



How India Celebrates

Report on Festive Lending in India

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Executive Summary

- Consumer lending products - Auto Loans, Two-Wheeler Loans, Personal Loans, Consumer Durable Loans and Home Loans are considered for analysis on festive season lending. Festive season is defined as third quarter of the financial year (Oct-Nov-Dec).
- Flat growth in Auto loan originations (value) during festive season (Q3) from FY19 to FY22. Increase in originations share (value and volume) of Public Sector Banks and Private banks during festive season from Q3 FY19 to Q3 FY22. Decline for NBFCs during same period.
- Flat growth in Two-Wheeler loan originations (value) during festive season (Q3) from FY19 to FY22. Decline in originations share (value and volume) of Private banks and NBFC – Captives during festive season from Q3 FY19 to Q3 FY22. Growth for NBFC - Others during same period.
- Nearly 2X growth in Personal Loan originations (value) during festive season (Q3) from FY19 to FY22. Increase in originations share (value) of Public Sector Banks and NBFCs during festive season from Q3 FY19 to Q3 FY22. Decline for Private banks during same period. Increase in originations share (volume) of Private Banks and NBFCs during festive season from Q3 FY19 to Q3 FY22. Decline for Public Sector banks during same period.
- 32% growth in Consumer Durable Loan originations (value) during festive season (Q3) from FY19 to FY22. Increase in originations share (value and volume) of Private banks during festive season from Q3 FY19 to Q3 FY22. Decline for NBFCs during same period.
- 40% growth in Home Loan originations (value) during festive season (Q3) from FY19 to FY22. Increase in originations share (value and volume) of Private banks during festive season from Q3 FY19 to Q3 FY22. Decline for Public Sector banks and HFCs during same period.
- Originations during festive season (Q3) and originations during Rest of FY have similar 6 MOB PAR 90+ trends across all products.

Introduction to Festive Lending

In India, Festive Season is regarded as a preferred time of the year to make important purchases such as purchasing a house, a vehicle, a household appliance or any other. This demand is driven by lucrative offers provided by realty builders, vehicle dealers and merchant establishments in general, on account of festivals celebrated during the quarter. Year end discounts in the month of Dec are also offered by several automotive dealers. This in turn leads to an uptick in credit demand for retail loans during this season, for financing such needs.

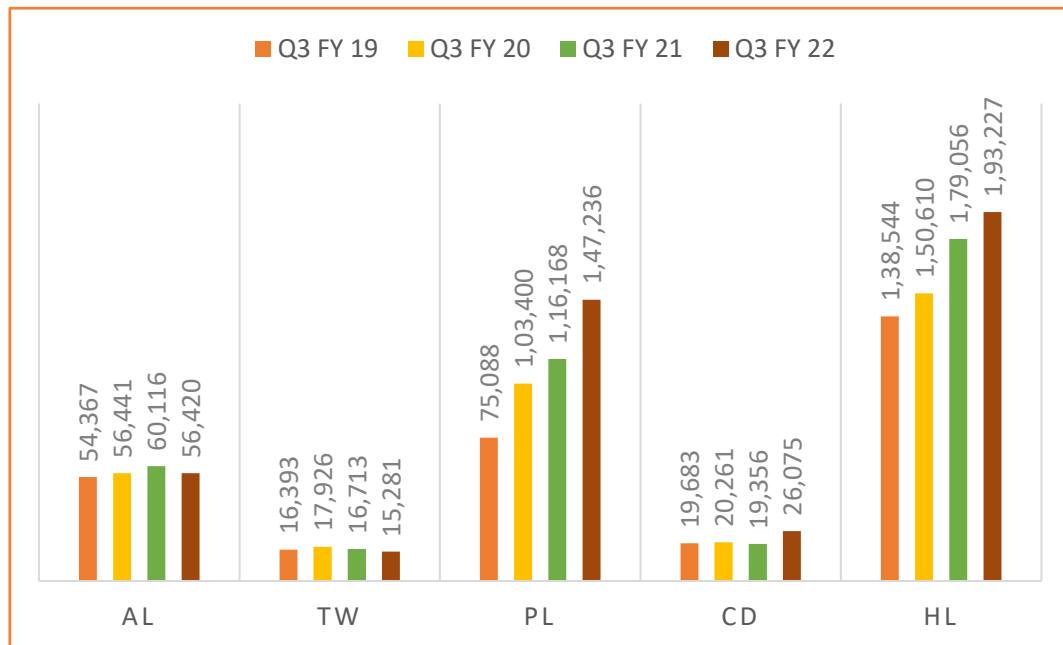
In order to attract customers, during this period, lenders too offer concessions in the form of reduced processing fees, lower interest rates, zero down payment schemes etc.

In the last two FYs, this growth in Q3 was coupled by pent up demand from previous 2 quarters as buyers held back on purchases during the lockdown induced by COVID pandemic.

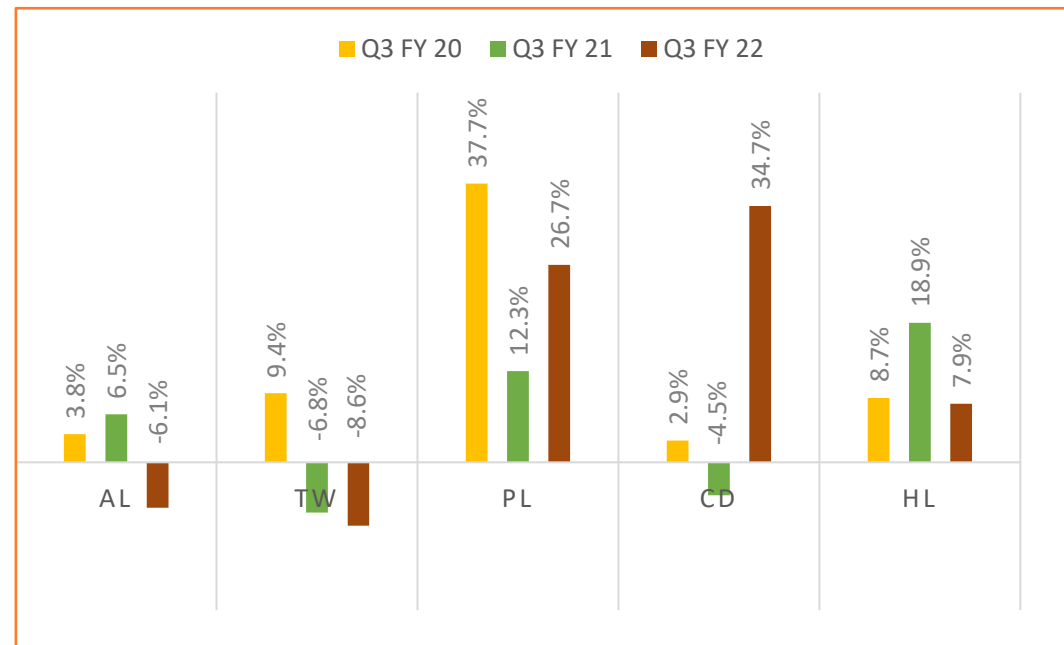
This report analyses trends in business for major consumer lending products Auto Loans (AL), Two-Wheeler Loans (TW), Personal Loans (PL), Consumer Durable Loans (CD) and Home Loans (HL) during festive season compared to rest of the year. Festive season is defined as third quarter of the financial year (Oct-Nov-Dec).

Originations during Festive Season (Q3)

Originations Value (₹ Crore)



