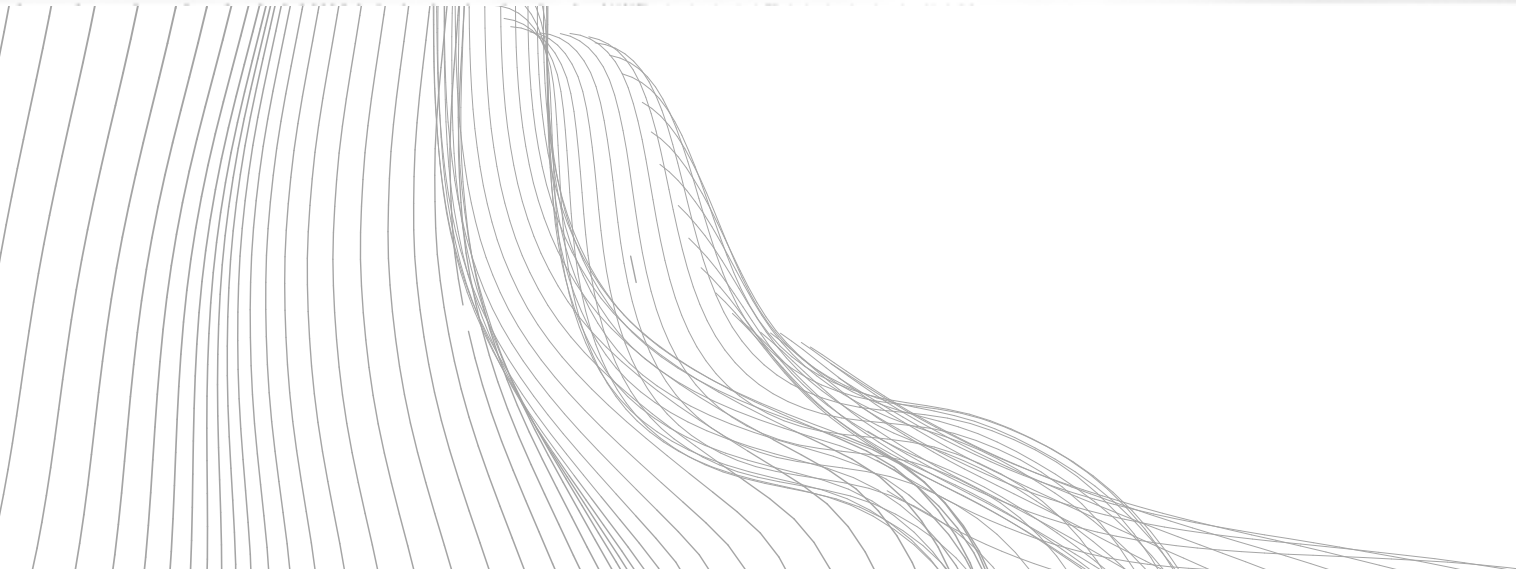




— HOW — INDIA LENDERS

**CREDIT LANDSCAPE
IN INDIA FY2023**





SANJEET DAWAR

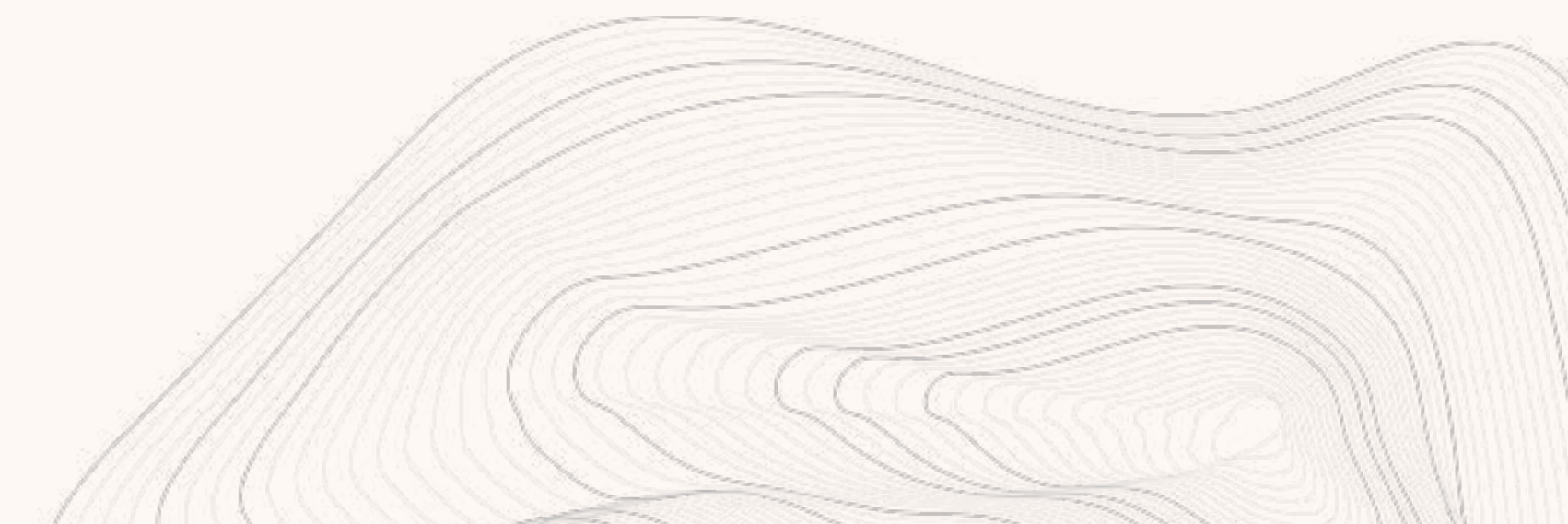
Managing Director, CRIF High Mark

Welcome to the third issue of our report, How India Lends - FY2023.

The Indian economy remained a bright spot even as geopolitical tensions, banking and financial sector volatility, historic inflationary highs and COVID related disturbances affected much of the large economies. However, India emerged as the fastest growing major economy in the world with GDP growth of more than 7.0%. The banking and non-banking financial services sector in India also remained healthy and evolved in an orderly manner. Supported by increased capex allocation, rationalisation of income tax slabs to aid consumption demand & other reforms, it is likely that India will withstand global headwinds in FY2024 as well with expected GDP growth in excess of 6%.

This resilience of Indian economy, progressive reforms introduced by the government & regulator and innovations by lending ecosystem had resulted in improved credit uptake and improved delinquencies across Retail, Microfinance and MSME loans in FY23. Our report How India Lends - FY2023 highlights this growth and provides key insights into each of the major product categories. While the key focus is growth in FY23, we have evaluated a broad range of parameters to showcase key trends with the help of our in-house expertise on lending ecosystem and advanced analytics.

We hope you find this report to be valuable and look forward to your feedback.



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Definitions

- **This version of How India Lends is based on data reported as on June 2023**
- **The following criteria and filters have been applied in this report:**
 - **Consumption Lending** includes Home Loans, Personal Loans, Two-Wheeler Loans, Auto Loans, Consumer Durable Loans and Credit Cards.
 - **NBFCs Captives in Two Wheeler Loans** refers to Hero Fincorp Limited, Bajaj Auto Finance Limited and TVS Credit Services Limited.
 - **Auto Loans:** Only Auto Loans (Personal) are considered in this report.
 - **Consumer Durable Loans:** Only lender types NBFCs and Private Banks are considered in this report.
 - **Entity MSME Loans:** Entity MSME Loans are defined on the basis of entity level credit exposure of upto ₹50 Crore.
 - **Individual MSME Loans:** Individual MSME Loans include Business Loans (BL), Property Loans (LAP), Commercial Vehicle Loans (CVL) and Construction Equipment Loans (CEL).
 - **Business Loans:** Business Loans include 13 account types namely Business Loan General, Overdraft, Business Loan Priority Sector Small Business, Business Loan – Secured, Business Loan Priority Sector Others, Mudra Loans, Business Loan Unsecured, Loan to Professional, Microfinance Business Loan, GECL Loan Secured, GECL Loan Unsecured, Business Loan Against Bank Deposits and Prime Minister Jaan Dhan Yojana - Overdraft.
 - Rural and Urban geographies is defined at pincode level on the basis of Census data.
- **Through out this report:**
 - **Portfolio Outstanding or Value** refers to the current outstanding balance of the loan account, unless otherwise mentioned.
 - **Active Loans or Volume** refers to the number/count of active loans, 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 sanctioned amount, unless otherwise mentioned.
 - **Originations Volume** refers to the number of loans sanctioned, unless otherwise mentioned.
 - **PAR** or Portfolio at Risk refers to the proportion of delinquent portfolio.
 - **ATS** or Average Ticket Size refers to the average sanctioned amount.
 - **NBFC Fintechs** refer to NBFCs specialising in small ticket Loans.



Executive Summary



Consumption Loans:

Home Loans

Portfolio outstanding of Home Loans at ₹30.7 L Cr as of Jun'23. Home Loans are dominated by Public Sec Banks and Pvt Banks (by Value and Volume). There is 22% increase in ATS from ₹20.2L in FY20 to ₹24.7L in FY23. Shift in Originations (by Value and Volume) seen from ticket size ₹5L-₹35L to ₹35L-₹75L. HFCs and PSU Banks lead ticket size bands <₹75L, while Pvt banks lead ₹75L+ ticket size loans.

Personal Loans

Portfolio outstanding of Personal Loans at ₹10.9 L Cr as of Jun'23. Personal Loans are dominated by Public Sec Banks & Pvt Banks by value and NBFCs by volume. 2.1X growth in Originations (by Value) and 2.5X growth in Originations (by Volume) from FY20 to FY23 because of Fintech lead growth in small ticket and small tenor loans. Increase in Originations share (by Volume) for ticket size ₹<25K from 67% in FY20 to 75% in FY23. NBFC Fintechs lead growth in small ticket loans - 2.8X growth for <₹10K and 3.7X growth for ₹10K-50K from FY20 to FY23.

Two-Wheeler Loans

Portfolio outstanding (by Value) of Two-Wheeler Loans at ₹106.2 K Cr as of Jun'23. Two-Wheeler Loans are dominated by NBFCs (by both Value and Volume). 36% growth in Originations (by Value) from FY20 to FY23 followed by ~50% growth in Originations (by Value) from FY22 to FY23. Originations share of NBFCs (by Value) is 65.6% and (by Volume) is 68.6% in FY23. Shift in Originations (by Value and Volume) can be observed from <₹75K to ₹75K+ ticket size bands.



Executive Summary



Consumption Loans:

Auto Loans

Portfolio outstanding of Auto Loans at ₹5.9L Cr as of Jun'23. 63% Growth in Originations (by Value) from FY20 to FY23. Shift in Originations (by Value and Volume) can be seen from ticket size <₹10L to ₹10L+ from FY22 onwards partially due to increase in vehicle prices during the period.

Consumer Durable Loans

Portfolio outstanding of CD Loans at ₹53.9K Cr as of Jun'23. 57% Growth Originations (by Value) and 51% growth (by Volume) from FY20 to FY23. While NBFCs dominate Consumer Durable Loans, there is continuous Y-o-Y increase in Originations share for Private Banks. 2.4X increase in Originations (by Value) and 2.7X (by Volume) for ₹50K+ ticket size loans originated from FY20 to FY23.

Credit Cards

Credit Cards have total balances of ₹2.6L Cr and 895.3 Lakh cards in circulation as of Jun'23. Increase in PAR 1-30% from Jun'22 to Jun'23. Pvt Banks dominate Credit cards by value and volume. 69% growth in new cards (Origination Volume) issued from FY20 to FY23. Growth in share of Private Banks from FY22 onwards.



Executive Summary

MSME Loans:

Entity MSME Loans

Portfolio outstanding of Entity MSME Loans at ₹26L Cr as of Jun'23. Entity MSME Loans dominated by Private Banks by value and Public Sector Banks by volume. MSMEs witnessed highest Originations Value in recent quarters, with Micro Segment being the largest contributor.

Individual MSME Loans

Portfolio outstanding of Individual MSME Loans at ₹28.5L Cr as of Jun'23 with 50% portfolio share by Business Loans. Individual MSME Loans dominated by Private Banks by value and volume. Shift in Originations share (Volume) from <1L to higher ticket size loan from FY21 onwards.

Microfinance Loans:

Portfolio outstanding of Microfinance Loans at ₹355.3K Cr as of Jun'23. They are dominated by NBFC MFIs (Value and Volume) followed by Banks. 18% growth in Originations (by Value) from FY20 to FY23, flat growth in Originations (by Volume) during same period resulting in 19% growth in Average Ticket Size from ₹34.6K in FY20 to ₹41.1K in FY23. Originations (by Value and Volume) dominated by ticket size ₹30K-₹50K in FY23.



Introduction to Indian Credit Landscape

This report encapsulates detailed analysis on Consumptions Lending, MSME Lending (Individual and Entity), Corporate Lending and Microfinance Lending, and deep dives into major lending product categories in India and presents insights on their trends and patterns.



Consumption Loans

Portfolio as of Jun'23 (₹ Lakh Cr)	Growth % Jun'22 to Jun'23
78.0	17.4%
Originations Value FY23 (₹ Lakh Cr)	Growth % FY22 to FY23
42.7	28.9%
Originations Volume FY23 (Lakhs)	Growth % FY22 to FY23
3,262.5	37.7%



MSME Loans (Individual and Entity)

Portfolio as of Jun'23 (₹ Lakh Cr)	Growth % Jun'22 to Jun'23
54.5	13.8%
Originations Value FY23 (₹ Lakh Cr)	Growth % FY22 to FY23
44.1	7.0%
Originations Volume FY23 (Lakhs)	Growth % FY22 to FY23
207.3	20.8%



Microfinance

Portfolio as of Jun'23 (₹ Lakh Cr)	Growth % Jun'22 to Jun'23
3.6	27.7%
Originations Value FY23 (₹ Lakh Cr)	Growth % FY22 to FY23
3.2	28.6%
Originations Volume FY23 (Lakhs)	Growth % FY22 to FY23
766.0	16.6%



Corporate Loans (Only Entity)

Portfolio as of Jun'23 (₹ Lakh Cr)	Growth % Jun'22 to Jun'23
62.2	15.2%
Originations Value FY23 (₹ Lakh Cr)	Growth % FY22 to FY23
72.3	33.0%
Originations Volume FY23 (Lakhs)	Growth % FY22 to FY23
4.2	2.4%

Consumption Loans refers to loan given to individuals for a wide variety of consumption needs like Home, Vehicle or Personal. These loans are reported to Consumer Bureau. MSME Loans refers to loan given to self employed individuals (reported to Consumer Bureau) and entities with credit exposure up to ₹50 Crore (reported to Commercial Bureau). Corporate Loans refers to loan given to Mid and Large size entities with credit exposure more than ₹50 Crore (reported to Commercial Bureau).

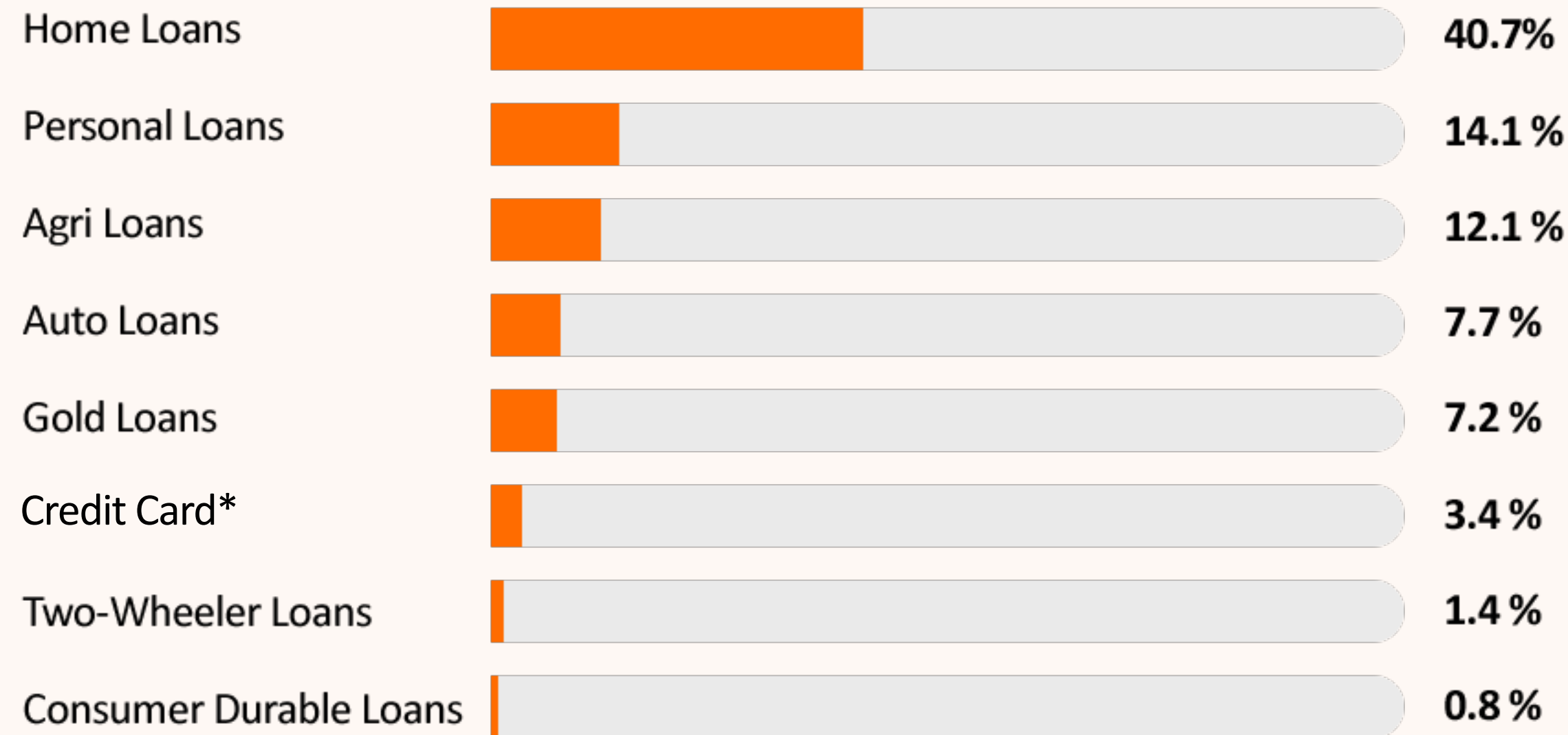
Consumption Lending



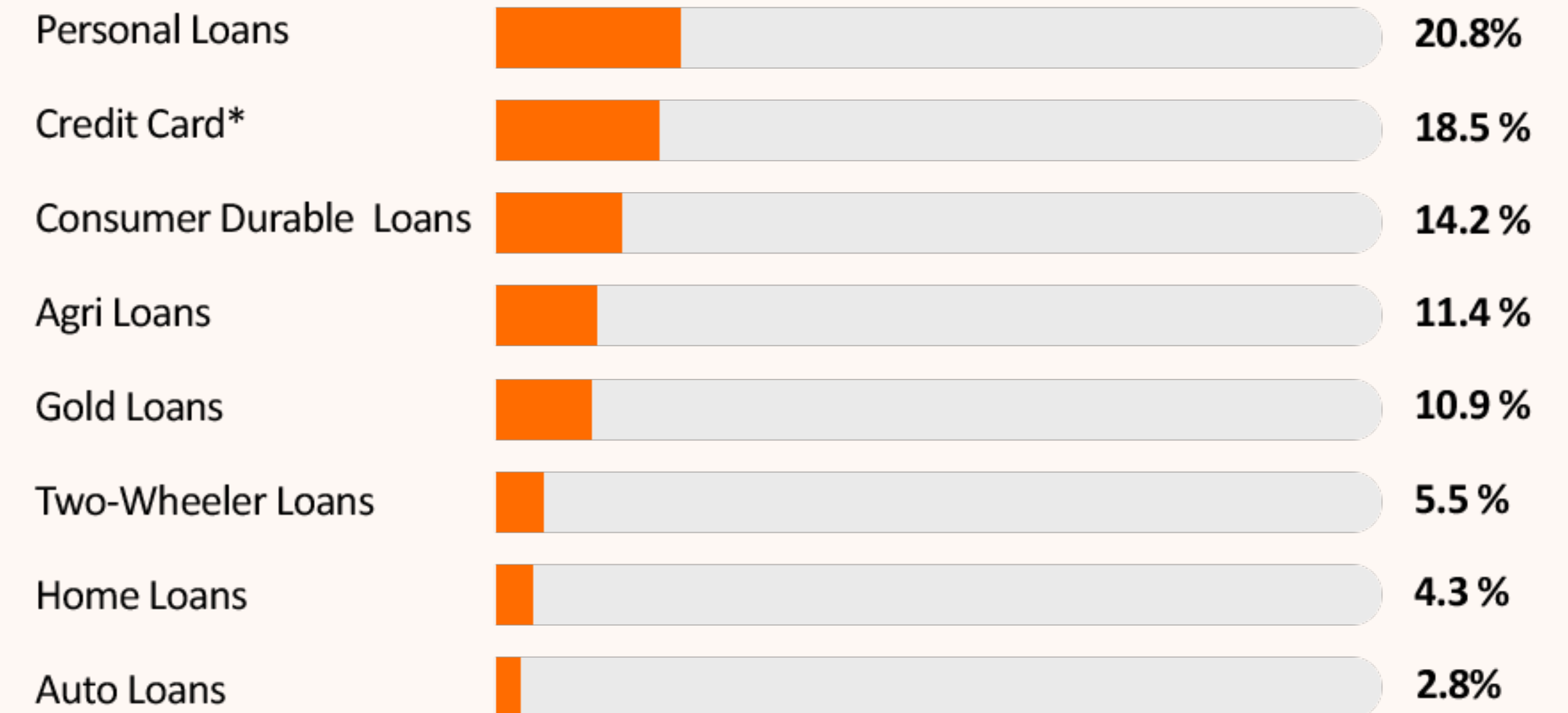


Top Consumption Lending Products

Top Retail Loans - By Portfolio Outstanding (Value)



Top Retail Loans - By # Active Loans (Value)



Portfolio Outstanding & # Active Loans as of June'23

- ▶ Home Loans dominate the market (by Value) and Consumer Durable Loans constitute the least share
- ▶ Personal Loans dominate the market (by Volume) while Auto Loans constitute least share of 2.8%
- ▶ Personal Loans witnessed highest Y-o-Y growth (by Value and Volume)

* Cards in Circulation



Consumption Loan Products

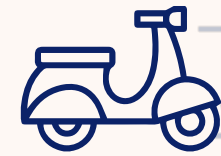
The following Consumption Loan products are considered for deep dive analysis in this report:



Home Loans



Personal Loans



Two-Wheeler Loans



Auto Loans



Consumer Durable Loans

Portfolio as of Jun'23 (₹ Lakh Cr) Growth % Jun'22 to Jun'23

30.7

15.0%

Portfolio as of Jun'23 (₹ Lakh Cr) Growth % Jun'22 to Jun'23

10.9

29.1%

Portfolio as of Jun'23 (₹ Lakh Cr) Growth % Jun'22 to Jun'23

1.1

28.5%

Portfolio as of Jun'23 (₹ Lakh Cr) Growth % Jun'22 to Jun'23

5.9

19.7%

Portfolio as of Jun'23 (₹ Lakh Cr) Growth % Jun'22 to Jun'23

0.5

21.8%

Originations Value FY23 (₹ Cr) Growth % FY22 to FY23

9.1L

18.1%

Originations Value FY23 (₹ Cr) Growth % FY22 to FY23

7.4L

35.2%

Originations Value FY23 (₹ Cr) Growth % FY22 to FY23

77.9K

50.3%

Originations Value FY23 (₹ Cr) Growth % FY22 to FY23

2.9L

37.6%

Originations Value FY23 (₹ Cr) Growth % FY22 to FY23

1.2L

32.8%

Originations Volume FY23 (Lakh) Growth % FY22 to FY23

37.0

13.1%

Originations Volume FY23 (Lakh) Growth % FY22 to FY23

1,013.8

50.7%

Originations Volume FY23 (Lakh) Growth % FY22 to FY23

93.9

35.3%

Originations Volume FY23 (Lakh) Growth % FY22 to FY23

39.0

21.1%

Originations Volume FY23 (Lakh) Growth % FY22 to FY23

556.2

37.5%



Credit Cards

Cards in circulation (Lakh) as of Jun'23

895.3

Growth % Jun'22 to Jun'23

17.8%

New Card issues in FY23(Lakh)

271.3

Growth % FY22 to FY23

49.6%



Home Loans

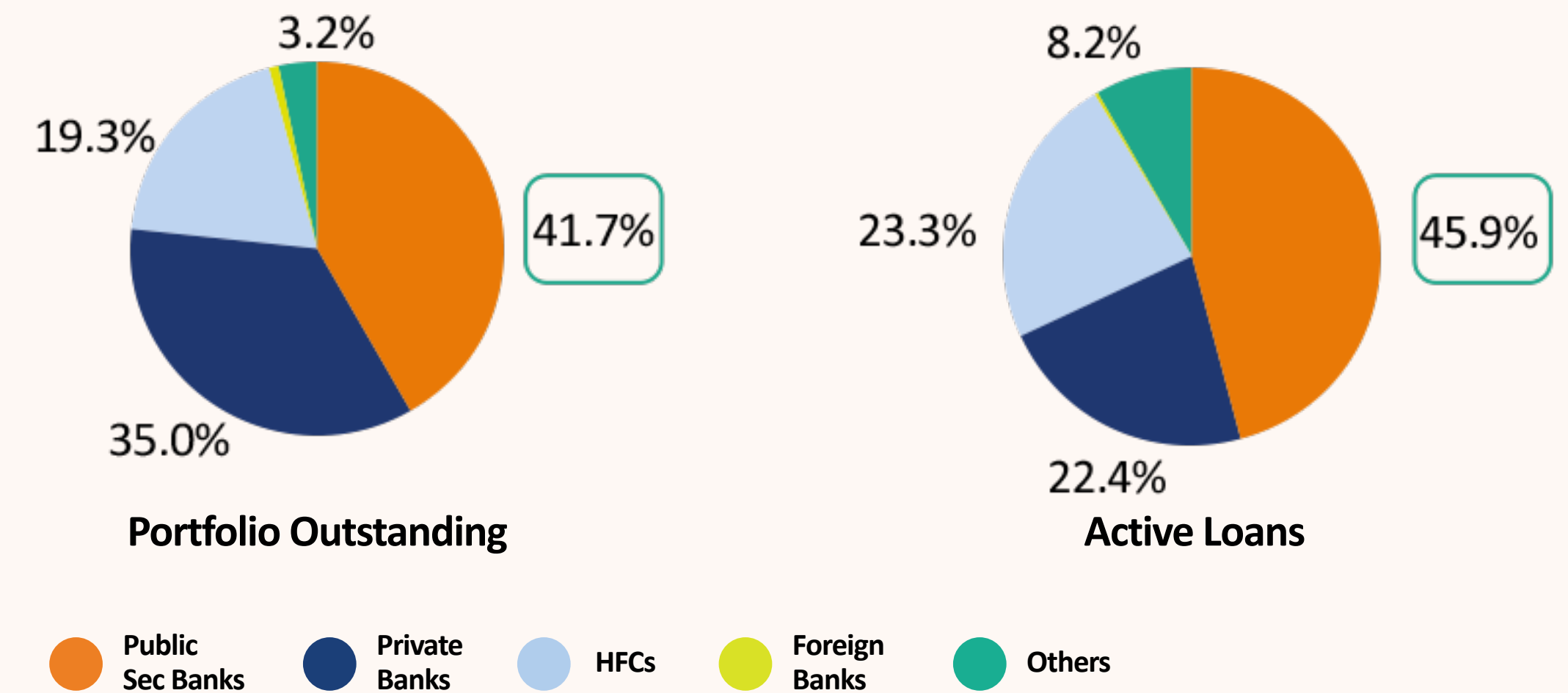


High Growth Coupled with Improved 31-90 Delinquency

Home Loans - Portfolio Snapshot

	Jun-21	Jun-22	Jun-23
Portfolio Outstanding (₹ Lakh Cr)	23.3	26.7	30.7
Y-o-Y Growth %		14.8%	15.0%
Active Loans (Lakhs)	170.2	184.3	197.7
Y-o-Y Growth %		8.3%	7.3%
PAR 31-90%	3.2%	2.1%	2.1%
PAR 91-180%	1.0%	0.4%	0.8%
PAR 181-360%	0.5%	0.2%	0.2%
PAR 360+%	1.7%	1.8%	1.5%

Home Loans - Market Share



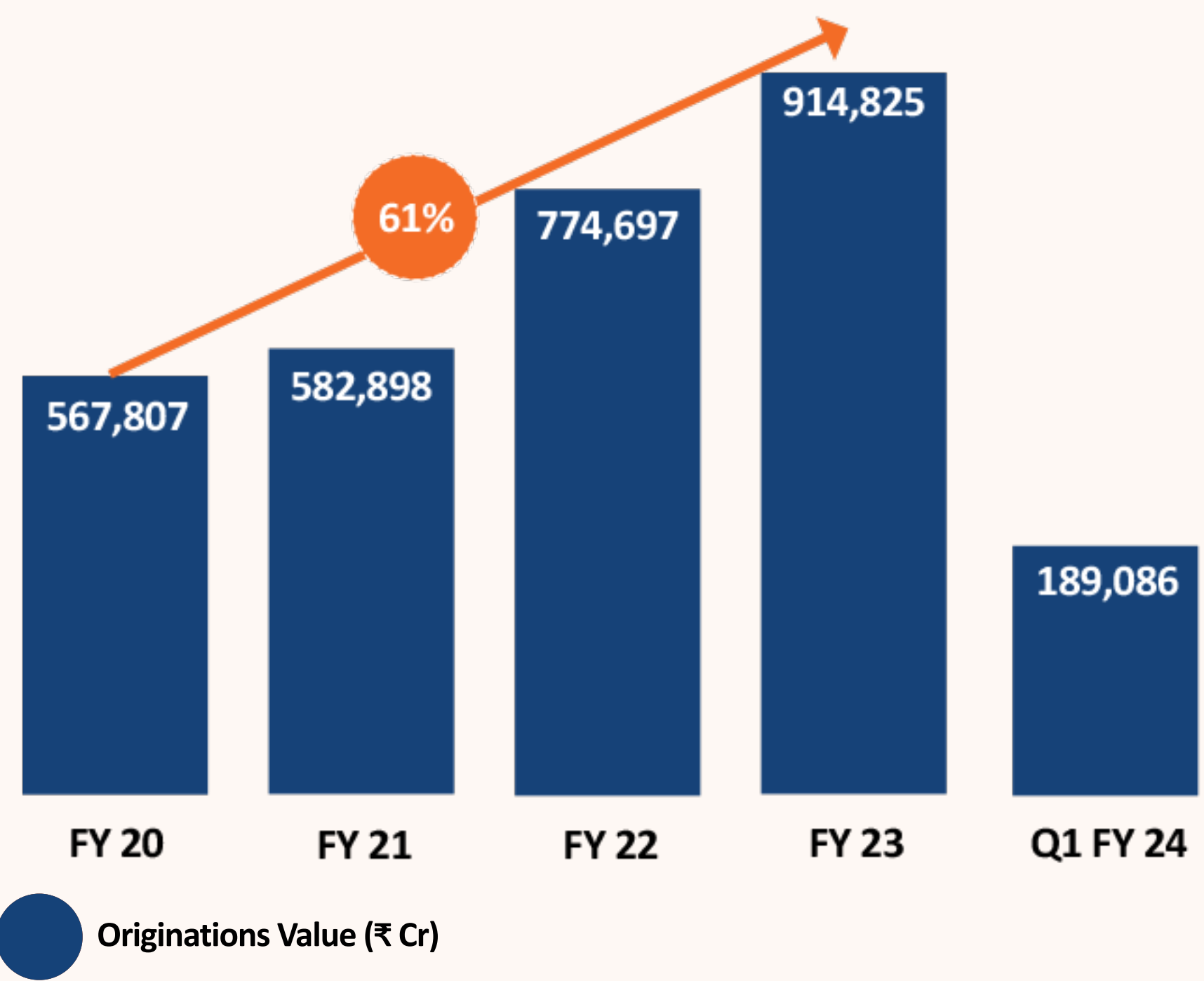
- Dominated by PSU Banks by Value and Volume followed by Pvt Banks
- Improved PAR 31-90 % compared to Jun'21

Data is inclusive of <₹5L Loans

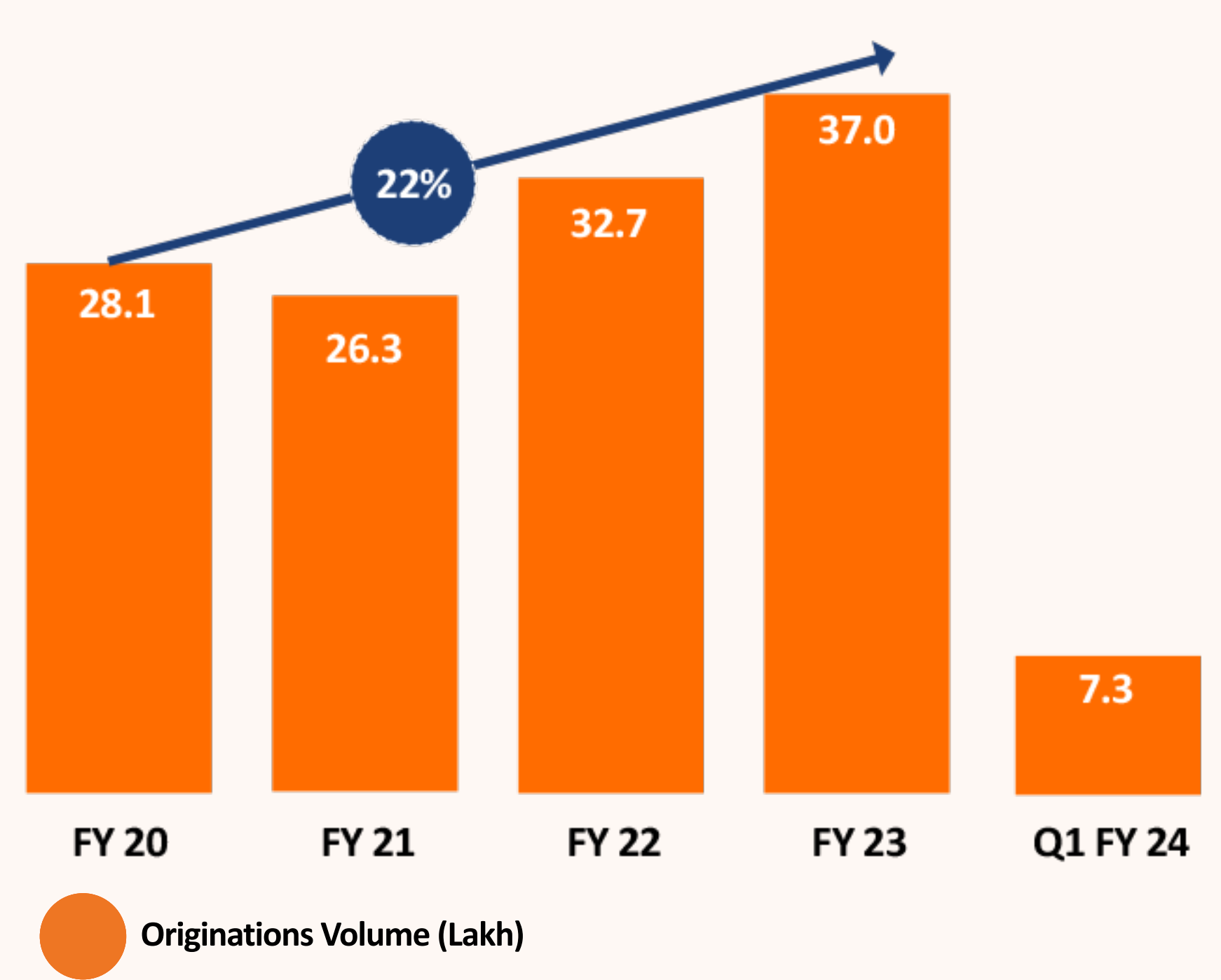


Resurgence in FY23 Compared to Pre-Covid

Originations Value



Originations Volume



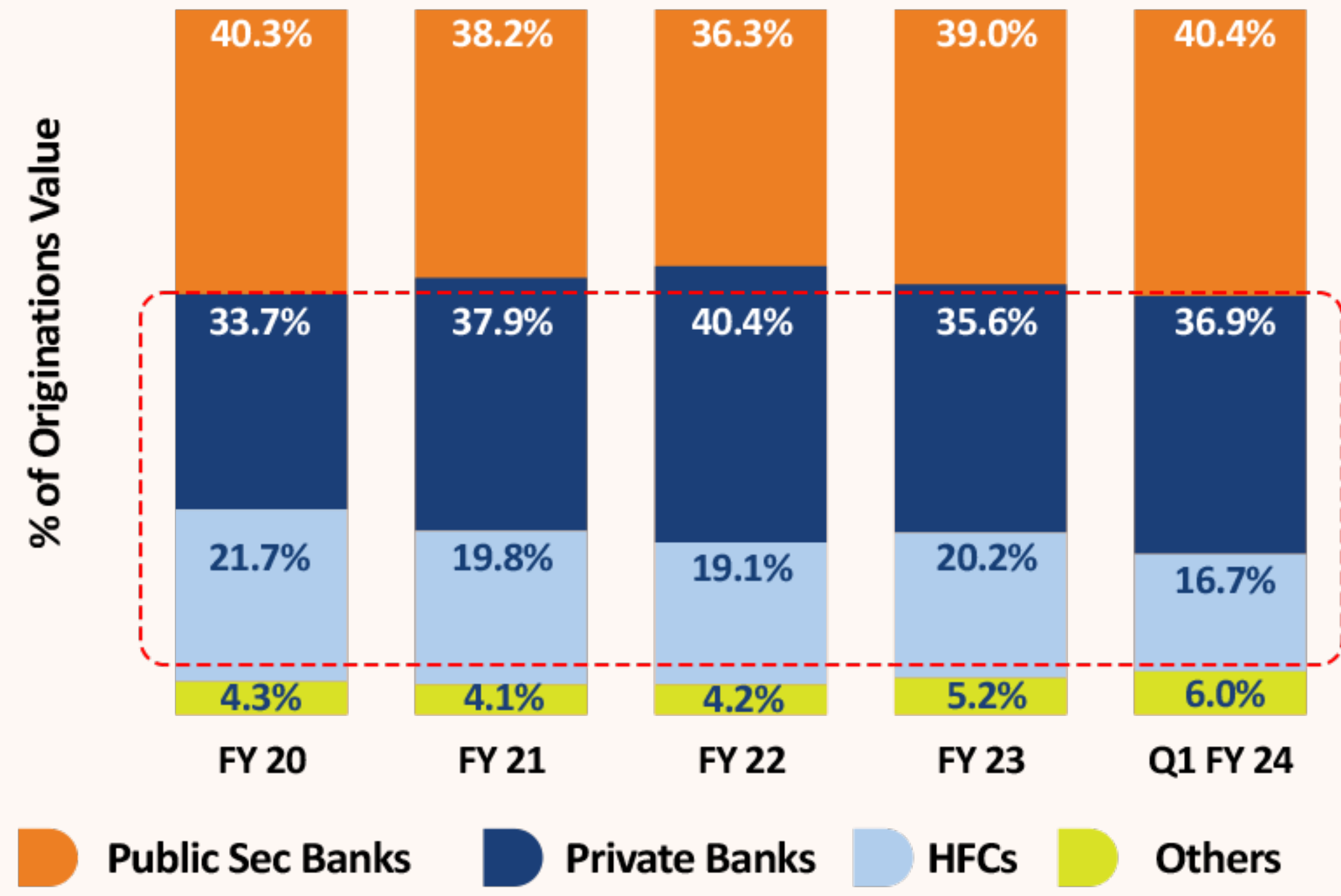
Data is inclusive of <₹5L Loans

- 61% Growth in Originations (by Value) from FY20 to FY23
- 22% Growth in Average Ticket Size from ₹20.2L in FY20 to ₹24.7L in FY23

