

# FINSIGHT

(A collaborative report on Fintech trends and landscape  
between CRIF High Mark and Unified Fintech Forum)

**SEPTEMBER 2025**

(Data as on June 2025)



**Unified Fintech Forum**  
— POWERING RESPONSIBLE FINTECH —



Fintechs have emerged as a transformative force in India's lending ecosystem, redefining how credit is accessed, delivered, and consumed. Their digital-first approach has enabled rapid scale, deeper customer outreach, and innovative product offerings—reshaping the contours of retail credit. As of Q1 FY26, NBFC Fintechs accounted for nearly 90% of all personal loan originations volume (≤₹1 lakh), driven by digital origination, automated underwriting, and granular data analytics.

This report presents a comprehensive analysis of fintech lending trends, contextualized within the broader NBFC landscape, to highlight how these new-age players are reshaping growth dynamics. Their swift adoption of AI and advanced credit scoring has accelerated loan approvals and enabled deeper penetration into underserved and younger demographics, with over 65% of NBFC-Fintech borrowers now under the age of 35. Growth is increasingly pan-India, extending beyond the traditionally dominant states.

The findings reveal that fintechs have evolved beyond their initial focus on small-ticket personal loans to serve a wider spectrum of borrower segments. In parallel, traditional NBFCs continue to provide stability and reach, anchoring the industry. Together, they represent a maturing ecosystem where technology and prudence can work in tandem.

At CRIF High Mark, our objective is to deliver actionable insights that empower lenders, policymakers, and ecosystem partners to navigate this evolving landscape with data-backed clarity. We hope this report serves as a valuable resource in understanding the fintech journey so far, the opportunities it unlocks, and the strategic considerations it demands for sustainable growth.

### **Sachin Seth**

Chairman - CRIF High Mark Credit Information Company

Regional MD - CRIF India and South Asia



As India's fintech sector continues to unlock new opportunities for inclusive growth and financial innovation, our role at CRIF High Mark is to empower this evolution with trusted data, rigorous insights, and responsible stewardship. Fintechs are harnessing technology and analytics to reach new segments and drive credit access at scale, all while working within an evolving regulatory landscape designed to foster transparency, resilience, and consumer protection.

By partnering across the ecosystem, we enable smarter risk calibration, sharper product design, and deeper market penetration-helping fintechs grow responsibly while safeguarding systemic stability. Together, we aim to build a future where business potential, data-driven decisioning, and high standards of trust go hand in hand.

### **Ramkumar Gunasekaran**

Wholetime Director, CRIF High Mark

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India's fintech sector is at a critical juncture. Fintech entities, especially lenders are no longer just niche disruptors; they are a key players in making growth more accessible to everyone by democratising access to finance. Fintechs lenders have shown that they can quickly fill in credit gaps, reach first-time borrowers, and come up with new ways to serve sectors that aren't getting enough attention. Their rapid growth also shows how important it is to find a balance between innovation and sustainability, appropriate risk management, and robust governance structures.

This data backed research report from CRIF High Mark and the Unified Fintech Forum (UFF) shows how these changes are taking place . It shows how fintech lenders are changing the way products are developed, reaching more customers in more places, and making new client groups, all while dealing with changing regulatory requirements and the need for high-quality assets.

We at UFF don't just regard this effort as a research report ; we see it as a way to inform policymakers, members of civil society, regulatory agencies, investors, Customers, technology innovators etc. and to catalyse an informed conversation around the subject. These kinds of insights are important for making frameworks that encourage both innovation and stability, making sure that access to finance stays open to everyone, strong, and competitive.

I thank CRIF High Mark and our member institutions for adding to this significant body of knowledge. I hope that the findings will be useful to everyone who wants to improve India's digital financial ecosystem.

### **Jatinder Handoo**

CEO, Unified Fintech Forum

### Objective of the study:

Fintech NBFCs are reshaping India's credit landscape by democratizing access to finance, especially in underserved segments. Aligned with the government's financial inclusion agenda, they leverage advanced technologies-including digital platforms and mobile apps-to enable last-mile delivery, rapid scale-up, fraud detection, fast underwriting, alternative credit scoring, and innovative offerings, effectively addressing legacy system challenges.

Driven by agility and innovation, fintechs are also gaining significant traction in lending and credit services. As they scale, balancing financial inclusion with robust risk monitoring will be essential, guided by analytics-led credit models and evolving regulatory frameworks.

Amidst these trends, this report explores the rise of fintech NBFCs in small-ticket, high-volume lending, along with their product diversification, risk dynamics, geographic expansion, borrower behaviour, and emerging challenges-drawing on credit data reported to the consumer bureau and enriched by expert insights.

The objective is to generate actionable insights into product behaviour, borrower trends, and risk distribution- enabling lenders to design targeted offerings, identify risk pockets, and recalibrate strategies amid evolving regulatory oversight.