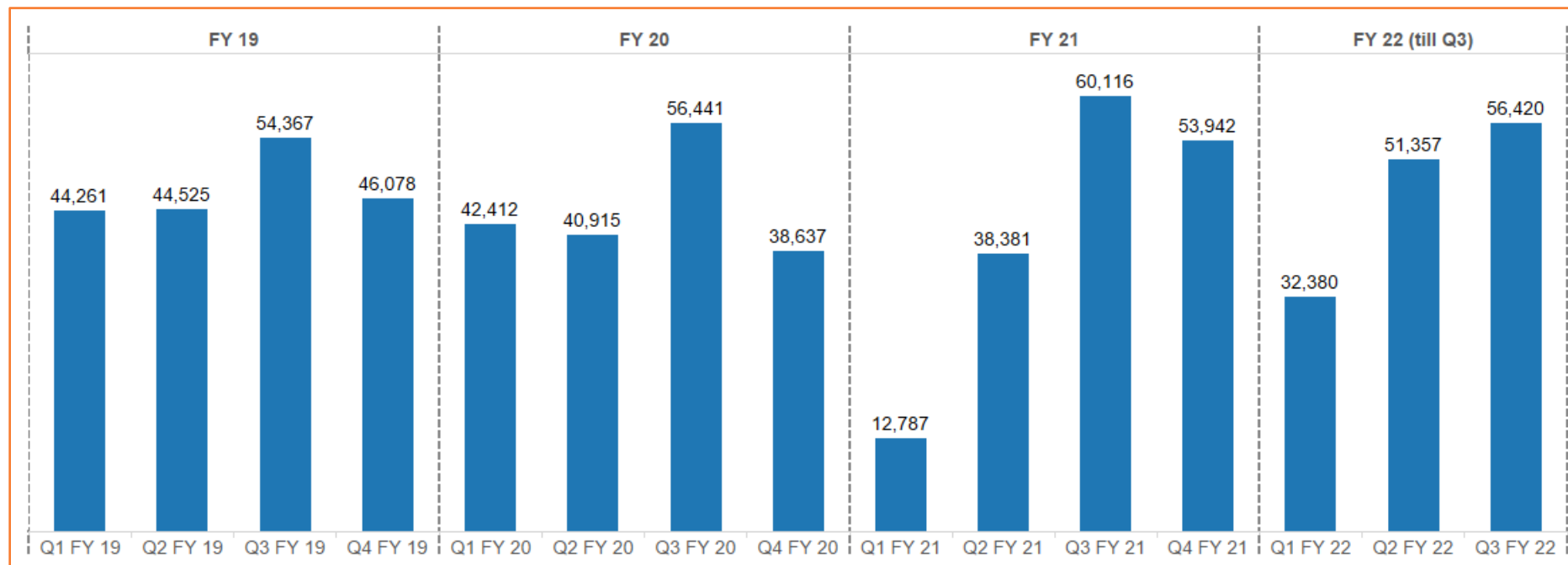
Originations Value – Y-o-Y Growth %



- Y-o-Y decline in originations (value) for Auto loans and Two-Wheeler loans from Q3 FY21 to Q3 FY22. Y-o-Y growth in originations (value) for Personal loans, Home loans and Consumer Durable loans in the same period.
- Share of Q3 in originations (value) increased from FY19 to FY21 for all products.
- Similar trends observed for originations (volume) for all products.

Auto Loans - Originations

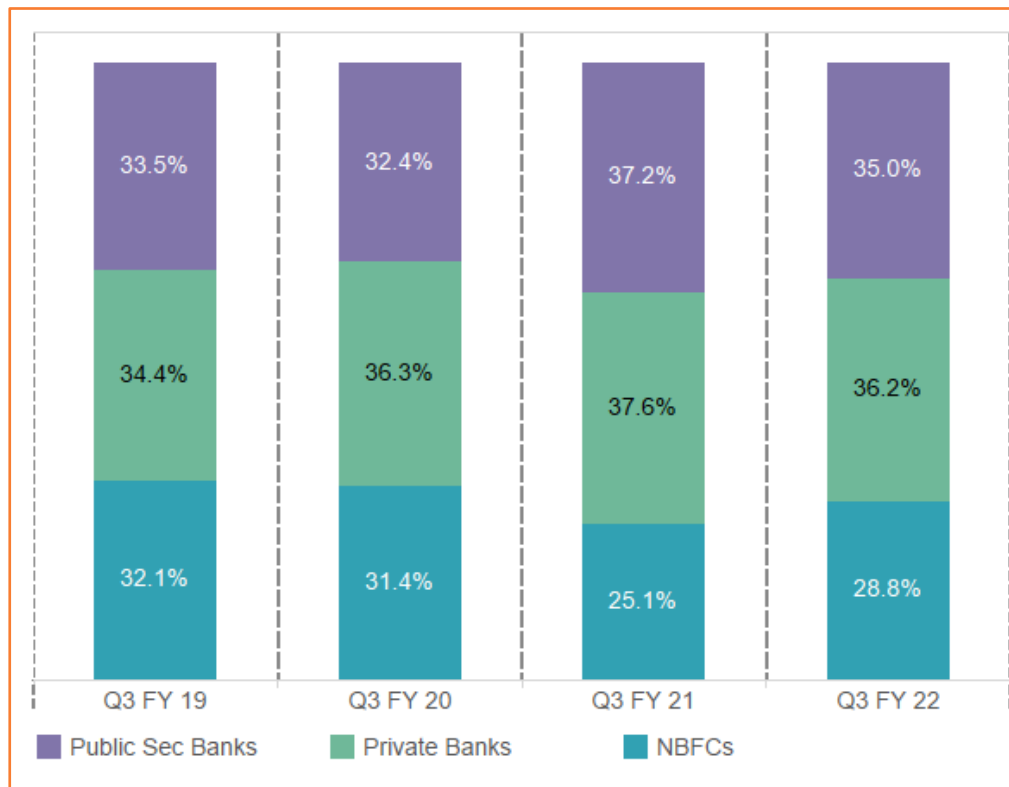
Originations (₹ Crore)



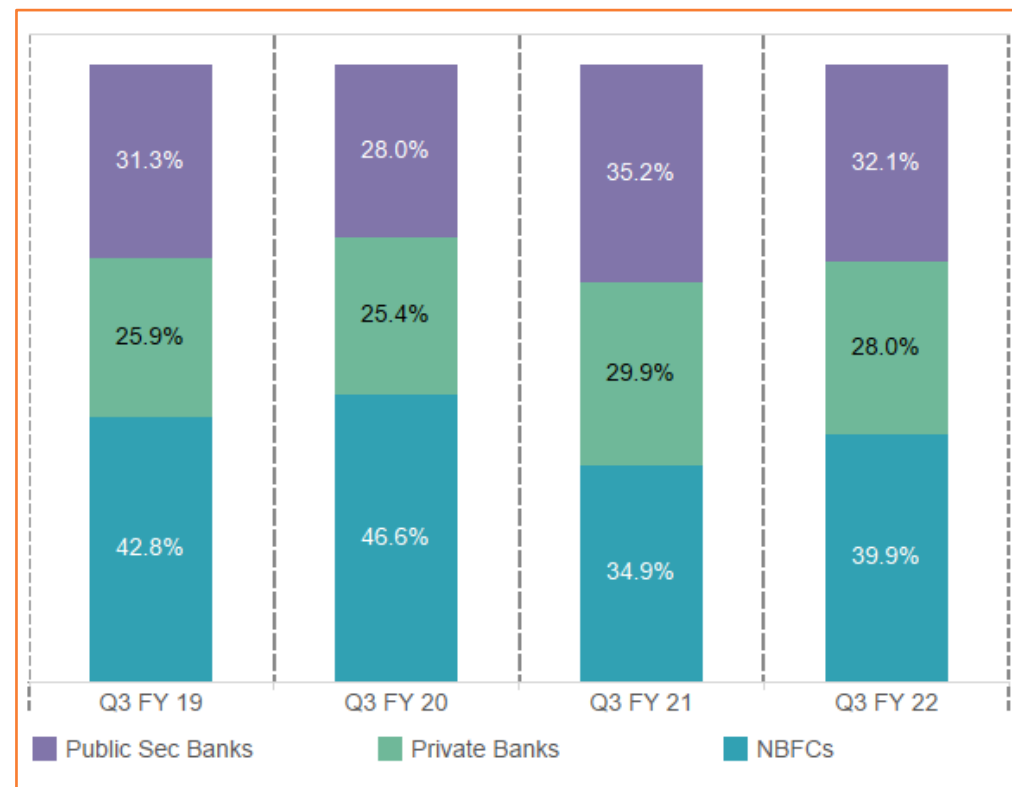
- Flat growth in originations (value) during festive season (Q3) from ₹54,367 crore in FY19 to ₹56,420 crore in FY22.
- Decline in originations from ₹134,864 crore in Rest of FY19 to ₹105,110 crore in Rest of FY21.
- Originations in Q1 & Q2 FY22 already at ₹83,738 crore, compared to ₹121,964 crore in Rest of FY20 (Q1, Q2 & Q4 FY20). At this rate, originations in Rest of FY22 could reach or surpass that of pre-pandemic levels of Rest of FY20.
- Originations (volume) in Q3 FY19, Q3 FY20 and Q3 FY21 remained above 10 lakh accounts. However originations (volume) in Q3 FY22 dropped to about 8 lakh accounts.