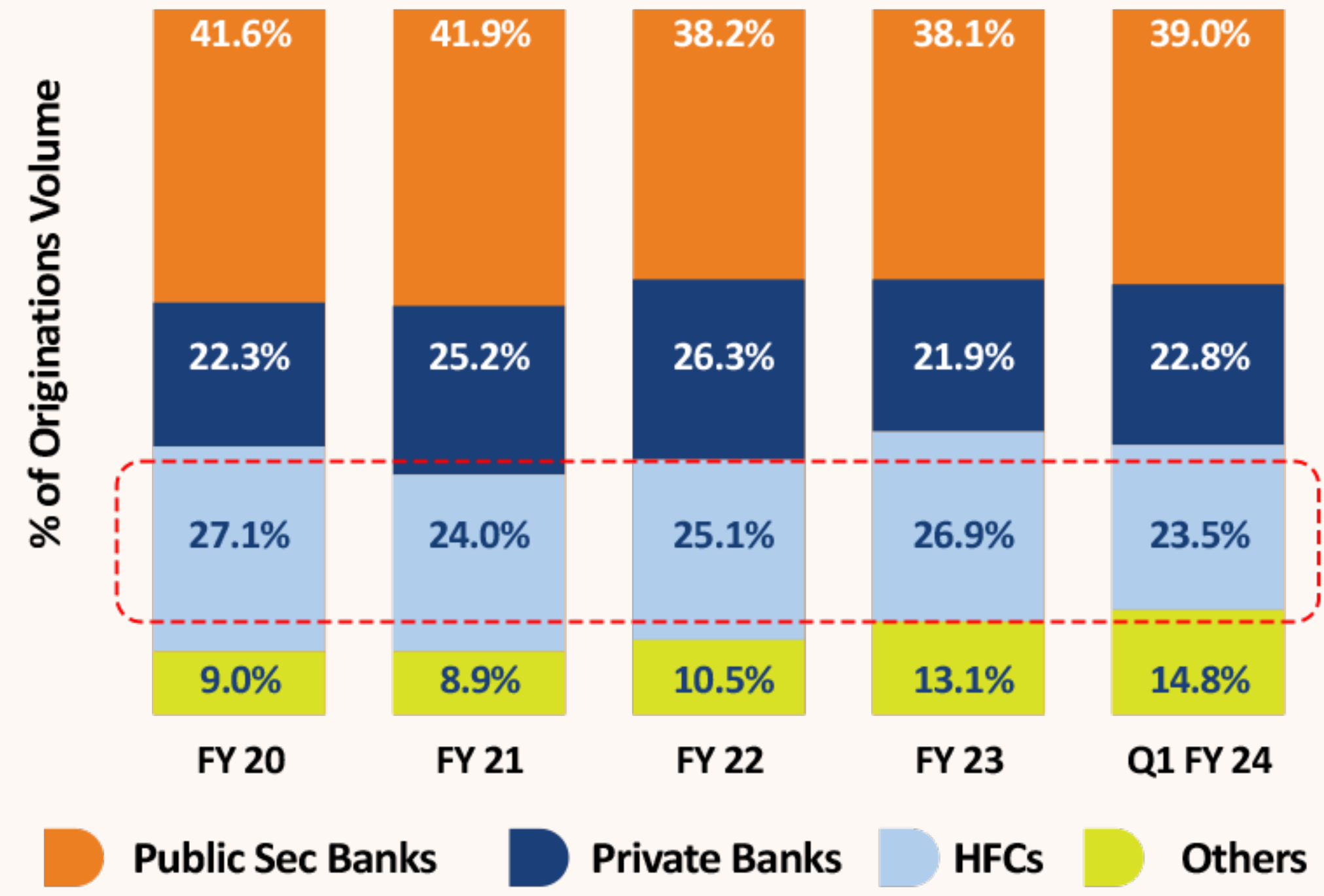


Decline in Originations Share for HFCs

Originations Value by Lender Type



Originations Volume by Lender Type



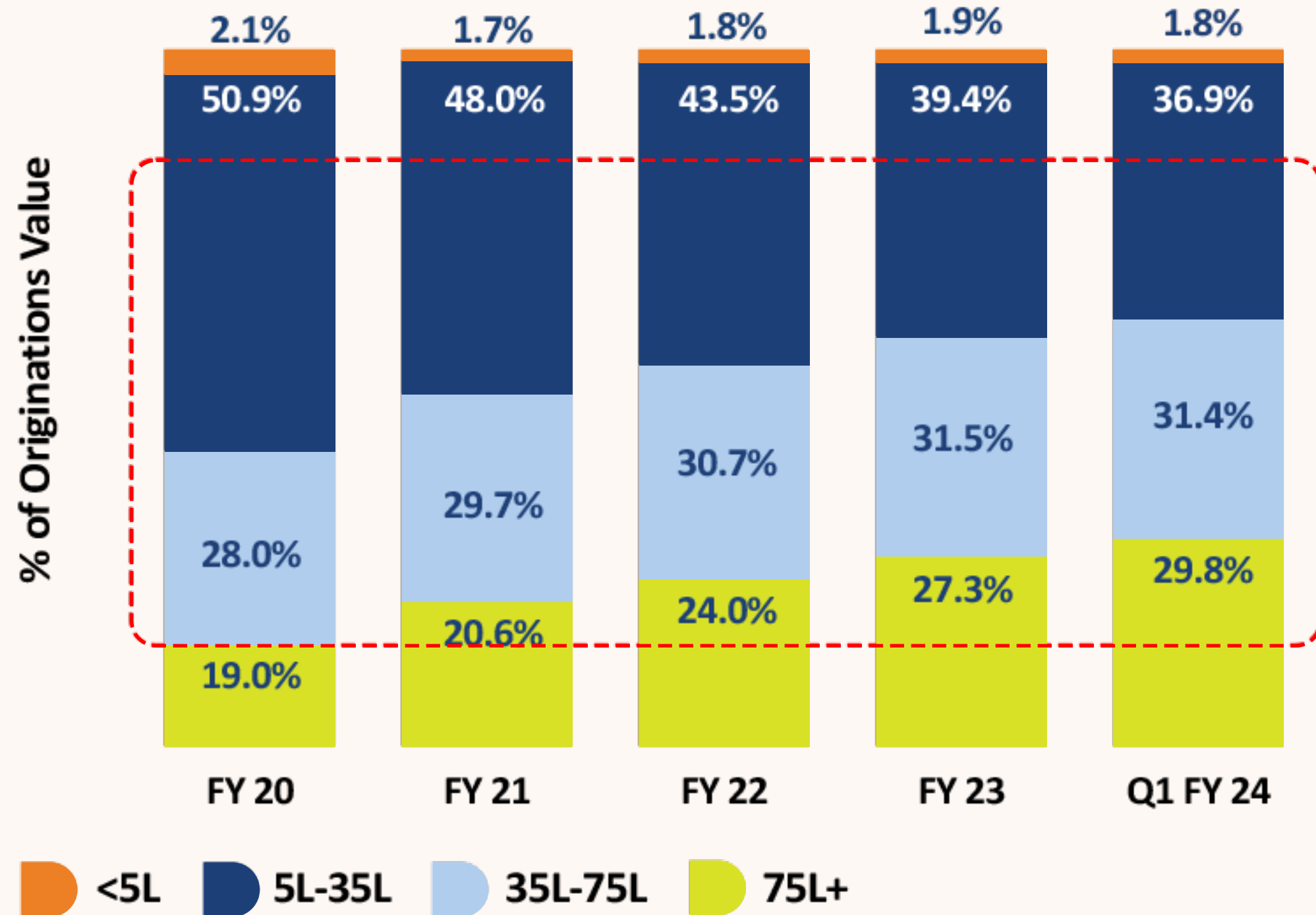
- Decline in Originations share (by Value and Volume) for HFCs
- Increase in Originations share (by Value) for Pvt Banks. 33% Y-o-Y increase in ATS for Pvt Banks to ₹40.1L in FY23

Data is inclusive of <₹5L Loans

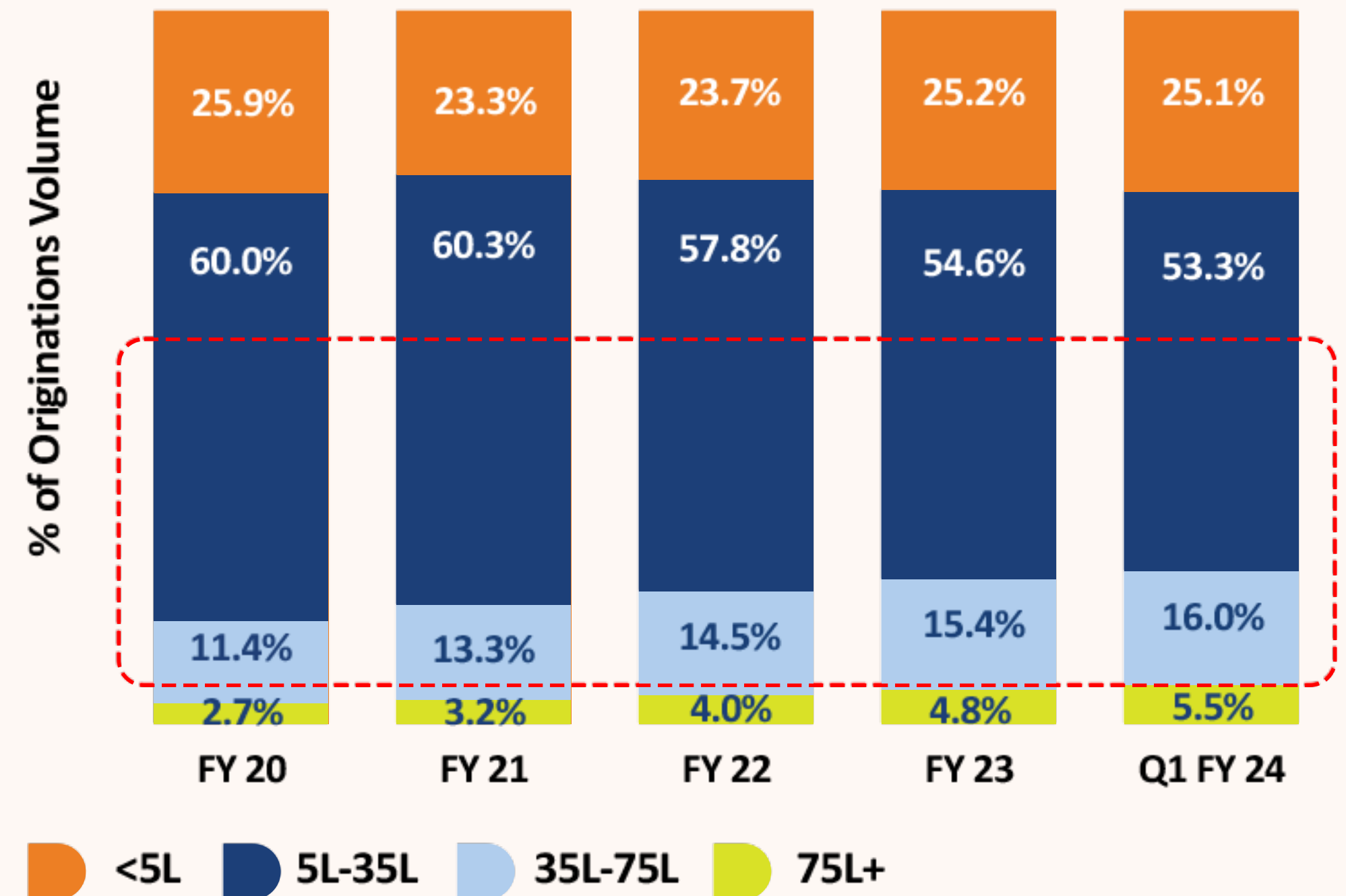


Shift in Originations from Ticket Size ₹5L-₹35L to ₹35L-₹75L

Originations Value by Ticket Size (₹)



Originations Volume by Ticket Size (₹)



- Shift in Originations (by Value and Volume) from ₹5L-₹35L to ₹35L-₹75L
- PSU Banks lead ticket size bands <₹35L and ₹35L-75L while Private sector banks lead ₹75L+ ticket size loans.
- HFCs have good share in <₹35L ticket size loans

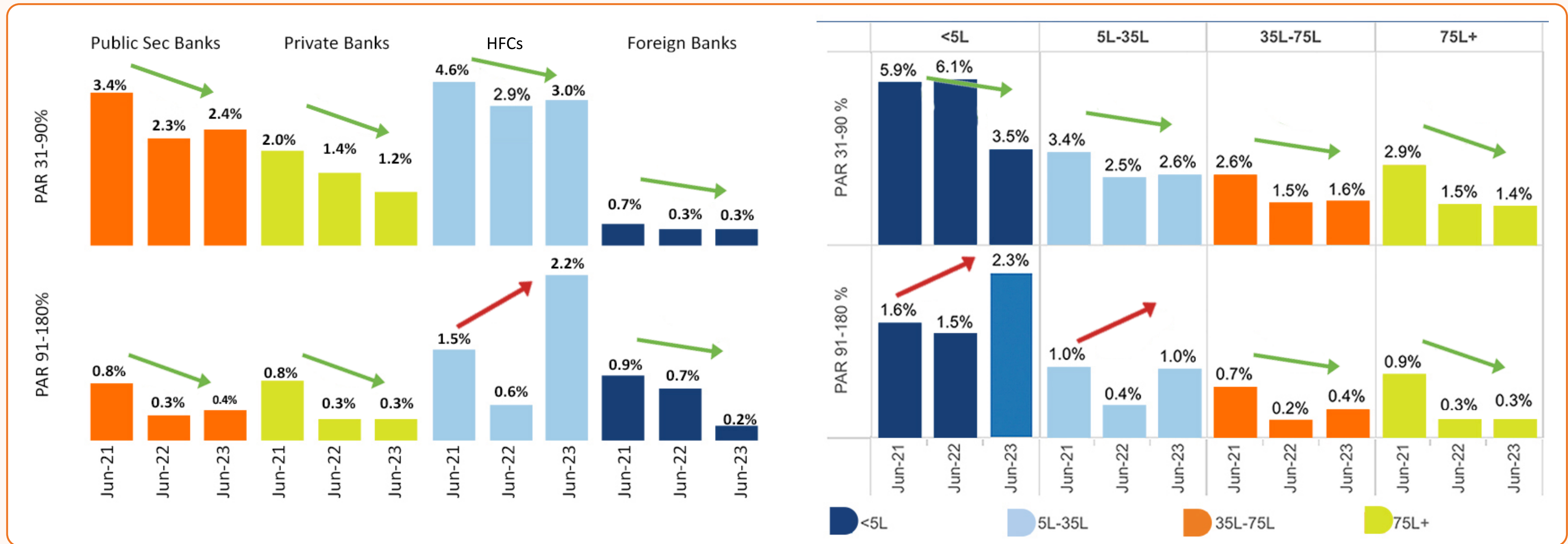
Data is inclusive of <₹5L Loans



Delinquency Improved Across Lender Types Except HFCs

Delinquency - Lender Type

Delinquency - Ticket Type



- Sharpest improvement in PAR 31-180% for Pvt Banks
- PAR 31-180% is better for >₹35L Loans
- Increase In PAR 31-180% for HFCs

Personal Loans



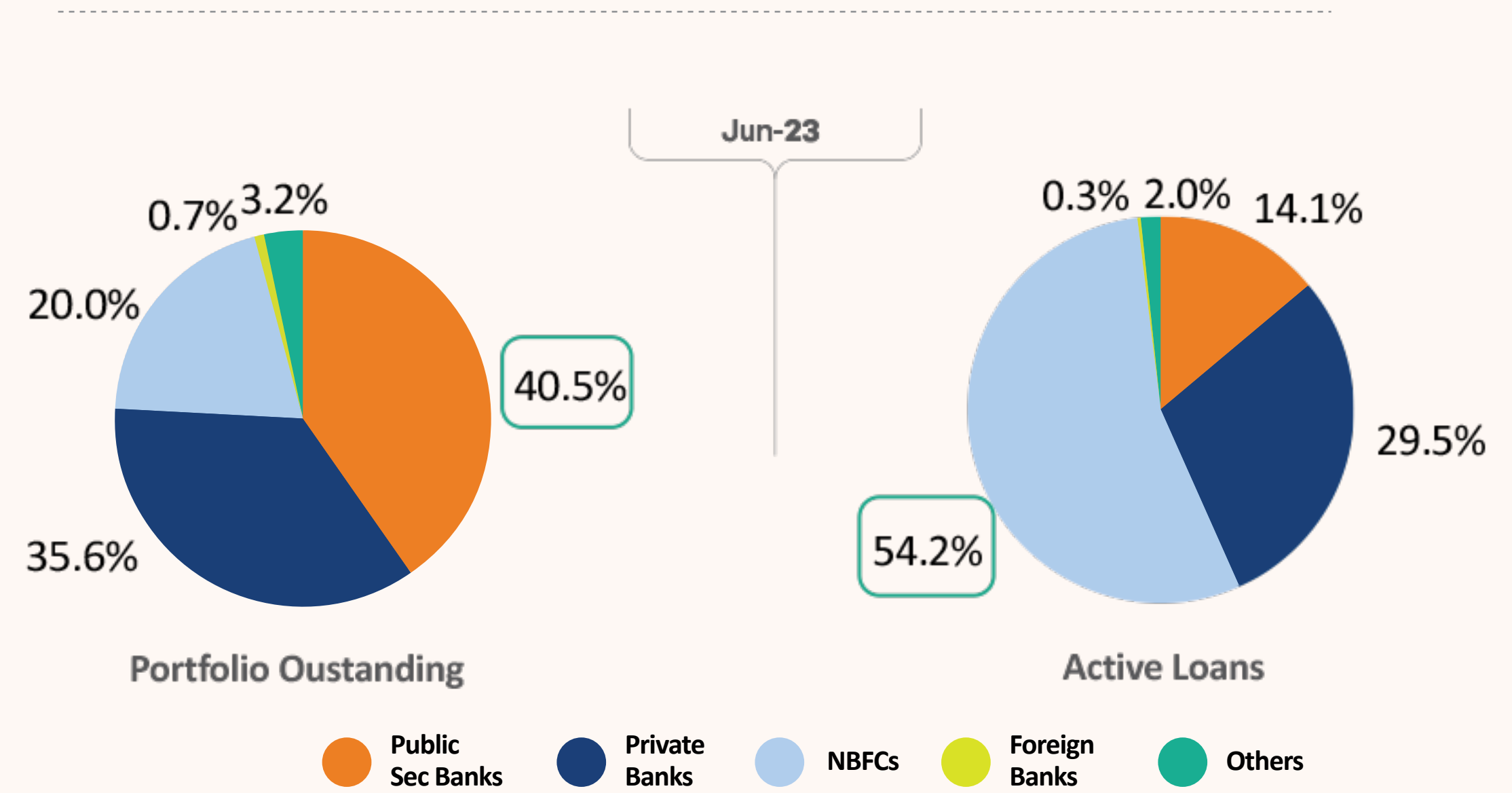


Robust Growth with Steep Improvement in Delinquency

Portfolio Snapshot

	Jun - 21	Jun - 22	Jun - 23
Portfolio Outstanding (₹ Lakh Cr)	6.4	8.4	10.9
Y-o-Y Growth %		31.9%	29.1%
Active Loans (Lakhs)	417.3	638.8	942.7
Y-o-Y Growth %		53.1%	47.6%
PAR 31-90%	5.3%	2.1%	1.7%
PAR 91-180%	1.4%	0.9%	0.9%
PAR 181+%	3.3%	3.1%	3.5%

Market Share (Jun-23)

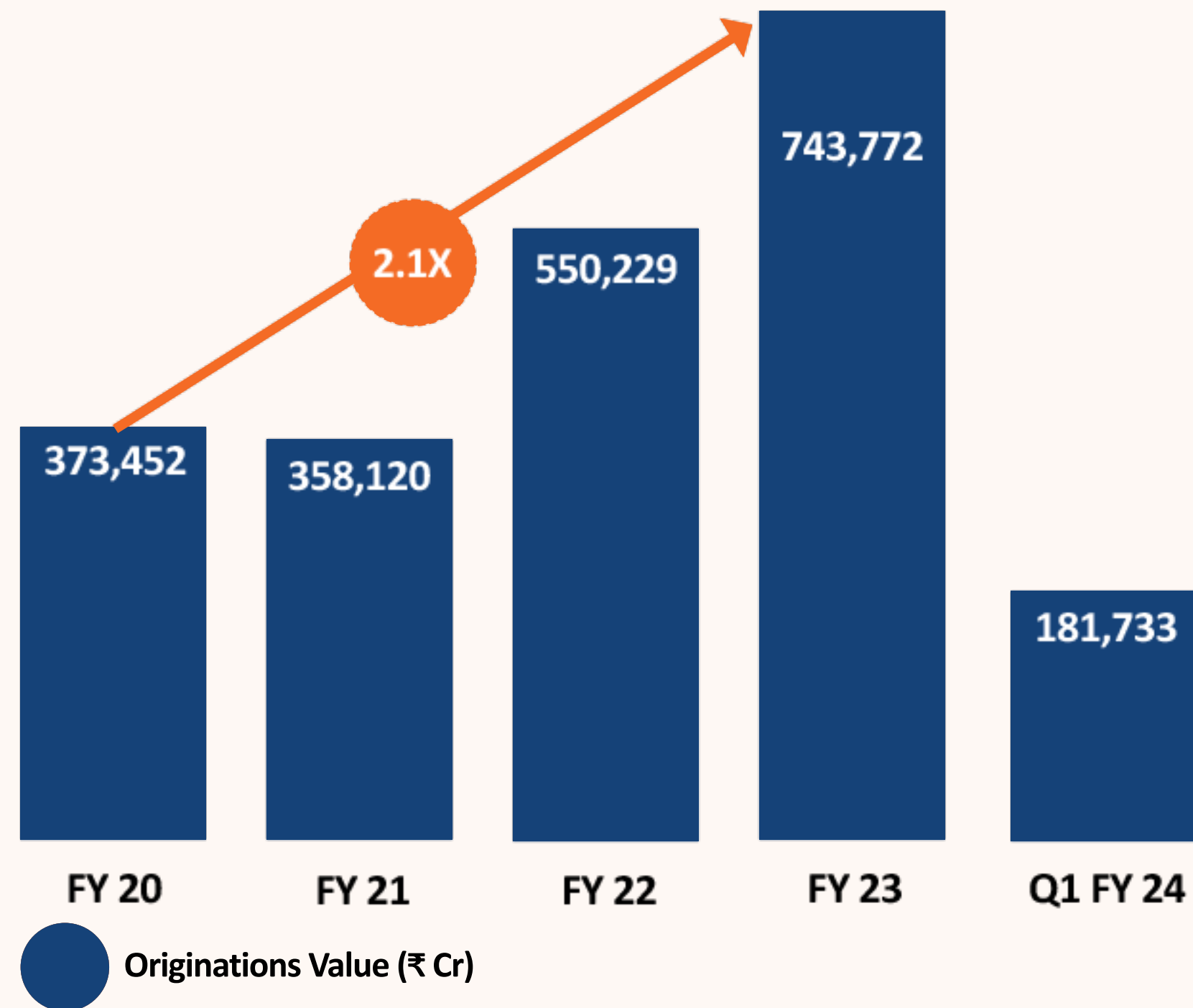


- Dominated by PSU Banks by Value and NBFCs by Volume
- Steep Improvement in PAR 31-90% and PAR 91-180% compared to Jun'21

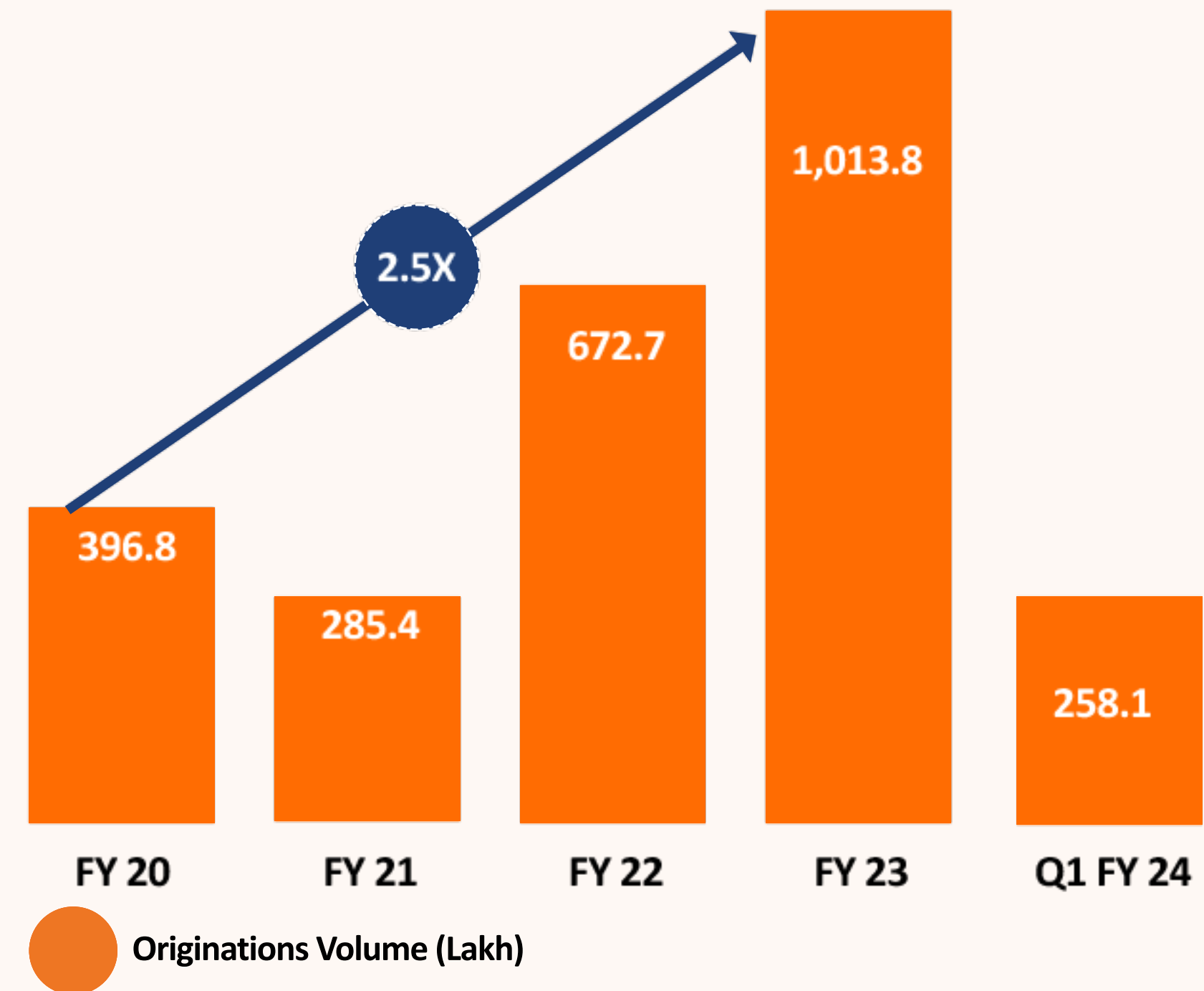


Resurgence in FY22 and FY23 Compared to Pre-Covid

Originations Value



Originations Volume

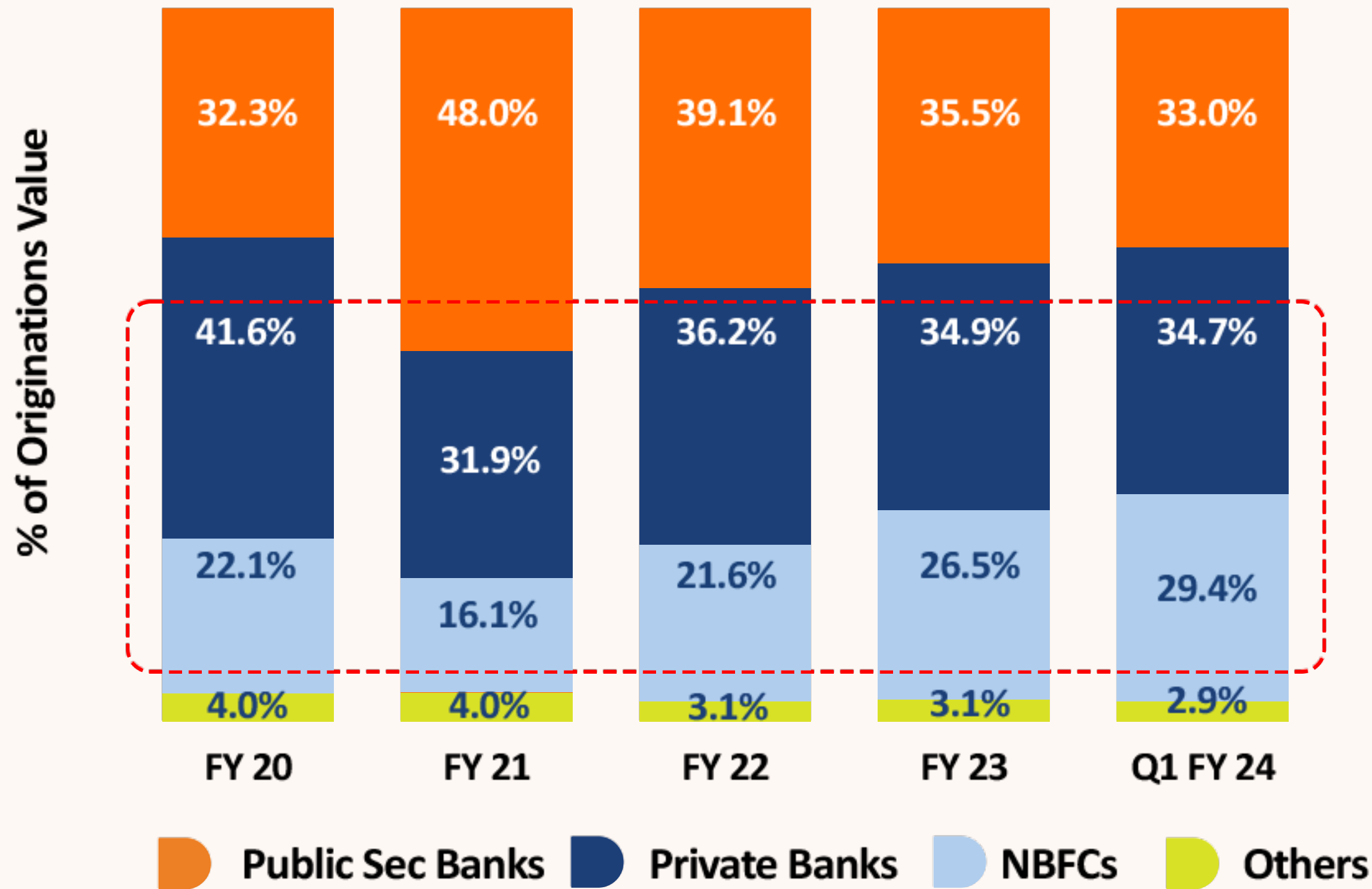


- 2.1X Growth in Originations (by Value) and 2.5X Growth in Originations (by Volume) from FY20 to FY23
- NBFC Fintechs lead growth in small ticket loans - 2.8X growth for <₹10K and 3.7X growth for ₹10K-50K from FY20 to FY23

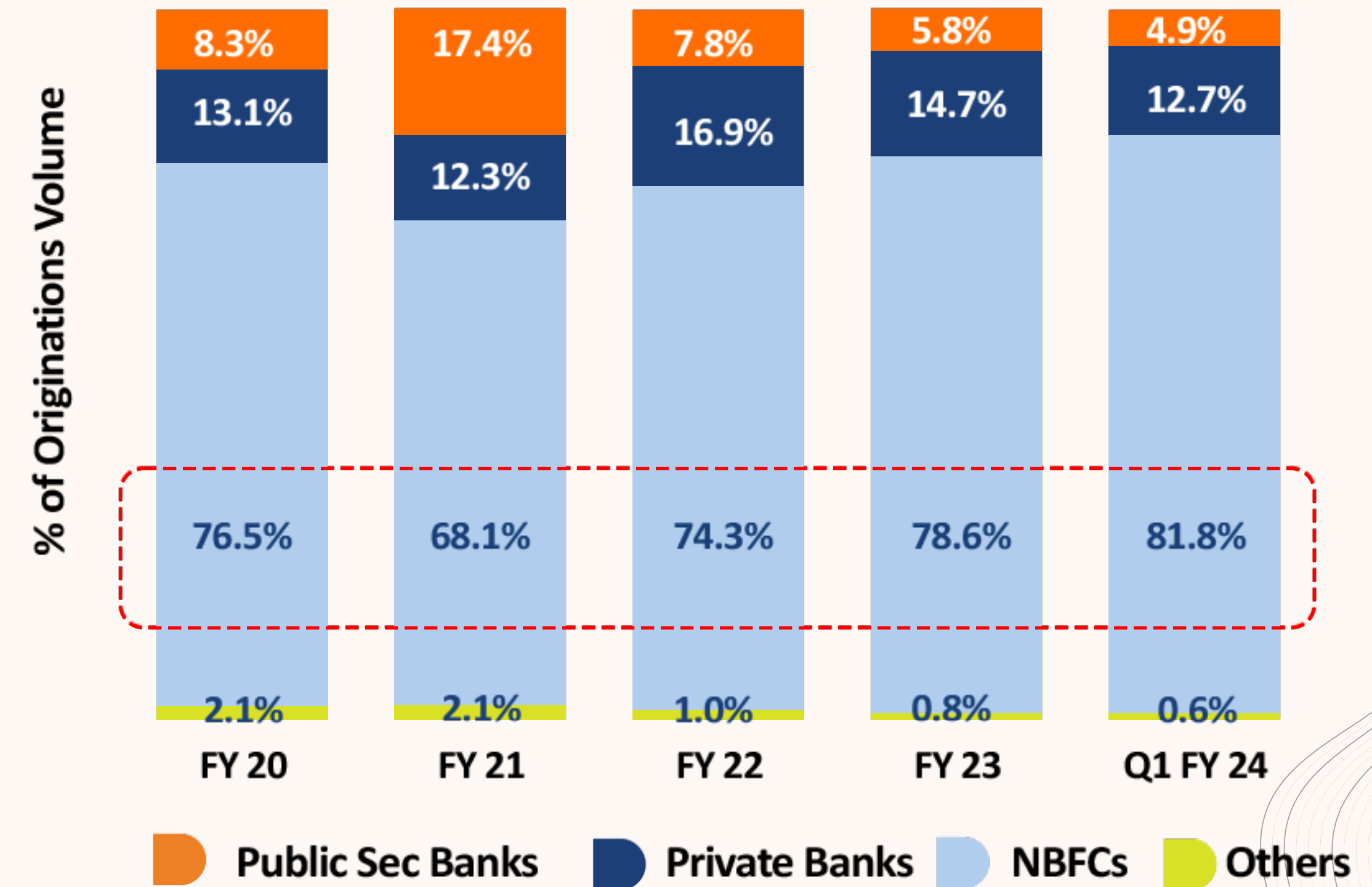


Growing Dominance of NBFCs in Originations

Originations Value by Lender Type



Originations Volume by Lender Type

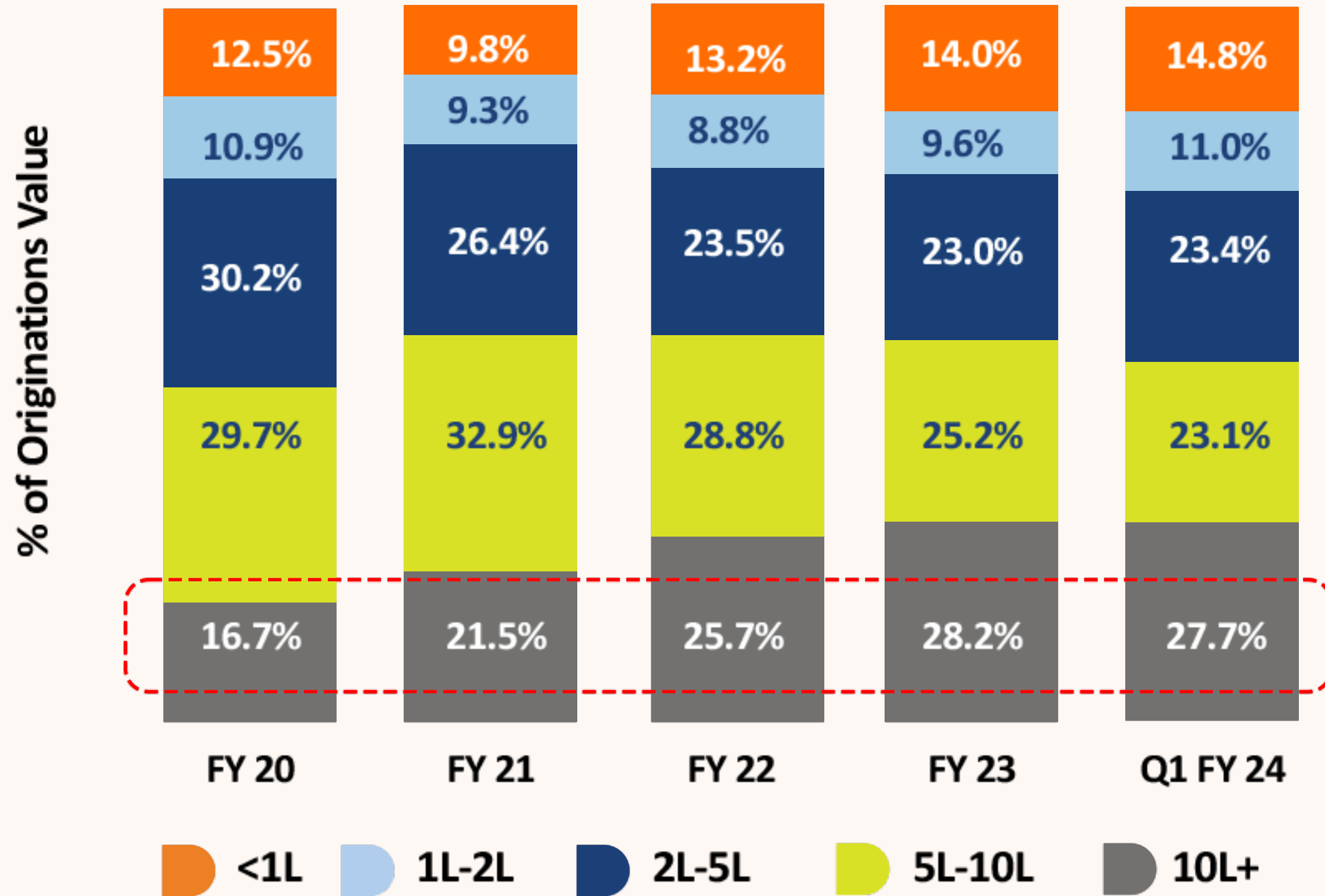


- Growing dominance of NBFCs in Originations (by Value and Volume)
- NBFC Fintechs dominate Originations (by Volume) with 62% share in FY23

