Lends - FY21, focuses on the overall lending data and highlights key insights into Retail, Microfinance and Commercial lending in India. It details out an evaluation of the market over the last five years (FY17 – FY 21) to show historical trends. Further, the report also assesses the impact due to COVID-19 on lenders and borrowers, alike.

With the help of advanced analytics and our in-house expertise, we have evaluated a broad range of parameters to showcase the key shifts across product categories and geographies. Through this report our attempt is to provide powerful insights to the lenders and policymakers that will enable overall development of the credit ecosystem.

We hope you find this report to be valuable and look forward to your feedback.
Last few years had been exciting for Indian financial services sector with multiple themes emerging and trying to gain a foot in the market. However, the sector faced unprecedented challenges in FY21 due to COVID pandemic and continues to face challenges in FY22 due to deadly second wave.

At the end of such most dramatic year such as FY21 in the last few decades, we decided to reflect upon what transpired in the lending eco system, how lending trends managed to remain resilient in FY21 and identify learnings that can drive lending markets in FY22.

This report is an attempt to capture critical trends in Lending, impact of Covid Pandemic on the sector and recovery trends. As we concluded working on this report it became clear to us that though it was one of the toughest year for lending, we could see strong trends of recovery which is indicative of resilience of the sector in India.

Hope you find this report useful and do write to us if you have any feedback or comments.
Executive Summary

Size of total lending market in India as of Mar’21 is at ₹ 156.9 Lakh crores, growth of about 100% from FY17 to FY21. Retail and Commercial lending each contribute 49% to total lending in India while Microfinance contributes 2%. The period from FY17 to FY21 can be characterized by growth of Small ticket retail loans. This is evidenced by flat growth of Average balances per borrower despite 2X increase in Active Retail Loans. Another significant trend is borrowers holding 4 or more Active Retail Loans increasing and borrowers holding 1 or 2 Retail Loans reducing.

Major Product categories and their performance from FY17 to FY21 is provided below:

1. Retail Loans
   a. **Personal Loans**: Small Ticket Personal Loans (STPL < ₹ 1 Lakh) is an important component of Personal Loans market contributing 50% by volumes as of Mar’21. Public Sector Banks and Private Banks dominate overall Personal Loans market while Small Ticket Personal Loans are dominated by NBFCs. Overall Personal Loans witnessed 2.3X growth inOriginations by value and 3.8X growth in Originations by volume from FY17 to FY21 while the same for Small Ticket Personal Loans is 3X growth in Originations by value and 11.5X growth in Originations by volume. 40% reduction in Average Ticket Size of Personal Loans from ₹ 2.4 Lakhs in FY17 to ₹ 1.5 Lakhs in FY21. 22.8% of loans with ticket size < ₹ 10k and 15% of loans with ticket size ₹ 10-25K provided to borrowers with Age than 25 years
   b. **Credit Cards**: Credit Cards witnessed 2.4X growth in New Card Originations from FY17 to FY20 followed by a drop in FY21. Private Banks dominate the market. 54% of New Credit Cards issued in FY21 are to borrowers with Age less than 35 years and 18.2% are to New to Credit borrowers
   c. **Consumer Durable Loans**: Consumer Durable Loans witnessed 2.5X growth in Originations by value and 3X by volume from FY17 to FY20, followed by drop in FY21 due to Covid pandemic. Consumer Durable Loans are dominated by NBFCs. Average Ticket Size reduced ₹ 21k in FY17 to ₹ 17k in FY21. 54% of Consumer Durable loans in FY21 provided to Age group less than 35 years old and 34.5% of loans provided to New to Credit borrowers
   d. **Two-Wheeler Loans**: Two-Wheeler Loans witnessed 1.8X growth in Originations (by value) and 1.2X growth in Originations (by volume) from FY17 to FY20, followed by de-growth in FY21 due to Covid Pandemic. Two-Wheeler Loans are dominated by NBFCs. Average Ticket Size increase by 23% from ₹ 57K in FY17 to ₹ 60K in FY21. 61.3% of Two-Wheeler loans provided in FY21 are less than 35 years old and 64.5% of loans provided to New to Credit borrowers
e. **Home Loans**: Affordable Home Loans (Home Loans with ticket size < ₹ 35L) is an important component of Home Loans market contributing 58% by value and 85% by volume in Mar’21. Public Sector Banks and HFCs dominate overall Home Loans as well as Affordable Home Loans. Overall Home Loans witnessed 32% growth in Originations by value and 15% growth in Originations by volume from FY17 to FY21 while the same for Affordable Home Loans is 17% growth in Originations by value and 6% growth in Originations by volume. 16% increase in Average Ticket Size for Home Loans from ₹ 24.6 Lakhs in FY17 to ₹ 28.5 Lakhs in FY21.

f. **Auto Loans**: Auto Loans are dominated by Private Banks, Public Sector Banks & NBFCs. Auto Loans witnessed 23% growth in Originations by value from FY17 to FY19 followed by de-growth in FY20 and FY21 with 17% growth in Average Ticket Size from FY17 to FY21. 41% of Originations (by value) in FY21 for Age 36-50 years. 41% of Auto loans in FY21 provided to Age group 36-50 years, followed by 32% for 26-35 years.

g. **Business Loans**: Public Sector Banks and NBFCs dominate Business Loans by value. Business Loans witnessed 17% growth in Originations by value from FY17 to FY20, followed by almost 2X Y-o-Y growth in Originations (by volume) from FY20 to FY21. 39% of Business loans in FY21 provided to Age group 36-50 years, followed by 36.8% for 50+ years.

2. **Microfinance**: Microfinance Loans are dominated by Banks & NBFC-MFIs. Microfinance Loans witnessed 2.1X growth in Originations (by value) from FY17 to FY20 followed by 31% de-growth (by value) in FY21. Share of Originations (by value) of ticket size ₹ > 30K has increased by 38% from FY 17 to FY21. While proportion of borrowers having exposure to <=2 lenders has remained flat from Mar19 to Mar21, there is 10% increase in Proportion of 4 or more lenders from Mar19 to Mar21. 47% of Originations (by value) in FY21 for Age group 36-50 years, followed by 32.7% for 26-35 years.

3. **Commercial Loans**: MSME Loans (Entity level Credit Exposure upto ₹ 50 cr) is an important component of Commercial Loans market contributing 85% by volume as of Mar’21. Public Sector Banks and Private Banks dominate both overall Commercial Loans and MSME Loans. MSME loans witnessed 13% growth in Originations by value and 33% growth in Originations by volume from FY17 to FY20, followed by 62% growth in Originations (by volume) from FY20 to FY21. 15% growth in share (by value) of MSMEs in Overall Commercial Loans from 16.2% in FY17 to 24.6% in FY21. 33% growth in share (by value) and 47% growth in share (by volume) of Micro Enterprises among MSMEs from FY17 to FY21.
Definitions

The following criteria and filters have been applied in this report:

- **Personal Loans:** Small Ticket Personal Loan is defined as loans of <₹1L ticket size
- **Home Loans:**
  - Affordable Home Loan is defined as loans of <₹35L ticket size
  - Loans <₹5L ticket size reported under home loans have been excluded from this report
- **Consumer Durable Loans:** Loans >₹50K ticket size reported under Consumer Loans have been excluded from this report
- **Auto Loans:** Auto Loans do not include Used Car Loans/any other vehicle loans
- **Business Loans:** Business Loans include 5 account type namely Loans to Professionals, Business Loan General, Business Loan Unsecured, Business Loan Priority Sector Small Business, Mudra Loans
- **Commercial Loans:** MSME borrower segment is defined as loans with credit exposure <₹50 crore

Through out this report:

- **Portfolio Outstanding or value** refers to the current outstanding balance of the loan account in ₹ K crore, unless otherwise mentioned
- **Active loans or volume** refers to the number/count of active loans in Lakh, unless otherwise mentioned
- **Market share by value** refers to the share of different lender types/financiers in the current outstanding balance
- **Market share by volume** refers to the share of different lender types/financiers in the number of active loans
- **Originations Value** refers to the total disbursed amount in ₹ crore, unless otherwise mentioned
- **Originations Volume** refers to the number of loans disbursed in Lakh, unless otherwise mentioned
- **PAR or Portfolio at Risk** refers to the proportion of delinquent portfolio
- **ATS or Average ticket Size** refers to the average size of each loan type
- **NTC or New to Credit** is defined as loans with borrower vintage <=12 months.
- **ETC or Existing to Credit** is defined as loans with borrower vintage >12 Months
# Introduction to Indian Credit Landscape

