



How India Celebrates

Vol-II

Report on Festive Lending in India

Foreword



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Welcome to the 2nd edition of How India Celebrates Report. This report presents analysis of trends and insights into the festive season lending in India.

In India, 3rd quarter of every financial year is witness to a significant rise in expenditure on valuables assets such as a house, a vehicle, a household appliance or any other. This is because, there are several festivals in the quarter, making it an auspicious period to make such purchases. The demand is accentuated by several lucrative offers provided by realty builders, vehicle dealers and merchant establishments in general. Numerous automobiles retailers also give year-end discounts in the month of December. As a result, there is an increase in the demand for retail loans during this season to fund these requirements.

Many lenders also give additional benefits to customers such as lowered/zero processing costs, lower interest rates, zero down payment plans, etc., during this period.

This report deep dives into festive season lending for major consumer lending products Auto Loans (AL), Two-Wheeler Loans (TW), Personal Loans (PL), Consumer Durable Loans (CD) and Home Loans (HL).

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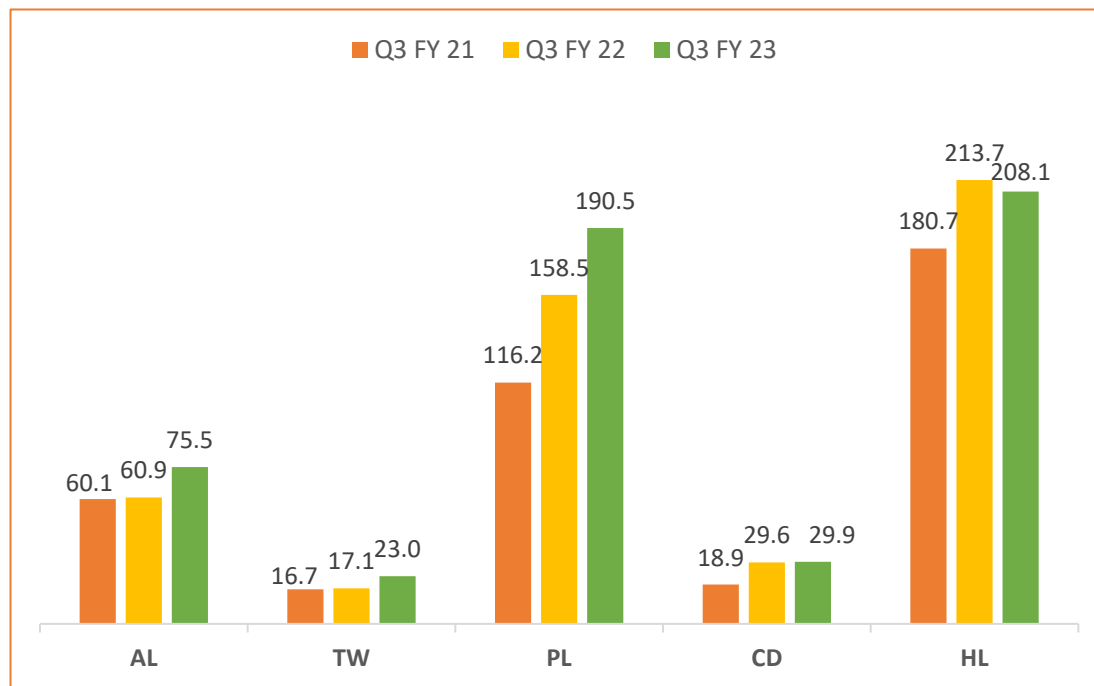
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Executive Summary

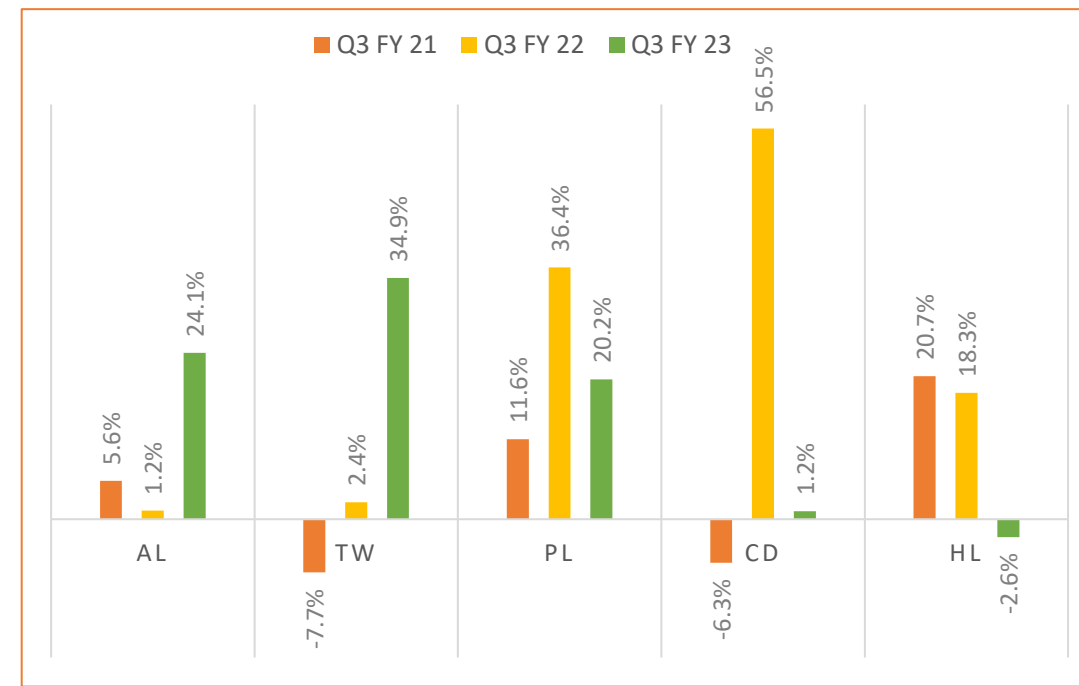
- Consumer lending products - Auto Loans, Two-Wheeler Loans, Personal Loans, Consumer Durable Loans and Home Loans are considered for analysis on festive season lending. Festive season is defined as third quarter of the financial year (Oct-Nov-Dec)
- Festive season (Q3) has been a good quarter compared to rest of the year for Auto Loans, Two-Wheeler Loans and Consumer Durable Loans originations in the last few years
- From Q3 FY22 to Q3 FY23, Auto Loans, Two-Wheeler Loans and Personal Loans witnessed good growth in originations (value)
- Public Sec Banks dominated originations (value) for Auto Loans, Personal Loans and Home Loans, during festive season (Q3)
- NBFCs dominated originations (volume) for Auto Loans, Two-Wheeler Loans, Personal Loans and Consumer Durable Loans during festive season (Q3)
- Among top 10 states, originations (value) is highest in Maharashtra for Auto Loans, Personal Loans, Consumer Durable Loans and Home Loans and in Uttar Pradesh for Two-Wheeler Loans
- Among top 10 cities, originations (value) is highest in Delhi NCR for Auto Loans, Two-Wheeler Loans, Personal Loans and Consumer Durable Loans and in Mumbai for Home Loans

Originations during Festive Season (Q3)

Originations Value (₹ K Crore)



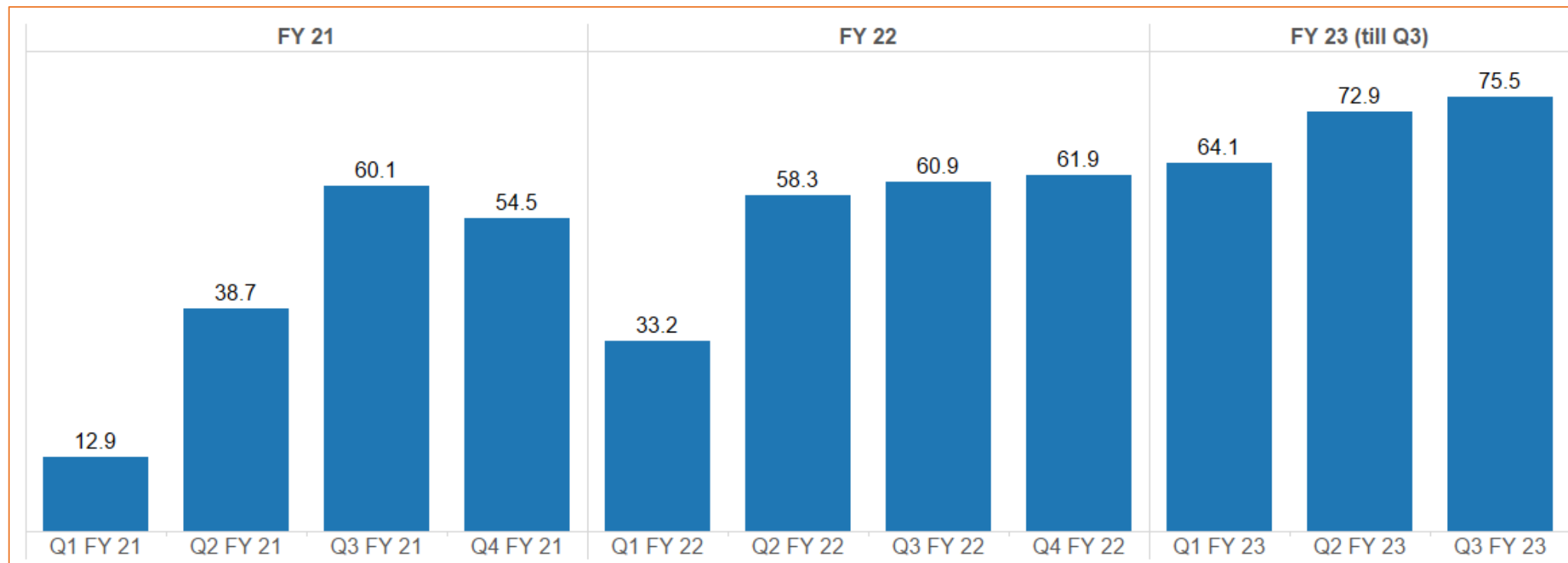
Originations Growth (Value %)