Auto Loans - Originations by Lender Type

Originations Value – Lender Type



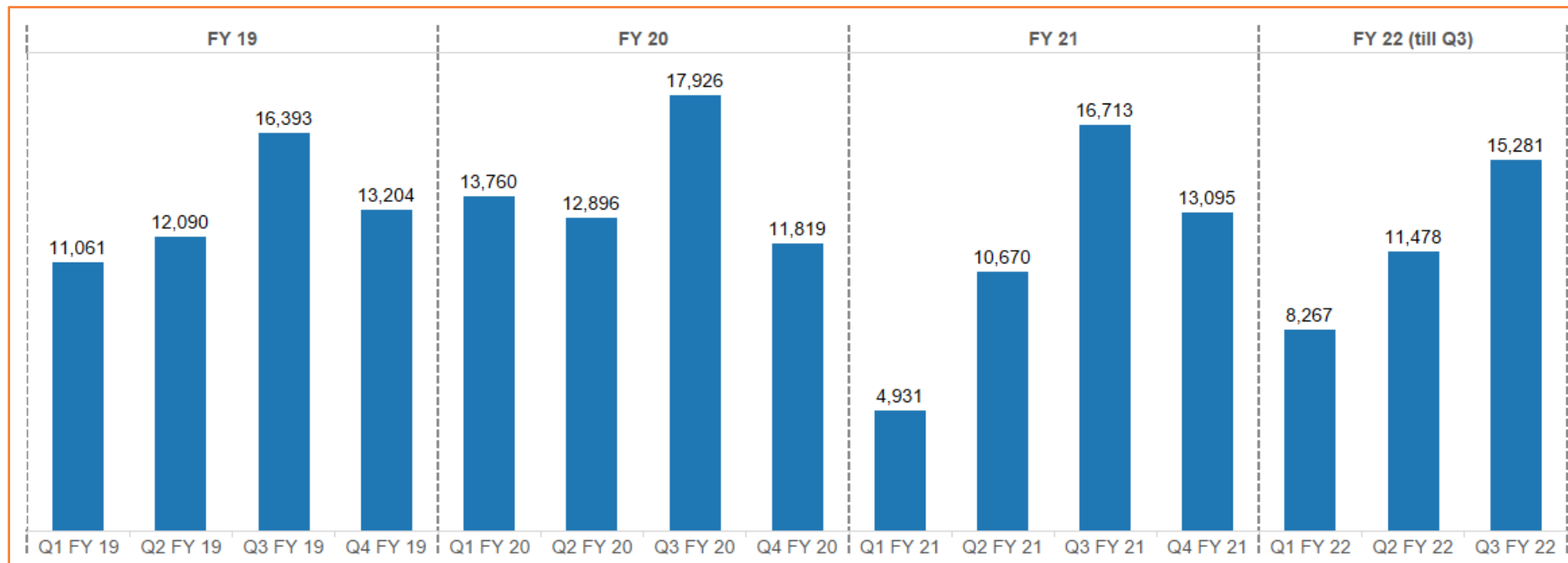
Originations Volume – Lender Type



- Public Sector banks and Private banks gained share in originations (value and volume) during festive season from Q3 FY19 to Q3 FY22.
- Decline in originations share (value and volume) of NBFCs during festive season from Q3 FY19 to Q3 FY22.

Two-Wheeler Loans - Originations

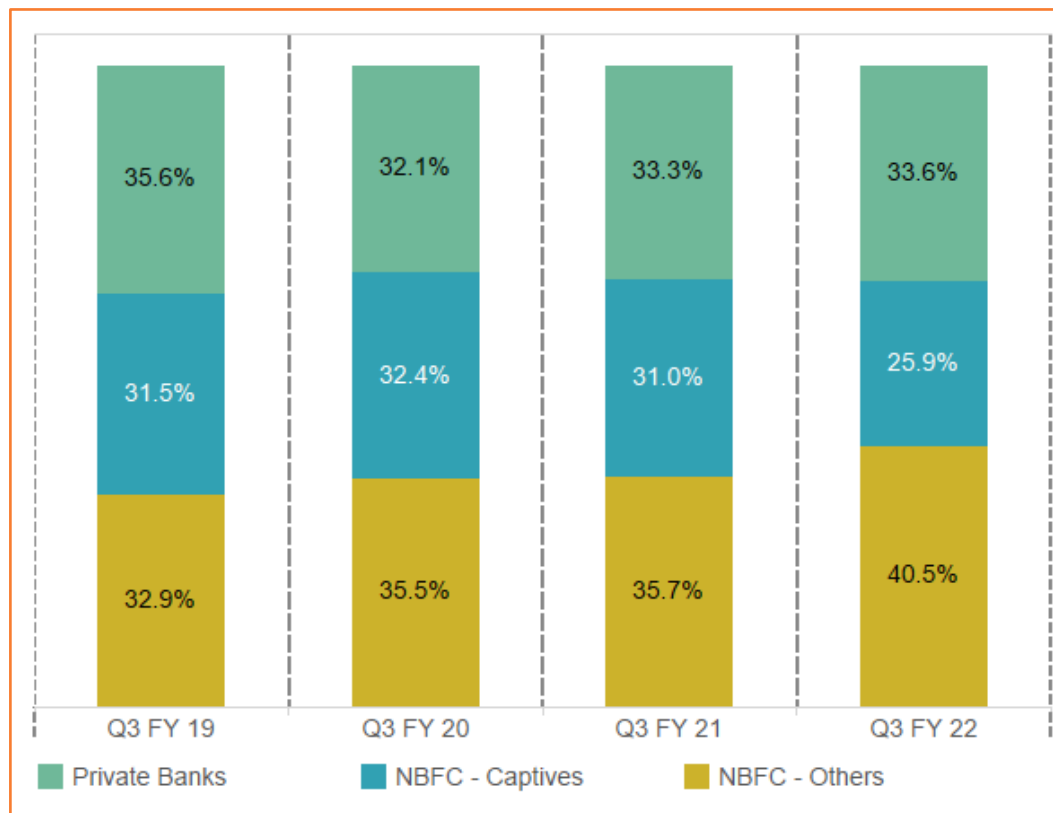
Originations (₹ Crore)



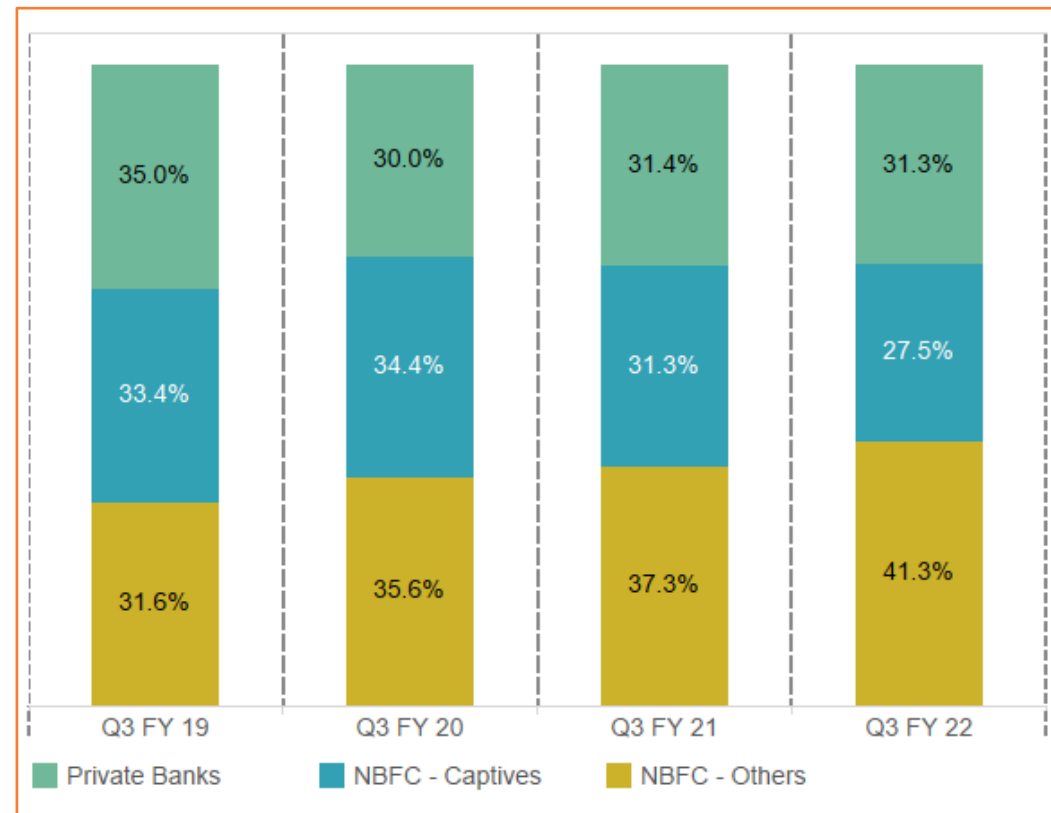
- Flat growth in originations (value) during festive season (Q3) from ₹16,393 crore in FY19 to ₹15,281 crore in FY22.
- Decline in originations from ₹36,355 crore in Rest of FY19 to ₹28,697 crore in Rest of FY21.
- Originations (volume) declined by 29% from 28.7 lakh accounts in Q3 FY 19 to 20.4 lakh accounts in Q3 FY22.