## Retail

<table>
<thead>
<tr>
<th>Portfolio as of Mar’21 (₹ Lakh Cr)</th>
<th>Growth % FY17 to FY21</th>
<th>Originations Value FY21 (₹ K Cr)</th>
<th>Growth % FY17 to FY21</th>
<th>Originations Volume FY21 (Lakh)</th>
<th>Growth % FY17 to FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>77.5</td>
<td>91%</td>
<td>26.84</td>
<td>47%</td>
<td>1587.7</td>
<td>57%</td>
</tr>
</tbody>
</table>

## Microfinance

<table>
<thead>
<tr>
<th>Portfolio as of Mar’21 (₹ Lakh Cr)</th>
<th>Growth % FY17 to FY21</th>
<th>Originations Value FY21 (₹ K Cr)</th>
<th>Growth % FY17 to FY21</th>
<th>Originations Volume FY21 (Lakh)</th>
<th>Growth % FY17 to FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5</td>
<td>157%</td>
<td>1.73</td>
<td>46%</td>
<td>501.19</td>
<td>4%</td>
</tr>
</tbody>
</table>

## Commercial

<table>
<thead>
<tr>
<th>Portfolio as of Mar’21 (₹ Lakh Cr)</th>
<th>Growth % FY17 to FY21</th>
<th>Originations Value FY21 (₹ K Cr)</th>
<th>Growth % FY17 to FY21</th>
<th>Originations Volume FY21 (Lakh)</th>
<th>Growth % FY17 to FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>76.9</td>
<td>93%</td>
<td>35.34</td>
<td>-10%</td>
<td>21.11</td>
<td>75%</td>
</tr>
</tbody>
</table>
RETAIL LENDING
Top Retail Lending Products

**TOP RETAIL LOANS – BY PORTFOLIO OUTSTANDING**

- Home Loans: 31.1%
- Misc. Loans: 11.8%
- Agri Loans: 10.0%
- Business Loans: 9.9%
- Personal Loan: 8.6%
- Property Loan: 7.8%
- Auto Loans: 6.4%
- Gold Loan: 5.0%
- Commercial Vehicle Loan: 4.2%
- Credit Card: 2.3%
- Education Loan: 1.3%
- Two-Wheeler Loan: 1.1%
- Consumer Durable Loans: 0.6%

**TOP RETAIL LOANS – BY # ACTIVE LOANS**

- Credit Card: 16.6%
- Agri Loans: 14.1%
- Personal Loan: 11.7%
- Misc. Loans: 11.2%
- Gold Loan: 11.0%
- Consumer Durable Loans: 10.8%
- Two-Wheeler Loan: 6.7%
- Business Loans: 5.8%
- Home Loans: 4.9%
- Auto Loans: 3.8%
- Commercial Vehicle Loan: 1.8%
- Property Loan: 1.0%
- Education Loan: 0.7%

Portfolio Outstanding & # Active Loans as of Mar’21

Home Loans constitute largest share of 31.1%

By Portfolio Outstanding, Home Loans constitute largest share of 31.1%, while Consumer Durables Loans constitute the least share of 0.6%

Credit Cards constitute largest share of 16.6%

By count of active loans, Credit Cards constitute largest share of 16.6%, while Education Loans constitute least share of 0.7%
Following Retail Loan products are considered for deep dive analysis for this report:

- **Personal Loans**
  - Origination Value FY21 (₹ K Cr): 352.9
  - Origination Volume FY21 (Lakh): 240.02

- **Consumer Durable Loans**
  - Origination Value FY21 (₹ K Cr): 43.6
  - Origination Volume FY21 (Lakh): 256.82

- **Two-Wheeler Loans**
  - Origination Value FY21 (₹ K Cr): 43.4
  - Origination Volume FY21 (Lakh): 62.01

- **Home Loans**
  - Origination Value FY21 (₹ K Cr): 549.6
  - Origination Volume FY21 (Lakh): 19.31

- **Auto Loans**
  - Origination Value FY21 (₹ K Cr): 159.9
  - Origination Volume FY21 (Lakh): 26.85

- **Business Loans**
  - Origination Value FY21 (₹ K Cr): 129.6
  - Origination Volume FY21 (Lakh): 55.03

- **Credit Cards**
  - Cards in Circulation (Lakh) as of Mar’21: 608.8
  - New Cards issued in FY21 (Lakh): 97.69
PERSONAL LOANS
## Personal Loans - Industry Summary

### Overall Personal Loans

<table>
<thead>
<tr>
<th>Portfolio Outstanding (₹ K Cr)</th>
<th>Mar-19</th>
<th>Mar-20</th>
<th>Mar-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y-o-Y Growth%</td>
<td>31.1%</td>
<td>20.2%</td>
<td></td>
</tr>
<tr>
<td>Active Loans (Lakh)</td>
<td>210.1</td>
<td>396.0</td>
<td></td>
</tr>
<tr>
<td>Y-o-Y Growth%</td>
<td>61.4%</td>
<td>16.7%</td>
<td></td>
</tr>
<tr>
<td>PAR 31-90%</td>
<td>1.5%</td>
<td>1.6%</td>
<td>2.2%</td>
</tr>
<tr>
<td>PAR 91-180%</td>
<td>0.5%</td>
<td>0.8%</td>
<td>1.3%</td>
</tr>
<tr>
<td>PAR 180+%</td>
<td>2.2%</td>
<td>2.4%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

### Small Ticket Personal Loans (STPL < ₹ 1 Lakh)

<table>
<thead>
<tr>
<th>Portfolio Outstanding (₹ K Cr)</th>
<th>Mar-19</th>
<th>Mar-20</th>
<th>Mar-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y-o-Y Growth%</td>
<td>48.9%</td>
<td>3.6%</td>
<td></td>
</tr>
<tr>
<td>Active Loans (Lakh)</td>
<td>73.7</td>
<td>199.6</td>
<td></td>
</tr>
<tr>
<td>Y-o-Y Growth%</td>
<td>127.4%</td>
<td>19.0%</td>
<td></td>
</tr>
<tr>
<td>PAR 31-90%</td>
<td>1.9%</td>
<td>2.4%</td>
<td>4.0%</td>
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<td>PAR 91-180%</td>
<td>1.3%</td>
<td>2.8%</td>
<td>4.8%</td>
</tr>
<tr>
<td>PAR 180+%</td>
<td>10.3%</td>
<td>8.6%</td>
<td>13.7%</td>
</tr>
</tbody>
</table>

### Small Ticket Personal Loans

Small Ticket Personal Loans (STPL < ₹ 1 Lakh) is an important component of the Personal Loans market with 50% share by volume as of Mar’21.

### PL Portfolio

Overall PL portfolio by value has grown by 20% Y-o-Y as of Mar’21, compared to 3.6% for Small Ticket PL portfolio by value.

### STPL PAR 31-180

Small Ticket PL has PAR 31-180 of 8.8% as of Mar’21 compared to 3.5% for Overall PL.

### Overall PL (PAR 31-90)

37.5% increase in PAR 31-90 of Overall PL from 1.6% as of Mar’20 to 2.2% as of Mar’21. 62.5% increase in PAR 91-180 in the same period.

### Small Ticket PL (PAR 31-90)

67% increase in PAR 31-90 of Small Ticket PL from 2.4% as of Mar’20 to 4% as of Mar’21. 71% increase in PAR 91-180 in the same period.
Overall Personal Loans

Public Sector Banks and Private Banks dominate Overall Personal Loans with share of 43% and 37.4% respectively (by value).

Small Ticket Personal Loans

NBFCs dominate Small Ticket Personal Loans with share of 28.8% (by value) and 65.7% (by volume).
Personal Loans - Originations Summary

Originations – FY17 to FY21

- 2.3X growth in Originations by value and 3.8X growth in Originations by volume from FY17 to FY21

Originations – FY21

- 40% reduction in Average Ticket Size of Personal Loans from ₹ 2.4 Lakhs in FY17 to ₹ 1.5 Lakhs in FY21

- 60% Q-o-Q drop in Originations (by value) in Q1 FY21 due to lockdown in most parts of the country

- Recovery in Q2 FY21 with Originations at 86% of that of pre-pandemic level in Q4 FY20. Originations in Q3 FY21 and Q4 FY21 higher than pre-pandemic level in Q4 FY20
Personal Loan Originations – Lender Type

Originations (FY17 to FY21) - by Lender Type

<table>
<thead>
<tr>
<th>Lender Type</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>NBFCs</td>
<td>39.6</td>
<td>33.8</td>
<td>34.4</td>
<td>32.5</td>
<td>50.0</td>
</tr>
<tr>
<td>Private &amp; Public Sector Banks</td>
<td>39.5</td>
<td>42.7</td>
<td>40.5</td>
<td>41.5</td>
<td>31.9</td>
</tr>
<tr>
<td>NBFCs</td>
<td>14.5</td>
<td>17.1</td>
<td>20.2</td>
<td>22.2</td>
<td>14.8</td>
</tr>
</tbody>
</table>

NBFCs 4X increase in Originations share (by volume) for NBFCs from FY17 to FY20, followed by a drop in FY21.

