



HOW INDIA LENDS

Credit Landscape in India FY 2021

Foreword



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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.

Foreword



Vipul Jain

Vice President – Product Management &
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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.

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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 in Originations 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

Executive Summary

- 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

Portfolio as of
Mar'21 (₹ Lakh Cr)

77.5

Growth %
FY17 to FY21

91%

Originations Value
FY21 (₹ K Cr)

26.84

Growth %
FY17 to FY21

47%

Originations Volume
FY21 (Lakh)

1587.7

Growth %
FY17 to FY21

57%



Microfinance

Portfolio as of
Mar'21 (₹ Lakh Cr)

2.5

Growth %
FY17 to FY21

157%

Originations Value
FY21 (₹ K Cr)

1.73

Growth %
FY17 to FY21

46%

Originations Volume
FY21 (Lakh)

501.19

Growth %
FY17 to FY21

4%



Commercial

Portfolio as of
Mar'21 (₹ Lakh Cr)

76.9

Growth %
FY17 to FY21

93%

Originations Value
FY21 (₹ K Cr)

35.34

Growth %
FY17 to FY21

-10%

Originations Volume
FY21 (Lakh)

21.11

Growth %
FY17 to FY21

75%



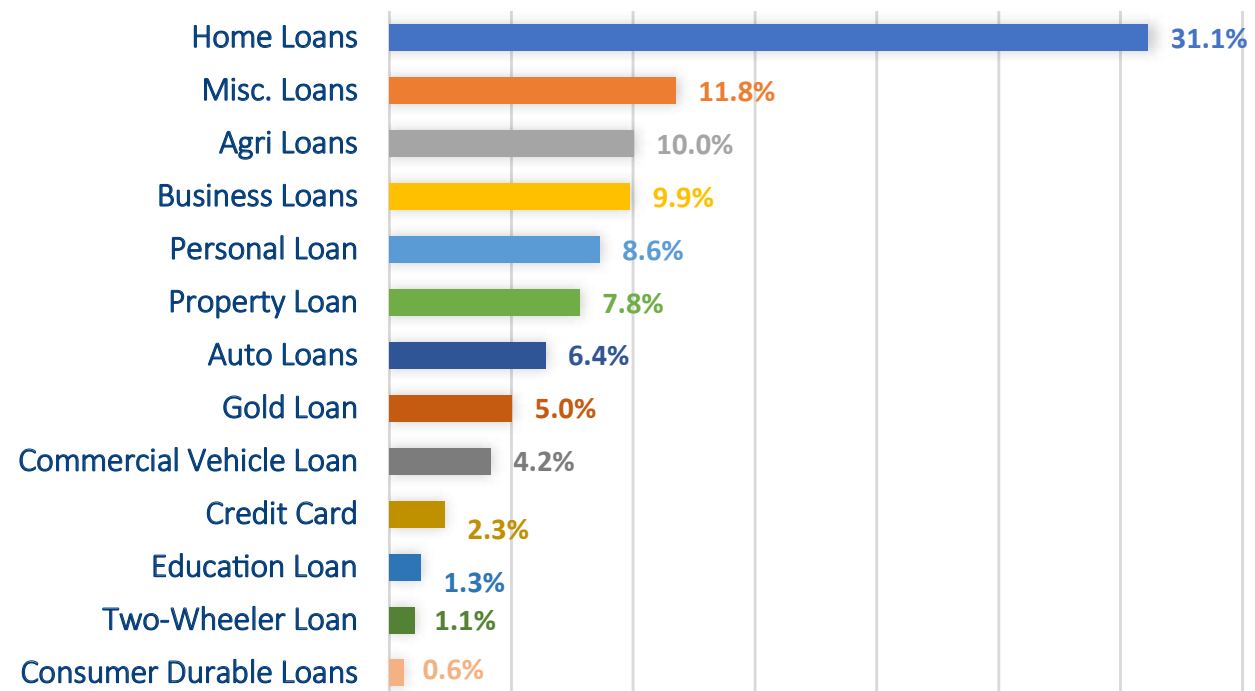
RETAIL LENDING



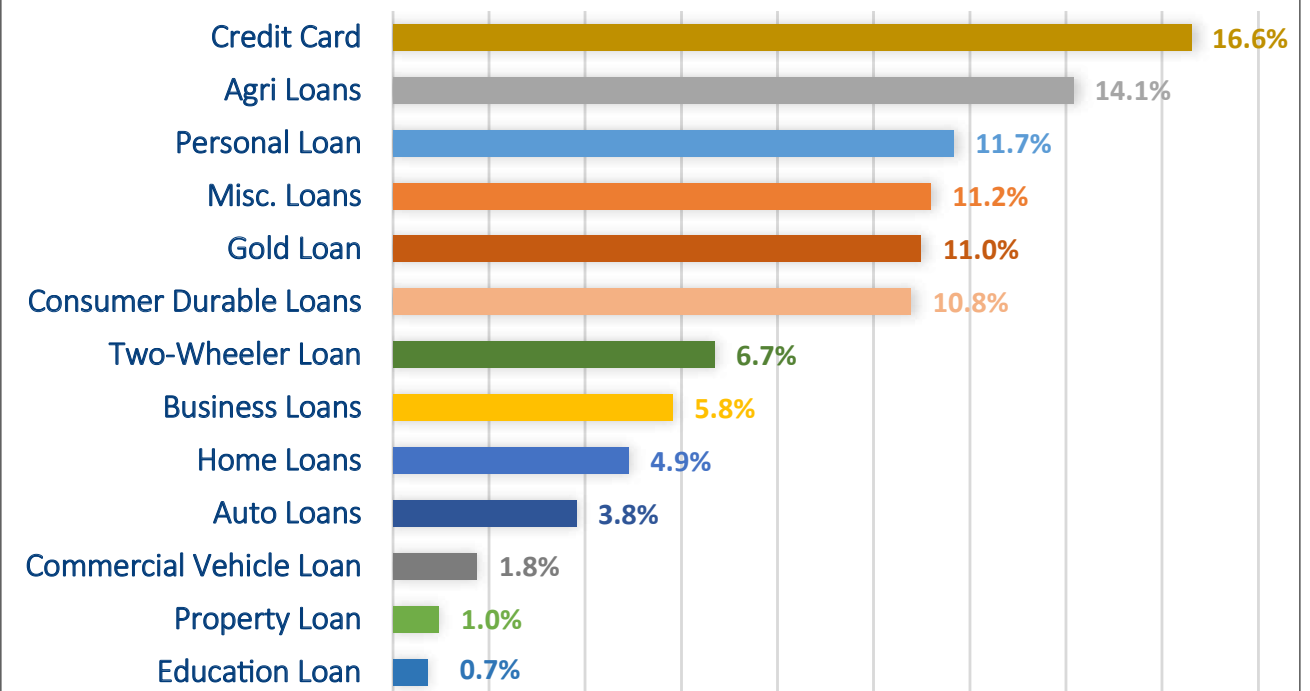


Top Retail Lending Products

TOP RETAIL LOANS – BY PORTFOLIO OUTSTANDING



TOP RETAIL LOANS – BY # ACTIVE LOANS



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%

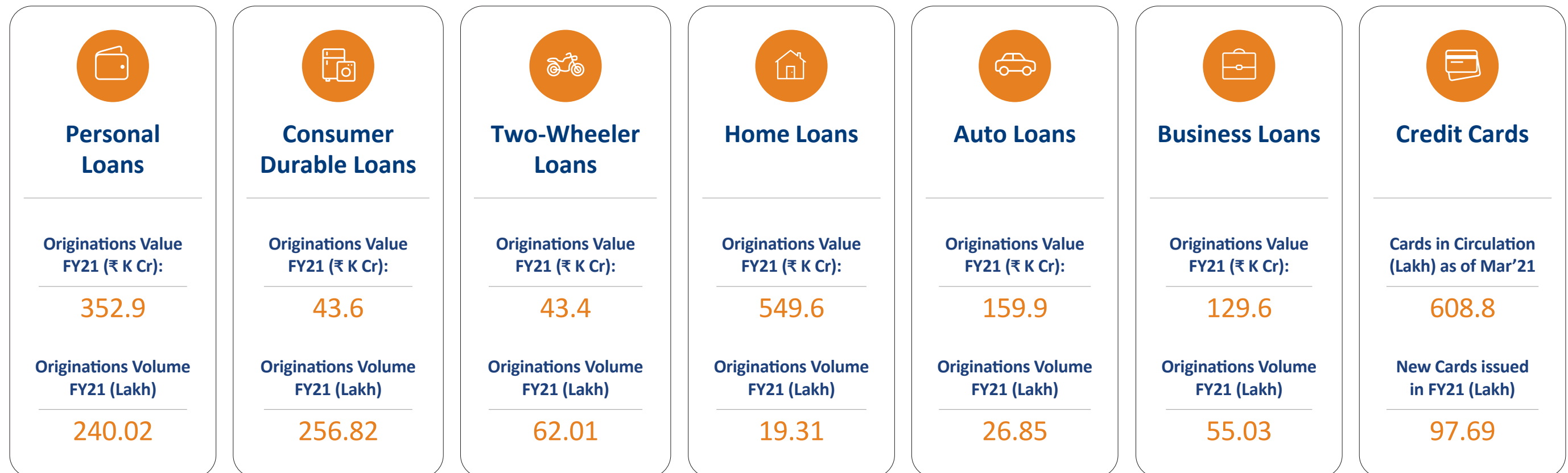
Credit Cards constitute largest share of 16.6%

By count of active loans, Credit Cards constitute largest share of 16.6%, while Education Loans constitute least share of 0.7%



Retail Loan Products - How India Lends

Following Retail Loan products are considered for deep dive analysis for this report:





P E R S O N A L L O A N S





Personal Loans - Industry Summary

Overall Personal Loans

	Mar-19	Mar-20	Mar-21
Portfolio Outstanding (₹ K Cr)	409.3	536.4	644.6
YoY Growth%		31.1%	20.2%
Active Loans (Lakh)	210.1	339.2	396.0
Y-o-Y Growth%		61.4%	16.7%
PAR 31-90%	1.5%	1.6%	2.2%
PAR 91-180%	0.5%	0.8%	1.3%
PAR 180+%	2.2%	2.4%	3.0%

Small Ticket Personal Loans (STPL < ₹ 1 Lakh)

	Mar-19	Mar-20	Mar-21
Portfolio Outstanding (₹ K Cr)	26.7	39.7	41.2
YoY Growth%		48.9%	3.6%
Active Loans (Lakh)	73.7	167.7	199.6
Y-o-Y Growth%		127.4%	19.0%
PAR 31-90%	1.9%	2.4%	4.0%
PAR 91-180%	1.3%	2.8%	4.8%
PAR 180+%	10.3%	8.6%	13.7%

Small Ticket Personal Loans

Small Ticket Personal Loans (STPL < ₹ 1 Lakh) is an important component of 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)

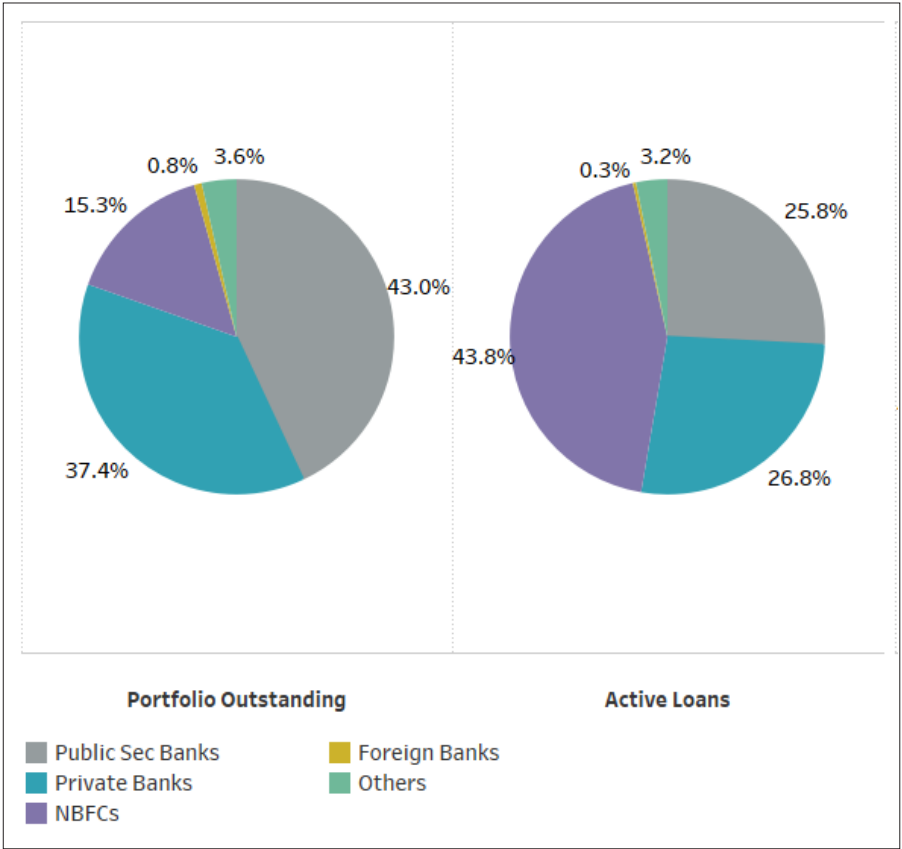
37.5% increase in PAR 31-90 of Overall PL from 1.6% as of Mar'20 to 2.2% as of Mar'21. 62.5% increase in PAR 91-180 in the same period

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

Personal Loans - Market Share

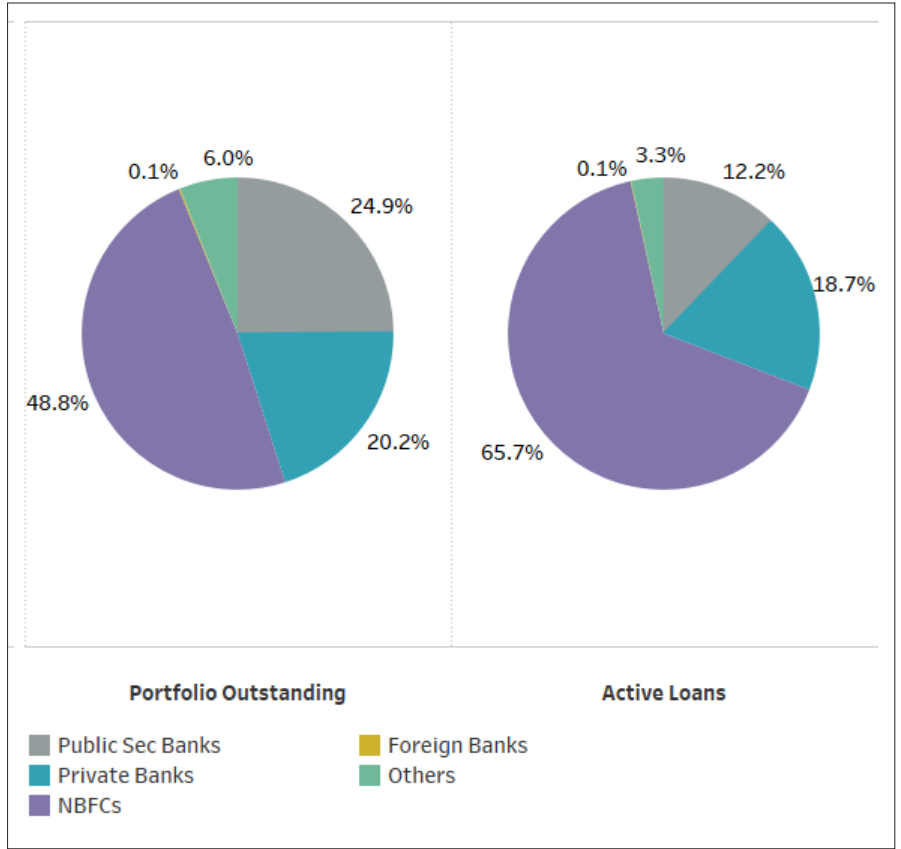
Overall Personal Loans



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



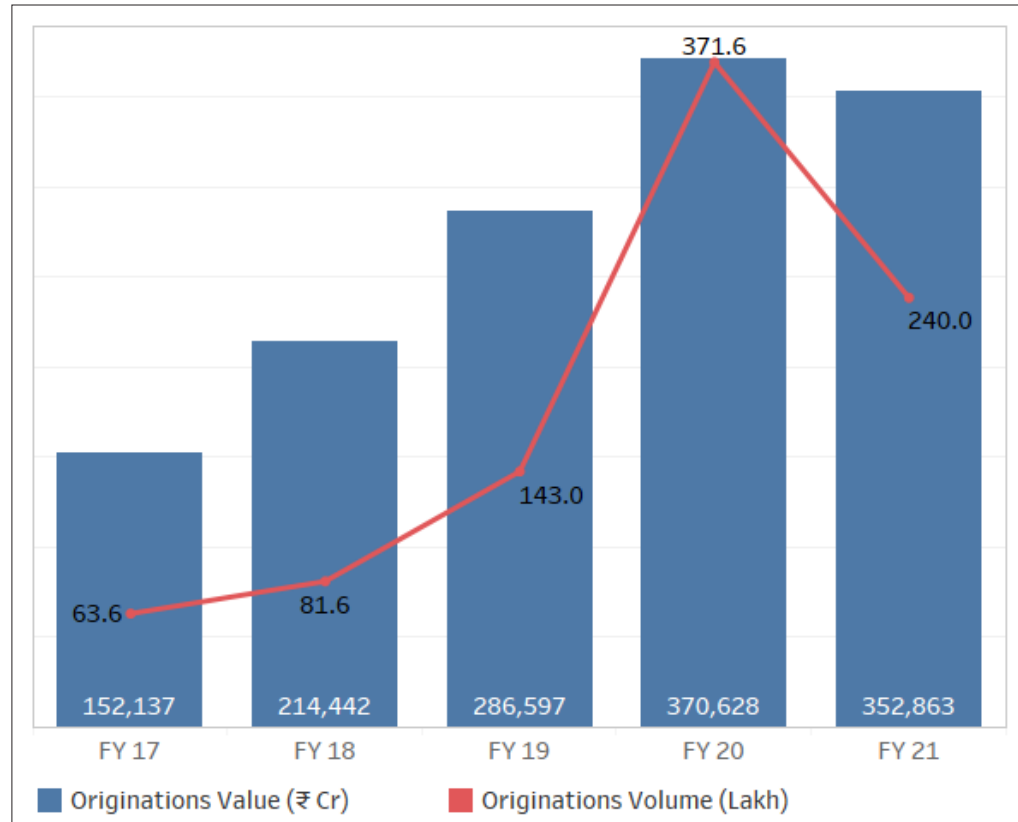
Small Ticket Personal Loans

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

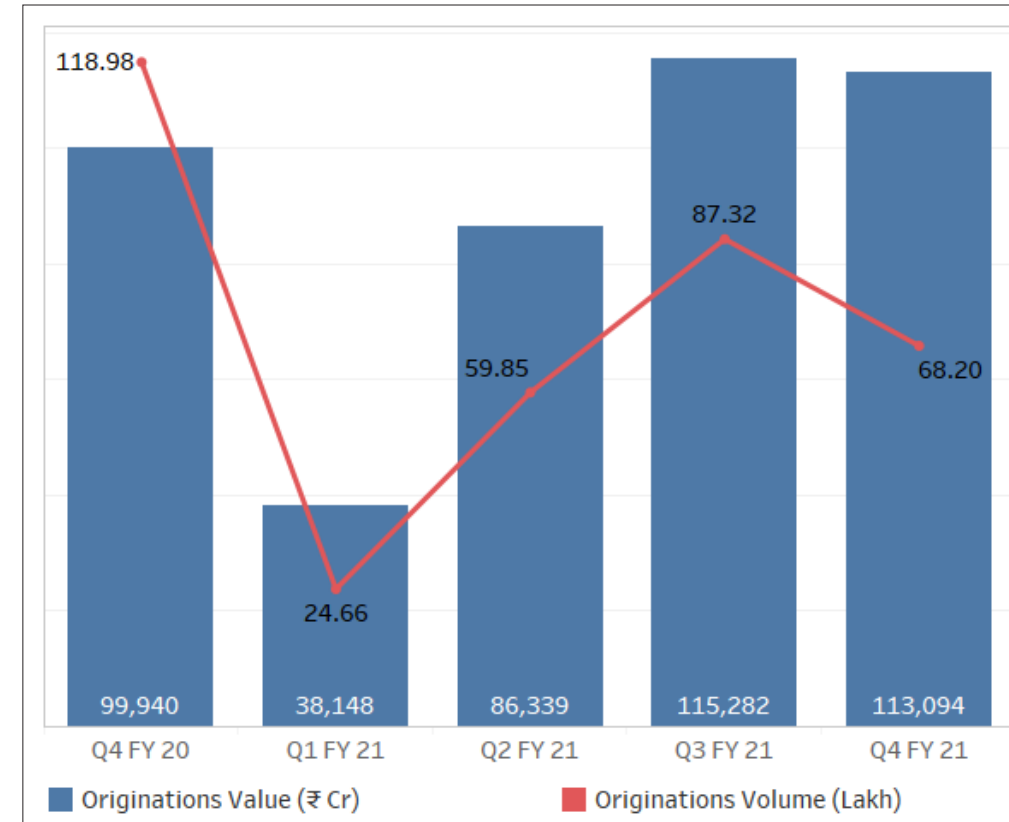


Personal Loans - Originations Summary

Originations – FY17 to FY21



Originations – FY21



Growth in Originations

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

Average Ticket Size

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

Drop in Originations by Value

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

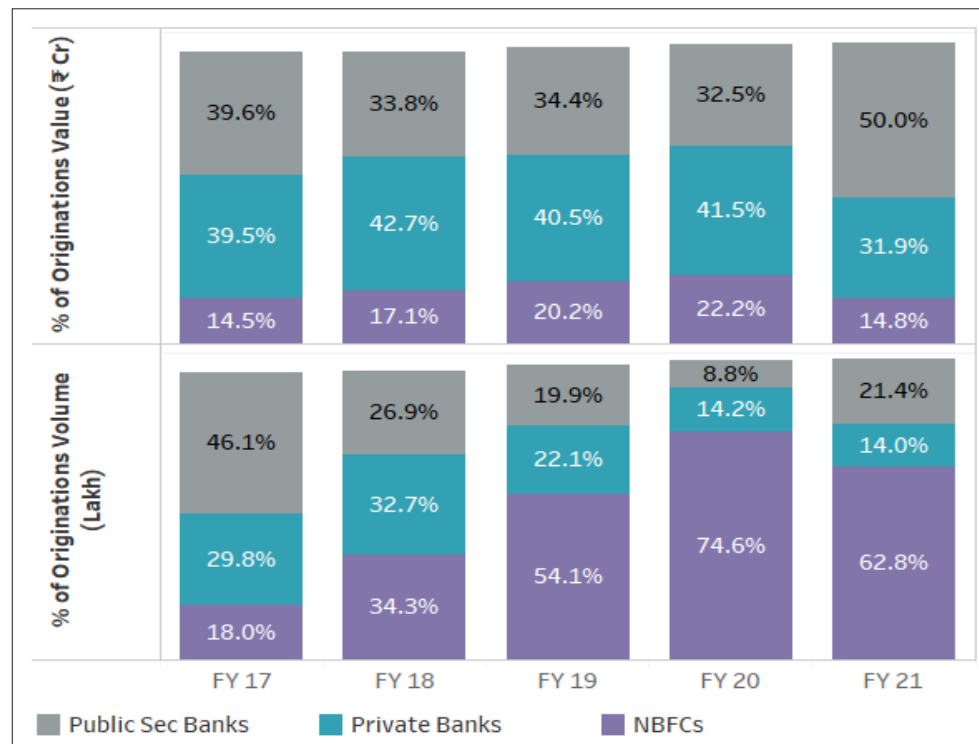
Recovery in Originations

Recovery in 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



NBFCs

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

Private & Public Sector Banks

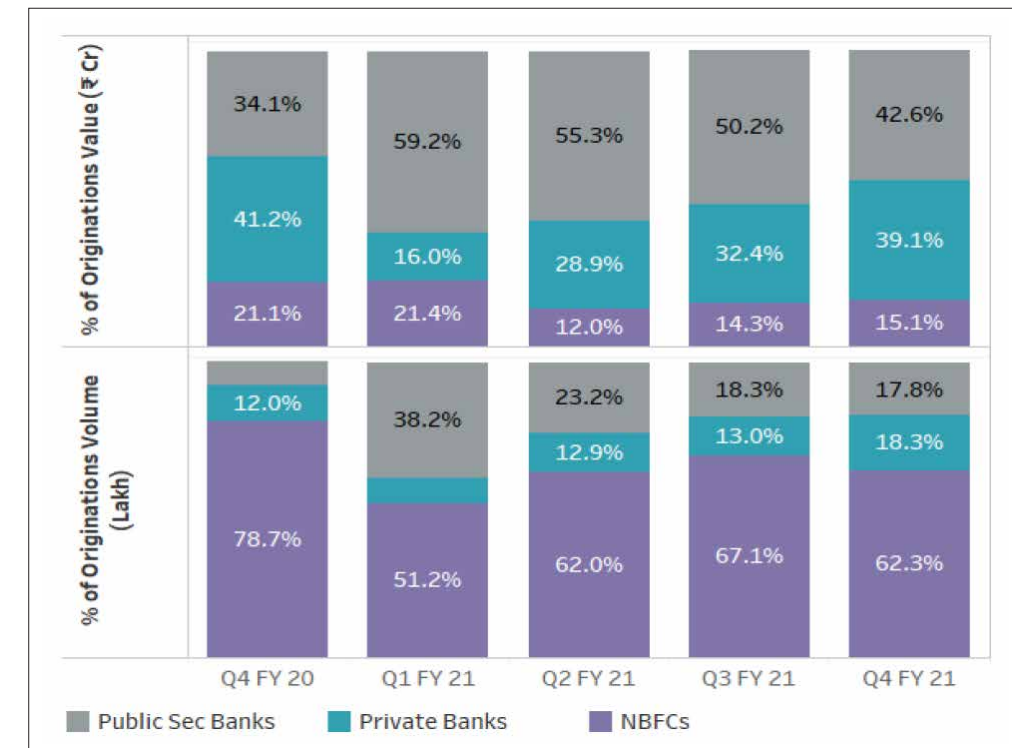
50% reduction in Originations share (by volume) for Public Sector Banks and Private Banks

Originations Share by Value

Originations share (by value) of Private Banks & NBFCs increased from FY17 to FY20 while that of Public Sector Banks reduced

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

Originations (FY21) - by Lender Type



NBFCs

NBFCs dominated PL Originations (by volume) in all quarters of FY21

Reduction in share

Reduction in share of NBFCs in FY21 compared to pre-pandemic level of Q4 FY20

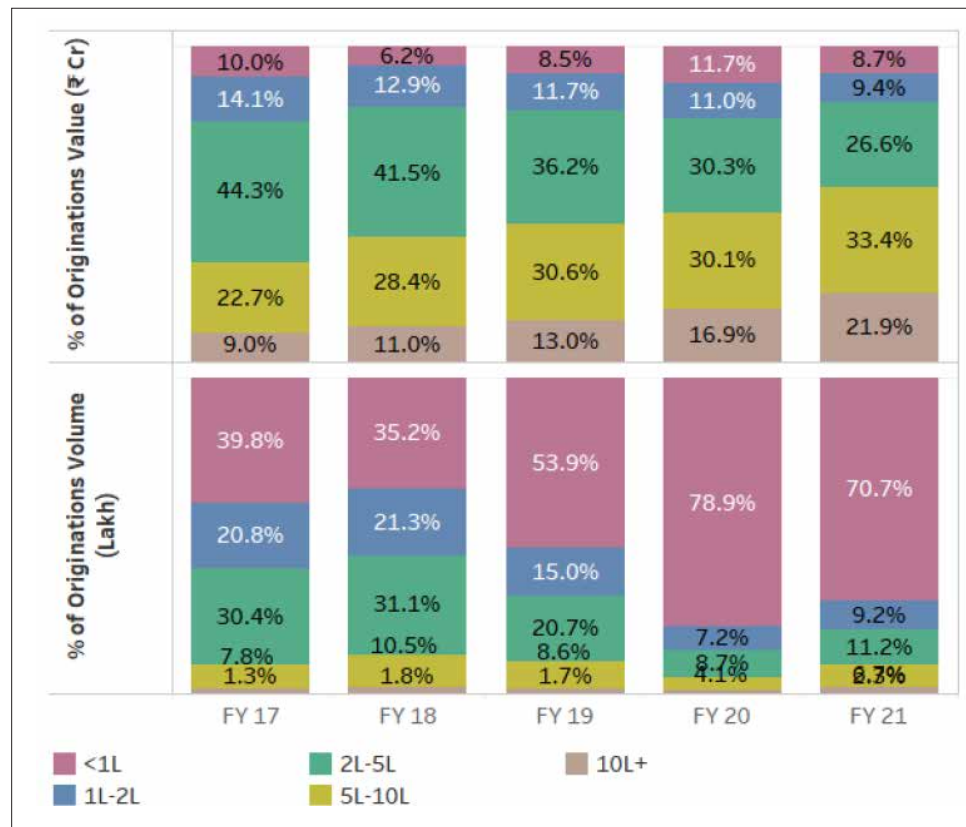
PL Originations

Public Sector Banks dominated PL Originations (by value) in all quarters of FY21



Personal Loan Originations – Ticket Size

Originations (FY17 to FY21) – Ticket Size



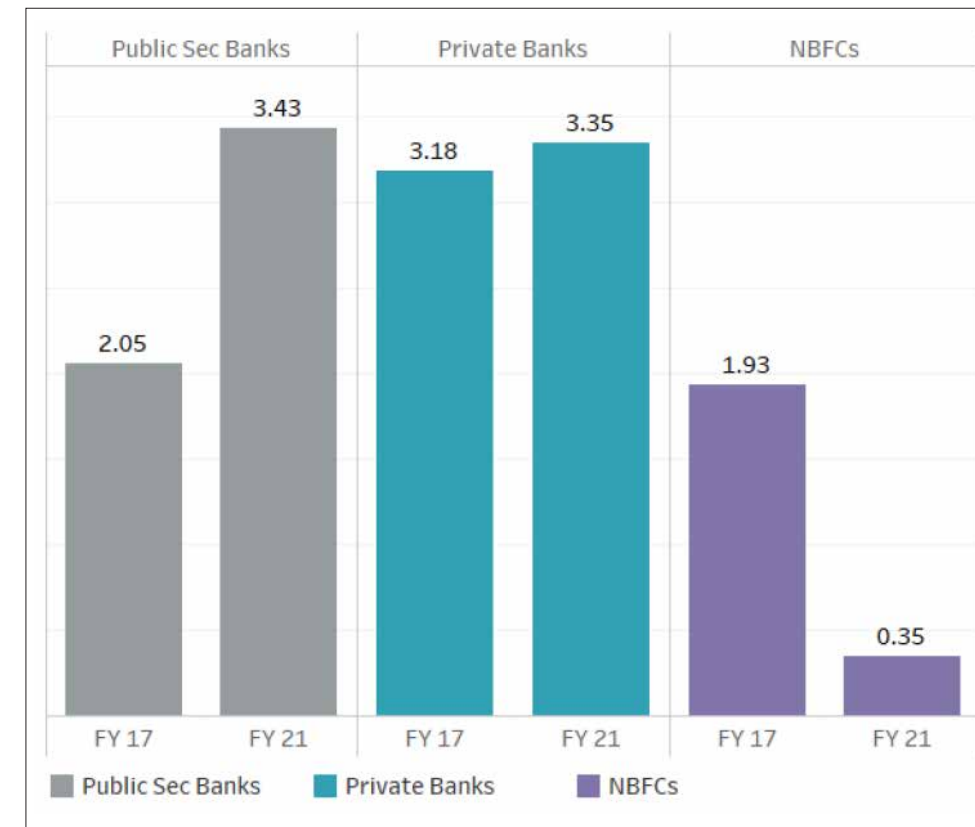
Ticket Size

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)



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

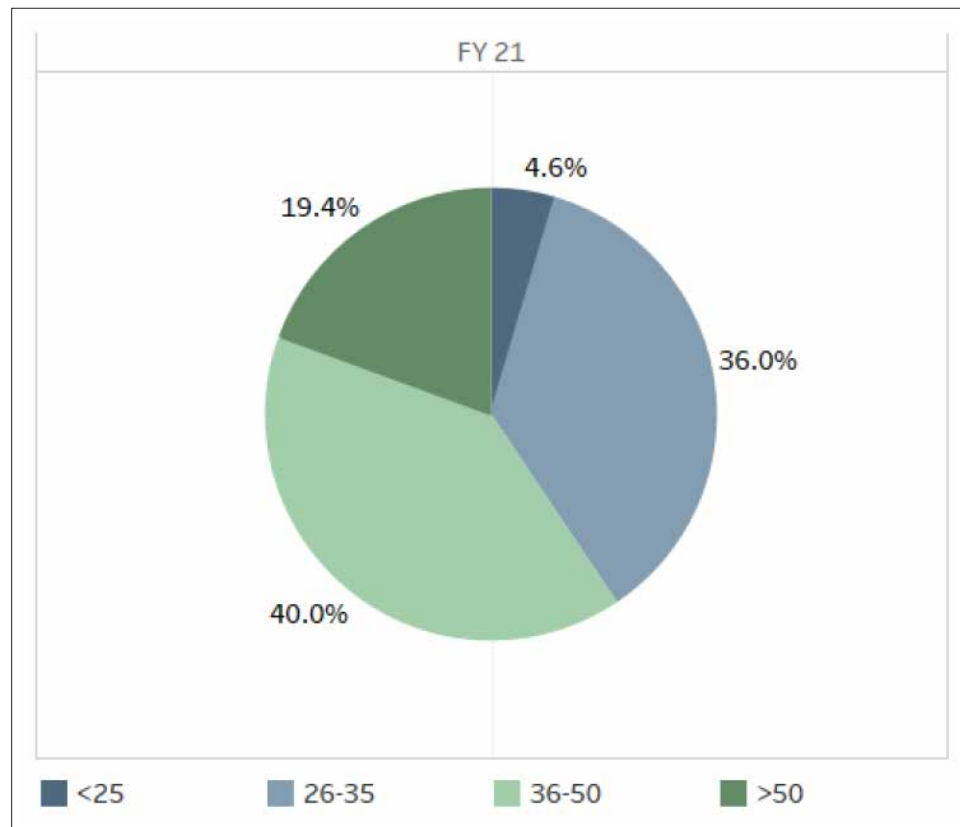
Average Ticket Size of NBFCs

Reduction in Average Ticket Size of NBFCs is because of increased STPL lending by NBFCs

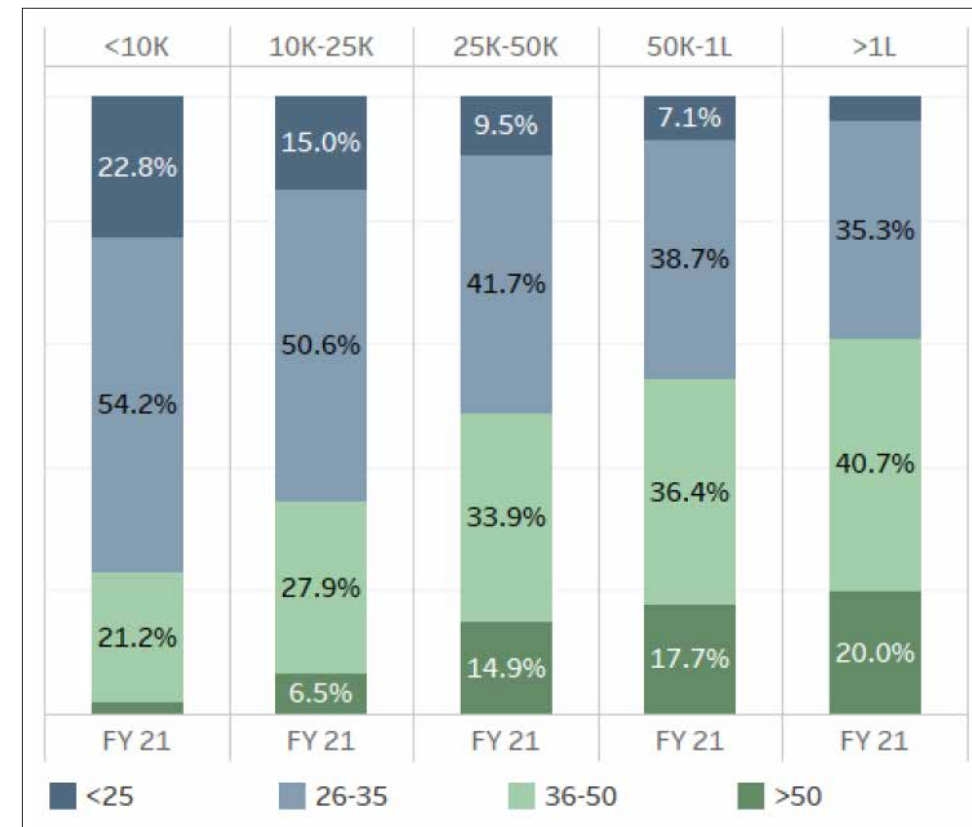


Personal Loans Originations – Borrower Age

Originations (FY21) – Borrower Age (Years)



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



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 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



Personal Loans Originations – ETC/NTC

ETC/NTC – Average Ticket Size (₹ L)



NTC Borrowers

19.1% of Overall Personal Loans are provided to New to Credit (NTC) borrowers in FY21