- Growth in originations (value) for all loan products is observed from Q3 FY22 to Q3 FY23 except, Home Loans
- Auto Loans witnessed 24.1% growth in originations (value) and 5% growth in originations (volume) from Q3 FY22 to Q3 FY23
- Two-Wheeler Loans witnessed 34.9% growth in originations (value) and 20% growth in originations (volume) from Q3 FY22 to Q3 FY23
- Personal Loans witnessed 20.2% growth in originations (value) and 24% growth in originations (volume) from Q3 FY22 to Q3 FY23
- Consumer Durable Loans witnessed 1.2% growth in originations (value) and 12% growth in originations (volume) from Q3 FY22 to Q3 FY23

Auto Loans - Originations

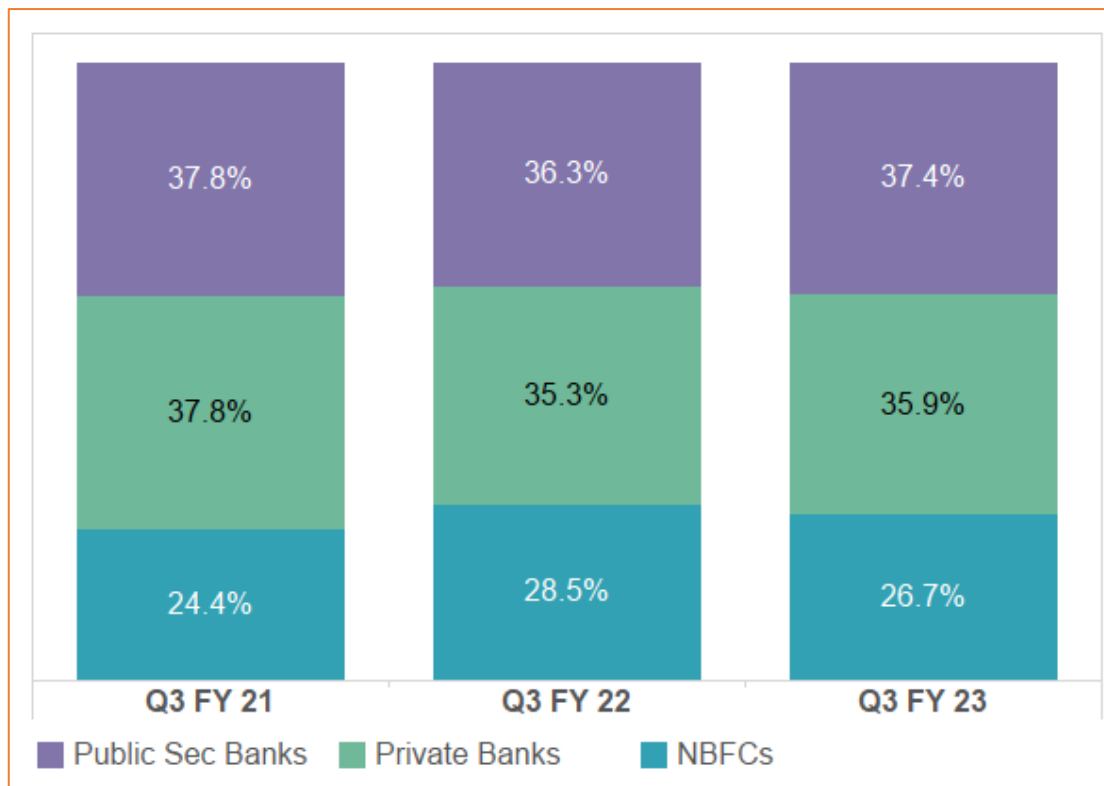
Originations Value (₹ K Crore)



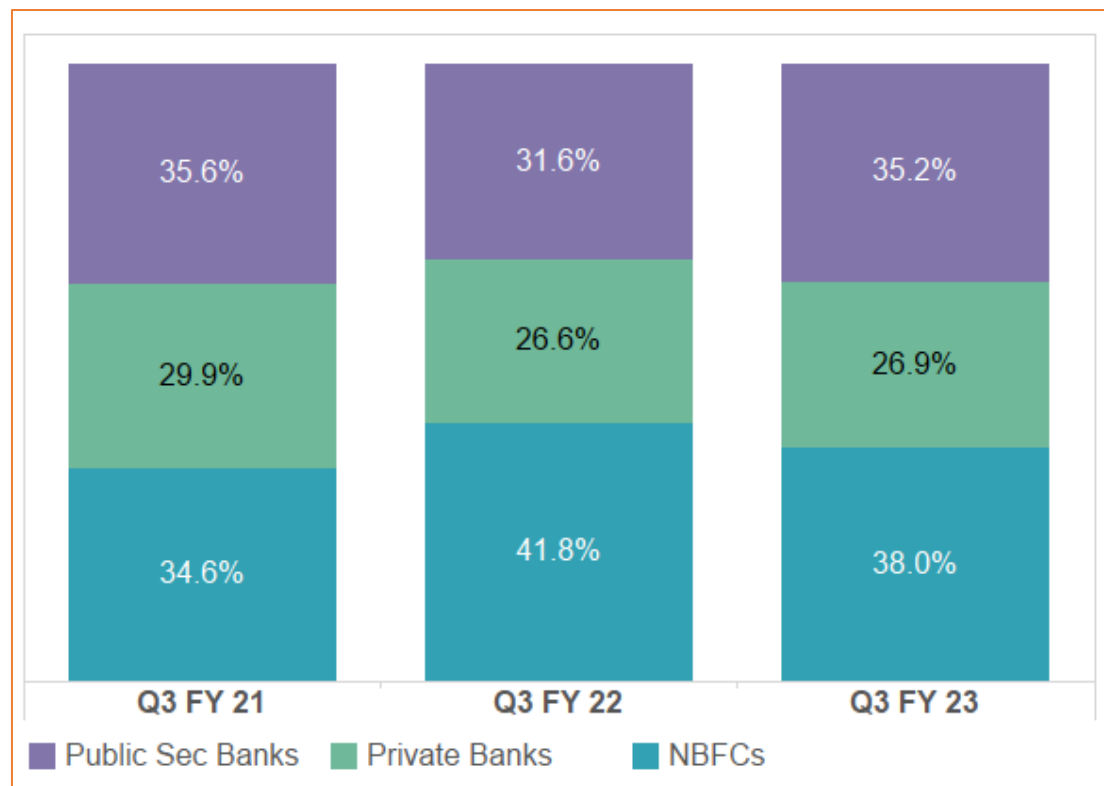
- Festive season (Q3) has typically been the best quarter for AL originations over the past few years except FY22
- 24% growth in originations (value) during festive season from ₹60.9 K crore in Q3 FY22 to ₹75.5 K crore in Q3 FY23
- 5% growth in originations (volume) during festive season from Q3 FY22 to Q3 FY23, while 18.5% growth in average ticket size from ₹6.5L in Q3 FY22 to ₹7.7L in Q3 FY23

Auto Loans - Originations by Lender Type

Originations Value – Lender Type



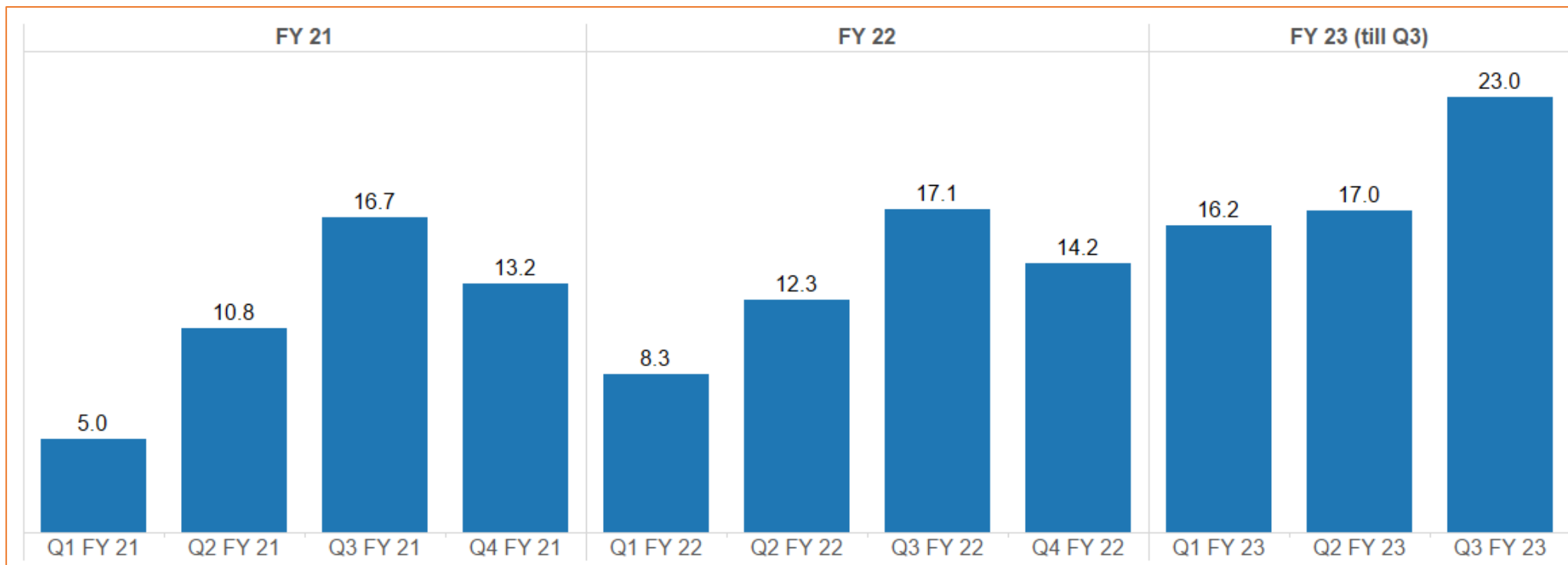
Originations Volume – Lender Type



- Public Sector banks dominated originations (value) while NBFCs dominated originations (volume) in Q3 FY23
- Public Sector banks gained share in originations (value and volume) during festive season from Q3 FY22 to Q3 FY23
- NBFCs witnessed decline in originations share (value and volume) during festive season from Q3 FY22 to Q3 FY23