Private & Public Sector Banks 50% reduction in Originations share (by volume) for Public Sector Banks and Private Banks.

Originations Share by Value

<table>
<thead>
<tr>
<th>Lender Type</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>NBFCs</td>
<td>46.1</td>
<td>26.9</td>
<td>19.9</td>
<td>8.8</td>
<td>21.4</td>
</tr>
<tr>
<td>Private &amp; Public Sector Banks</td>
<td>29.3</td>
<td>32.7</td>
<td>22.1</td>
<td>14.2</td>
<td>14.0</td>
</tr>
<tr>
<td>NBFCs</td>
<td>18.0</td>
<td>34.3</td>
<td>54.1</td>
<td>74.6</td>
<td>62.8</td>
</tr>
</tbody>
</table>

Lender type Foreign Banks and Others are not presented in this analysis.

Lender type Foreign Banks and Others are not presented in this analysis.

HOW INDIA LENDS FY 2021
How India Lends FY 2021

Personal Loan Originations – Ticket Size

Originations (FY17 to FY21) – Ticket Size

<table>
<thead>
<tr>
<th>% of Originations Value (₹ C)</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.0%</td>
<td>6.2%</td>
<td>8.5%</td>
<td>11.7%</td>
<td>8.7%</td>
<td>9.4%</td>
</tr>
<tr>
<td>14.1%</td>
<td>12.9%</td>
<td>11.0%</td>
<td>11.0%</td>
<td>26.6%</td>
<td>33.4%</td>
</tr>
<tr>
<td>44.3%</td>
<td>41.5%</td>
<td>36.2%</td>
<td>30.3%</td>
<td>30.1%</td>
<td>33.4%</td>
</tr>
<tr>
<td>22.7%</td>
<td>28.4%</td>
<td>30.6%</td>
<td>21.9%</td>
<td>21.9%</td>
<td>21.9%</td>
</tr>
<tr>
<td>9.0%</td>
<td>11.0%</td>
<td>13.0%</td>
<td>16.9%</td>
<td>21.9%</td>
<td>21.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of Originations Volume (Lakh)</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>39.8%</td>
<td>15.0%</td>
<td>53.9%</td>
<td>78.9%</td>
<td>70.7%</td>
<td>70.7%</td>
</tr>
<tr>
<td>20.8%</td>
<td>21.3%</td>
<td>41.5%</td>
<td>21.3%</td>
<td>21.3%</td>
<td>21.3%</td>
</tr>
<tr>
<td>30.4%</td>
<td>31.1%</td>
<td>10.5%</td>
<td>10.5%</td>
<td>10.5%</td>
<td>10.5%</td>
</tr>
<tr>
<td>7.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
</tr>
<tr>
<td>3.3%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

Ticket Size
Decrease in share (by value) of ticket size ₹ 2-5 lakhs and increase in share of ₹ 5-10 lakhs and ₹ 10 lakhs+ from FY17 to FY21

Ticket Size ₹<1 Lakh
2X increase in share (by volume) of ticket size ₹ <1 Lakh from FY17 to FY20, followed by 10% drop in FY21

Lender Type – Average Ticket Size (₹ L)

<table>
<thead>
<tr>
<th>Lender Type</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Sec Banks</td>
<td>2.05</td>
<td>3.43</td>
<td>3.18</td>
<td>3.35</td>
<td>1.93</td>
</tr>
<tr>
<td>Private Banks</td>
<td>3.18</td>
<td>3.43</td>
<td>3.18</td>
<td>3.35</td>
<td>0.35</td>
</tr>
<tr>
<td>NBFCs</td>
<td>3.35</td>
<td>3.35</td>
<td>3.35</td>
<td>3.35</td>
<td>0.35</td>
</tr>
</tbody>
</table>

Average Ticket Size of Overall PL
Reduction in Average Ticket Size of Overall PL from FY17 to FY21 is led by NBFCs with 80% reduction of Average Ticket Size in same period

Average Ticket Size of NBFCs
Reduction in Average Ticket Size of NBFCs is because of increased STPL lending by NBFCs
Personal Loans Originations – Borrower Age (FY21)

Originations (FY21) – Borrower Age (Years)

- **Age less than 25 years**
  - 22.8% of loans with ticket size < ₹ 10k
  - 15% of loans with ticket size ₹ 10-25K provided to borrowers with Age less than 25 years

- **Age 26-35 Years**
  - 54.2% of loans with ticket size < ₹ 10k
  - 50.6% of loans with ticket size ₹ 10-25K provided to borrowers with Age 26-35 years

- **Age higher than 35 Years**
  - Borrowers with Age higher than 35 years have higher share in ticket sizes > ₹ 50K

PL Borrowers

- 40% of Overall Personal Loan borrowers in FY21 are less than 35 years old

Borrowers with age <35 years

- Borrowers with Age less than 35 years have higher share in ticket sizes upto ₹ 50K. But their share reduced for ticket sizes > ₹ 50K

Age less than 25 years

- 22.8% of loans with ticket size < ₹ 10k and 15% of loans with ticket size ₹ 10-25K provided to borrowers with Age less than 25 years

Age 26-35 Years

- 54.2% of loans with ticket size < ₹ 10k and 50.6% of loans with ticket size ₹ 10-25K provided to borrowers with Age 26-35 years

Age higher than 35 Years

- Borrowers with Age higher than 35 years have higher share in ticket sizes > ₹ 50K
19.1% of Overall Personal Loans are provided to New to Credit (NTC) borrowers in FY21.

NTC borrowers have lower Average Ticket size compared to Existing to Credit (ETC) borrowers.

Average Ticket size

NTC Borrowers

19.1% of Overall Personal Loans are provided to New to Credit (NTC) borrowers in FY21.
Small Ticket Personal Loans - Originations Summary

Originations – FY17 to FY21

- **3X growth in Originations by value and 11.5X growth in Originations by volume from FY17 to FY20, followed by drop in FY21.**

Originations by Value & Volume

- **70% reduction in Average Ticket Size of Small Ticket PL loans from ₹ 60k in FY17 to ₹ 18k in FY21**

Originations by Value

- **60% Q-o-Q drop in Originations (by value) in Q1 FY21 due to lockdown in most parts of the country.**

Impact on STPL due to Covid

- While Overall Personal Loans recovered with Originations in Q3 FY21 and Q4 FY21 higher than pre-pandemic level in Q4 FY20; Small Ticket Personal Loans continued to remain adversely impacted in FY21 due to Covid pandemic.
Small Ticket Personal Loan Originations – Lender Type

Originations (FY17 to FY21) - by Lender Type

- NBFCs dominate STPL
- Originations share by Volume
  - 4X increase Originations share (by volume) for NBFCs from FY17 to FY21

Originations (FY21) - by Lender Type

- NBFCs dominate STPL
- NBFCs continue to dominate Small ticket Personal Loans by both volume and value
- Increased Originations Share
  - Private banks increased their Originations share (value & volume) by Q4 FY21 compared to Q4 FY20 at the expense of NBFCs

Lenders type Foreign Banks and Others are not presented in this analysis.

HOW INDIA LENDS FY 2021
Small Ticket Personal Loan Originations – Ticket Size

Originations (FY17 to FY21) – Ticket Size

- Decrease in share of ticket size ₹ 50k - 1 lakh and increase in share of ₹ < 10k by both value and volume from FY17 to FY21.

Lender Type - Ticket Size Mix (FY21)

- 20X Growth in share of ticket size ₹ <10k from FY17 to FY21.
- 20X growth in share (by volume) of ticket size ₹ <10k from FY17 to FY21.
- Lower ticket sizes are dominated by NBFCs.
- Share of Private Banks and Public Sector Banks increases with increase in ticket sizes.

NBFCs

Private & Public Sector Banks

Lender type Foreign Banks and Others are not presented in this analysis.
Originations (FY21) – Borrower Age (Years)

- **Age < 35 years**: 54% of Small Ticket Personal Loan borrowers in FY21 are less than 35 years old.