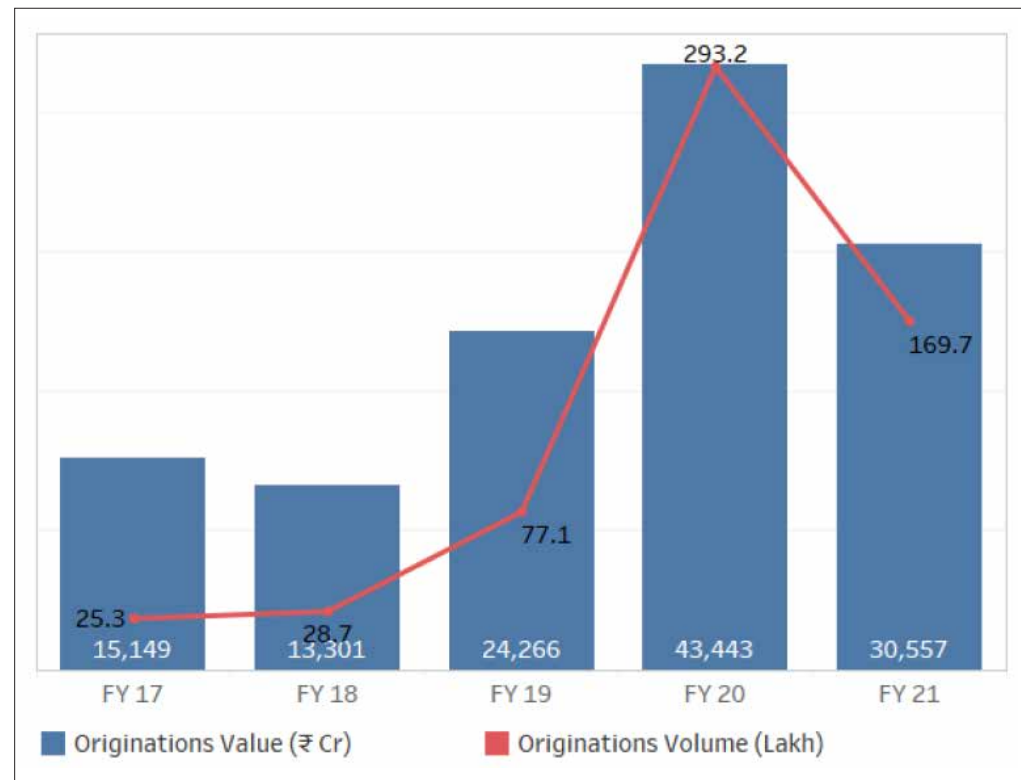
Average Ticket size

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

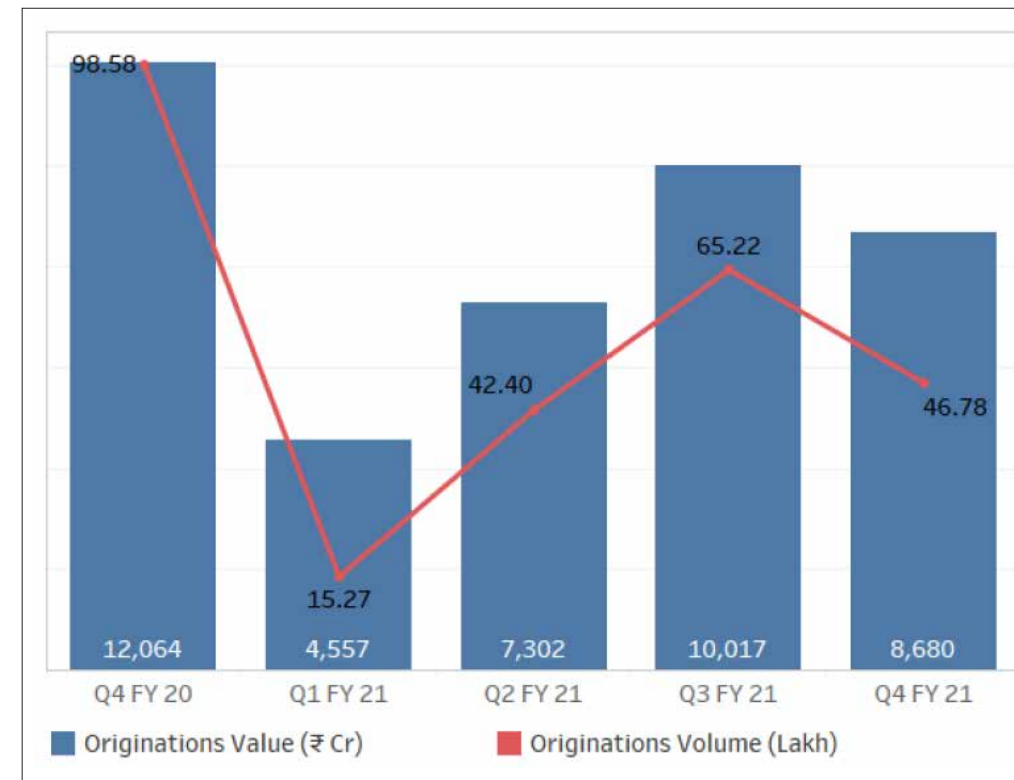


Small Ticket Personal Loans - Originations Summary

Originations – FY17 to FY21



Originations – FY21



Originations by Value & Volume

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

Average Ticket Size of Small Ticket PL

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

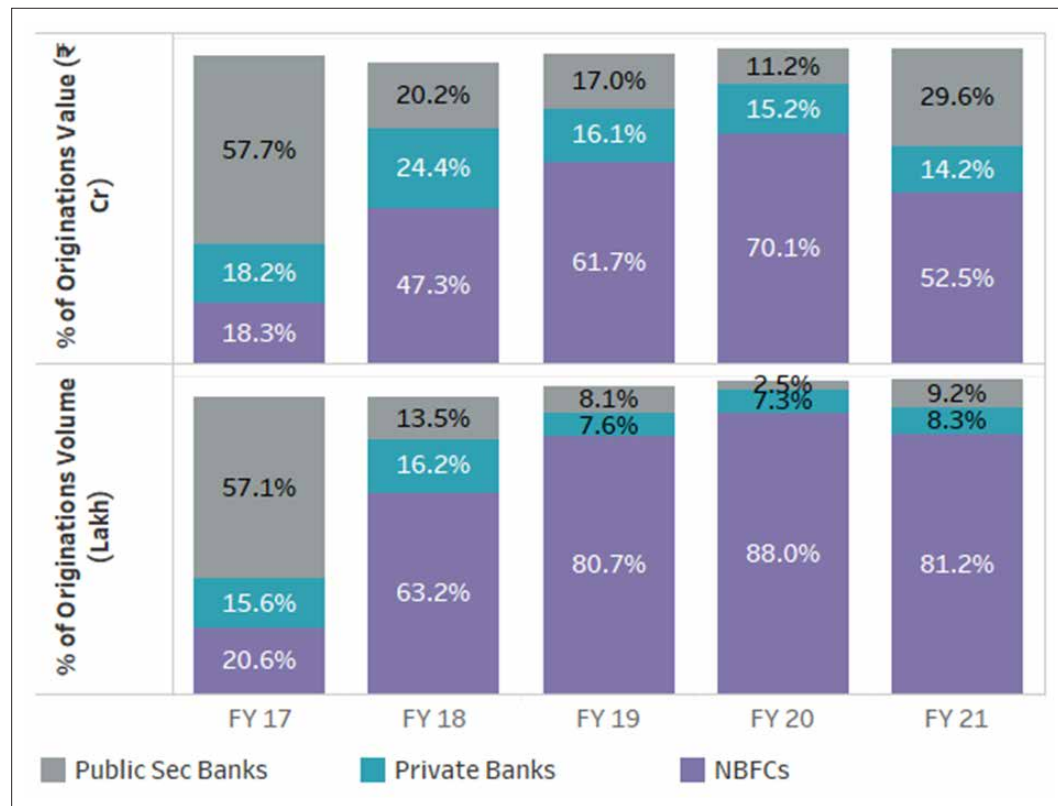
Impact on STPL due to Covid

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

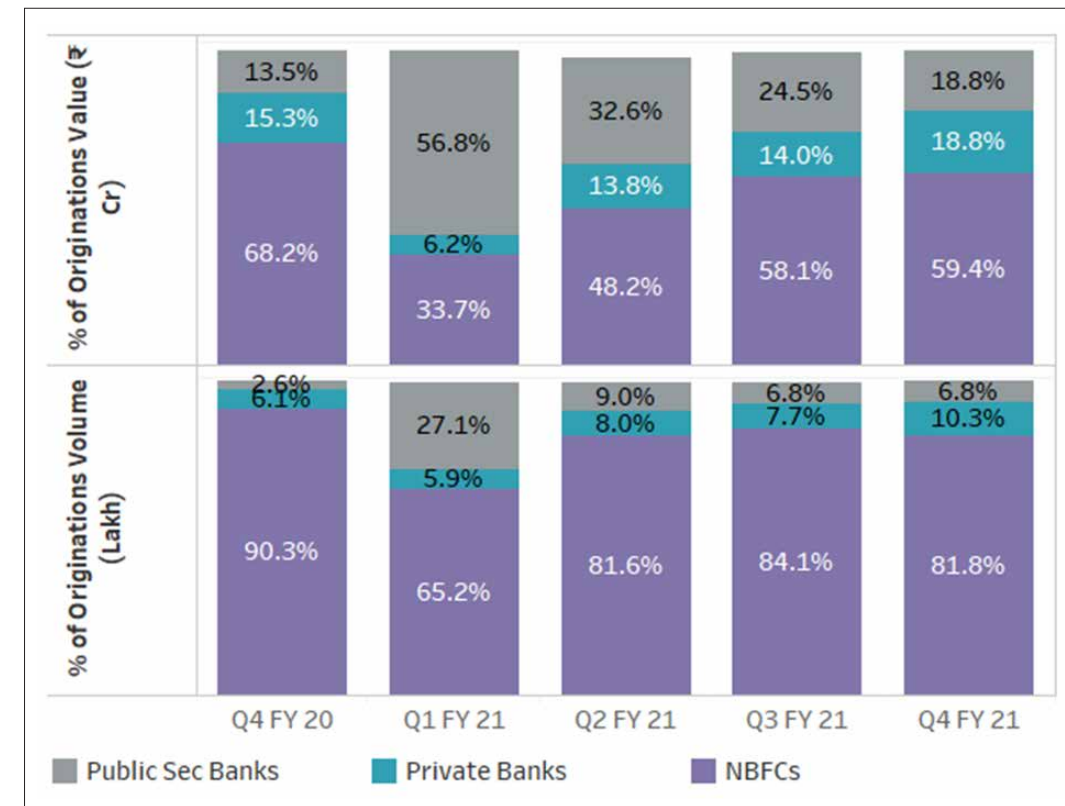


Small Ticket Personal Loan Originations – Lender Type

Originations (FY17 to FY21) - by Lender Type



Originations (FY21) - by Lender Type



NBFCs dominate STPL

NBFCs dominate Small ticket Personal Loans by both volume and value from FY18 to FY21

Originations share by Volume

4X increase Originations share (by volume) for NBFCs from FY17 to FY21

NBFCs dominate STPL

NBFCs continue to dominate Small ticket Personal Loans by both volume and value

Increased Originations Share

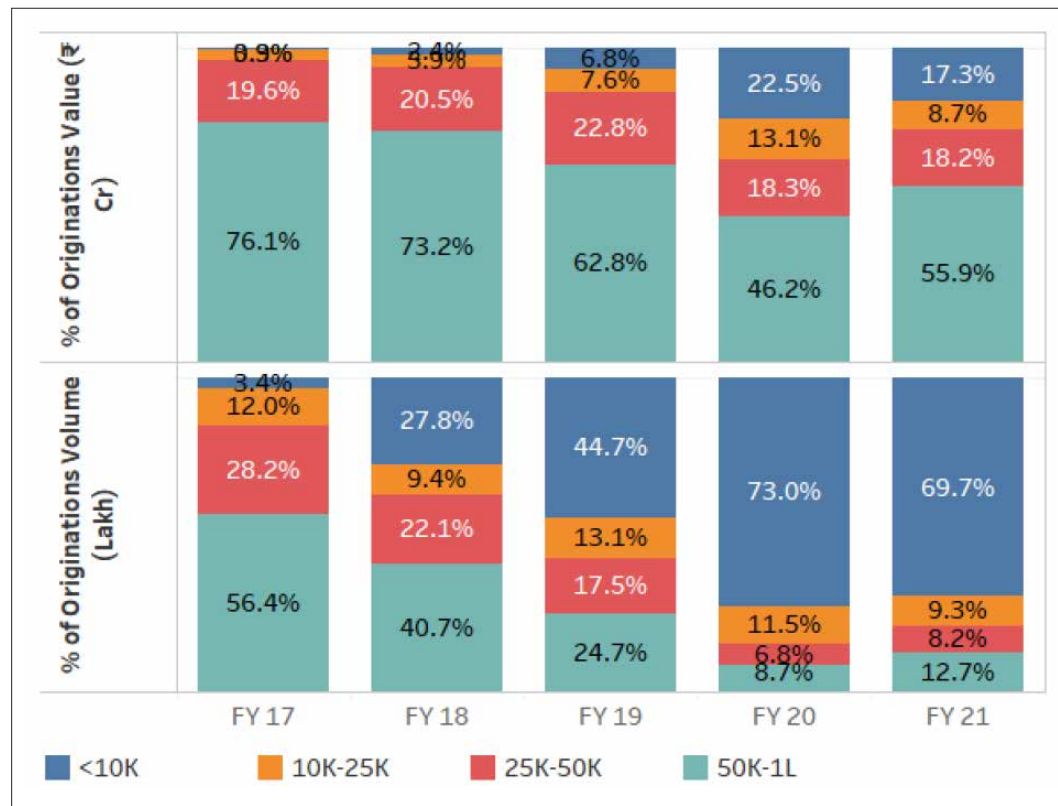
Private banks increased their Originations share (value & volume) by Q4 FY21 compared to Q4 FY20 at the expense of NBFCs

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

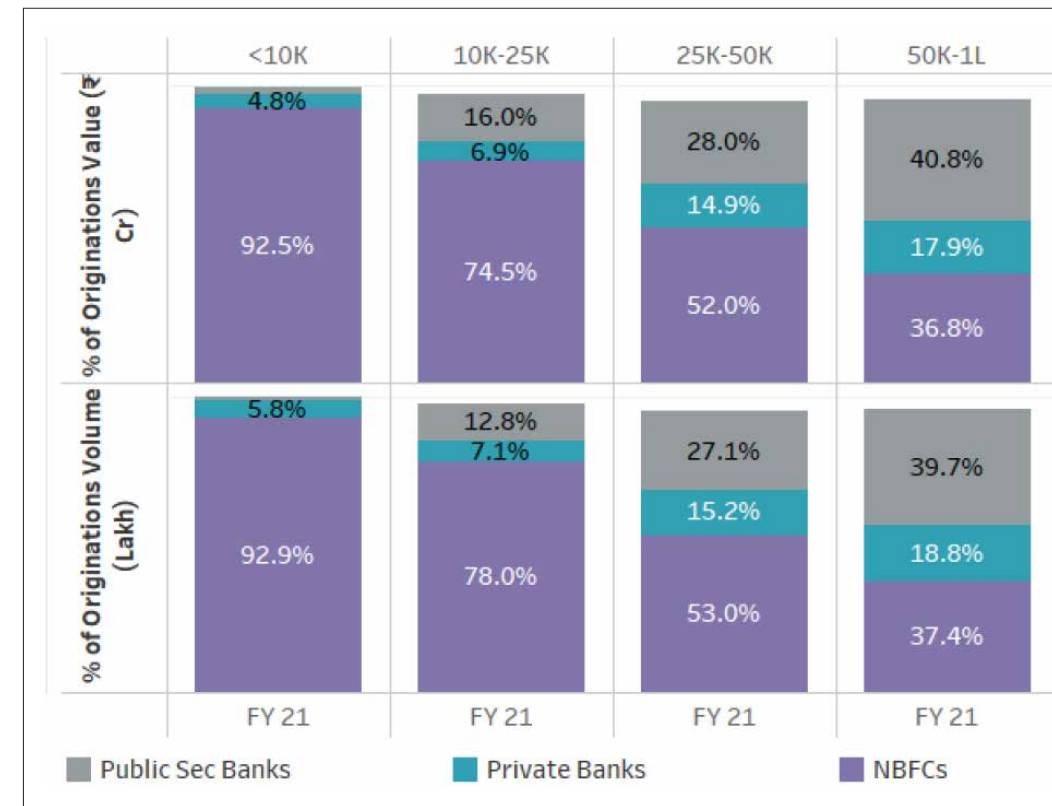


Small Ticket Personal Loan Originations – Ticket Size

Originations (FY17 to FY21) – Ticket Size



Lender Type - Ticket Size Mix (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

20X Growth in share

20X growth in share (by volume) of ticket size ₹ <10k from FY17 to FY21

NBFCs

Lower ticket sizes are dominated by NBFCs

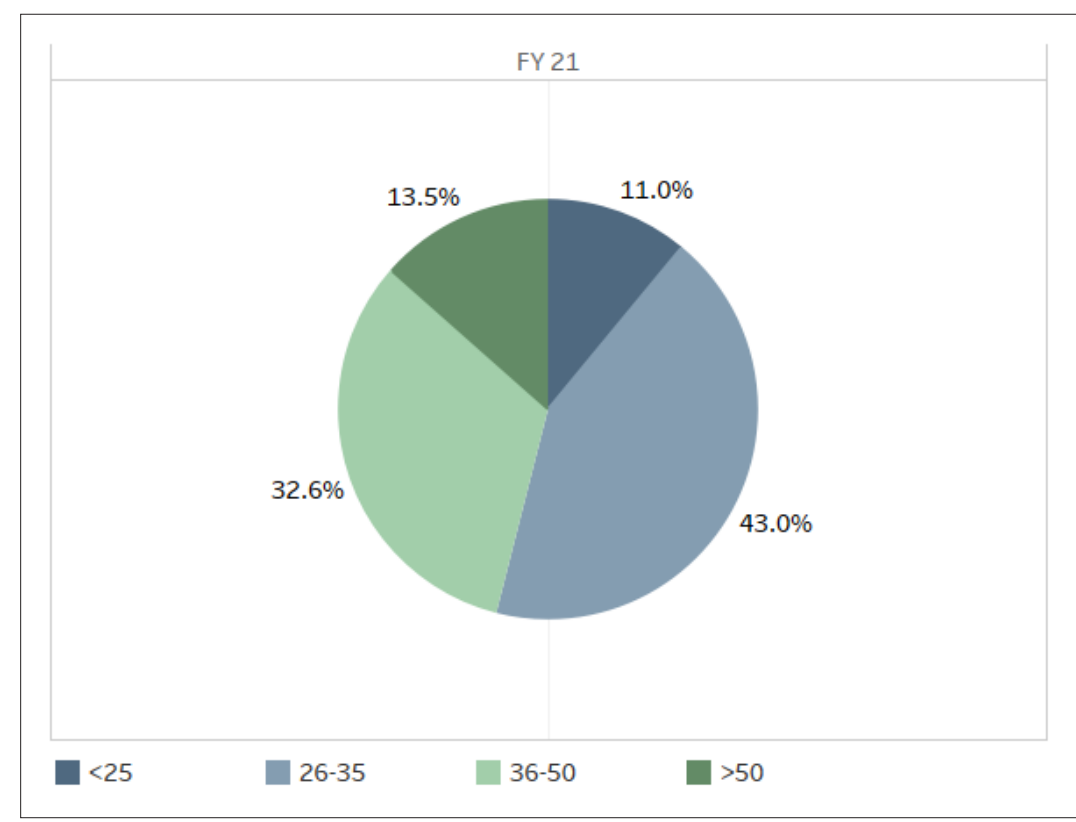
Private & Public Sector Banks

Share of Private Banks and Public Sector Banks increases with increase in ticket sizes



Small Ticket Personal Loans Originations – Borrower Age & ETC/NTC

Originations (FY21) – Borrower Age (Years)



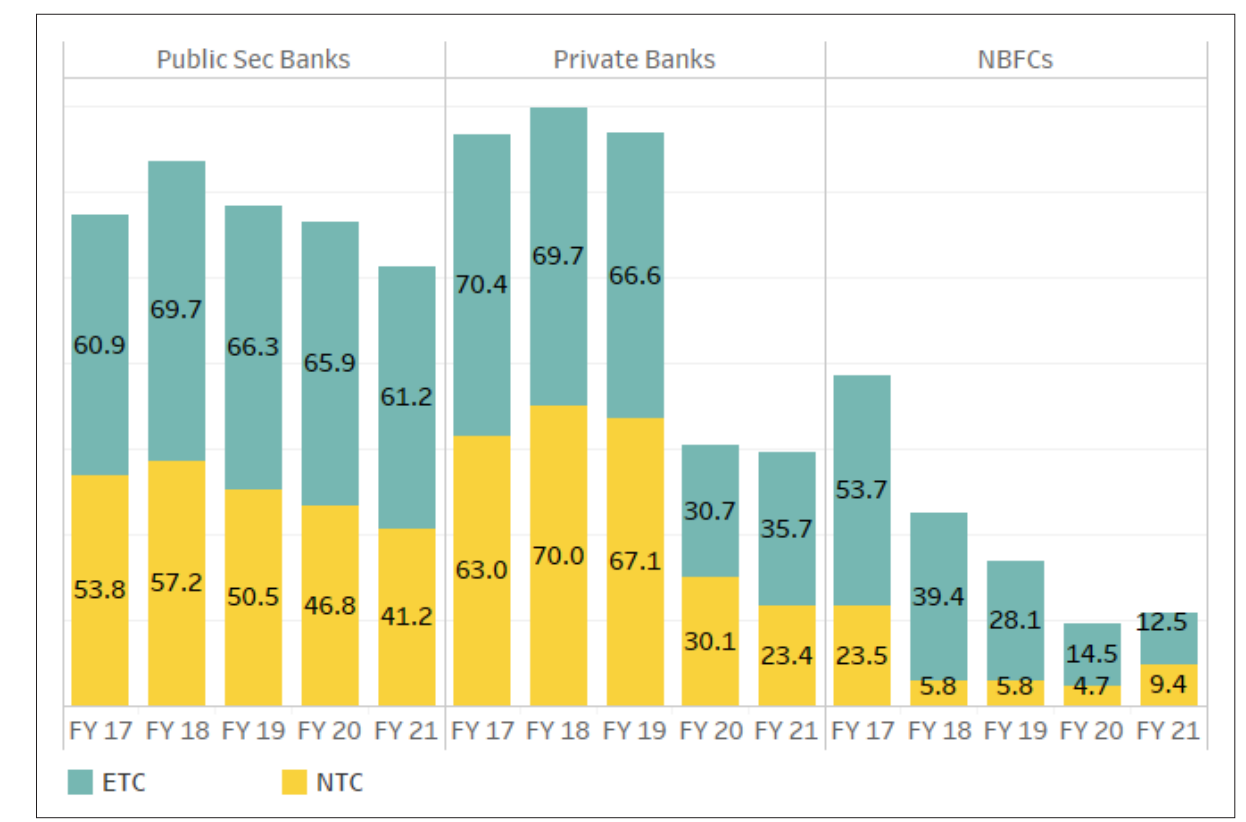
Age < 35 years

54% of Small Ticket Personal Loan borrowers in FY21 are less than 35 years old

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

ETC/NTC – Average Ticket Size (₹ K)



Average Ticket Size

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



C R E D I T C A R D S



Credit Cards - Industry Summary

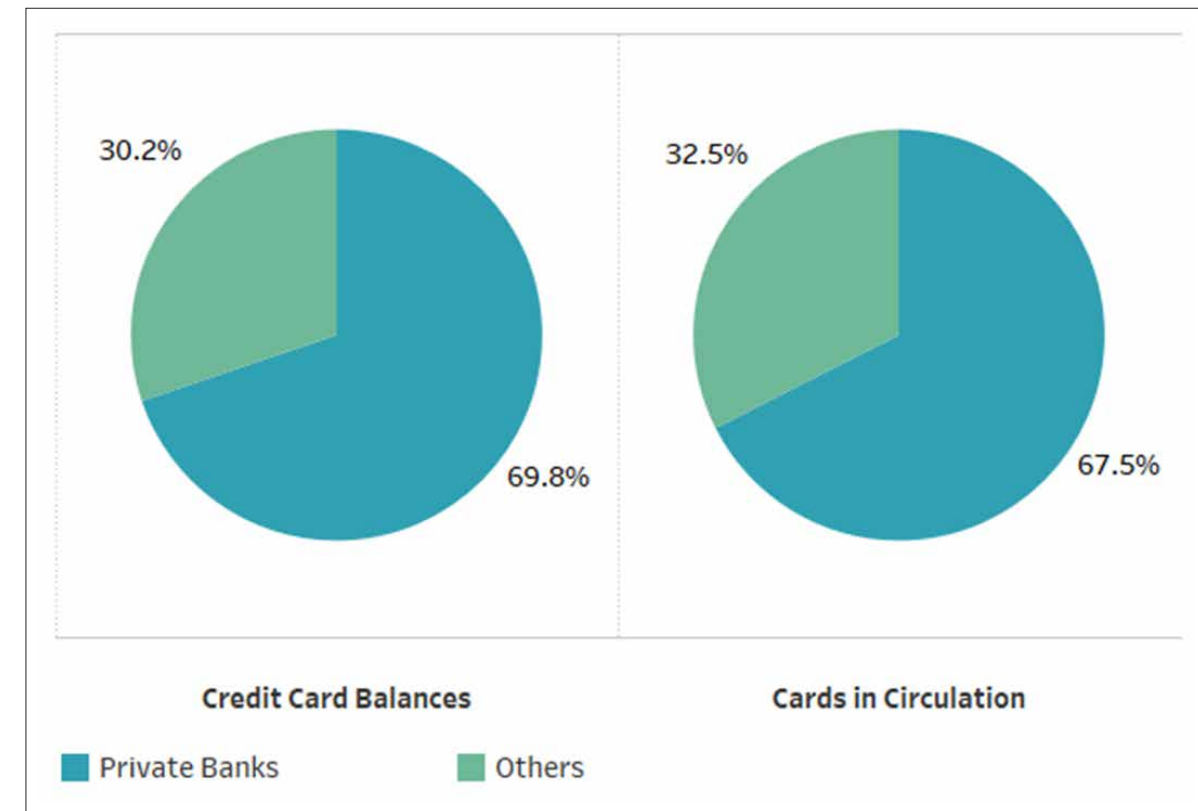
Credit Cards – Portfolio Snapshot

	Mar-19	Mar-20	Mar-21
Credit Card Balances (₹ K Cr)	105.3	155.8	173.9
YoY Growth%		47.9%	11.6%
Cards in Circulation (Lakh)	452.45	536.24	608.89
Y-o-Y Growth%		18.5%	13.5%
PAR 31-90%	2.4%	1.9%	2.5%
PAR 91-180%	1.7%	3.6%	6.5%
PAR 180+%	6.2%	5.0%	5.3%

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

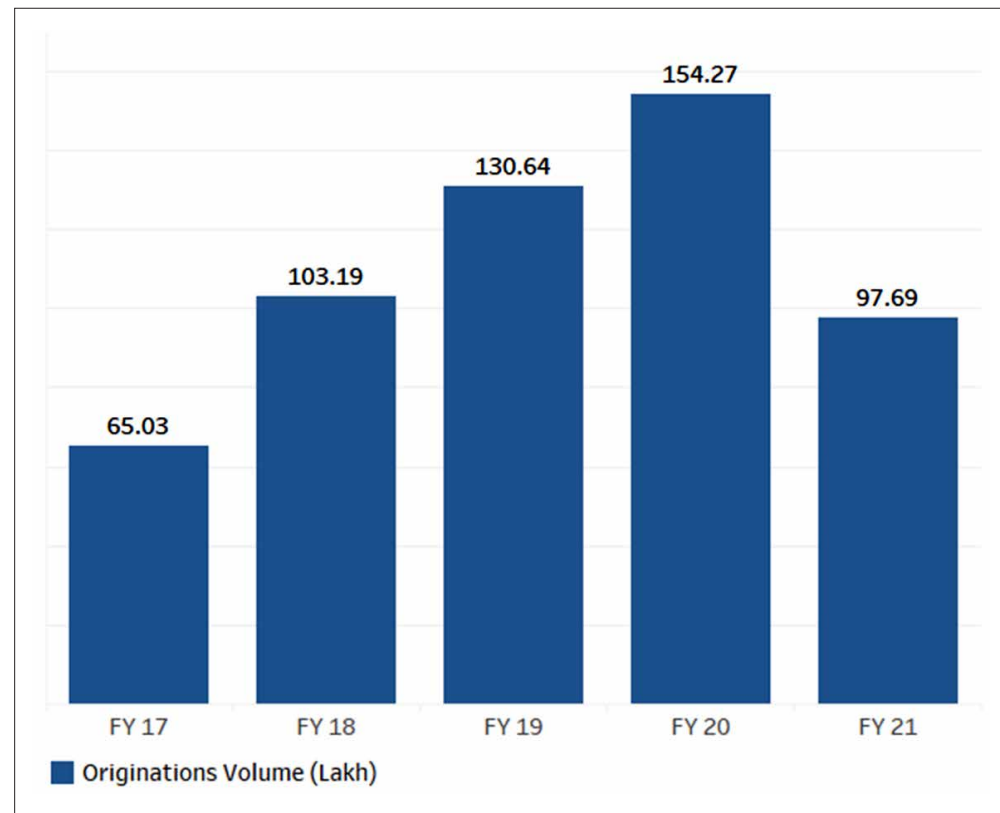
Private Banks

Credit Cards are dominated by Private Banks by both value and volume



New Credit Cards Issued - Summary

New Cards Issued – FY17 to FY21



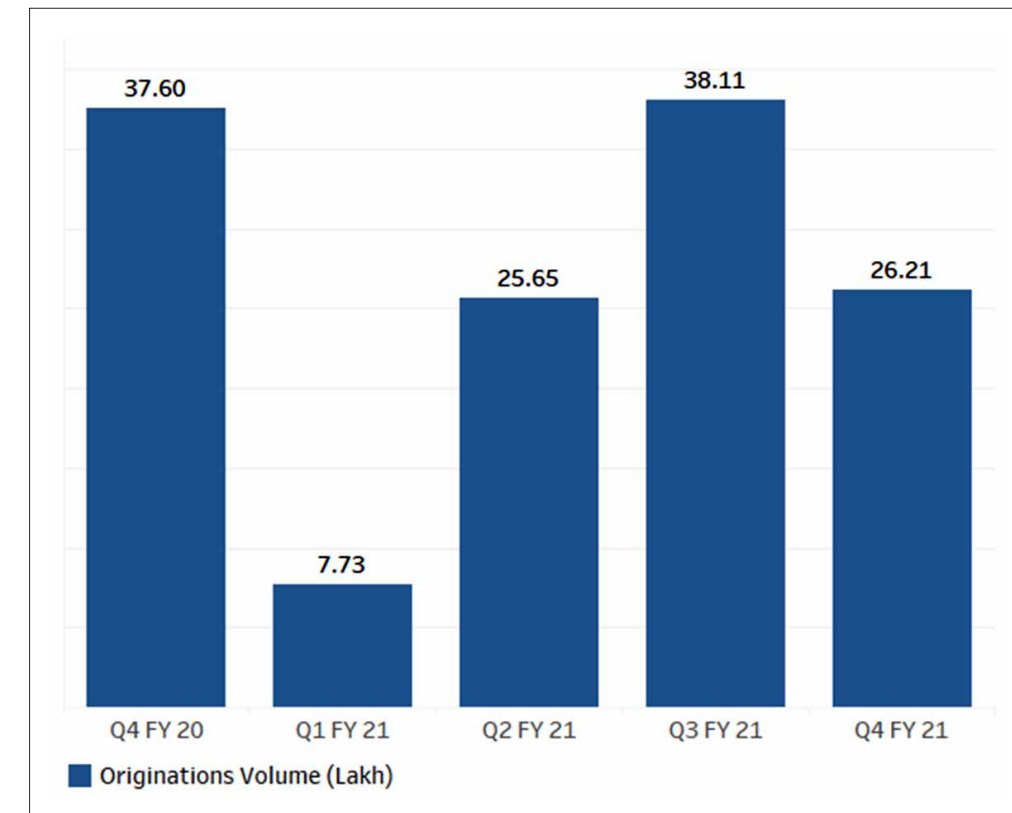
New Cards Issued

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

New Cards Issued – FY21



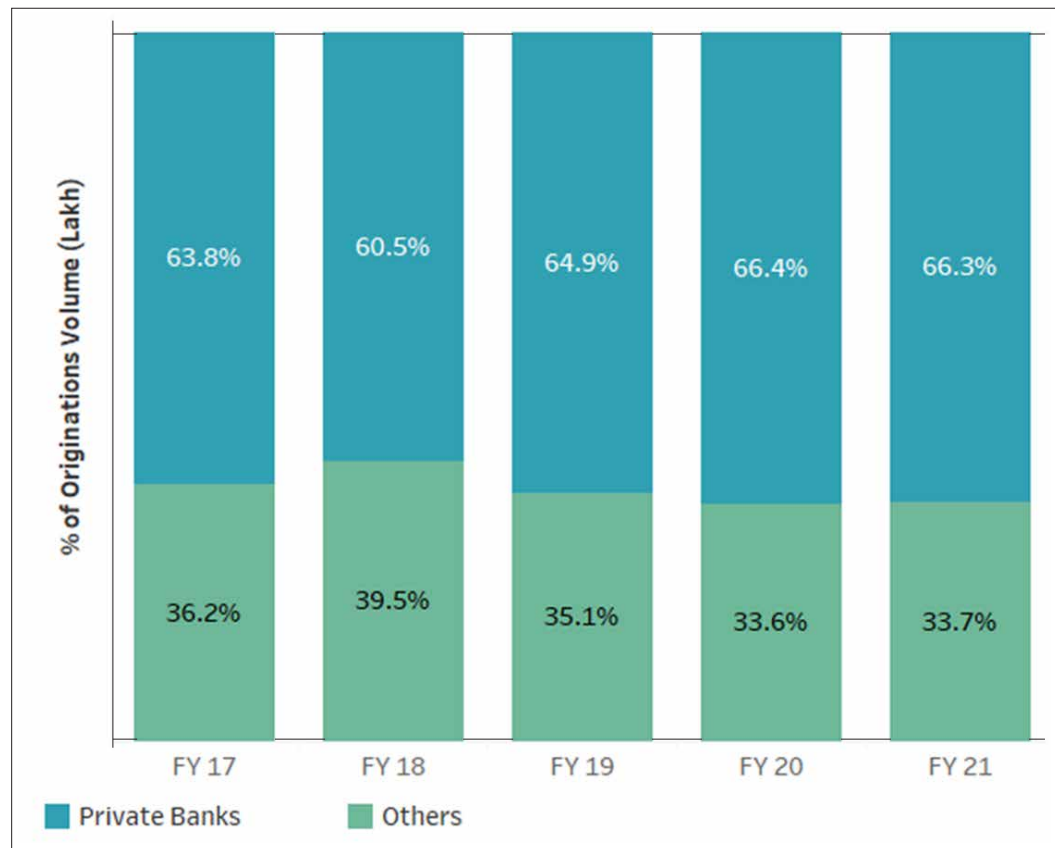
Recovery in New Cards Issued

Recovery in New Card Originations by Q3 FY21 with Originations by volume higher than of that of pre-pandemic level in Q4 FY20.