Two-Wheeler Loans - Originations by Lender Type

Originations Value – Lender Type



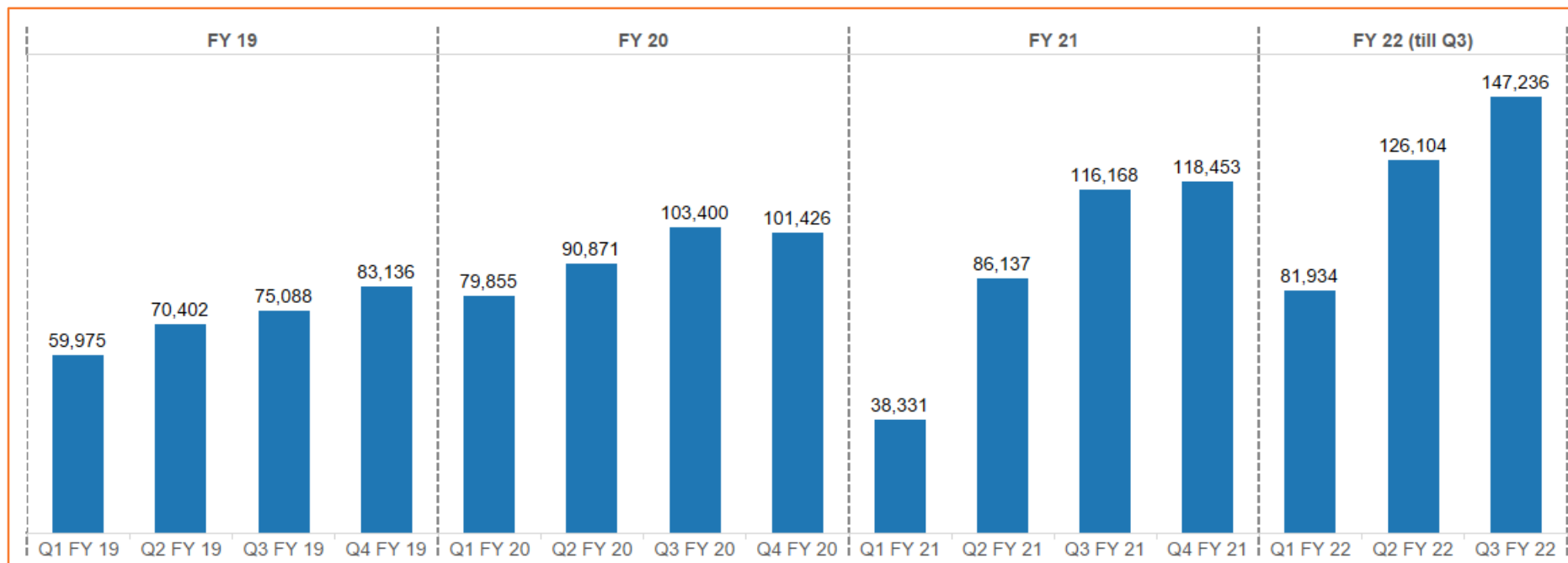
Originations Volume – Lender Type



- Decline in originations share (value and volume) of Private banks and NBFC – Captives during festive season from Q3 FY19 to Q3 FY22.
- NBFC – Others gained share in originations (value and volume) during festive season from Q3 FY19 to Q3 FY22.

Personal Loans - Originations

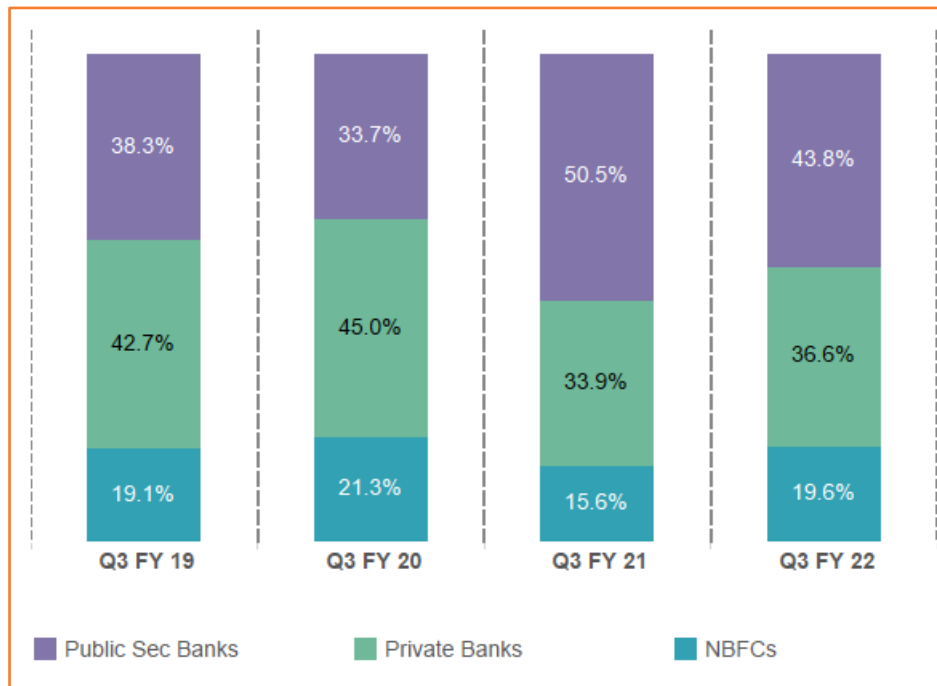
Originations (₹ Crore)



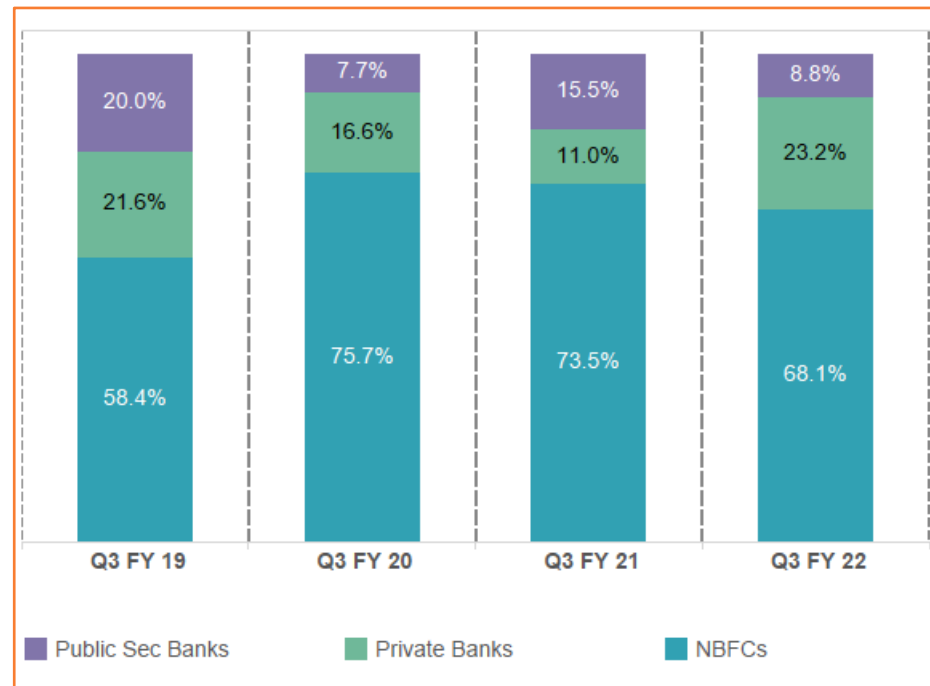
- Almost 2X growth in originations (value) during festive season (Q3) from ₹75,088 crore in FY19 to ₹147,236 crore in FY22.
- Almost 4X growth in originations (volume) during festive season (Q3) from 39.9 lakh accounts in FY19 to 158.1 lakh accounts in FY22.
- Decline in originations (value) in Rest of FY21 compared to Rest of FY20 due to covid in Q1 & Q2 of FY21.
- Originations in Q1 & Q2 FY22 already at ₹208,038 crore, compared to ₹272,151 crore in Rest of FY20 (Q1, Q2 & Q4 FY20). At this rate, originations in Rest of FY22 could surpass that of pre-pandemic levels of Rest of FY20.

Personal Loans - Originations by Lender Type

Originations Value – Lender Type



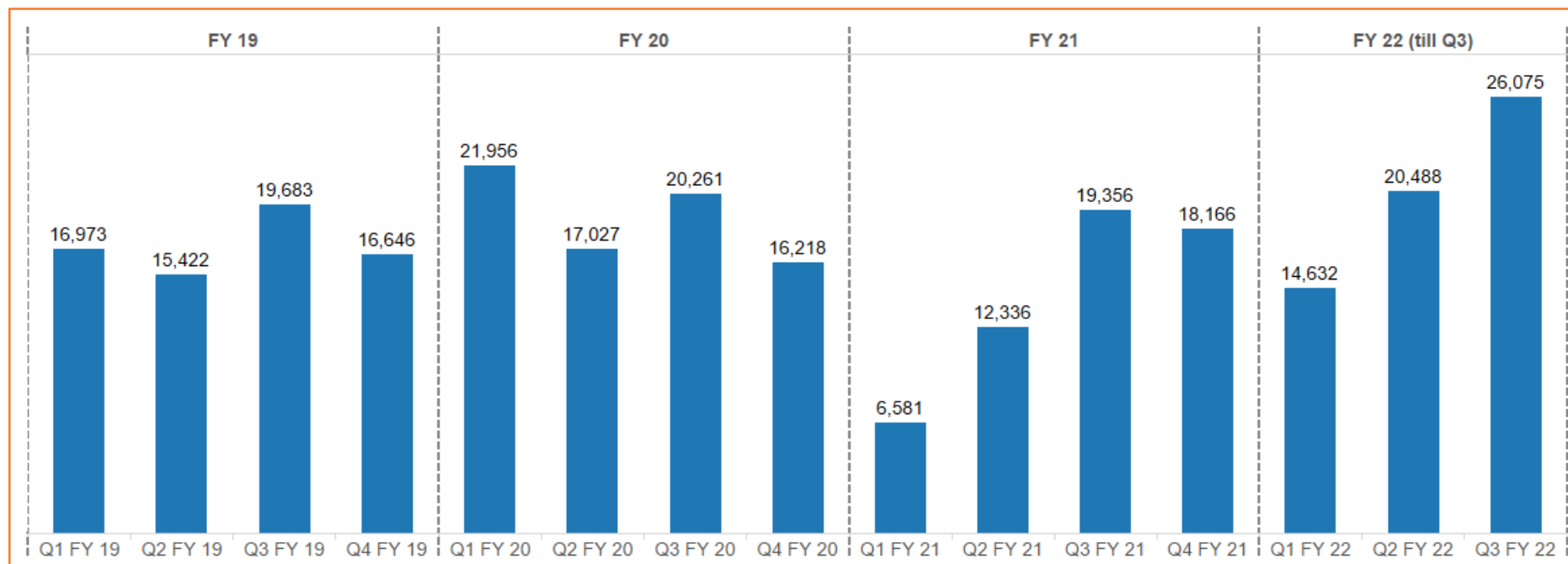
Originations Volume – Lender Type



- Public Sector banks gained share in originations (value) in festive season from Q3 FY19 to Q3 FY22. NBFCs marginally gained share in originations (value) in the same period.
- Decline in originations share (value) of Private banks from Q3 FY19 to Q3 FY22.
- Originations (volume) dominated by NBFCs. However due to lower average ticket size, their originations share (value) is lower than Public Sector banks and Private banks.
- NBFCs and Private banks gained share in originations (volume) during festive season from Q3 FY19 to Q3 FY22. Decline in originations share (volume) of Public Sector banks from Q3 FY19 to Q3 FY22.