NC Borrowers

- **NTC Borrowers**: 20.5% of Small Ticket Personal Loans are provided to New to Credit (NTC) borrowers in FY21, while Private Banks provided 32% of Originations (by value) to NTC borrowers.

Average Ticket Size

- **Average Ticket Size**: NTC customers have lower Average Ticket size compared to Existing to Credit (ETC) borrowers.
CREDIT CARDS
Credit Cards – Portfolio Snapshot

<table>
<thead>
<tr>
<th>Mar-19</th>
<th>Mar-20</th>
<th>Mar-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Card Balances (₹ K Cr)</td>
<td>105.3</td>
<td>155.8</td>
</tr>
<tr>
<td>YoY Growth%</td>
<td>47.9%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Cards in Circulation (Lakh)</td>
<td>452.45</td>
<td>536.24</td>
</tr>
<tr>
<td>Y-o-Y Growth%</td>
<td>18.5%</td>
<td>13.5%</td>
</tr>
<tr>
<td>PAR 31-90%</td>
<td>2.4%</td>
<td>1.9%</td>
</tr>
<tr>
<td>PAR 91-180%</td>
<td>1.7%</td>
<td>3.6%</td>
</tr>
<tr>
<td>PAR 180+%</td>
<td>6.2%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

Total Balances
Credit Cards have total balances of ₹ 173.9 K Cr and 608.89 Lakh cards in circulation as of Mar’21, with 11.6% Y-o-Y growth by value and 13.5% by volume.

Credit Cards – Market Share

PAR 30+, PAR 90+ and PAR 180+
Credit Cards has higher PAR 30+, PAR 90+ and PAR 180+ in FY21 compared to FY20.

Private Banks
Credit Cards are dominated by Private Banks by both value and volume.
**New Credit Cards Issued - Summary**

**New Cards Issued – FY17 to FY21**

- **New Cards Issued**
  - 2.4X growth in new cards issued from FY17 to FY20, followed by 36% Y-o-Y drop in FY21

**New Cards issued in Q1 FY21**

- 80% Q-o-Q drop in new cards issued in Q1 FY21 due to lockdown in most parts of the country

**Recovery in New Cards Issued**

- Recovery in New Card Originations by Q3 FY21 with Originations by volume higher than that of pre-pandemic level in Q4 FY20.
New Credit Cards Issued – Lender Type

New Cards Issued (FY17 to FY21) - by Lender Type

New Card Originations (FY17 to FY21)
Share of New Card Originations of Private Banks increased marginally from FY17 to FY21

New Cards Issued (FY21) - by Lender

New Card Originations FY21
Share of New Card Originations of Private Banks increased in Q3 FY21 and Q4 FY21 compared to pre-pandemic level of Q4 FY20
New Credit Cards Issued in FY21 – Borrower Age & ETC/NTC

New Cards Issued (FY21) – Borrower Age (Years)

- Age less than 35 years: 54% of New Credit Cards issued in FY21 are to borrowers with Age less than 35 years

New Cards Issued (FY21) - ETC/NTC

- NTC Borrowers: 18.2% of New Card Originations in FY21 are New to Credit (NTC) borrowers
CONSUMER DURABLE LOANS
Consumer Durable Loans - Industry Summary

Consumer Durable Loans – Portfolio Snapshot

<table>
<thead>
<tr>
<th></th>
<th>Mar-19</th>
<th>Mar-20</th>
<th>Mar-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Outstanding</td>
<td>18.8</td>
<td>24.0</td>
<td>25.1</td>
</tr>
<tr>
<td>(₹ K Cr)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YoY Growth%</td>
<td>27.9%</td>
<td>4.8%</td>
<td></td>
</tr>
<tr>
<td>Active Loans (Lakh)</td>
<td>338.1</td>
<td>360.9</td>
<td>371.6</td>
</tr>
<tr>
<td>Y-o-Y Growth%</td>
<td>6.7%</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td>PAR 91-90%</td>
<td>2.2%</td>
<td>1.7%</td>
<td>1.4%</td>
</tr>
<tr>
<td>PAR 91-180%</td>
<td>1.8%</td>
<td>1.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>PAR 180+%</td>
<td>5.6%</td>
<td>5.9%</td>
<td>9.9%</td>
</tr>
</tbody>
</table>

Ticket Size upto ₹50k
Consumer Loans with ticket sizes up to ₹ 50k are considered as Consumer Durable Loans for this report

Portfolio Outstanding
Consumer Durable Loans has Portfolio outstanding of ₹ 25,100 Cr as of Mar’21, with 4.8% Y-o-Y growth by value and 3% by volume

Consumer Durable Loans – Market Share

PAR 91-180 & PAR 180+
67% increase in PAR 91-180 and PAR 180+ in FY21 compared to FY20 from 1.7% and 1.5% as of Mar’20 to 2.5% and 9.9% respectively in Mar’21

Dominated by NBFC
Consumer Durable loans are dominated by NBFCs and Private Banks by both value and volume
### Originations – FY17 to FY21

- **2.5X growth** in Originations by value and **3X growth** in Originations by volume from FY17 to FY20, followed by **drop** in FY21 due to Covid pandemic.

### Average Ticket Size

- **20% reduction** in Average Ticket Size of Consumer Durable Loans from ₹21k in FY17 to ₹17k in FY21.

### Originations – FY21

- **60% Q-o-Q drop** in Originations (by value) in Q1 FY21 due to lockdown in most parts of the country.
- **Recovery in Q2 FY21** with Originations at 74% of that of pre-pandemic level in Q4 FY20. Originations in Q3 FY21 and Q4 FY21 higher than pre-pandemic level of Q4 FY20.
NBFCs Dominate Consumer Durable Loans FY19 to 21

NBFCs dominate Consumer Durable Loans by both volume and value from FY19 to FY21

Private Banks Gained Market Share

Private banks gained Market share at expense of NBFCs from FY19 to FY2

NBFCs Dominate Consumer Durable Loans FY21

NBFCs dominate Consumer Durable Loans by both volume and value in all quarters of FY21

Lender type Public Sector Banks and Others are not presented in this analysis
Originations (FY21) – Borrower Age (Years)

- Age Less than 35 years: 54% of Consumer Durable Loan borrowers in FY21 are less than 35 years old.

Originations (FY21) – Borrower Age & Ticket size (₹)

- Age less than 25 years: 20.1% of loans with ticket size < ₹ 5k and 22.2% of loans with ticket size ₹ 5-10K provided to borrowers with Age less than 25 years.
- Age 26-35 years: 49.2% of loans with ticket size < ₹ 5k provided to borrowers with Age 26-35 years.
- Age greater than 35 years: Borrowers with Age greater than 35 years have higher share in ticket sizes ₹ 25-50K.
34.5% of Consumer Durable Loans were provided to New to Credit (NTC) borrowers in FY21.

Private banks provide more loans to NTC borrowers than NBFCs.

NTC borrowers have lower Average Ticket size compared to Existing to Credit (ETC) borrowers.
TWO-WHEELER LOANS
Two-Wheeler Loans - Industry Summary

Two-wheeler Loans – Portfolio Snapshot

<table>
<thead>
<tr>
<th>Portfolio Outstanding (₹ K Cr)</th>
<th>Mar-19</th>
<th>Mar-20</th>
<th>Mar-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>YoY Growth%</td>
<td>23.0%</td>
<td>10.6%</td>
<td></td>
</tr>
<tr>
<td>Active Loans (Lakh)</td>
<td>190.90</td>
<td>222.37</td>
<td>236.33</td>
</tr>
<tr>
<td>PAR 31-90%</td>
<td>3.6%</td>
<td>4.5%</td>
<td>6.8%</td>
</tr>
<tr>
<td>PAR 91-180%</td>
<td>2.2%</td>
<td>2.3%</td>
<td>3.9%</td>
</tr>
<tr>
<td>PAR 180+%</td>
<td>4.8%</td>
<td>5.4%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

Two-Wheeler Loans has Portfolio outstanding of ₹ 77,900 Cr as of Mar’21, with 10.6% Y-o-Y growth by value and 6.3% by volume.

NBFCs & Private Bank

Two-Wheeler Loans dominated by NBFCs and Private banks by value & volume.

Two-wheeler Loans – Market Share

PAR 31-90 & PAR 91-180

51% increase in PAR 31-90 and 69% increase in PAR 91-180 respectively from Mar’20 to Mar’21.

PAR 180+

Credit Cards has higher PAR 30+, PAR 90+ and PAR 180+ in FY21 compared to FY20.
### Two-Wheeler Loans – Originations Summary

#### Originations – FY17 to FY21

- **Origination by Value**: 1.8X growth in Originations (by value) from FY17 to FY20, followed by de-growth in FY21 due to Covid Pandemic.