New Credit Cards Issued – Lender Type

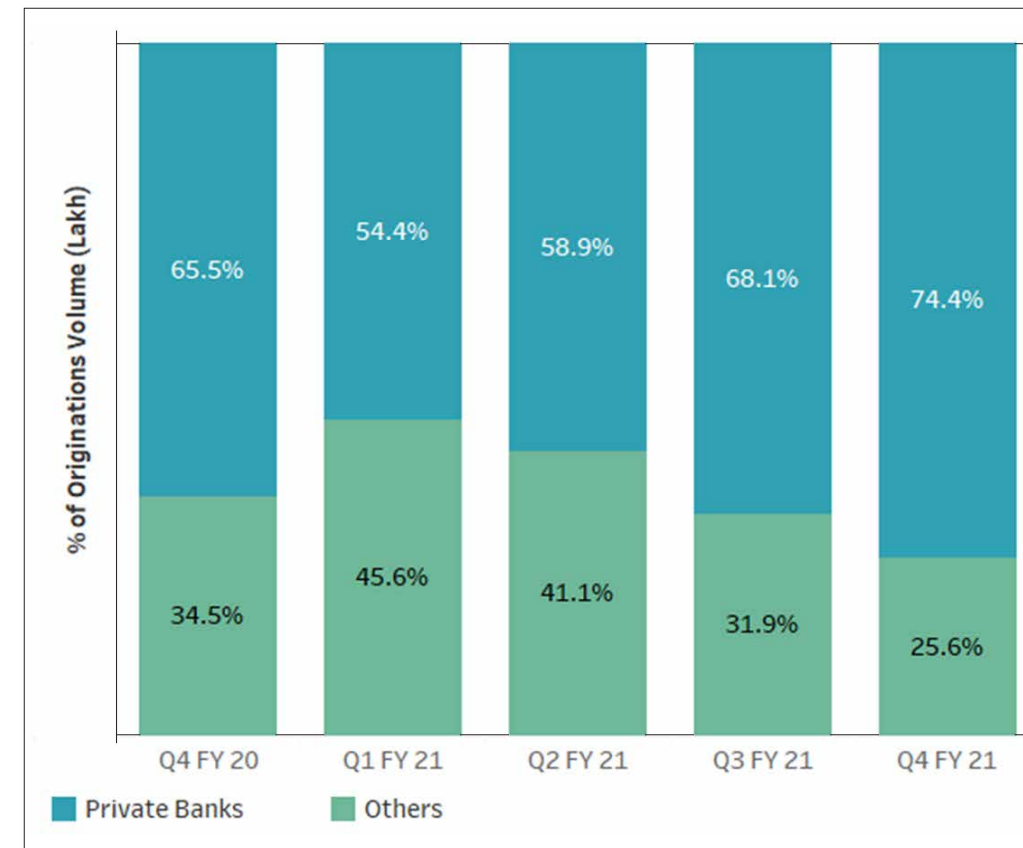
New Cards Issued (FY17 to FY21) - by Lender Type



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



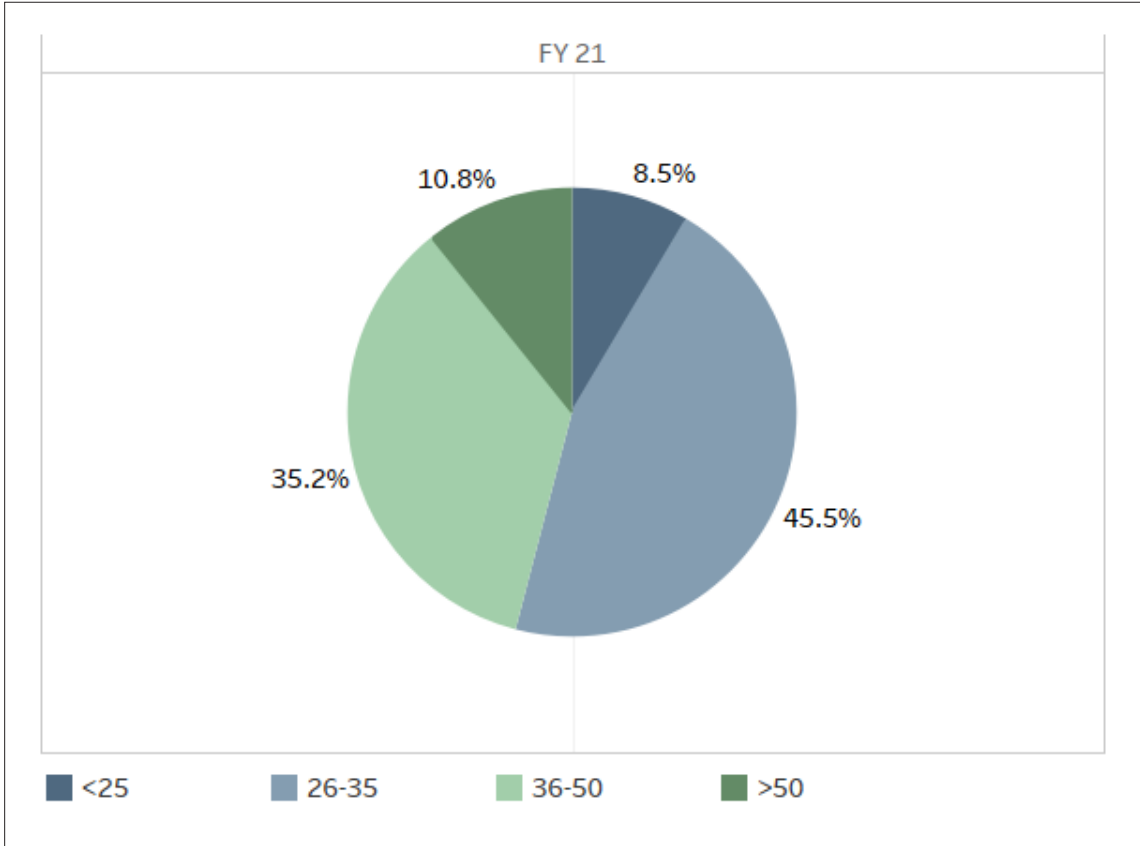
New Card Originations FY21

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

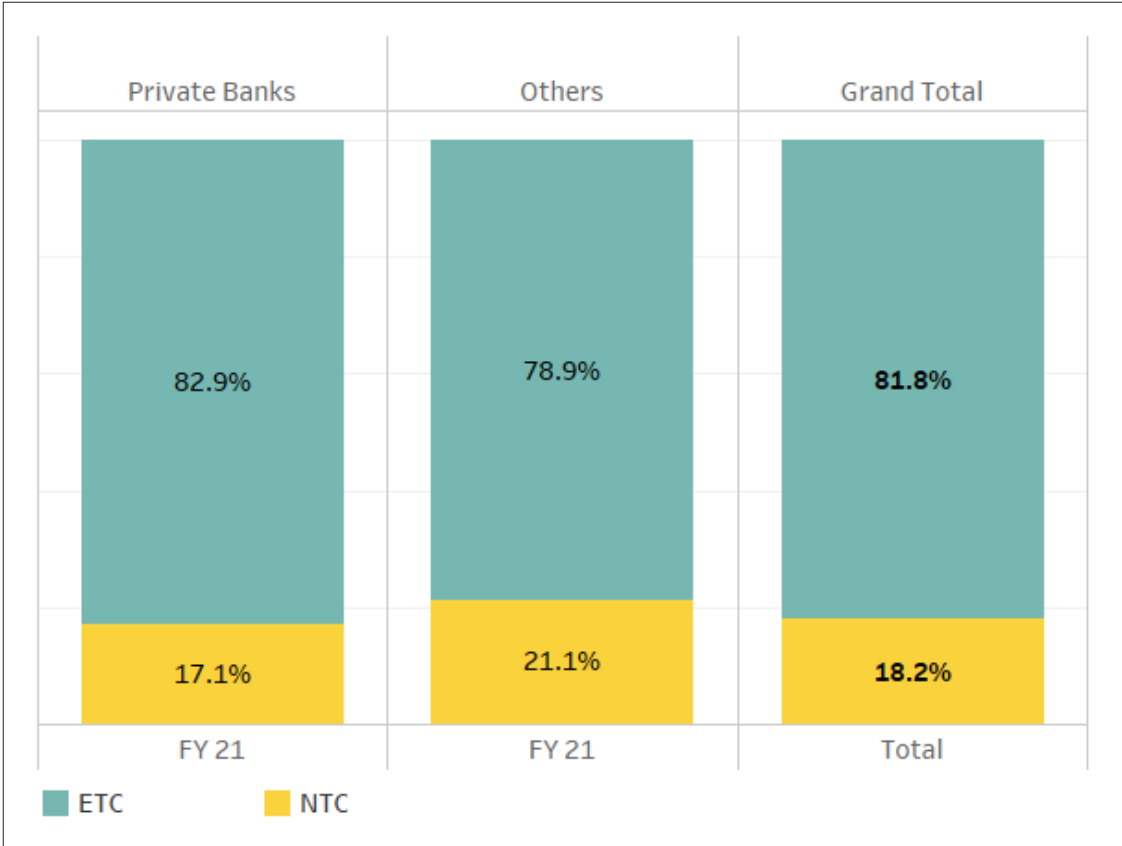
New Cards Issued (FY21) – Borrower Age (Years)



Age less than 35 years

54% of New Credit Card 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

	Mar-19	Mar-20	Mar-21
Portfolio Outstanding (₹ K Cr)	18.8	24.0	25.1
YoY Growth%		27.9%	4.8%
Active Loans (Lakh)	338.1	360.9	371.6
Y-o-Y Growth%		6.7%	3.0%
PAR 31-90%	2.2%	1.7%	1.4%
PAR 91-180%	1.8%	1.5%	2.5%
PAR 180+%	5.6%	5.9%	9.9%

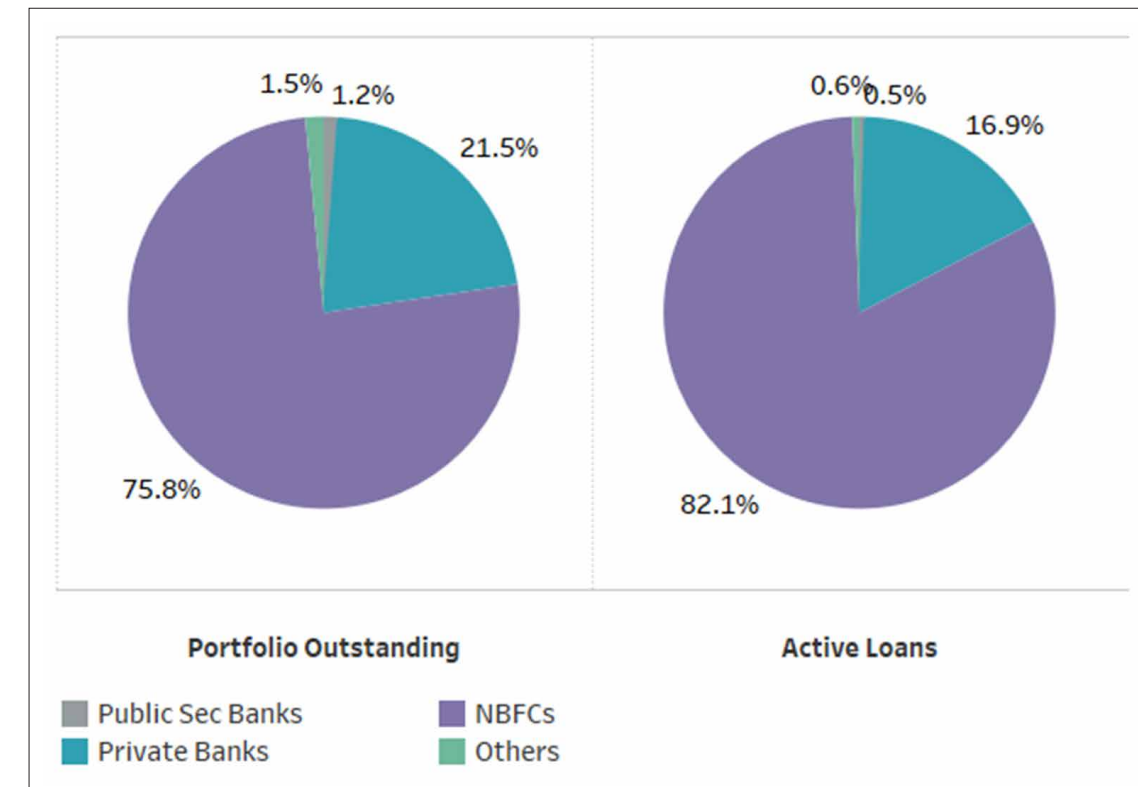
Ticket Size upto ₹50k

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

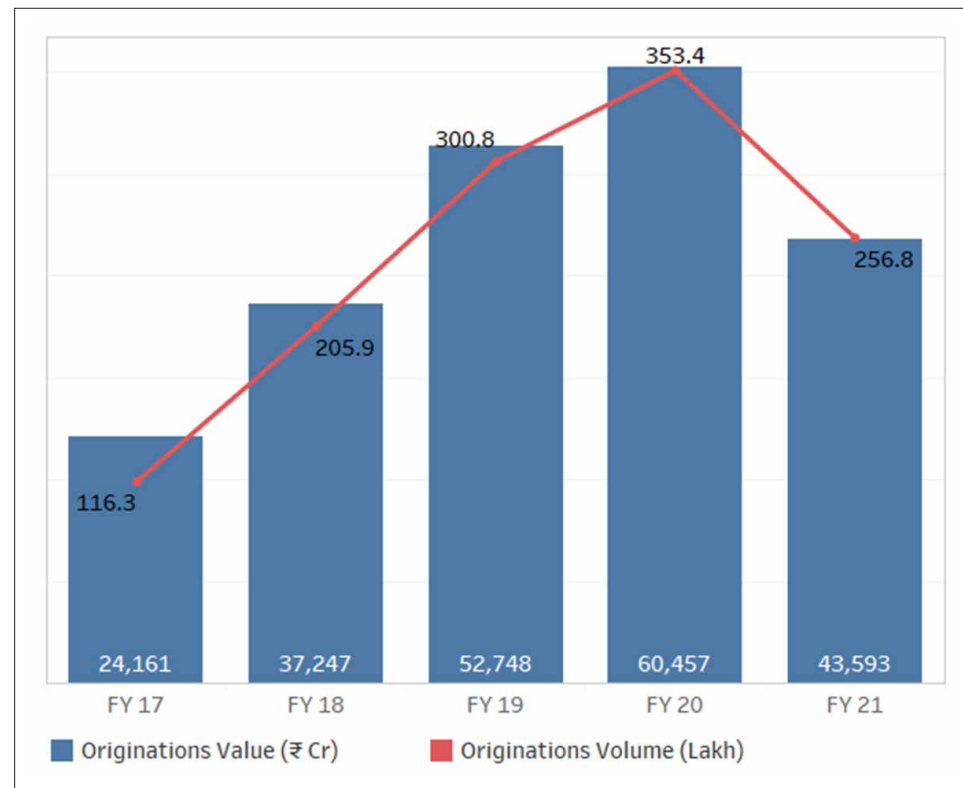
Dominated by NBFC

Consumer Durable loans are dominated by NBFCs and Private Banks by both value and volume



Consumer Durable Loans – Originations Summary

Originations – FY17 to FY21



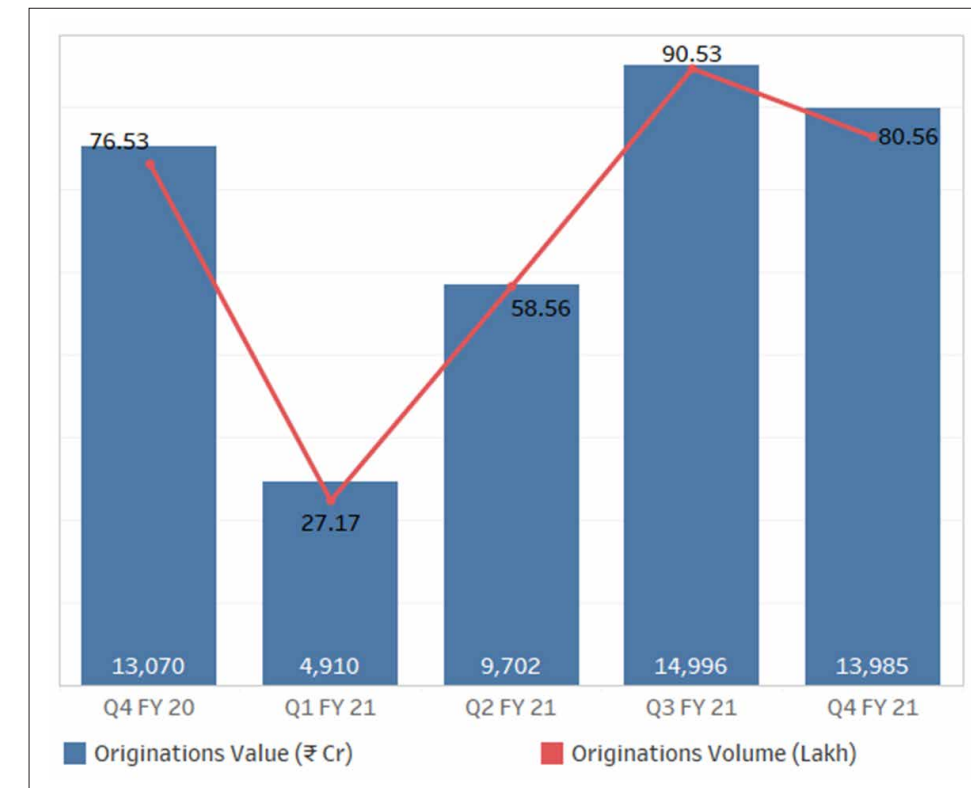
Originations by Value & Volume

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



Originations by Value

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

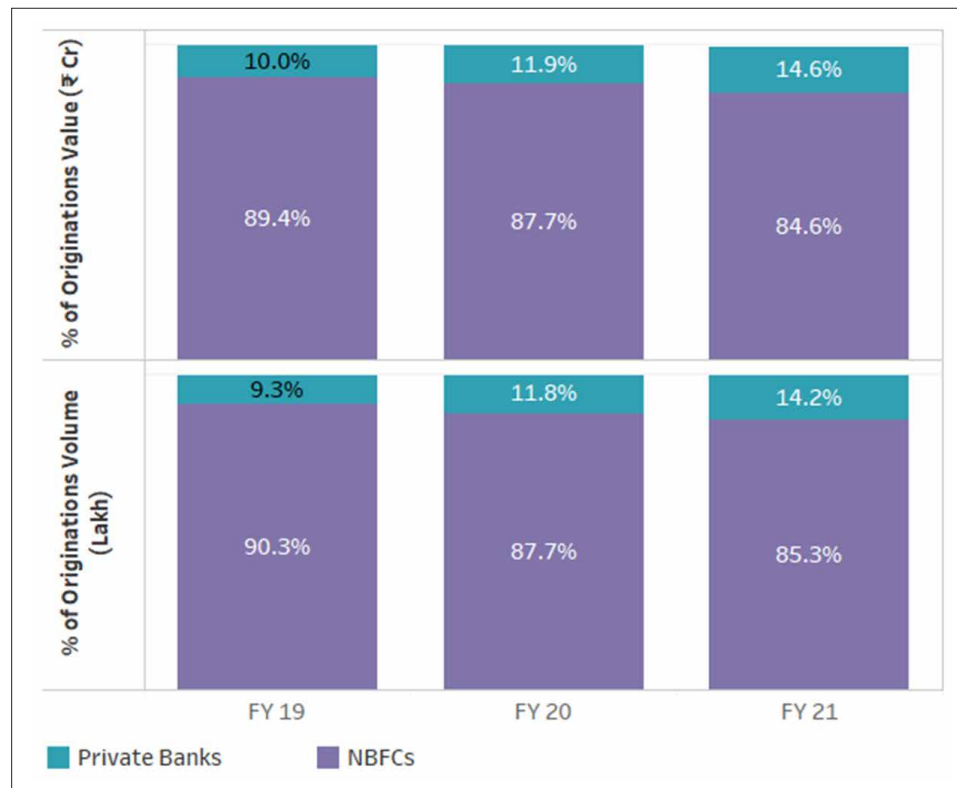
Originations FY21

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



Consumer Durable Loans Originations – Lender Type

Originations (FY17 to FY21) - by Lender Type



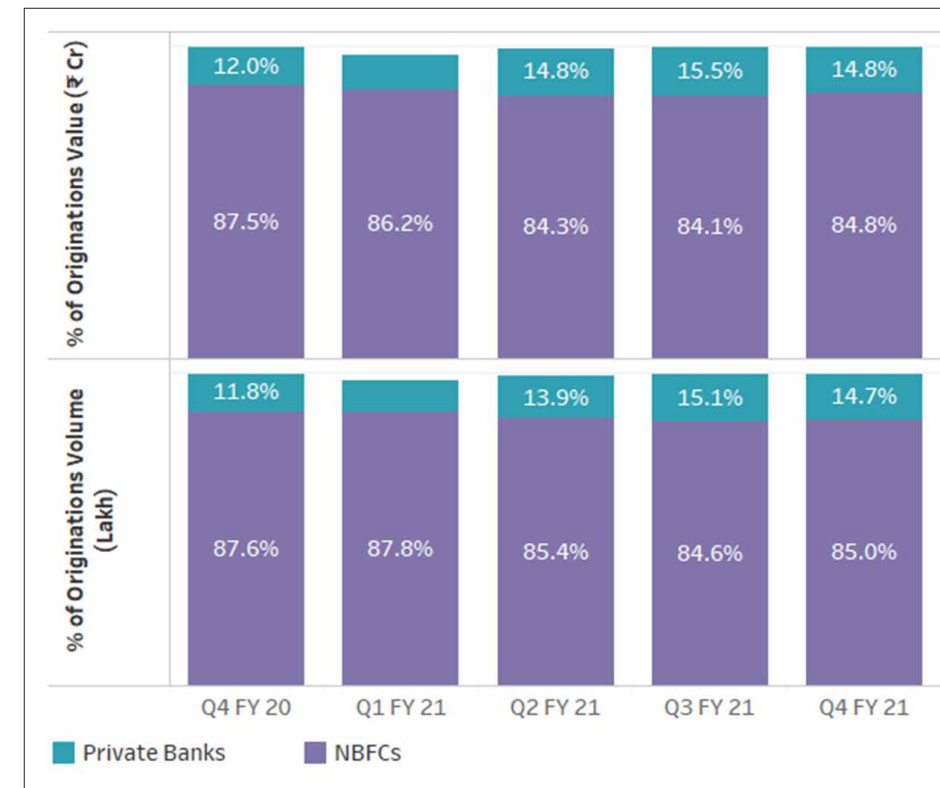
NBFCs Dominate Consumer Durable Loans FY19 to 21

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

Originations (FY21) - by Lender Type



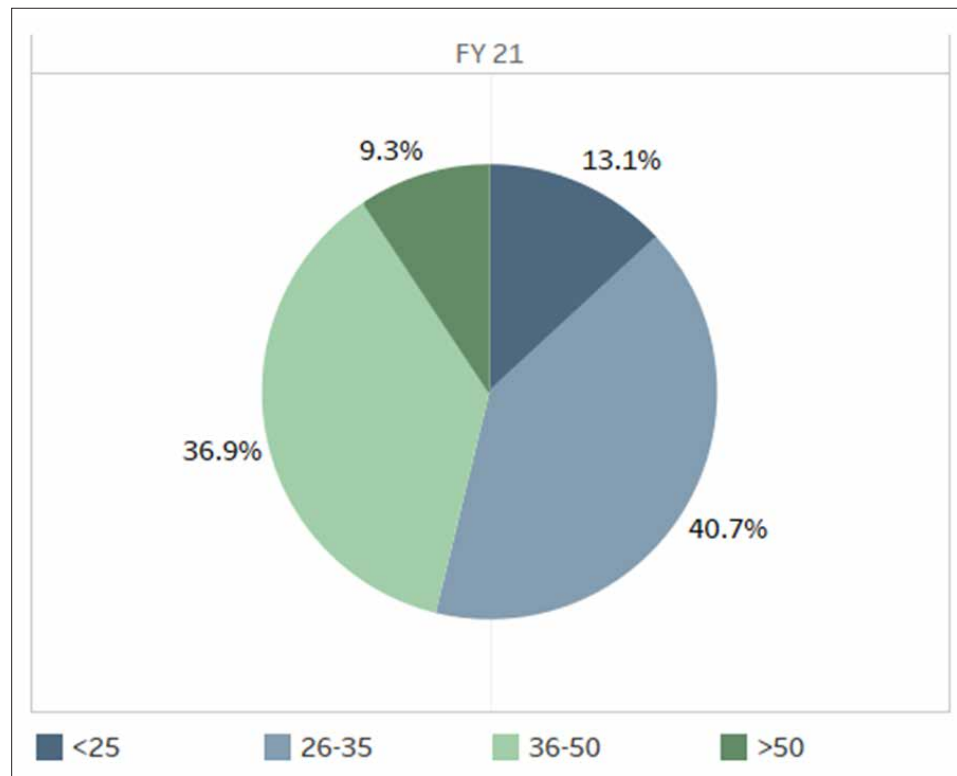
NBFCs Dominate Consumer Durable Loans FY21

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

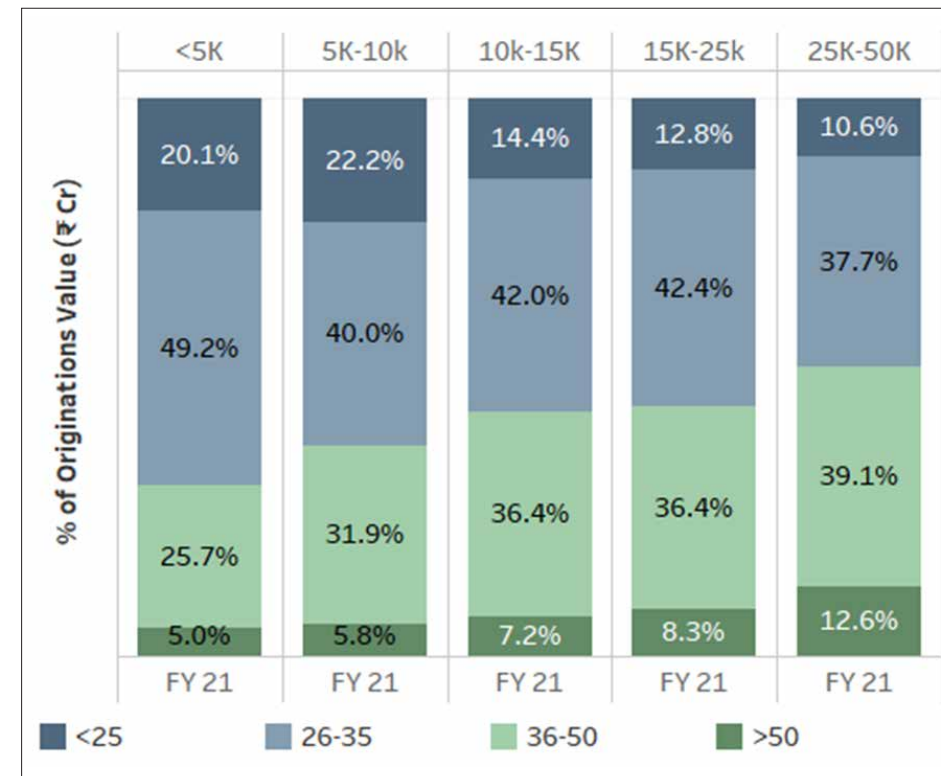


Consumer Durable Loans Originations – Borrower Age

Originations (FY21) – Borrower Age (Years)



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



Age Less than 35 years

54% of Consumer Durable Loan borrowers in FY21 are less than 35 years old

Ticket Size

Borrowers with Age less than 35 years have higher share in ticket sizes up to ₹ 25K. But their share reduced for ticket size ₹ 25-50K

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 than 25 years

Age 26-35 years

49.2% of loans with ticket size < ₹ 5k provided to borrowers with Age 26-35 years

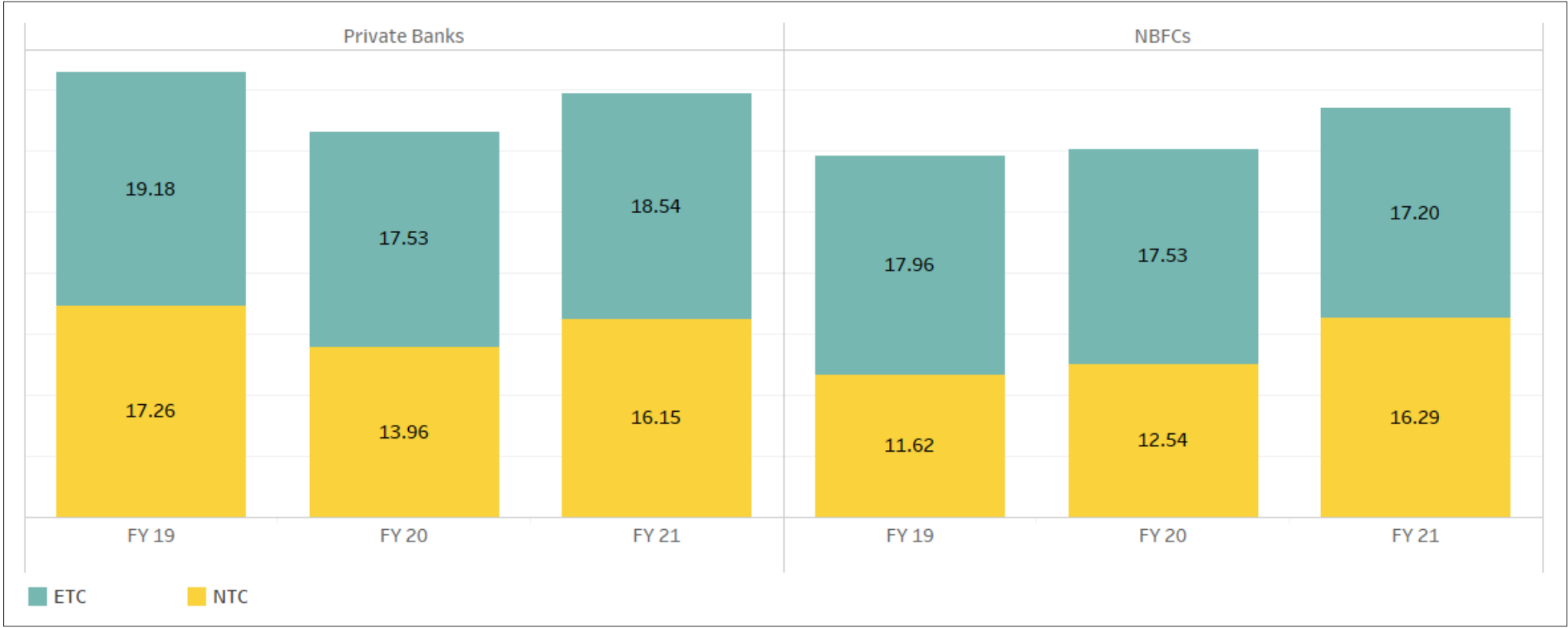
Age greater than 35 years

Borrowers with Age greater than 35 years have higher share in ticket sizes ₹ 25-50K



Consumer Durable Loans Originations – ETC/NTC

ETC/NTC – Average Ticket Size (₹ K)



Consumer Durable Loans to NTC

34.5% of Consumer Durable Loans were provided to New to Credit (NTC) borrowers in FY21

Private Banks

Private banks provide more loans to NTC borrowers than NBFCs

Lower Average Ticket Size

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



T W O - W H E E L E R L O A N S



Two-Wheeler Loans - Industry Summary

Two-wheeler Loans – Portfolio Snapshot

	Mar-19	Mar-20	Mar-21
Portfolio Outstanding (₹ K Cr)	57.3	70.4	77.9
YoY Growth%		23.0%	10.6%
Active Loans (Lakh)	190.90	222.37	236.33
PAR 31-90%	3.6%	4.5%	6.8%
PAR 91-180%	2.2%	2.3%	3.9%
PAR 180+%	4.8%	5.4%	7.5%

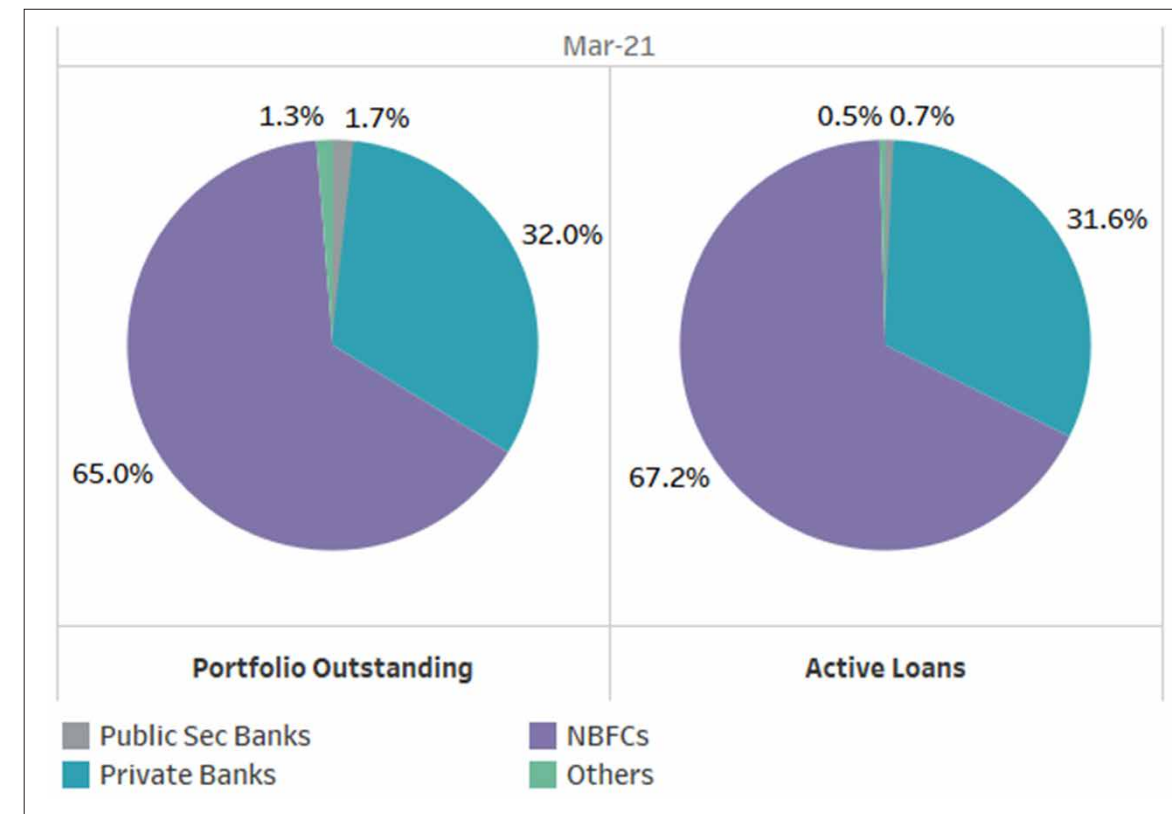
Portfolio Outstanding

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

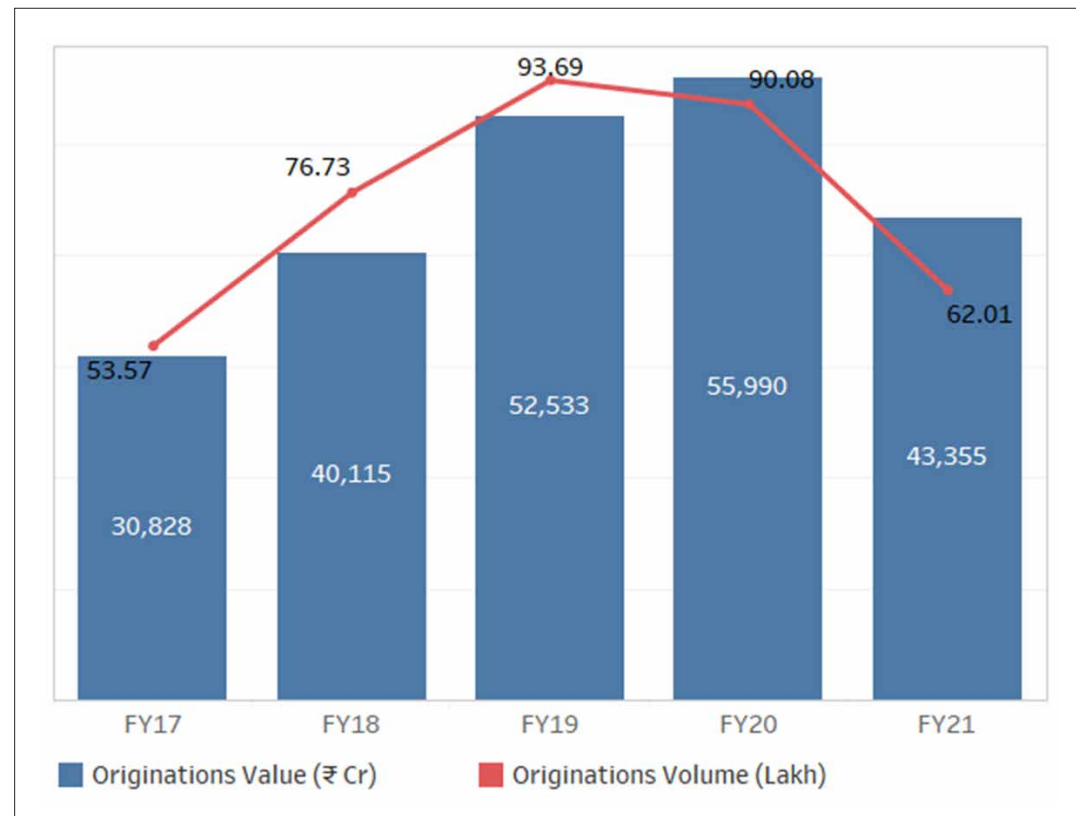
PAR 180+

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

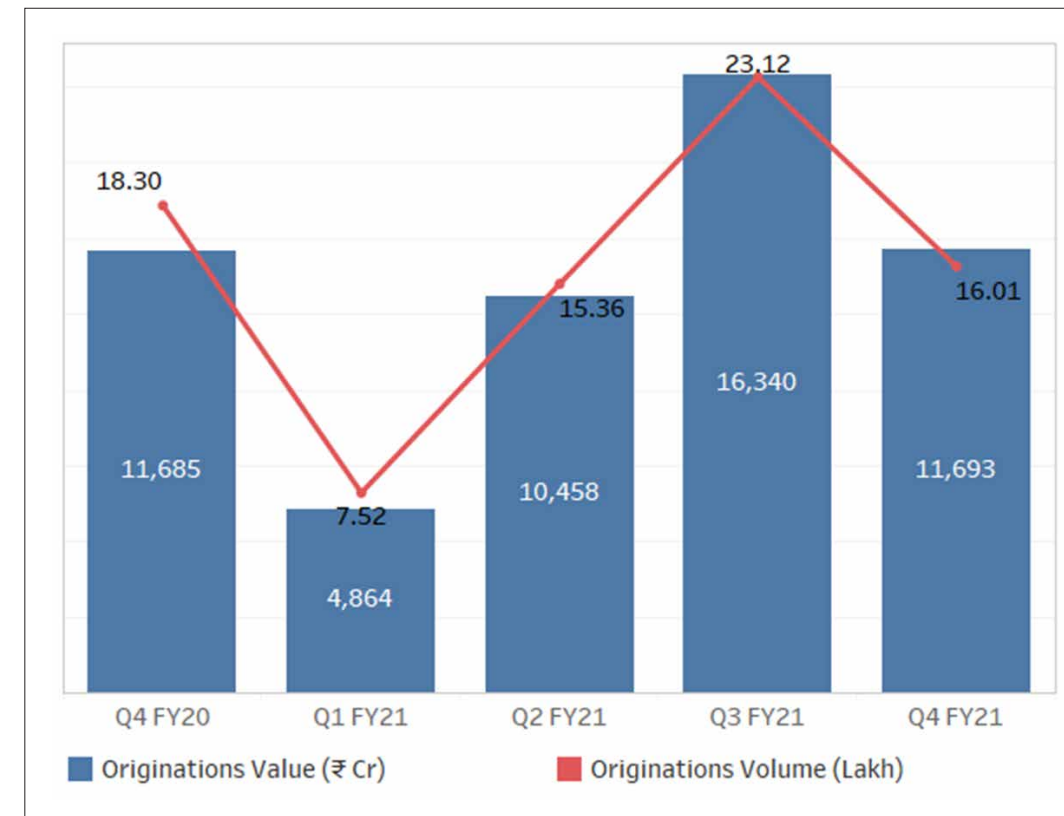


Two-Wheeler Loans – Originations Summary

Originations – FY17 to FY21



Originations – 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

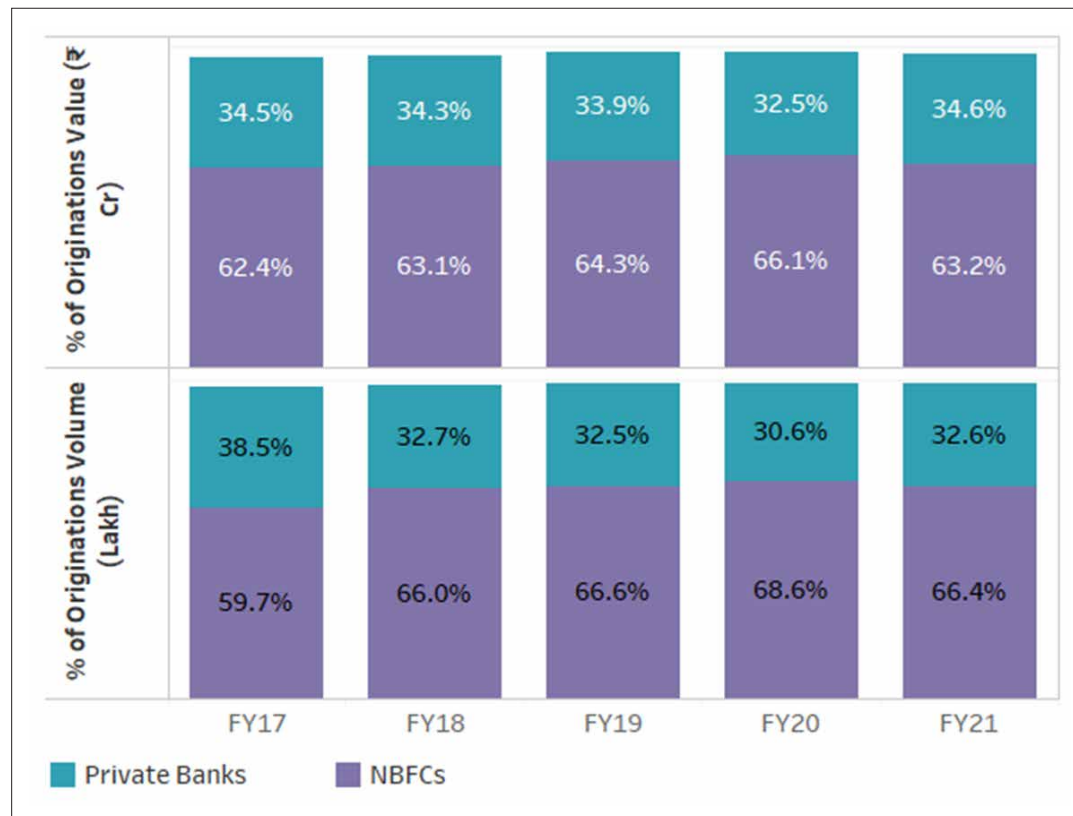
Originations by Value (FY21)