Consumer Durable Loans - Originations

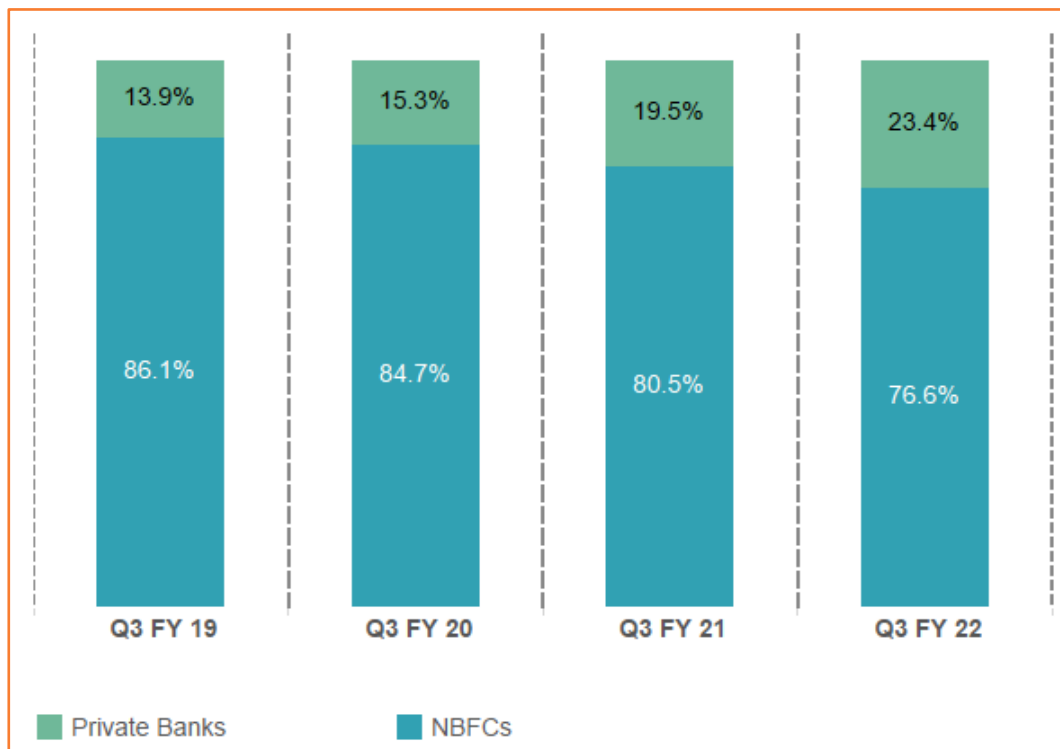
Originations (₹ Crore)



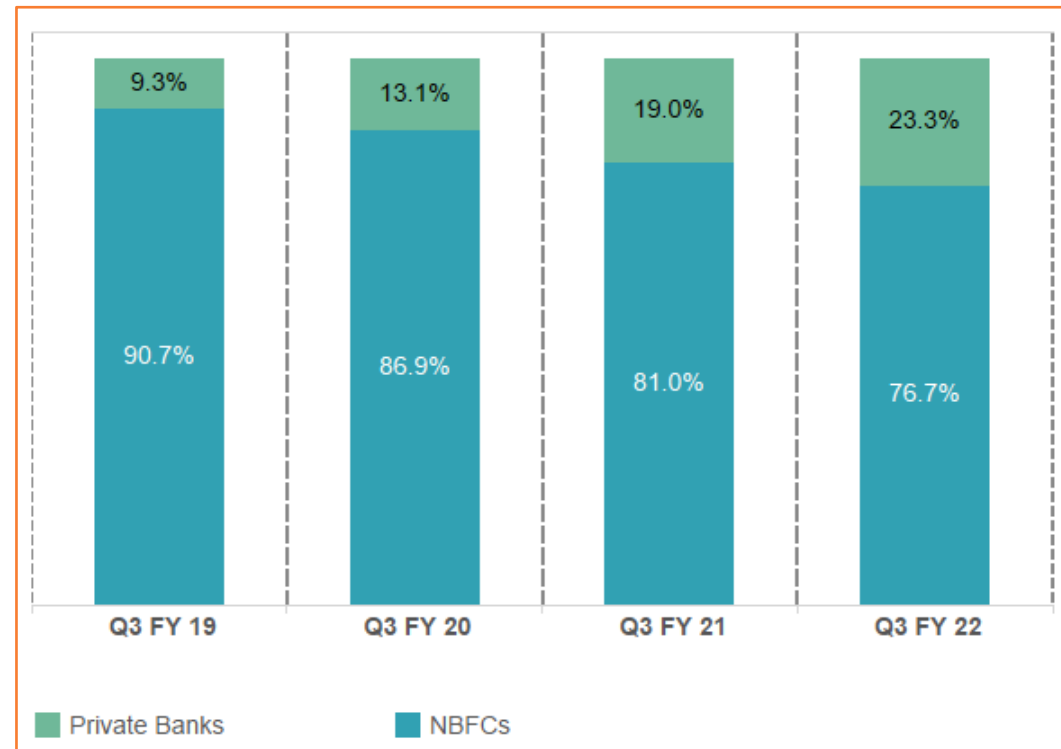
- 32% growth in originations (value) during festive season (Q3) from ₹19,683 crore in FY19 to ₹26,075 crore in FY22.
- 33% growth in originations (volume) during festive season (Q3) from 91.6 lakh accounts in FY19 to 121.9 lakh accounts in FY22.
- Decline in originations (value) in Rest of FY21 compared to Rest of FY20 due to covid in Q1 & Q2 of FY21.
- Originations in Q1 & Q2 FY22 already at ₹35,120 crore, compared to ₹55,202 crore in Rest of FY20 (Q1, Q2 & Q4 FY20). At this rate, originations in Rest of FY22 could reach or surpass that of pre-pandemic levels of Rest of FY20.

Consumer Durable Loans - Originations by Lender Type

Originations Value – Lender Type



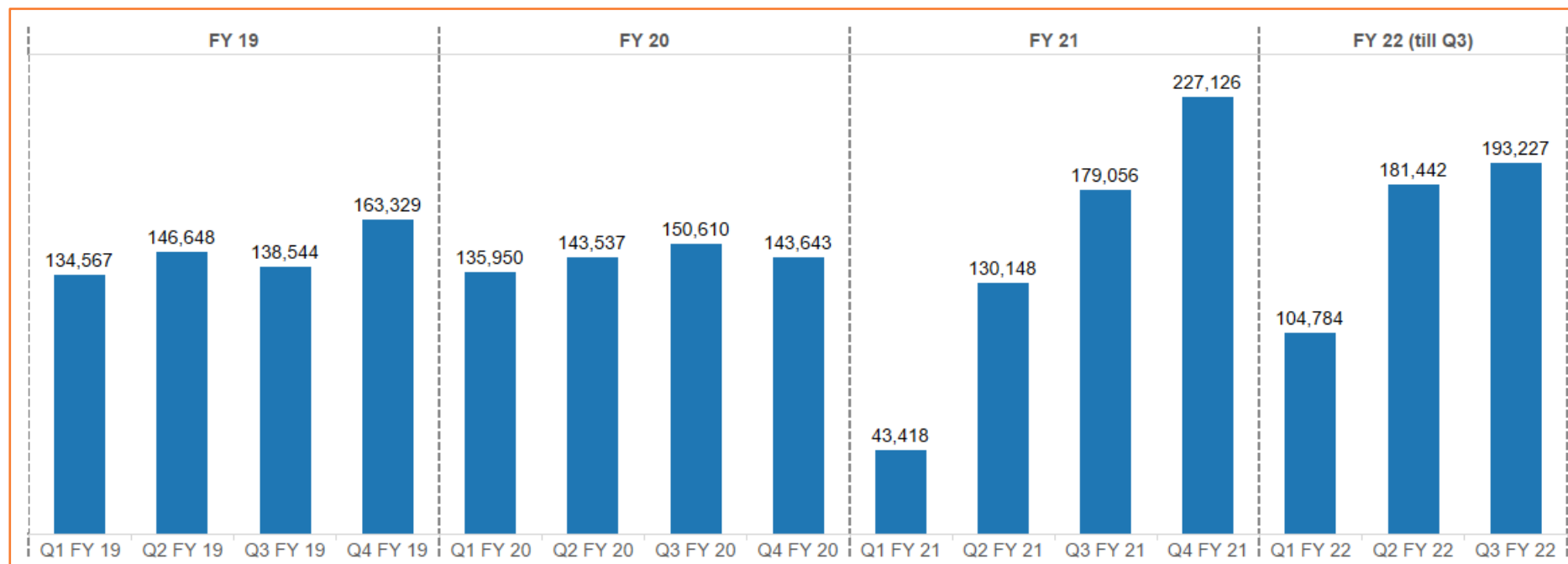
Originations Volume – Lender Type



- Originations (value and volume) dominated by NBFCs. However, there is decline in their originations share (value and volume) during festive season from Q3 FY19 to Q3 FY22.
- Private banks gained share in originations (value and volume) in festive season from Q3 FY19 to Q3 FY22.