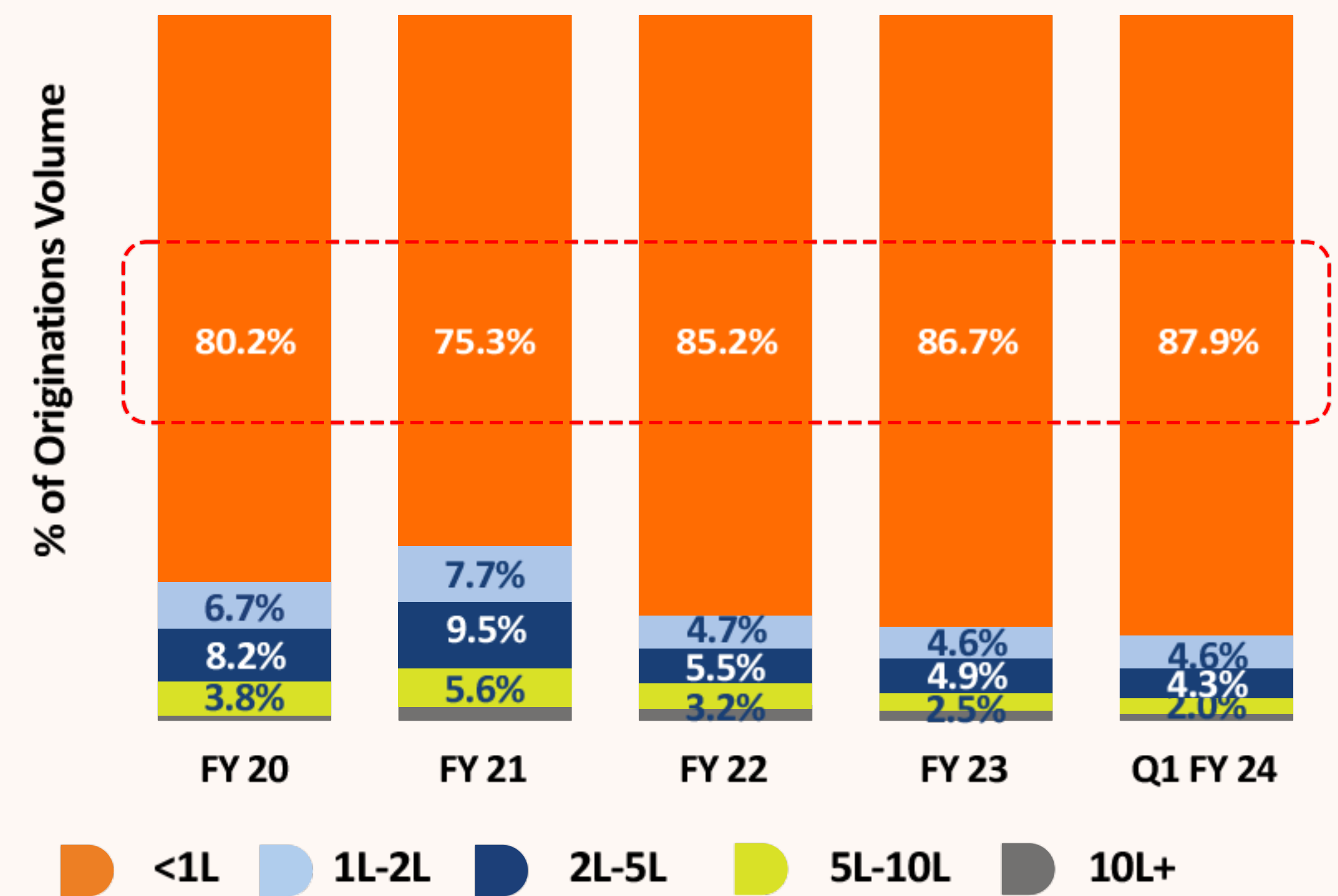


Share of ₹10L+ Originations Accelerates in Value; Below <₹1L by Volume

Originations Value by Ticket Size (₹)



Originations Volume by Ticket Size (₹)

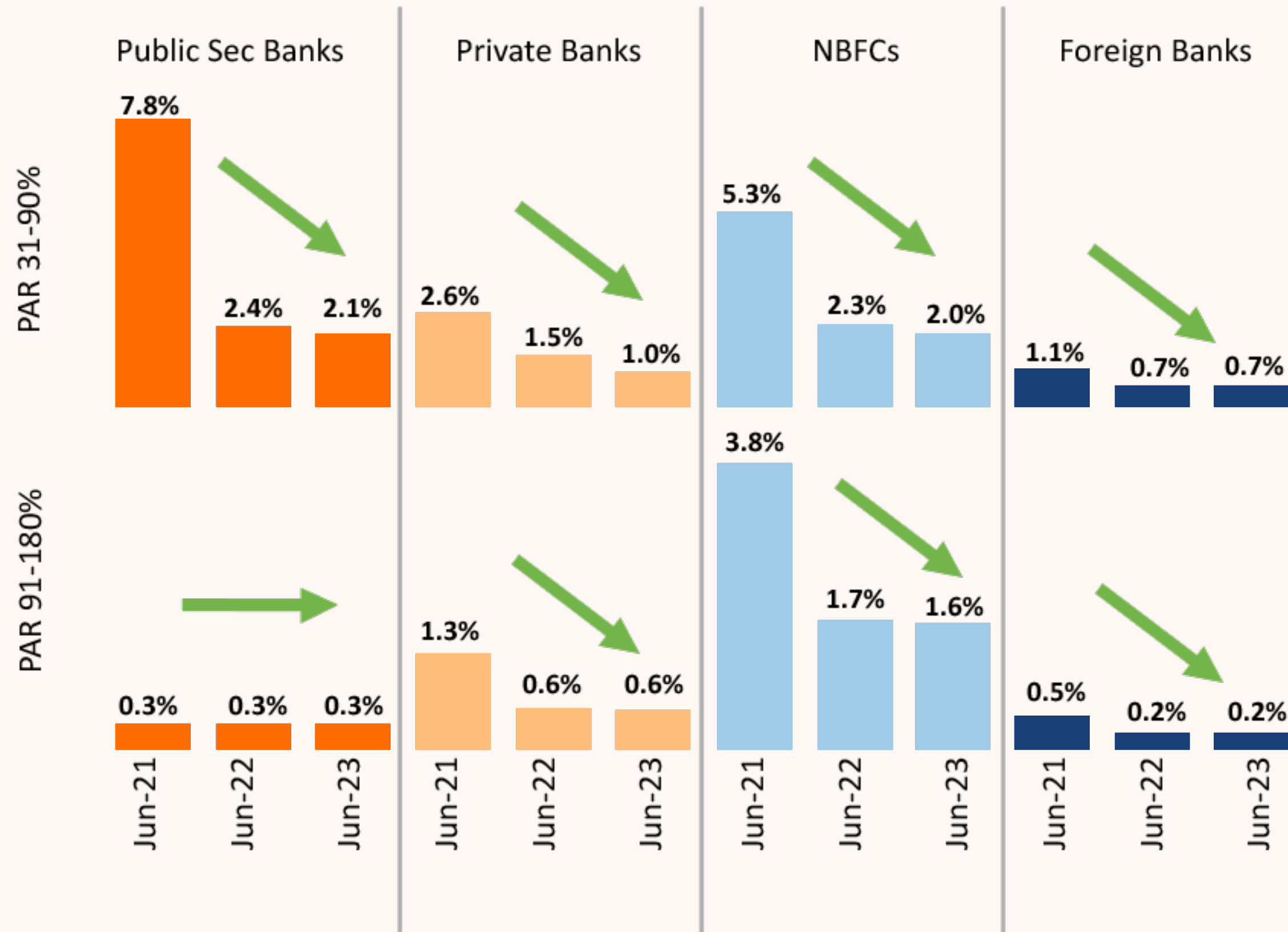


- ▶ 2.8X Growth in Origination Volumes for <₹10K and 3.7X growth for ₹10K-50K from FY20 to FY23
- ▶ 3.4X Growth in Origination Value for ₹10L+ loans from FY20 to FY23. ATS in FY23 at ₹18.8L

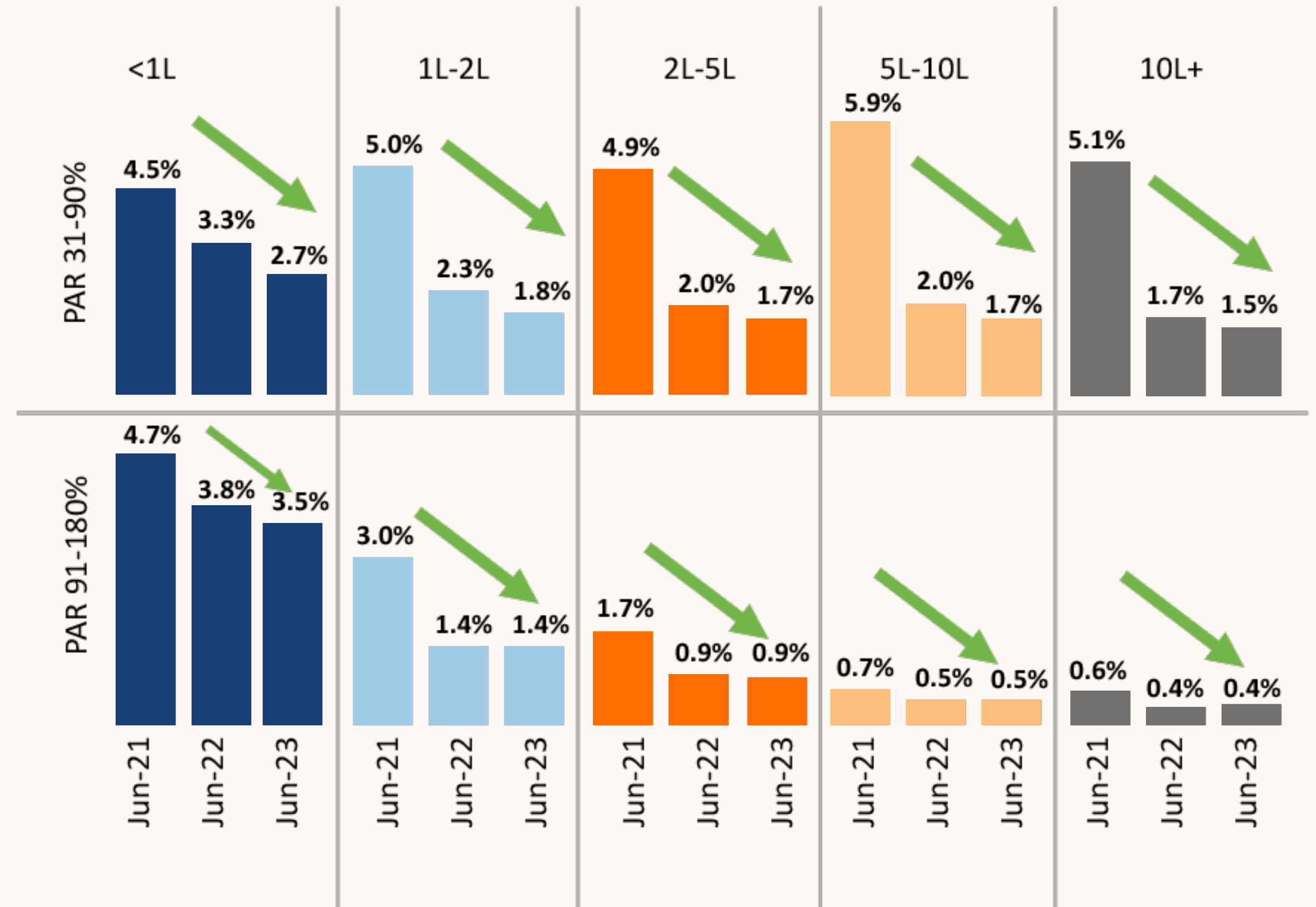


Improvement in PAR 31-180% Across Lender Types, Ticket Sizes

Delinquency - Lender Type



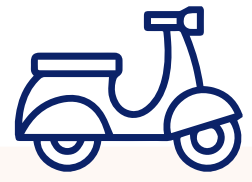
Delinquency - Ticket Size (₹)



- Improvement in PAR 31-180% for all Lender types. Steep Improvement for PSU Banks and NBFCs
- PAR 31-180% reduces with increase in ticket size



Two-Wheeler Loans

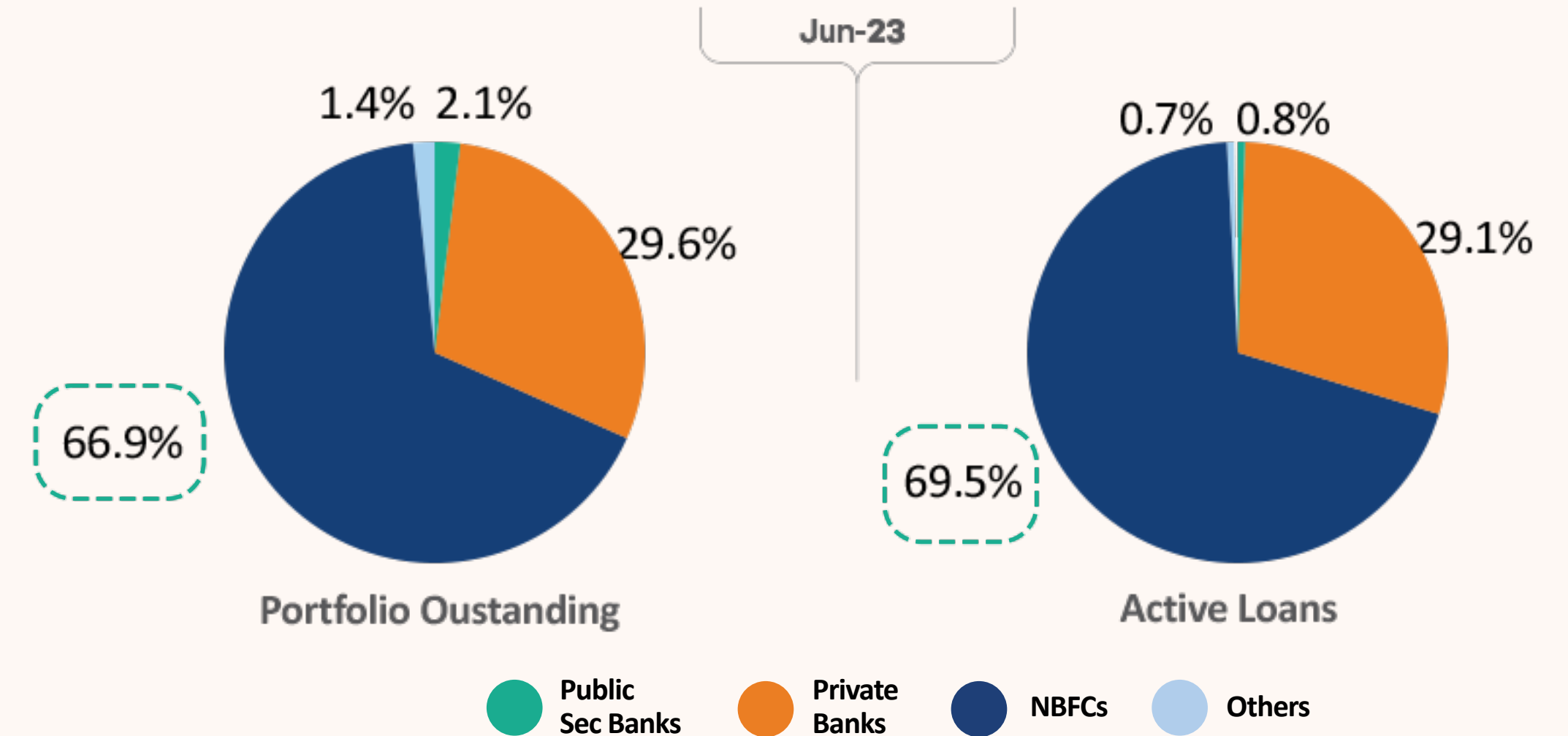


Accelerated Growth with Improvement in Delinquency

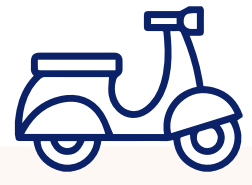
Two-Wheeler Loans - Portfolio Snapshot

	Jun - 21	Jun - 22	Jun - 23
Portfolio Outstanding (₹ K Cr)	75.0	82.6	106.2
Y-o-Y Growth %		10.2%	28.5%
Active Loans (Lakhs)	234.8	235.8	255.9
Y-o-Y Growth %		0.4%	8.5%
PAR 31-90%	11.0%	4.6%	3.5%
PAR 91-180%	5.2%	2.4%	2.1%
PAR 181-360%	4.1%	2.4%	1.9%
PAR 360+%	5.5%	7.1%	6.6%

Market Share (Jun-23)

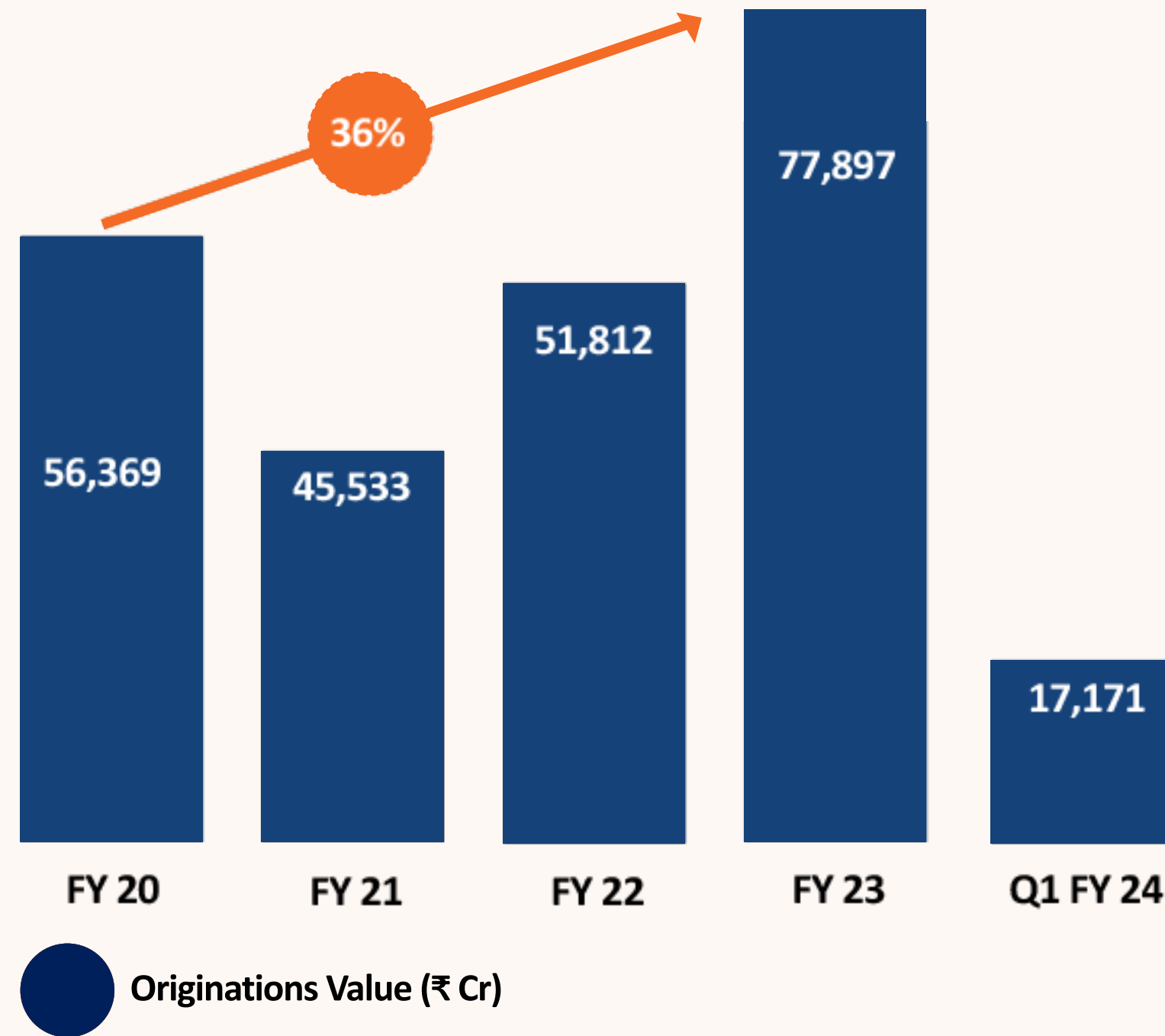


- Dominated by NBFCs by Value and Volume followed by Pvt Banks
- Improvement in PAR 31-90 % and PAR 91-180% compared to Jun'22

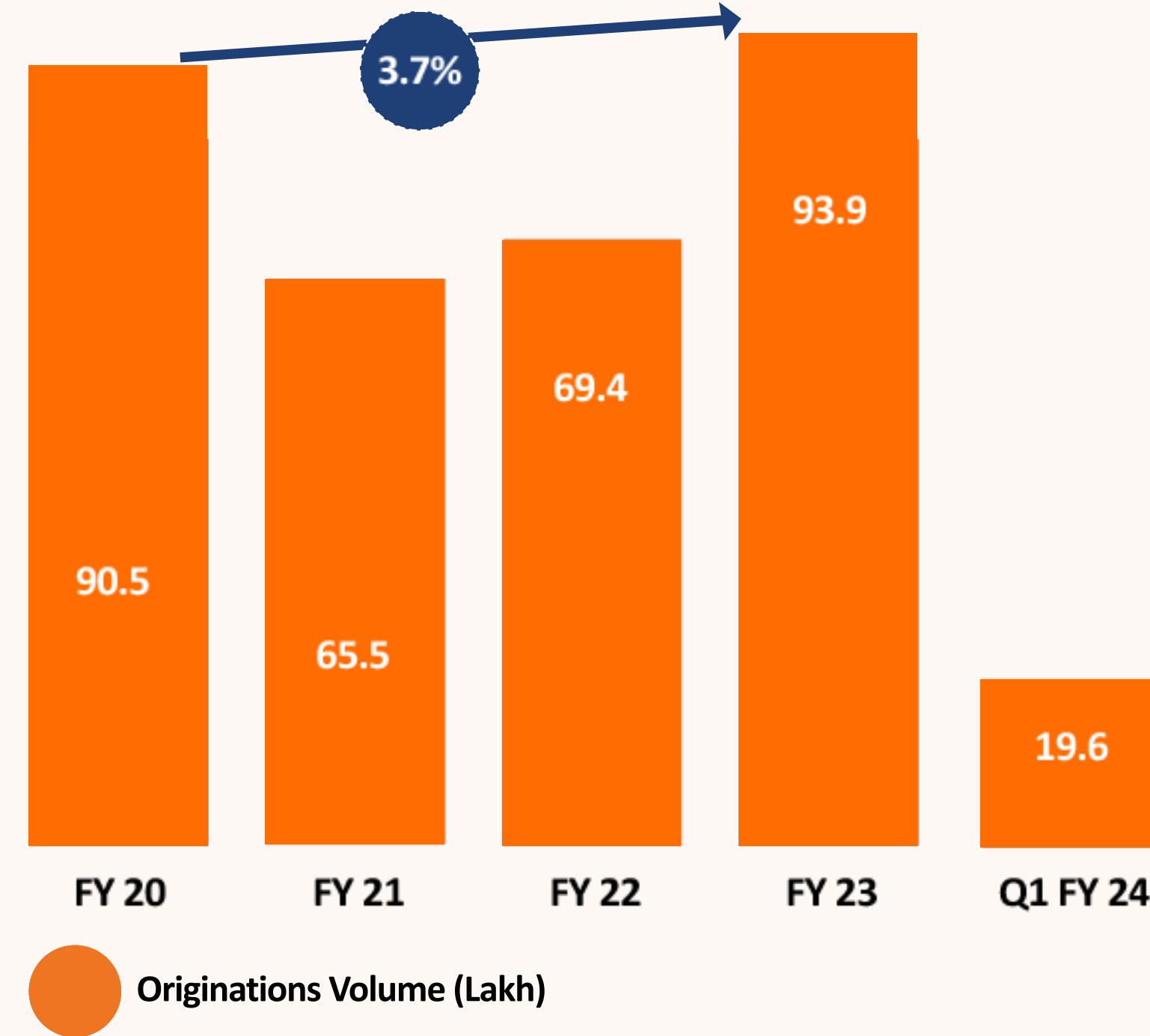


Resurgence in FY22 and FY23 Compared to Pre-Covid

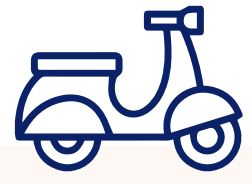
Originations Value



Originations Volume

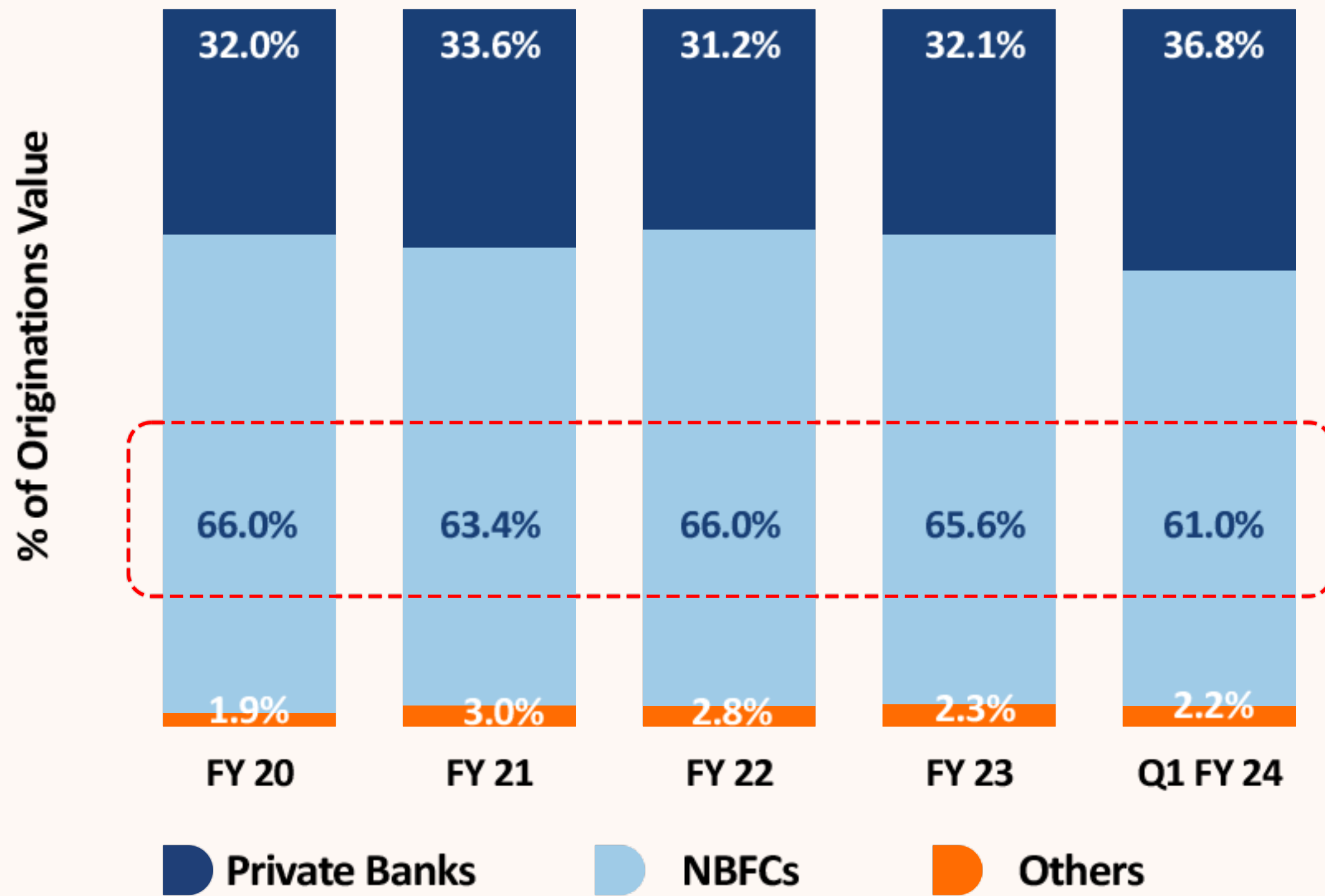


- 36% Growth in Originations (by Value) from FY20 to FY23
- Flat Growth in Originations (by Volume). However, 33% Increase in ATS from ₹62K in FY20 to ₹83K in FY23

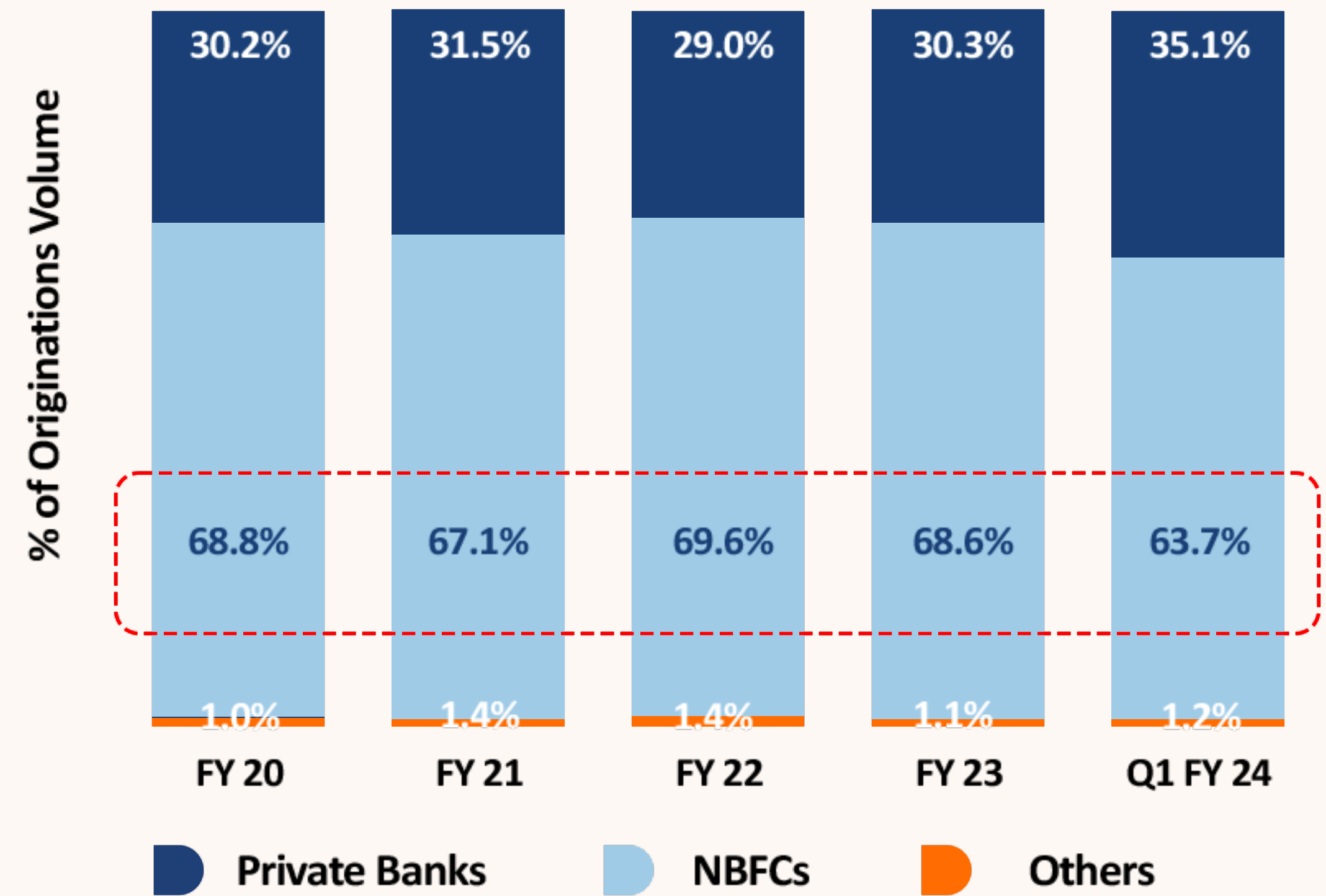


Market Share between NBFCs and Pvt Banks Remain Stable

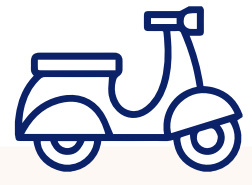
Originations Value by Lender Type



Originations Volume by Lender Type

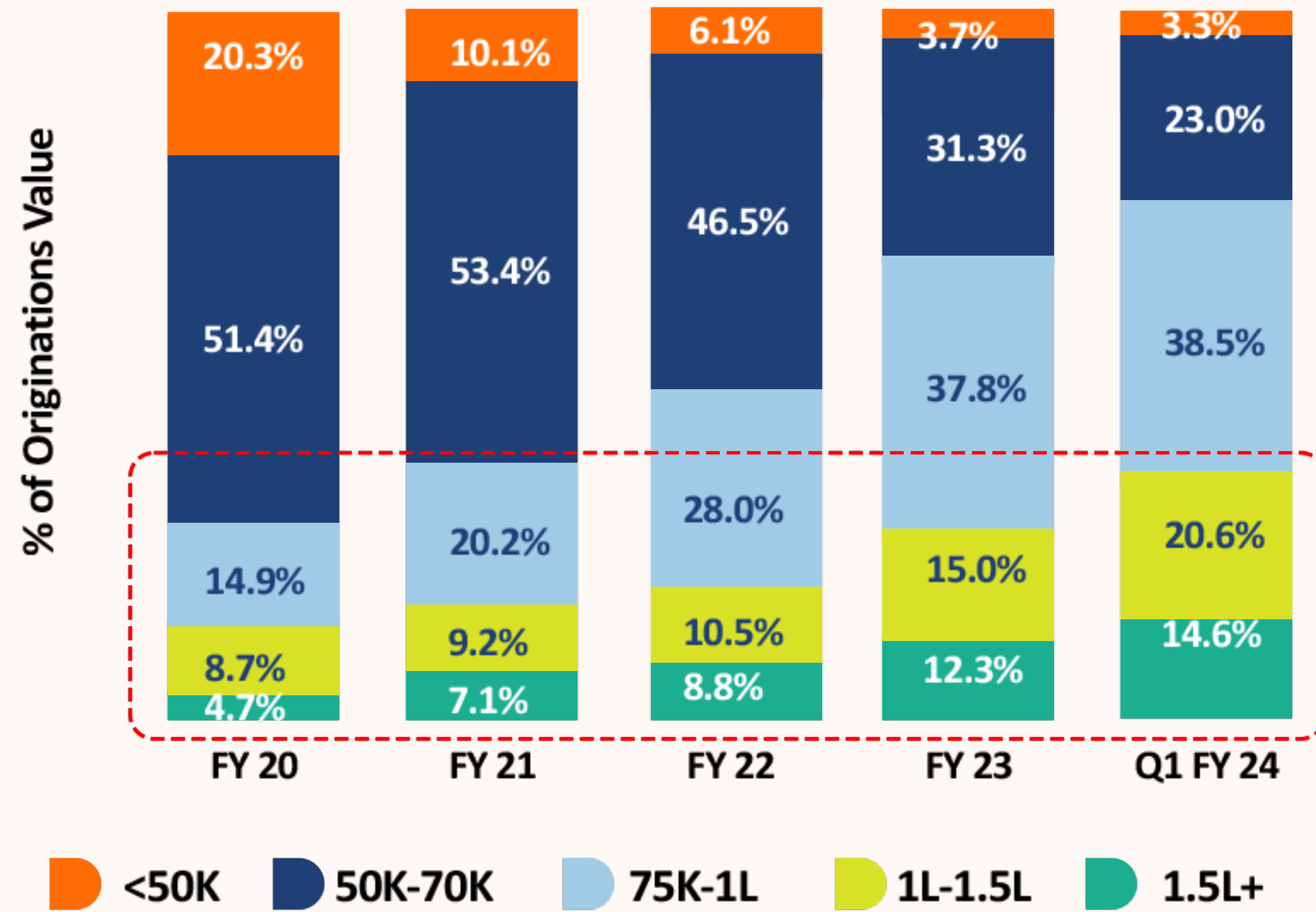


- NBFCs dominate Originations by Value and Volume
- Decline in Originations share (by Value) of NBFC-Captives from 30.5% in FY20 to 23.3% in FY23

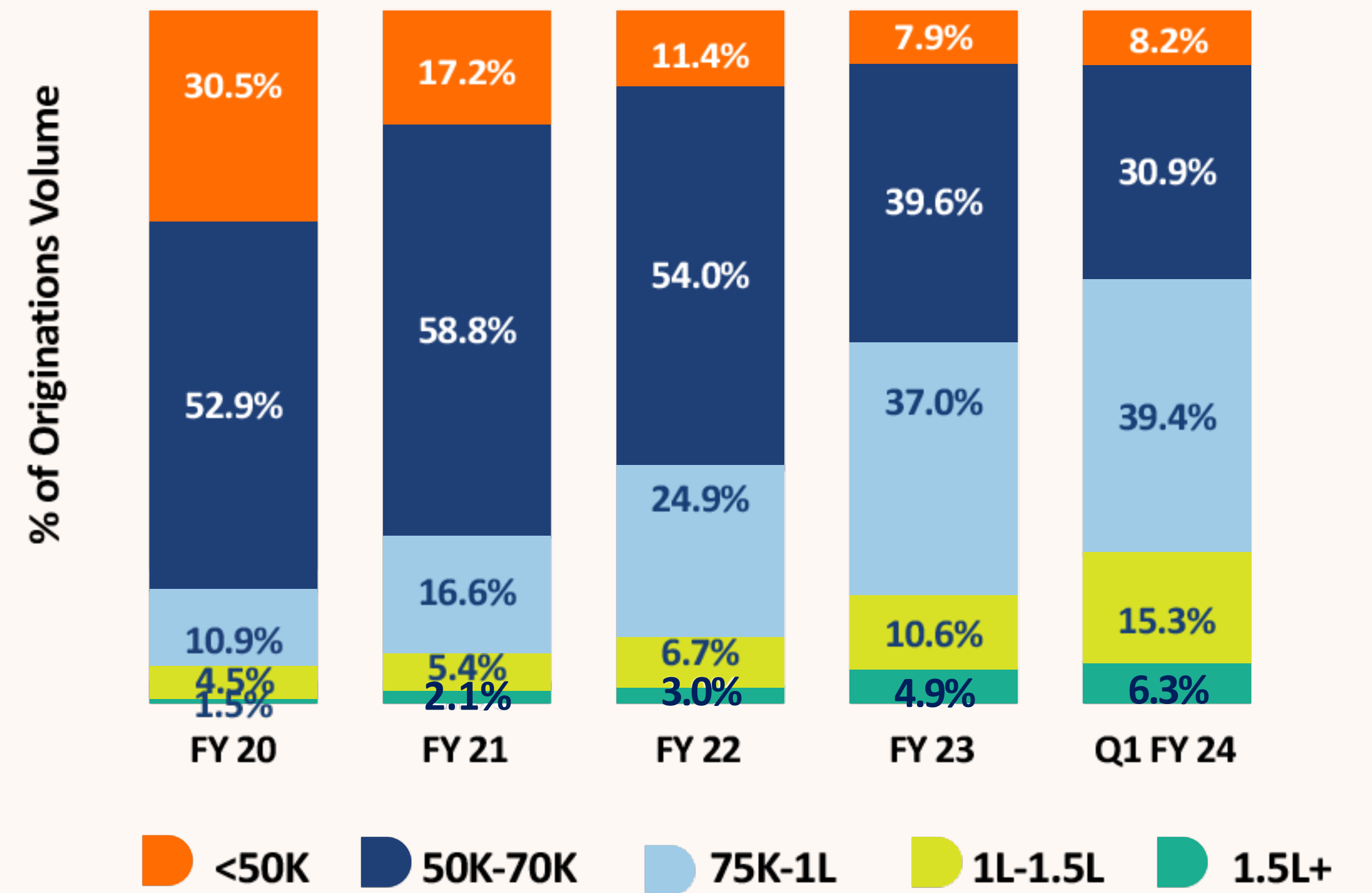


Shift in Originations to Higher Ticket Size Loans

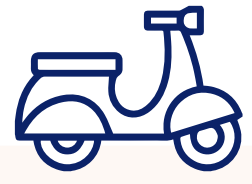
Originations Value by Ticket Size (₹)



Originations Volume by Ticket Size (₹)