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



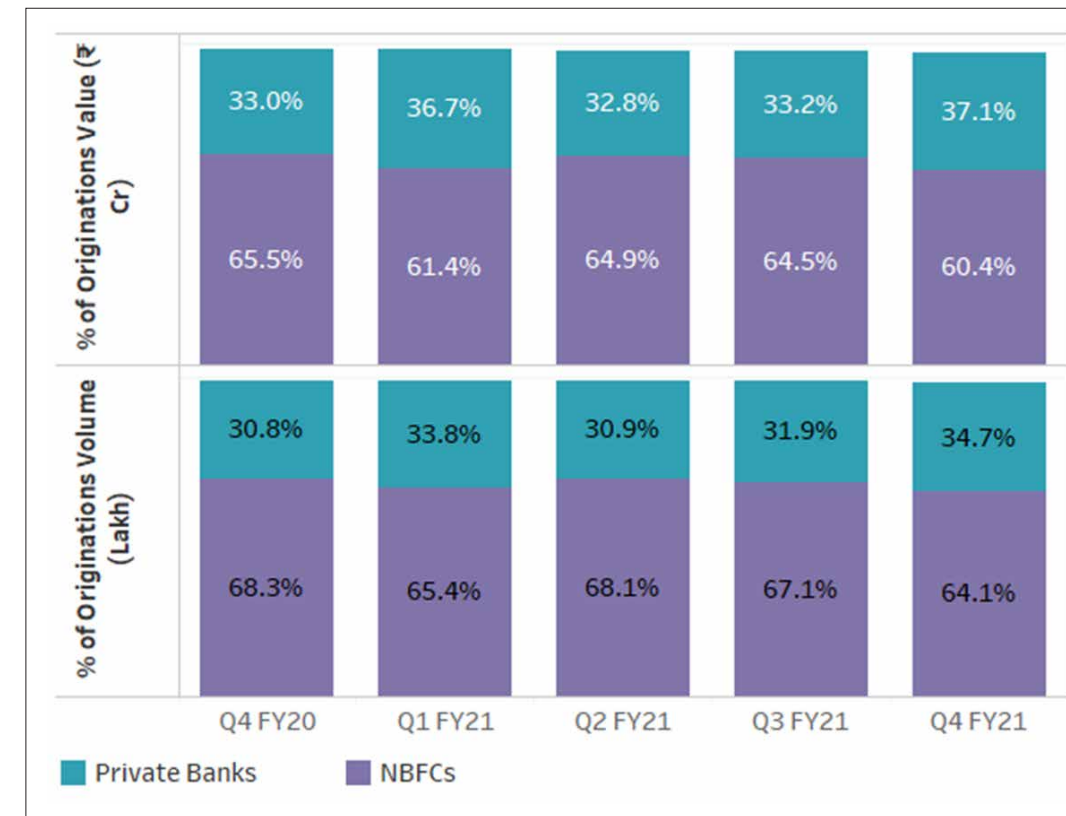
Originations by Value & Volume

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



Average Ticket Size

Private Banks have higher Average Ticket Size compared to NBFCs

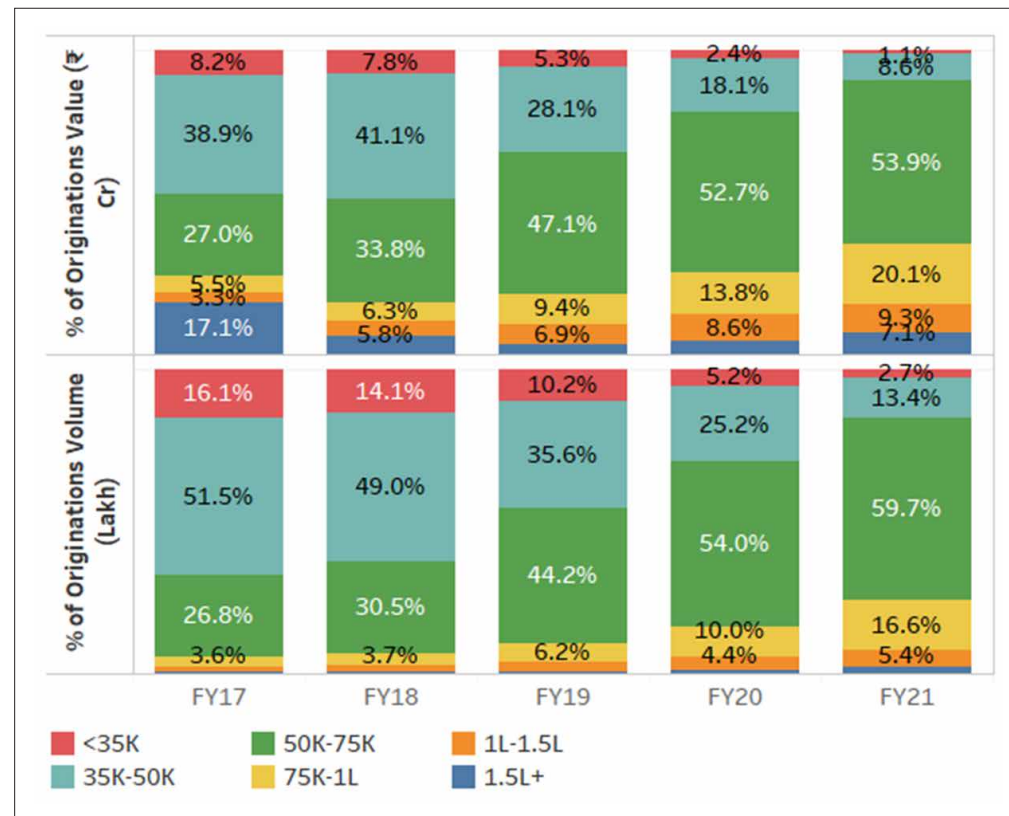
Private Banks

Private Banks increased their Originations share (by volume & value) by Q4 FY21 compared to pre-pandemic levels of Q4 FY20

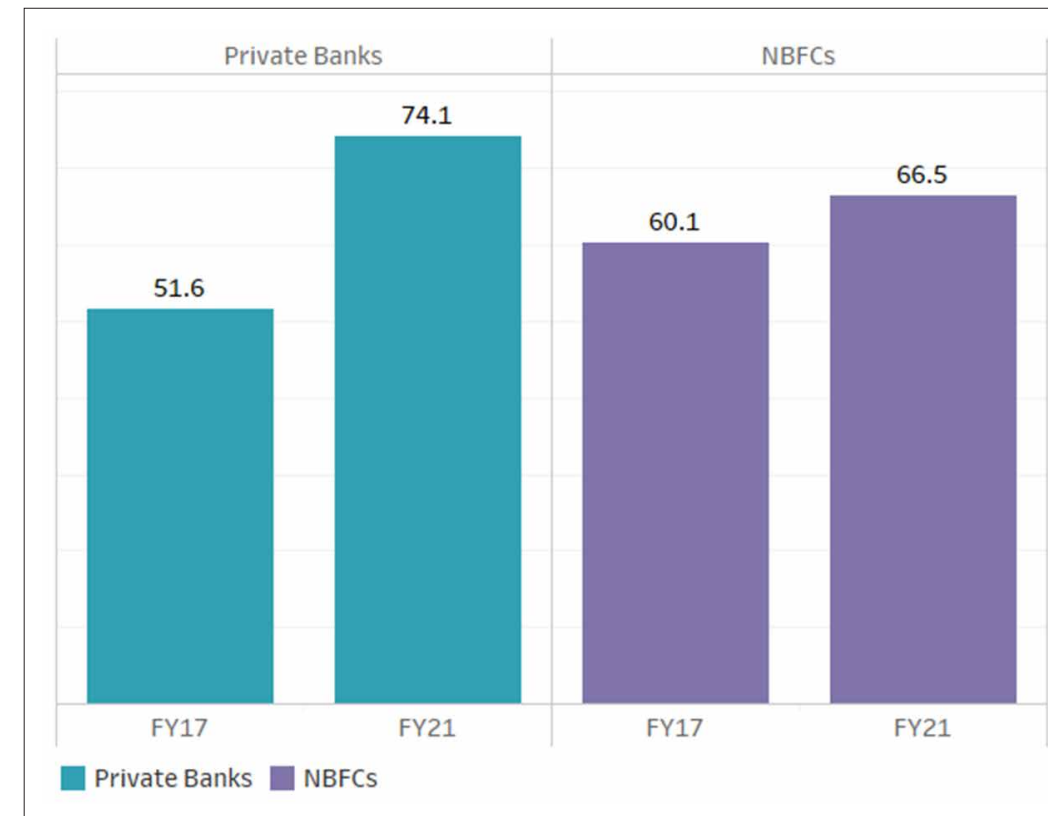


Two-Wheeler Loans Originations – Ticket Size

Originations (FY17 to FY21) – Ticket Size



Lender Type – Average Ticket Size (₹ K)



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

Ticket Size ₹<75k

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

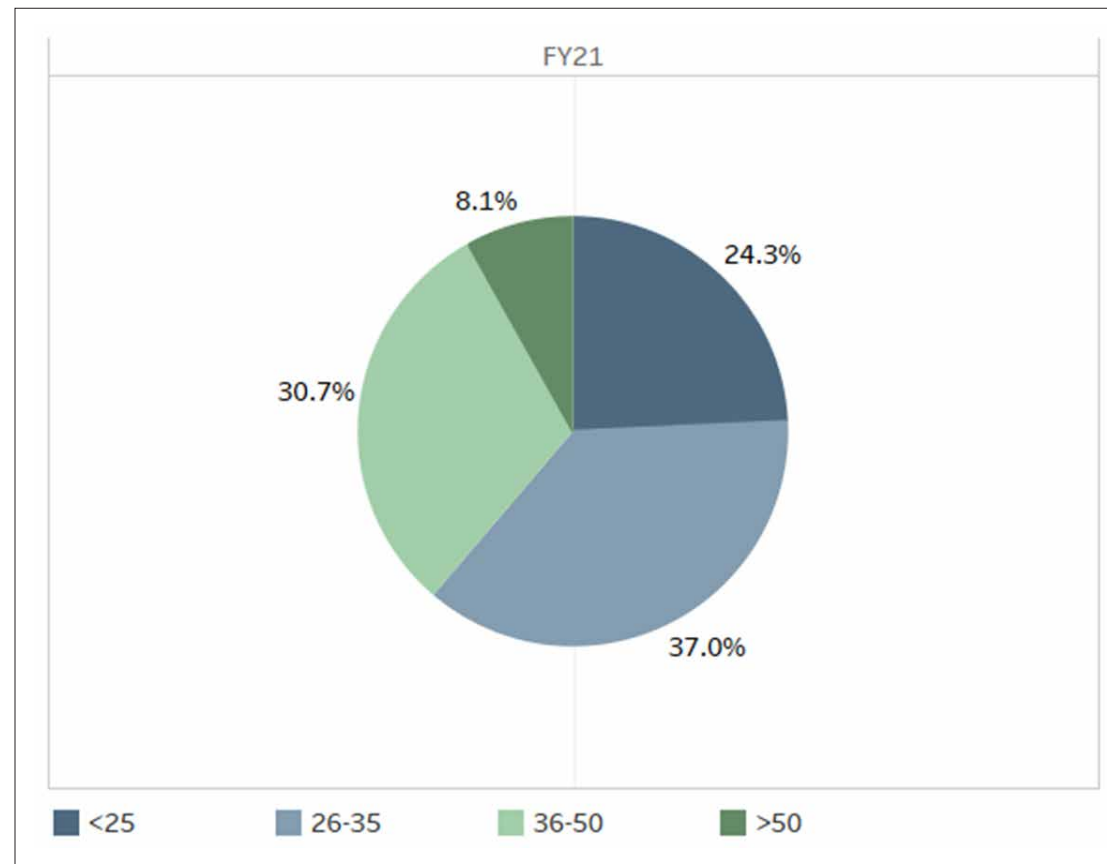
Private Banks

Private banks had higher growth in Average Ticket size compared to NBFCs from FY17 to FY21



Two-Wheeler Loans Originations – Borrower Age

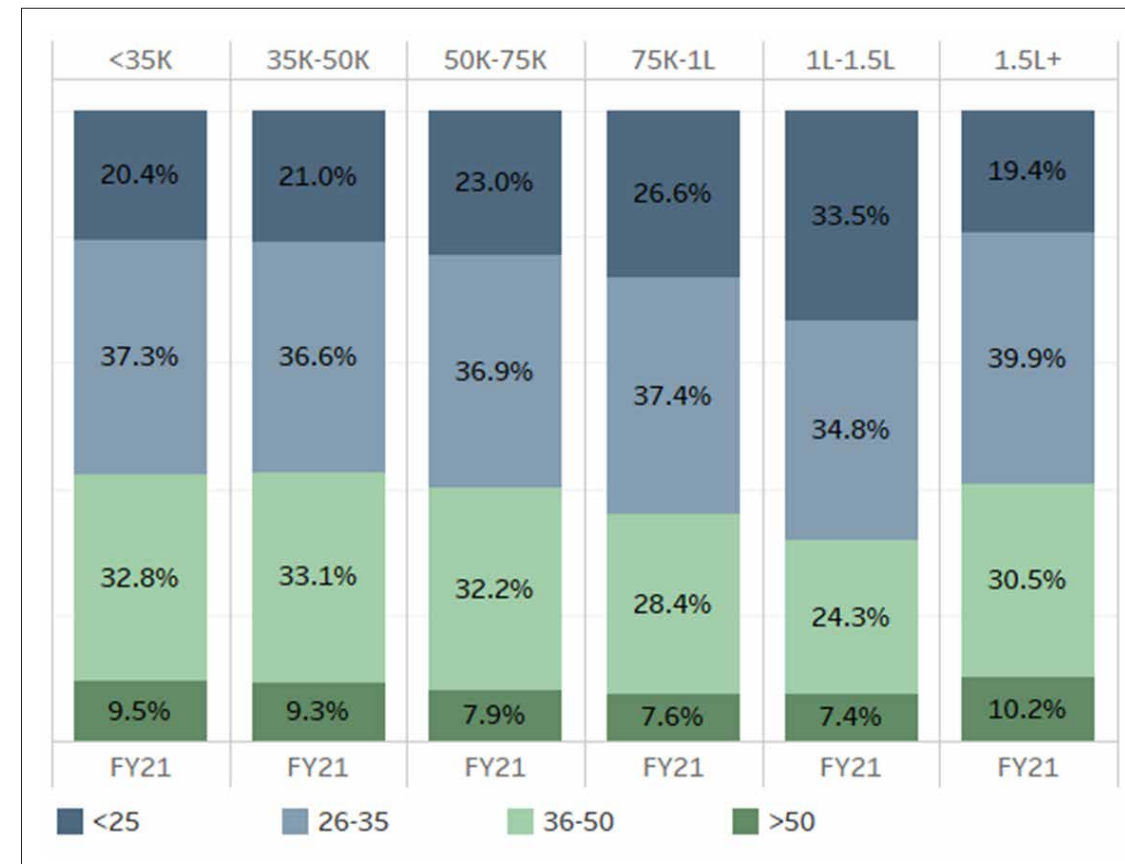
Originations (FY21) – Borrower Age (Years)



Age less than 35 years

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

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



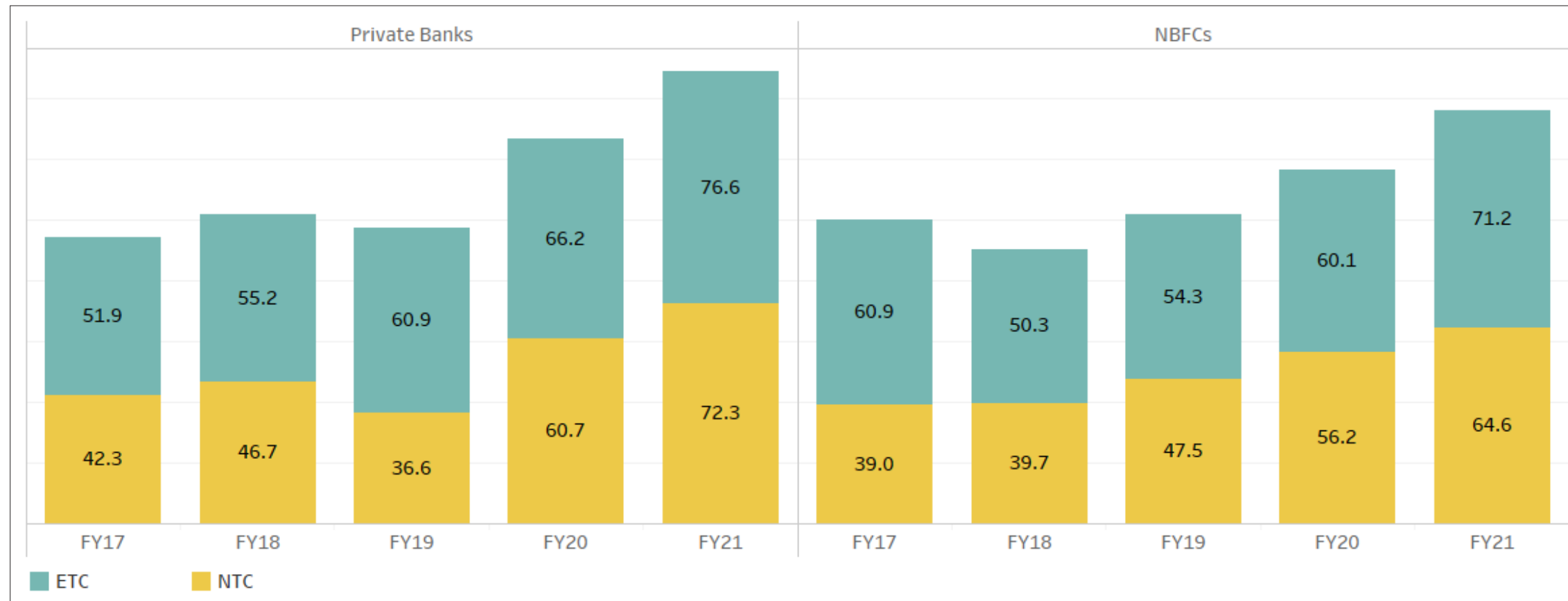
Borrower age & Ticket size

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)



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



H O M E L O A N S



Home Loans - Industry Summary

Overall Home Loans

	Mar-19	Mar-20	Mar-21
Portfolio Outstanding (₹ Lakh Cr)	18.4	20.0	22.4
YoY Growth%		8.8%	12.1%
Active Loans (Lakh)	106.17	114.68	123.84
Y-o-Y Growth%		8.0%	8.0%
PAR 31-90%	3.1%	2.6%	2.6%
PAR 91-180%	0.4%	0.8%	0.6%
PAR 180+%	1.1%	1.5%	1.7%

Affordable Home Loans (AFHL with ticket size < ₹ 35L)

	Mar-19	Mar-20	Mar-21
Portfolio Outstanding (₹ Lakh Cr)	11.1	12.0	13.0
YoY Growth%		7.6%	8.3%
Active Loans (Lakh)	92.15	98.71	104.98
Y-o-Y Growth%		7.1%	6.4%
Average Balances (₹ Lakh)	12.07	12.13	12.35
PAR 31-90%	3.5%	2.9%	2.8%
PAR 91-180%	0.4%	0.8%	0.6%
PAR 180+%	1.1%	1.4%	1.6%

Affordable Home Loans

Affordable Home Loans (Home Loans 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

HOW INDIA LENDS FY 2021

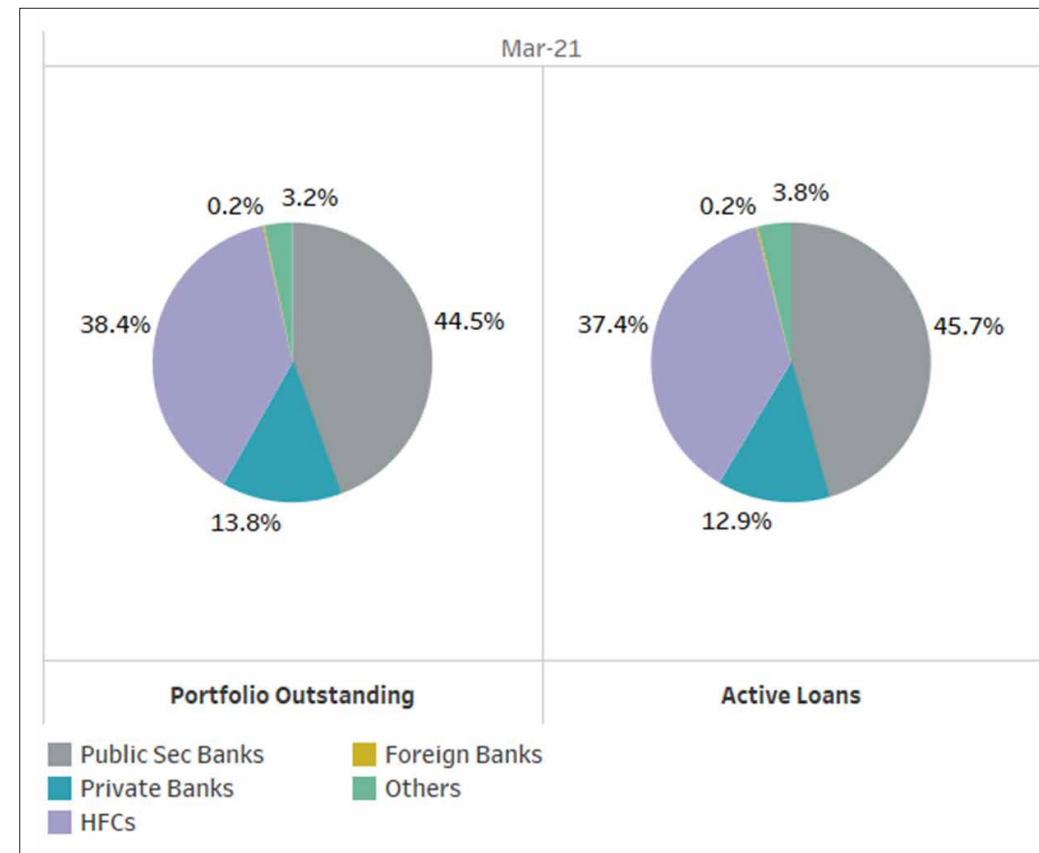
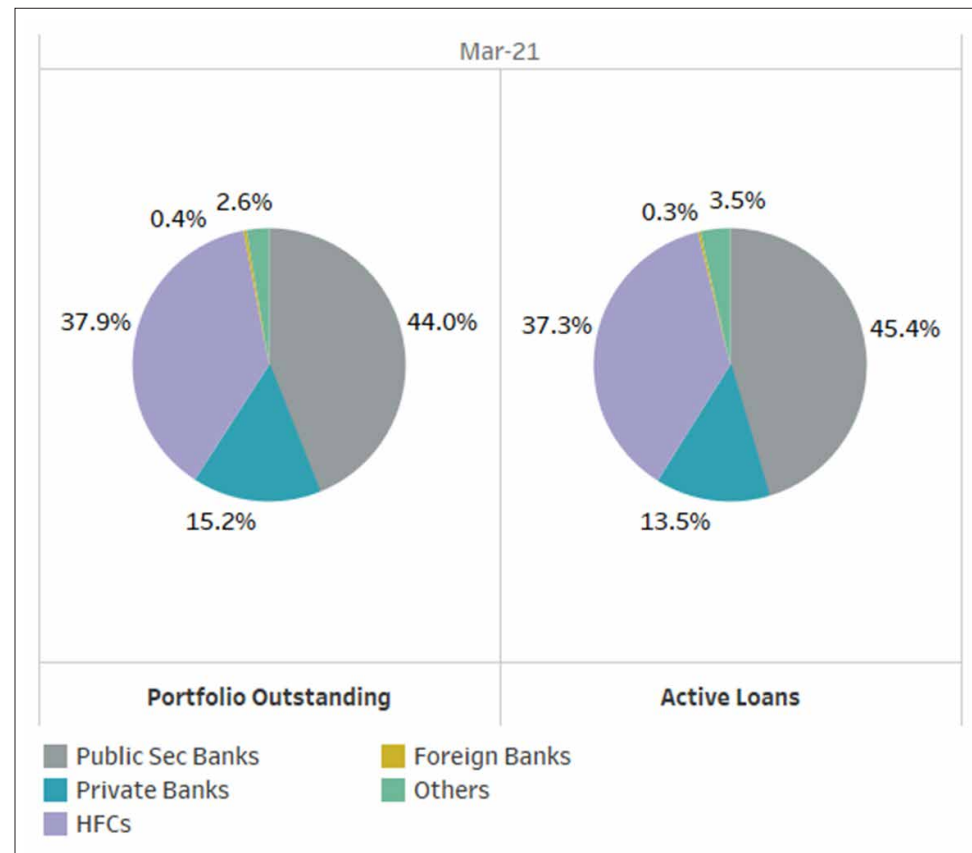
PAR (30+, 90+ & 180+)

PAR (30+, 90+ & 180+) of Affordable Home Loans is similar to Overall Home Loans

Home Loans - Market Share

Overall Home Loans

Affordable Home Loans



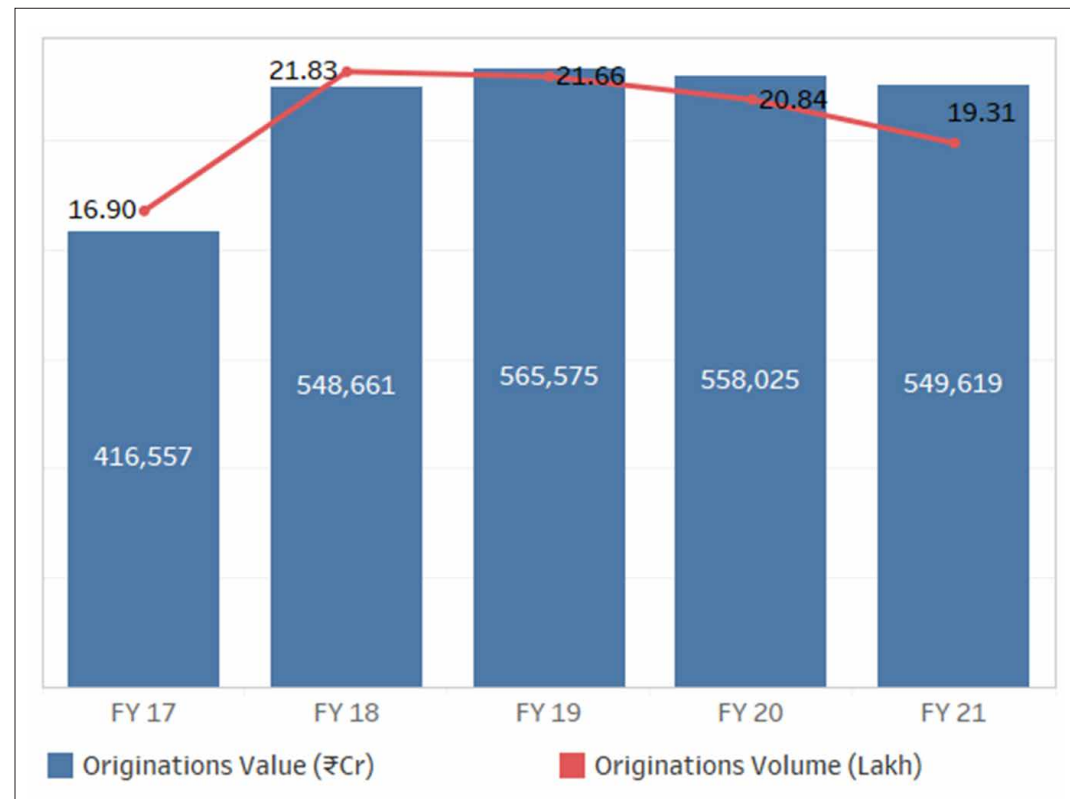
Public Sector Banks and HFCs dominate Overall Home Loans

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

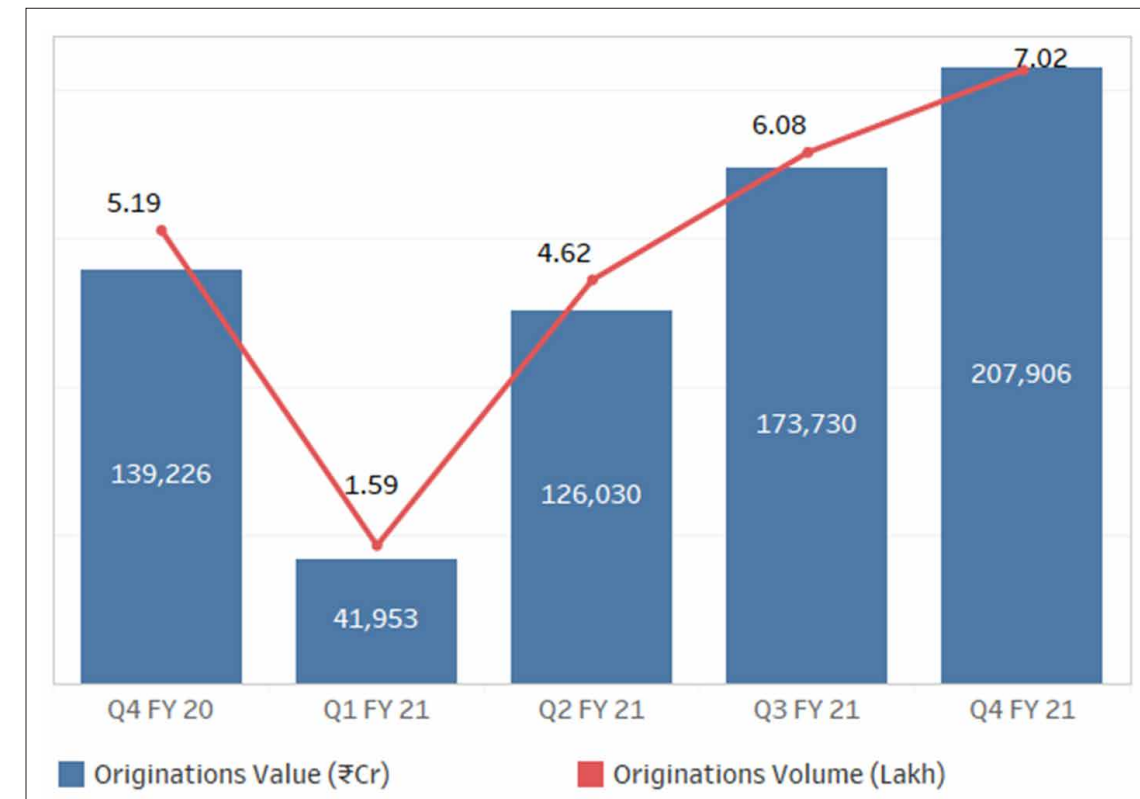


Home Loans – Originations Summary

Originations – FY17 to FY21



Originations – FY21



Origination 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 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

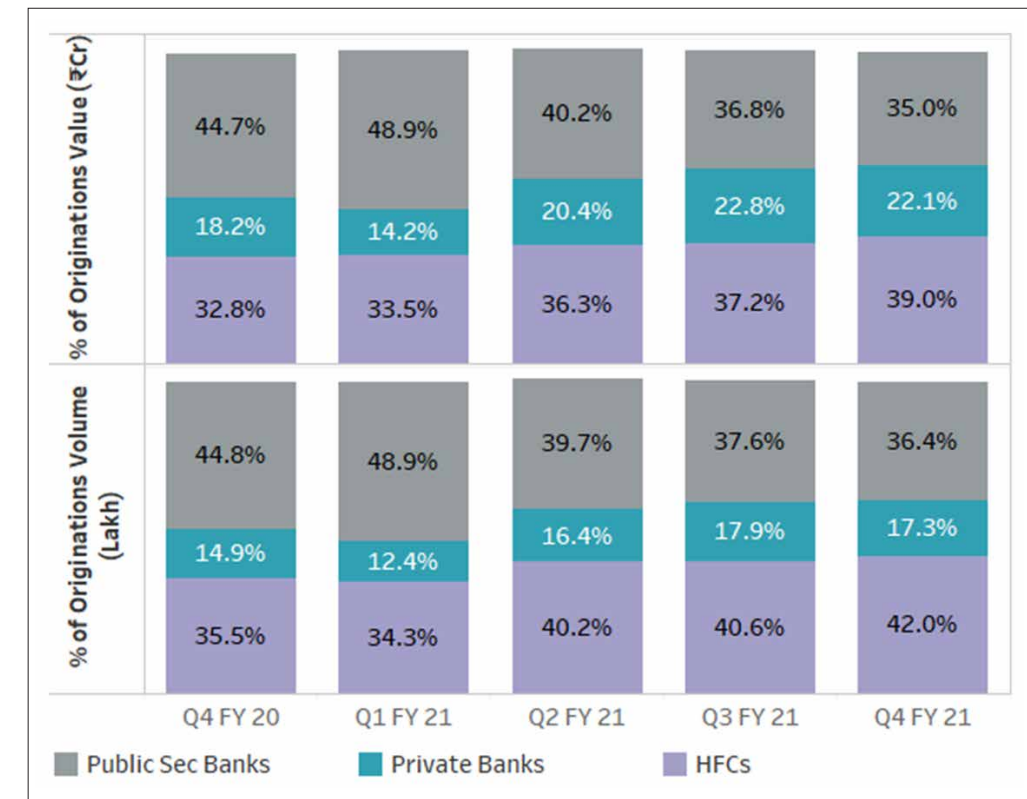


Home Loans Originations – Lender Type

Originations (FY17 to FY21) - by Lender Type



Originations (FY21) - by Lender Type



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

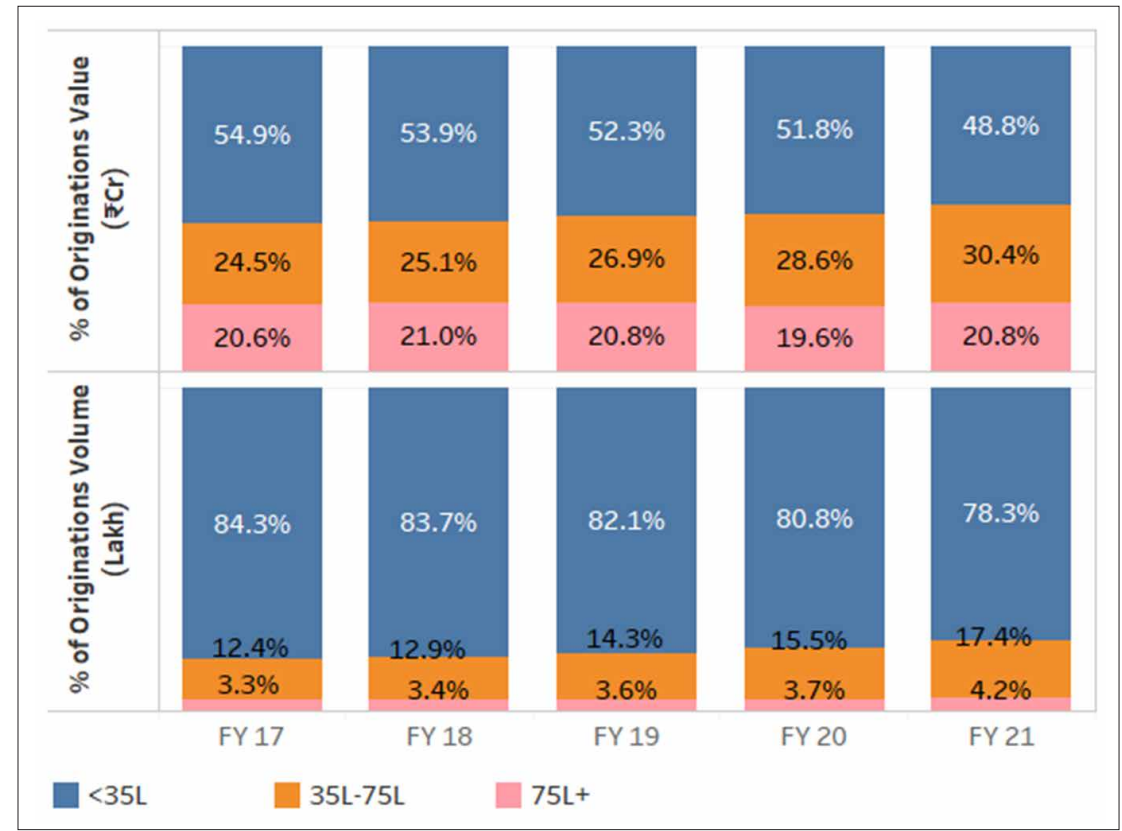
Drop in Originations share of Public Sector Banks in Q2, Q3 & Q4 FY21 compared to pre-pandemic level in Q4 FY20

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



Home Loans Originations – Ticket Size

Originations (FY17 to FY21) – Ticket Size Industry



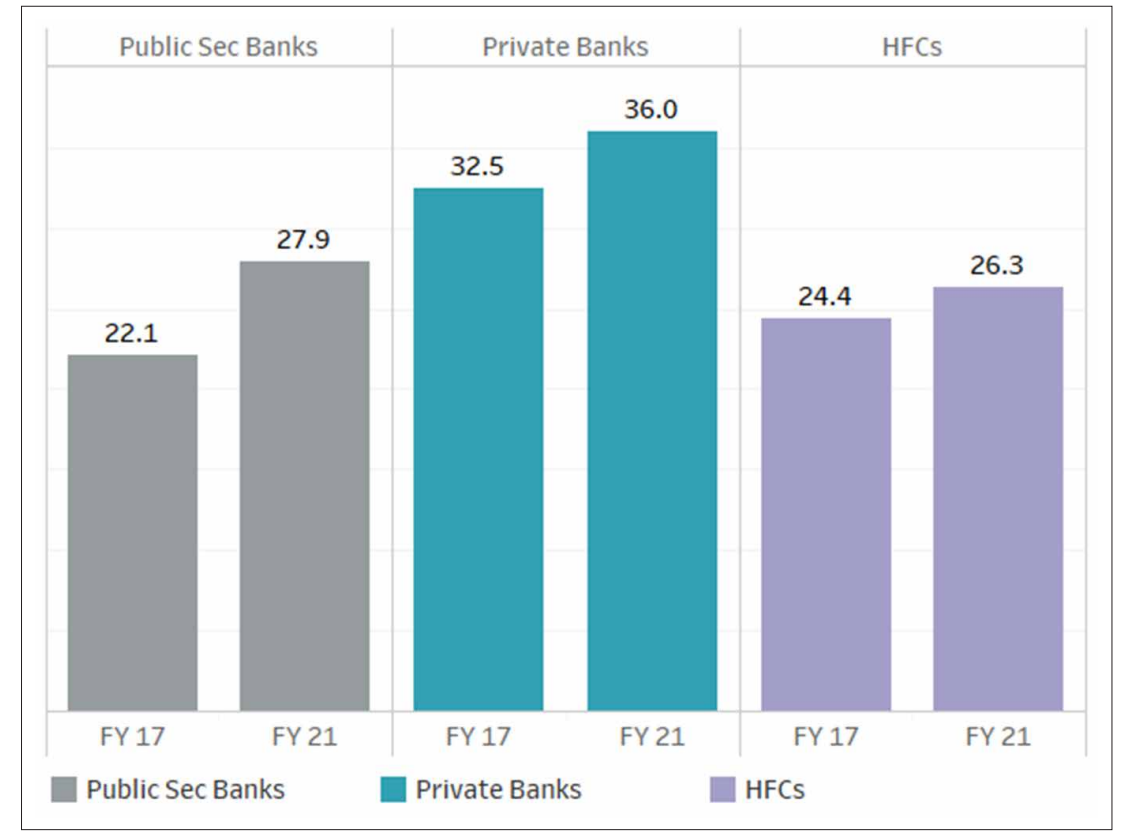
Originations by Value & Volume

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)