Home Loans - Originations

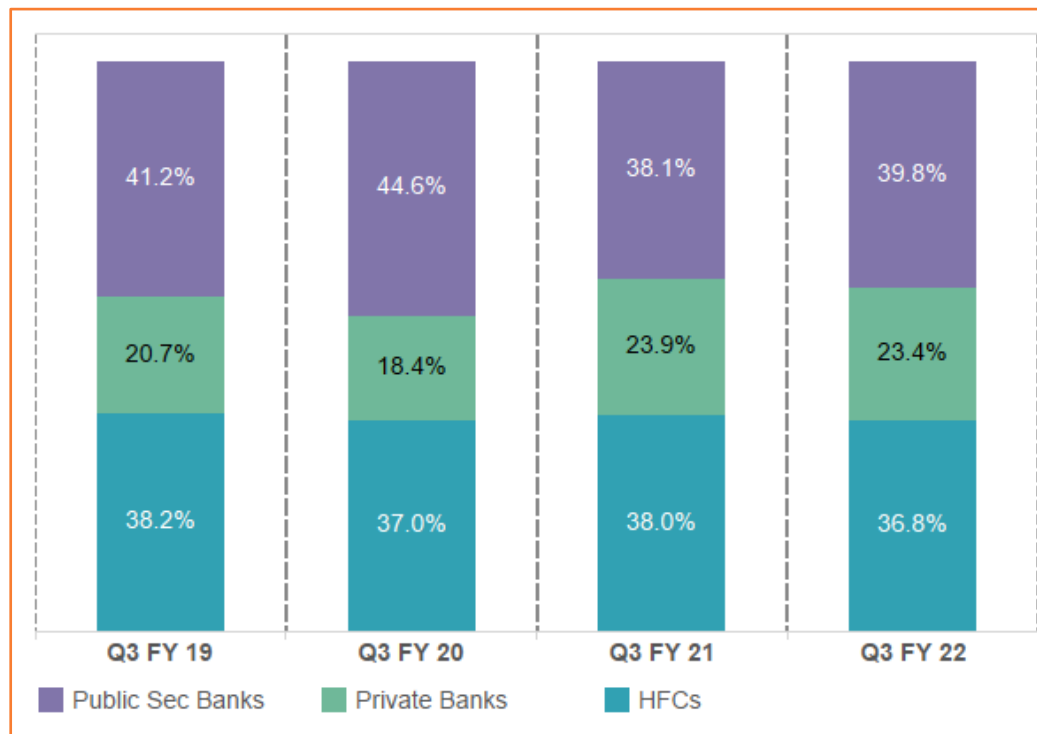
Originations (₹ Crore)



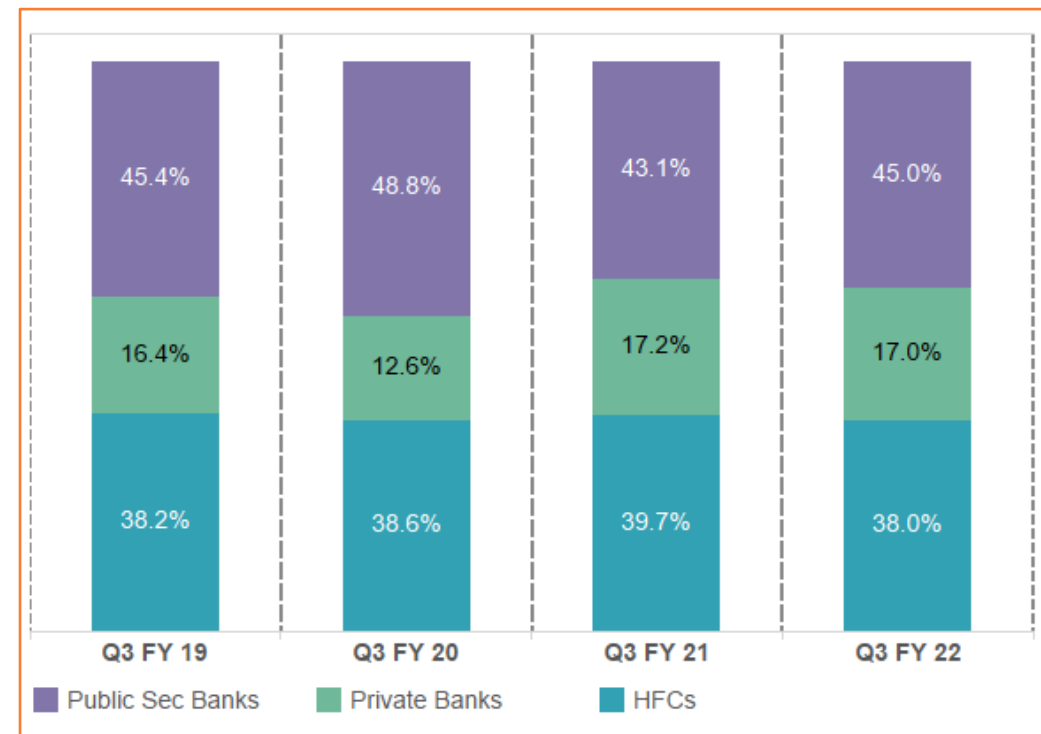
- 40% growth in originations (value) during festive season (Q3) from ₹138,544 crore in FY19 to ₹193,227 crore in FY22.
- 21% growth in originations (volume) during festive season (Q3) from 6.7 lakh accounts in FY19 to 8.1 lakh accounts in FY22.
- Decline in originations (value) in Rest of FY21 compared to Rest of FY20 due to covid in Q1 & Q2 of FY21.
- Originations in Q1 & Q2 FY22 already at ₹286,226 crore, compared to ₹423,129 crore in Rest of FY20 (Q1, Q2 & Q4 FY20). At this rate, originations in Rest of FY22 could reach or surpass that of pre-pandemic levels of Rest of FY20.

Home Loans - Originations by Lender Type

Originations Value – Lender Type



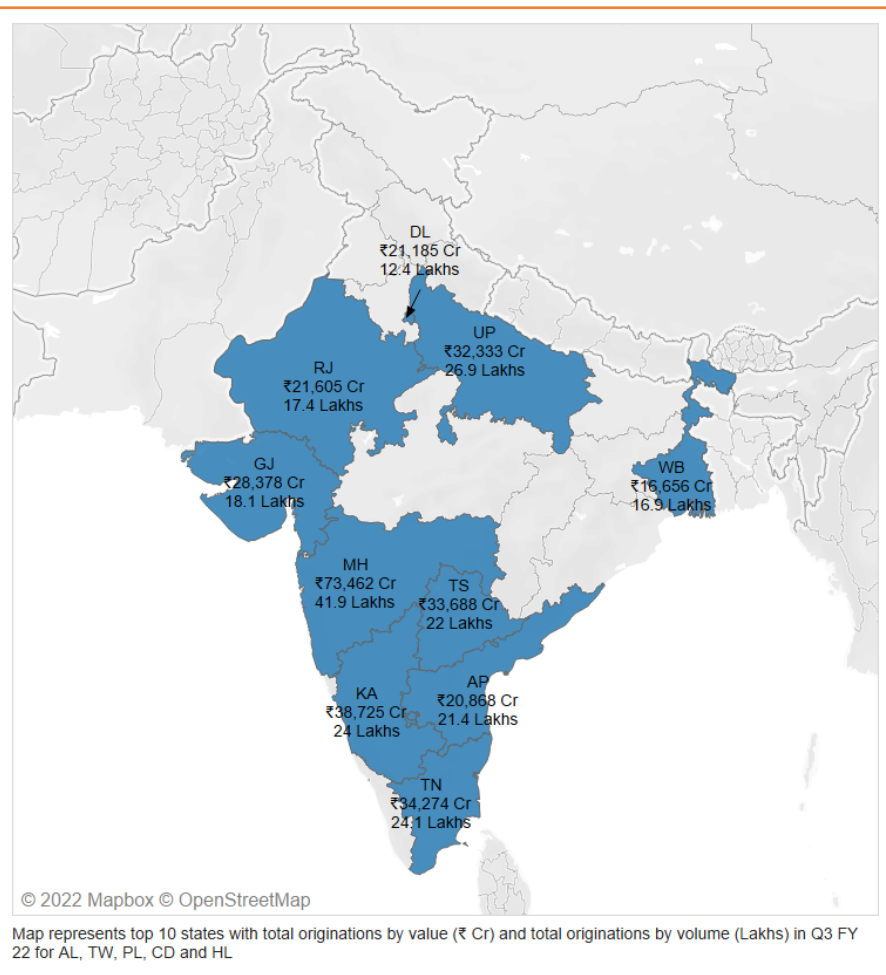
Originations Volume – Lender Type



- Private banks gained share in originations (value and volume) during festive season from Q3 FY19 to Q3 FY22.
- Decline in originations share (value and volume) of Public Sector banks and HFCs during festive season from Q3 FY19 to Q3 FY22.