Two-Wheeler Loans - Originations

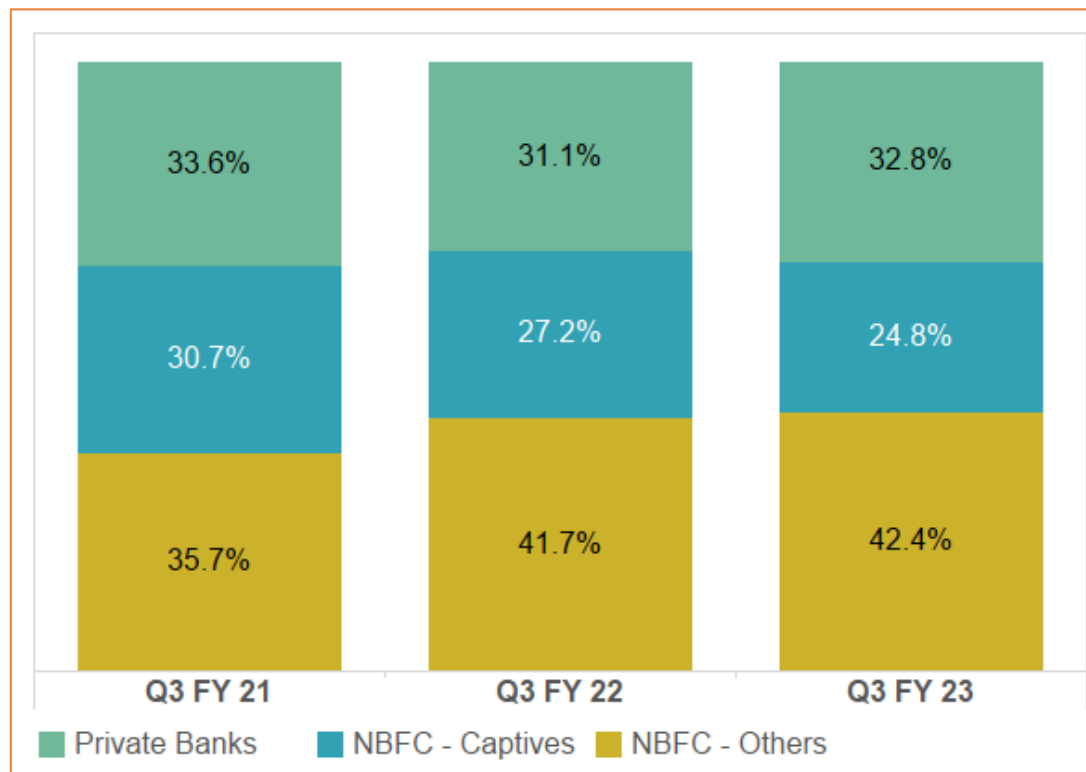
Originations Value (₹ K Crore)



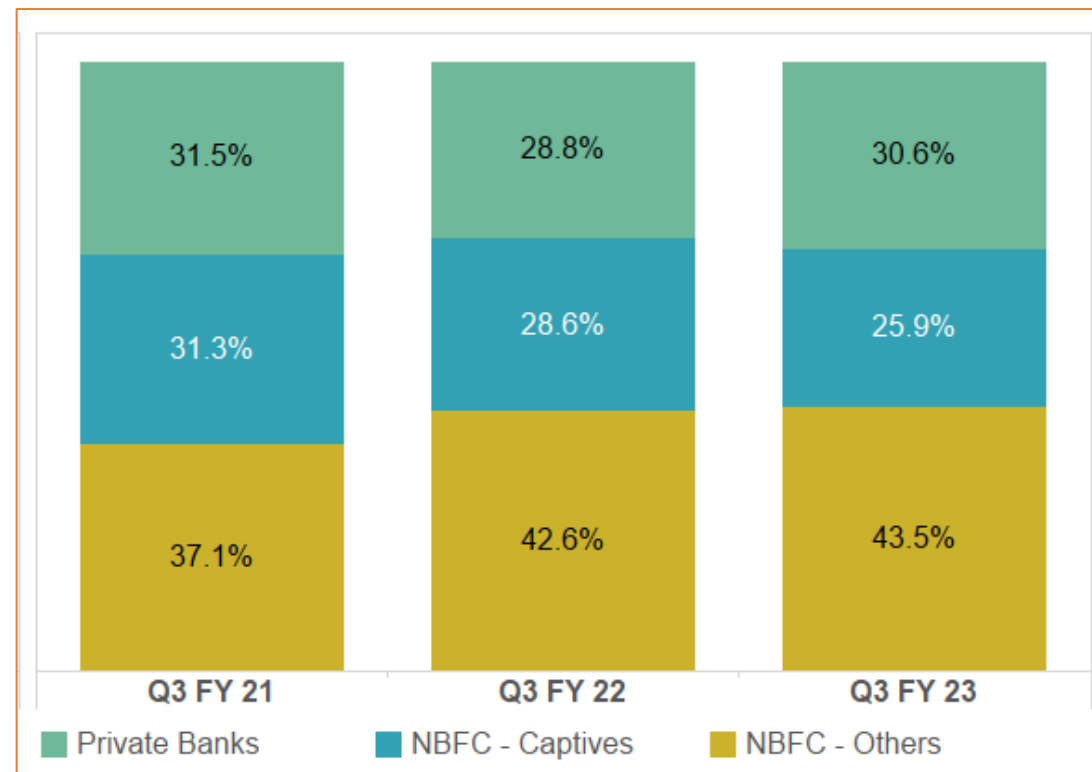
- Festive season (Q3) has been the best quarter for TW originations over the past few years by value and volume
- 34.5% growth in originations (value) during festive season from ₹17.1 K crore in Q3 FY22 to ₹23 K crore in Q3 FY23. Contribution of Rural, Semi Urban and Urban geographies to this growth from Q3 FY22 to Q3 FY23 has been at par
- 20% growth in originations (volume) during festive season from Q3 FY22 to Q3 FY23, while 12% growth in average ticket size from ₹75K in Q3 FY22 to ₹84K in Q3 FY23

Two-Wheeler Loans - Originations by Lender Type

Originations Value – Lender Type



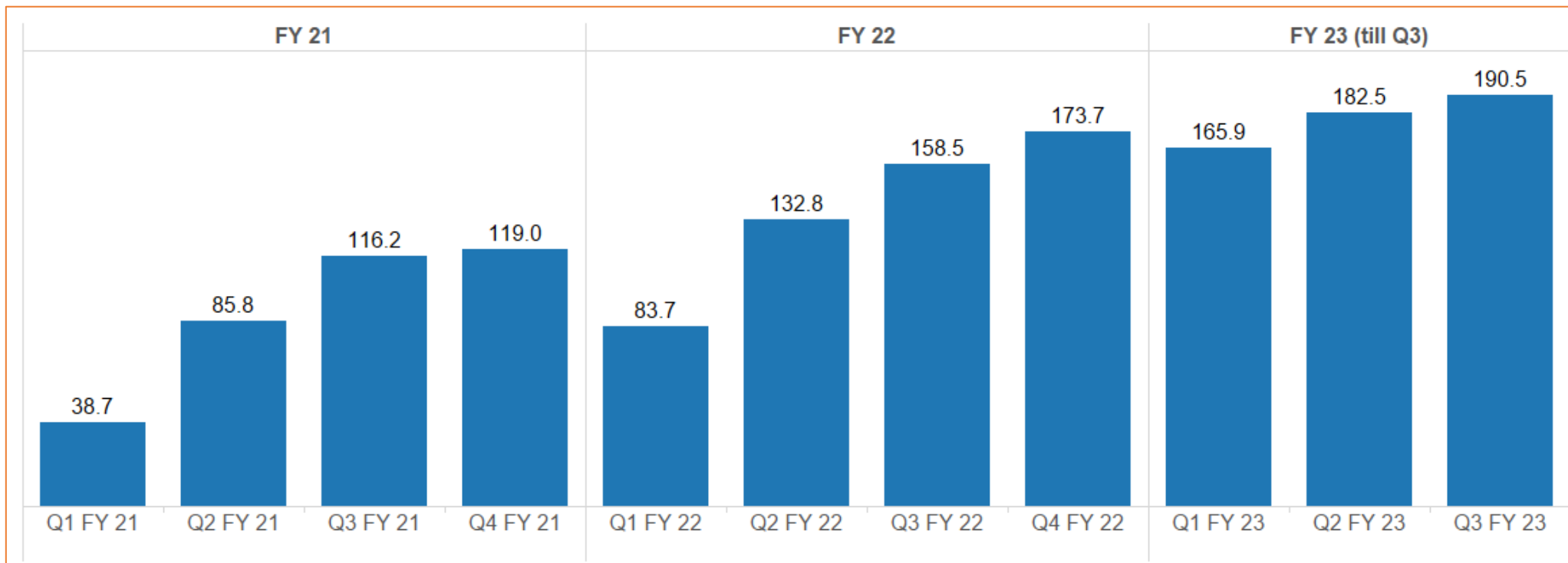
Originations Volume – Lender Type



- NBFC – Others dominated originations (value and volume) during festive seasons Q3 FY21, Q3 FY22 and Q3 FY23
- NBFC - Captives witnessed decline in share in originations (value and volume) during festive season from Q3 FY22 to Q3 FY23
- NBFC – Others and Private banks gained origination share (value and volume) during the same period