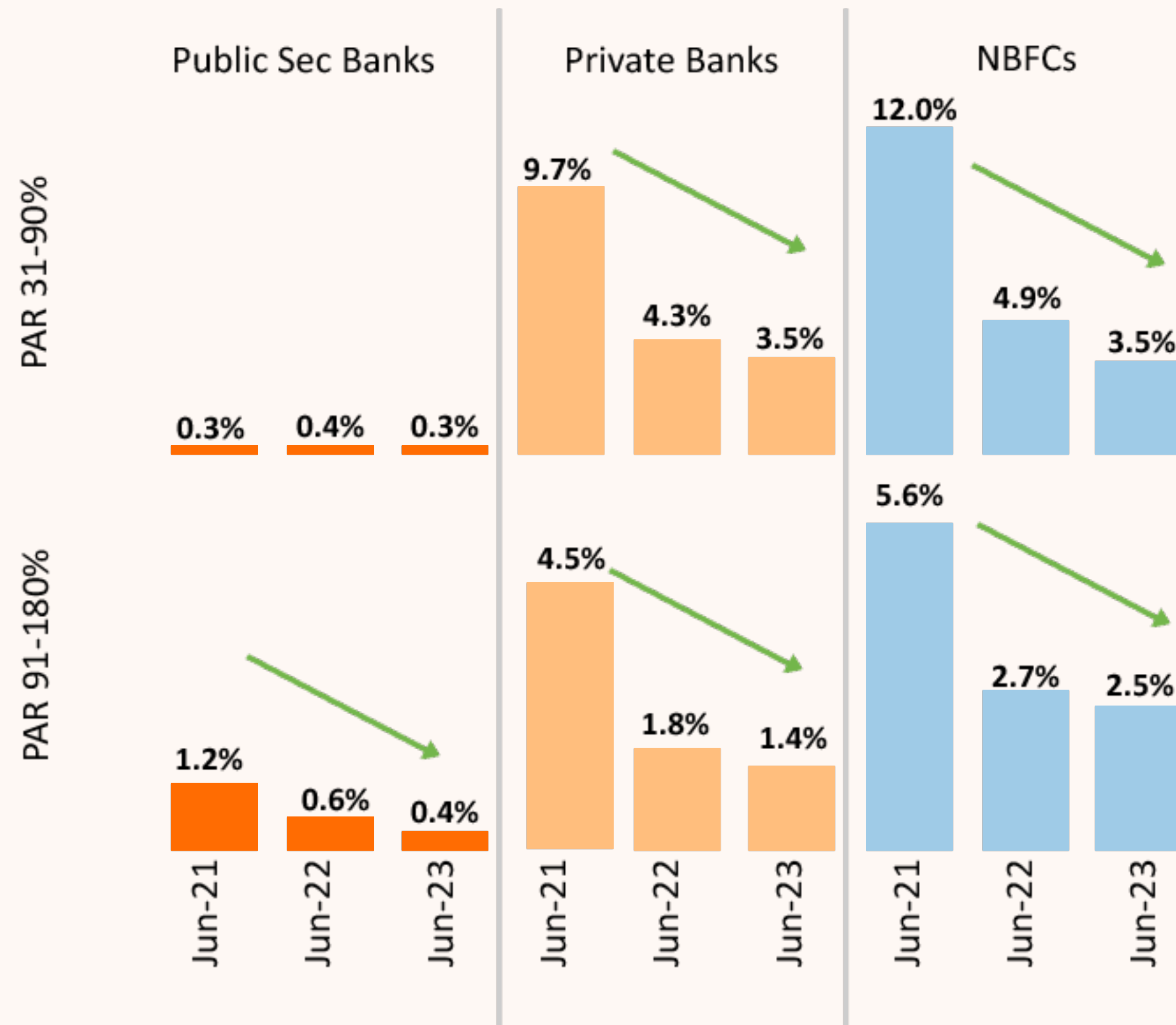


- Shift in Originations from lower ticket sizes to ₹75K+ ticket sizes
- 2.3X Growth in Originations share (by Value) and 3.2X in Originations share (by Volume) for ₹75K+ from FY20 to FY23

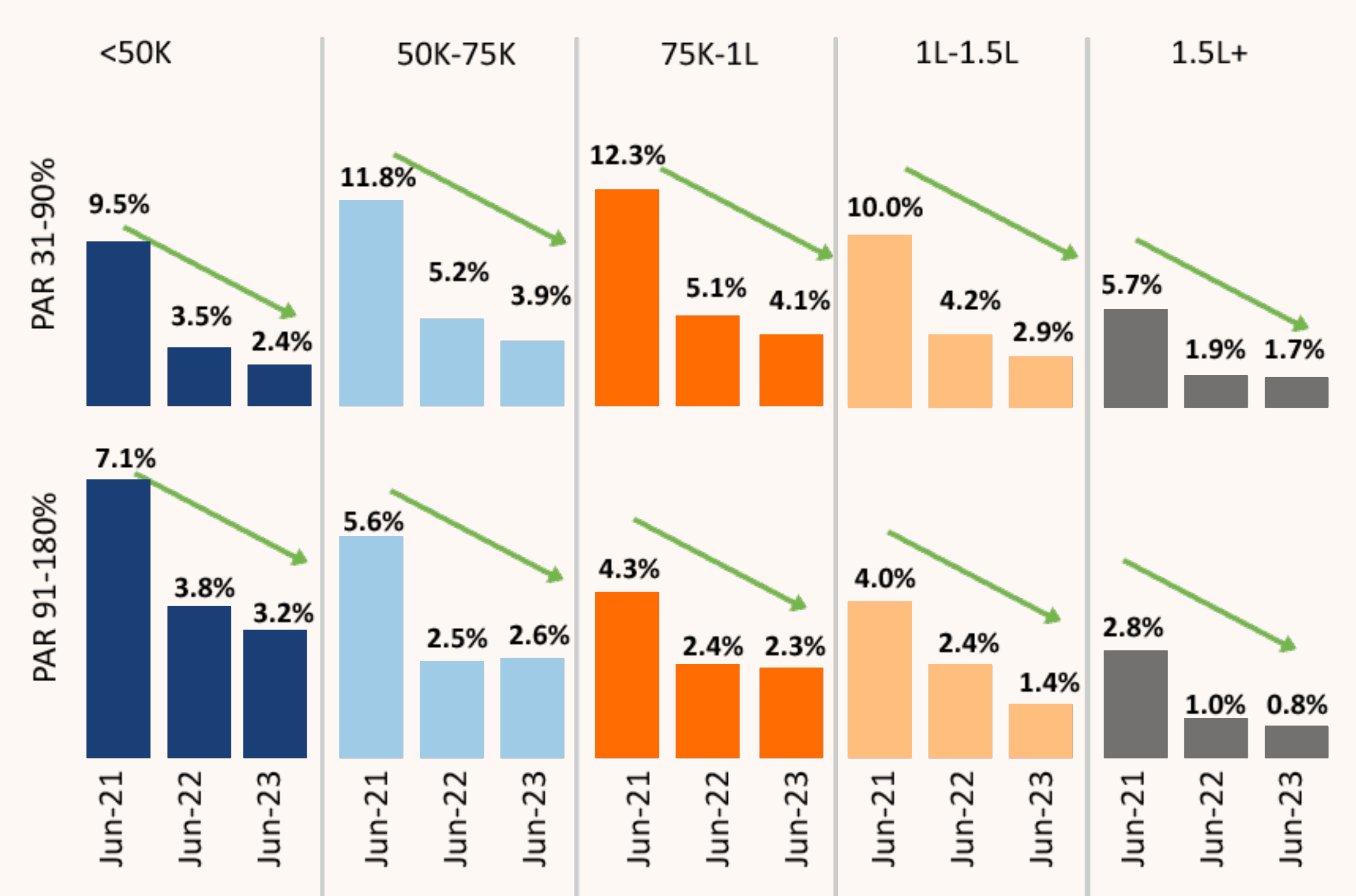


Improvement in PAR 31-180% Across Lender Types and Ticket Sizes

Delinquency - Lender Type



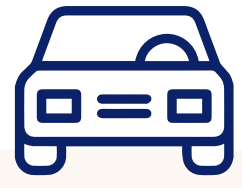
Delinquency - Ticket Size (₹)



- Steep Improvement in PAR 31-180% for NBFCs and Private Banks from Jun'21 to Jun'23
- ₹1L+ loans perform better than <₹1L loans
- Steep Improvement in PAR 31-180% for all ticket sizes from Jun'21 to Jun'23

Auto Loans



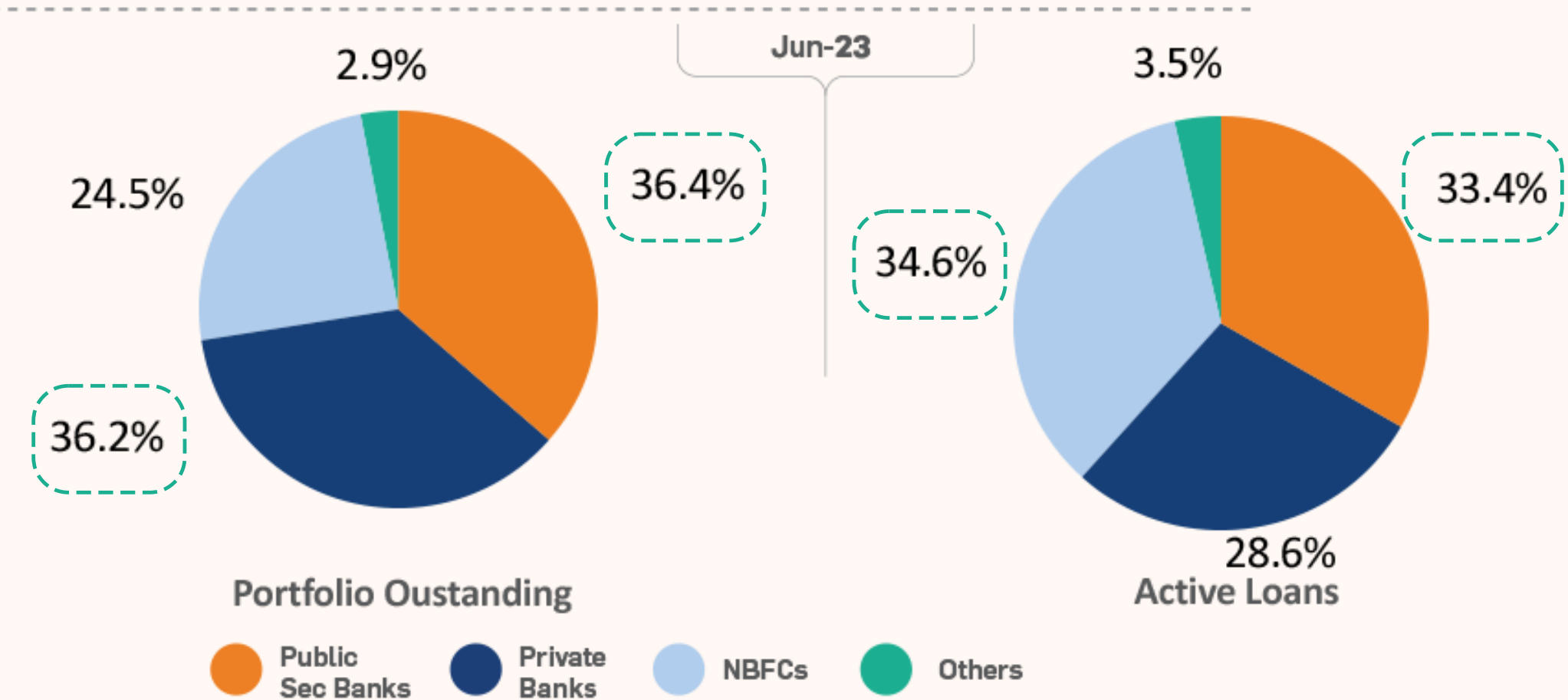


Recovery in Originations and Portfolio with Improvement in Delinquency

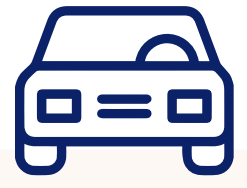
Portfolio Snapshot

	Jun-21	Jun-22	Jun-23
Portfolio Outstanding (₹ Lakh Cr)	4.3	4.9	5.9
Y-o-Y Growth %		14.6%	19.7%
Active Loans (Lakhs)	118.3	123.1	129.0
Y-o-Y Growth %		4.1%	4.7%
PAR 31-90%	5.4%	2.9%	2.3%
PAR 91-180%	2.3%	1.0%	0.7%
PAR 181-360%	0.9%	0.4%	0.3%
PAR 360+%	2.4%	2.5%	2.1%

Market Share (Jun-23)

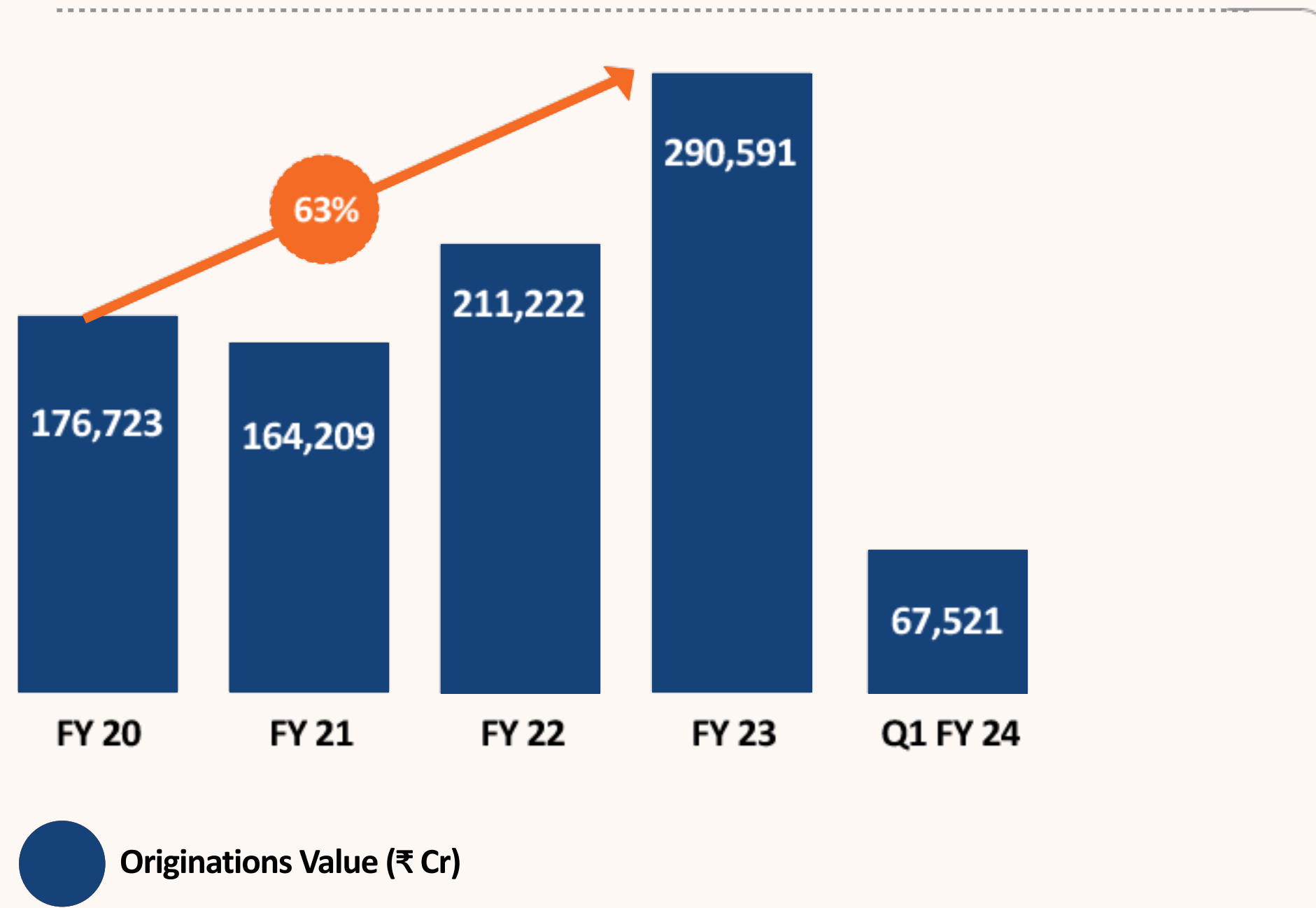


- Dominated by PSU Banks & Pvt Banks by Value, dominated by NBFCs & PSU Banks by Volume
- NBFCs focus on lower ticket size loans

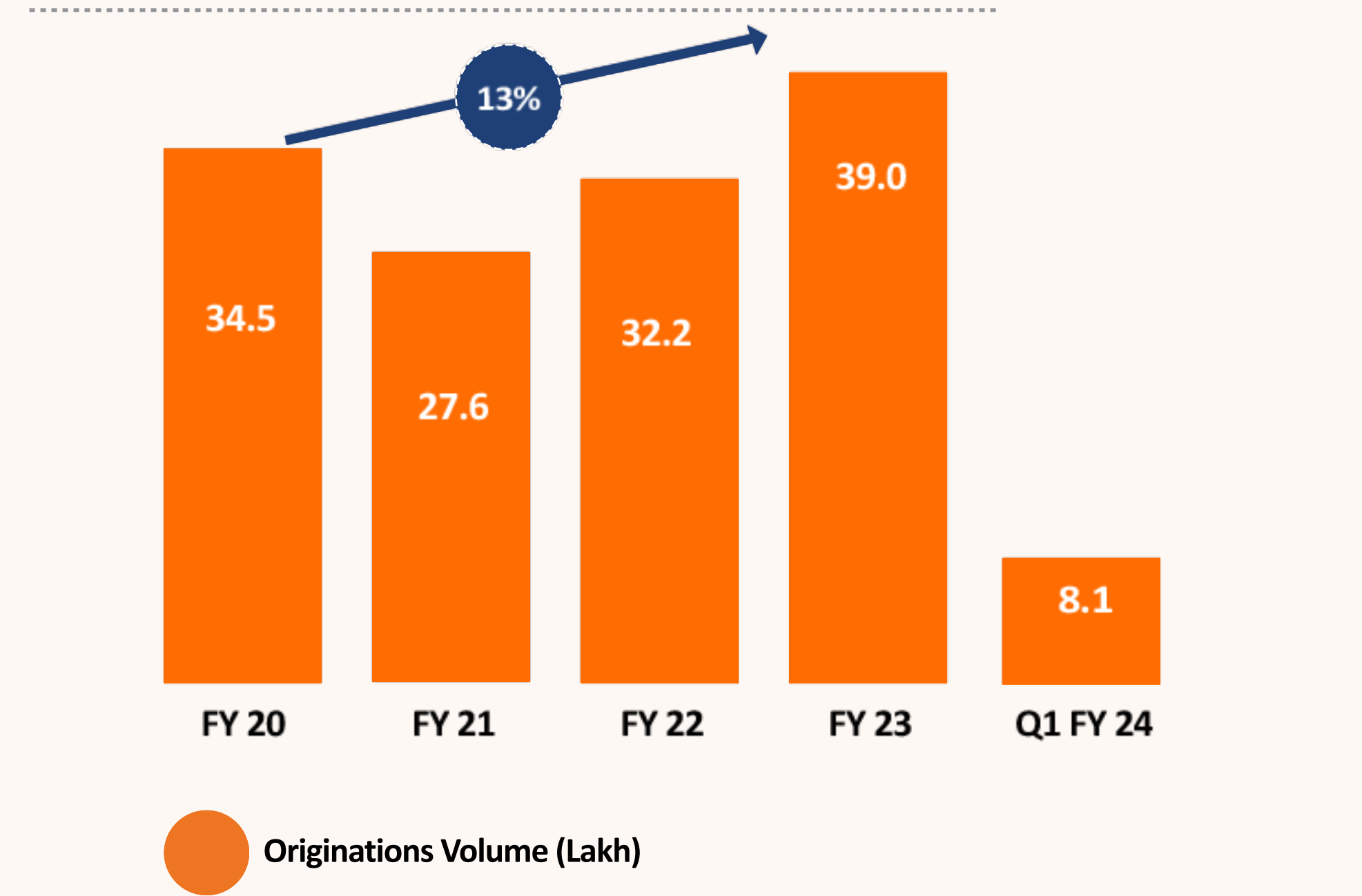


Resurgence Compared to Pre-Covid Levels

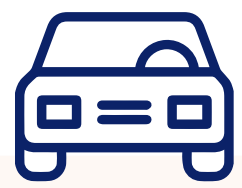
Originations Value



Originations Volume

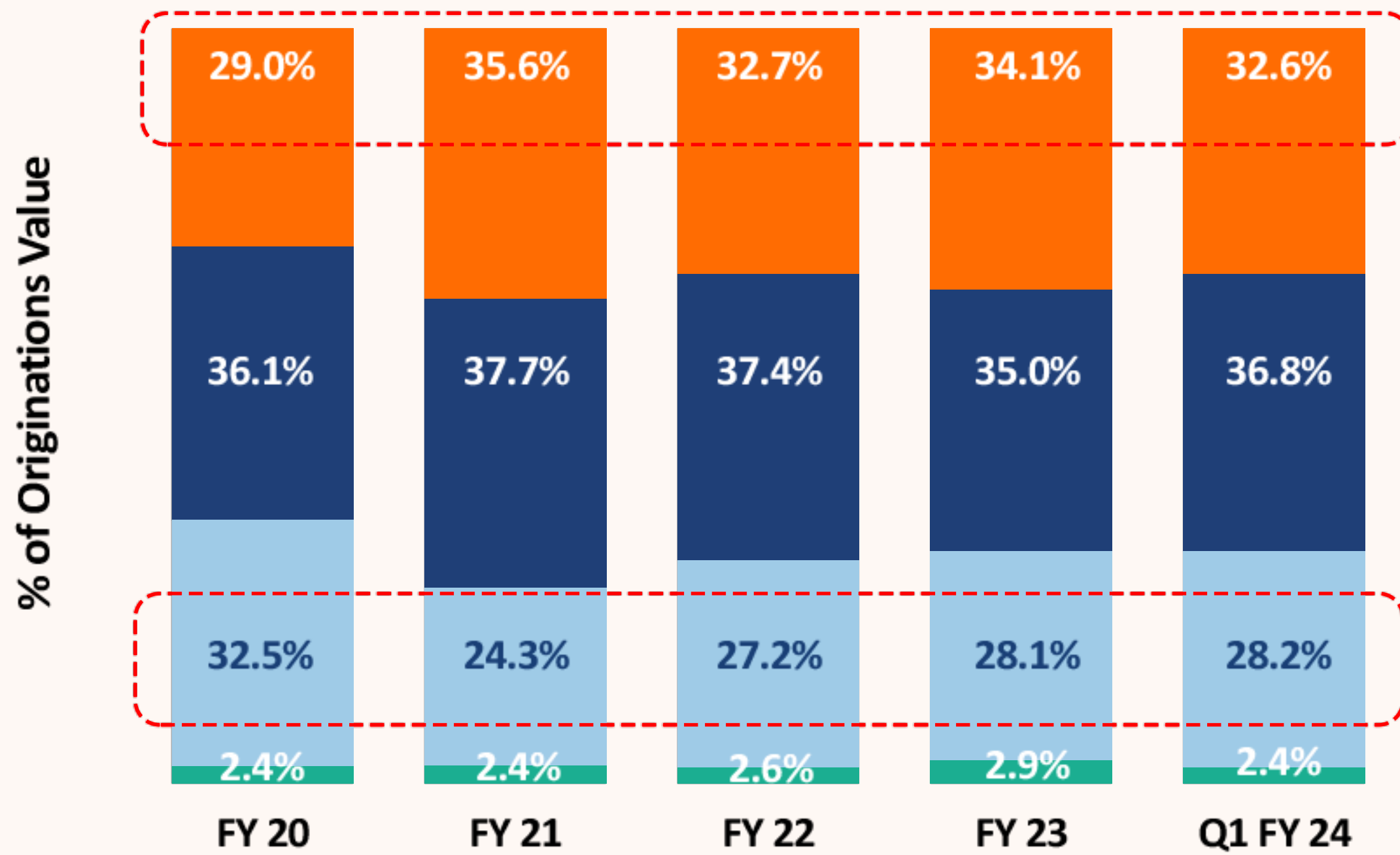


- 63% Growth in Originations (by Value) from FY20 to FY23
- 13% Growth in Originations (by Volume). However, 47% Growth in ATS from ₹5.1L in FY20 to ₹7.5L in FY23

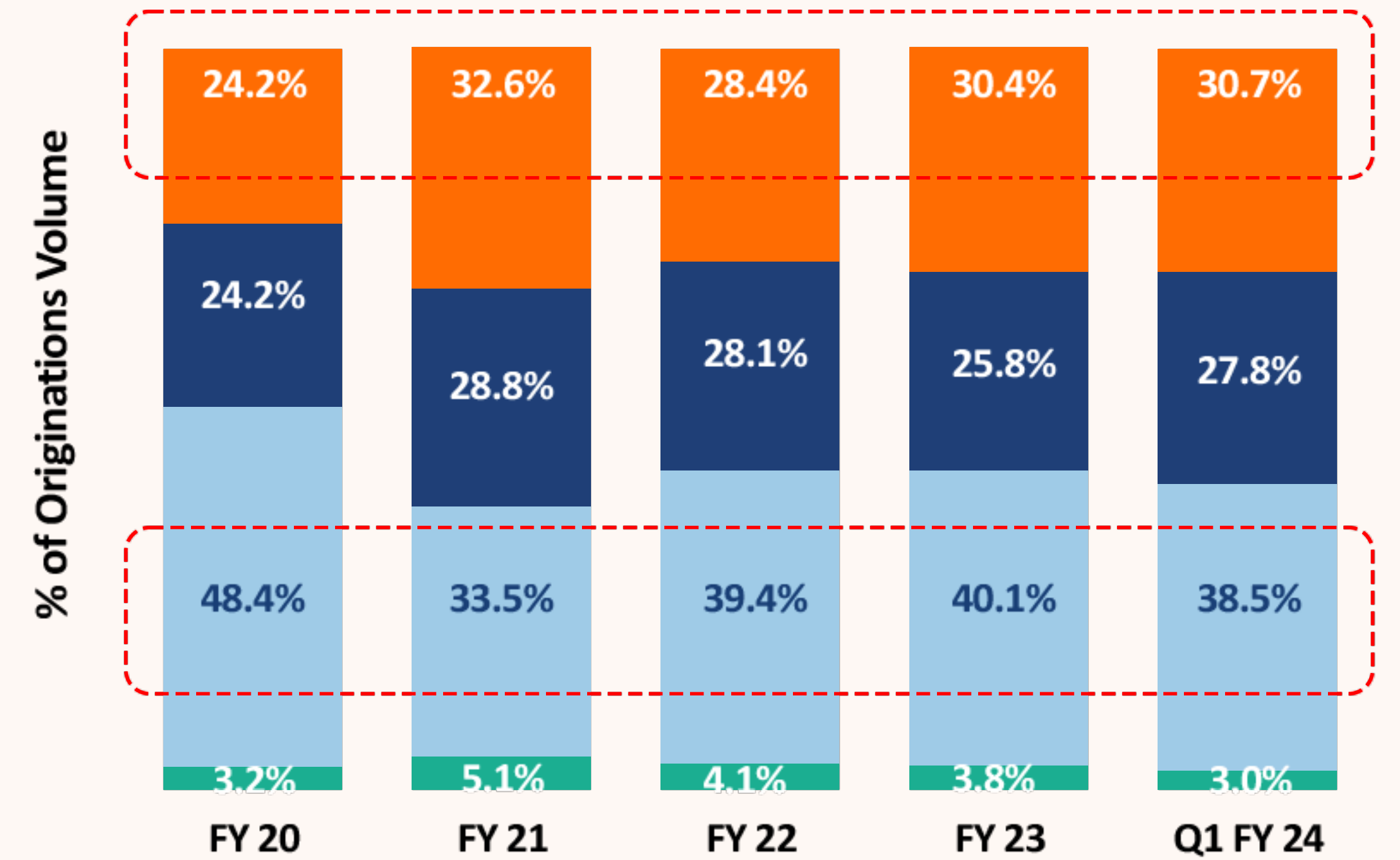


PSU Banks Gain Market Share, Pvt Banks Hold Steady

Originations Value by Lender Type



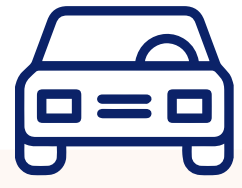
Originations Volume by Lender Type



■ Public Sec Banks
 ■ Private Banks
 ■ NBFCs
 ■ Others

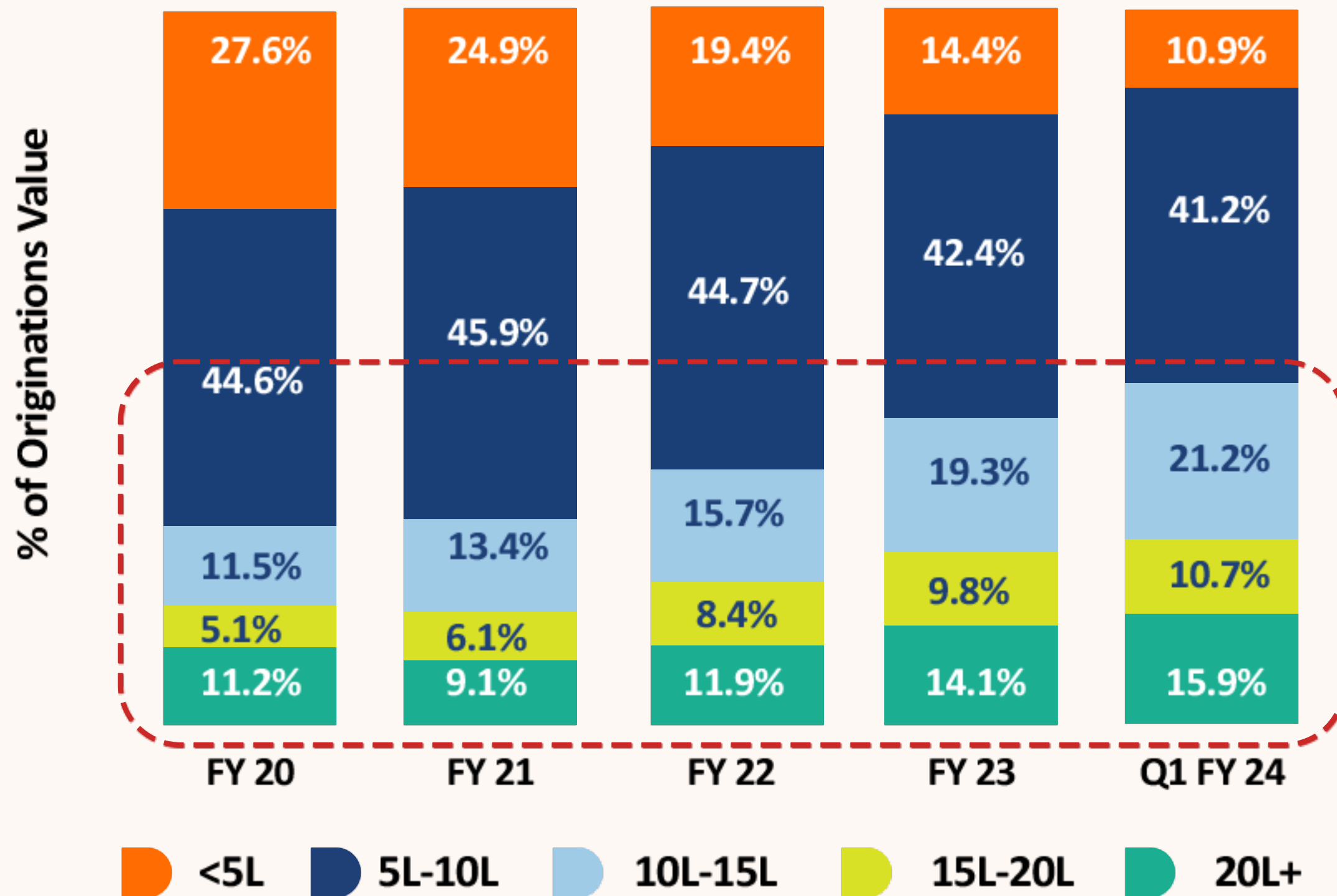
■ Public Sec Banks
 ■ Private Banks
 ■ NBFCs
 ■ Others

➤ Increase in Originations share (by Value and Volume) of PSU Banks compared to pre-covid, while NBFCs lose share

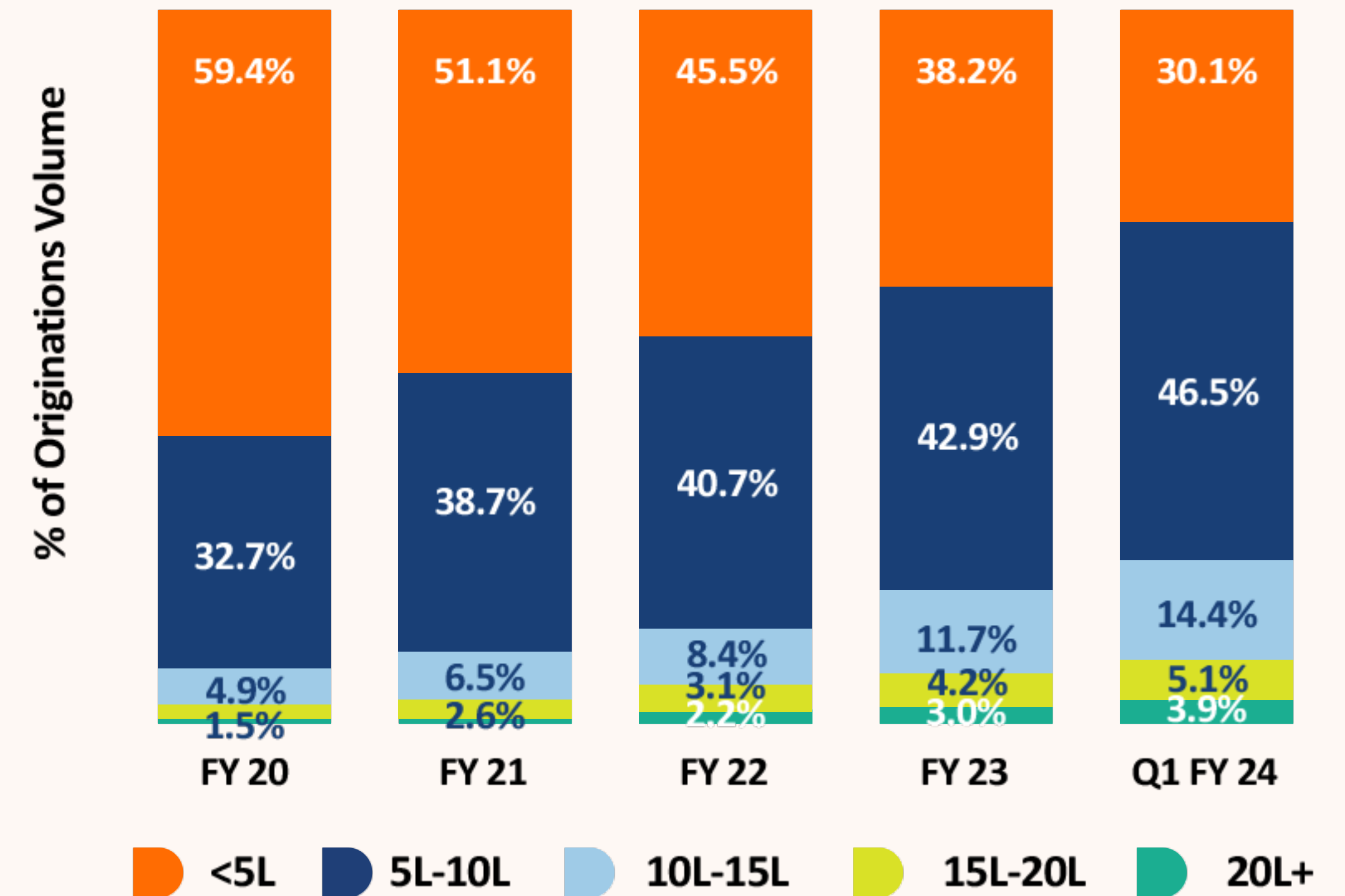


Shift in Originations to Higher Ticket Size Loans

Originations Value by Ticket Size (₹)



Originations Volume by Ticket Size (₹)

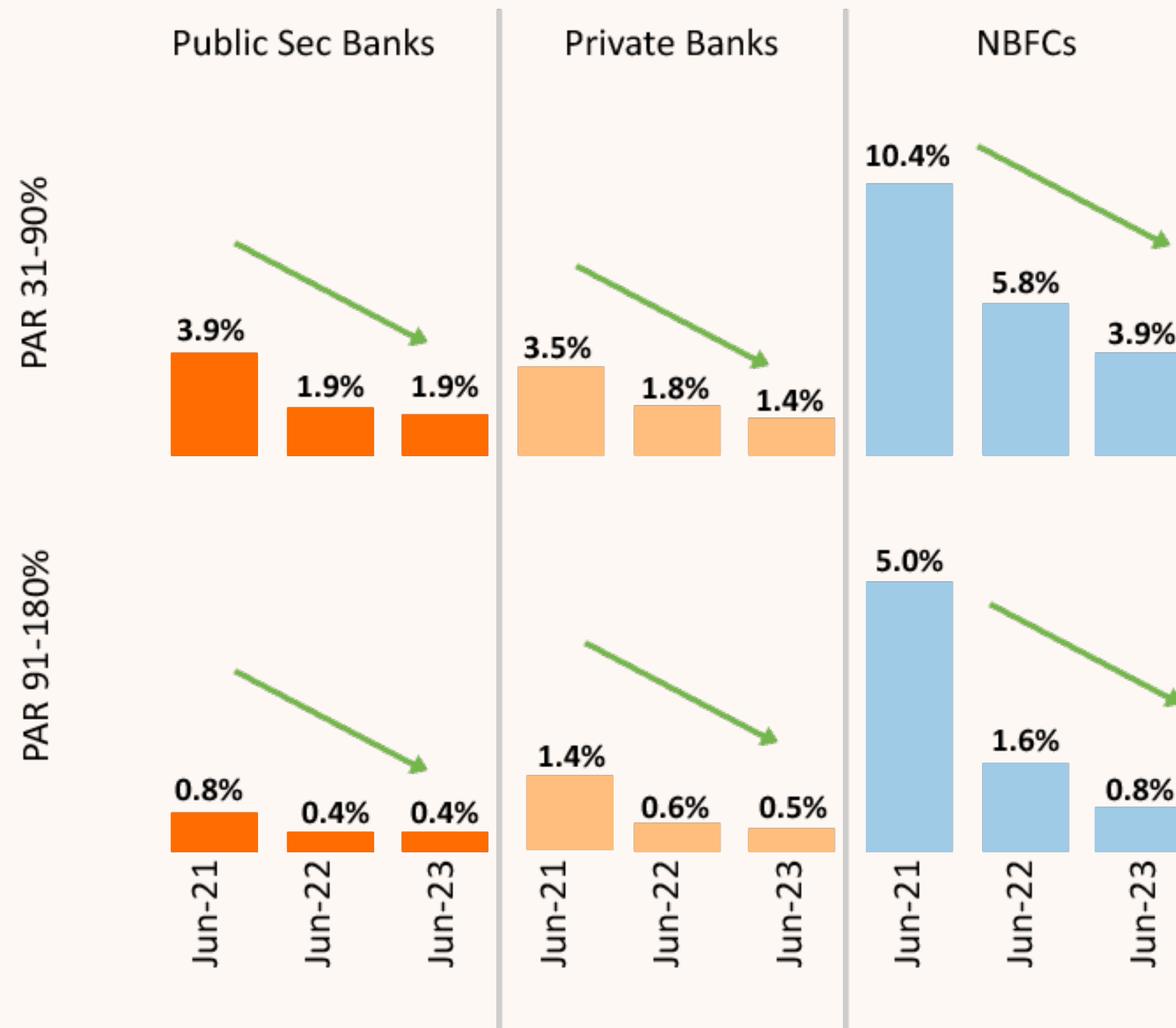


- Shift in Originations from lower ticket sizes to ₹10L+ ticket sizes
- ~2.5X Growth in Originations (by Value and Volume) for ₹20L+ ticket size loans from FY21 to FY23