Originations in Q3 FY 22 – Top 10 States

Top 10 States - Originations



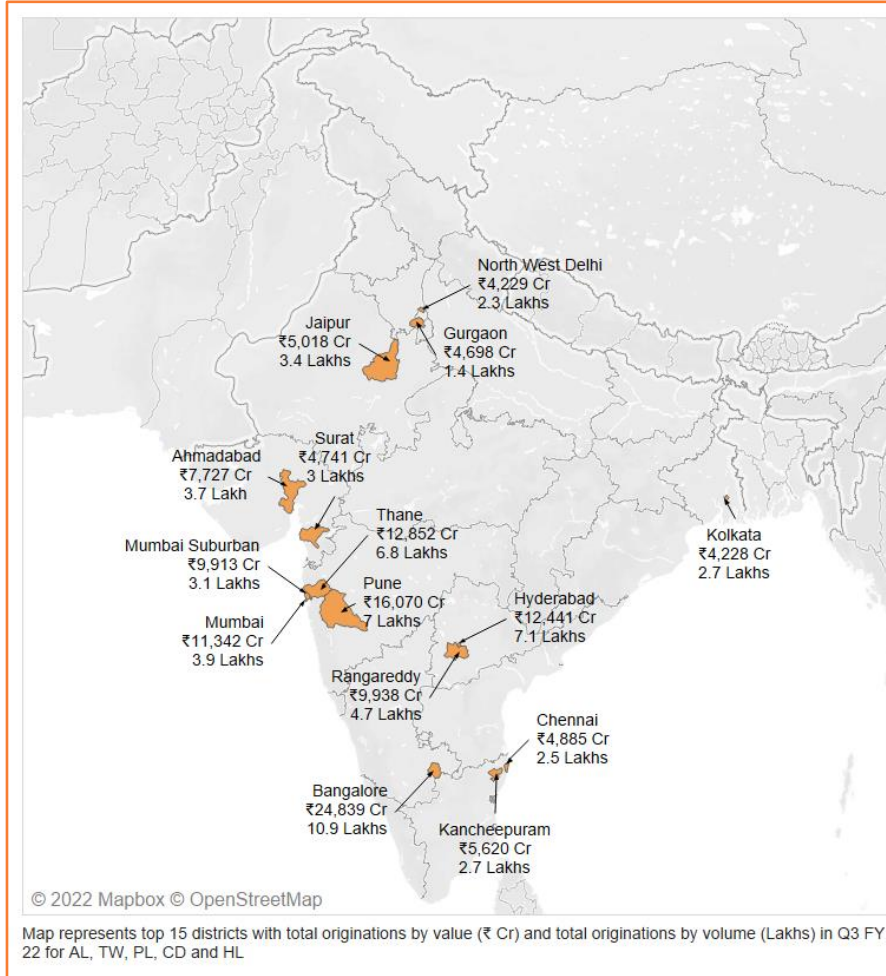
Top 10 States – Originations by Product (₹ Crore)

Top 10 States	Auto Loans	Two-Wheeler Loans	Personal Loans	Consumer Durable Loans	Home Loans	Total
Maharashtra	6,757	1,642	17,785	4,127	43,151	73,462
Karnataka	4,032	871	12,189	2,083	19,550	38,725
Tamil Nadu	3,756	1,076	12,019	2,174	15,249	34,274
Telangana	3,371	659	11,771	1,868	16,019	33,688
Uttar Pradesh	5,042	1,900	12,495	1,576	11,320	32,333
Gujarat	4,842	1,024	5,247	1,789	15,476	28,378
Rajasthan	3,242	896	8,474	1,201	7,792	21,605
Delhi	2,921	372	5,436	1,174	11,282	21,185
Andhra Pradesh	1,806	618	8,165	1,556	8,723	20,868
West Bengal	1,557	887	6,288	1,486	6,438	16,656

- Most of the top 10 states are in Southern and western parts of India except Rajasthan, NCR, Uttar Pradesh and West Bengal.
- Among these top 10 states, originations (value) is highest in Maharashtra for Auto loans, Personal loans, Consumer Durable loans and Home loans and Uttar Pradesh for Two-Wheeler loans.

Originations in Q3 FY 22 – Top 15 Districts

Top 15 Districts - Originations



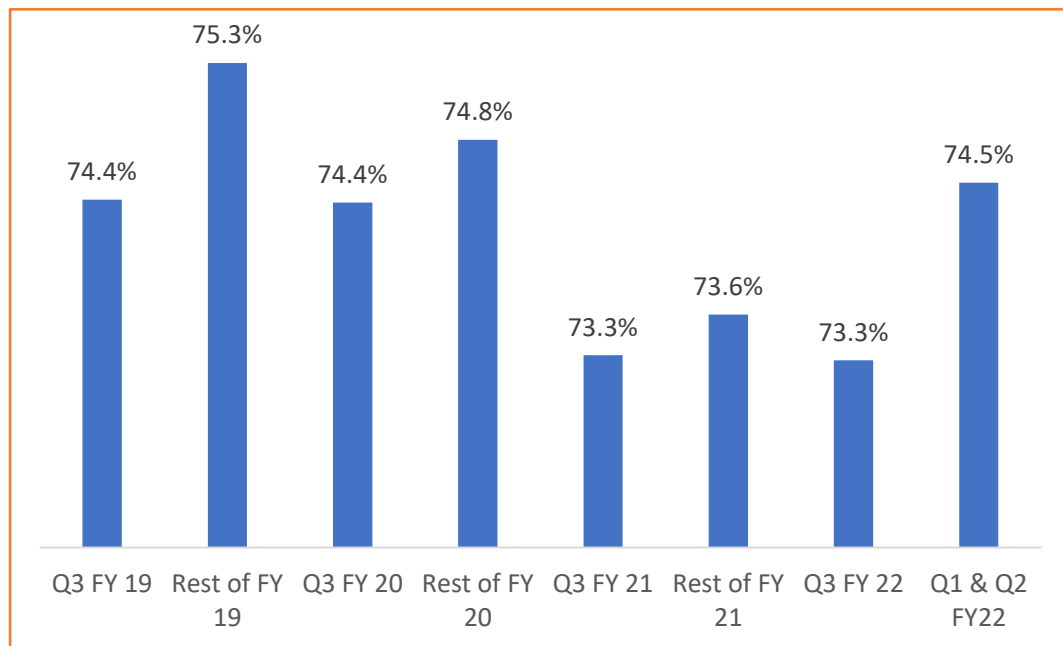
Top 15 Districts – Originations by Product (₹ Crore)

Top 15 Districts	Auto Loans	Two-Wheeler Loans	Personal Loans	Consumer Durable Loans	Home Loans	Total
Bangalore	2,242	318	7,165	971	14,143	24,839
Pune	1,632	258	3,840	746	9,594	16,070
Thane	864	268	2,731	740	8,249	12,852
Hyderabad	1,301	228	4,021	770	6,121	12,441
Mumbai	739	117	2,160	412	7,914	11,342
Rangareddy	949	143	2,998	464	5,384	9,938
Mumbai Suburban	661	85	1,624	342	7,201	9,913
Ahmadabad	1,193	176	1,132	403	4,823	7,727
Kancheepuram	524	89	2,106	240	2,661	5,620
Jaipur	734	133	1,446	249	2,456	5,018
Chennai	483	85	1,301	252	2,764	4,885
Surat	667	142	773	325	2,834	4,741
Gurgaon	618	56	947	121	2,956	4,698
North West Delhi	617	74	930	231	2,377	4,229
Kolkata	421	79	1,079	291	2,358	4,228