Personal Loans - Originations

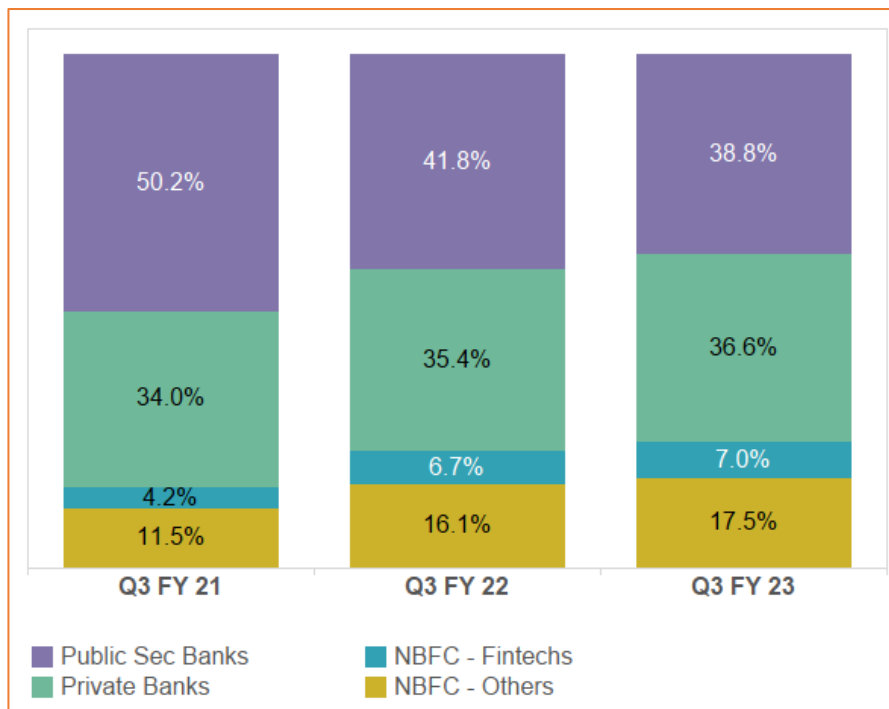
Originations Value (₹ K Crore)



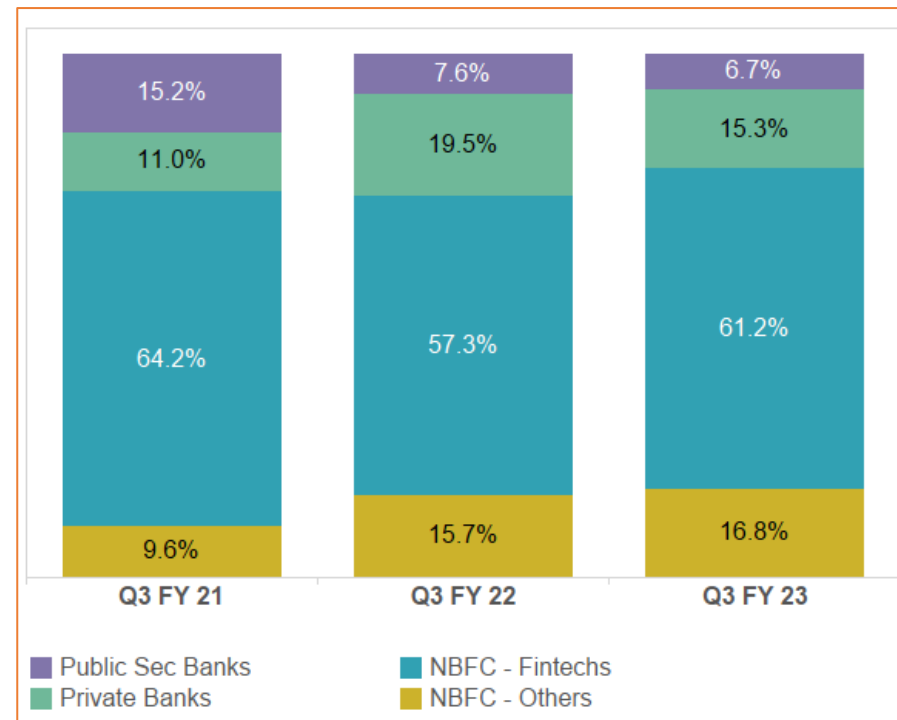
- 20.2% growth in originations (value) during festive season from ₹158.5 K crore in Q3 FY22 to ₹190.5 K crore in Q3 FY23
- 24% growth in originations (volume) during festive season from Q3 FY22 to Q3 FY23
- 3.3% decline in average ticket size from ₹82.4K in Q3 FY22 to ₹79.7K in Q3 FY23
- New to Bank borrowers constitute 33% of originations (value) during festive seasons Q3 FY22 and Q3 FY23

Personal Loans - Originations by Lender Type

Originations Value – Lender Type



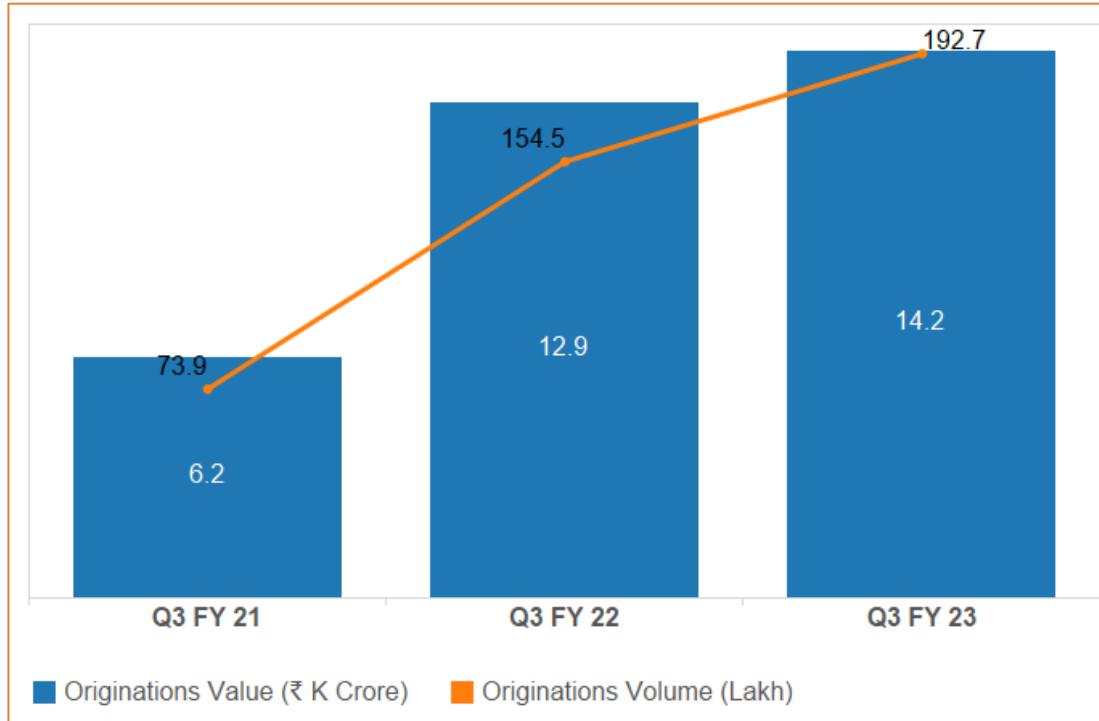
Originations Volume – Lender Type



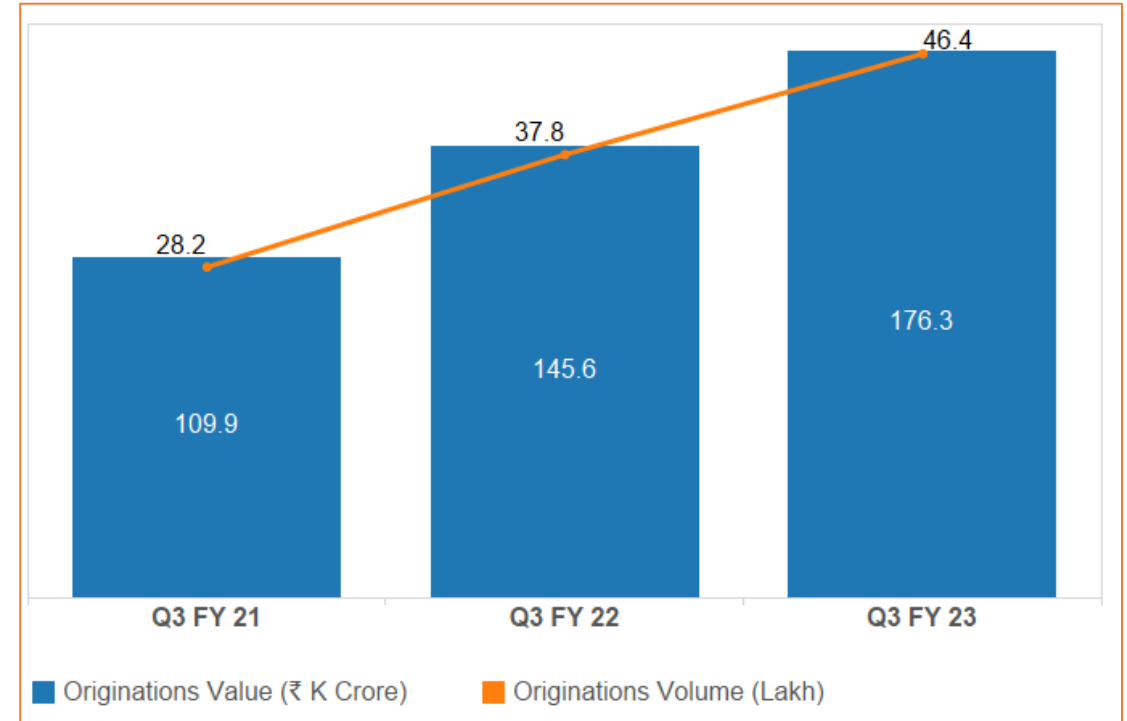
- Originations (value) dominated by Public Sector Banks during festive seasons Q3 FY21, Q3 FY22 and Q3 FY23
- NBFC - Fintechs, Private Banks and NBFC - Others gained share in originations (value) in festive season from Q3 FY22 to Q3 FY23, while Public Sector banks witnessed decline in share during the same period
- Originations (volume) dominated by NBFC - Fintechs with share increasing from 57.3% in Q3 FY22 to 61.2% in Q3 FY23. Public Sector banks and Private Banks witnessed decline in share during the same period