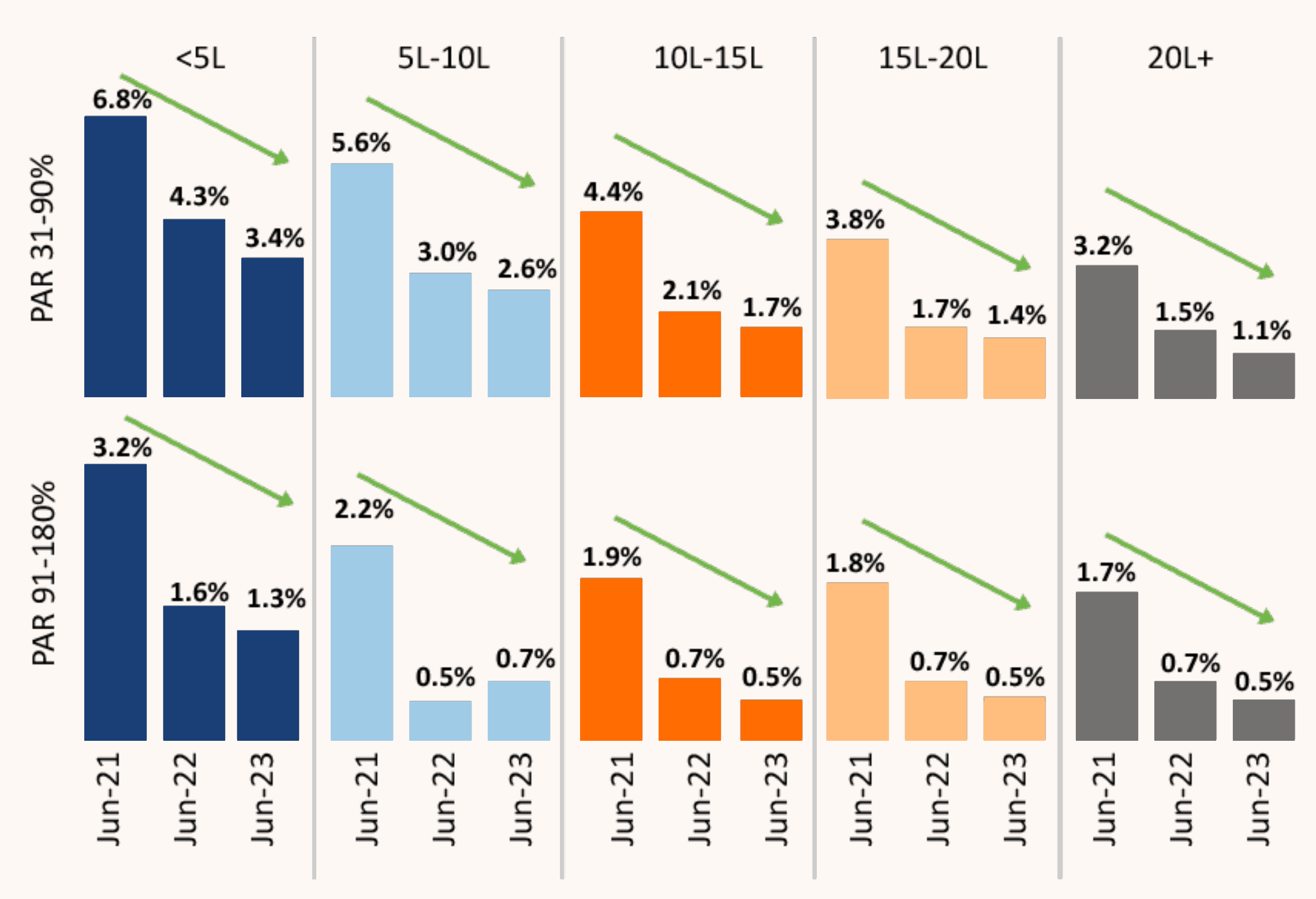


Improvement in PAR 31-180% Across Lender Types and Ticket Sizes

Delinquency - Lender Type



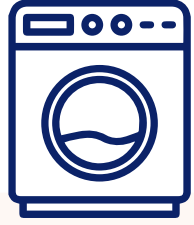
Delinquency - Ticket Size (₹)



- Steep Improvement in PAR 31-180% for NBFCs from Jun'21 to Jun'23; However, experiencing higher delinquency
- PAR 31-180% reduces with increase in ticket size



Consumer Durable Loans

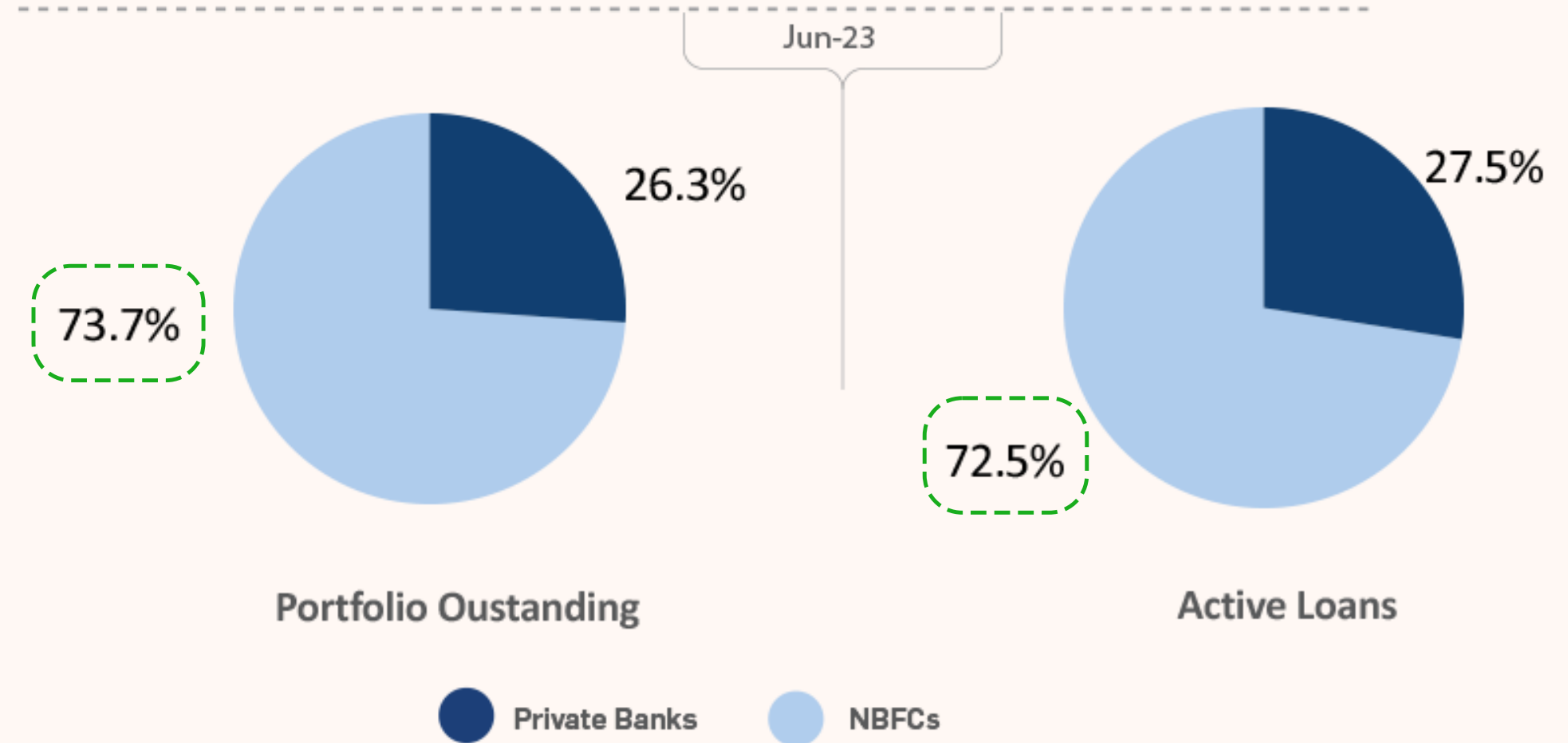


2X Growth in Portfolio Value from Jan'21 to Jan'23

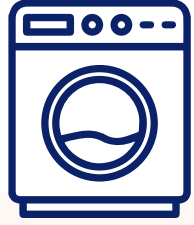
Consumer Durable Loans - Portfolio Snapshot

	Jun-21	Jun-22	Jun-23
Portfolio Outstanding (₹ K Cr)	25.8	44.3	53.9
Y-o-Y Growth %		71.5%	21.8%
Active Loans (Lakhs)	361.6	536.6	671.9
Y-o-Y Growth %		48.4%	25.2%
PAR 31-90%	2.3%	1.0%	1.0%
PAR 91-180%	1.4%	0.8%	0.8%
PAR 180+%	4.9%	2.5%	3.0%

Consumer Durable Loans - Market Share

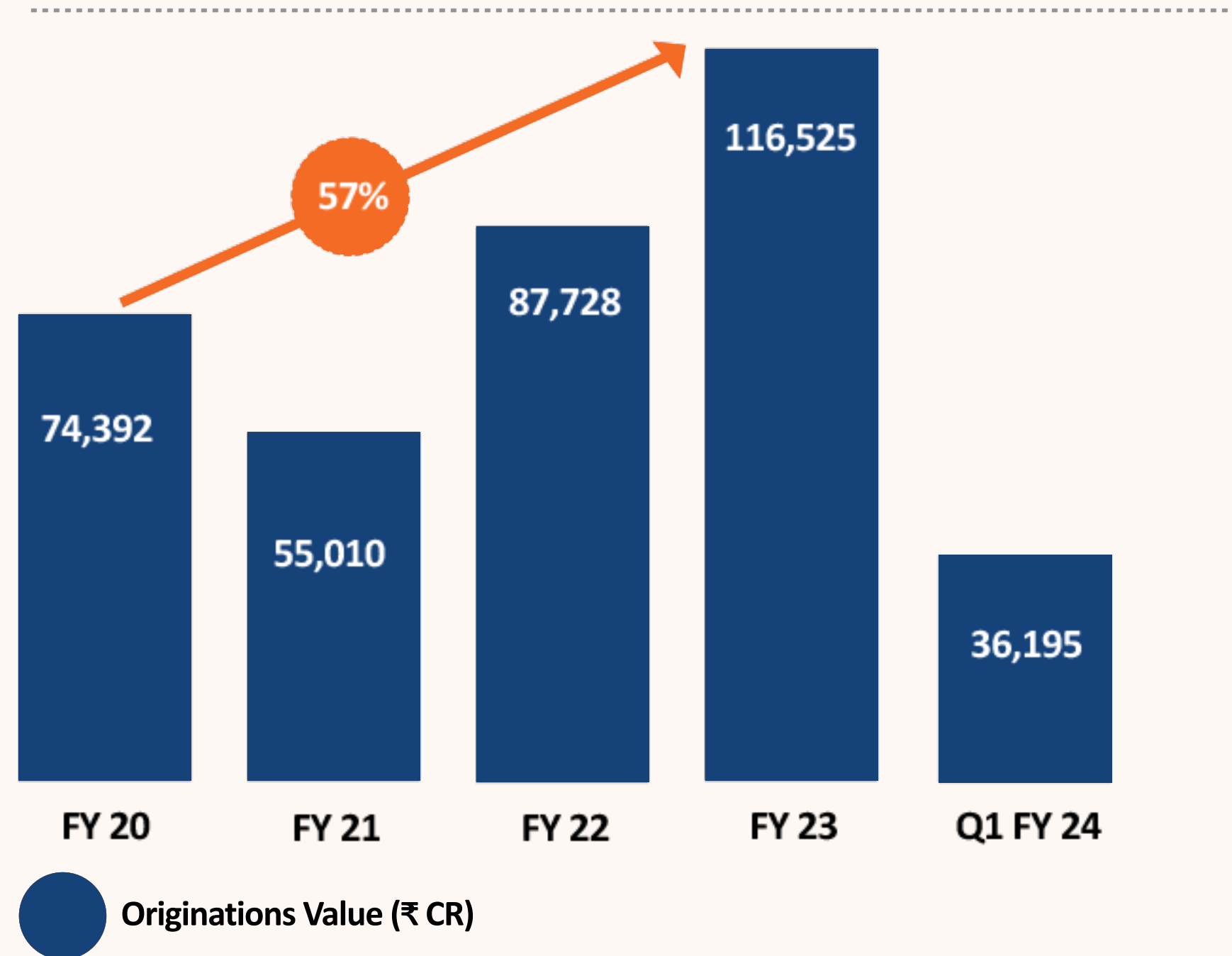


- Dominated by NBFCs by Value and Volume
- Flat PAR 31-180 and increased PAR 180+ from Jun'22 to Jun'23

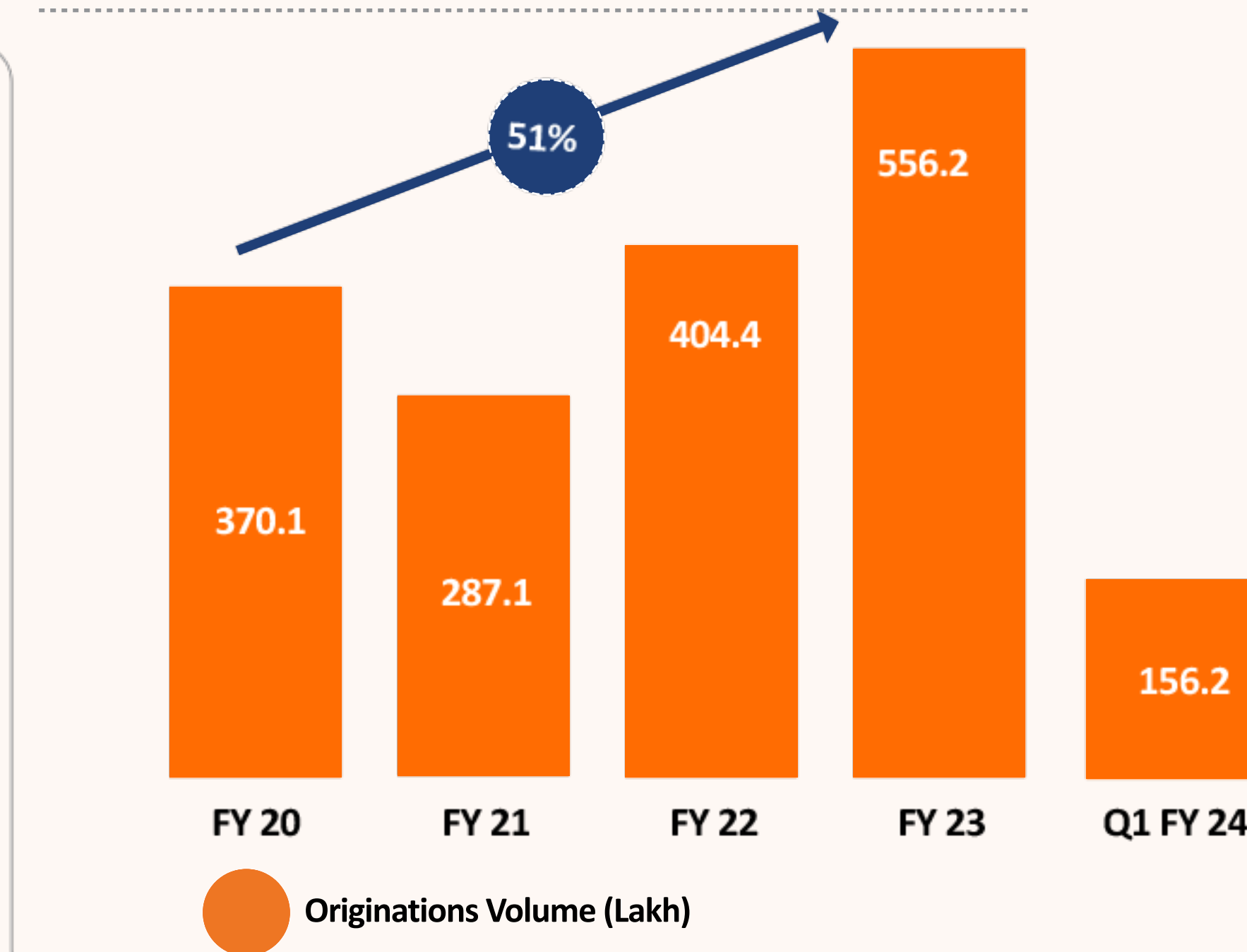


Revival in FY23 Compared to Pre-Covid

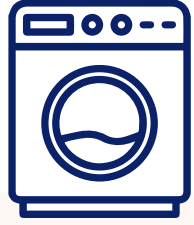
Originations Value



Originations Volume

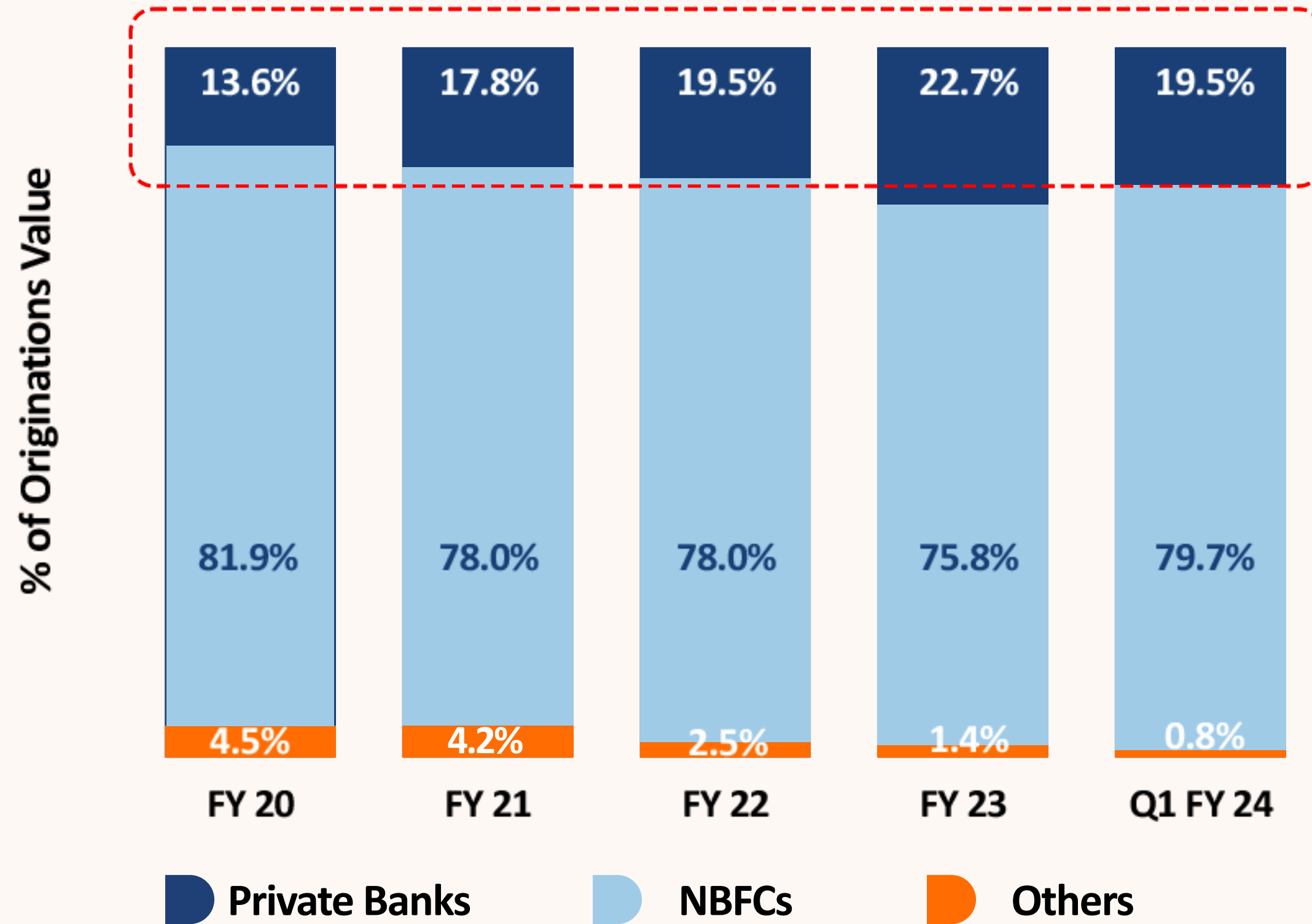


- 57% Growth in Originations (by Value) from FY20 to FY23
- 51% Growth in Originations (by Volume) from FY20 to FY23

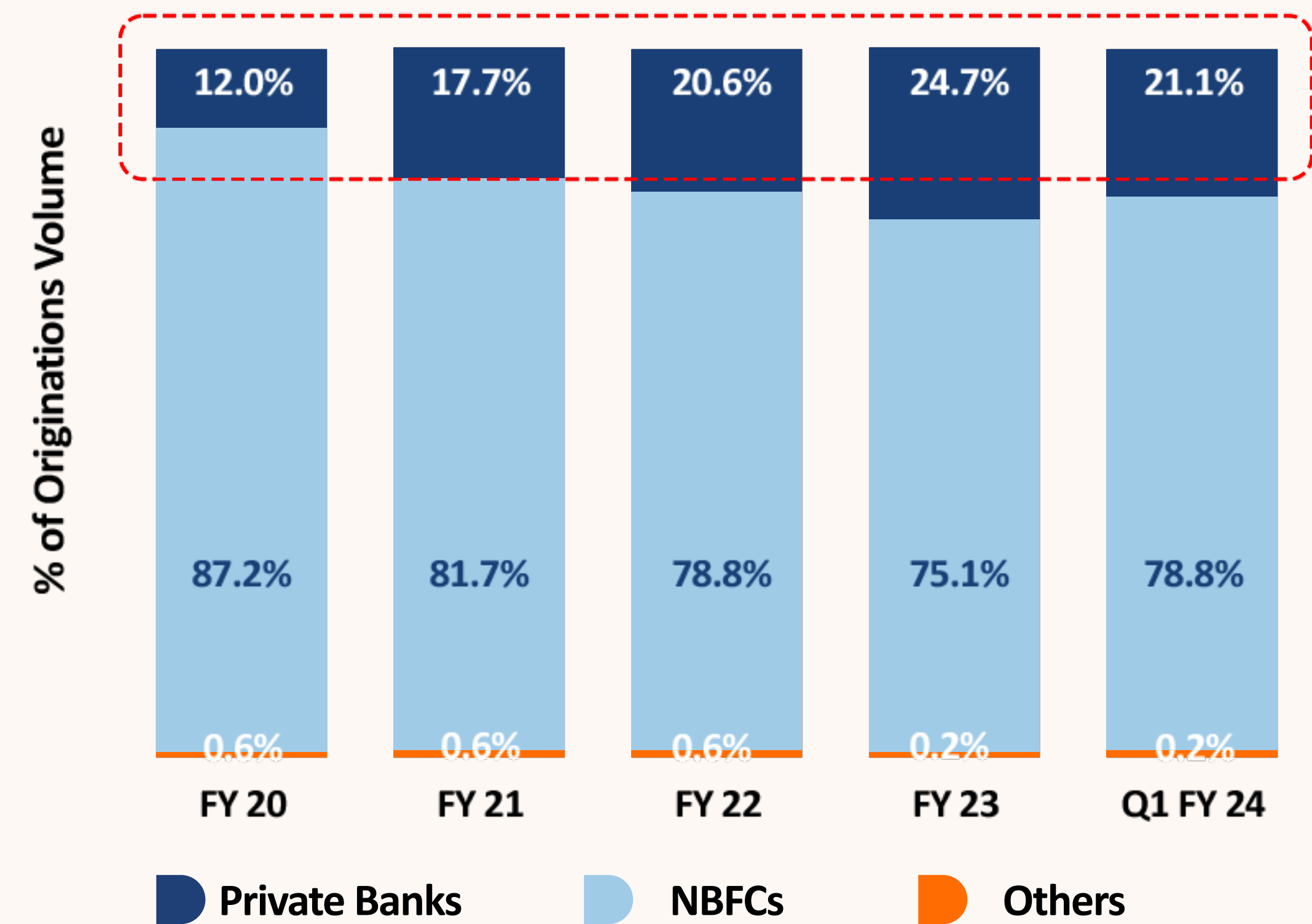


Private Banks Gain Substantial Market Share

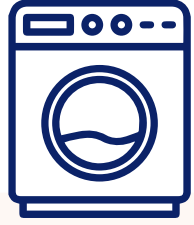
Originations Value by Lender Type



Originations Volume by Lender Type

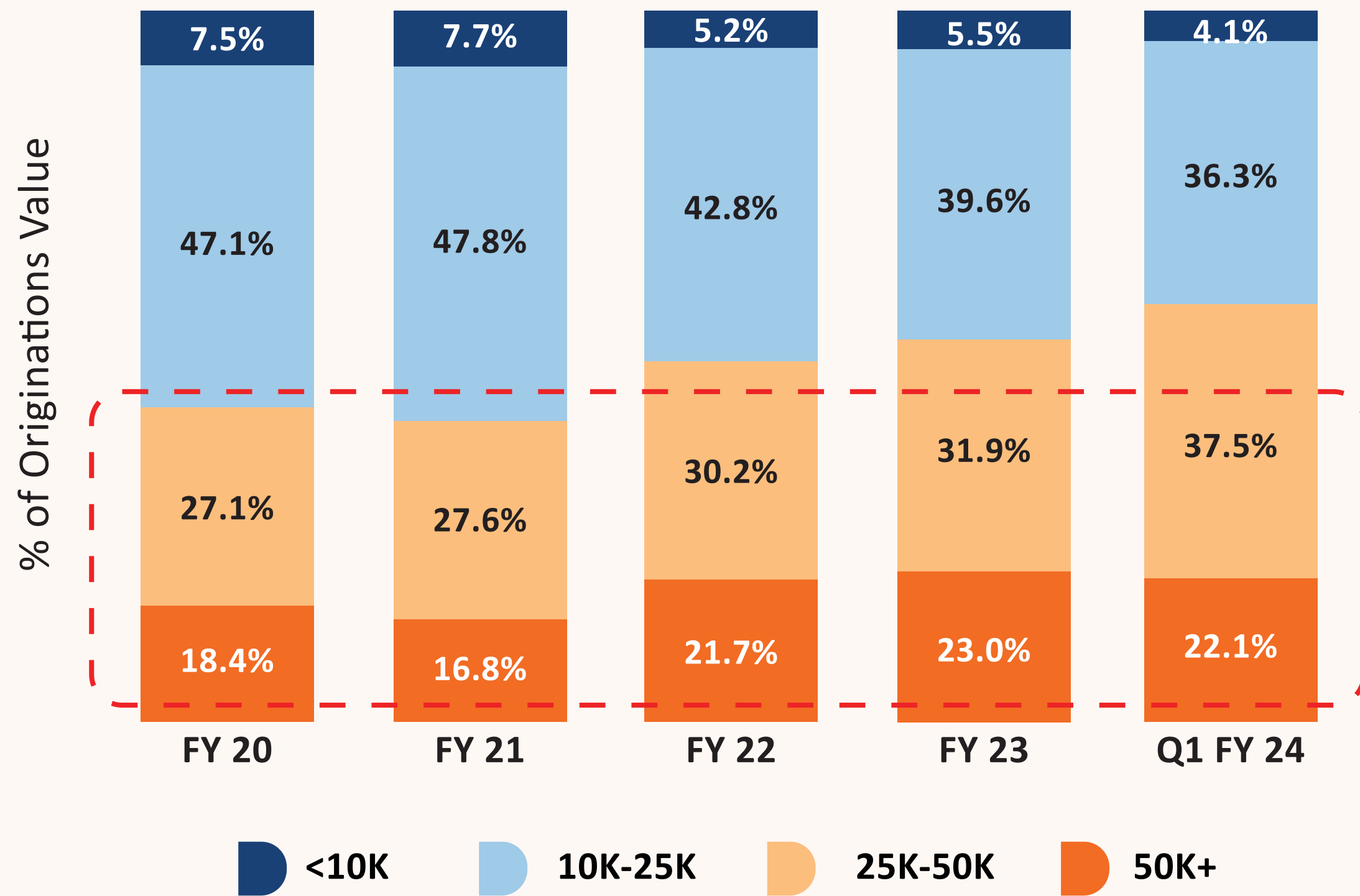


- 57% Growth in Originations (by Value) from FY20 to FY23
- 51% Growth in Originations (by Volume) from FY20 to FY23

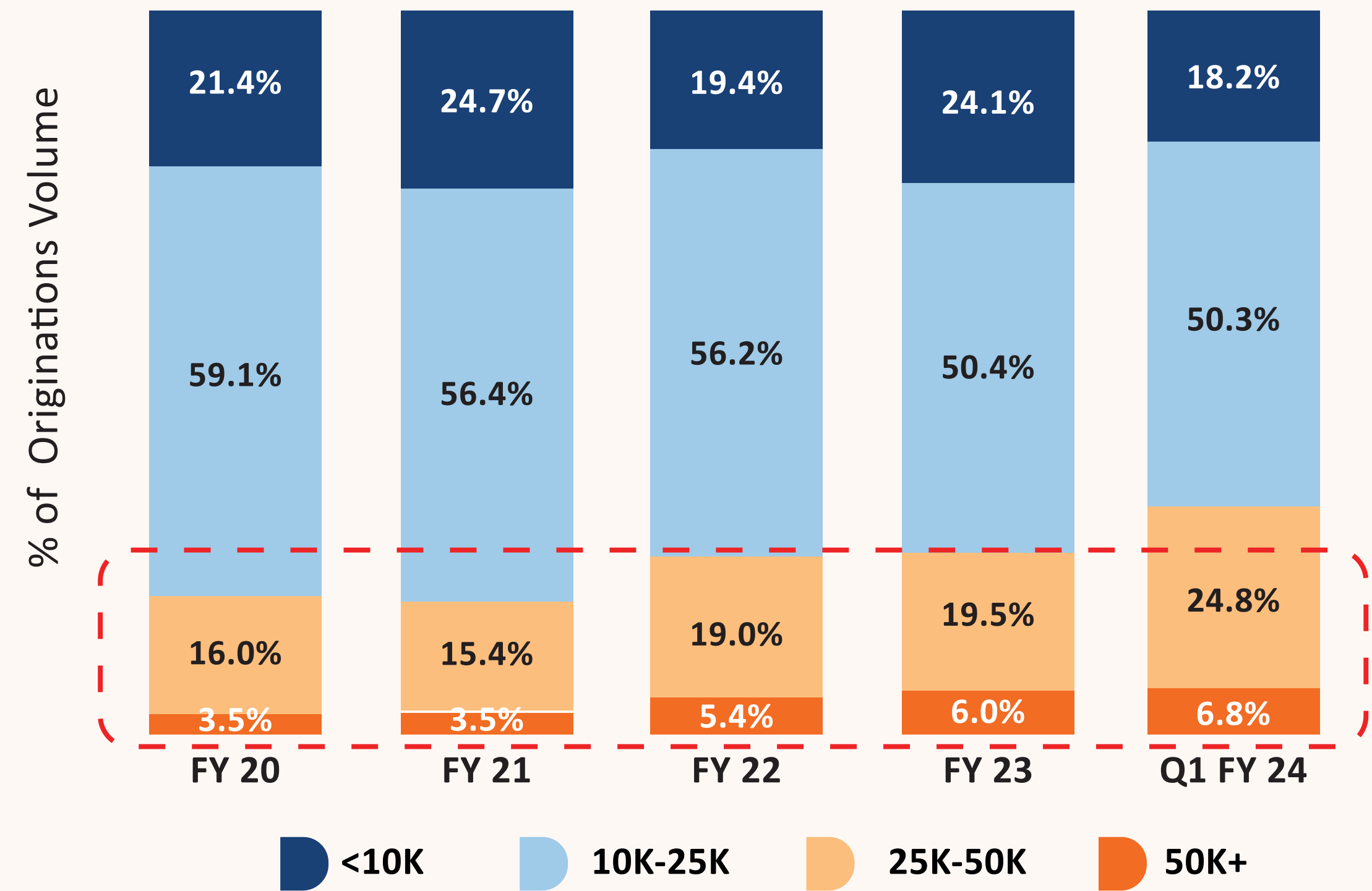


High Growth in ₹50K+ Ticket Size Loans

Originations Value by Ticket Size (₹)



Originations Volume by Ticket Size (₹)

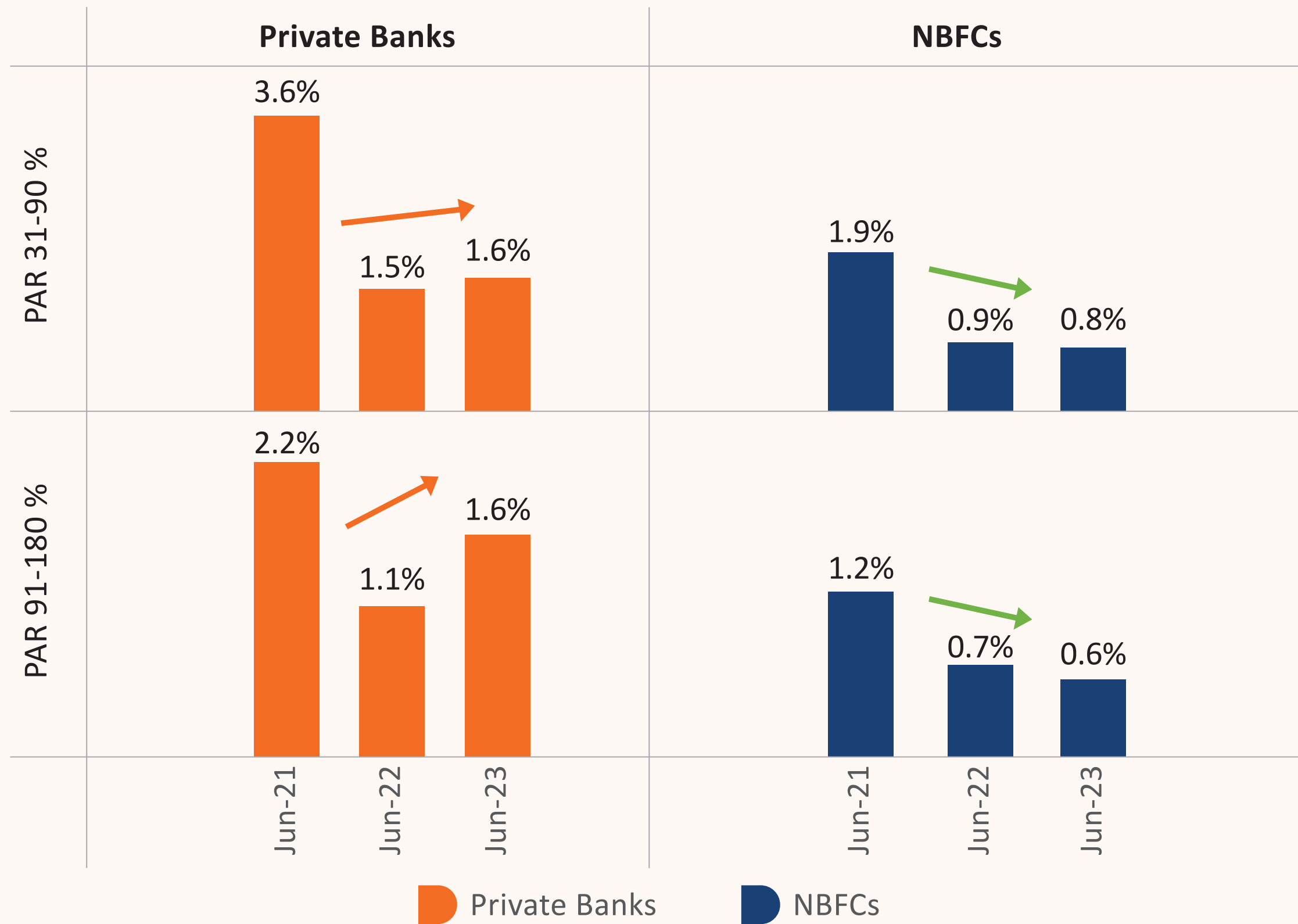


- Shift in Originations from lower ticket size loans to >₹25K ticket size loans
- ₹50K+ ticket size loans grows the fastest with 2.4X Growth in Originations (by Value) and 2.7X Growth in Originations (by Volume) from FY20 to FY23

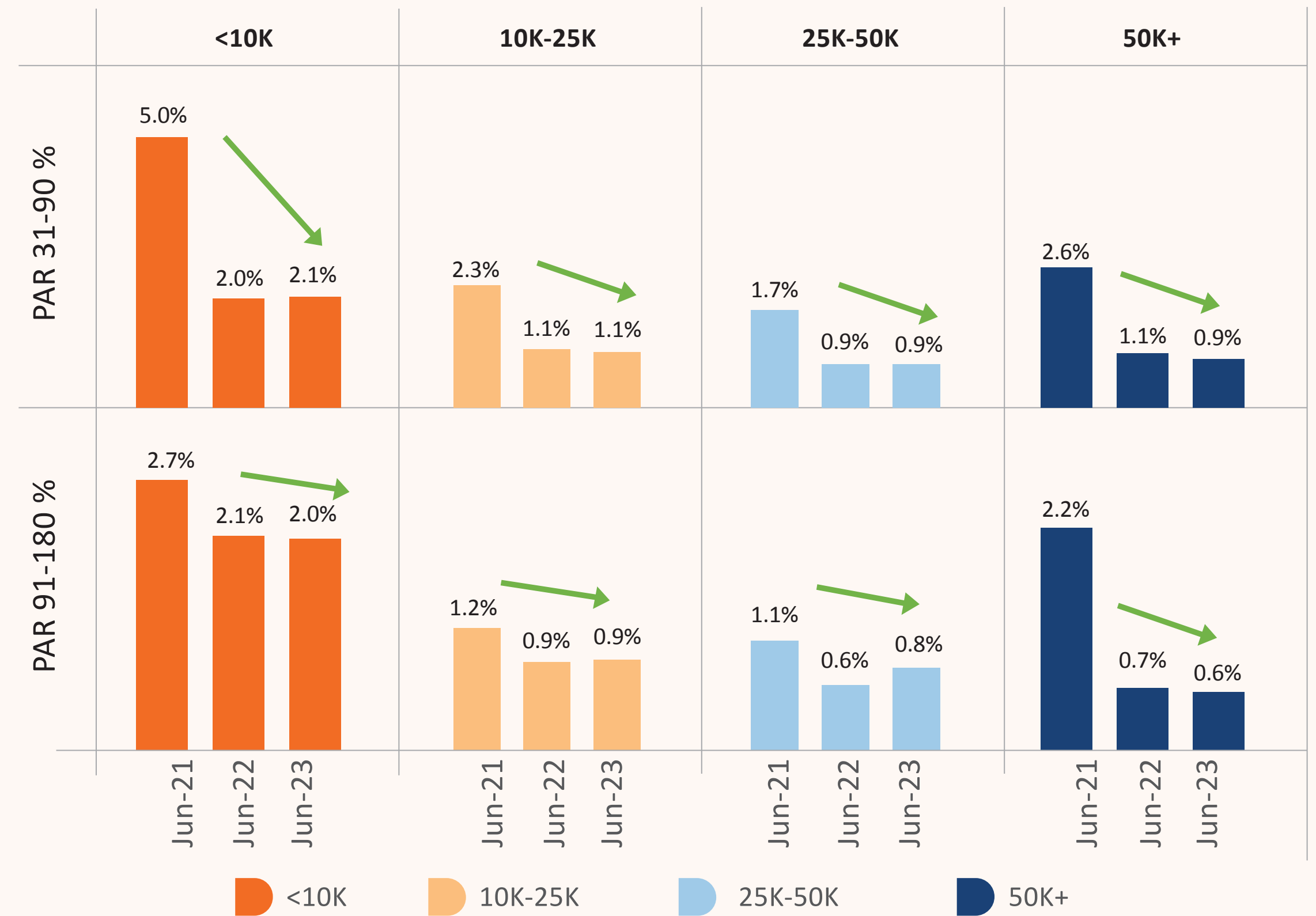


Decline in Performance for Pvt Banks from Jun'22 to Jun'23

Delinquency - Lender Type



Delinquency - Ticket Size (₹)