#### Average Ticket Size

- 23% growth in Average Ticket Size from FY17 to FY21.

#### Originations by Value (Q1 FY21)

- 60% Q-o-Q drop in Originations (by value) in Q1 FY21 due to lockdown in most parts of the country.

#### Originations by Value (FY21)

- Recovery by Q2 FY21 with Originations (by value) at 89% of that of pre-pandemic level in Q4 FY20. Originations (by value) in Q3 FY21 and Q4 FY21 higher than pre-pandemic levels in Q4 FY20.
Two-Wheeler Loans Originations – Lender Type

Originations (FY17 to FY21) - by Lender Type

<table>
<thead>
<tr>
<th>% of Originations Value</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>NBFCs</td>
<td>34.5%</td>
<td>34.3%</td>
<td>33.9%</td>
<td>32.5%</td>
<td>34.6%</td>
</tr>
<tr>
<td>Private Banks</td>
<td>62.4%</td>
<td>63.1%</td>
<td>64.3%</td>
<td>66.1%</td>
<td>63.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of Originations Volume</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>NBFCs</td>
<td>38.5%</td>
<td>32.7%</td>
<td>32.5%</td>
<td>30.6%</td>
<td>32.6%</td>
</tr>
<tr>
<td>Private Banks</td>
<td>59.7%</td>
<td>66.0%</td>
<td>66.6%</td>
<td>68.6%</td>
<td>66.4%</td>
</tr>
</tbody>
</table>

NBFCs dominated Two-wheeler Originations by volume and Value from FY17 to FY21

Originations by Volume

11% increase in Originations share (by volume) of NBFCs from 59.7% in FY17 to 66.4% in FY21

Originations (FY21) - by Lender Type

<table>
<thead>
<tr>
<th>% of Originations Value</th>
<th>Q4 FY20</th>
<th>Q1 FY21</th>
<th>Q2 FY21</th>
<th>Q3 FY21</th>
<th>Q4 FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>NBFCs</td>
<td>33.0%</td>
<td>36.7%</td>
<td>32.8%</td>
<td>33.2%</td>
<td>37.1%</td>
</tr>
<tr>
<td>Private Banks</td>
<td>65.5%</td>
<td>61.4%</td>
<td>64.9%</td>
<td>64.5%</td>
<td>60.4%</td>
</tr>
</tbody>
</table>

Private Banks have higher Average Ticket Size compared to NBFCs

Lender type Public Sector Banks and Others are not presented in this analysis
Two-Wheeler Loans Originations – Ticket Size

Originations (FY17 to FY21) – Ticket Size

- **Ticket Size ₹<75k**
  - 14% reduction in share of Ticket Size ₹<75K from 74.1% in FY17 to 63.6% in FY21 by value

- **Ticket Size ₹75k-₹1 lakh**
  - 3.6X growth in share of Ticket Size ₹75K-₹1 Lakh from FY17 to FY21 by value

Lender Type – Average Ticket Size (₹ K)

- **Ticket Size ₹<75k**
  - By volume, share of Ticket Size ₹<75K reduced from 94.4% in FY17 to 75.8% in FY21

- **Ticket Size ₹75k-₹1 lakh**
  - Private banks had higher growth in Average Ticket size compared to NBFCs from FY17 to FY21

Private Banks
Age less than 35 years
61.3% of Two-Wheeler borrowers in FY21 are less than 35 years old

Borrower age & Ticket size
Borrowers with Age less than 35 years dominate both lower ticket size as well as higher ticket size Originations
Two-Wheeler Loans Originations – ETC/NTC

ETC/NTC – Average Ticket Size (₹ K)

<table>
<thead>
<tr>
<th>Year</th>
<th>Private Banks</th>
<th>NBFCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>51.9</td>
<td>60.1</td>
</tr>
<tr>
<td>FY18</td>
<td>55.2</td>
<td>64.6</td>
</tr>
<tr>
<td>FY19</td>
<td>60.9</td>
<td>56.2</td>
</tr>
<tr>
<td>FY20</td>
<td>66.2</td>
<td>54.3</td>
</tr>
<tr>
<td>FY21</td>
<td>76.6</td>
<td>71.2</td>
</tr>
</tbody>
</table>

- **NTC Borrowers**: 64.5% of Two-Wheeler Loans were provided to New to Credit (NTC) borrowers in FY21.
- **NTC Originations Share**: NTC Originations share (by value) higher for NBFCs compared to Private Banks.
- **Average Ticket Size**: NTC borrowers have lower Average Ticket size compared to Existing to Credit (ETC) borrowers.
- **Private Banks**: Average Ticket size of NTC Borrowers higher for Private Banks compared to NBFCs.
HOME LOANS
Overall Home Loans

Affordable Home Loans (AFHL with ticket size < ₹ 35L) are an important component of Home Loans market with 58% share by value and 85% share by volume in Mar’21

Excluded loans with 0-5L sanctioned amount from the analysis

Affordable Home Loans

PAR (30+, 90+ & 180+) of Affordable Home Loans is similar to Overall Home Loans
Public Sector Banks and HFCs dominate Overall Home Loans

Public Sector Banks and HFCs dominate Overall Home Loans as well as Affordable Home Loans (by value & volume)
**Home Loans – Originations Summary**

**Originations – FY17 to FY21**

- **Originations by Value & Volume**: 32% growth in Originations by value and 15% growth in Originations by volume from FY17 to FY21.

- **Average Ticket Size**: 16% increase in Average Ticket Size for Home Loans from ₹ 24.6 Lakhs in FY17 to ₹ 28.5 Lakhs in FY21.

**Originations – FY21**

- **Originations by Value (Q1 FY21)**: 70% Q-o-Q drop in Originations (by value) in Q1 FY21 due to lockdown in most parts of the country. Recovery in Originations by Q2 FY21 with Originations at 90% of that of pre-pandemic level in Q4 FY20.

- **Originations by Value (FY21)**: Originations by value Q3 FY21 and Q4 FY21 at 25% and 50% higher compared to pre-pandemic level in Q4 FY20.
## Home Loans Originations – Lender Type

### Originations (FY17 to FY21) - by Lender Type

<table>
<thead>
<tr>
<th>% of Originations Value (Cr)</th>
<th>% of Originations Volume (Lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>FY18</td>
</tr>
<tr>
<td>Public Sec Banks</td>
<td>Private Banks</td>
</tr>
<tr>
<td>35.8%</td>
<td>34.4%</td>
</tr>
<tr>
<td>17.9%</td>
<td>17.7%</td>
</tr>
<tr>
<td>41.9%</td>
<td>44.2%</td>
</tr>
<tr>
<td>39.9%</td>
<td>37.4%</td>
</tr>
<tr>
<td>13.5%</td>
<td>13.5%</td>
</tr>
<tr>
<td>42.3%</td>
<td>45.1%</td>
</tr>
</tbody>
</table>

### Increase in Originations Share

- Increase in Originations share (by value) of Private Banks at the expense of HFCs from FY17 to FY21

### Increased Share

- After initial reduction in Originations share in Q1 FY21, HFCs and Private Banks increased their share of Originations in Q2, Q3 and Q4 FY21

### Public Sector Banks

- Drop in Originations share of Public Sector Banks in Q2, Q3 & Q4 FY21 compared to pre-pandemic level in Q4 FY20

Lender type Foreign Banks and Others are not presented in this analysis.
**Home Loans Originations – Ticket Size**

**Originations (FY17 to FY21) – Ticket Size Industry**

- Approximately 80% of Originations by volume and 50% by value in Home Loans are of ticket size ₹ 5L-35L lakhs.

**Ticket Size**

- Decrease in Originations share (by value & volume) of ticket size ₹ 5L-35L lakhs and Increase in share of ticket sizes ₹ 35L-75L lakhs and ₹ 75L+ from FY17 to FY21.

**Lender Type – Average Ticket Size (₹ Lakh)**

- 26% increase in Average Ticket Size of Public Sector Banks from FY17 to FY21.
- 11% and 8% increase in Average Ticket Size for Private Banks and HFCs respectively.