Personal Loans (<₹50K & >₹50K) - Originations

PL Originations – Ticket Size <₹50K



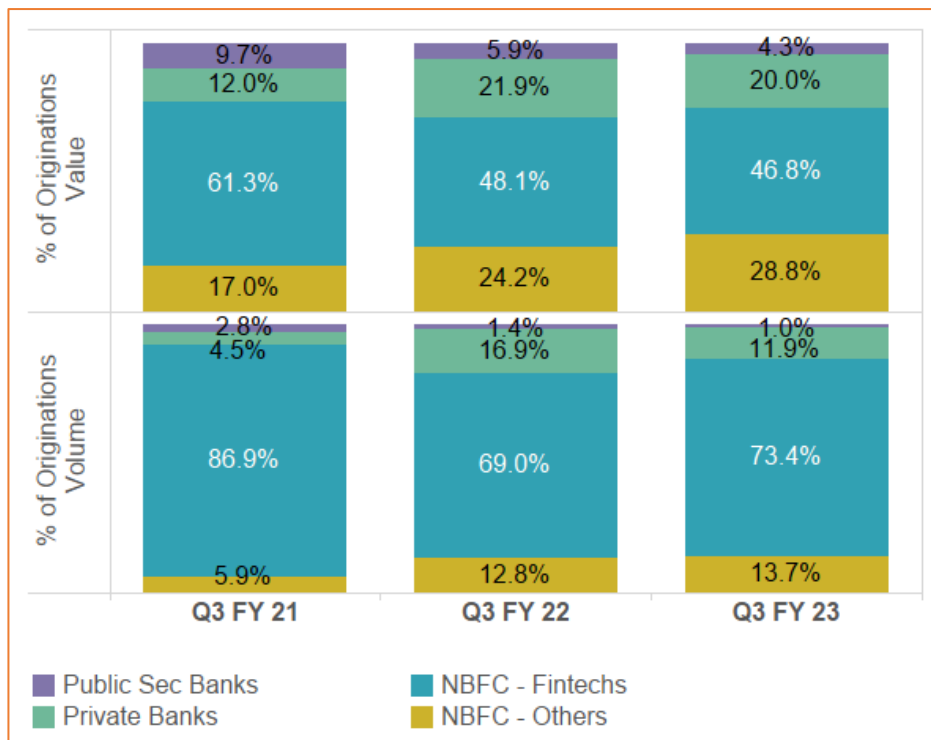
PL Originations – Ticket Size >₹50K



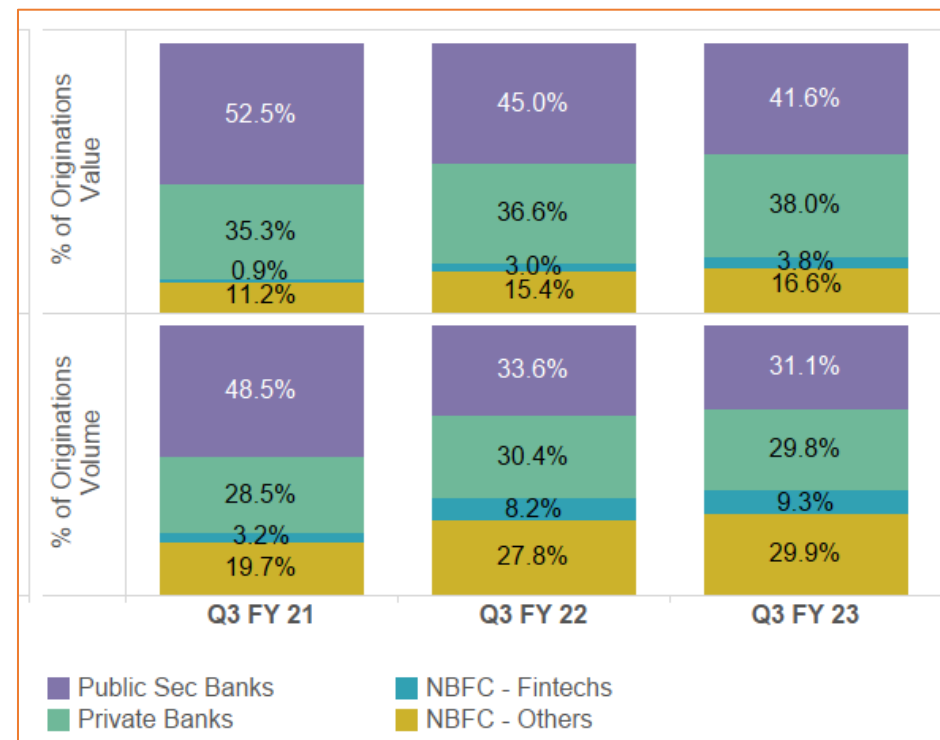
- 10.1% growth in originations (value) for PL <₹50K and 21.1% growth for PL >₹50K during festive season from Q3 FY22 to Q3 FY23
- 24.7% growth in originations (volume) for PL <₹50K and 22.8% growth for PL >₹50K during the same period
- 10.8% decline in Average Ticket Size of PL <₹50K from ₹8.3K in Q3 FY22 to ₹7.4K in Q3 FY23, and 1.3% decline for PL >₹50K from ₹385.5K in Q3 FY22 to ₹380.4K in Q3 FY23

Personal Loans (<₹50K & >₹50K) - Originations by Lender Type

PL Originations – Ticket Size <₹50K – Lender Type



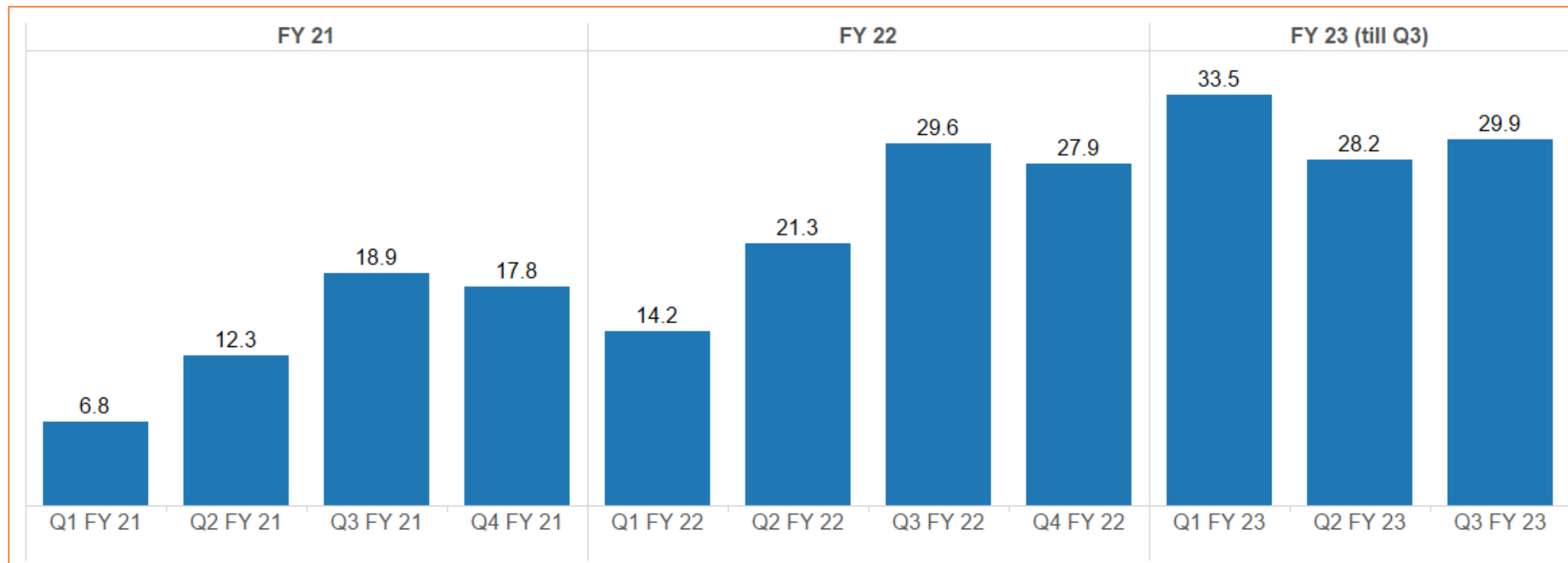
PL Originations – Ticket Size >₹50K – Lender Type



- For PL <₹50K, NBFC - Fintechs dominated originations (value and volume) during festive season. However their share has continued to decline, while that of NBFC - Others has increased
- Public Sector Banks and Private Banks witnessed decline in originations share (value and volume) from Q3 FY22 to Q3 FY23
- For PL >₹50K, Public Sector Banks dominated originations (value and volume) during festive season. However their share has continued to decline, while that of NBFC – Fintechs and NBFC - Others has increased during festive season