- ▶ Private Sector Banks have higher PAR 31-180 than NBFCs. Increased PAR 31-180 for Private Sector Banks from Jun'22 to Jun'23
- ▶ ₹50K+ loans have higher PAR 31-180 than ₹25K-50K loans

Credit Cards



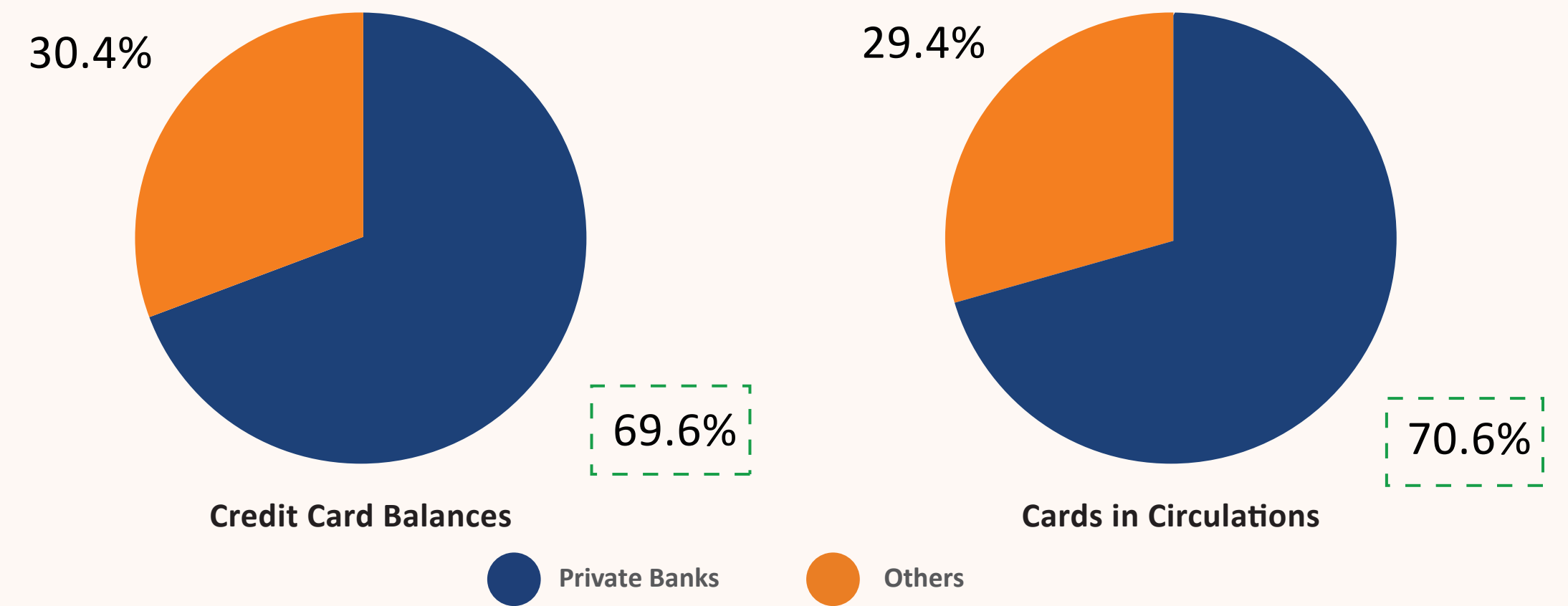


Robust Growth with Higher Risk

Credit Cards - Portfolio Snapshot

	Jun-21	Jun-22	Jun-23
Credit Card Balance (₹ L Cr)	1.5	2.0	2.6
Y-o-Y Growth %		31.9%	30.9%
Cards in Circulations (Lakh)	602.3	759.8	895.3
Y-o-Y Growth %		26.2%	17.8%
PAR 1-30%	4.0%	3.4%	3.6%
PAR 31-90%	4.2%	2.4%	2.2%
PAR 90+%	14.3%	12.7%	12.5%

Credit Cards - Market Share



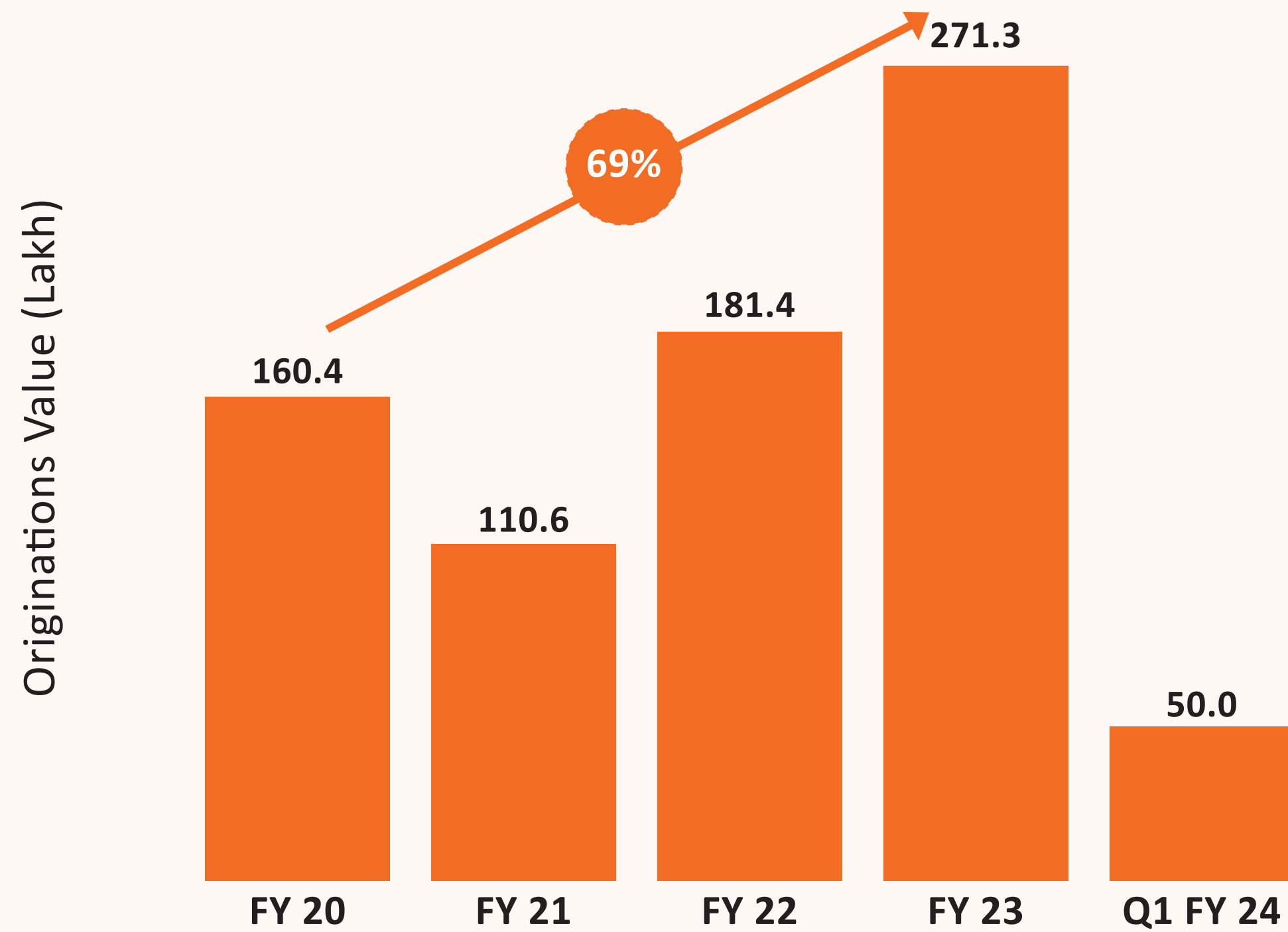
Issuer type Others includes Foreign Banks, Public Sector Banks, Credit Card Companies

- Dominated by Pvt Banks by Value and Volume
- Increase in PAR 1-30% from Jun'22 to Jun'23

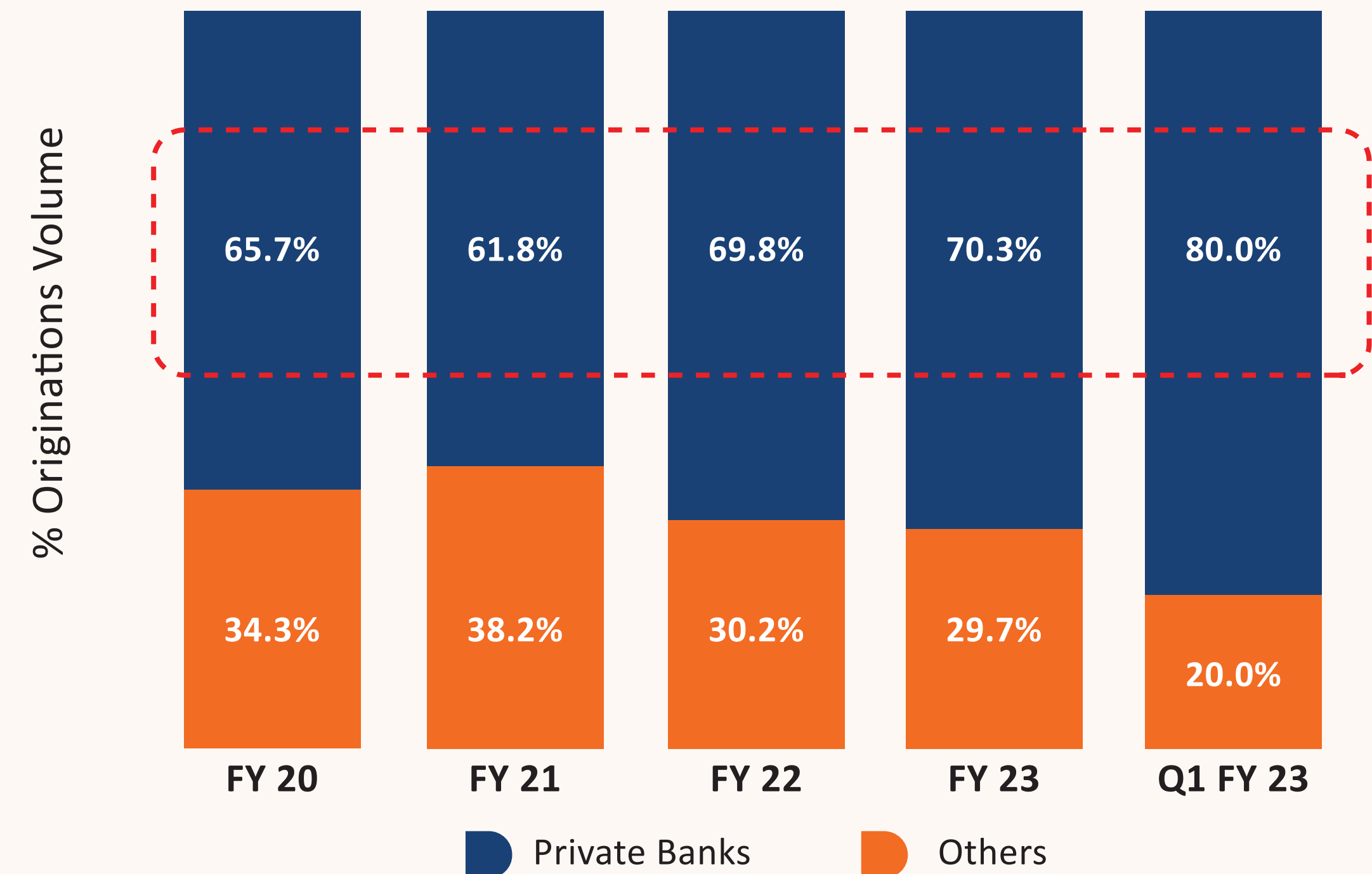


Revival in FY23 Compared to Pre-Covid

New Credit Cards Issued



New Credit Cards Issued - by Issuer Type

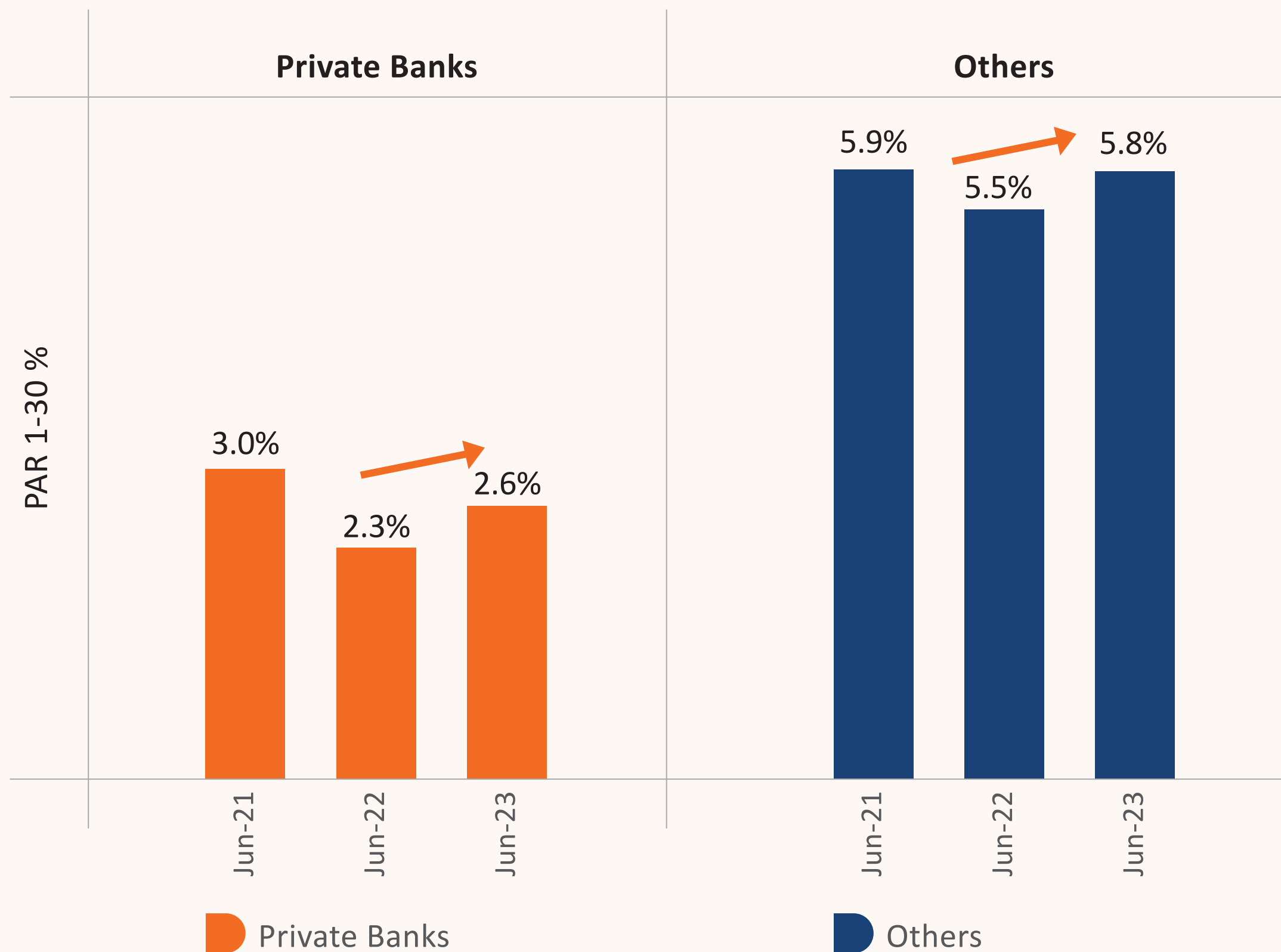


- 69% Growth in New Cards Issued from FY20 to FY23
- Growth in share of Private Banks compared to Pre-covid levels

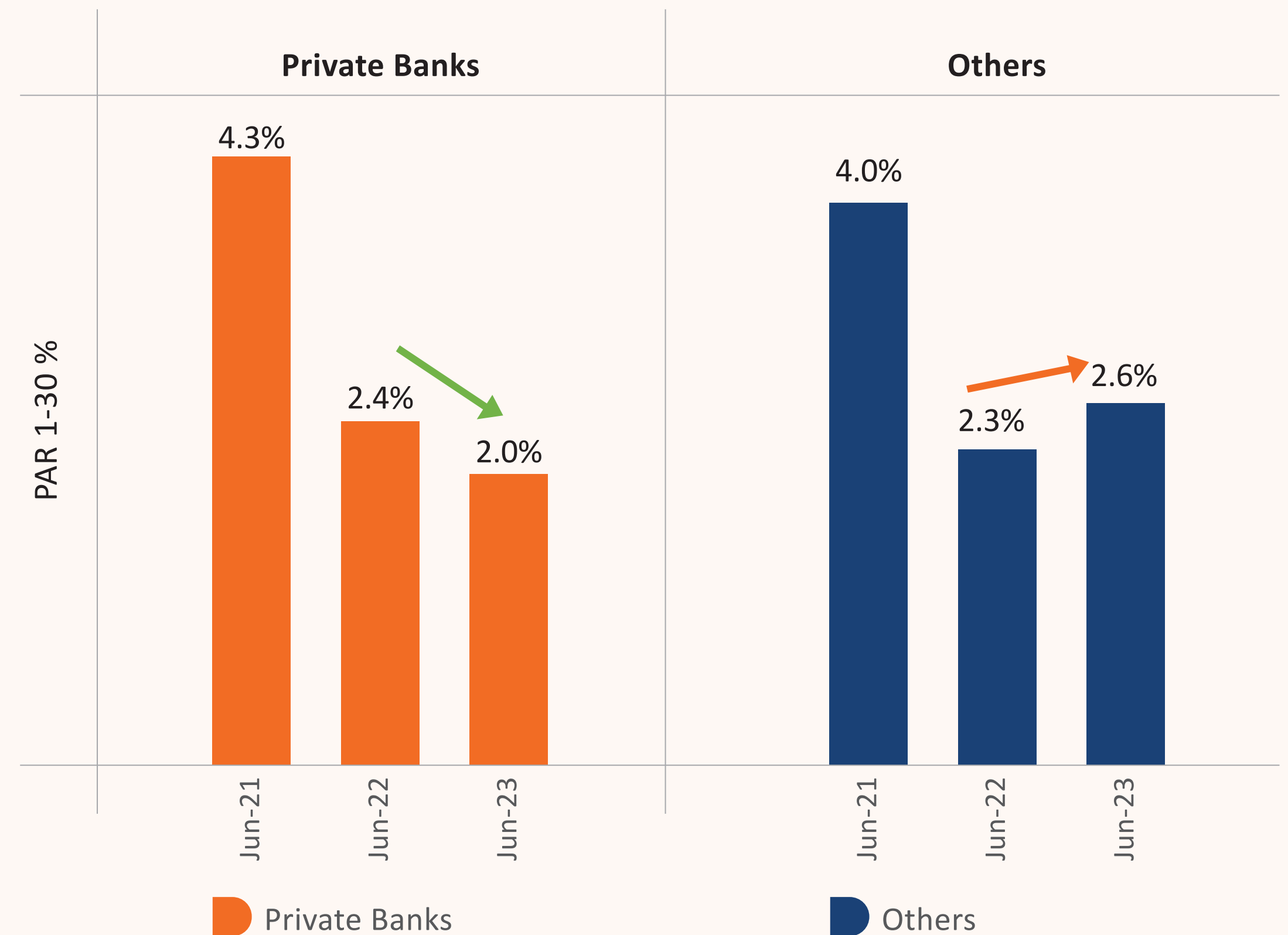


Increase in PAR 1-90% for Others

Delinquency PAR 1-30% - Lender Type



Delinquency PAR 31-90% - Lender Type



- Increase in PAR 1-90% from Jun'22 to Jun'23 for Others
- Increase in PAR 1-30% for Pvt Banks from Jun'22 to Jun'23



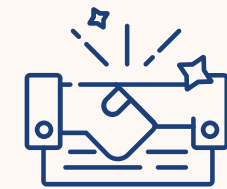
MSME Loans



MSME Credit Landscape in India - A Comprehensive View



Commercial Repository



Entity MSME

Portfolio Jun'23 (₹ L Cr)	Growth Jun' 22 to Jun' 23
26.0	13.9%
Originations Value # H1 CY23 (₹ L Cr)	Growth % H1 CY22 to H1 CY23
18.0	16.9%
Originations Volume # H1 CY23 (L)	Growth % H1 CY22 to H1 CY23
29.0	9.8%

Consumer Repository



Individual MSME*

Portfolio Jun'23 (₹ L Cr)	Growth Jun' 22 to Jun' 23
28.5	13.5%
Originations Value # H1 CY23 (₹ L Cr)	Growth % H1 CY22 to H1 CY23
5.9	5.4%
Originations Volume # H1 CY23 (L)	Growth % H1 CY22 to H1 CY23
81.0	3.1%

Both Fresh Disbursements and Renewals are included

*Individual MSME Loans include Business Loans (BL), Property Loans (LAP), Commercial Vehicle Loans (CVL) and Construction Equipment Loans (CEL)



MSME Entity Loans

Loans given to entities and reported to Commercial Bureau. Entities with credit exposure up to ₹50 Crore are considered.

Micro: <₹1 Crore

Small: ₹1 Crore - ₹10 Crore

Medium: ₹10 Crore - ₹50 Crore



Individual MSME Loans

Loans given to self employed individuals (Proprietors, Partners etc.) and reported to Consumer Bureau, Includes Business Loans (BL), Property Loans (LAP), Commercial Vehicle Loans (CVL), Construction Equipment Loans (CEL) and Miscellaneous (Misc)

Entity MSME Loans



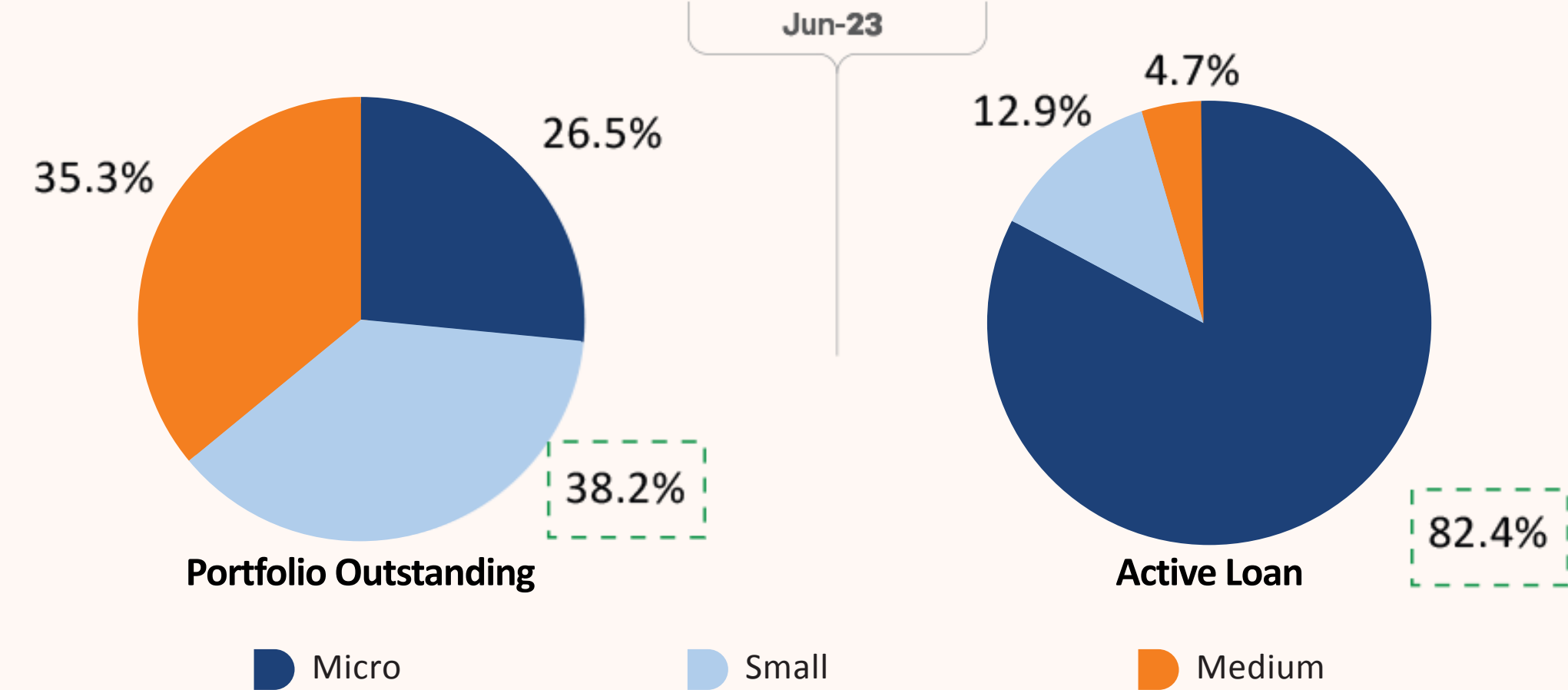


MSME Portfolio Accelerates Growth with Tapering Delinquency

Portfolio Snapshot

	Jun-21	Jun-22	Jun-23
Portfolio Outstanding (₹ L Cr)	19.5	22.8	26.0
Y-o-Y Growth %		16.9%	13.9%
Active Loans (Lakh)	124.5	141.2	160.5
Y-o-Y Growth %		13.5%	13.6%
PAR 31-90%	3.2%	2.9%	2.1%
PAR 91-180%	2.0%	1.4%	1.3%
PAR 181-360%	0.4%	0.3%	0.3%
PAR 360+%	2.4%	2.5%	1.7%

Market Share (Jun-23)

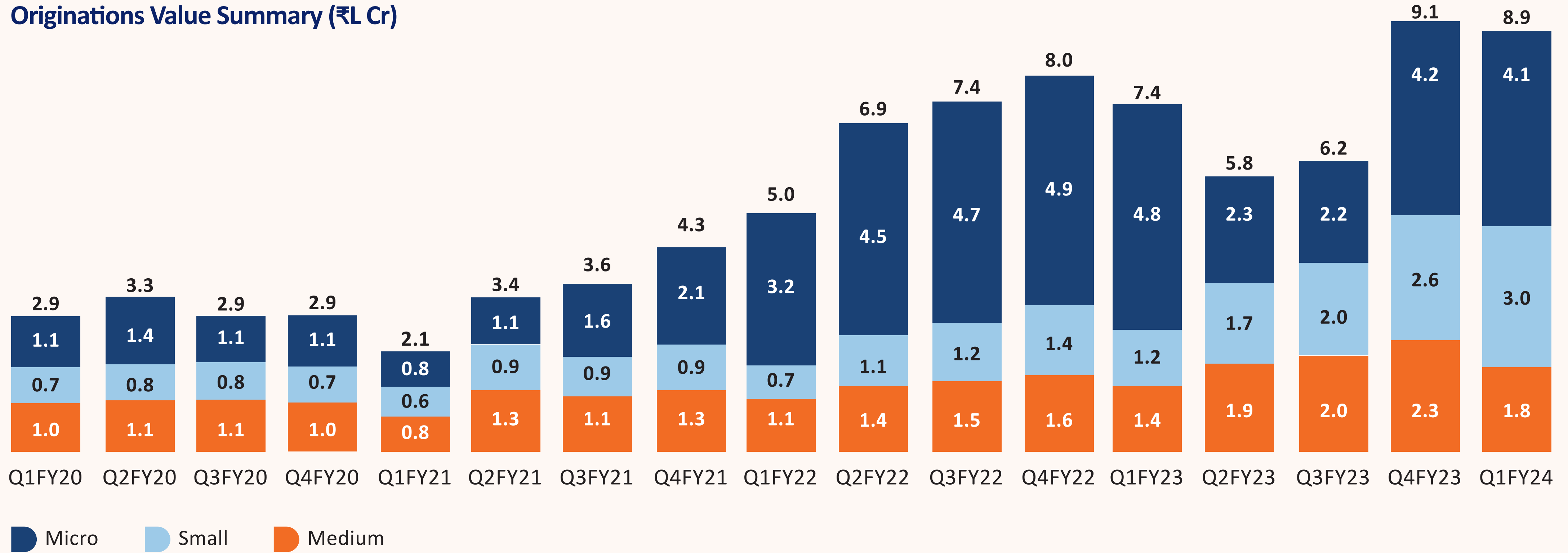


- Small segment holds a portfolio share of 38.2%
- ~82% of the active loans belong to the Micro Segment



MSMEs Witnessed Highest Originations Value in Recent Quarters. Micro Segment Continues to be the Largest Contributor

Originations Value Summary (₹L Cr)

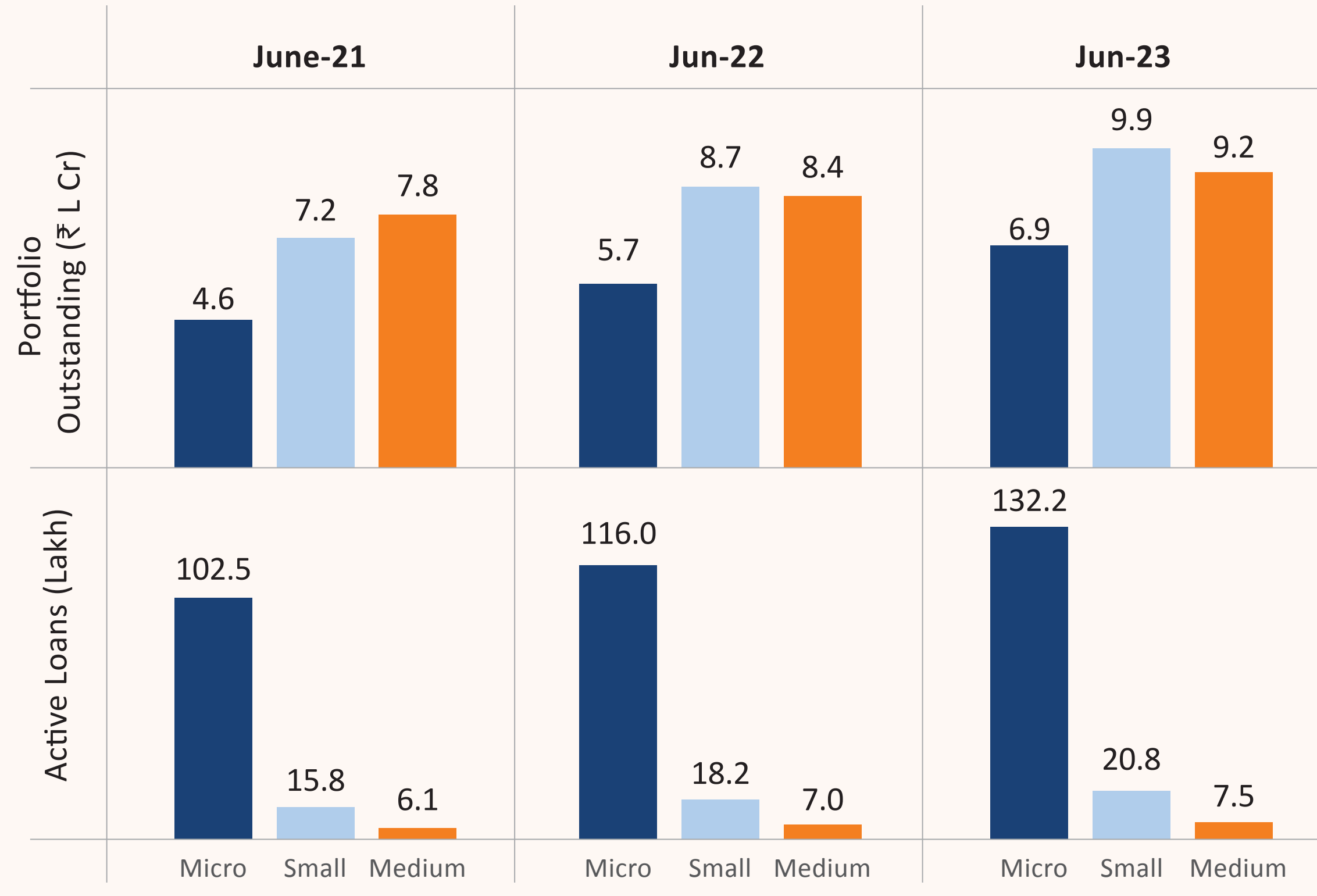


Both Fresh Disbursements and Renewals are included

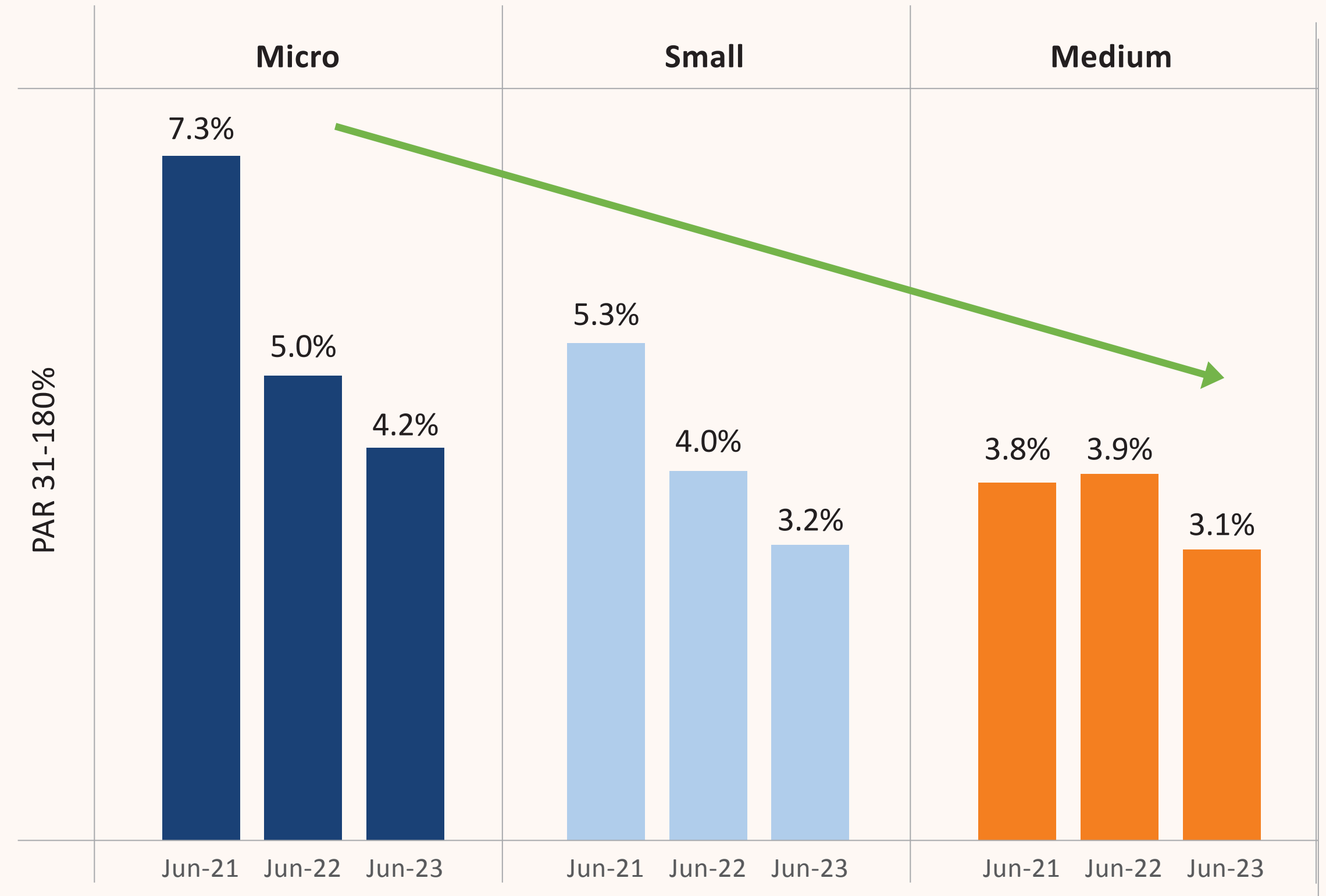


Micro Portfolio Grows the Fastest between Jun'21 and Jun'23 Delinquency Slides down by 42%

Portfolio Share - Borrower Segment



PAR 31-180 DPD - Borrower Segment

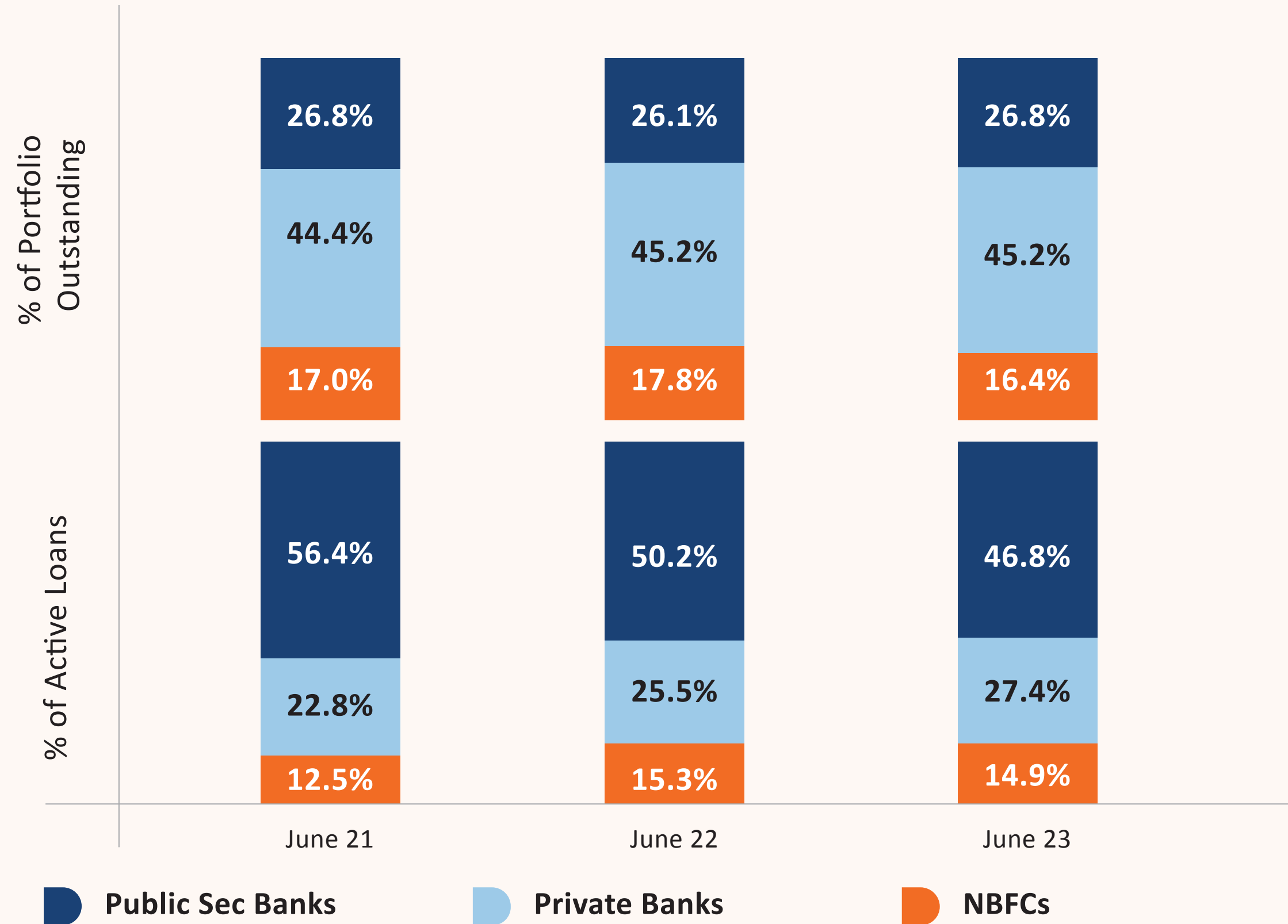


- MSME active Loans grows by 29%, Micro grows by 29%
- Micro segment shows highest PAR of 4.2% but with a steeper declining trend