Average Ticket Size

26% increase in Average Ticket Size of Public Sector Banks from FY17 to FY21

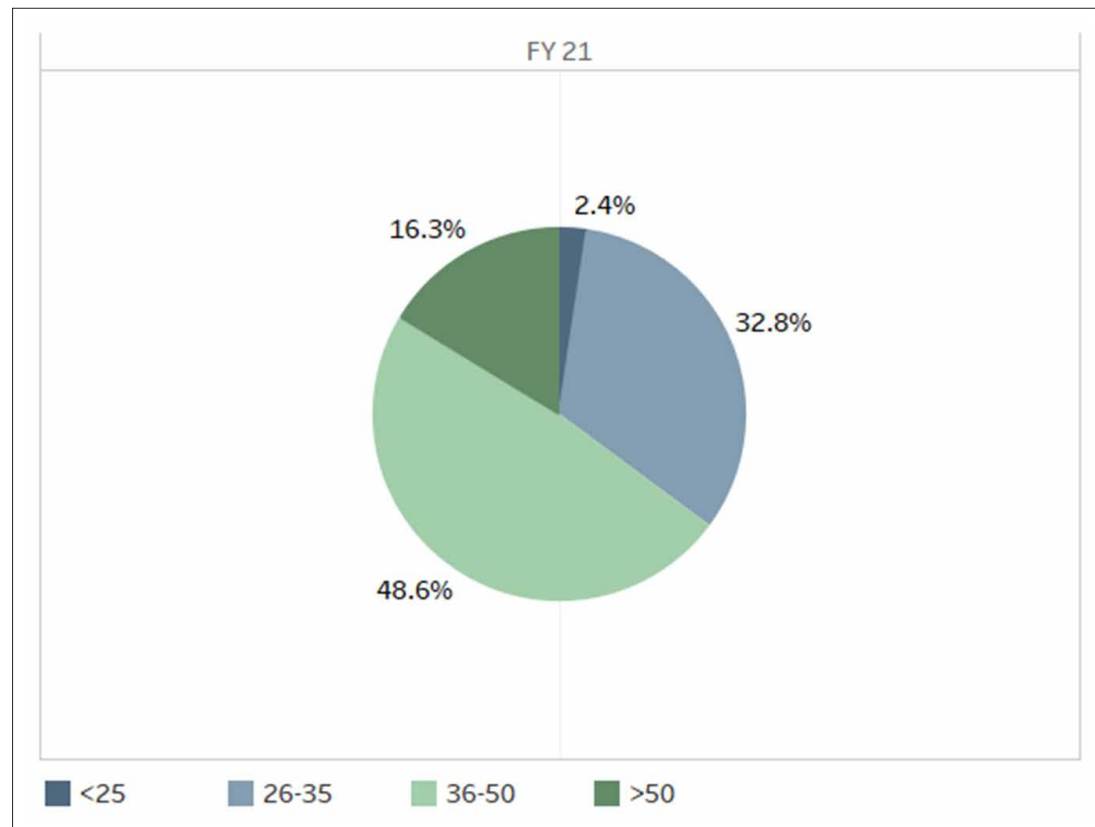
Private Banks & HFCs

11% and 8% increase in Average Ticket Size for Private Banks and HFCs respectively



Home Loans Originations – Borrower Age

Originations (FY21) – Borrower Age (Years)



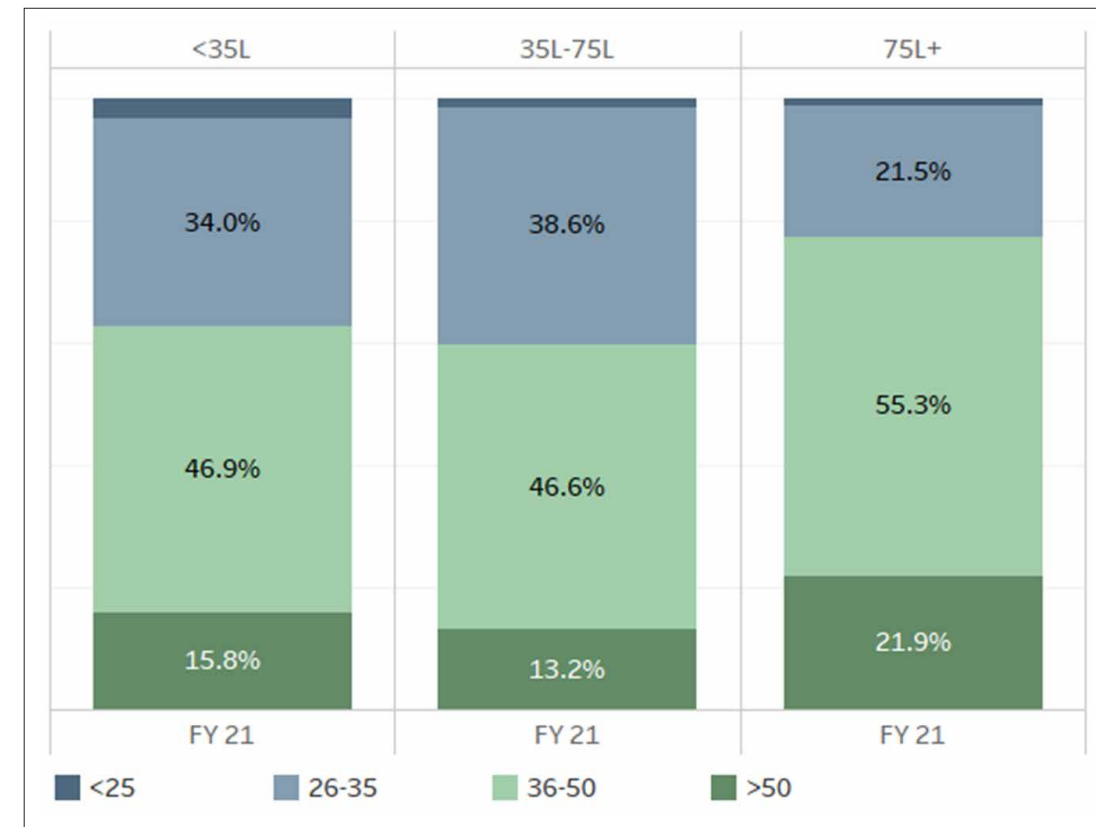
Borrower Age

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

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

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



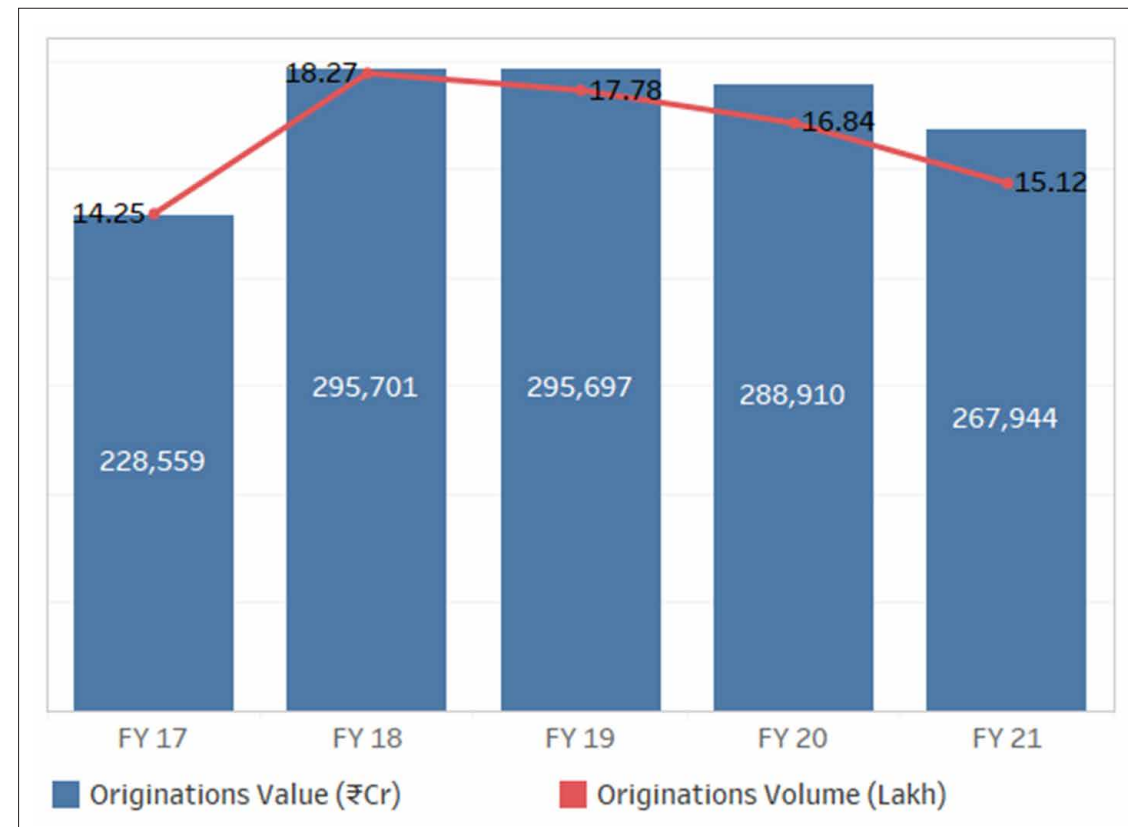
Age Groups 36-50 & >50 Years

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



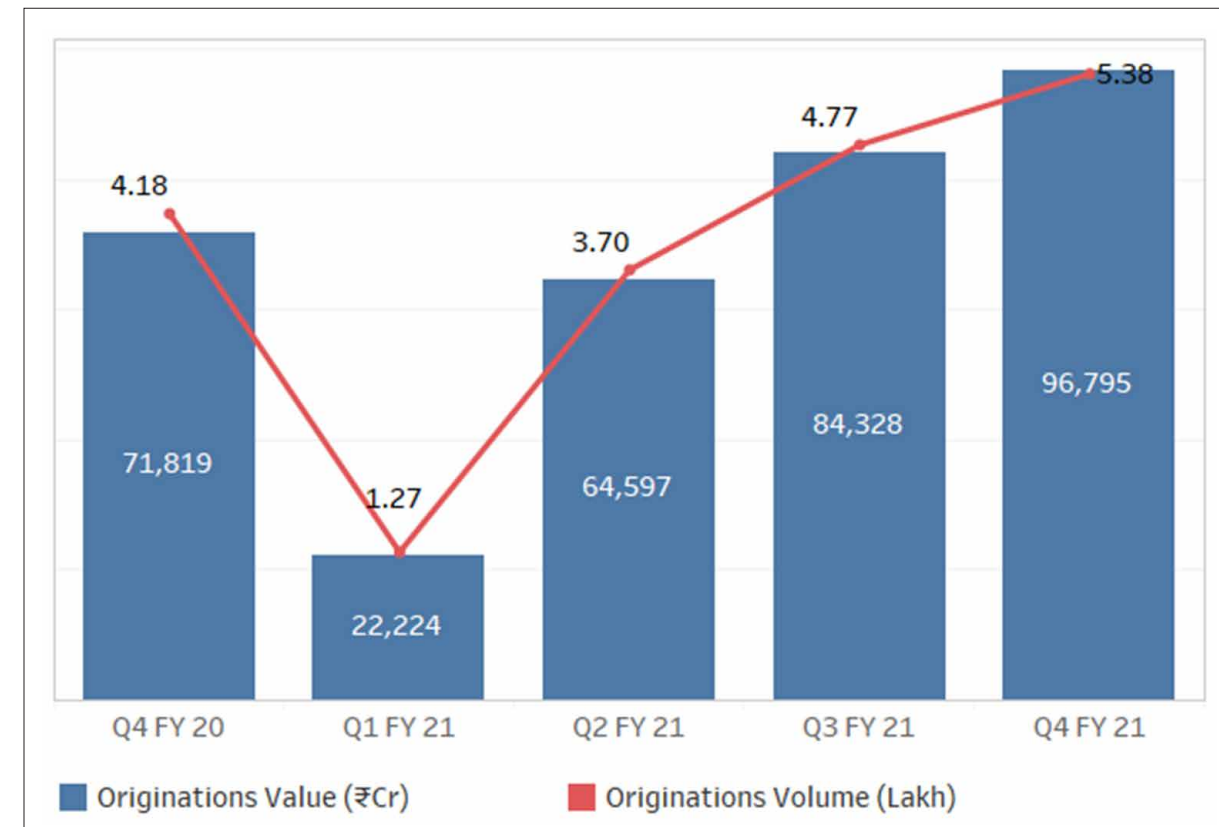
Origination by Value & Volume

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

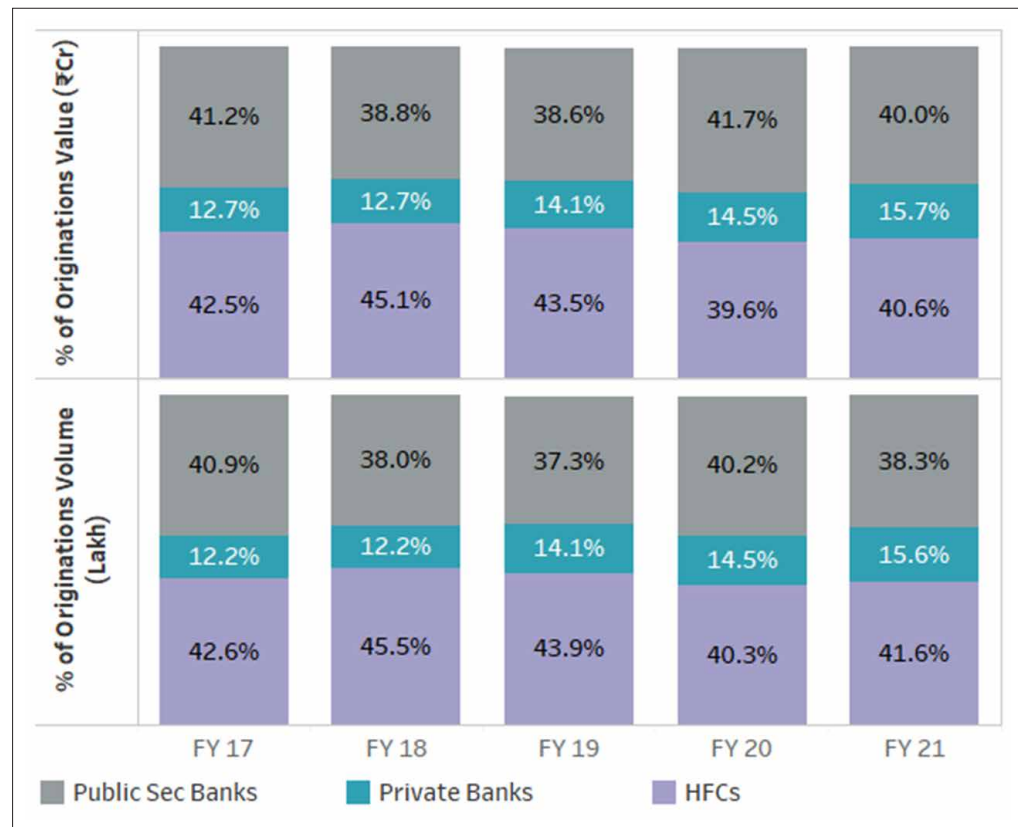
Originations by Value

Originations by value Q3 FY21 and Q4 FY21 at 17% and 35% higher compared to pre-pandemic level in Q4 FY20

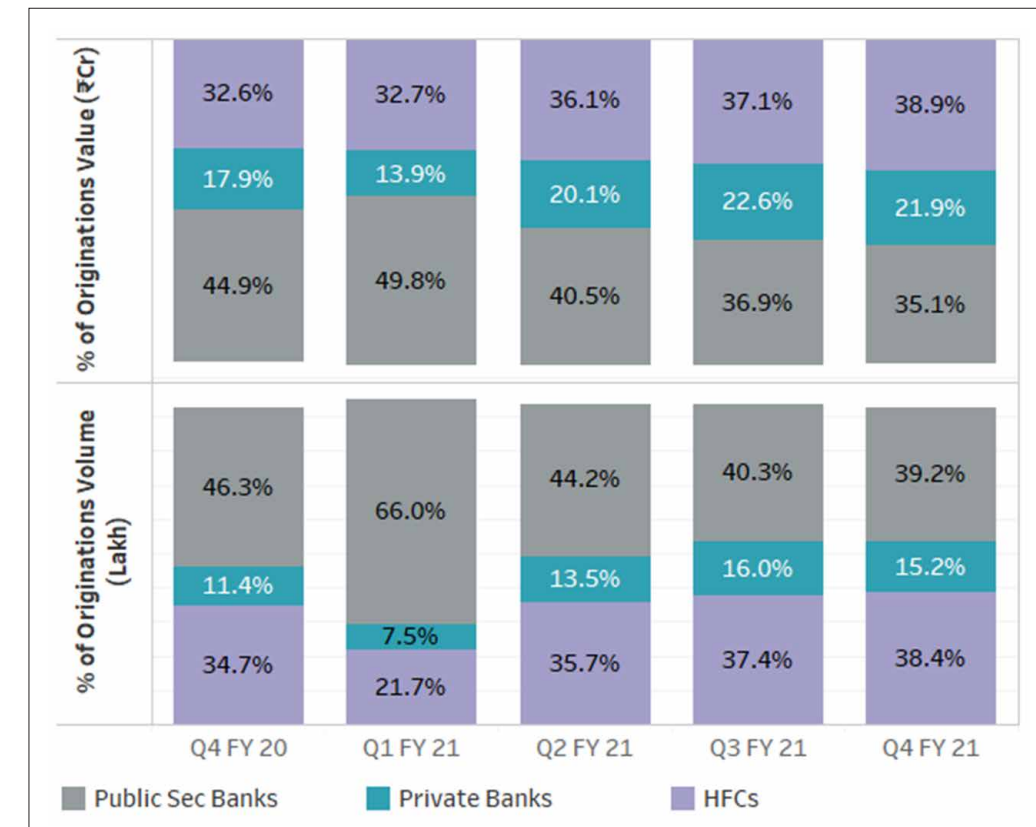


Affordable Home Loans Originations – Lender Type

Originations (FY17 to FY21) - by Lender Type



Originations (FY21) - by Lender Type



Originations by Value & Volume

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

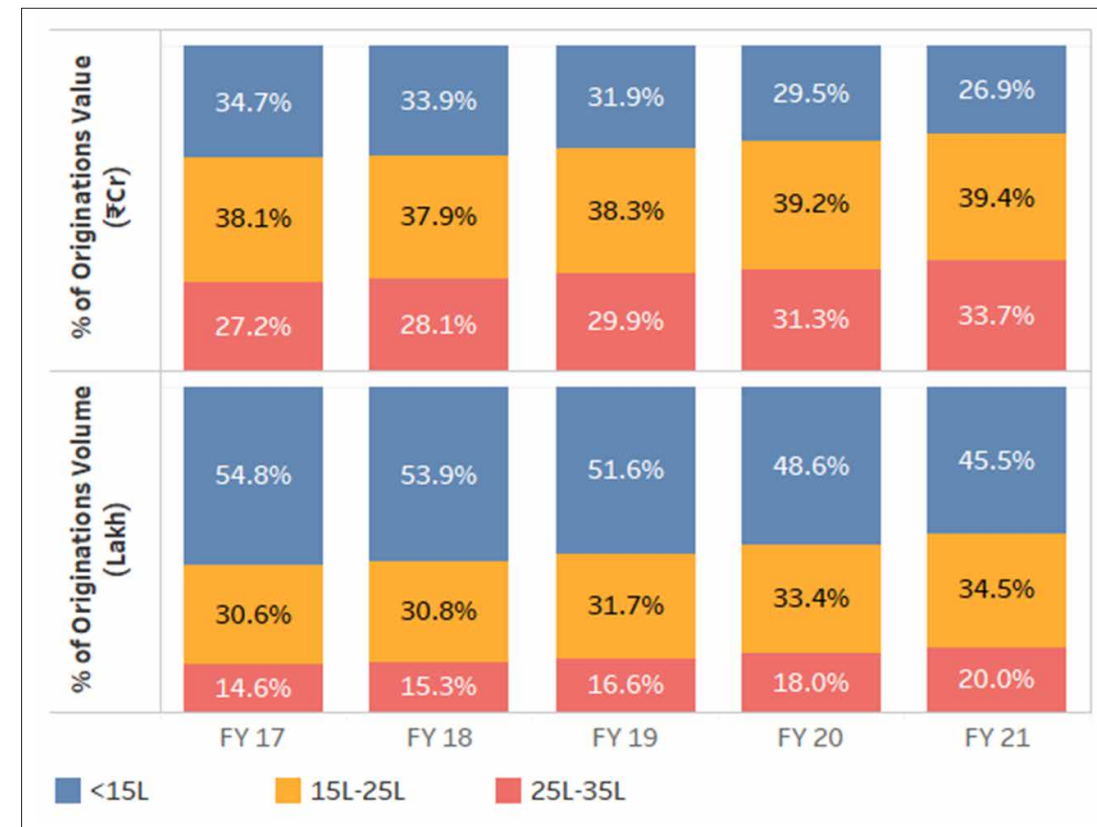
Originations share of Public Sector Banks reduced in Q2, Q3 & Q4 FY21 compared to pre-pandemic level in Q4 FY20

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

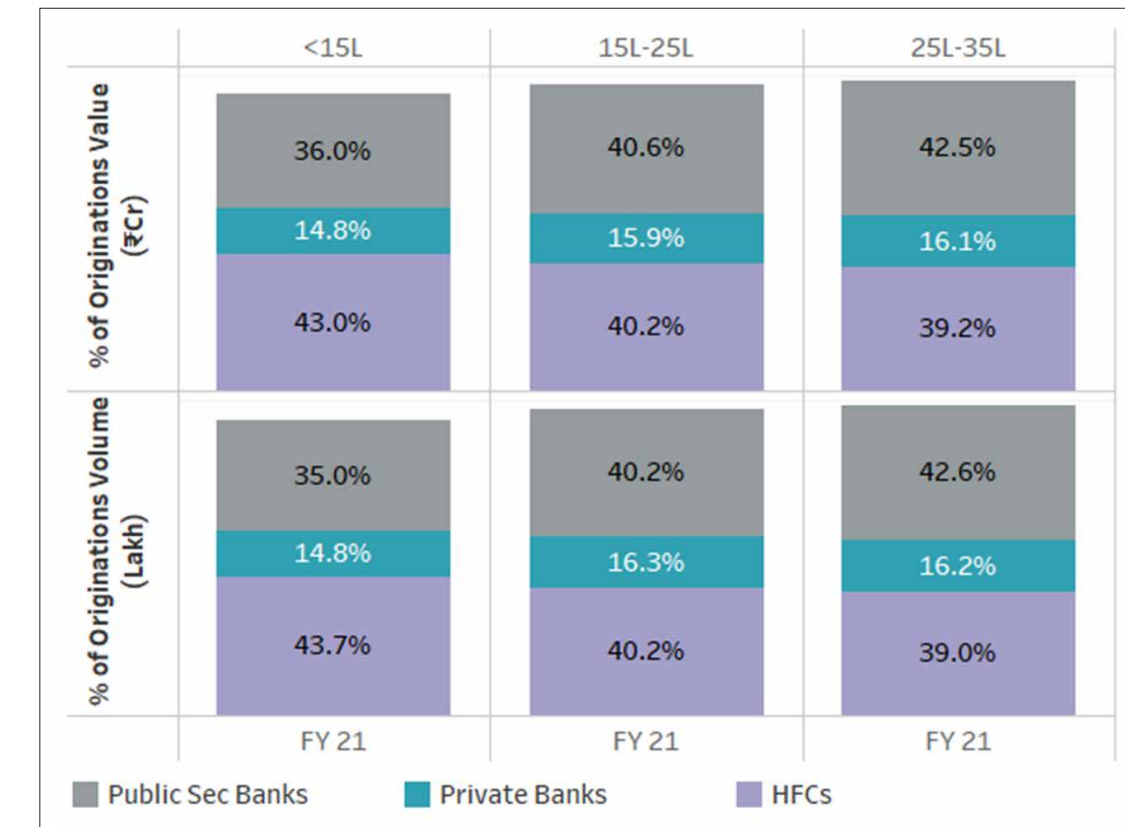


Affordable Home Loans Originations – Ticket Size

Originations (FY17 to FY21) – Ticket Size



Lender Type – Ticket Size Mix (FY21)



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

Average Ticket Size

14% increase in Average Ticket Size of Public Sector Banks from FY17 to FY21

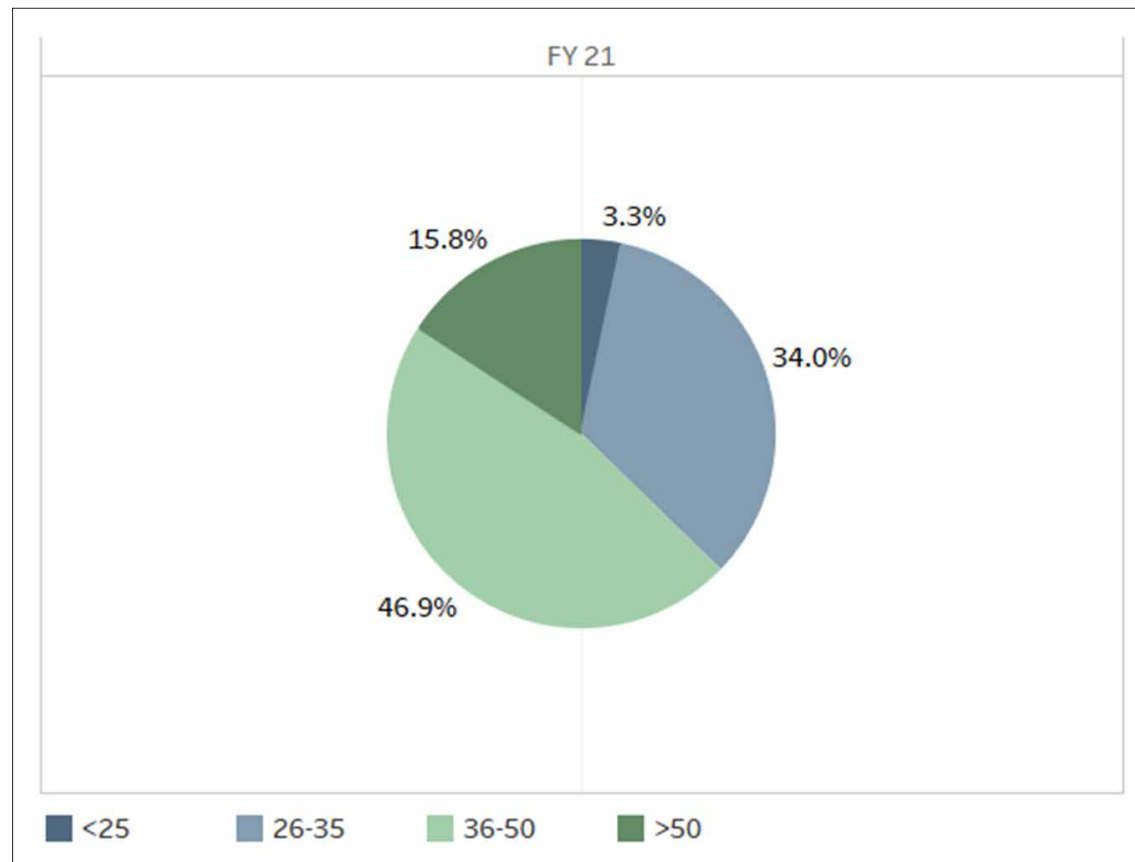
Private Banks & HFCs

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



Affordable Home Loans Originations – Borrower Age

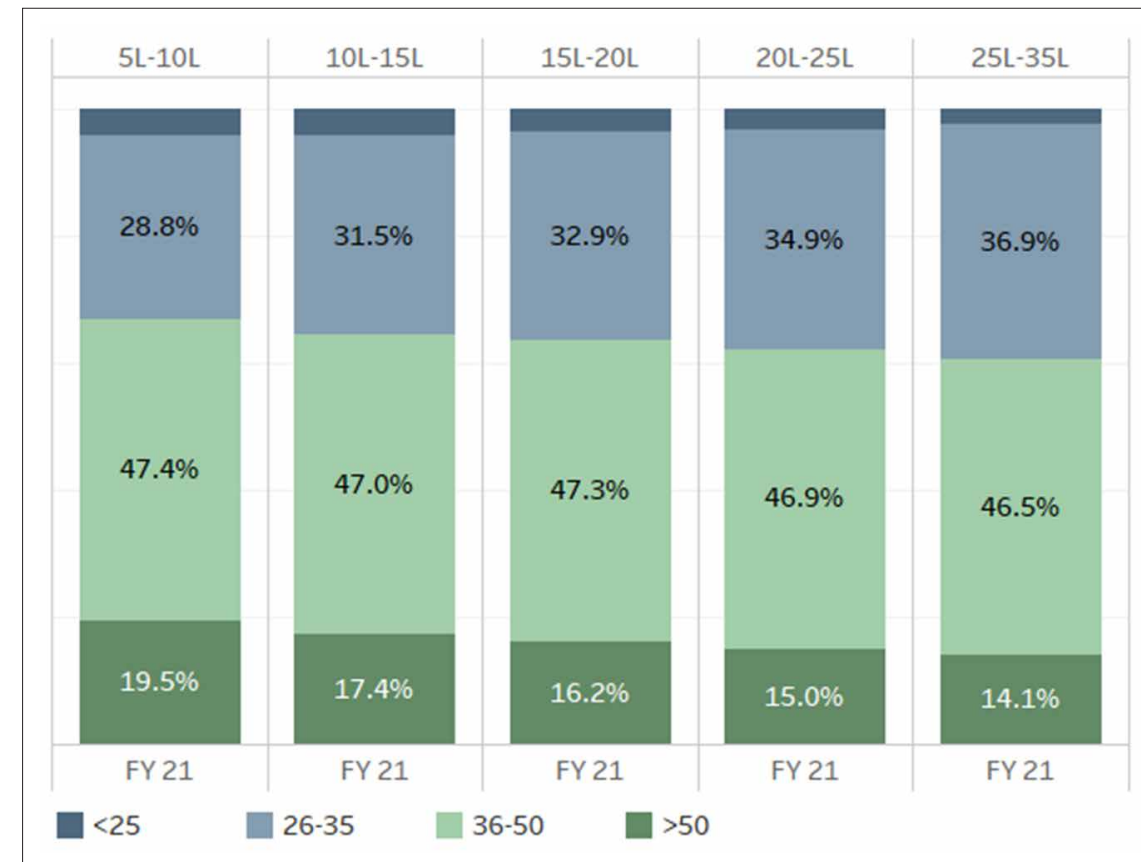
Originations (FY21) – Borrower Age (Years)



Age group 36-50 years

46.9% of Originations (by value) in FY21 for Age group 36-50 years, followed by 34% 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

Auto Loans - Industry Summary

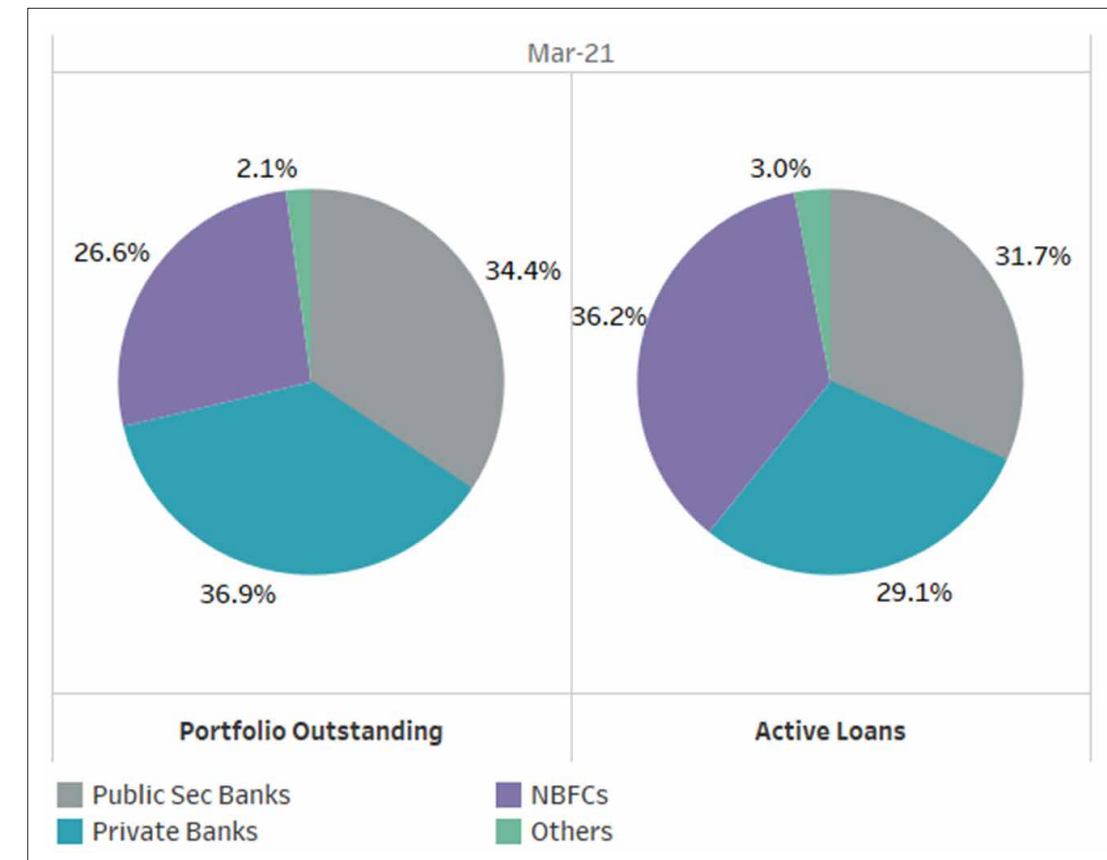
Auto Loans – Portfolio Snapshot

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

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



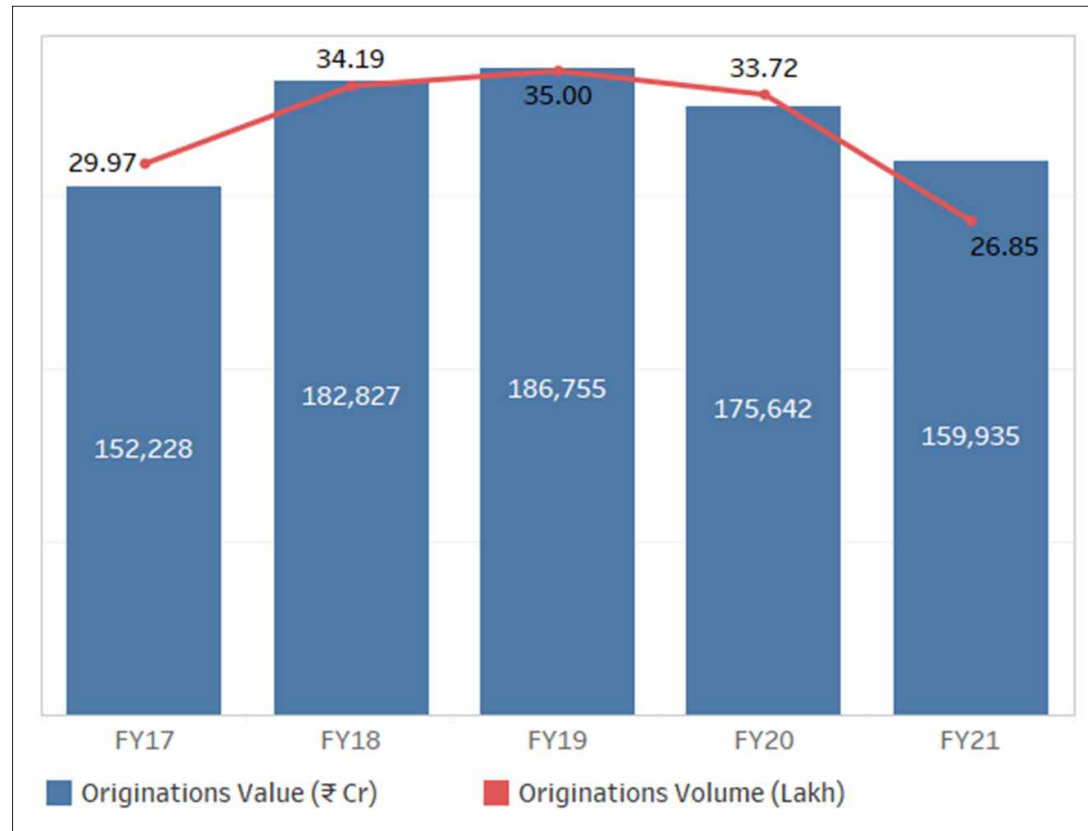
Lender Groups

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



Auto Loans – Originations Summary

Originations – FY17 to FY21



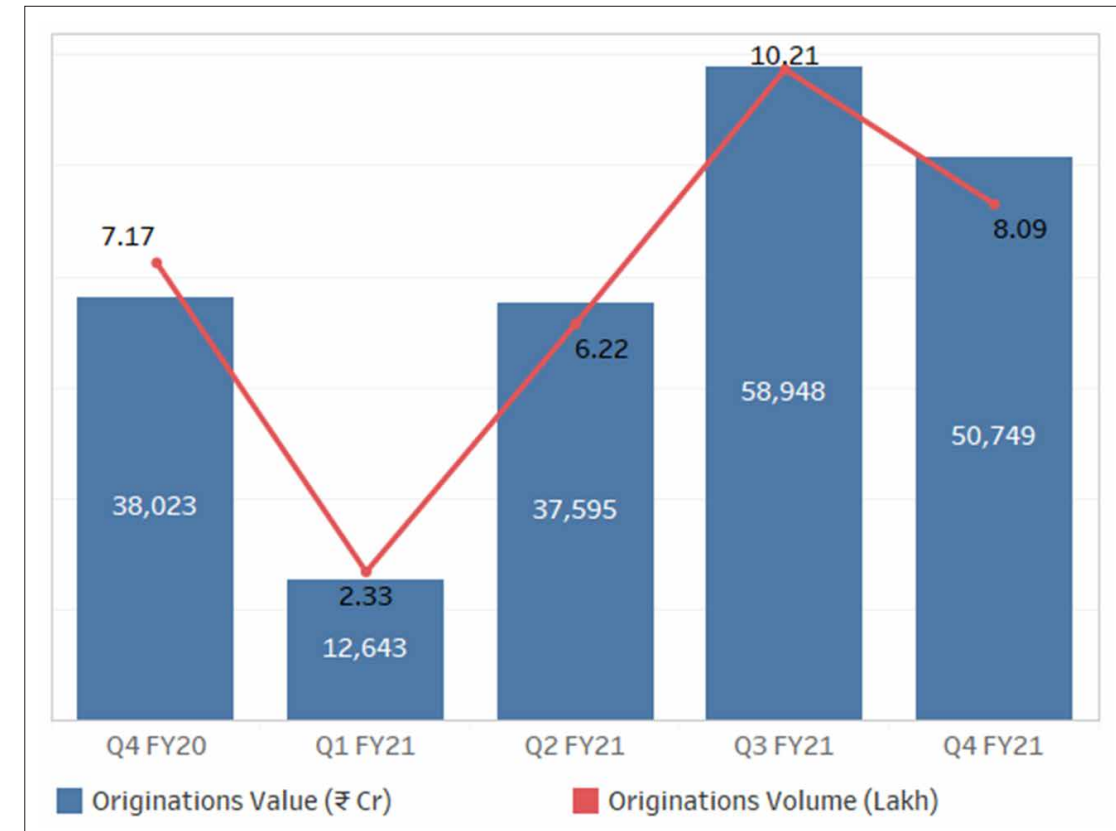
23% growth in Originations by Value

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

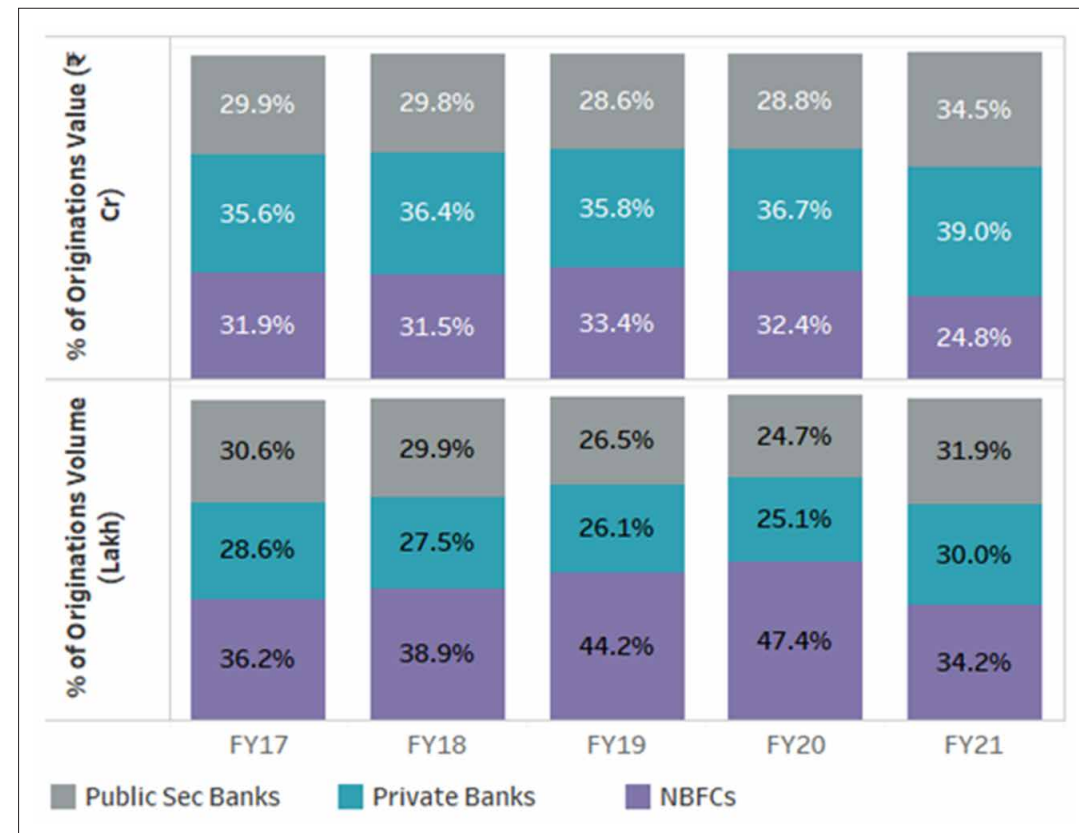
67% Q-o-Q drop in Originations (by value) in Q1 FY21 due to lockdown in most parts of the country.