Consumer Durable Loans - Originations

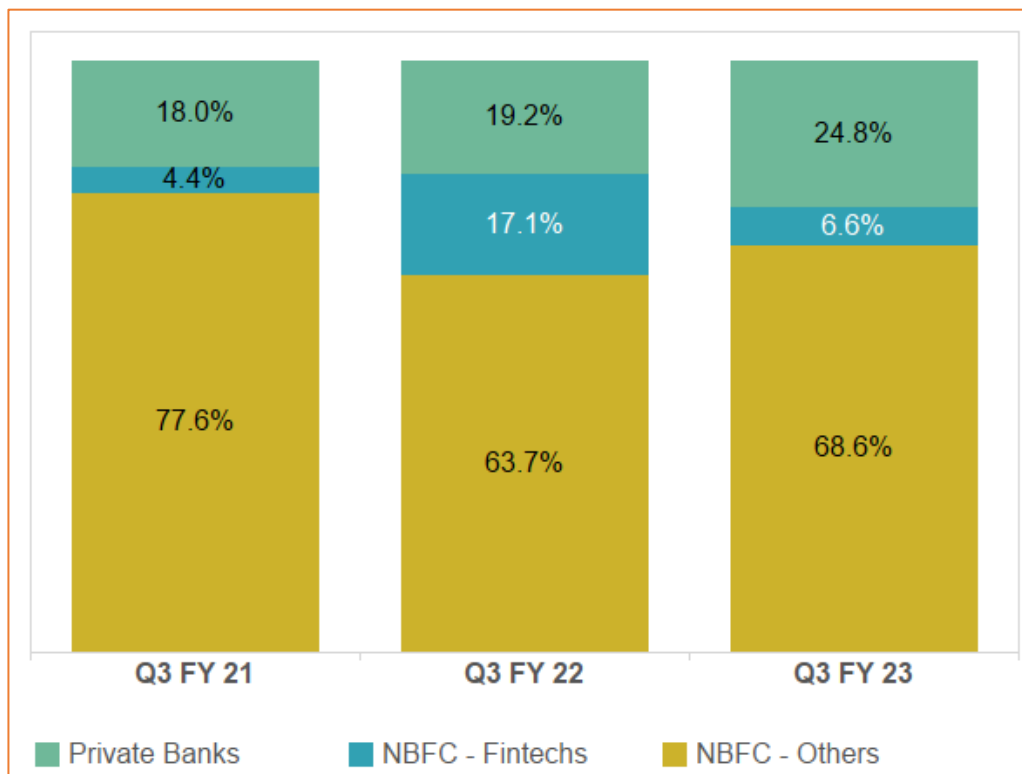
Originations Value (₹ K Crore)



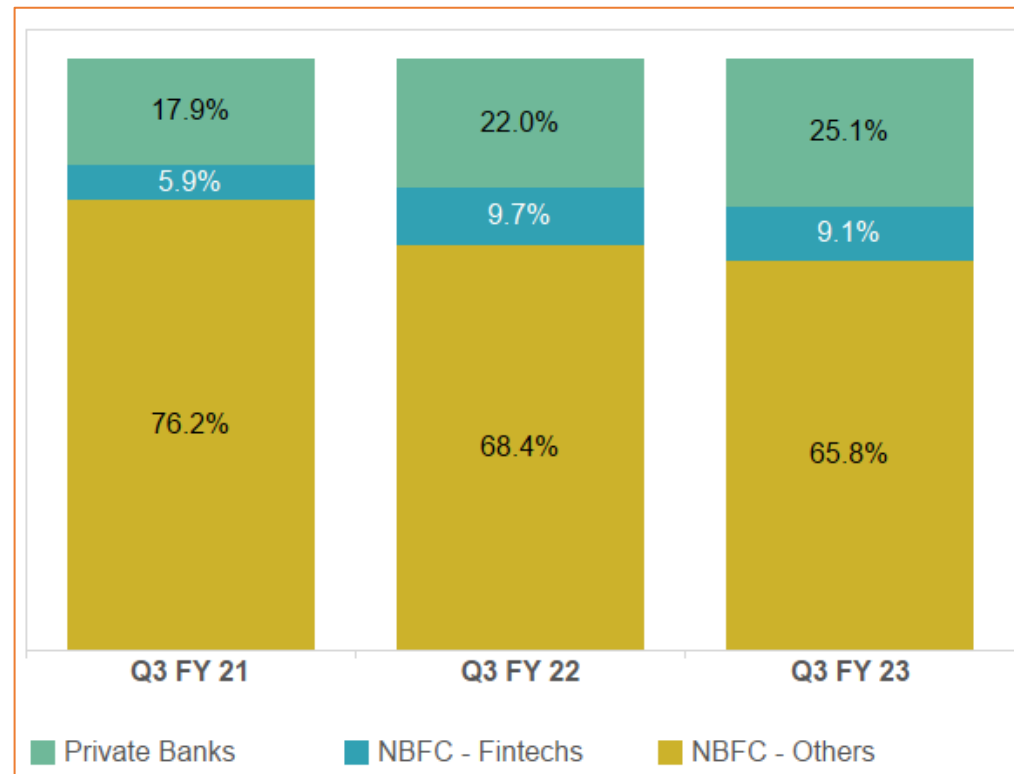
- Festive season (Q3) has been a good quarter compared to rest of the year for CD originations in the last few years
- 1% growth in originations (value) from ₹29.6 K crore in Q3FY22 to ₹29.9 K crore in Q3 FY23
- 12% growth in originations (volume) during festive season from Q3 FY22 to Q3 FY23
- 9.3% decline in average ticket size from ₹22.7K in Q3 FY22 to ₹20.6K in Q3 FY23

Consumer Durable Loans - Originations by Lender Type

Originations Value – Lender Type



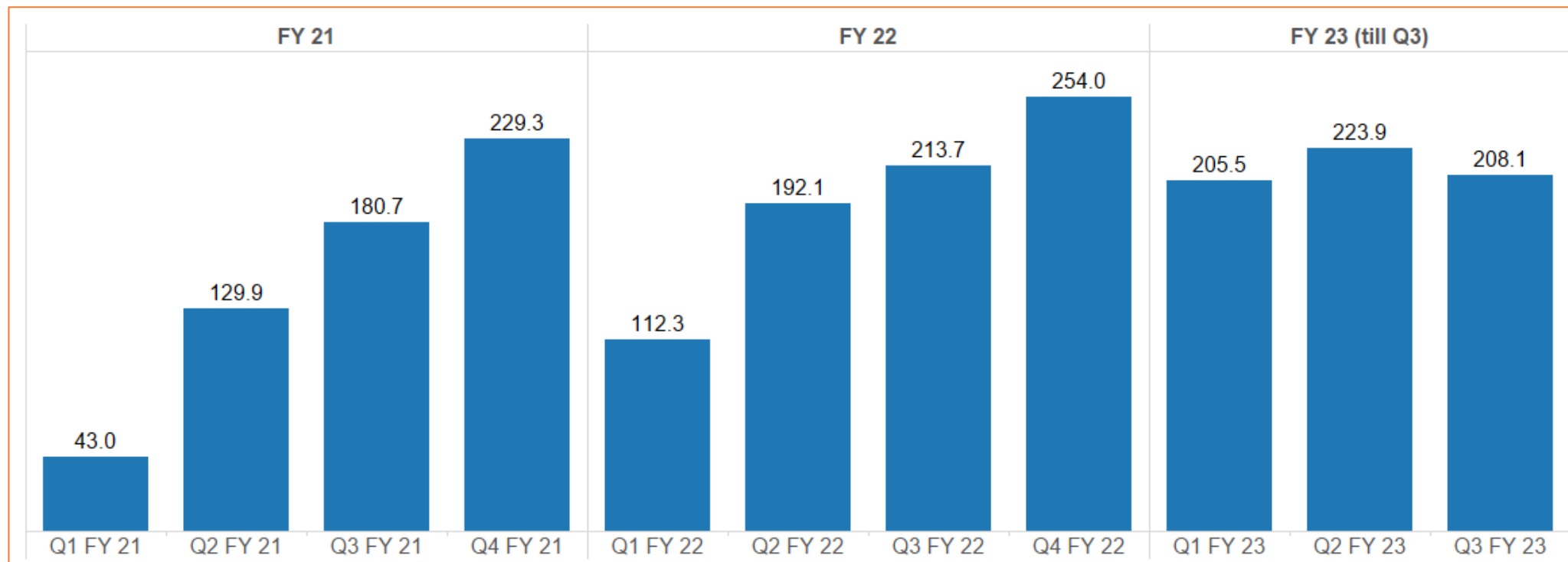
Originations Volume – Lender Type



- Originations (value and volume) dominated by NBFC – Others during festive seasons Q3 FY21, Q3 FY22 and Q3 FY23. Private banks have continued to gain share in originations (value and volume) during same period
- NBFC - Others witnessed increase in originations share (value) from Q3 FY22 to Q3 FY23, while originations share (volume) declined during same period
- Originations share (value and volume) declined for NBFC - Fintechs during festive season from Q3 FY22 to Q3 FY23

Home Loans - Originations

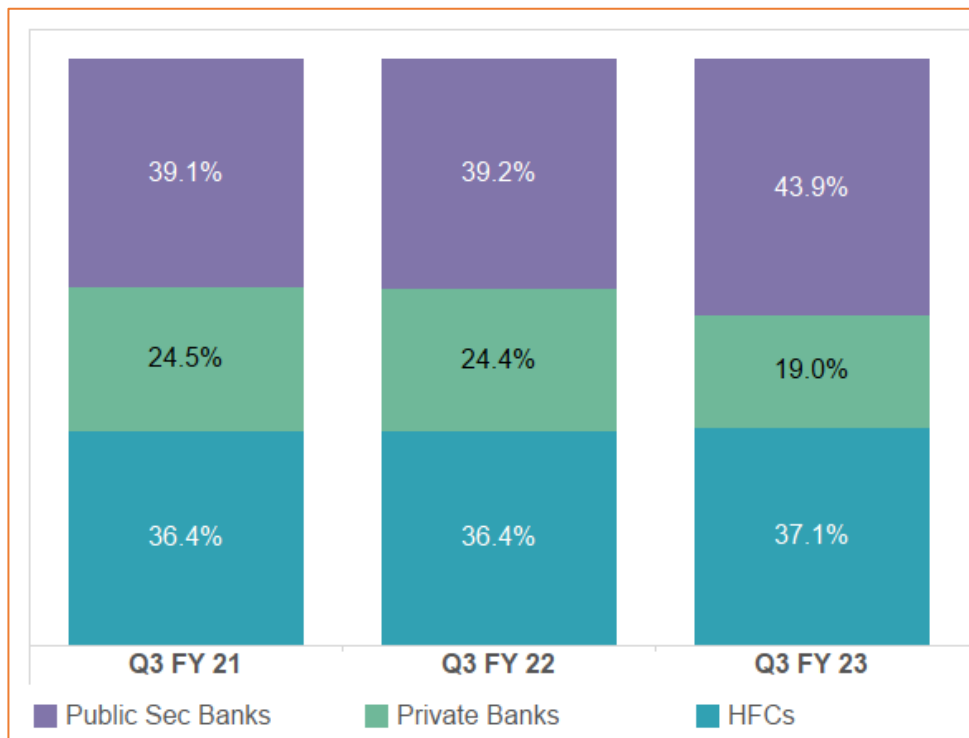
Originations Value (₹ K Crore)