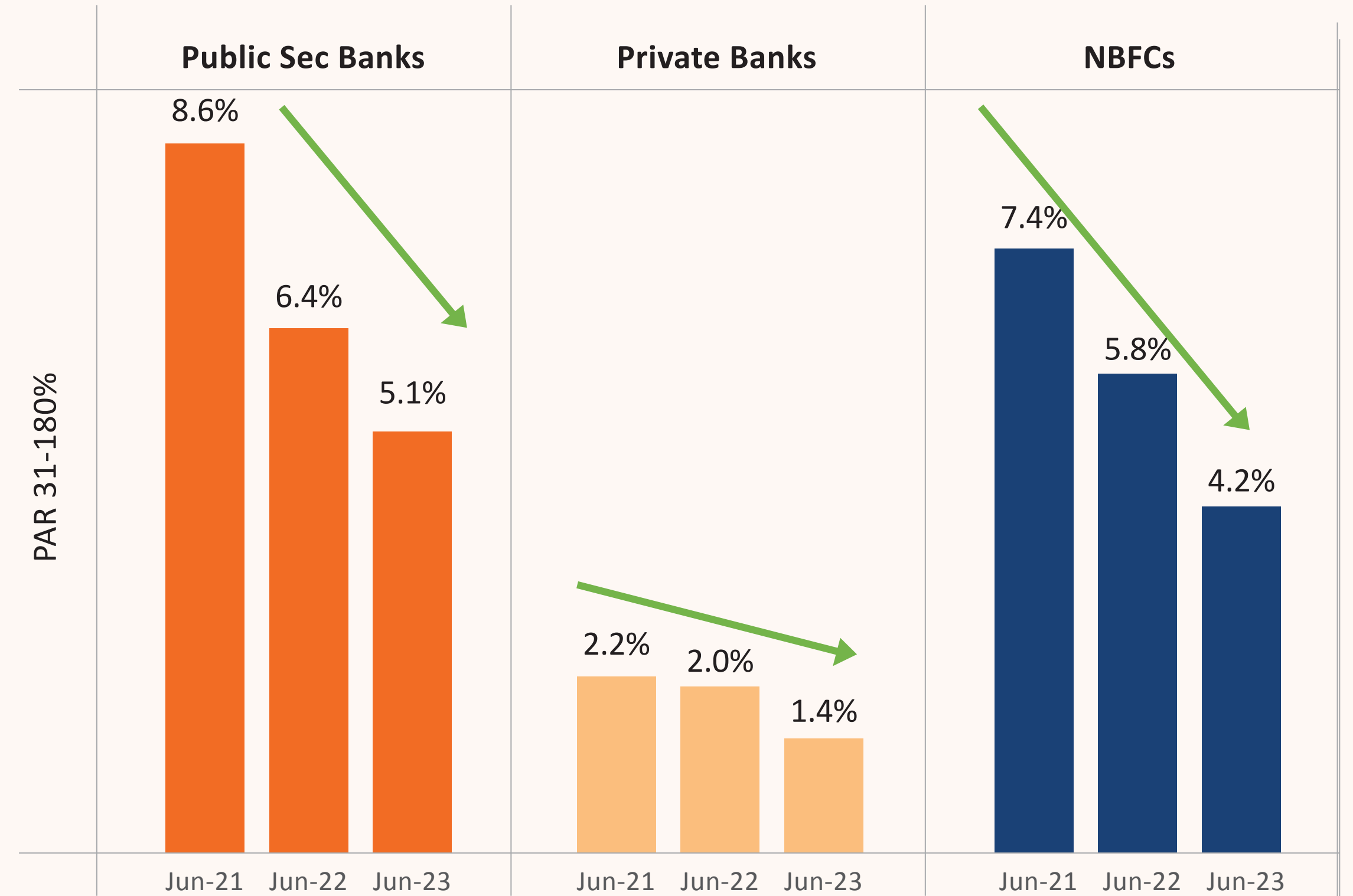


Private Banks Gain, PSBs Slip and NBFCs Hold Steady Market Share of Active Loans

Market Share - Lender Type



PAR 31-180 DPD- Lender Type



- Range bound market share changes in Portfolio Outstanding across all member types
- Steady decrease in delinquencies across all member types



Individual MSME Loans

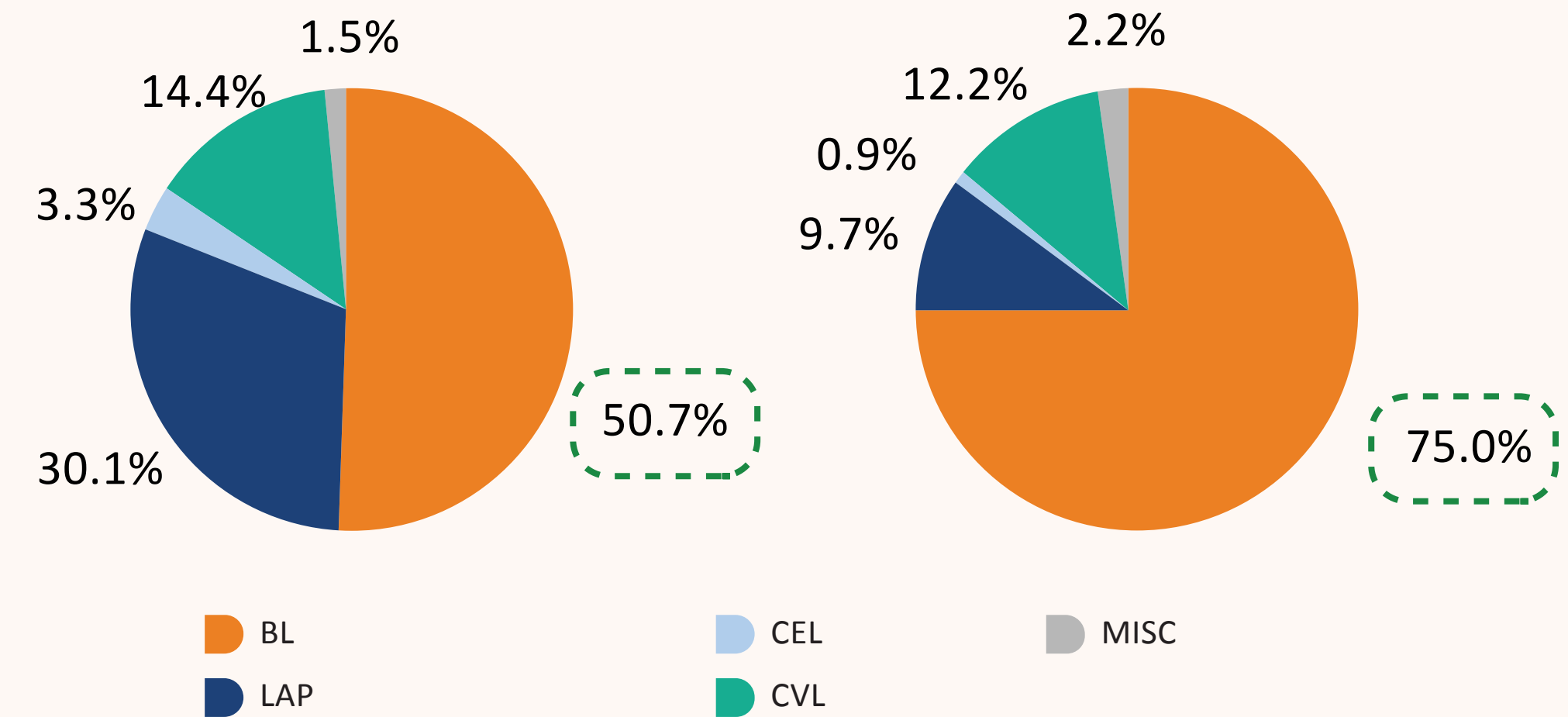


Individual MSME Portfolio Registers Robust Growth with Sliding Delinquency

Portfolio Snapshot

	Jun-21	Jun-22	Jun-23
Portfolio Outstanding (₹ L Cr)	22.2	25.1	28.5
Y-o-Y Growth %		13.0%	13.5%
Active Loans (Lakh)	511.0	572.7	583.1
Y-o-Y Growth %		12.1%	1.8%
Average Balance (₹ Lakh)	4.3	4.4	4.9
PAR 31-90%	5.2%	3.6%	3.0%
PAR 91-180%	3.5%	2.2%	1.7%
PAR 181-360%	1.7%	1.1%	0.8%
PAR 360+%	10.6%	11.0%	10.2%

Market Share - by Product Type

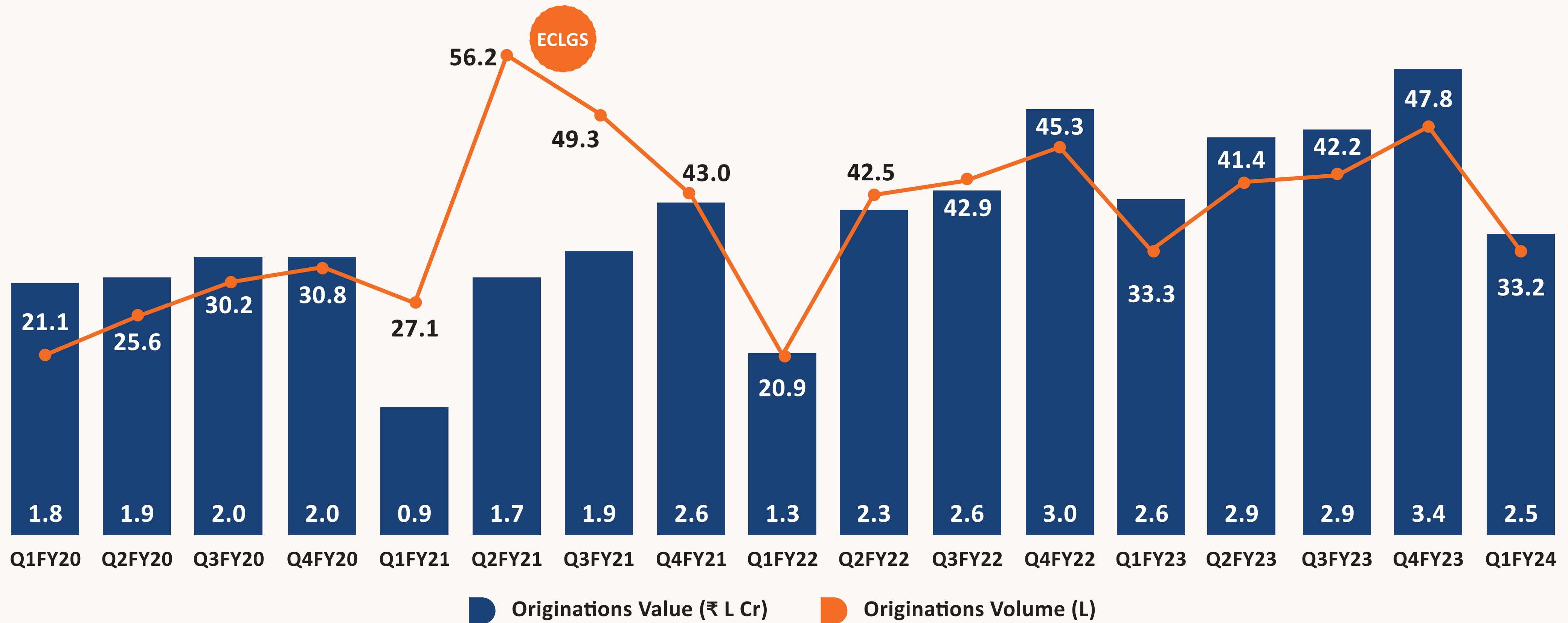


- Average Ticket Size Increases by ~15%, live growth rate declines
- 3/4th of active loans and 50% of the portfolio is BL



India Originated the Highest Individual MSME Loans in Q4FY23

Originations - Volume and Value Trend

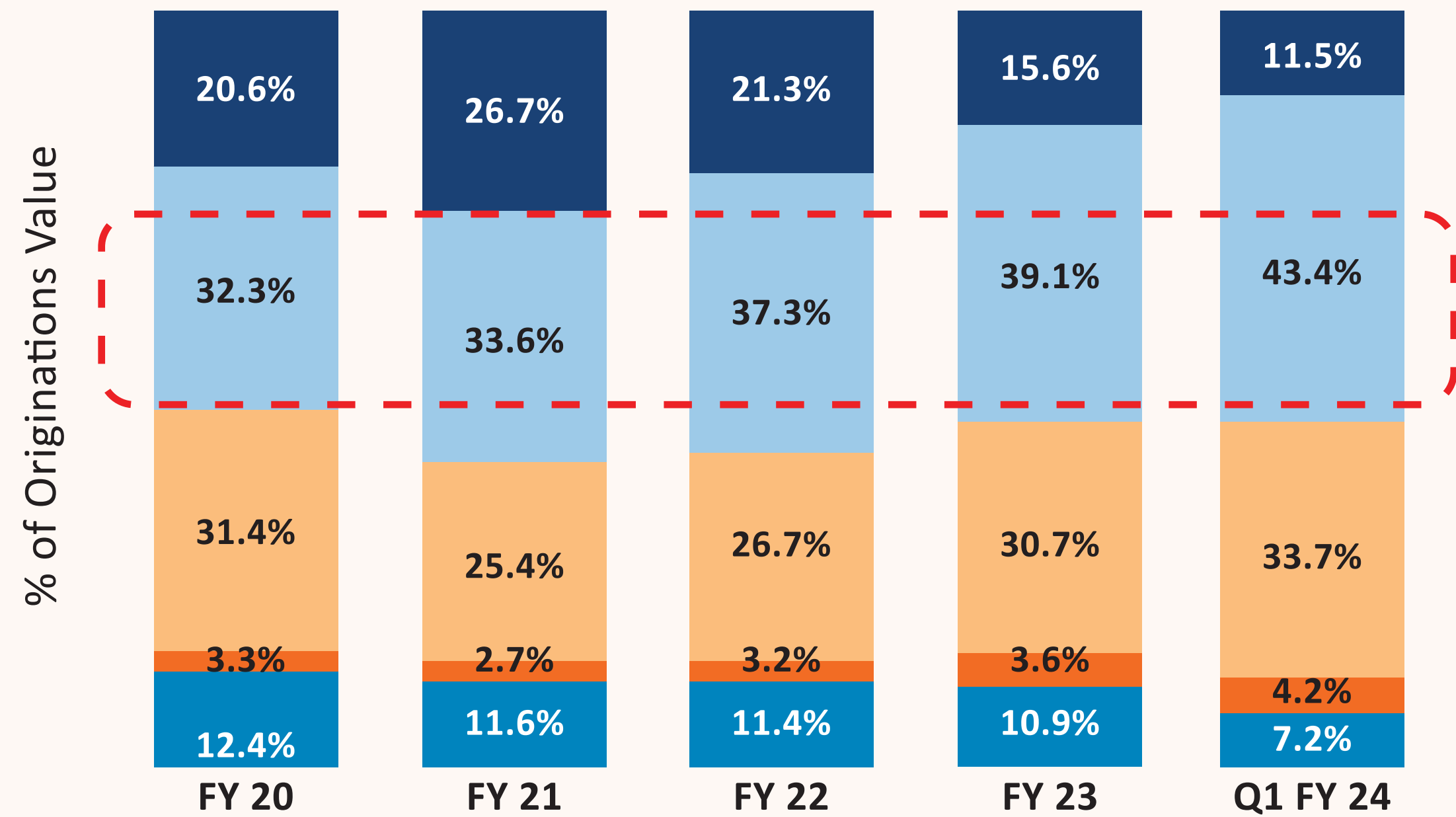


➤ ATS for Individual MSME increased from ₹5.8L from FY22 to ₹6.9L FY23

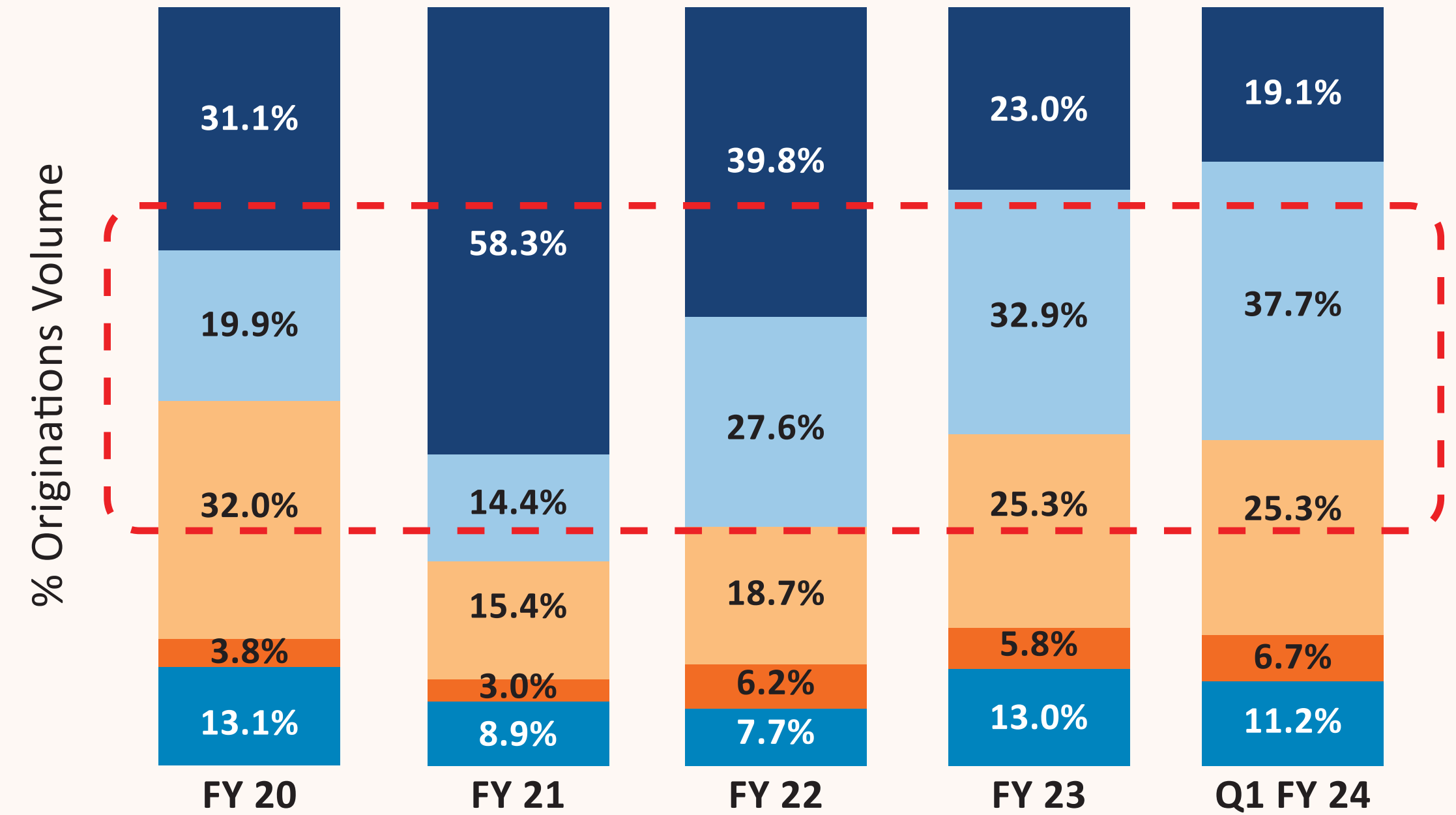


Pvt Banks Dominate the Originations by Value and Volume Alongside, Gaining Market Share Post-Pandemic

Originations Value by Lender Type



Originations Volume by Lender Type



Public Sec Banks NBFCs Others
 Private Banks Small Finance Bank

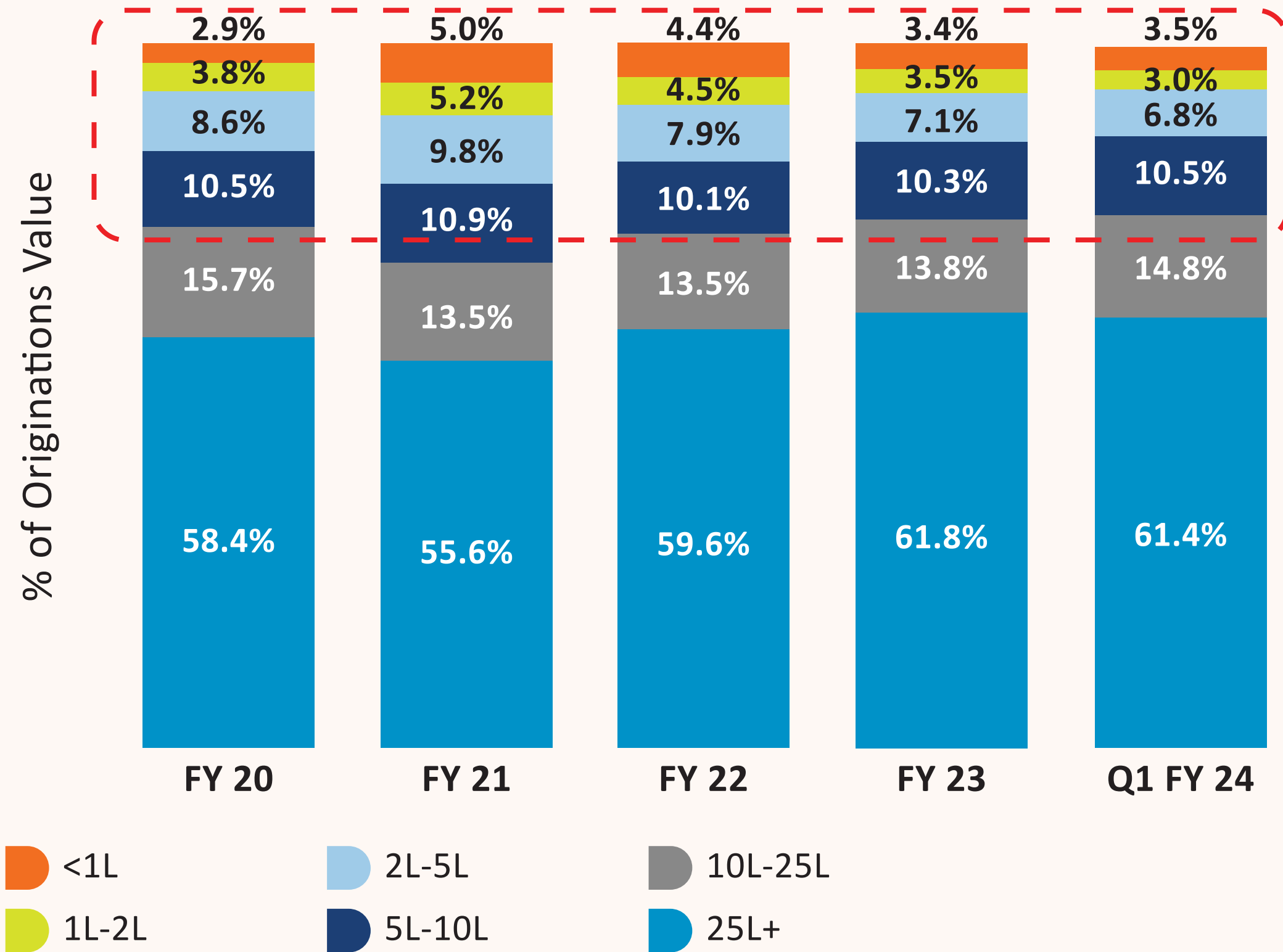
Public Sec Banks NBFCs Others
 Private Banks Small Finance Bank

➤ Decline in Originations share (Value and Volume) for Public Sec Banks compared to pre-covid

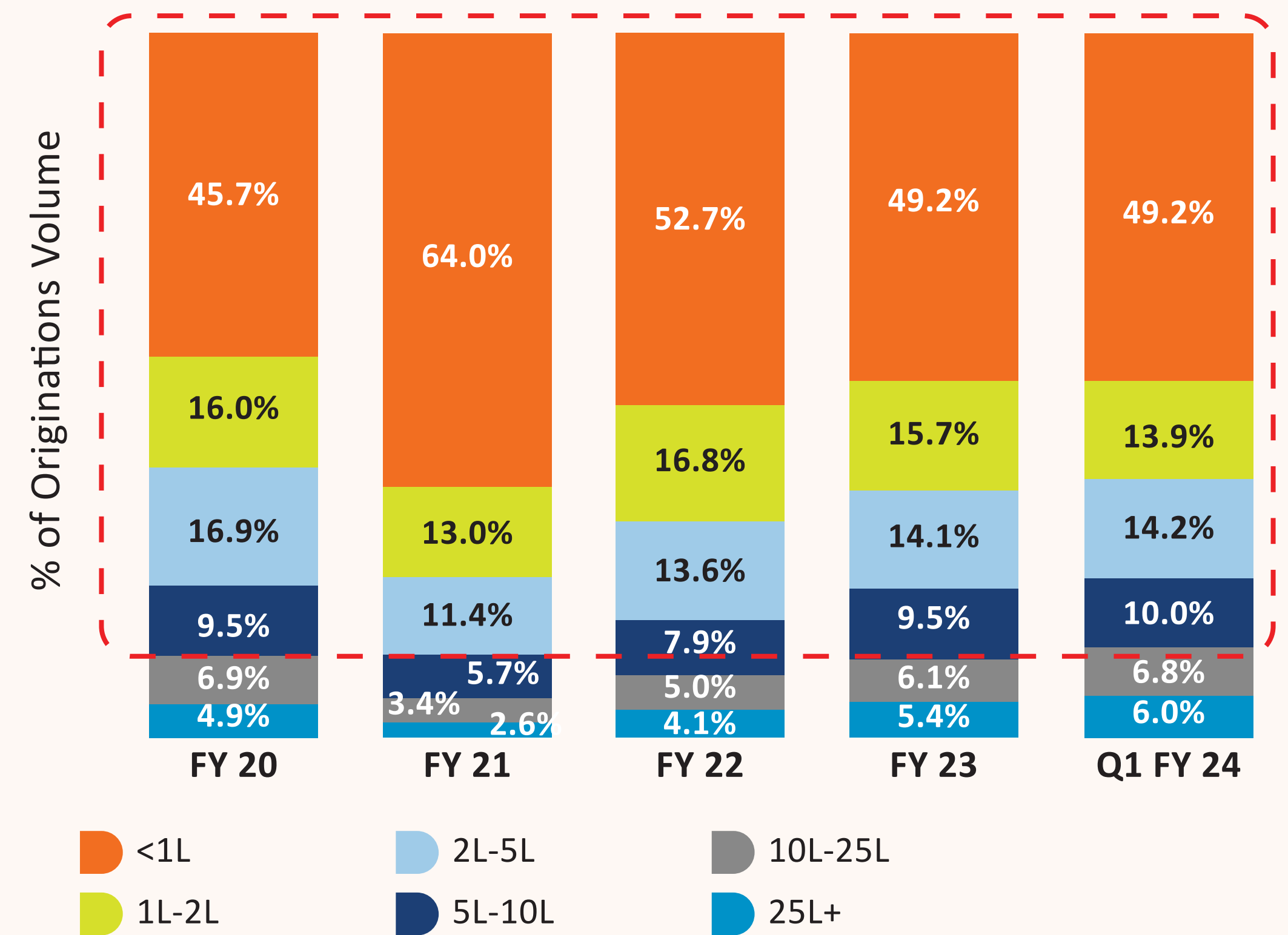


~90% of the Loans Originated are Below 10 Lakhs, Contributing to Around 25% in Value

Originations Value (FY20 to FY23) - Ticket Size (₹)



Originations Volume (FY20 to FY23) - Ticket Size (₹)



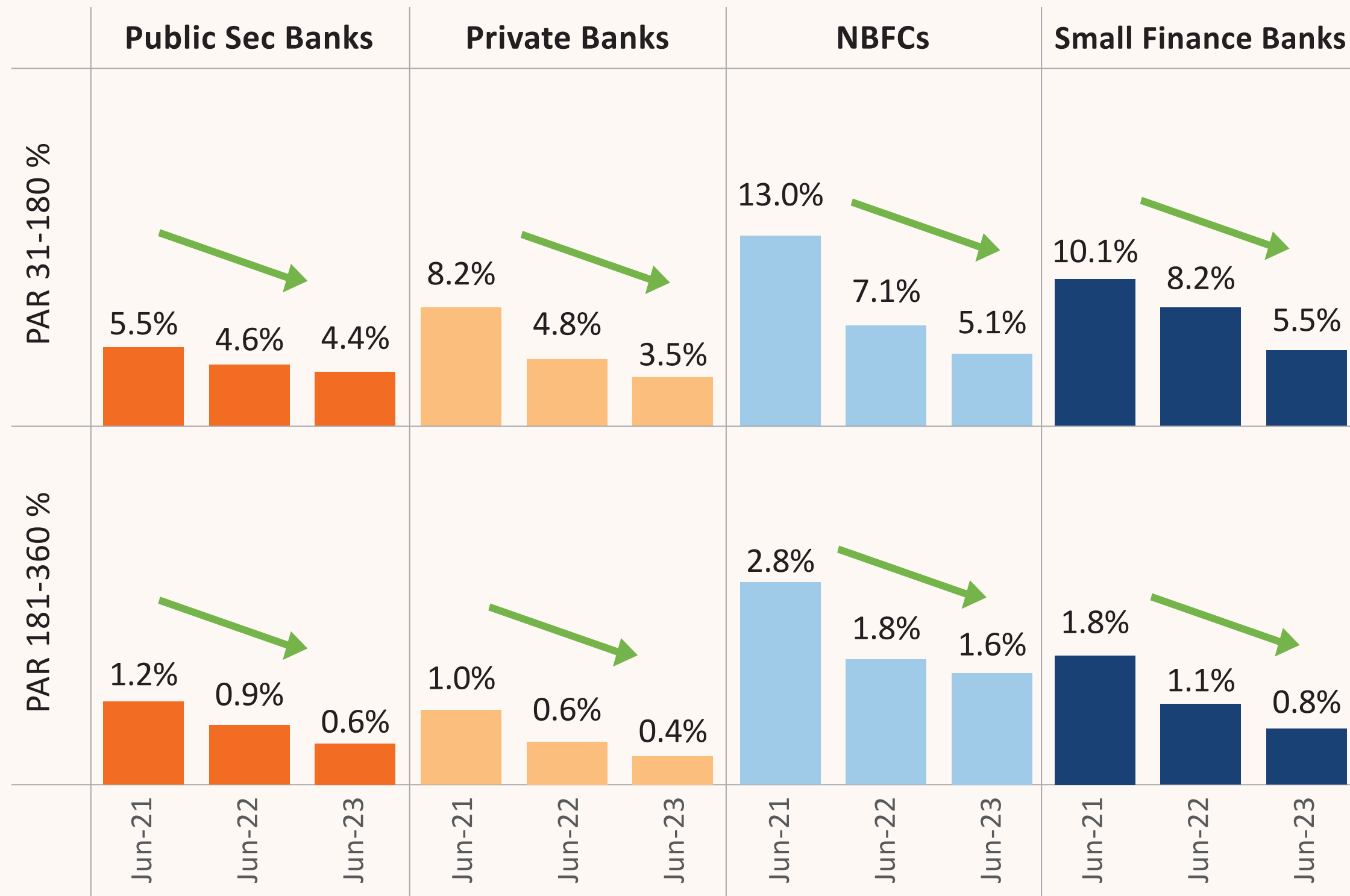
➤ Shift in Originations share (Volume) from <1L to higher ticket size loan from FY21 onwards



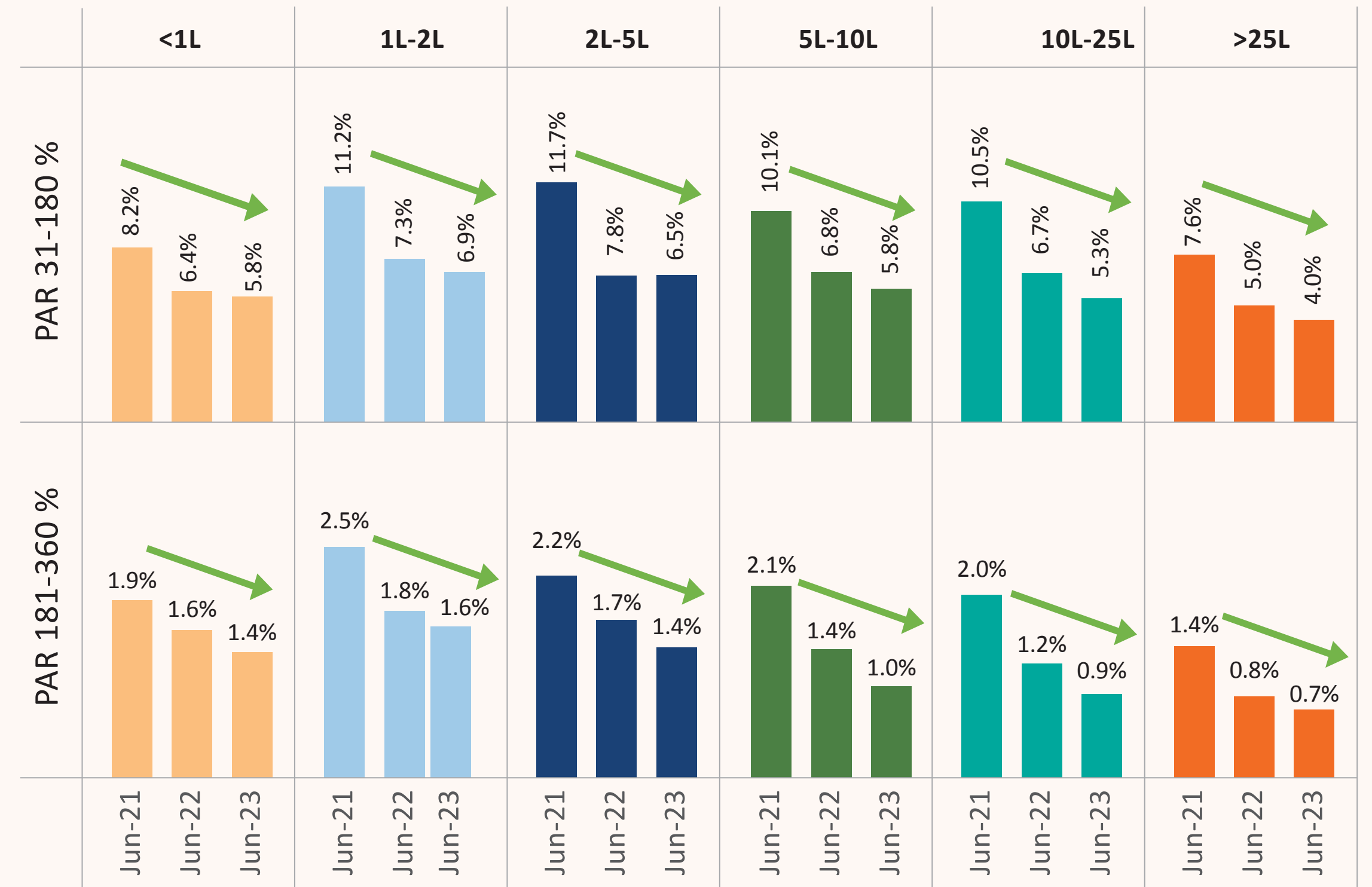
NBFCs have a Higher Delinquency

₹1-5 L Ticket Size has higher delinquency. Credit quality across segments improve

Delinquency - Lender Type



Delinquency - Ticket Size (₹)

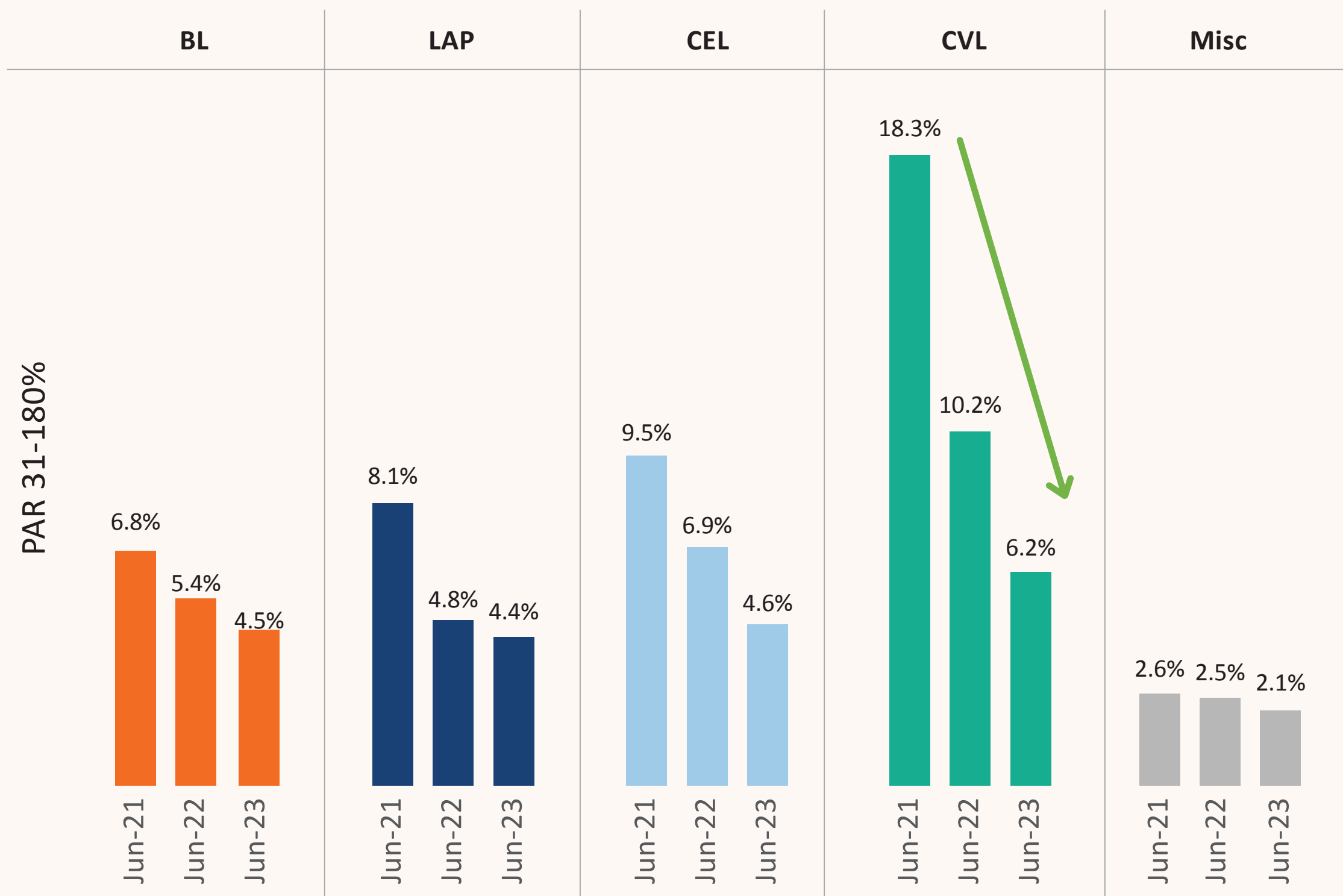


- Delinquency improved across all lender types from Jun'22 to Jun'23
- Higher ticket sizes (>₹5) have lower delinquency compared to lower ticket sizes (<₹5L)