**How India Lends FY 2021**
Home Loans Originations – Borrower Age

Originations (FY21) – Borrower Age (Years)

- 48.6% of Originations (by value) in FY21 for Age group 36-50 years, followed by 32.8% for Age group 26-35 years

Originations (FY21) – Borrower Age & Ticket Size (₹)

- Age Groups <25 & 26-35 Years
  - Age groups <25 years and 26-35 years have higher share of originations in Home Loans with ticket size <₹ 35 Lakhs and ₹ 35-75 Lakhs

- Age Groups 36-50 & >50 Years
  - Age groups 36-50 years and >50 years have higher share of originations in Home Loans with ticket size > ₹ 75 Lakhs
Affordable Home Loans – Originations Summary

Originations – FY17 to FY21

- **Originations by Value & Volume:** 17% growth in Originations by value and 6% growth in Originations by volume from FY17 to FY21

- **Average Ticket Size:** Average Ticket Size for Affordable Home Loans increased from ₹ 16 Lakhs in FY17 to ₹ 17.7 Lakhs in FY21

Originations – FY21

- **Recovery in Originations:** 70% Q-o-Q drop in Originations (by value) in Q1 FY21 due to lockdown in most parts of the country. Recovery in Originations by Q2 FY21 with Originations at 93% of that of pre-pandemic level in Q4 FY20

- **Originations by Value:** Originations by value Q3 FY21 and Q4 FY21 at 17% and 35% higher compared to pre-pandemic level in Q4 FY20
Affordable Home Loans Originations—Lender Type

Originations (FY17 to FY21) - by Lender Type

<table>
<thead>
<tr>
<th>% of Originations Value (%)</th>
<th>Public Sec Banks</th>
<th>Private Banks</th>
<th>HFCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>41.2%</td>
<td>38.8%</td>
<td>38.6%</td>
</tr>
<tr>
<td>FY18</td>
<td>12.7%</td>
<td>42.5%</td>
<td>45.1%</td>
</tr>
<tr>
<td>FY19</td>
<td>14.1%</td>
<td>38.6%</td>
<td>43.5%</td>
</tr>
<tr>
<td>FY20</td>
<td>14.5%</td>
<td>39.6%</td>
<td>40.0%</td>
</tr>
<tr>
<td>FY21</td>
<td>15.7%</td>
<td>40.6%</td>
<td>40.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of Originations Volume (Lakh)</th>
<th>Public Sec Banks</th>
<th>Private Banks</th>
<th>HFCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>40.9%</td>
<td>38.0%</td>
<td>37.3%</td>
</tr>
<tr>
<td>FY18</td>
<td>40.2%</td>
<td>38.0%</td>
<td>40.2%</td>
</tr>
<tr>
<td>FY19</td>
<td>38.0%</td>
<td>40.2%</td>
<td>40.2%</td>
</tr>
<tr>
<td>FY20</td>
<td>38.0%</td>
<td>38.0%</td>
<td>38.0%</td>
</tr>
<tr>
<td>FY21</td>
<td>38.0%</td>
<td>38.0%</td>
<td>38.0%</td>
</tr>
</tbody>
</table>

Increase in Originations share (by value and volume) of Private Banks from FY17 to FY21

HFCs & Private Bank

HFCs and Private Banks increased their share of Originations in FY21 compared to Q4 FY20

Reduced Share

Originations share of Public Sector Banks reduced in Q2, Q3 & Q4 FY21 compared to pre-pandemic level in Q4 FY20

Lender type Foreign Banks and Others are not presented in this analysis
Affordable Home Loans Originations – Ticket Size

Originations (FY17 to FY21) – Ticket Size

- Decreased Share
  - Decrease in share (by value & volume) of ticket sizes ₹5L-15L lakhs and increase in share of ₹15L-25L lakhs and ₹25L-35L from FY17 to FY21

- Originations by Value & Volume
  - In FY21, share in originations of HFCs is higher for lower ticket sizes and reduces as the ticket sizes increase, while that of Public Sector Banks and Private Banks is higher for higher ticket sizes

Lender Type – Ticket Size Mix (FY21)

- Average Ticket Size
  - 14% increase in Average Ticket Size of Public Sector Banks from FY17 to FY21
  - 6.5% and 8% increase in Average Ticket Size of for Private Banks and HFCs respectively from FY17 to FY21

- Private Banks & HFCs
  - Lender type Foreign Banks and Others are not presented in this analysis
Affordable Home Loans Originations – Borrower Age

Originations (FY21) – Borrower Age (Years)

- Age group 36-50 years: 34.0% of Originations (by value) in FY21 for Age group 36-50 years, followed by 46.9% for Age group 26-35 years.

Originations (FY21) – Borrower Age & Ticket Size (₹)

- Borrower age & ticket size:
  - Age groups 26-35 years and 36-50 years have higher share of originations in lower as well as higher ticket sizes of Affordable Home Loans.
Auto Loans - Industry Summary

Auto Loans – Portfolio Snapshot

<table>
<thead>
<tr>
<th></th>
<th>Mar-19</th>
<th>Mar-20</th>
<th>Mar-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Outstanding (₹ K Cr)</td>
<td>398.1</td>
<td>425.7</td>
<td>434.4</td>
</tr>
<tr>
<td>YoY Growth%</td>
<td></td>
<td>6.9%</td>
<td>2.0%</td>
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<tr>
<td>Active Loans (Lakh)</td>
<td>111.11</td>
<td>119.34</td>
<td>118.46</td>
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<tr>
<td>PAR 31-90%</td>
<td>3.9%</td>
<td>3.5%</td>
<td>3.8%</td>
</tr>
<tr>
<td>PAR 91-180%</td>
<td>0.7%</td>
<td>1.1%</td>
<td>1.2%</td>
</tr>
<tr>
<td>PAR 180+%</td>
<td>1.9%</td>
<td>2.4%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

Portfolio Outstanding
Auto Loans has Portfolio Outstanding of ₹ 4.34 Lakh cr as of Mar’21, with 2.0% Y-o-Y growth by value

Auto Loans – Market Share

Lender Groups
All Lender groups Private Banks, Public Sector Banks & NBFCs have good presence in Auto Loans
Auto Loans – Originations Summary

Originations – FY17 to FY21

- 23% growth in Originations by Value
  - 23% growth in Originations by value from FY17 to FY19 followed by de-growth in FY20 and FY21

- Average Ticket Size
  - 17% increase in Average Ticket size from FY17 to FY21

Originations – FY21

- Originations by Value
  - 67% Q-o-Q drop in Originations (by value) in Q1 FY21 due to lockdown in most parts of the country.

- Recovery in Originations
  - Recovery in Originations by Q2 FY21 with Originations (by value) at 99% of that of pre-pandemic level in Q4 FY20. Originations (by value) in Q3 FY21 and Q4 FY21 much higher than pre-pandemic level in Q4 FY20
30% increase in Origination by volume
30% increase in Originations share (by volume) of NBFCs from 36.2% in FY17 to 47.4% in FY20 despite flat growth in Originations share (by value) in the same period. This is due to increased focus on Small ticket Auto Loans by NBFCs

Drop in Originations Share
Y-o-Y drop in Originations share (by value and volume) of NBFCs in FY21. Their share lower in all quarters of FY21 compared to Q4 FY20

Lender type Others are not presented in this analysis
Auto Loan Originations – Ticket Size

Originations (FY17 to FY21) – Ticket Size

Ticket Size
Decrease in Originations of Ticket size < ₹ 5 Lakh and increase in Originations of Ticket sizes ₹ 5-10 Lakh and ₹ 10-15 Lakh by value

Share of Originations
By volume, decrease of nearly 13% in share of originations of < ₹5 Lakh ticket size, nearly 9% increase in share of originations of Ticket size ₹5-10Lakh from FY17 to FY21

Lender Type – Average Ticket Size (₹ Lakh)

Average Ticket Size
30% increase in Average Ticket size of Public Sector Banks and 22% increase in Average Ticket size of Private Banks

Average Ticket Size of NBFC
Slight reduction in Average Ticket size of NBFCs due to higher focus on lower ticket sizes
Auto Loans Originations – Borrower Age

Originations (FY21) – Borrower Age (Years)

- 32.4% of Originations in Age group 26-35 years
- 21.3% in Age group 36-50 years
- 21.3% in Age group >50 years
- 5.6% in Age group <25 years

Origination by Value
41% of Originations (by value) in FY21 for Age group 36-50 years, followed by 32% for 26-35 years

Age groups 26-35 years
- 34% of loans with ticket size < ₹5 Lakhs provided to borrowers with Age 26-35 years

Age groups 36-50 & >50 years
- Age groups 36-50 years and >50 years have higher share of originations in higher Ticket Size loans

Originations (FY21) – Borrower Age & Ticket Size (₹)

- 7.1% of Originations in ticket size < ₹5 Lakhs
- 34.1% in ticket size 5L-10L
- 35.6% in ticket size 10L-15L
- 31.1% in ticket size 15L-20L
- 25.2% in ticket size 20L+

- 39.5% in ticket size < ₹5 Lakhs
- 38.8% in ticket size 5L-10L
- 42.4% in ticket size 10L-15L
- 46.7% in ticket size 15L-20L
- 46.8% in ticket size 20L+

- 19.2% in ticket size < ₹5 Lakhs
- 19.7% in ticket size 5L-10L
- 22.0% in ticket size 10L-15L
- 24.6% in ticket size 15L-20L
- 32.1% in ticket size 20L+
ETC/NTC – Average Ticket Size (₹ Lakh)

**NTC Borrowers**
28.4% of Auto Loans were provided to New to Credit (NTC) borrowers in FY21

**NTC Originations Share**
NTC Originations share higher for NBFCs compared to Private Banks & Public Sector Banks

**Average Ticket Size**
Average Ticket Size of NTC Borrowers higher for Private Banks compared to NBFCs & Public Sector Banks
Overall Business Loans

Portfolio Outstanding

Business Loans has Portfolio outstanding of ₹ 5.49 Lakh cr as of Mar’21, with 16% Y-o-Y growth by value and 30% by volume.