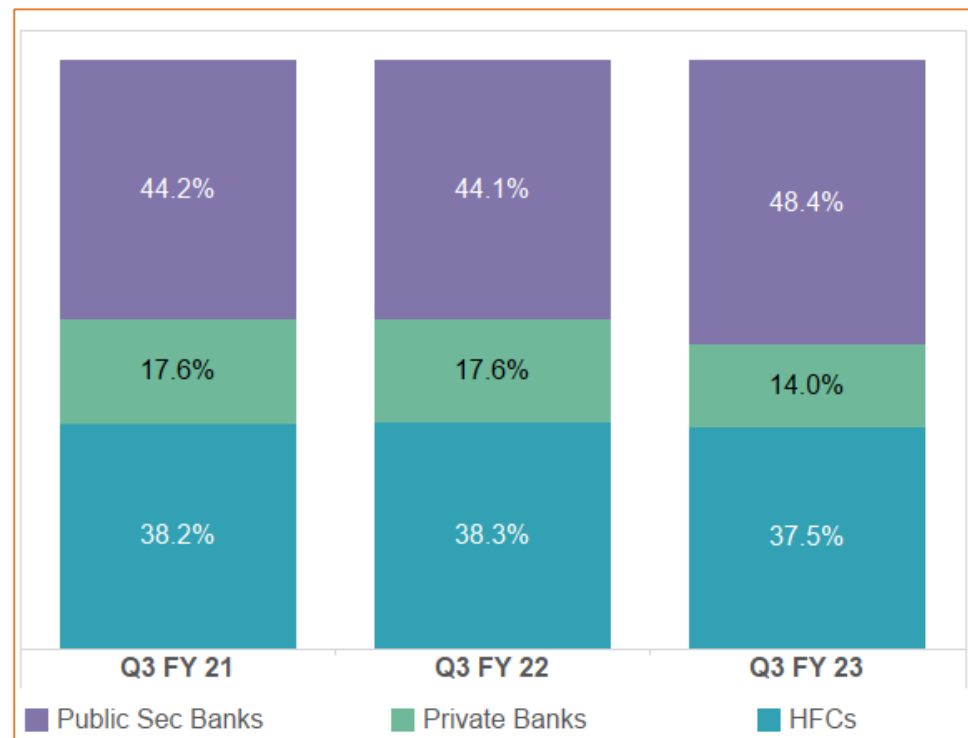
- 2.6% decline in originations (value) during festive season from ₹ 213.7 K crore in Q3 FY22 to ₹ 208.1 K crore in Q3 FY23
- 14.4% decline in originations (value) in Home Loans with ticket size (<₹25L) and 9% decline in ₹25L-₹35L loans from Q3 FY22 to Q3 FY23. However there is 5.5% growth in >₹35L loans during the same period
- 7% decline in originations (volume) during festive season from Q3 FY22 to Q3 FY23, while 4.2% growth in average ticket size from ₹23.9L to ₹24.9L during same period

Home Loans - Originations by Lender Type

Originations Value – Lender Type



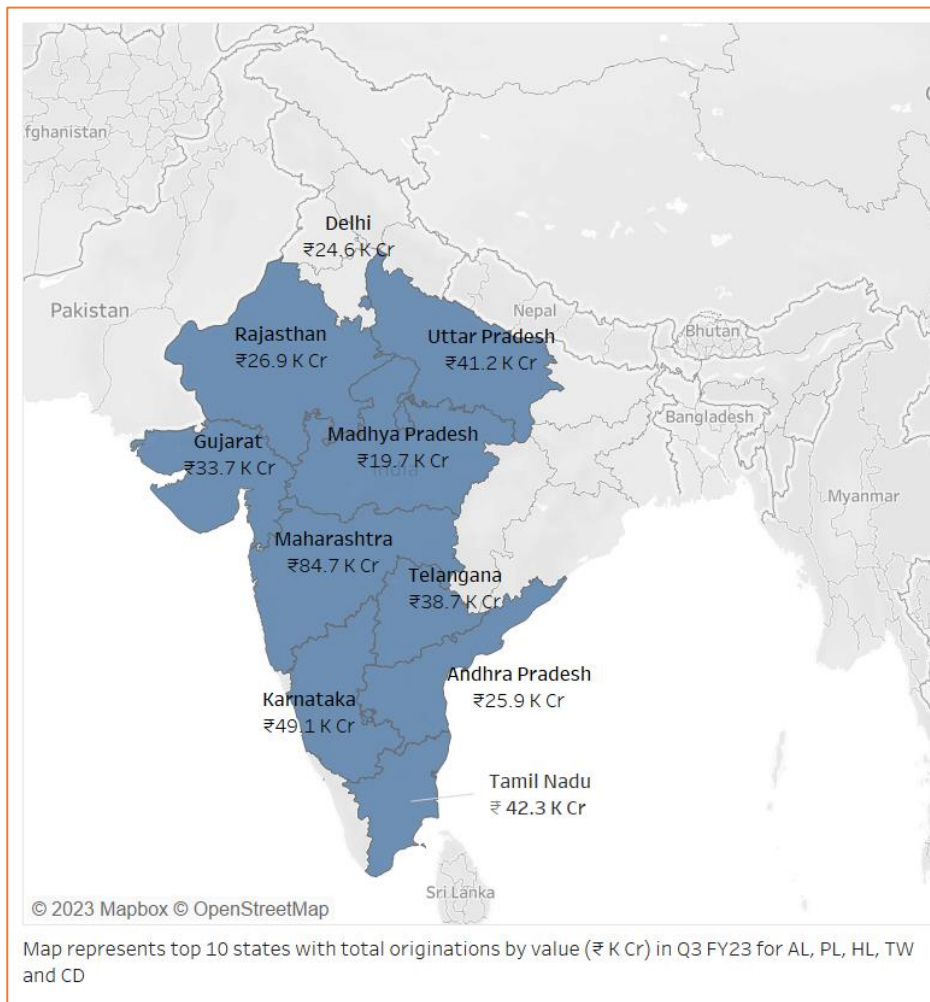
Originations Volume – Lender Type



- Public Sector Banks dominated originations (value and volume) during festive seasons Q3 FY21, Q3 FY22 and Q3 FY23
- Public Sector Banks and HFCs gained share in originations (value) during festive season from Q3 FY22 to Q3 FY23, while Private Banks witnessed decline in originations share (value and volume) during the same period
- Public Sector Banks gained originations share (volume) during festive season from Q3 FY22 to Q3 FY23, while that of HFCs declined

Originations in Q3 FY 23 – Top 10 States

Top 10 States - Originations



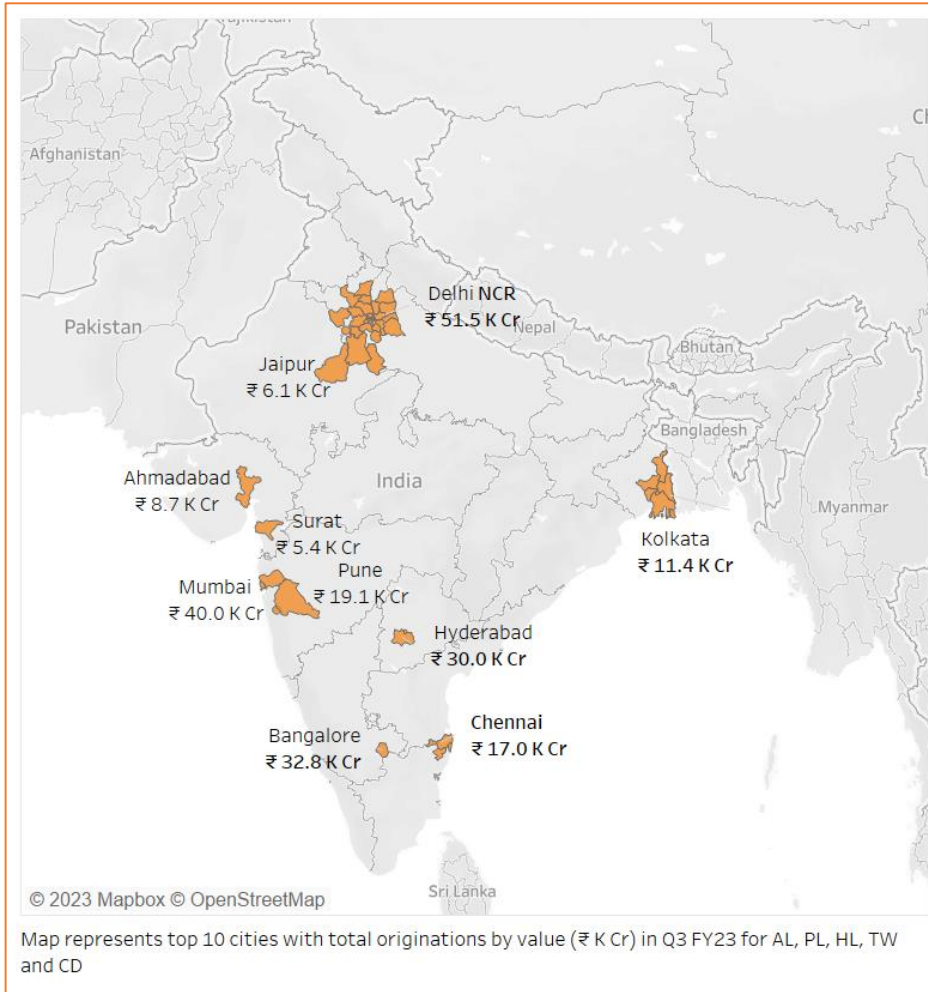
Top 10 States – Originations by Product (₹ Crore)