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

Auto Loan Originations – Lender Type

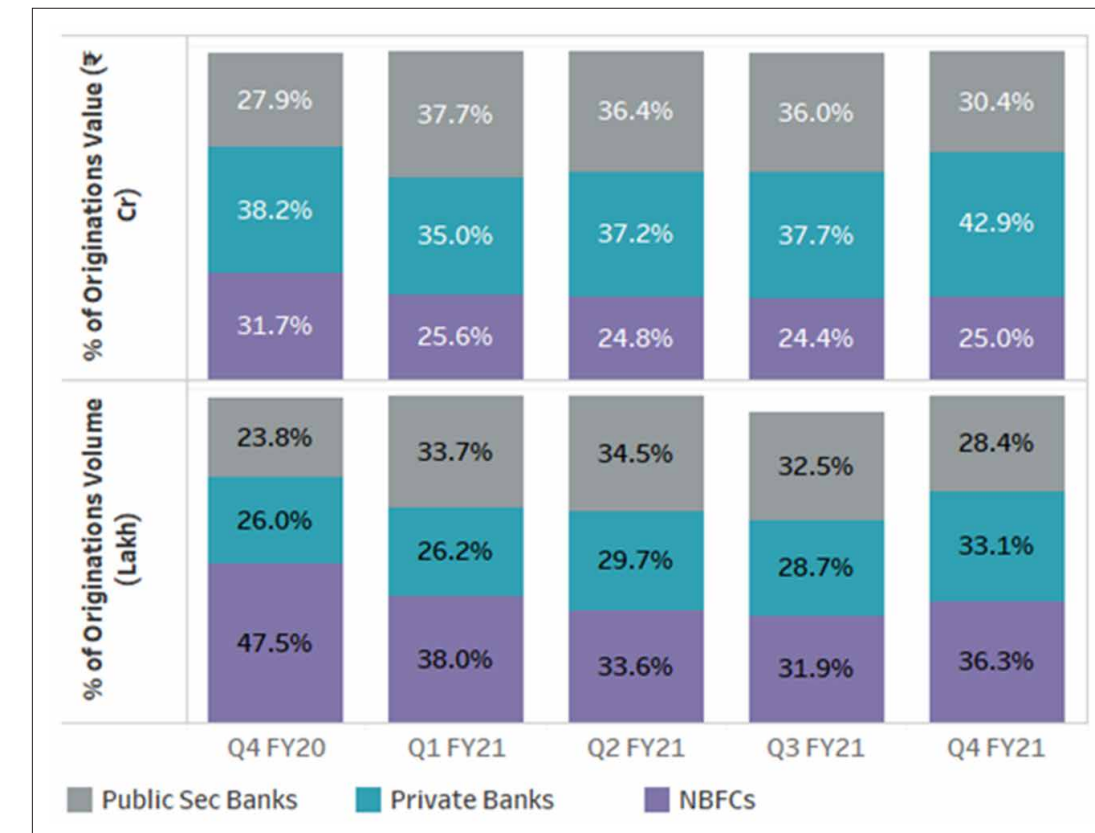
Originations (FY17 to FY21) - by Lender Type



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

Originations (FY21) - by Lender Type

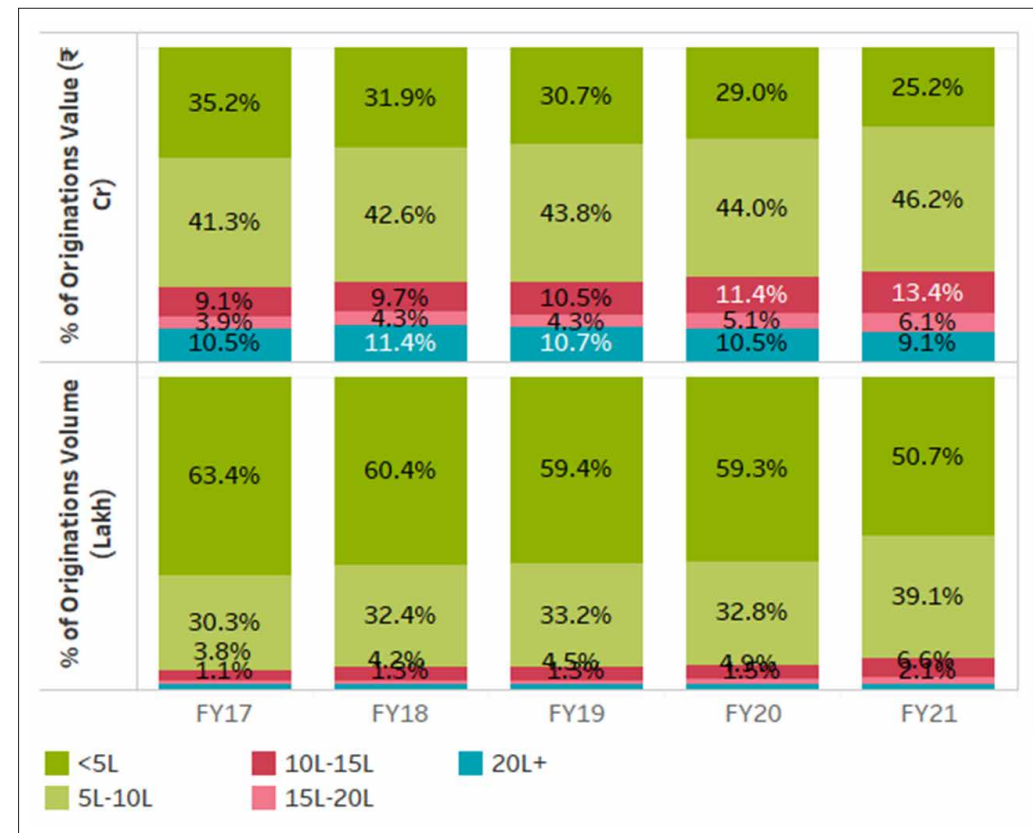


Drop in Originations Share

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

Auto Loan Originations – Ticket Size

Originations (FY17 to FY21) – Ticket Size



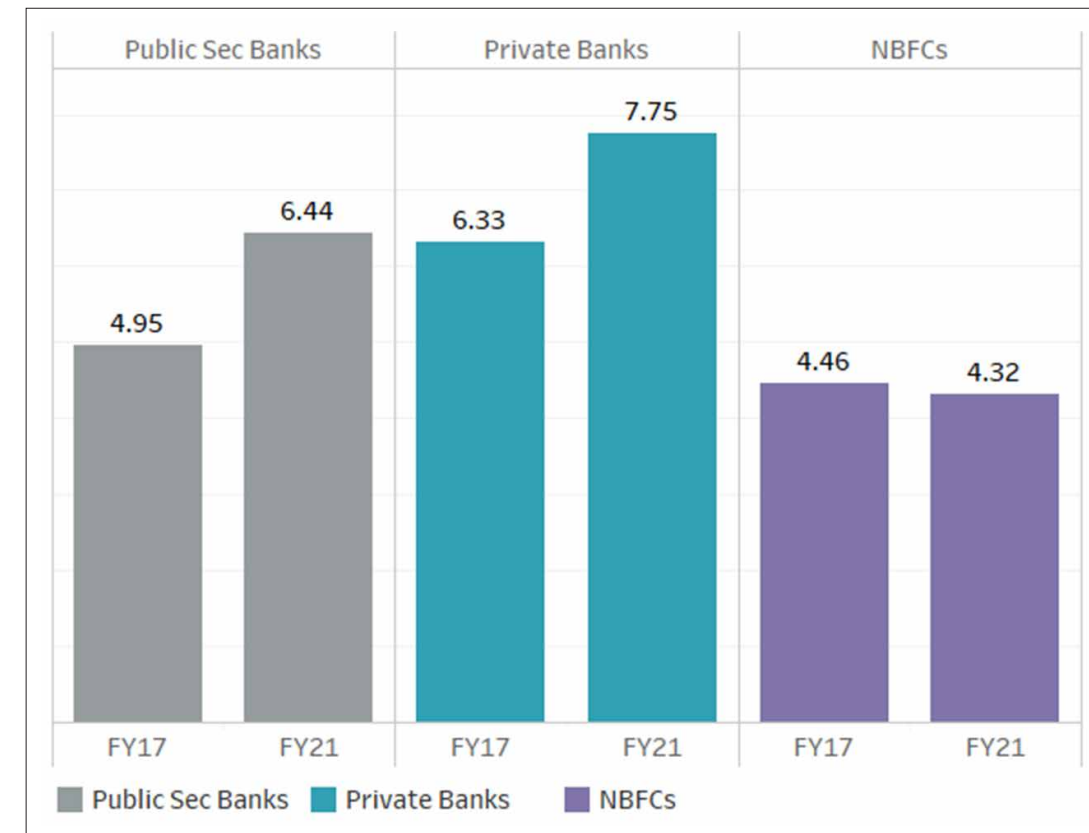
Ticket Size

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

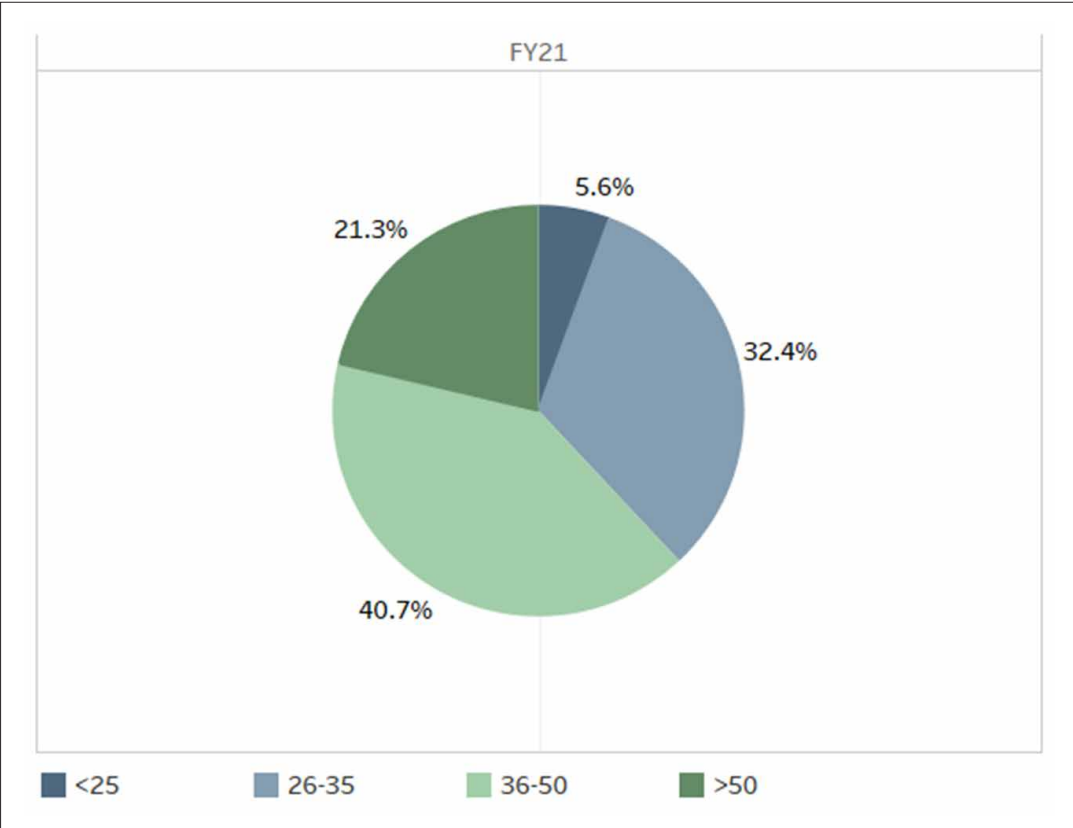
30% increase in Average Ticket size of Public Sector Banks and 22% increase in Average Ticket size of Private Banks

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)



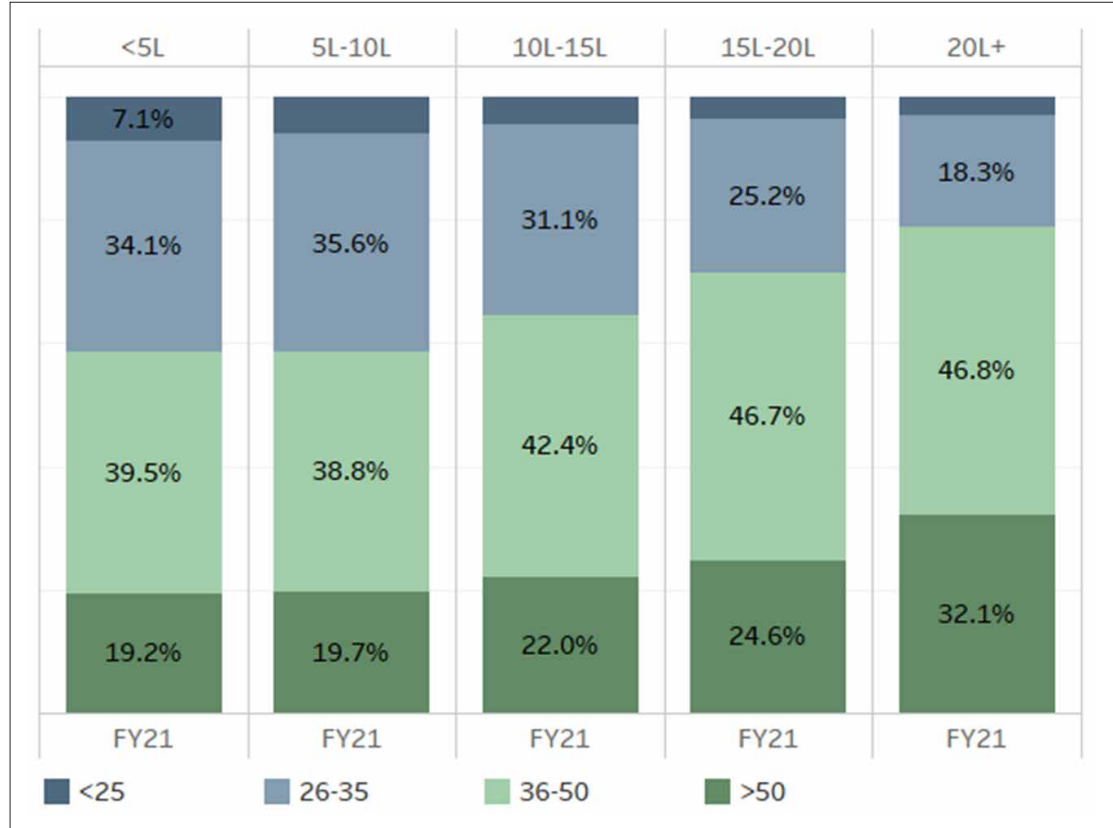
Origination by Value

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

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



Age groups 36-50 & >50 years

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

Auto Loans Originations – ETC/NTC

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

BUSINESS LOANS

Business Loans - Industry Summary

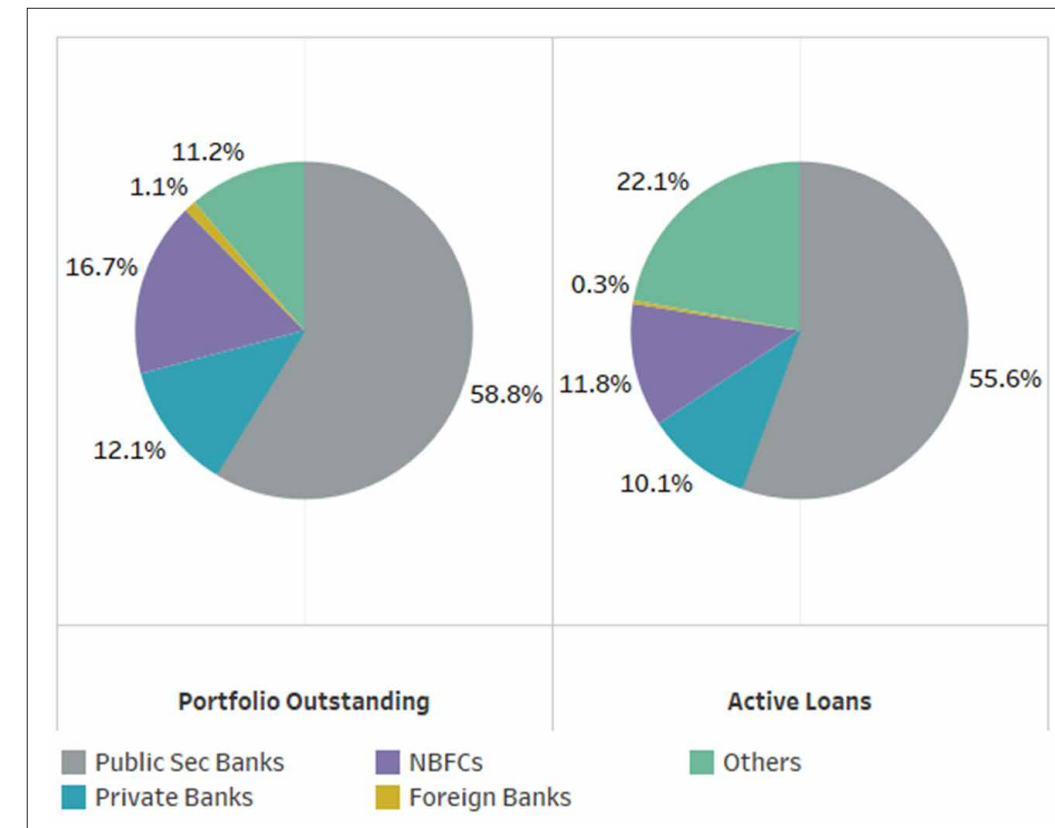
Overall Business Loans

	Mar-19	Mar-20	Mar-21
Portfolio Outstanding (₹ K Cr)	387.1	474.1	549.2
YoY Growth%		22.48%	15.83%
Active Loans (Lakh)	112.4	101.8	132.2
Y-o-Y Growth%		-9.45%	29.87%
PAR 31-90%	3.4%	2.7%	2.8%
PAR 91-180%	2.8%	3.0%	2.4%
PAR 180+%	11.3%	14.0%	15.6%

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



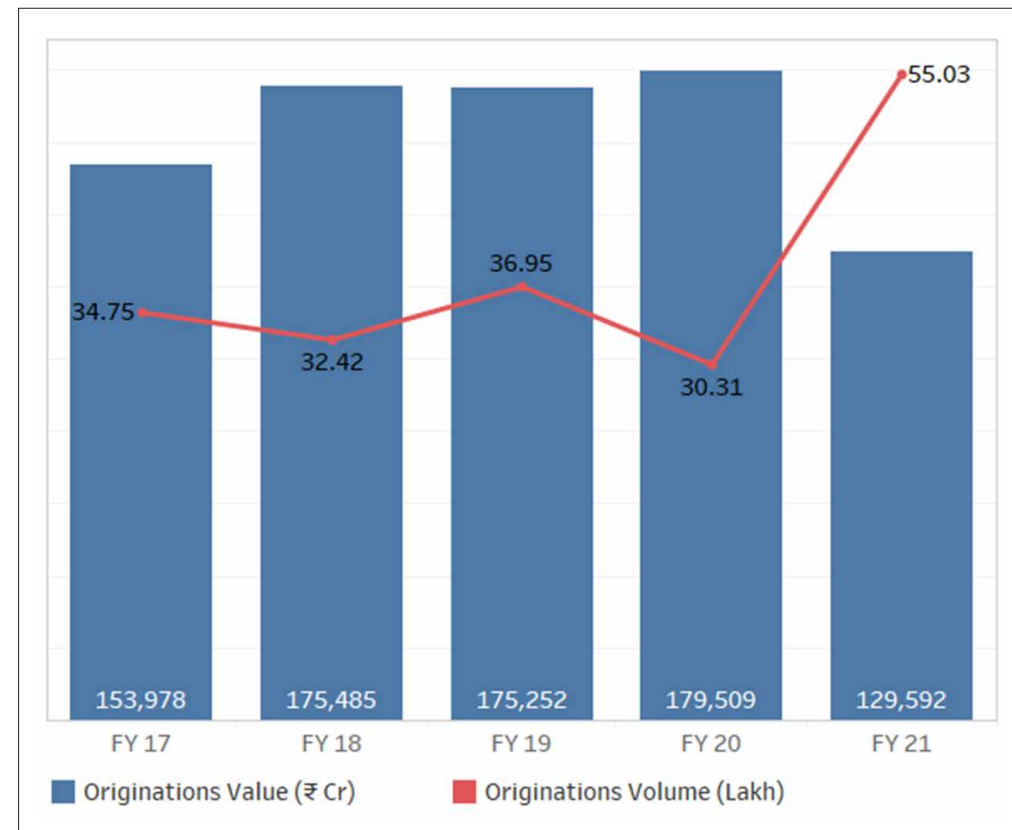
Public Sector Banks & NBFCs

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



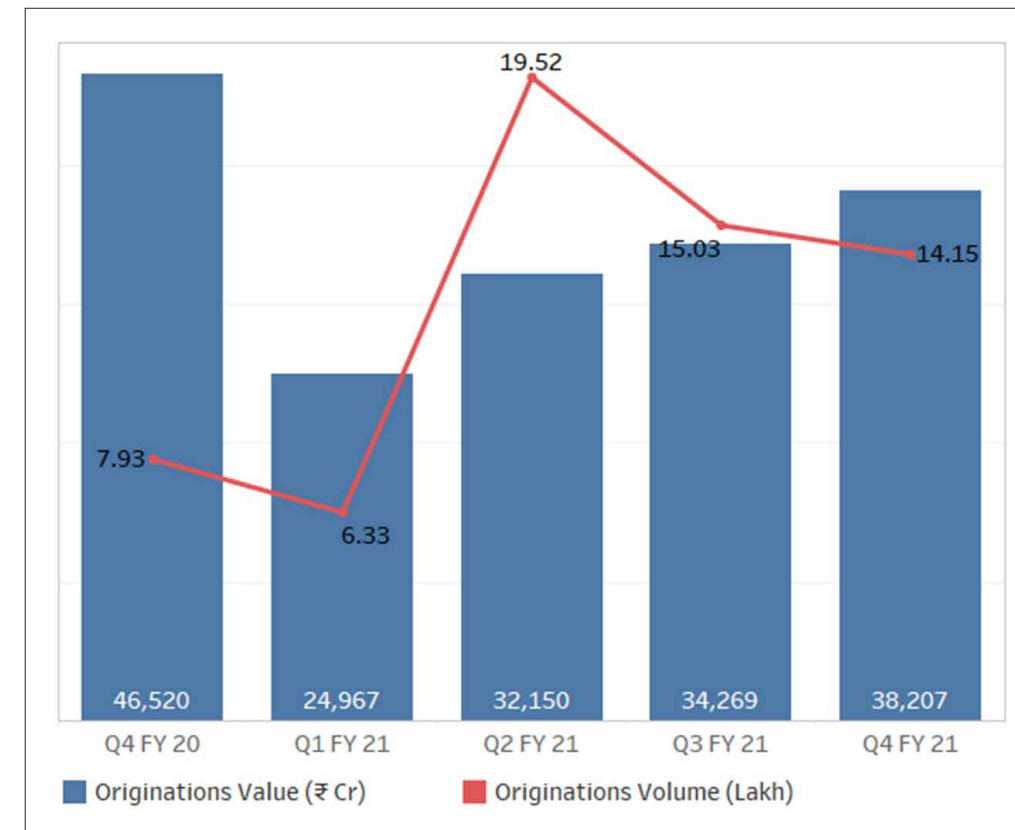
Originations by Value

17% growth in Originations by value from FY17 to FY20

Average Ticket Size

34% increase in Average Ticket Size of Business Loans from ₹ 4.4 Lakhs in FY17 to ₹ 5.9 Lakhs in FY20

Originations – FY21



Originations by Value

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

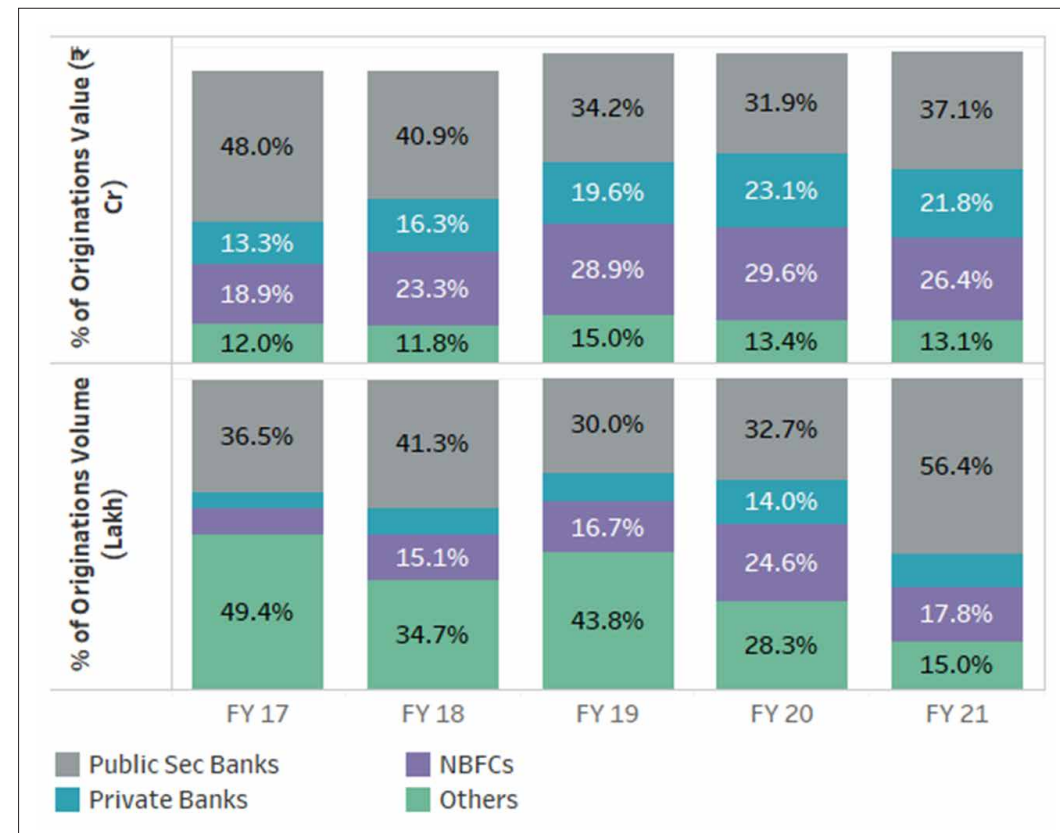
Originations by Volume

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.

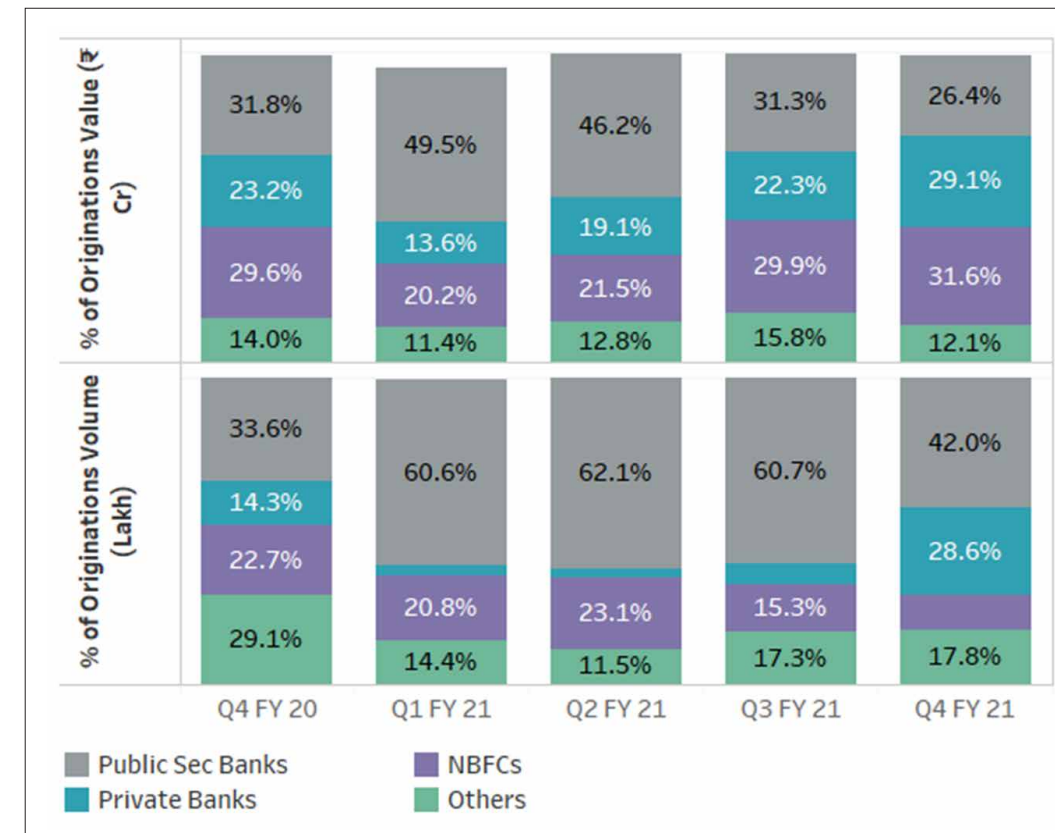


Business Loans Originations – Lender Type

Originations (FY17 to FY21) - by Lender Type



Originations (FY21) - by Lender Type



Public Sector Banks

While Public Sector Banks continue to dominate, their Originations 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

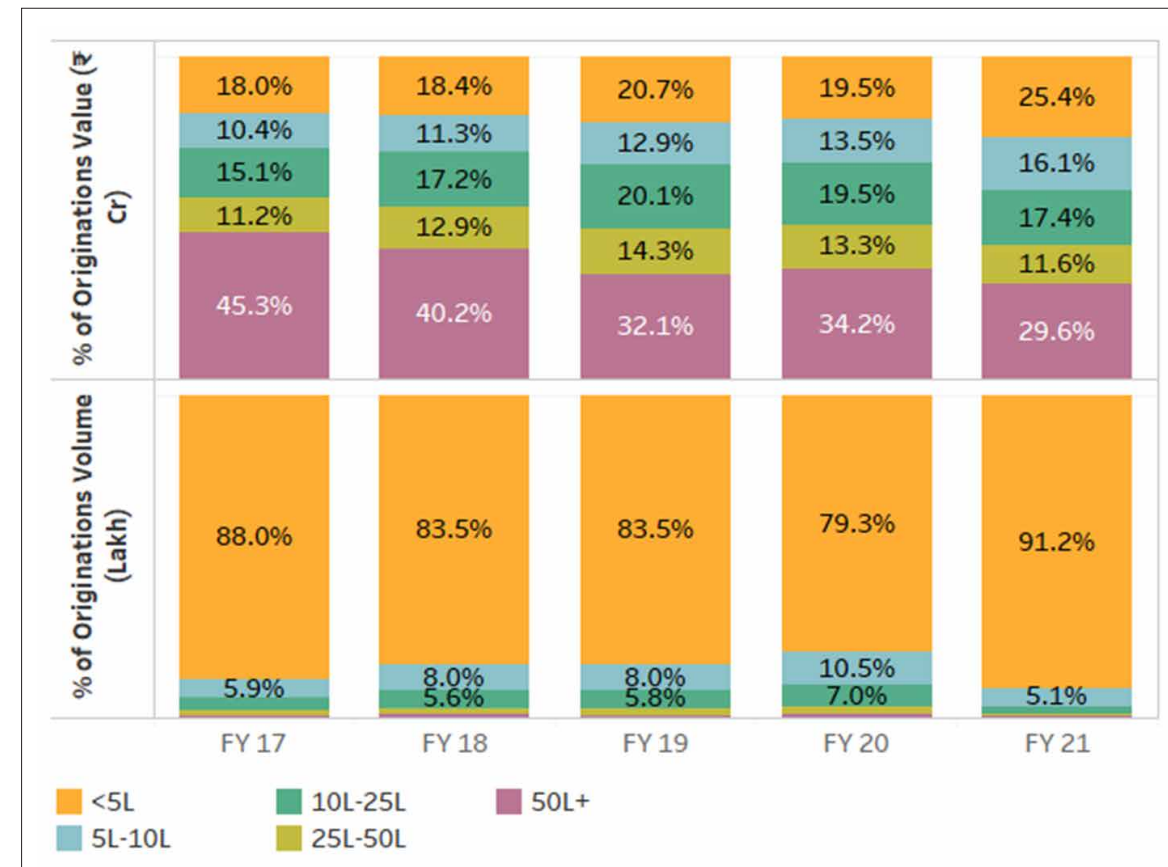
Originations share by value

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



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

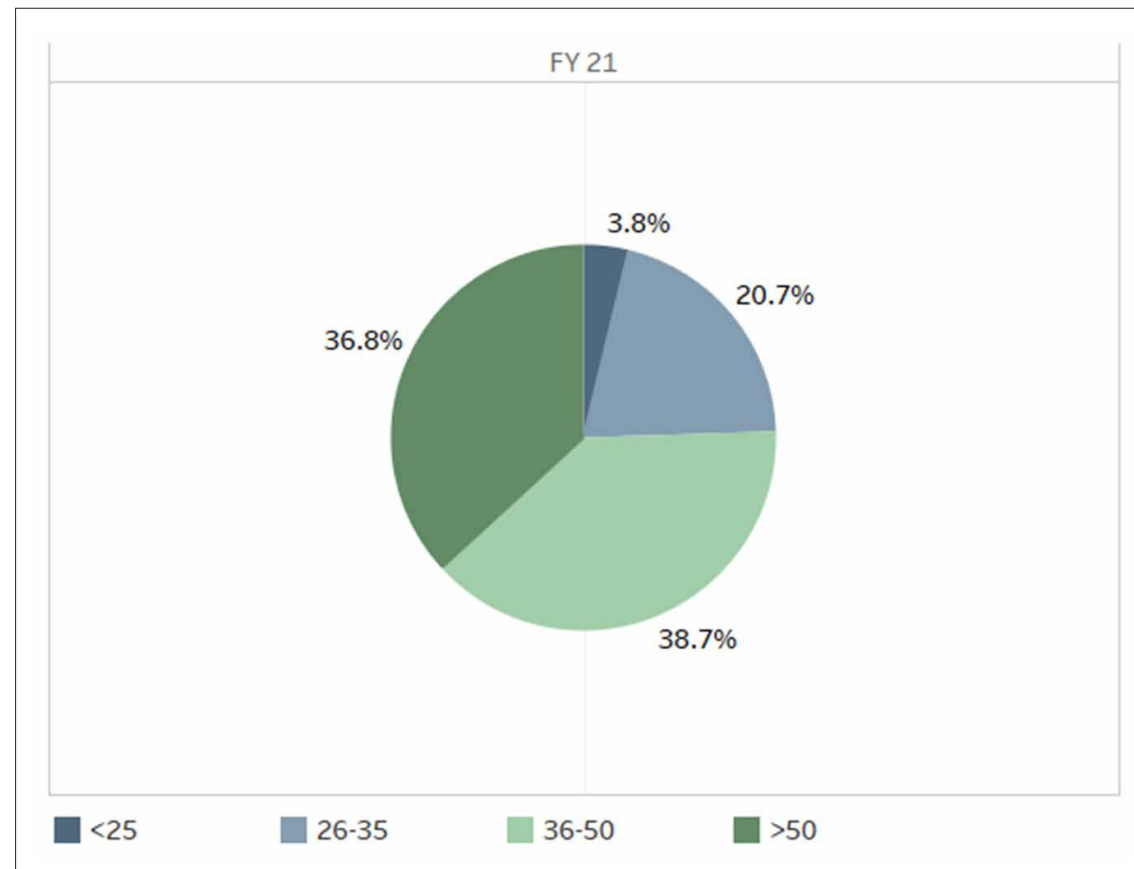
Average Ticket Size

Decrease in Average Ticket Size for all lender types (except Others) between FY17 to FY21