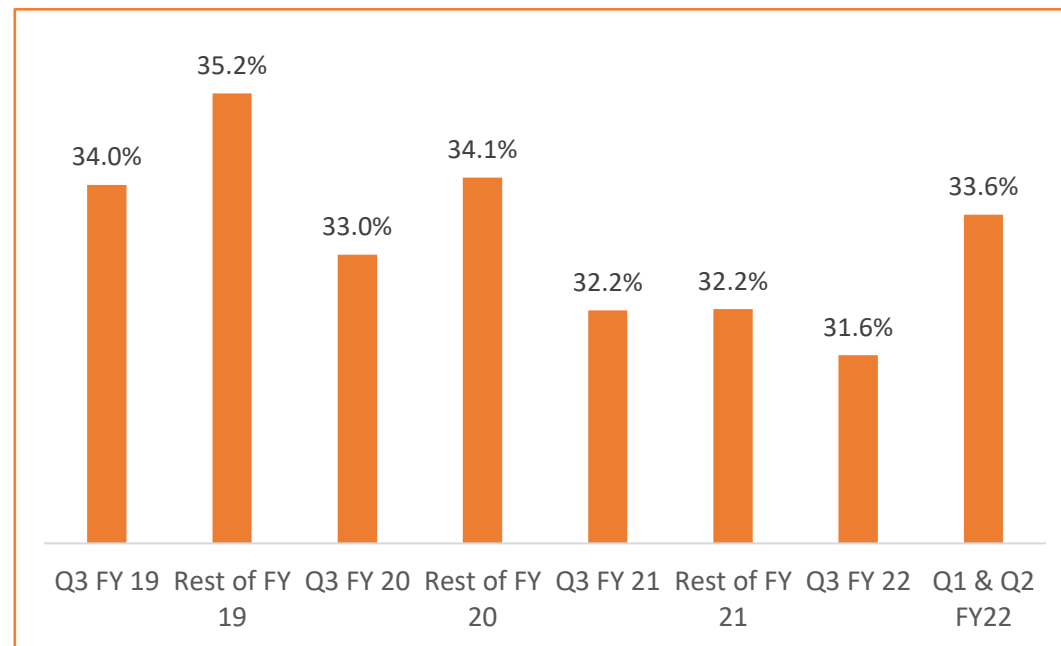
- Most of the top 15 districts in Southern and western parts of India except Jaipur, NCR and Kolkata.
- Among these top 15 districts, originations (value) is highest in Bangalore for all products.

Top States & Districts - Originations Share

Top 10 States - Share in Originations (Value)



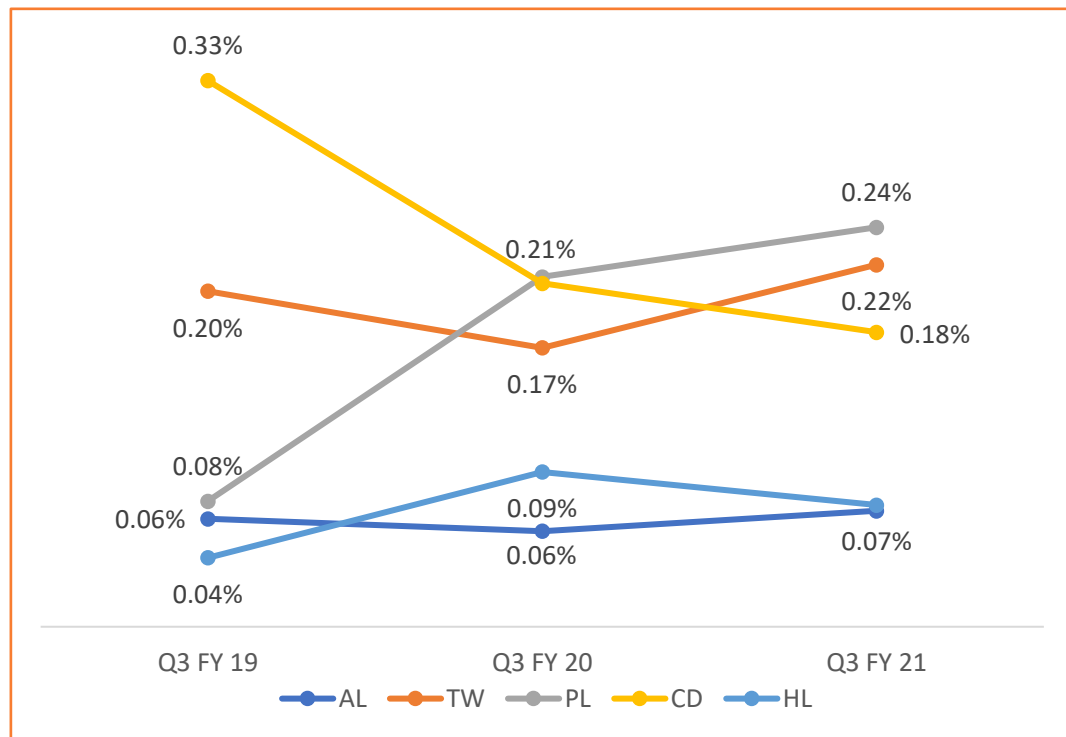
Top 15 Districts – Share in Originations (Value)



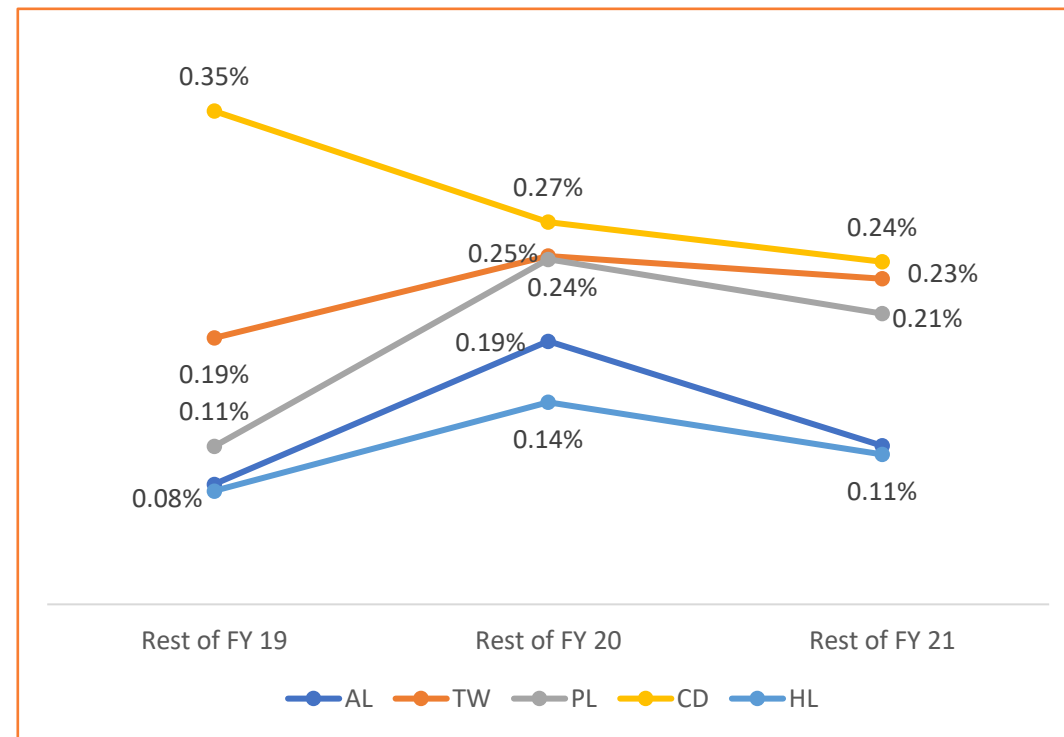
- Originations share (value) of top 10 states reduced from 74.4% in Q3 FY19 to 73.3% in Q3 FY22.
- Originations share (value) of top 15 districts reduced from 34% in Q3 FY19 to 31.6% in Q3 FY22.
- Share of top 10 states in originations (value) during festive season is consistently lower than Rest of FY over the past 4 years. Similarly, share of top 15 districts in originations (value) during festive season is consistently lower than Rest of FY over the past 4 years.

6 MOB PAR 90+ Trends

6 MOB PAR 90+ for Originations during Festive Season



6 MOB PAR 90+ for Originations during Rest of FY



- For Auto loans, Consumer Durable loans and Home loans, 6 MOB PAR 90+ for originations in festive season (Q3) are lower compared to Rest of FY from FY19 to FY21.
- For Two-Wheeler loans, 6 MOB PAR 90+ for originations in festive season (Q3) are lower compared to Rest of FY in FY20 and FY21.
- For Personal loans, 6 MOB PAR 90+ for originations in festive season (Q3) are lower compared to Rest of FY in FY19 and FY20.

Definitions

- Portfolio outstanding or value refers to the current outstanding balance of the loan account in ₹ crore, unless otherwise mentioned
- Active loans or volume refers to the number/count of active loans in Lakhs, unless otherwise mentioned
- Originations value refers to the total disbursed amount in ₹ crore, unless otherwise mentioned
- Originations volume refers to the number of loans disbursed in Lakhs, unless otherwise mentioned
- PAR or Portfolio at Risk refers to the proportion of delinquent portfolio
- MOB or Month on Book refers to vintage of the account in months
- ATS or Average Ticket Size refers to the average size of each loan type
- Lender category Others comprises SFBs, RRBs, Co-op Banks, etc.

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About How India Celebrates

How India Celebrates is an annual publication from CRIF High Mark on Festive Season lending in India. The publication analyses trends in business for major consumer lending products Auto Loans, Two-Wheeler Loans, Personal Loans, Consumer Durable Loans and Home Loans during festive season compared to rest of the year. Festive season is defined as third quarter of the financial year (Oct-Nov-Dec).

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