Overall Business Loans – Lender Mix

Public Sector Banks & NBFCs

Public Sector Banks and NBFCs dominate Business Loans (by value). Private banks and Others also have good presence.
Business Loans - Originations Summary

Originations – FY17 to FY21

- 17% growth in Originations by value from FY17 to FY20
- 34% increase in Average Ticket Size of Business Loans from ₹ 4.4 Lakhs in FY17 to ₹ 5.9 Lakhs in FY20

Originations – FY21

- 50% Q-o-Q drop in Originations (by value) in Q1 FY21 due to lockdown in most parts of the country. Recovery in Q2, Q3 & Q4 FY21.
- Originations (by value) in Q4 FY21 at 82% of pre-pandemic level in Q4 FY20

Originations by Value

- 17% growth in Originations by value from FY17 to FY20
- 34% increase in Average Ticket Size of Business Loans from ₹ 4.4 Lakhs in FY17 to ₹ 5.9 Lakhs in FY20

Originations by Volume

- Almost 2X growth in Originations (by volume) from FY20 to FY21 with Average Ticket Size of ₹ 2.35 Lakhs. Originations (by volume) in Q2, Q3 & Q4 FY21 higher than pre-pandemic level in Q4 FY20.
Originations (FY17 to FY21) - by Lender Type

Public Sector Banks

While Public Sector Banks continue to dominate, their Origination share (by value) reduced from FY17 to FY21

Private Banks

64% increase in share of Private Banks by value from 13.3% in FY17 to 21.8% in FY21

Increase in share of NBFCs

40% increase in share of NBFCs by value from 18.9% in FY17 to 26.4% in FY21

Originations share by value

After initial reduction in Originations share (by value) in Q1 FY21, Private Banks & NBFCs recovered and increased their share of Originations by Q4 FY21 compared to Q4 FY20

Lender type Foreign Banks is not presented in this analysis
**Business Loans Originations – Ticket Size**

**Originations (FY17 to FY21) – Ticket Size**

- **Ticket Size ₹5-25 Lakhs**
  - 30% increase in Originations share (by value) for ticket size ₹ 5-25 Lakhs from FY17 to FY20.

- **Ticket Size ₹50 Lakhs+**
  - 25% reduction in Originations share (by value) for Ticket size ₹ 50 Lakhs+ from FY17 to FY20.

**Lender Type – Average Ticket Size (₹ Lakh)**

- **Originations of <₹5 Lakh**
  - By volume, originations of <₹5Lakh constitute 91.2% share in FY21, having increased from 79.3% over FY20.

- **Average Ticket Size**
  - Decrease in Average Ticket Size for all lender types (except Others) between FY17 to FY21.
**Business Loans Originations – Borrower Age**

**Originations (FY21) – Borrower Age (Years)**

![Pie chart showing distribution of originations by age group in FY21.]

- 36.8% of originations in FY21 are for Age group 36-50 years.
- 38.7% of originations in FY21 are for Age group >50 years.
- 20.7% of originations in FY21 are for Age group 26-35 years.

**Originations (FY21) – Borrower Age & Ticket Size (₹ )**

![Bar chart showing distribution of originations by age group and ticket size in FY21.]

- Age groups 36-50 years and >50 years have a higher share of originations in higher Ticket Size Business Loans.

**Originations by Value (Age Group)**

- 39% of originations (by value) in FY21 are for Age group 36-50 years, followed by 36.8% for 50+ years.

**Higher Share of Originations**

- Age groups 36-50 years and >50 years have a higher share of originations in higher Ticket Size Business Loans.
New to Credit Borrowers
33.8% of Business Loans were provided to New to Credit (NTC) borrowers in FY21

NTC Originations shares
NTC Originations share higher for Public Sector Banks compared to Private Banks and NBFCs

Average Ticket Size
Average Ticket Size of NTC Borrowers higher for Private Banks compared to NBFCs & Public Sector Banks
Microfinance – Industry Summary

Microfinance – Portfolio Snapshot

<table>
<thead>
<tr>
<th></th>
<th>March 2019</th>
<th>March 2020</th>
<th>March 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Outstanding (₹Cr)</td>
<td>186.8K</td>
<td>234.2K</td>
<td>253.8K</td>
</tr>
<tr>
<td>Y-o-Y Growth%</td>
<td>8.4%</td>
<td>25.4%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Active Loans (Cr)</td>
<td>9.59</td>
<td>11.03</td>
<td>11.19</td>
</tr>
<tr>
<td>Y-o-Y Growth%</td>
<td>1.4%</td>
<td>15.0%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Avg. Balance Per Account</td>
<td>19.5K</td>
<td>21.2K</td>
<td>22.7K</td>
</tr>
<tr>
<td>Avg. Balance Per Borrower</td>
<td>33.8K</td>
<td>37.0K</td>
<td>42.0K</td>
</tr>
<tr>
<td>Average Ticket Size (₹K)</td>
<td>31.1K</td>
<td>34.2K</td>
<td>35.9K</td>
</tr>
<tr>
<td>PAR 30+% (31-180%)</td>
<td>0.9%</td>
<td>1.7%</td>
<td>9.7%</td>
</tr>
<tr>
<td>PAR 90+% (91-180%)</td>
<td>0.4%</td>
<td>0.8%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

Portfolio Outstanding
8.4% Y-o-Y growth in Portfolio Outstanding and 1.4% in Active Loans in FY21

PAR 30+ and PAR 90+
PAR 30+ and PAR 90+ at 5X compared to Mar’20

Microfinance – Market Share

Average balance per account
7% growth in Avg. balance per account, 13% growth in Avg. balance per borrower, 5% growth in Avg. ticket size between Mar 20 and Mar 21

Portfolio Share
Banks dominate the market with portfolio share of 42% by value and 38.8% by volume as of Mar’21
Microfinance Originations – Summary

Originations – FY17 to FY21

- 2.1X growth in Originations (by value) from FY17 to FY20; 31% de-growth in FY21 (by value) due to Covid pandemic

Originations by Value

Originations impacted by Covid

- Originations (by value) impacted by Covid in Q1 & Q2 FY21

Recovery in Originations

- Recovery in originations by Q3 & Q4 FY21 with originations (by value) at 85% & 100% respectively of pre-pandemic level in Q4 FY20

Originations by Value (FY21)

- 76% of total Originations (by value) in FY21 from Q3 & Q4 FY21

Average Ticket Size

- About 41% increase in Average Ticket Size from FY17 to FY20

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Microfinance Originations – Lender & Ticket Size

Originations – by Lender Type

- Banks continue to dominate Originations (by value), NBFC MFIs gained market share at the expense of SFBs

- Share of Originations (by value) of ticket size ₹ > 30K has increased by 38% from FY17 to FY21

- 75% increase in Average Ticket Size for banks from FY17 to FY20, followed by degrowth of 17% in FY21
Microfinance Compliance – Borrower Mix

Overall Microfinance – # of Lender Exposure

<=2 Lenders
Proportion of borrowers having exposure to <=2 lenders has remained flat from Mar19 to Mar21

4 or more lenders
10% increase in Proportion of 4 or more lenders from Mar19 to Mar21; 4.2% of borrowers have exposure to 4 or more lenders in Mar’21

Top 10 States – # of Lender Exposure

Major States
Among major states, Proportion of exposure to 4 or more lenders is
- Highest for Tamil Nadu (10.7%), Karnataka (4.8%), Madhya Pradesh (4.8%)
- Least for Assam (1.3%) and West Bengal (1.3%)
Microfinance Originations – Borrower Age