Business Loans Originations – Borrower Age

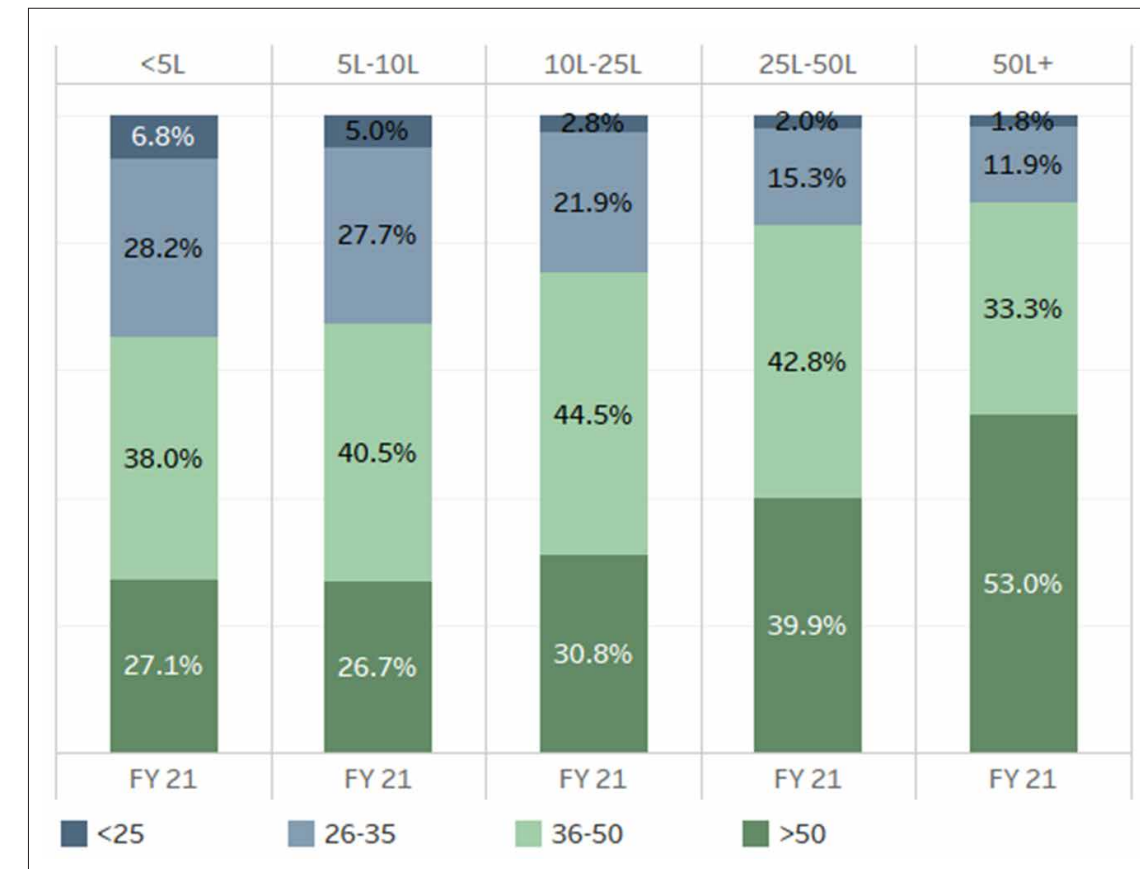
Originations (FY21) – Borrower Age (Years)



Originations by Value (Age Group)

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

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



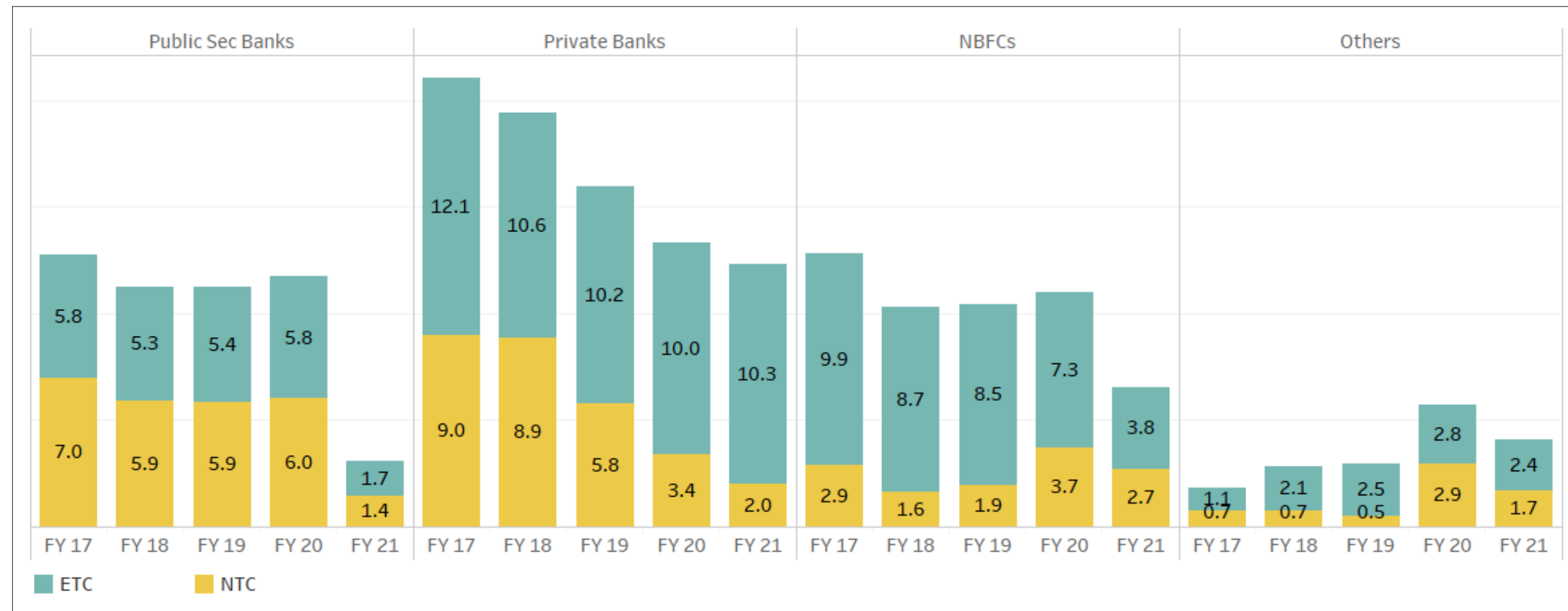
Higher Share of Originations

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



Business Loans Originations –ETC/NTC

ETC/NTC – Average Ticket Size (₹ Lakh)



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



M I C R O F I N A N C E



Microfinance - Industry Summary

Microfinance – Portfolio Snapshot

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

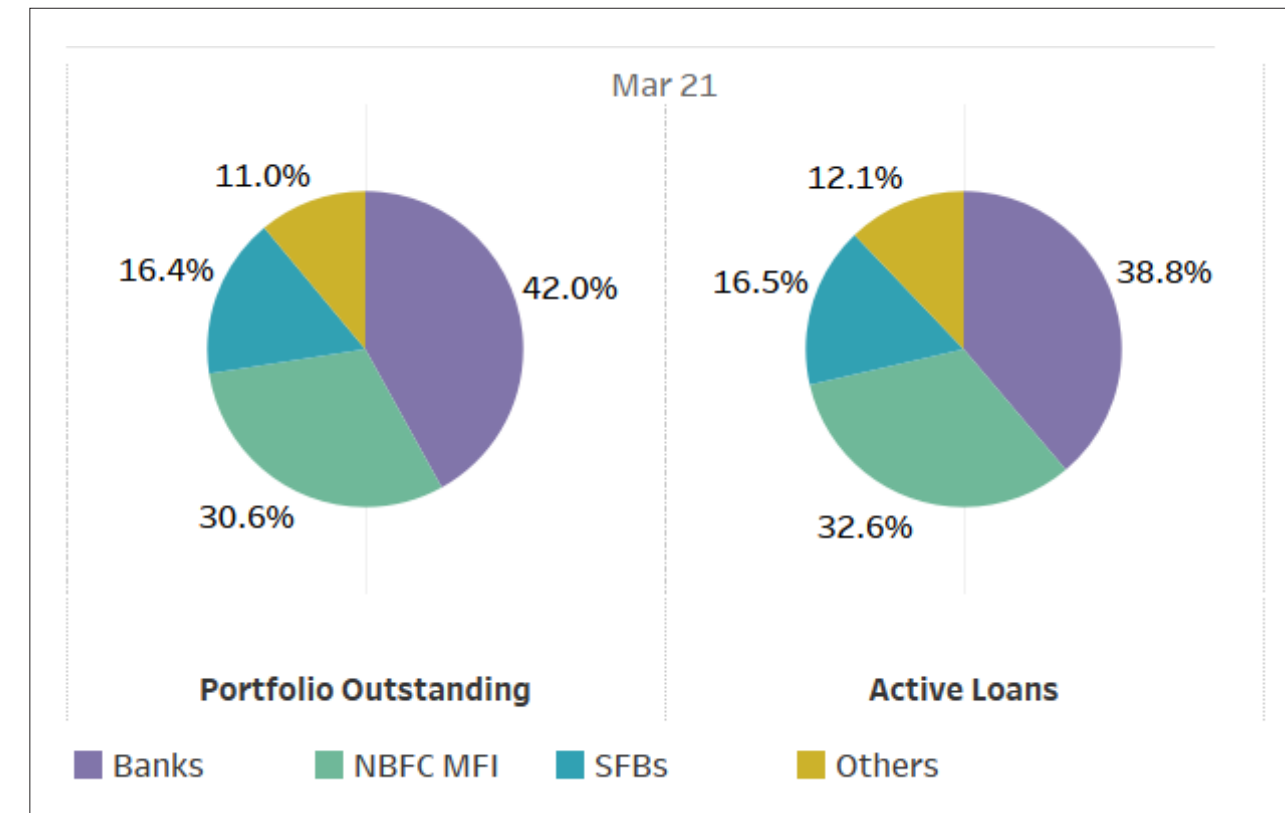
Portfolio Outstanding

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

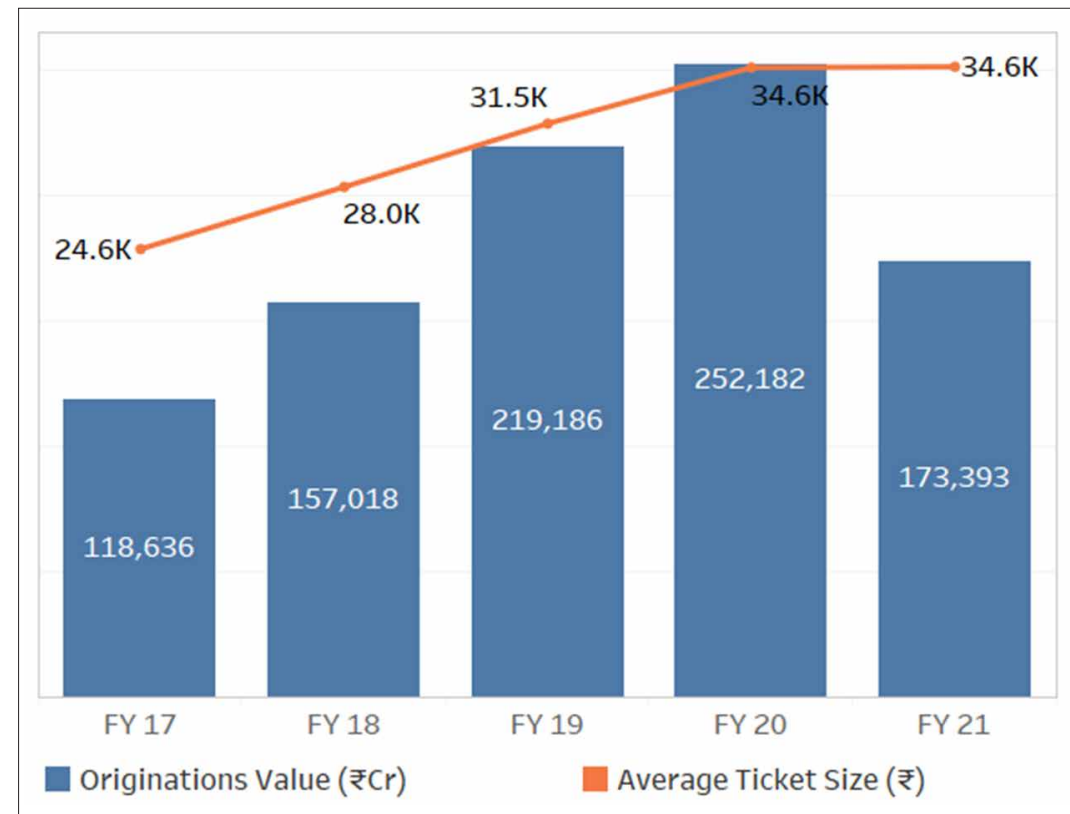
Portfolio Share

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



Originations by Value

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

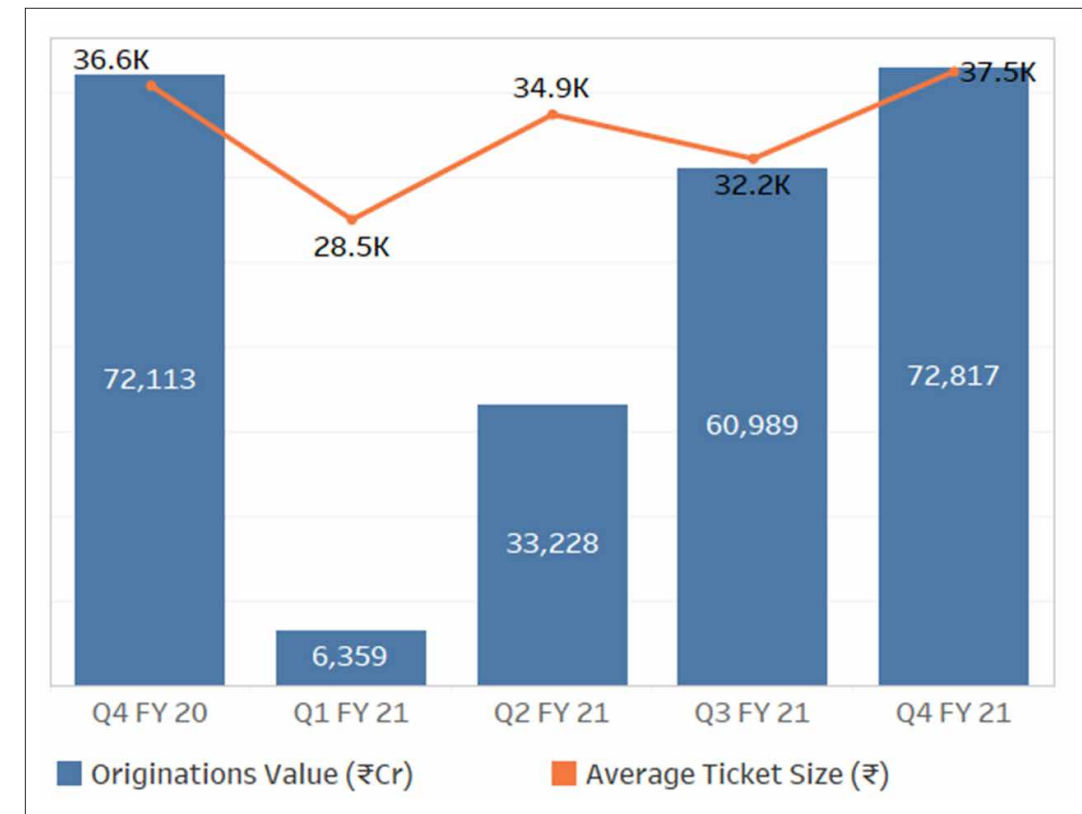
Originations impacted by Covid

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 – FY21



Originations by Value (FY21)

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

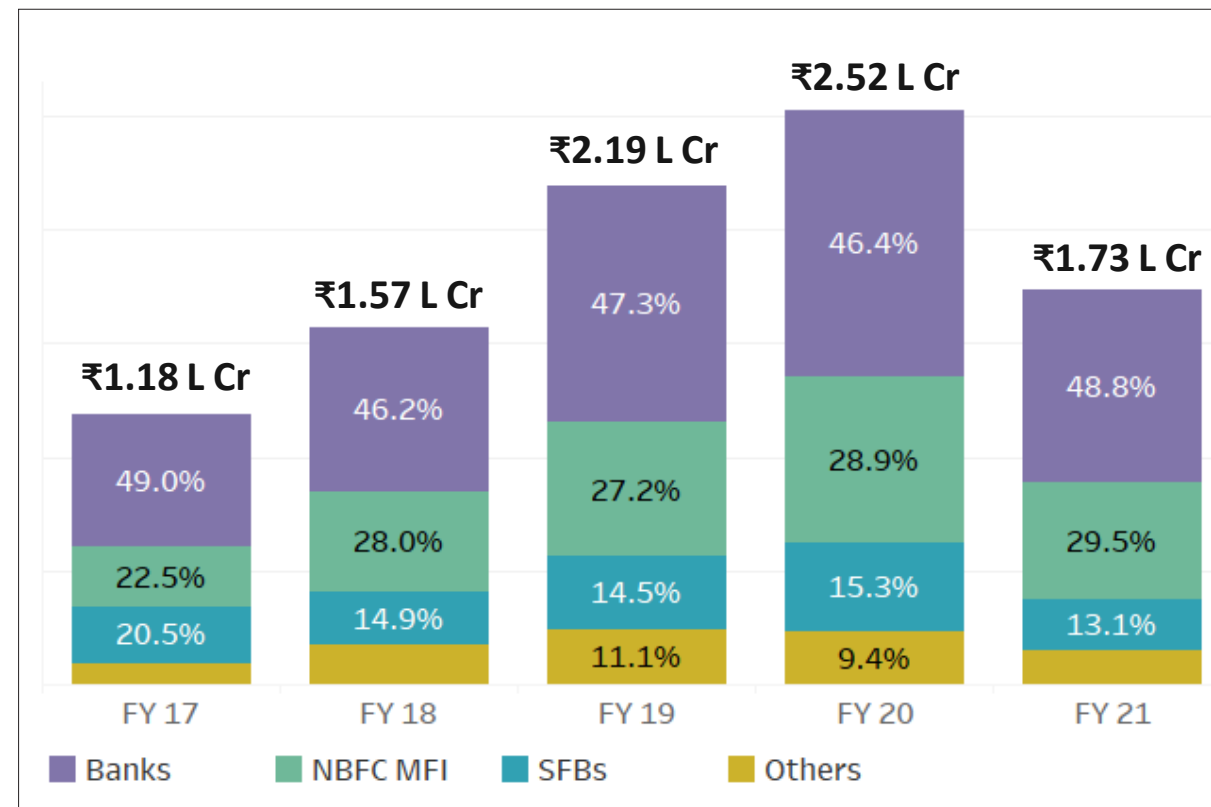
Average Ticket Size

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



Microfinance Originations – Lender & Ticket Size

Originations – by Lender Type



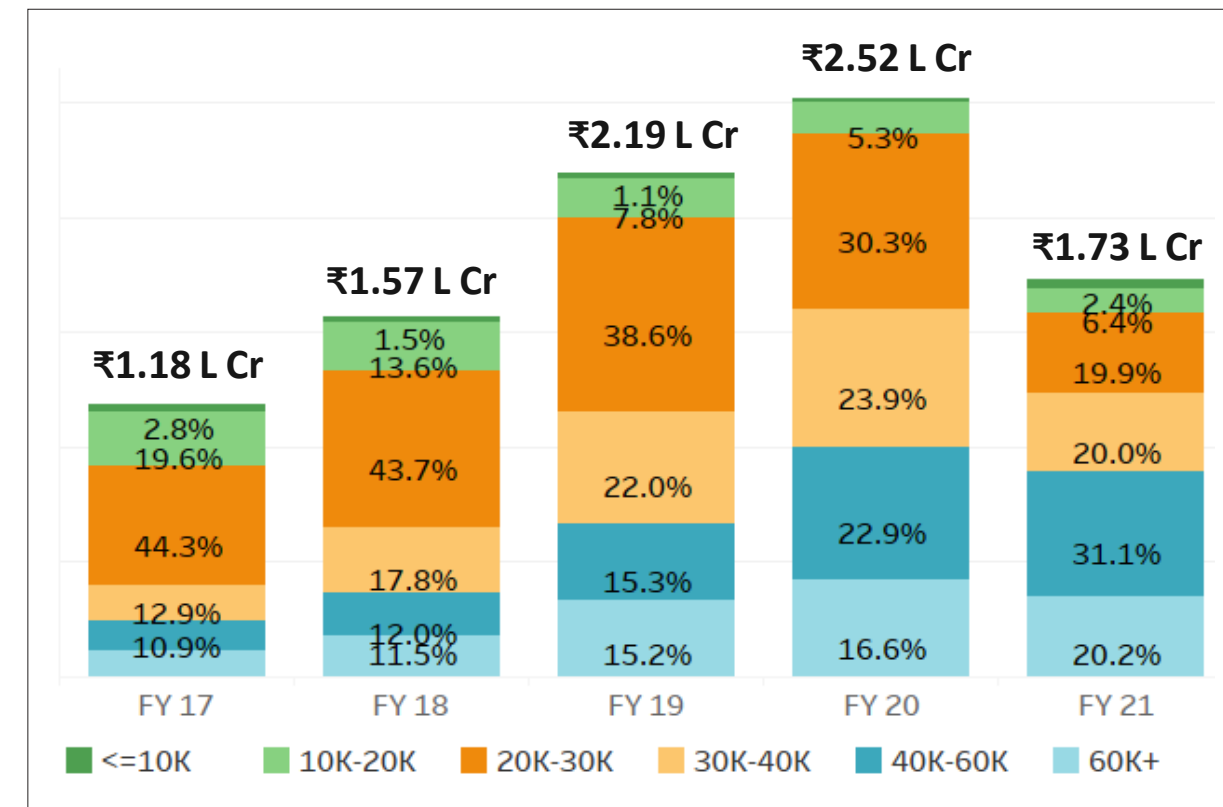
Originations by Value

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

Ticket Size ₹>30K

Share of Originations (by value) of ticket size ₹ > 30K has increased by 38% from FY 17 to FY21

Originations – by Ticket Size (₹)



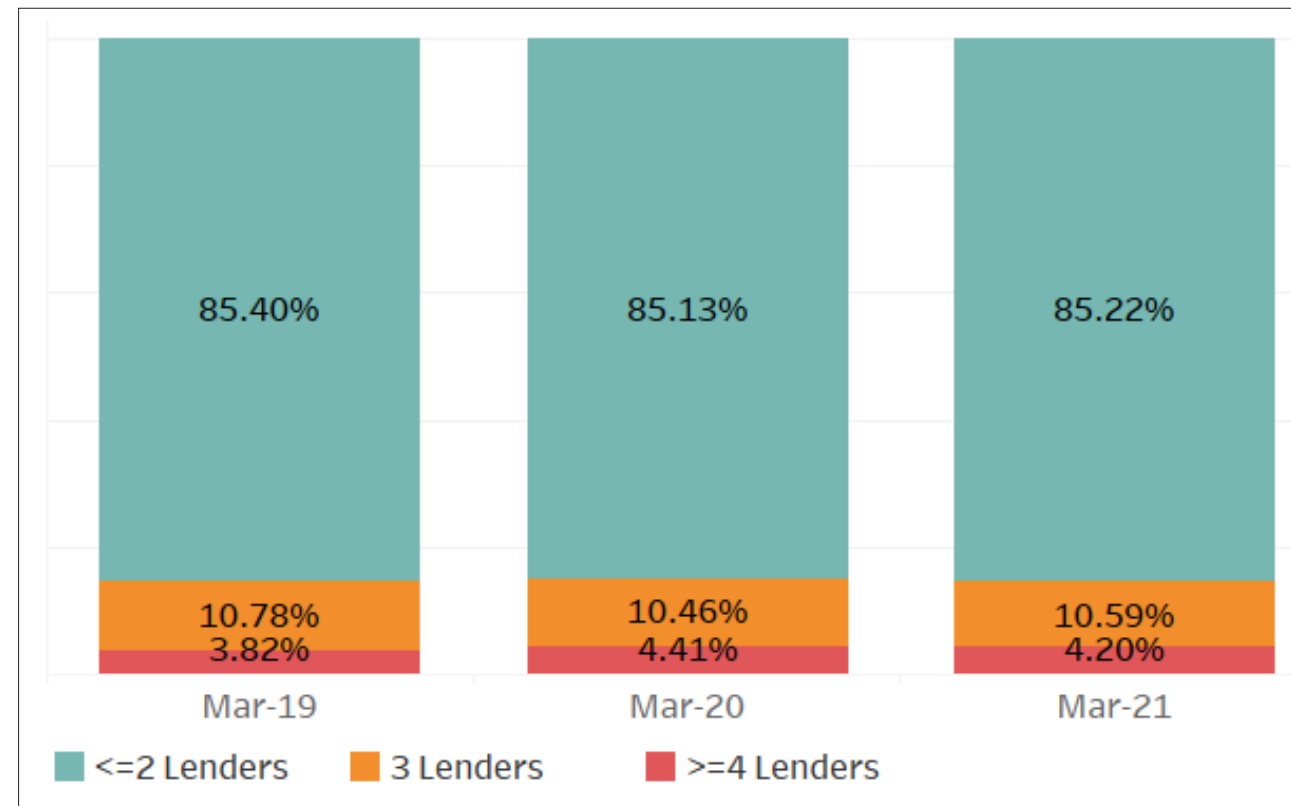
Average Ticket Size

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



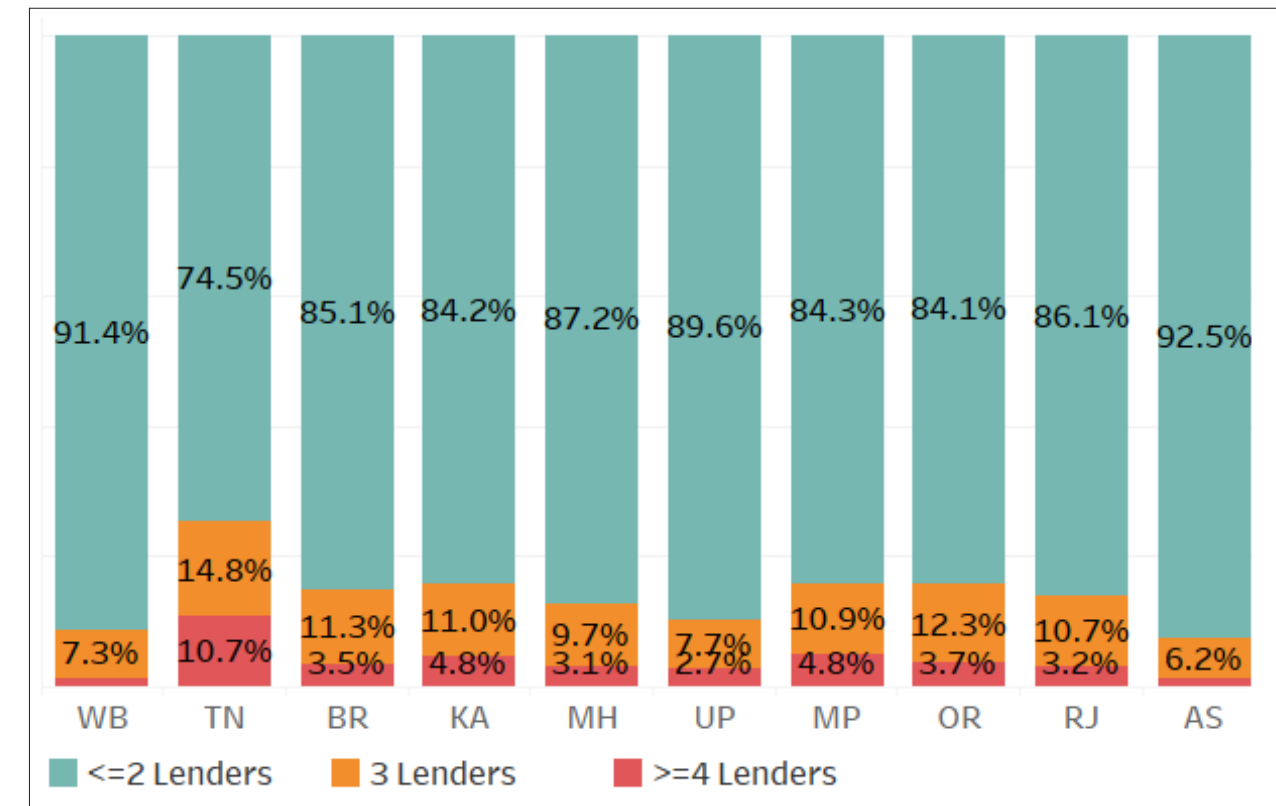
<=2 Lenders

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

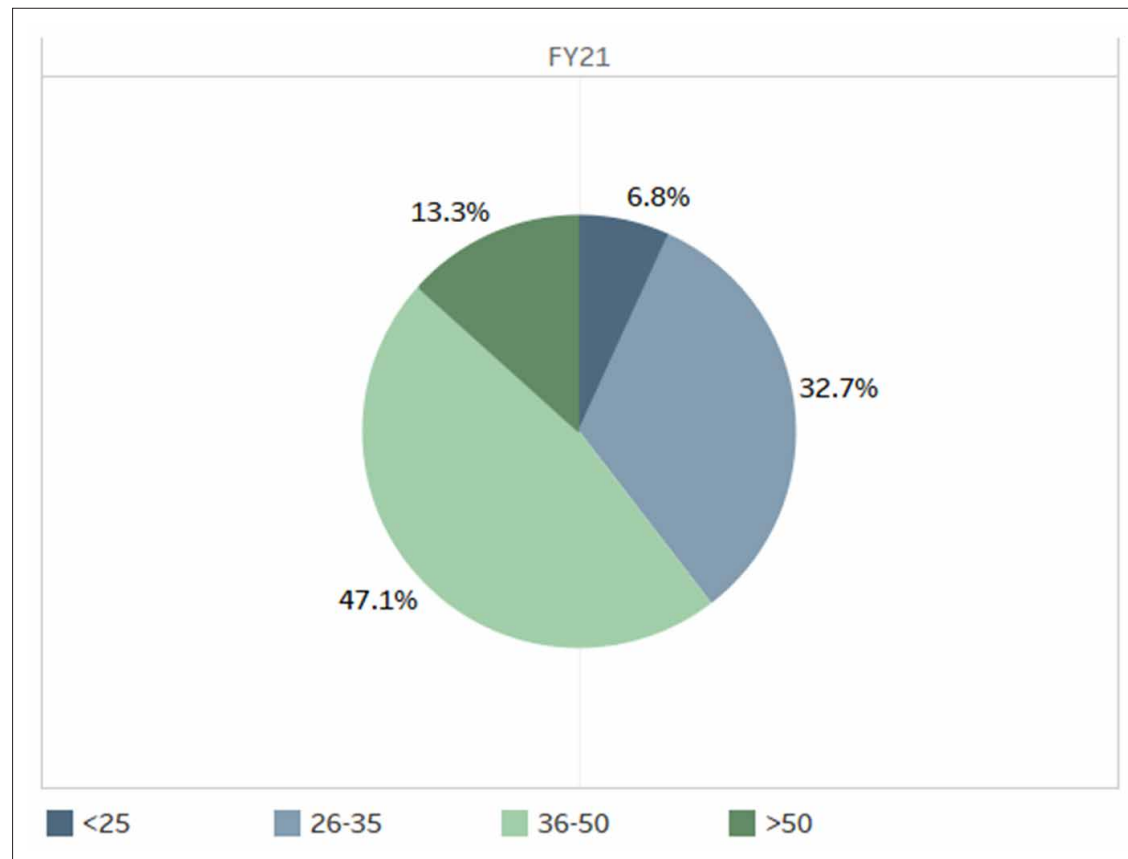
Among major states, Proportion of exposure to 4 or more lenders is

- 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

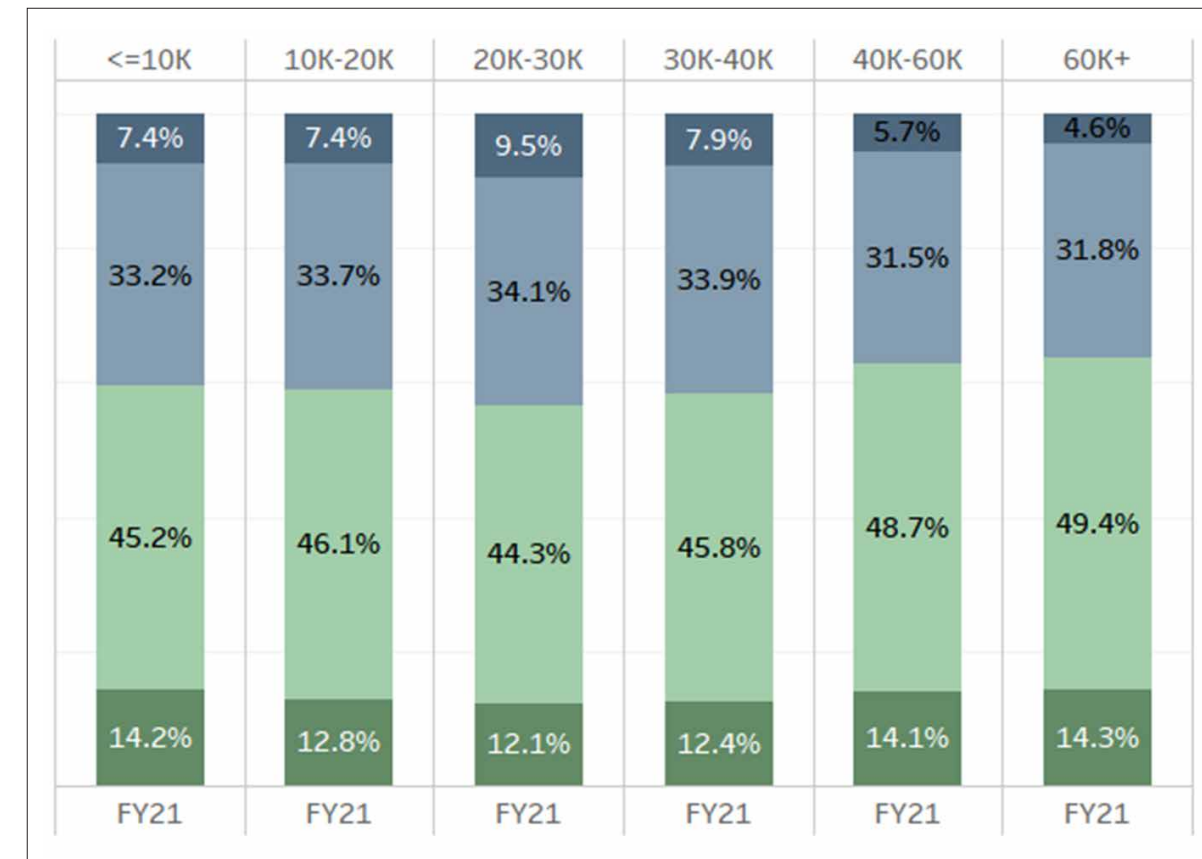
Originations (FY21) – Borrower Age (Years)



Origination by Value for age group

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 (₹)