Top 10 States	Auto Loans	Two-Wheeler Loans	Personal Loans	Consumer Durable Loans	Home Loans	Total
Maharashtra	9,247	2,666	22,976	4,643	45,120	84,653
Karnataka	5,559	1,339	16,633	2,401	23,178	49,110
Tamil Nadu	5,114	1,651	16,726	2,409	16,434	42,334
Uttar Pradesh	7,127	2,957	16,619	2,329	12,149	41,182
Telangana	4,538	870	14,341	1,982	16,967	38,698
Gujarat	6,652	1,652	7,341	2,011	16,029	33,684
Rajasthan	4,416	1,483	10,504	1,363	9,101	26,867
Andhra Pradesh	2,390	884	11,564	1,601	9,417	25,857
Delhi	4,275	570	6,883	1,273	11,562	24,562
Madhya Pradesh	3,217	1,498	7,324	1,140	6,521	19,699

- Top 10 states contributed to 73% of overall originations (value) in Q3 FY23 for these 5 products
- Among top 10 states, originations (value) is highest in Maharashtra for Auto Loans, Personal Loans, Consumer Durable Loans and Home Loans and in Uttar Pradesh for Two-Wheeler Loans.
- Uttar Pradesh improved its position from 5th largest to 4th largest state in terms of originations (value) from Q3 FY22 to Q3 FY23, while Andhra Pradesh moved from 9th largest to 8th largest state
- Madhya Pradesh replaced West Bengal as 10th largest state by originations (value) in Q3 FY23

Originations in Q3 FY 23 – Top 10 Cities

Top 10 Cities - Originations



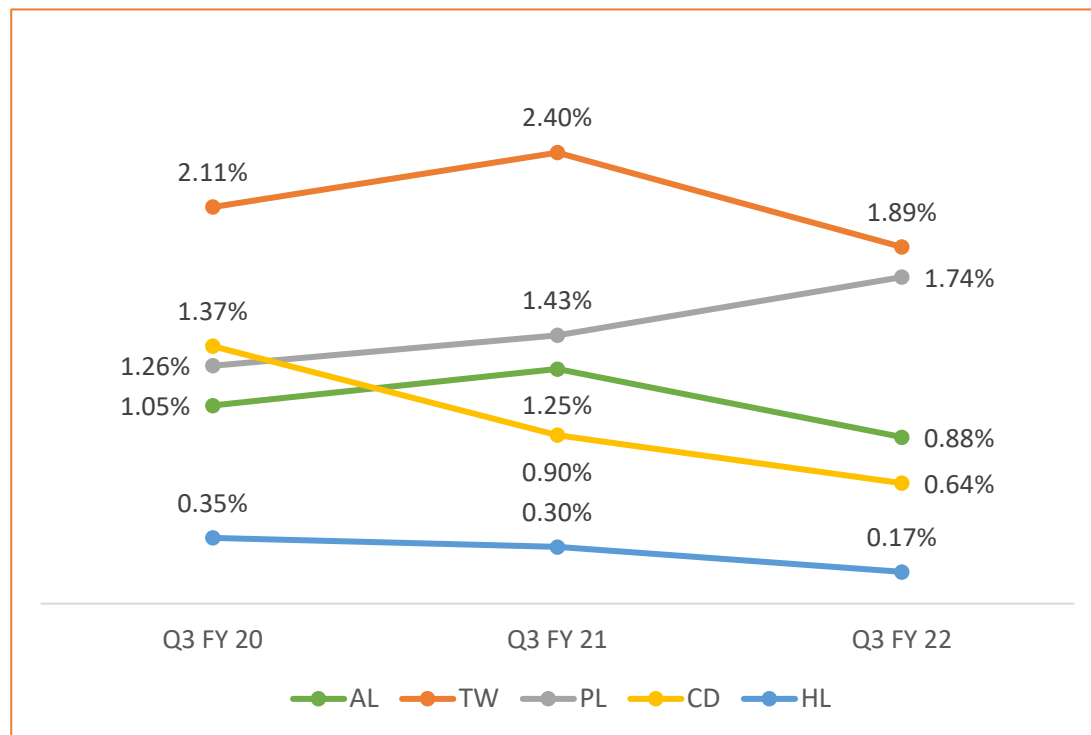
Top 10 Cities – Originations by Product (₹ Crore)

Top 10 Cities	Auto Loans	Two-Wheeler Loans	Personal Loans	Consumer Durable Loans	Home Loans	Total
Delhi NCR	9,233	1,579	15,617	2,465	22,592	51,486
Mumbai	3,391	686	9,061	1,820	25,068	40,025
Bangalore	3,296	514	10,398	1,104	17,468	32,780
Hyderabad	3,587	611	10,379	1,505	13,847	29,930
Pune	2,426	462	4,974	856	10,392	19,109
Chennai	1,934	393	6,330	765	7,540	16,961
Kolkata	1,088	497	4,209	932	4,636	11,362
Ahmadabad	1,626	267	1,578	449	4,745	8,666
Jaipur	1,058	221	1,810	267	2,724	6,081
Surat	859	206	1,170	353	2,786	5,374

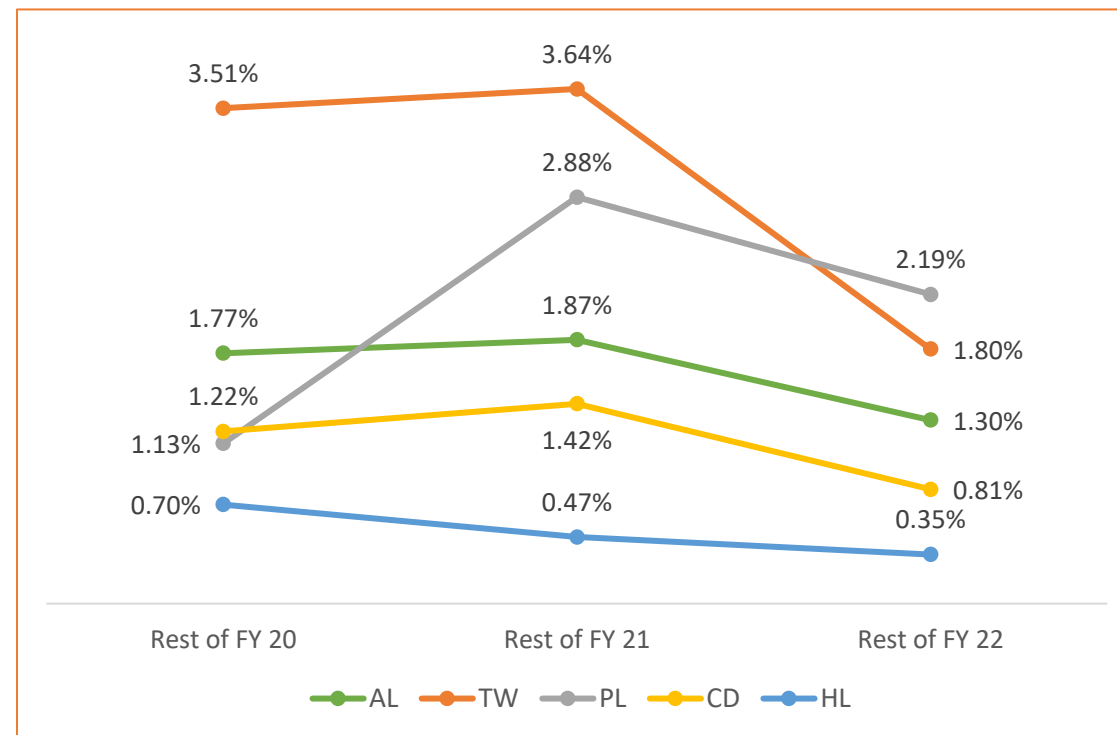
- Top 10 cities contributed to 42% of overall originations (value) in Q3 FY23 for these 5 products
- Among top 10 cities, originations (value) is highest in Delhi NCR for Auto Loans, Two-Wheeler Loans, Personal Loans and Consumer Durable Loans and in Mumbai for Home Loans

6 MOB PAR 30+ Trends

6 MOB PAR 30+ for Originations during Festive Season



6 MOB PAR 30+ for Originations during Rest of FY



- For Auto Loans and Home Loans, 6 MOB PAR 30+ for originations in Q3 FY20, Q3 FY21 and Q3 FY22 are lower compared to Rest of Financial Year
- For Two-Wheeler Loans, 6 MOB PAR 30+ for originations in Q3 FY20 and Q3 FY21 are lower compared to Rest of Financial Year
- For Personal Loans and Consumer Durable Loans, 6 MOB PAR 30+ for originations in Q3 FY21 and Q3 FY22 are lower compared to Rest of Financial Year

Definitions

- Portfolio outstanding or value refers to the current outstanding balance of the loan account
- Active loans or volume refers to the number/count of active loans
- Originations value refers to total sanctioned amount
- Originations volume refers to number of loans sanctioned
- 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.
- Lender category NBFC-Captives includes Bajaj Finance Limited, TVS Credit Services Limited, and Hero Fincorp Limited
- New to Bank (NTB) refers to 1st ever loan taken by a borrower from a lender
- Delhi NCR comprises National Capital Territory (NCT) of Delhi, surrounding urban areas covering 12 districts of Haryana, 7 districts of Uttar Pradesh and 2 districts of Rajasthan
- Mumbai city comprises Mumbai, Mumbai Suburban, Raigarh and Thane districts
- Hyderabad city comprises Hyderabad, Rangareddy, Medak and Nalgonda districts
- Chennai city comprises Chennai, Kanchipuram and Thiruvallur districts
- Kolkata city comprises Kolkata, Hugli, Haora, Nadia, North 24 Parganas and South 24 Parganas

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

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