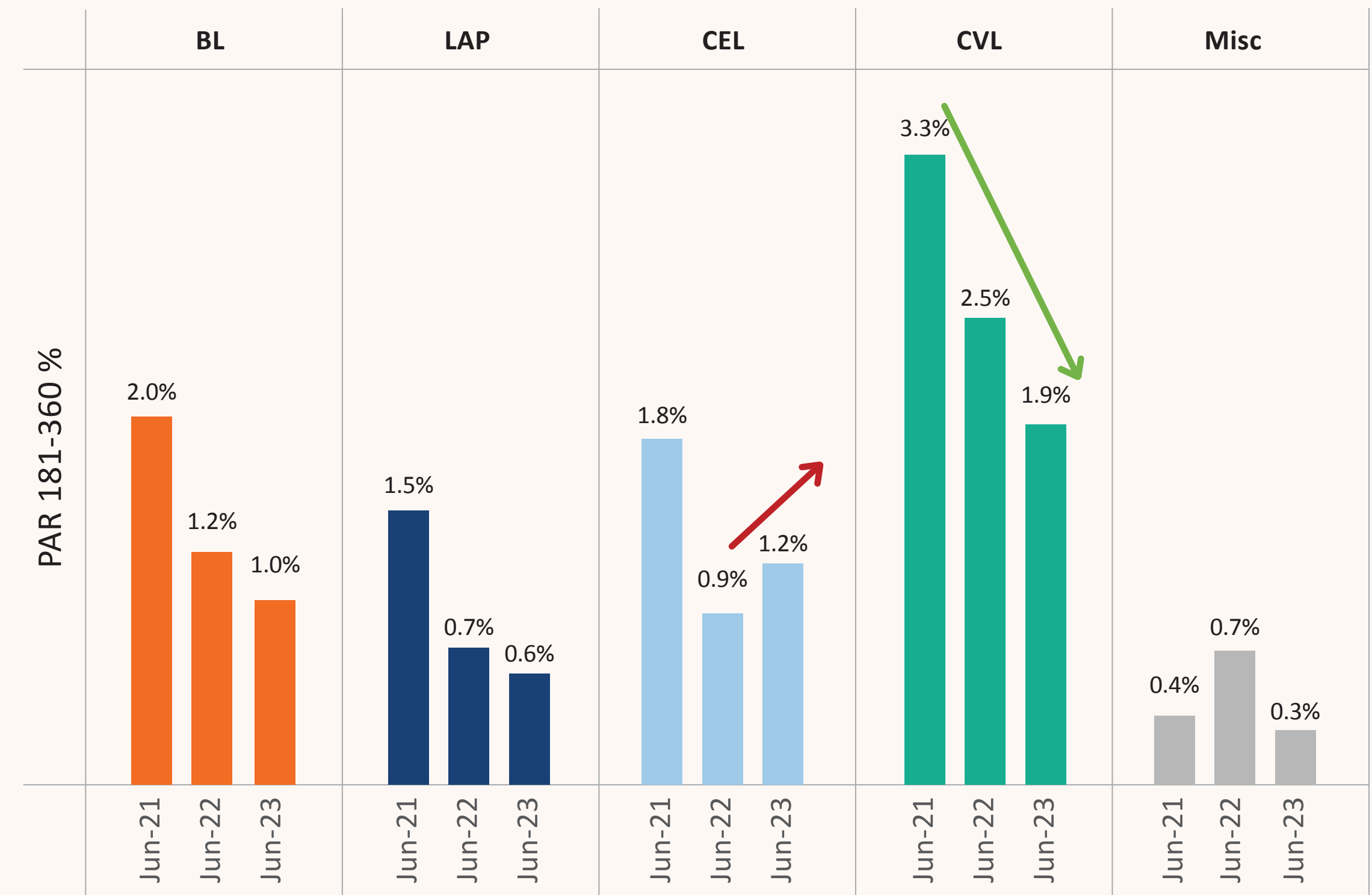


All Product Classes Improve in Delinquency. Commercial Vehicles Show the Sharpest Improvement

Delinquency (PAR 31-180 DPD) - Individual MSME Loan Category



Delinquency (PAR 181-360 DPD) - Individual MSME Loan Category



➤ Delinquency improved across all Indv MSME Loans except for PAR 181-360% for CEL from Jun'22 to Jun'23

Microfinance Lending



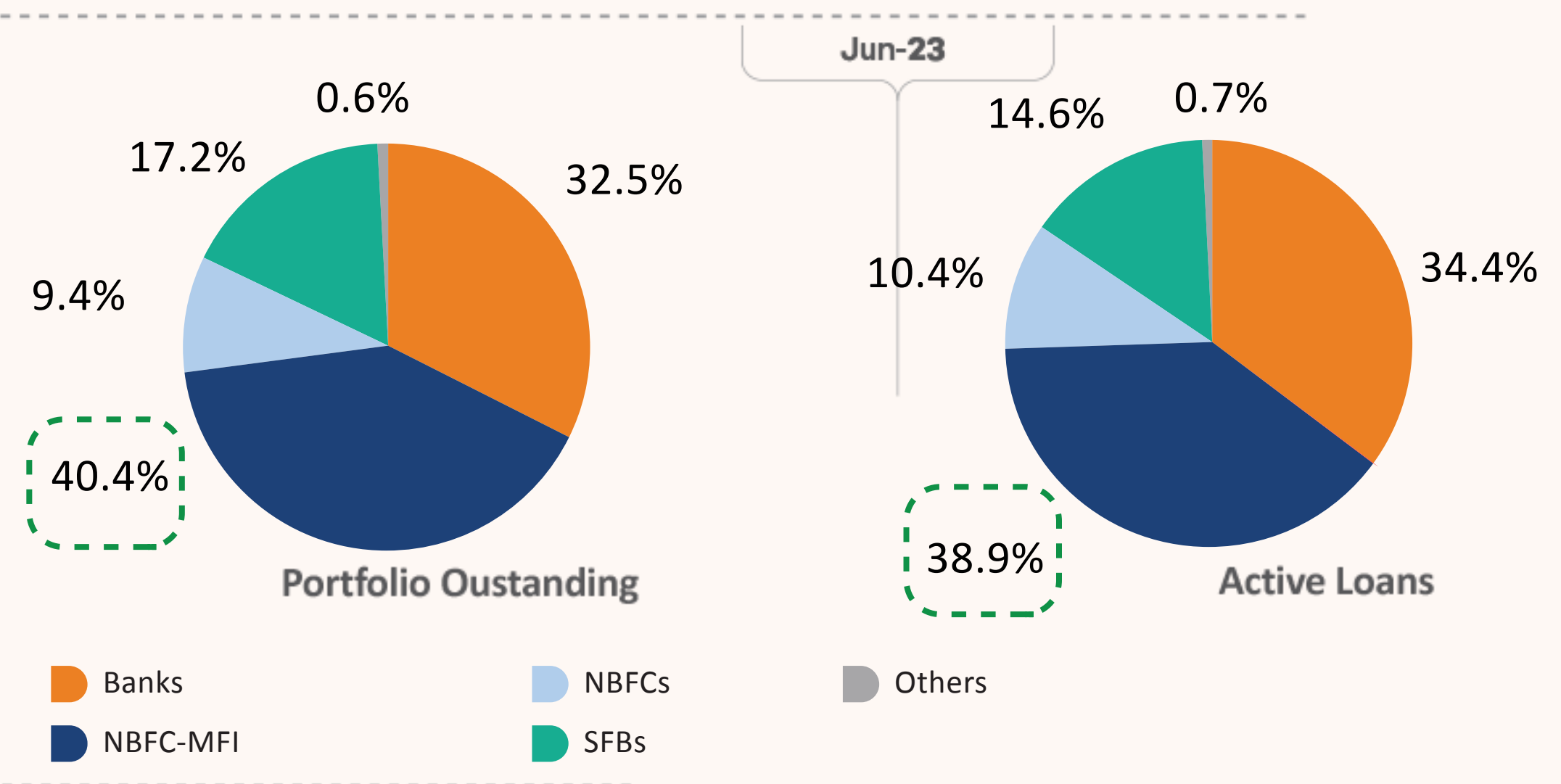


Robust Growth in MFI with Huge Improvement in Delinquency

Portfolio Snapshot

	Jun-21	Jun-22	Jun-23
Portfolio Outstanding (₹K Cr)	234.5	278.0	355.3
Y-o-Y Growth %		18.5%	27.8%
Active Loans (Cr)	10.7	11.7	14.5
Y-o-Y Growth %		9.2%	24.1%
Average Balance Per Account (₹ K)	22.0	23.8	24.6
Average Balance Per Borrower (₹ K)	40.1	45.1	46.8
PAR 31-90%	11.8%	3.7%	1.1%
PAR 91-180%	3.4%	2.2%	0.9%
PAR 180+%	7.1%	9.3%	9.8%

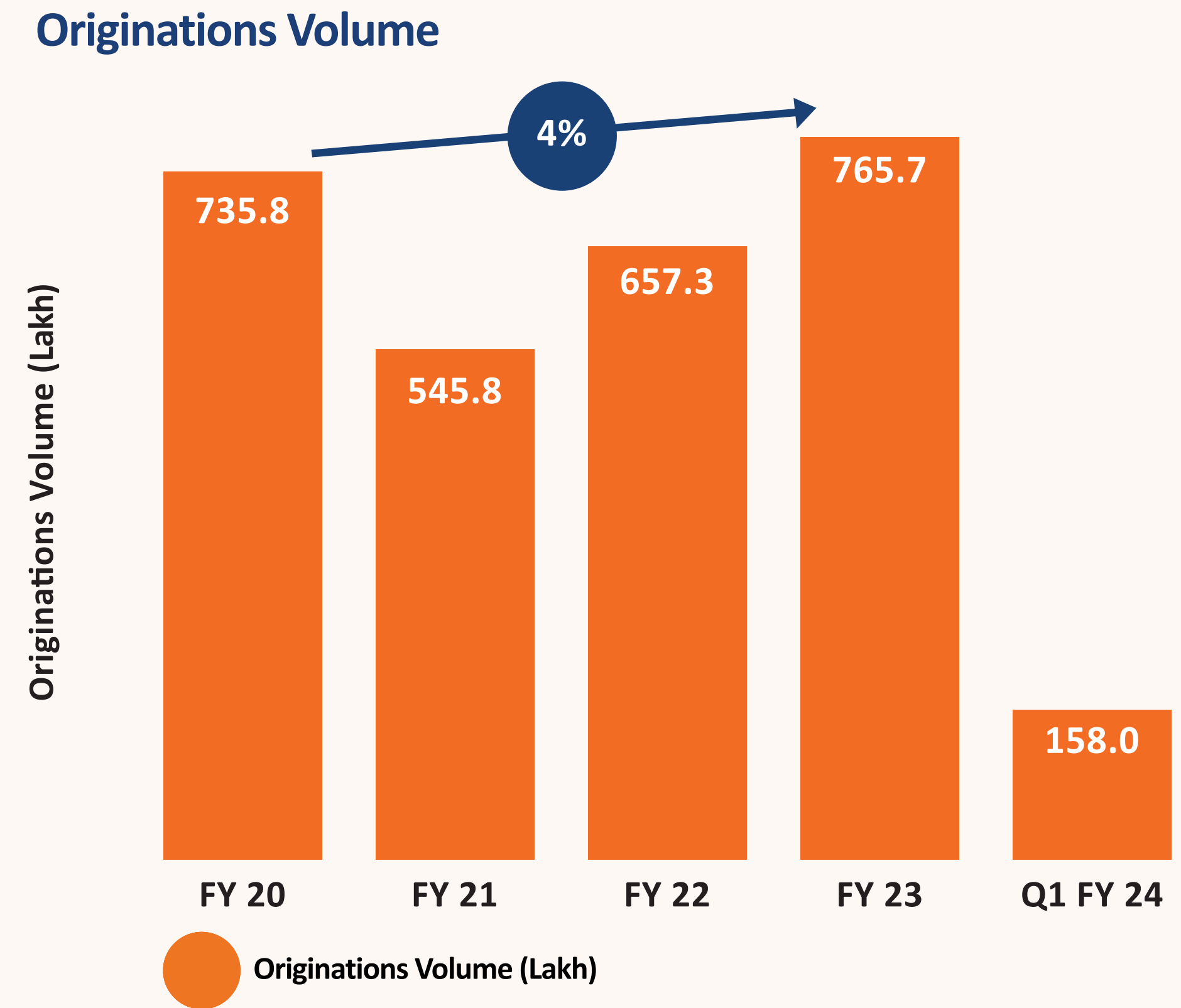
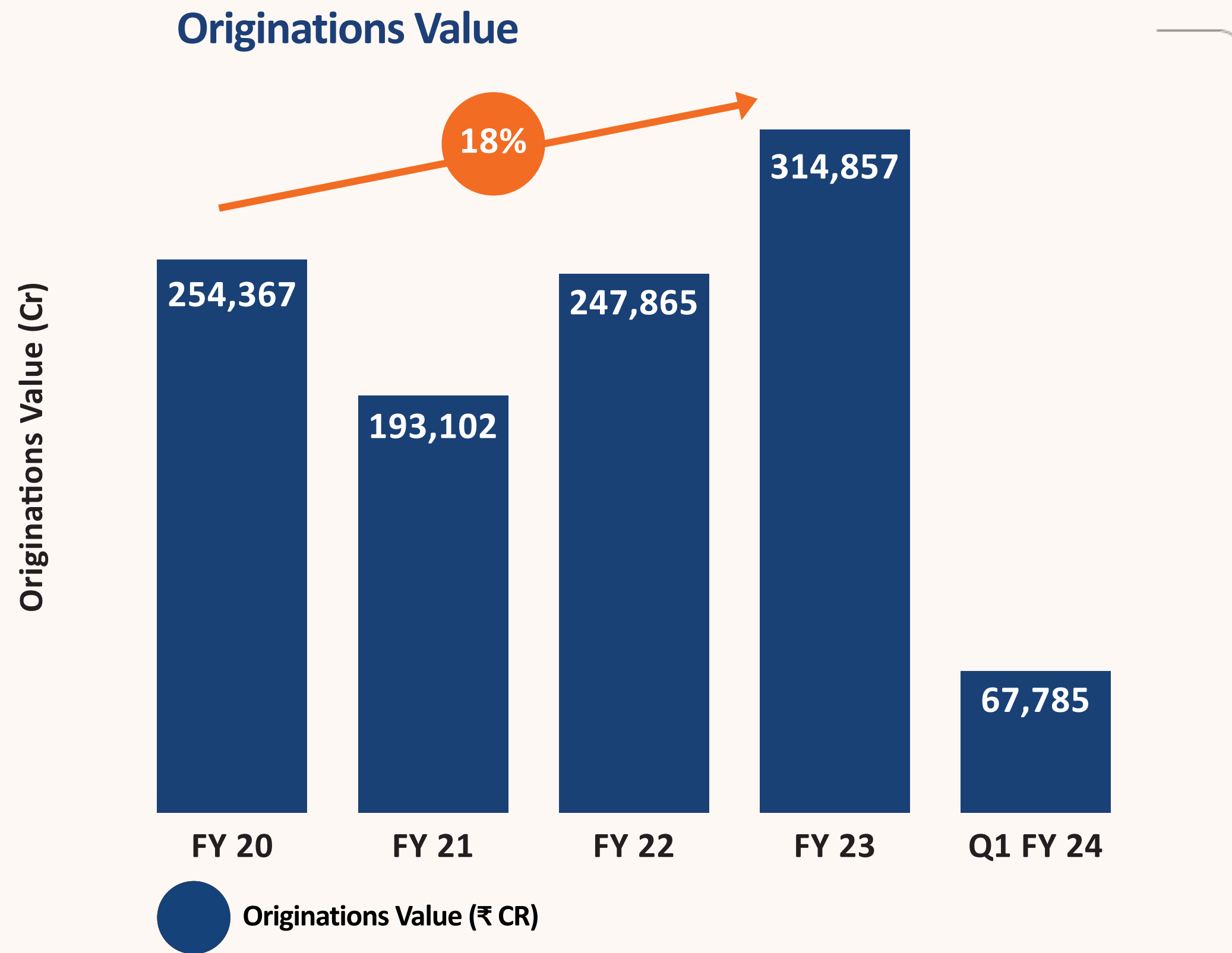
Market Share - By Product Type



- Dominated by NBFC-MFIs by Value and Volume
- Steep Improvement in Delinquency compared to Jun'21



Resurgence Compared to Pre-Covid Levels

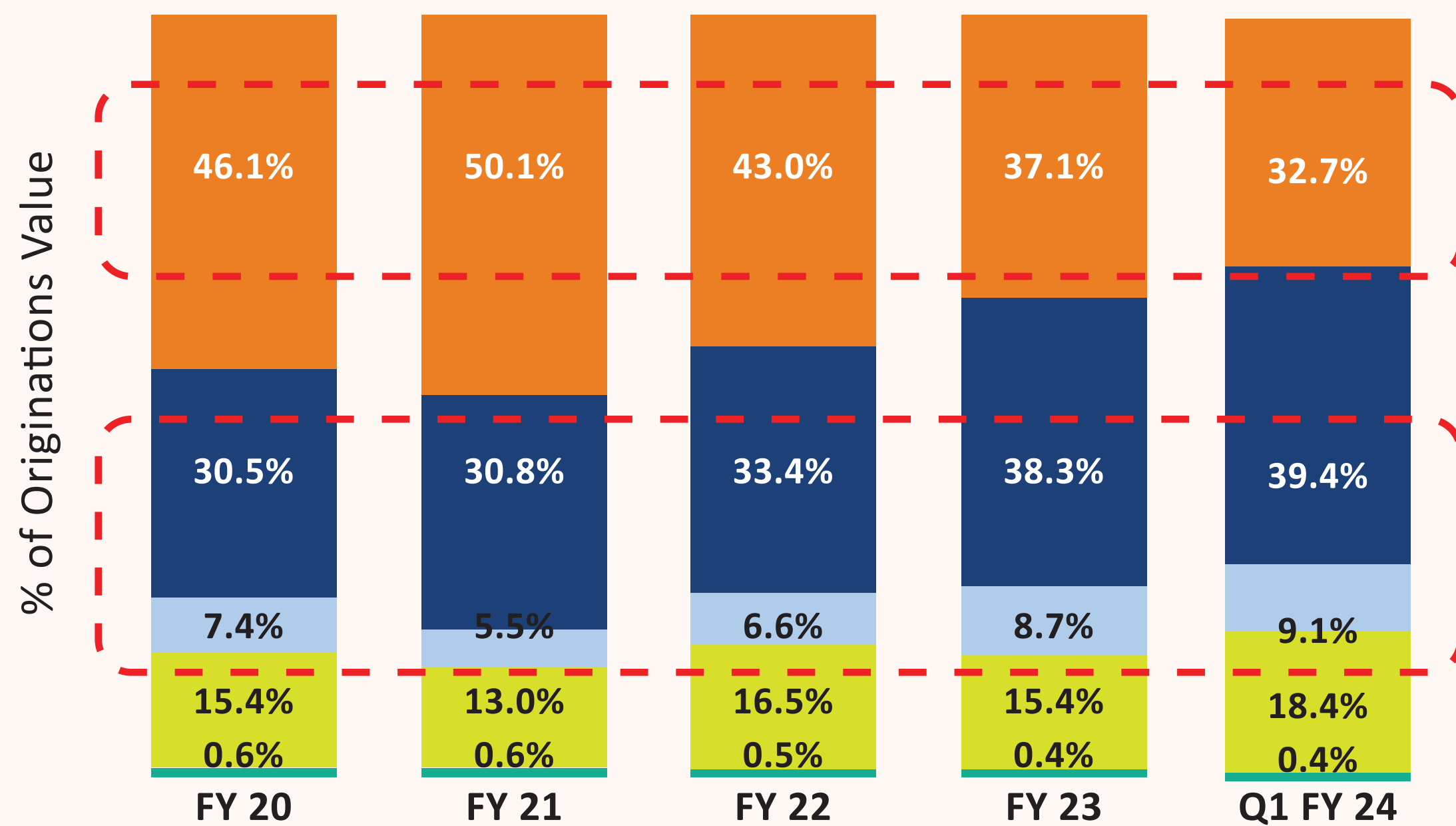


- 18% Growth in Originations (by Value) from FY20 to FY23
- Increase in Average Ticket Size from ₹34.6K in FY20 to ₹41.1K in FY23

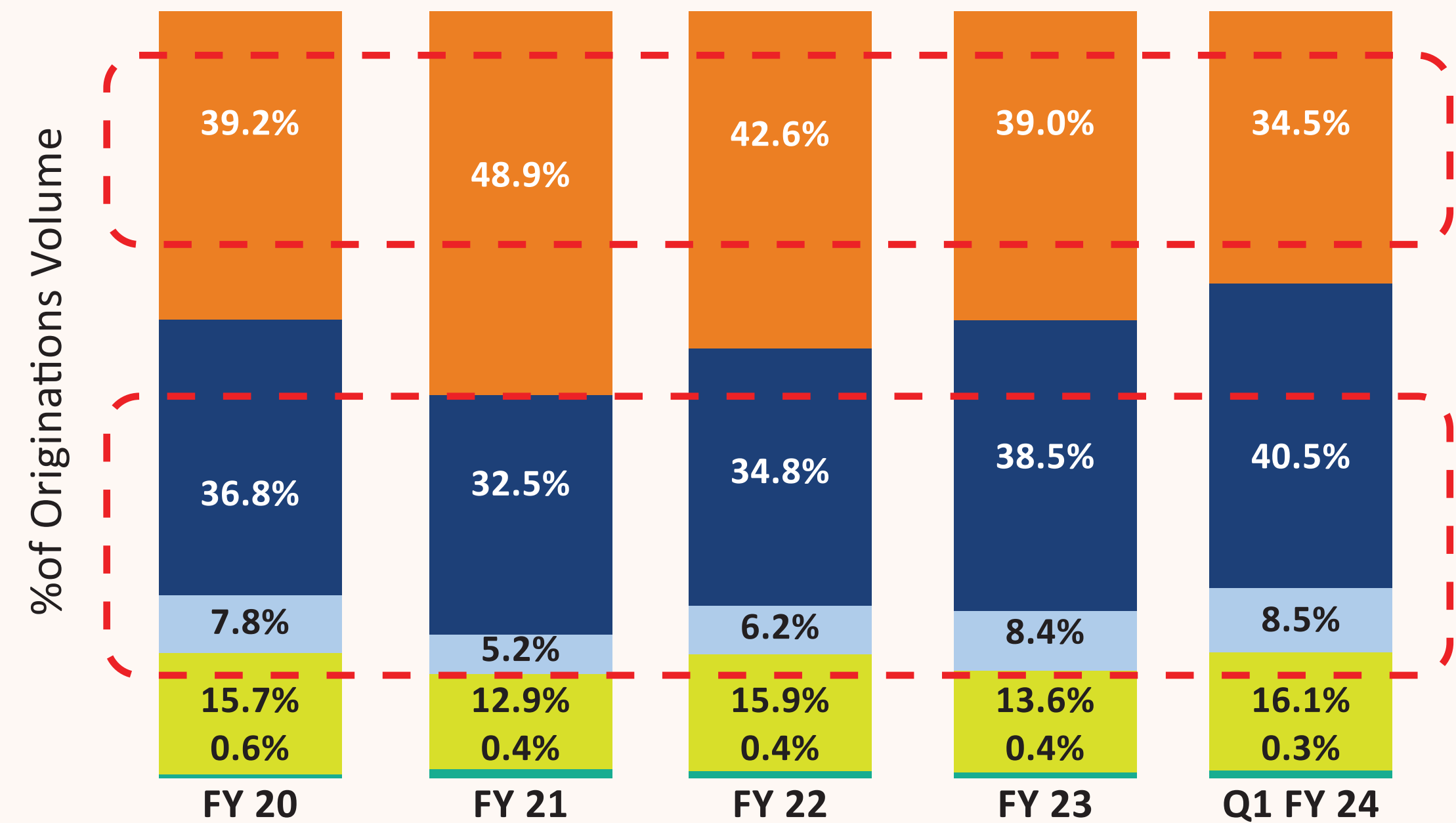


NBFC-MFIs and NBFCs Gaining Market Share by Value and Volume

Originations Value by Lender Type



Originations Volume by Lender Type



- Bank
- NBFC-MFI
- NBFCs
- SFBs
- Others

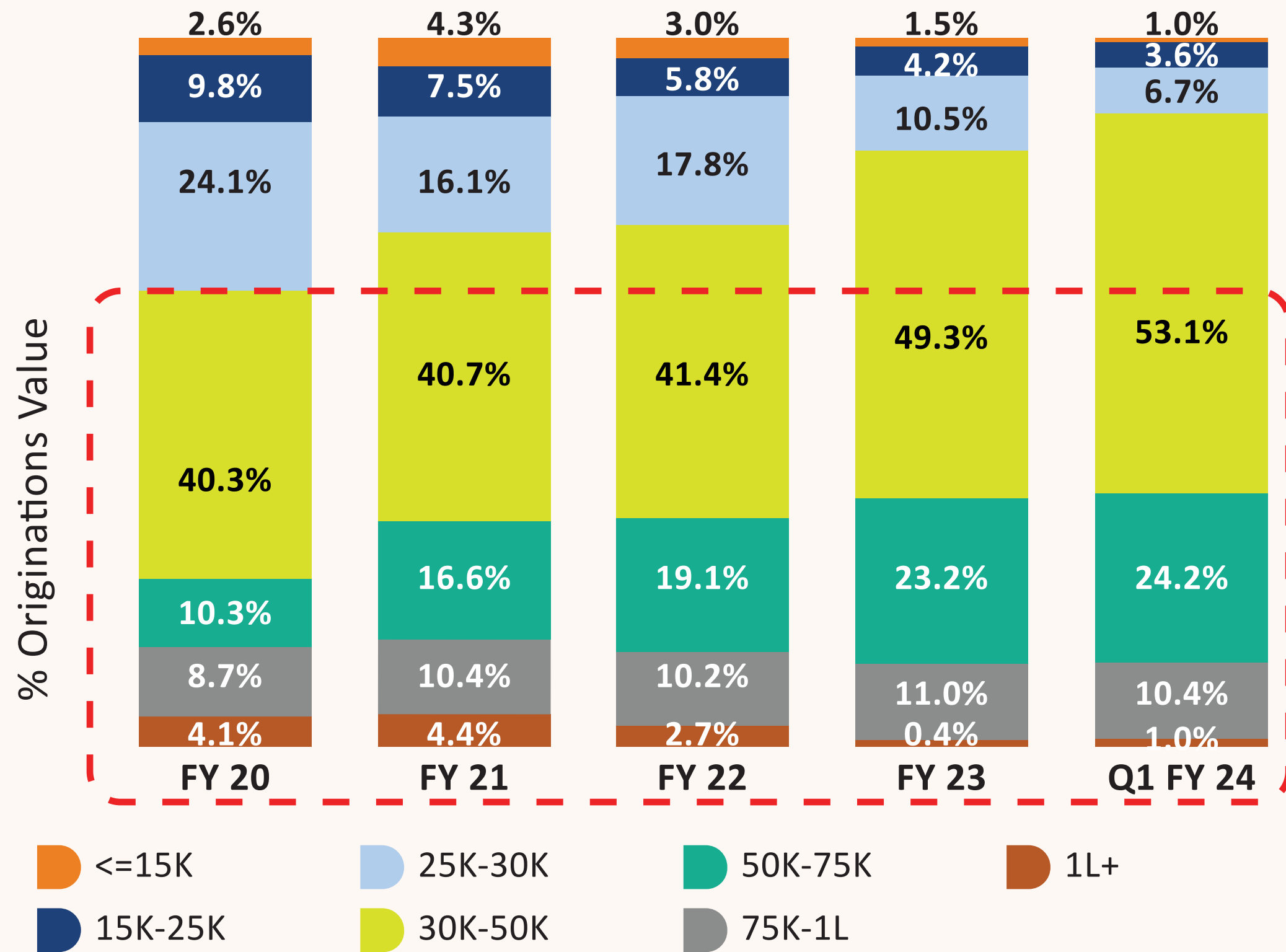
- Bank
- NBFC-MFI
- NBFCs
- SFBs
- Others

- Increase in Origination (by Value) share of NBFC-MFIs
- Decline in Origination (by Value) share of Banks

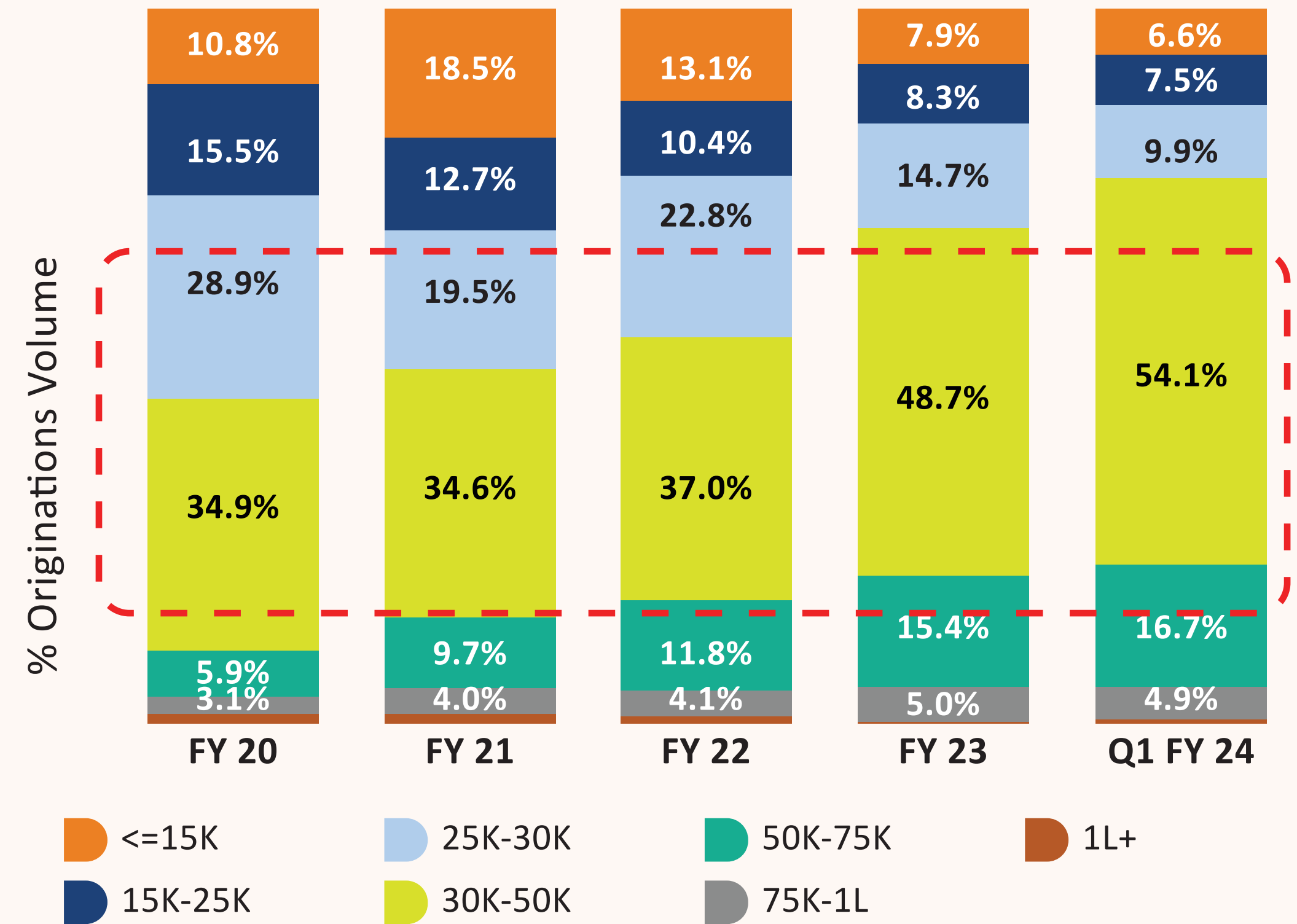


Shift in Originations from Ticket Size <₹30K to >₹30K

Originations Value by Ticket Size (₹)



Originations Volume by Ticket Size (₹)

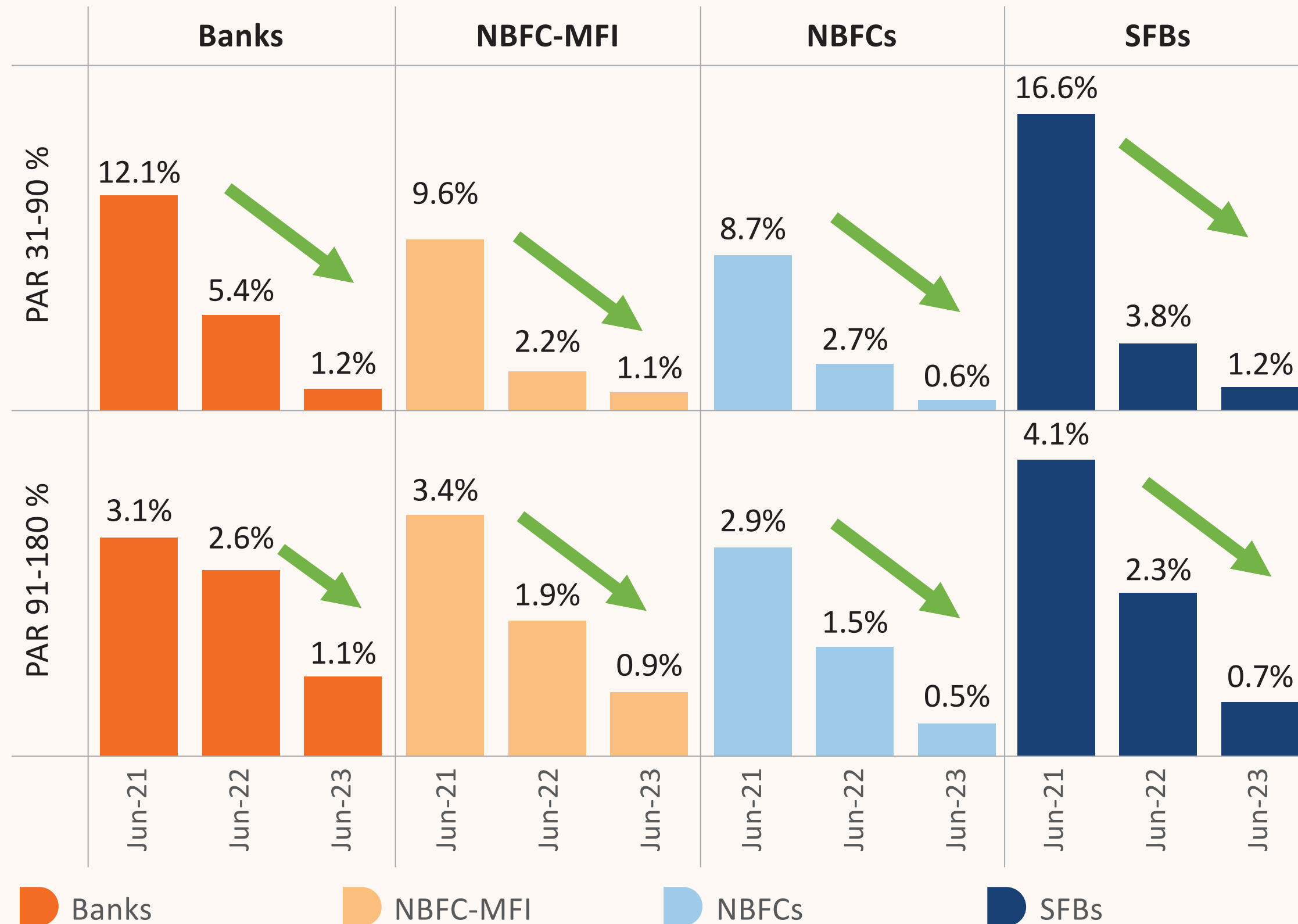


➤ NBFC-MFIs driving shift towards higher ticket size loans

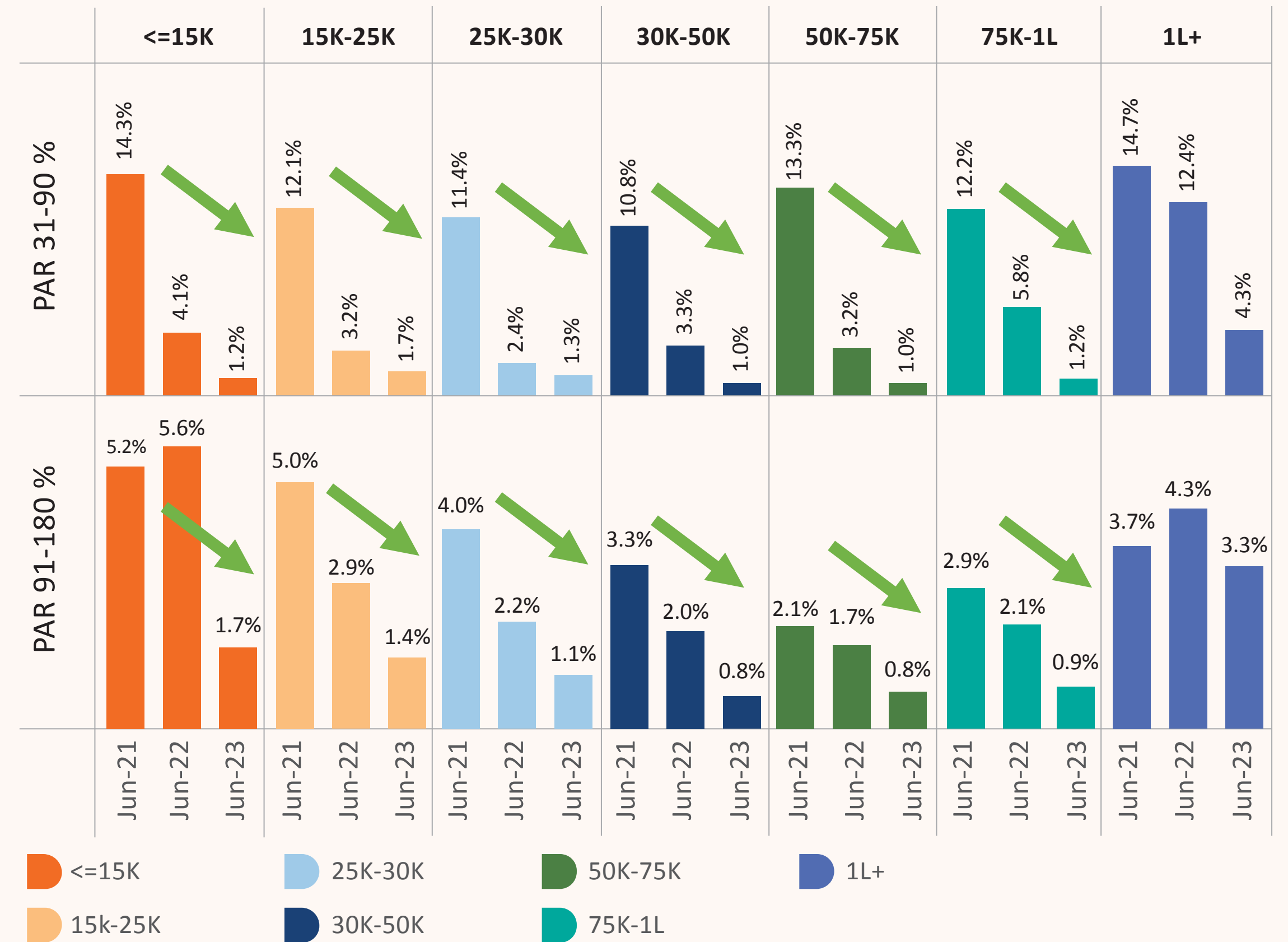


Steep Improvement in PAR 31-180%

Delinquency - Lender Type



Delinquency - Ticket Size (₹)



- Steep Improvement in PAR 31-180% for SFBs and Banks
- PAR 31-180% higher for <₹25K and >₹1 Lakh loans
- Steep Improvement in PAR 31-90% for all ticket sizes except >₹1 Lakh loans

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 and ticket size over the last 5 financial years.

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