Originations (FY21) – Borrower Age (Years)

- 47% of Originations (by value) in FY21 for Age group 36-50 years, followed by 32.7% for 26-35 years

Originations (FY21) – Borrower Age & Ticket Size (₹)

- Borrowers with Age groups 36-50 years and 26-35 years dominate both lower ticket size as well as higher ticket size Originations
New to Credit (NTC) Borrowers
9.1% of Microfinance Loans are provided to New to Credit (NTC) borrowers in FY21

NTC Originations share
NTC Originations share higher for NBFC-MFIs and Others compared to remaining lender groups

Average Ticket Size
Almost 3X growth in Average Ticket Size of NTC borrowers of Banks from FY17 to FY21; Similarly, almost 2X growth in Average Ticket Size of NTC borrowers for NBFC-MFIs and Others
COMMERCIAL LOANS
# Commercial Loans - Industry Summary

## Overall Commercial Loans

<table>
<thead>
<tr>
<th></th>
<th>Mar-20</th>
<th>Mar-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Outstanding (₹ Lakh Cr)</td>
<td>75.2</td>
<td>76.9</td>
</tr>
<tr>
<td>YoY Growth %</td>
<td></td>
<td>2.3%</td>
</tr>
<tr>
<td>Active Loans (₹ Lakh)</td>
<td>41.61</td>
<td>48.92</td>
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<tr>
<td>Y-o-Y Growth %</td>
<td></td>
<td>17.6%</td>
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<tr>
<td>Average Balances (₹ Lakh)</td>
<td>180.62</td>
<td>157.21</td>
</tr>
<tr>
<td>PAR 90+%</td>
<td>6.3%</td>
<td>6.1%</td>
</tr>
<tr>
<td>PAR 180+%</td>
<td>4.5%</td>
<td>4.6%</td>
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</tbody>
</table>

## MSME Loans (Entity level Credit Exposure <₹ 50 Cr)

<table>
<thead>
<tr>
<th></th>
<th>Mar-20</th>
<th>Mar-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Outstanding (₹ Lakh Cr)</td>
<td>12.0</td>
<td>14.9</td>
</tr>
<tr>
<td>YoY Growth %</td>
<td></td>
<td>23.8%</td>
</tr>
<tr>
<td>Active Loans (₹ Lakh)</td>
<td>34.29</td>
<td>41.46</td>
</tr>
<tr>
<td>Y-o-Y Growth %</td>
<td></td>
<td>20.9%</td>
</tr>
<tr>
<td>Average Balances (₹ Lakh)</td>
<td>35.03</td>
<td>35.87</td>
</tr>
<tr>
<td>PAR 90+%</td>
<td>4.4%</td>
<td>4.6%</td>
</tr>
<tr>
<td>PAR 180+%</td>
<td>2.4%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

## MSME Loans

MSME Loans (Entity level Credit Exposure upto ₹ 50 cr) is an important component of Commercial Loans market with share (by volume) of 85% in Mar’21 %

## PAR 90+ and PAR 180+

MSME Loans have lower PAR 90+ and PAR 180+ compared to Overall Commercial Loans
Overall Commercial Loans and MSME Loans

Public Sector Banks and Private Banks dominate both Overall Commercial Loans and MSME Loans market (by value & volume)
**Growth in Origination by Value & Volume**
13% growth in Originations by value and 33% growth in Originations by volume from FY17 to FY20

**Average Ticket Size**
15% drop in Average Ticket Size of Commercial Loans from ₹ 72.5 Lakhs in FY17 to ₹ 61.5 Lakhs in FY20

**Originations by value (FY21)**
30% Q-o-Q drop in Originations (by value) in Q1 FY21 due to lockdown in most parts of the country. Recovery in Q2, Q3 & Q4 FY21

**Originations by Volume**
62% growth in Originations (by volume) from FY20 to FY21 with Average Ticket Size of ₹ 47 Lakhs. Originations (by volume) in Q2, Q3 & Q4 FY21 higher than pre-pandemic level in Q4 FY20
**Commercial Loans - Originations Summary**

**Originations (FY17 to FY21) – All Borrower Segments**

<table>
<thead>
<tr>
<th>Year</th>
<th>Large Corporate</th>
<th>Micro</th>
<th>Small</th>
<th>Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>72.2%</td>
<td>11.7%</td>
<td>8.0%</td>
<td>6.6%</td>
</tr>
<tr>
<td>FY18</td>
<td>70.7%</td>
<td>13.3%</td>
<td>9.0%</td>
<td>6.6%</td>
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<tr>
<td>FY19</td>
<td>69.1%</td>
<td>14.9%</td>
<td>9.0%</td>
<td>5.6%</td>
</tr>
<tr>
<td>FY20</td>
<td>68.3%</td>
<td>13.1%</td>
<td>9.0%</td>
<td>5.6%</td>
</tr>
<tr>
<td>FY21</td>
<td>60.6%</td>
<td>14.0%</td>
<td>9.0%</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

**Originations (FY17 to FY21) – MSME**

<table>
<thead>
<tr>
<th>Year</th>
<th>Micro</th>
<th>Small</th>
<th>Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>19.3%</td>
<td>31.4%</td>
<td>46.4%</td>
</tr>
<tr>
<td>FY18</td>
<td>20.2%</td>
<td>32.4%</td>
<td>47.6%</td>
</tr>
<tr>
<td>FY19</td>
<td>14.0%</td>
<td>51.5%</td>
<td>51.5%</td>
</tr>
<tr>
<td>FY20</td>
<td>21.7%</td>
<td>30.2%</td>
<td>53.3%</td>
</tr>
<tr>
<td>FY21</td>
<td>25.6%</td>
<td>27.4%</td>
<td>68.3%</td>
</tr>
</tbody>
</table>

**Growth in Share by Value**
15% growth in share (by value) of MSMEs in Overall Commercial Loans from 16.2% in FY17 to 24.6% in FY21

**Growth in Share by Volume**
Almost 2X growth in share (by volume) of Micro Enterprises from FY17 to FY21

**Growth in Share by Value & Volume**
33% growth in share (by value) and 47% growth in share (by volume) of Micro Enterprises among MSMEs from FY17 to FY21
Originations (FY17 to FY21) - by Lender Type

Originations (FY21) - by Lender Type

Originations Share
Public Sector Banks and Private Banks retained their Originations share (by value) from FY17 to FY21

NBFCs
NBFCs lost their Originations share (by value & volume) from FY17 to FY21

Reduction in Originations Share
After initial reduction in Originations share (by volume) in Q1 FY21, Private Banks recovered and increased their share of Originations in Q3 & Q4 FY21 compared to Q4 FY20
Originations – by Credit Facility

Working Capital Loans (by Value)
5% increase in share of Working Capital loans (by value) from 62.6% in FY17 to 66% in FY21

Originations – by Borrower Legal Constitution

Proprietorships & Partnerships
17% increase in Originations share (by volume) of Proprietorships & Partnerships from 64.1% in FY17 to 75% in FY21
HOW INDIA LENDS FY 2021

MSME Loans Originations – Average Ticket Size

Top 5 States – Average Ticket Size (₹ Lakh)

Lender Type – Average Ticket Size (₹ Lakh)

Average Ticket Size (States)

35% reduction in Average Ticket Size observed in states Karnataka and Maharashtra from FY17 to FY21

Public Sector Banks

65% reduction in Average Ticket Size observed for Public Sector Banks from ₹ 78.5 Lacks in FY17 to ₹ 27.6 in FY21
About How India Lends

How India Lends is an annual publication from CRIF High Mark on the lending landscape in India. The publication presents trends & analysis of key parameters such as portfolio growth, risk and originations across lender types, ticket sizes, geography and borrower demographics over the last 5 financial years.

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About CRIF India

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CRIF in India, now offers products and services for Credit Information, Business Information, Analytics, Scoring, Credit Management and Decision solutions in India.

CRIF operates CRIF High Mark, India’s leading credit bureau, which has largest database of individual records and supports millions of lending decision every month. CRIF High Mark is India’s first full-service credit bureau covering all borrower segments – MSME/Commercial, Retail and Microfinance. CRIF High Mark works with all leading financial institutions in the country, providing them a comprehensive bureau coverage using its proprietary ‘Made in India for India Search Engine’, proven to work even with low quality data.

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We bring together best of both worlds – comprehensive data and sophisticated dedupe technology for India along with global best practices, expertise in scoring and top-rated credit management software solutions – to add most value to our clients.
Thank you