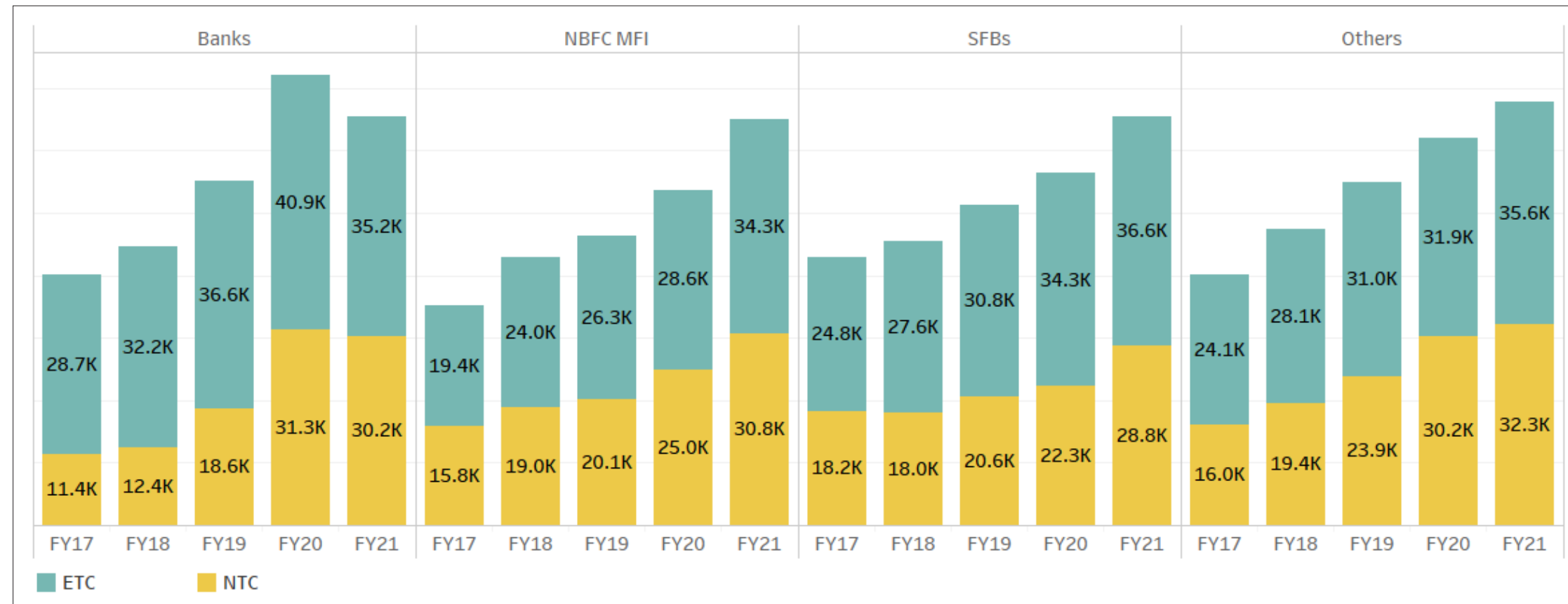
Ticket Size

Borrowers with Age groups 36-50 years and 26-35 years dominate both lower ticket size as well as higher ticket size Originations



Microfinance Originations –ETC/NTC

ETC/NTC - Average Ticket Size (₹)



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

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

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 %

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

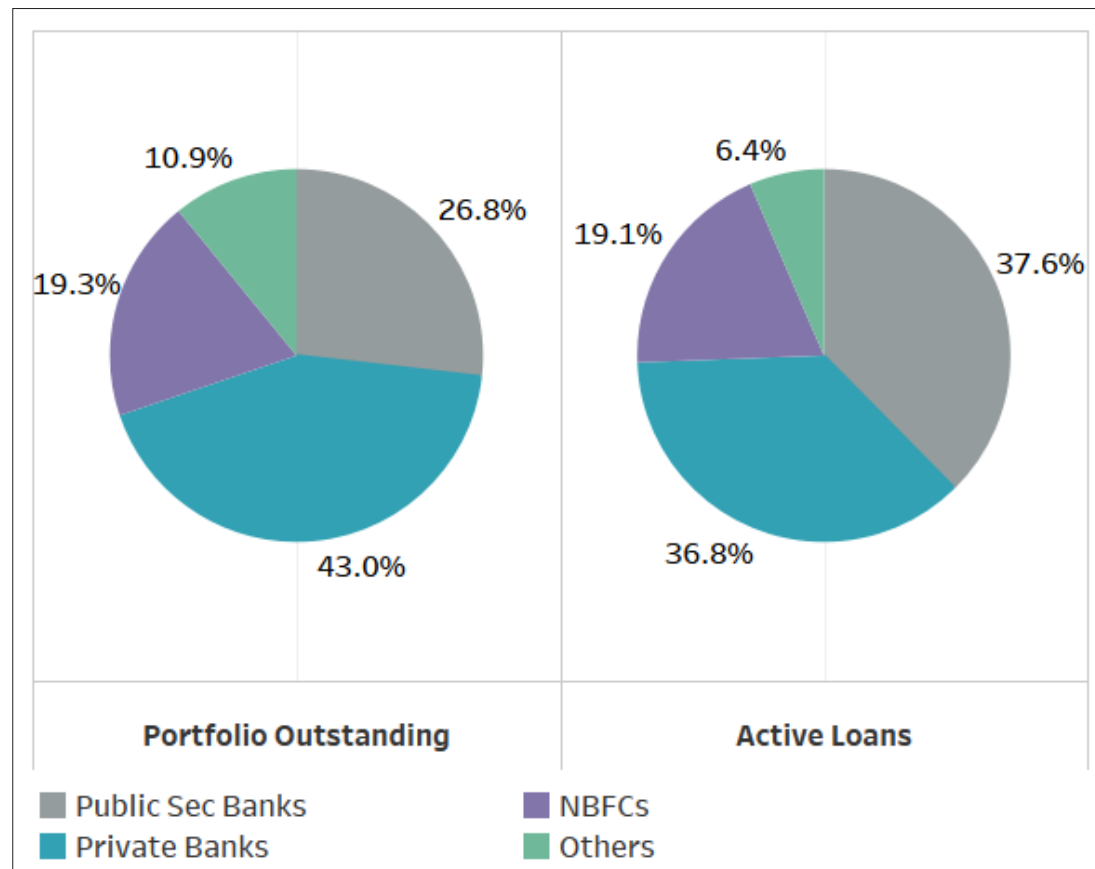
	Mar-20	Mar-21
Portfolio Outstanding (₹ Lakh Cr)	12.0	14.9
YoY Growth %		23.8%
Active Loans (₹ Lakh)	34.29	41.46
Y-o-Y Growth %		20.9%
Average Balances (₹ Lakh)	35.03	35.87
PAR 90+%	4.4%	4.6%
PAR 180+%	2.4%	3.0%

PAR 90+ and PAR 180+

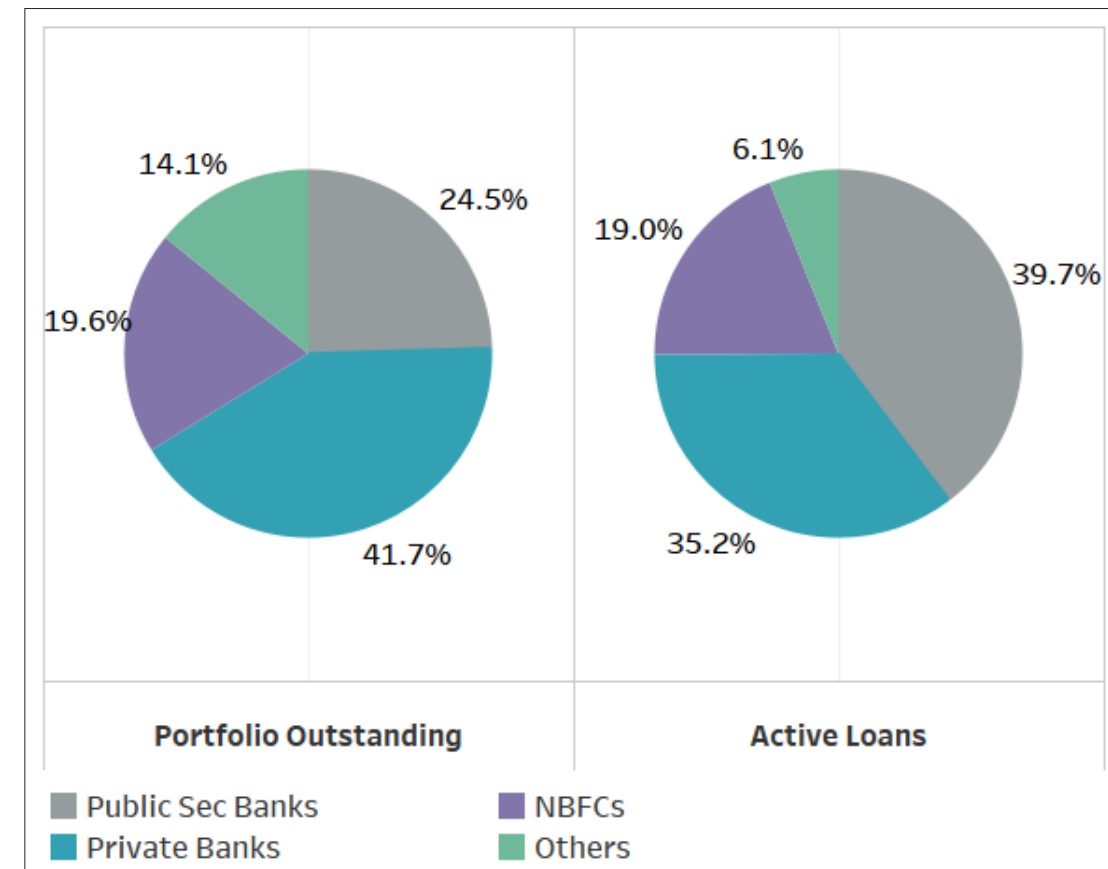
MSME Loans have lower PAR 90+ and PAR 180+ compared to Overall Commercial Loans

Commercial Loans - Market Share

Overall Commercial Loans



MSME Loans



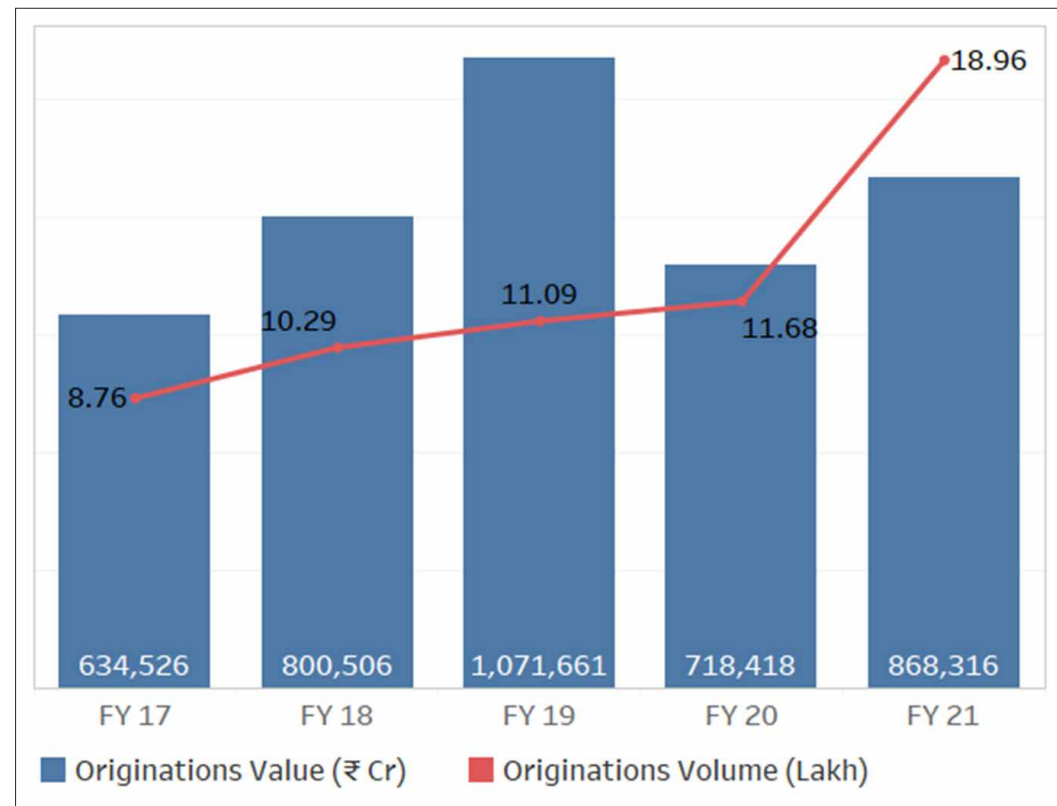
Overall Commercial & MSME Loans

Public Sector Banks and Private Banks dominate both Overall Commercial Loans and MSME Loans market (by value & volume)



MSME Loans - Originations Summary

Originations – FY17 to FY21



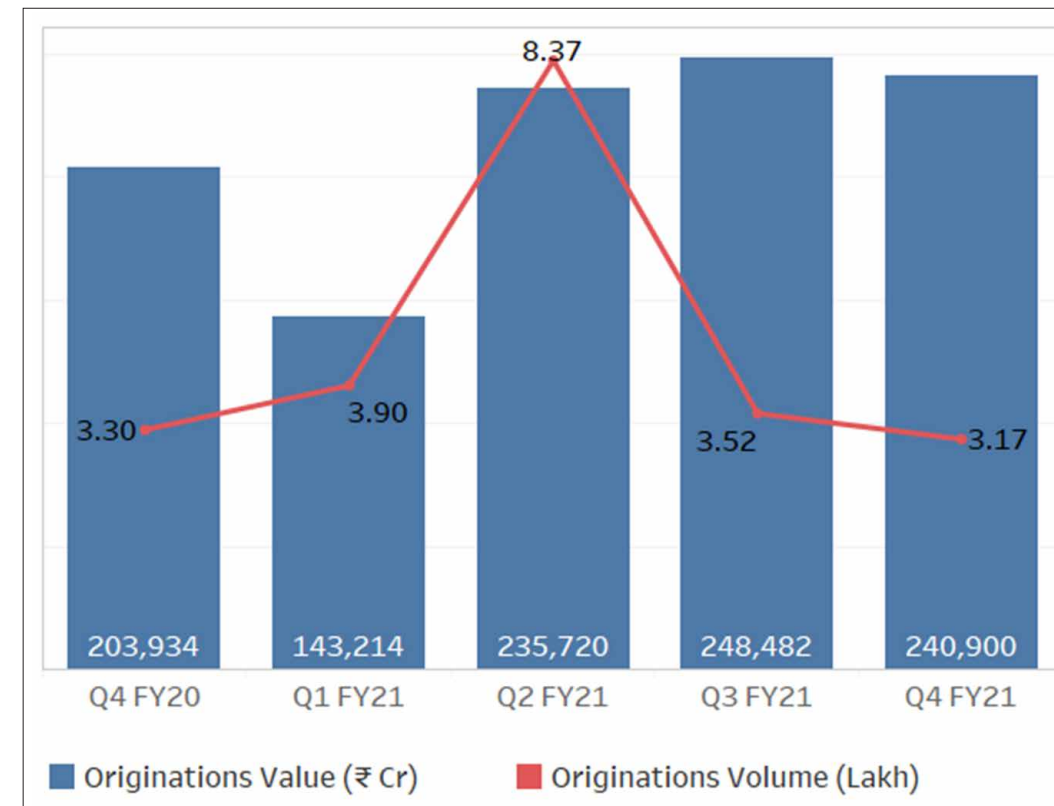
Growth in Origination by Value & Volume

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 – FY21



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

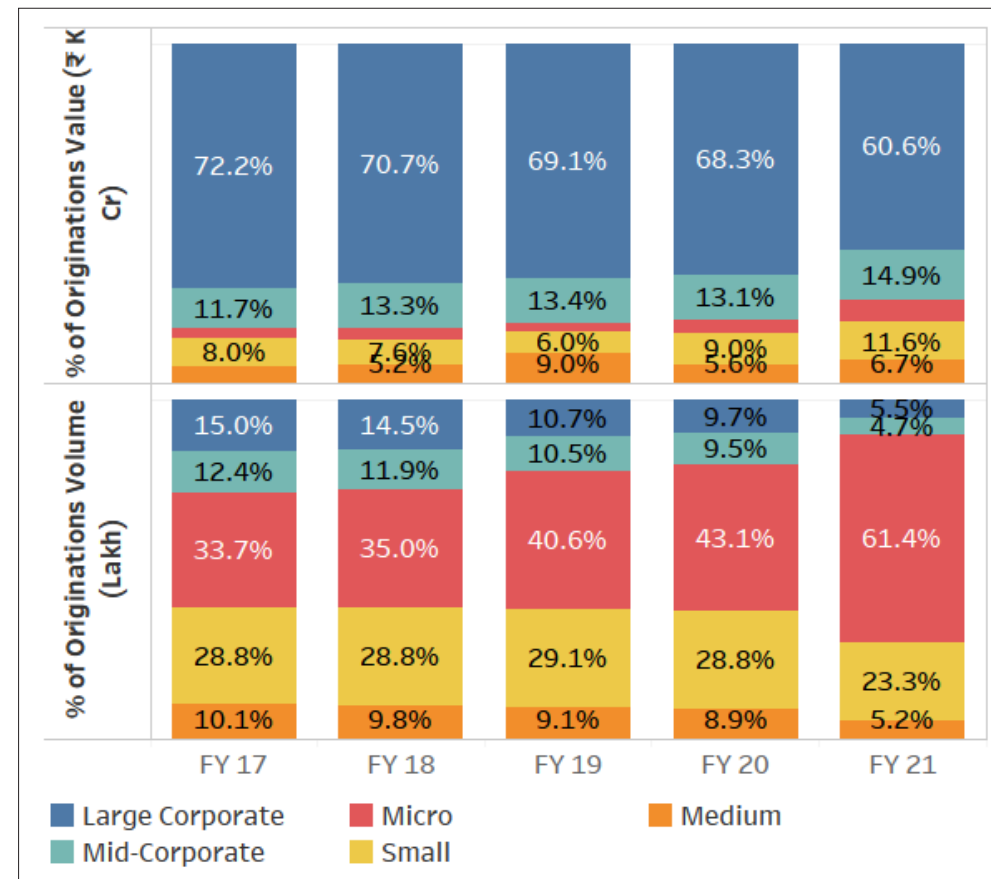
Originations by Volume

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



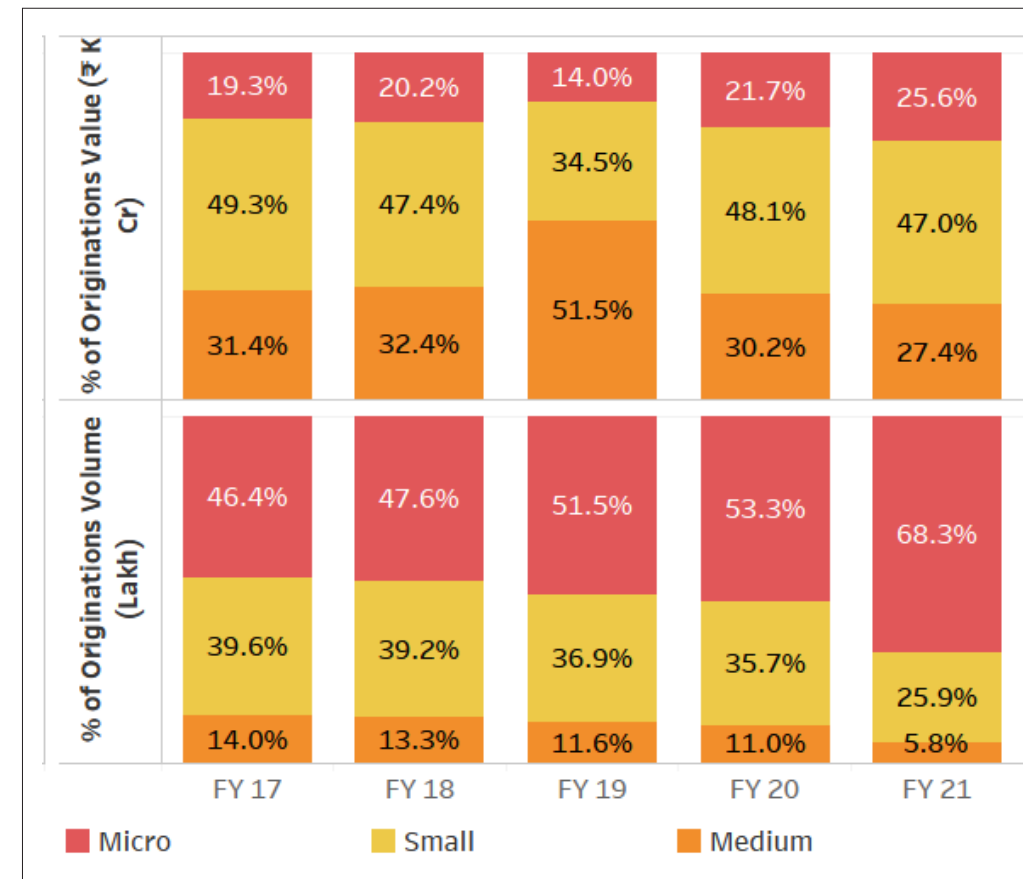
Growth in Share by Value

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

Originations (FY17 to FY21) – MSME



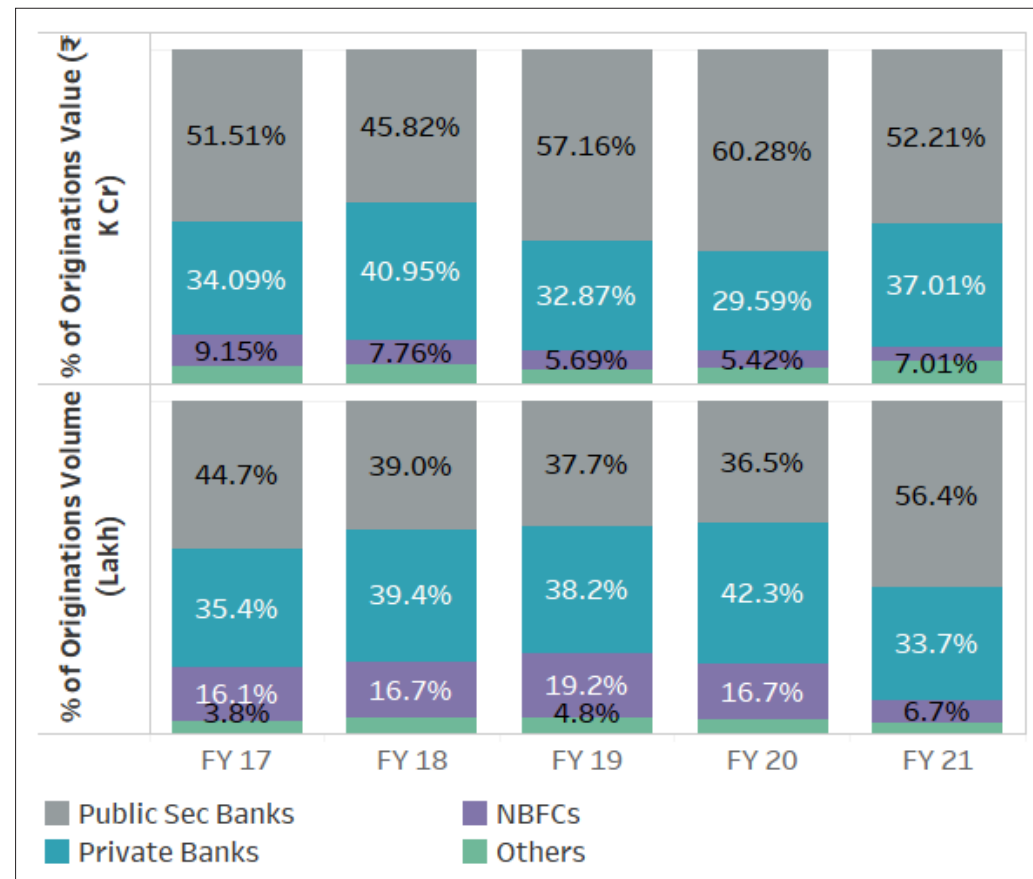
Growth in Share by Value & Volume

33% growth in share (by value) and 47% growth in share (by volume) of Micro Enterprises among MSMEs from FY17 to FY21



MSME Loans Originations – Lender Type

Originations (FY17 to FY21) - by Lender Type



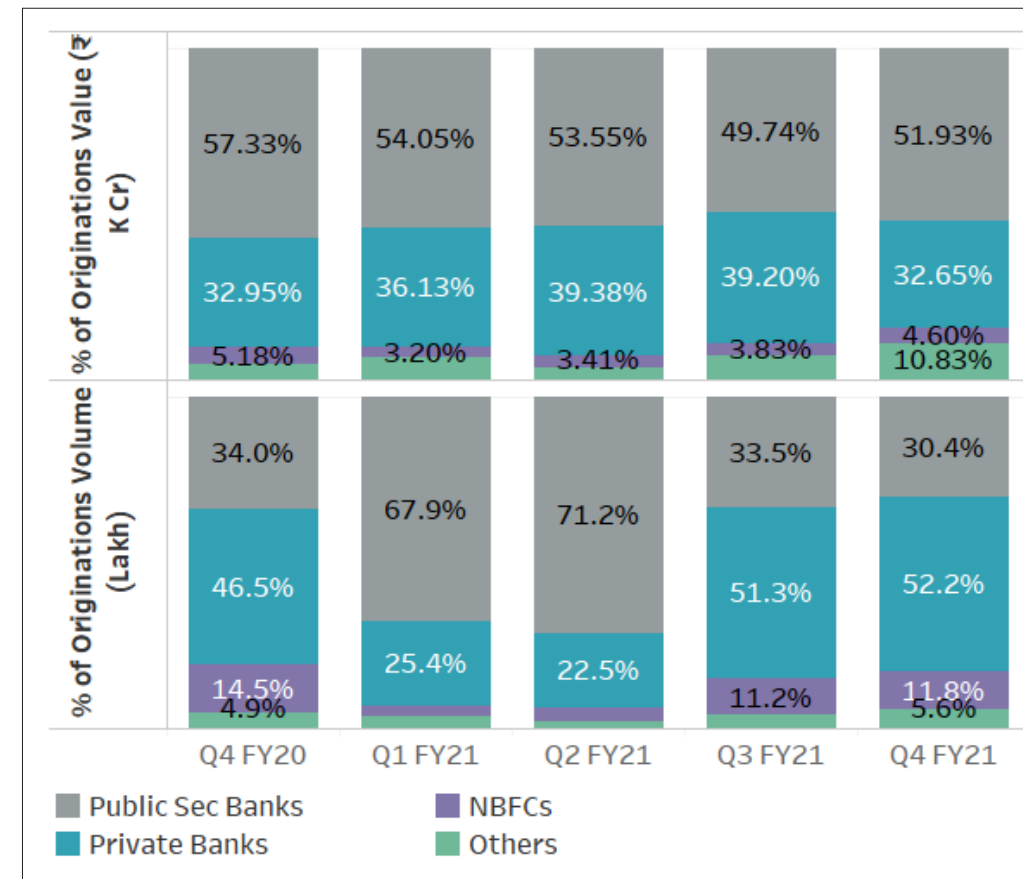
Originations Share

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

Originations (FY21) - by Lender Type



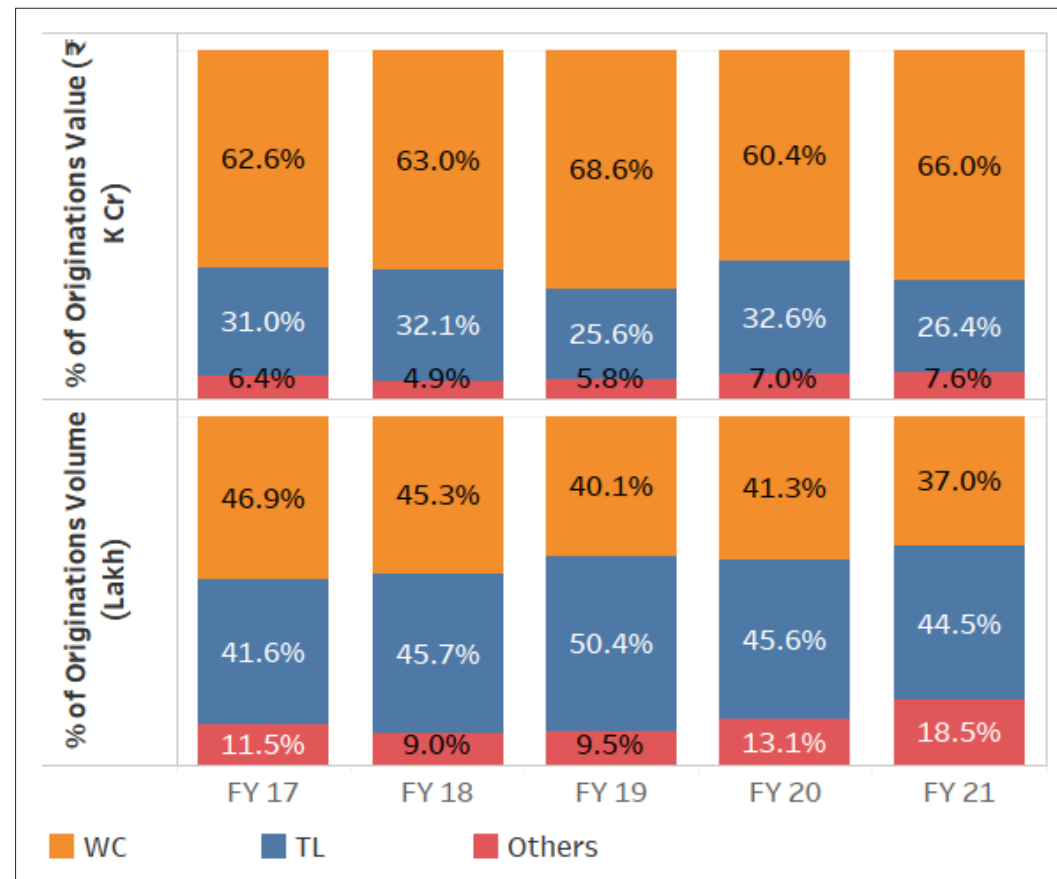
Reduction in Originations Share

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



MSME Loan Originations – Credit Facility & Borrower Types

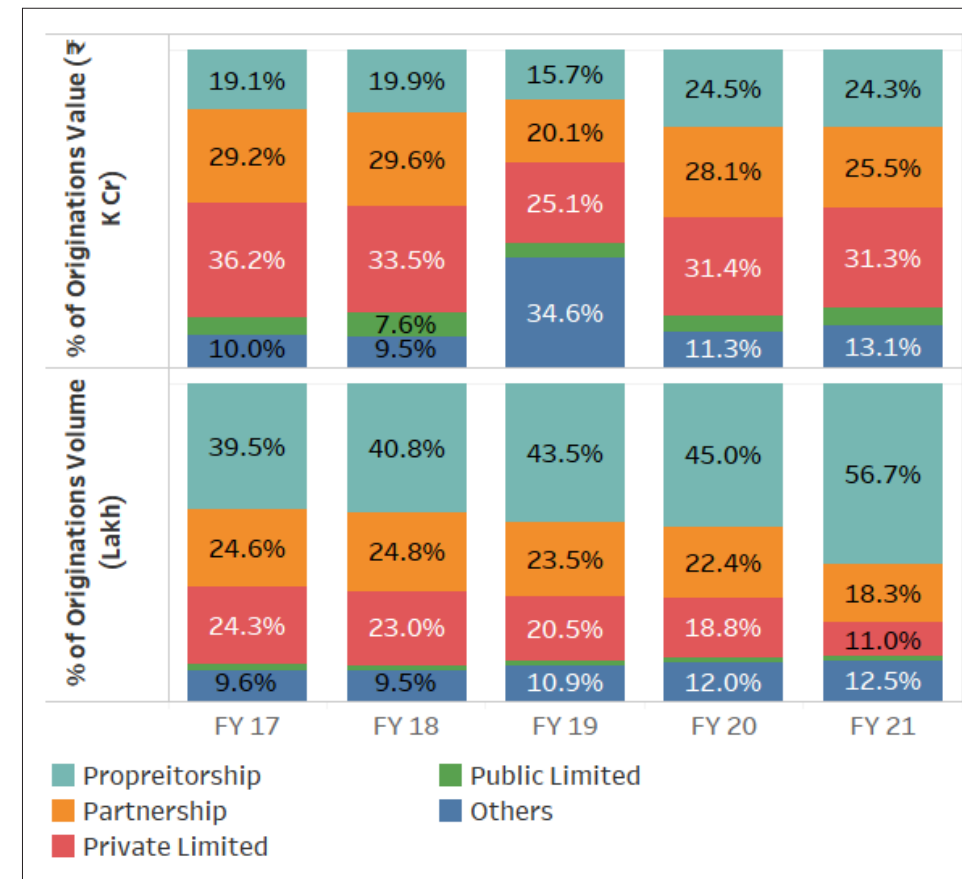
Originations – by Credit Facility



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



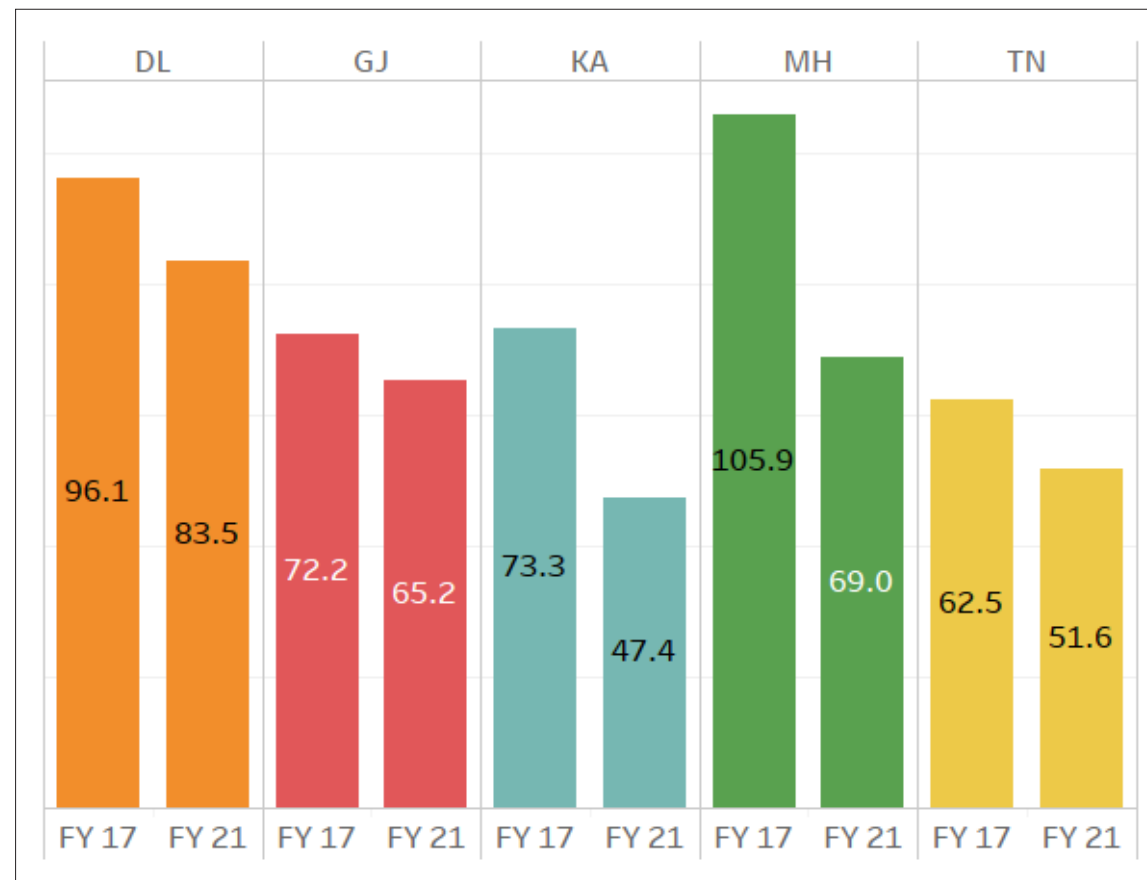
Proprietorships & Partnerships

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



MSME Loans Originations – Average Ticket Size

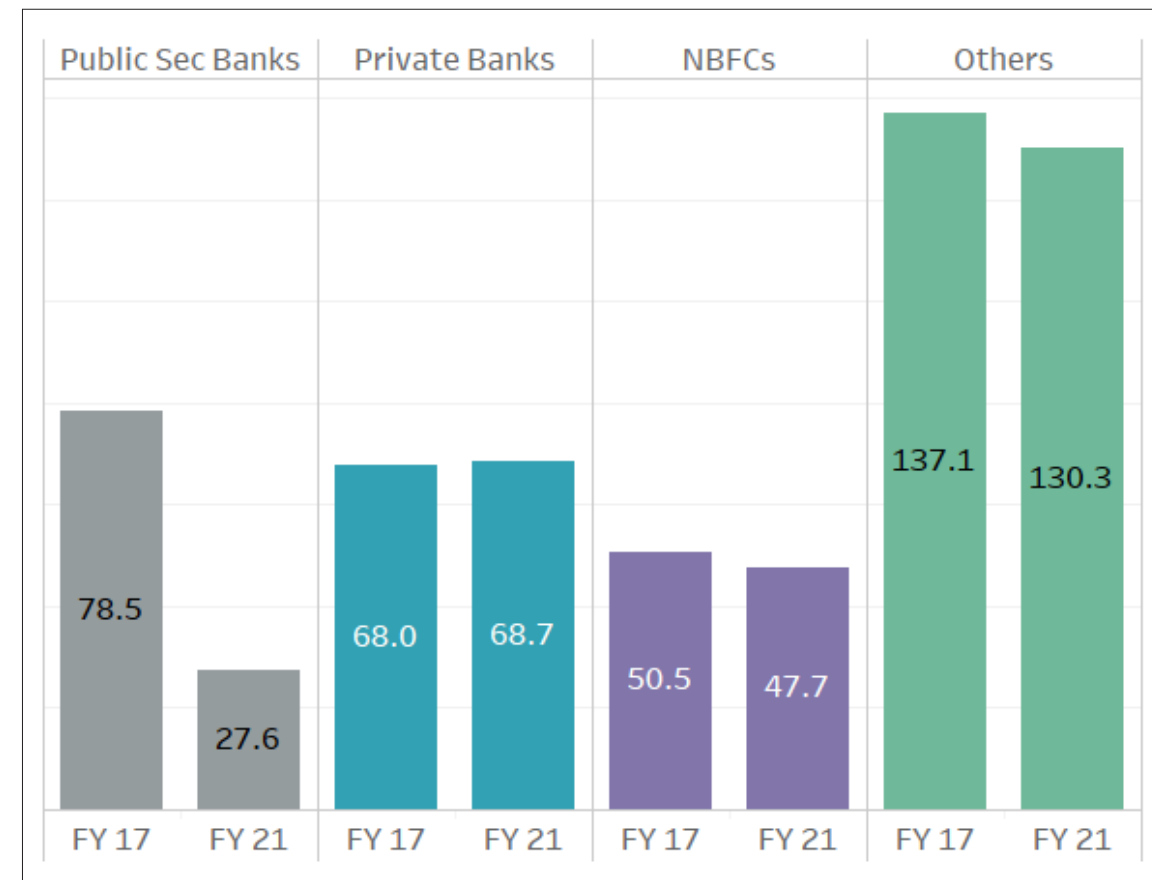
Top 5 States – Average Ticket Size (₹ Lakh)



Average Ticket Size (States)

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

Lender Type – Average Ticket Size (₹ Lakh)



Public Sector Banks

65% reduction in Average Ticket Size observed for Public Sector Banks from ₹ 78.5 Lakhs 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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CRIF in INDIA- partner for all your credit related requirements

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.

We bring our global expertise in Analytics, Scoring, Credit Management and Decision Solutions to India through our center of excellence at Pune. Our team of expert data scientist and statisticians bring together years of experience in developing bespoke scorecards for Origination, Marketing and Collections for Financial Services, Insurance or Telecom sectors.

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