### Cohort definitions and approach of the study:

This study analyzes data from 120+ NBFCs, primarily members of the Unified Fintech Forum (UFF) and the Fintech Association for Consumer Empowerment (FACE)-collectively referred to as 'NBFC Fintechs' in this report, who prioritize digital lending as a core strategy.

Their lending trends are compared with those of traditional NBFCs (referred as 'Other NBFCs') and the broader NBFC industry.

The report opens with a comprehensive overview of the NBFC Fintech landscape, detailing portfolio composition and performance trends of products reported to the Consumer bureau. It then delves into key product categories-such as personal loans and unsecured business loans-analyzing their origination patterns. The report further explores borrower profiles, uncovers emerging opportunities, and outlines the evolving market dynamics.

## EXECUTIVE SUMMARY

NBFC Fintechs continue to demonstrate robust growth and expanding market influence, driven by digital-first models and inclusive credit strategies:

- **Portfolio Growth & Market Share:** NBFC Fintechs recorded a 34.9% YoY growth in aggregated portfolio outstanding as of June 2025, surpassing the overall NBFC industry's 24.5%. Their market share rose from 7.2% to 9% over two years between June'23 and June'25, fueled by digital-first models in lending and innovation.
- **Loan Activity & Ticket Size Focus:** Operating on a small-ticket, high-volume model, NBFC Fintechs saw a 25.6% YoY increase in active loans, outperforming the industry's 15.1% YoY growth. Unsecured loans-including personal loans and unsecured business loans (UBL)-accounted for 70% of the total portfolio outstanding as of June 2025.
- **Borrower Base Expansion:** Between June 2023 and June 2025, borrower counts surged by 47%, reaching 2.8 crore customers. Of these, 34% are exclusive to fintech NBFCs, while 66% are multi-lender borrowers accessing other unsecured (personal loans, credit cards) or secured credit products.
- **Geographic Penetration & Inclusion:** The top 10 states represent 80% of portfolio outstanding, yet fintech penetration remains below 12%, indicating untapped potential. States like Uttar Pradesh, Rajasthan, and Telangana are outpacing industry growth, with NBFC Fintechs expanding aggressively in BT 100 cities<sup>1</sup> and smaller towns.
- **Origination Trends & Digital Scale:** NBFC Fintechs have captured significant market share in mass-market personal loans (<₹1 lakh), with originations value share rising from 45% in Q1 FY24 to 68% in Q1 FY26, and originations volume share from 73% to nearly 90%. In unsecured business loans, originations volume share grew from 20.9% to 39.2% during the same period, indicating gains in micro and small segment lending.
- **Financial Inclusion & Risk Dynamics:** NBFC Fintechs lead in onboarding new-to-credit borrowers (13.3% vs. 9% for Other NBFCs) as of Q1 FY26. However, elevated delinquency remains a concern. In the sub-₹10K segment, PAR 31-90 was 4.1% (vs. 1.7%) and PAR 91-180 was 4.8% (vs. 1.8%) for NBFC Fintechs compared to (Other NBFCs) in June 2025.
- **Asset Quality & Risk Management:** Portfolio recalibration and regulatory tightening have improved risk distribution. The share of high-risk segments for NBFC Fintechs declined from 38.4% to 28.9% over two years between June'23 and June'25, reflecting better risk controls.
- **Demographics & Inclusion:** NBFC Fintechs continue to serve a younger borrower base, with 65% of customers under the age of 35 as of June 2025. Multi-account activity is on the rise, with the share of borrowers holding two or more active accounts increasing from 37.2% in June 2023 to 43.5% in June 2025 for NBFC Fintechs-supporting product diversification but also heightening the risk of overleveraging. Gender inclusion is advancing more rapidly among traditional NBFCs, where the share of female borrowers rose from 21% to 28% over the same period.

<sup>1</sup>Top 8, Top 9-50, Top 51-100 and Beyond Top 100 (BT100) cities are classified based on highest aggregated portfolio outstanding of consumer loans reported to CRIF High Mark, at the end of the financial year

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# ***Section 1:***

## **NBFC Fintech Landscape**





## PORTFOLIO GROWTH TRENDS OF THE NBFC FINTECHS COMPARED WITH THE OVERALL INDUSTRY

**Growth and market share:** NBFC Fintechs grew by 34.9% YoY as of June 2025, significantly outpacing the overall NBFC industry growth of 24.5%. Its share of the total NBFC market rose to 9%, up from 7.2% in June 2023. This expansion was driven by digital-first models-such as automated underwriting, AI-led credit assessment, and personalized customer engagement-that enabled rapid scalability and stickiness.

**Growth moderation:** While growth remained strong, it moderated from 58.5% YoY in the previous year to about 35% as of June'25, largely due to regulatory interventions.

**Active loan momentum:** Fintech NBFCs, operating on a small-ticket, high-volume model, saw active loans grow by 25.6% YoY, maintaining momentum and outperforming the overall NBFC industry's 15.1% YoY growth.

### Delinquency trends:

- NBFC Fintechs show higher delinquency rates than the broader industry, especially in the PAR 91-180 and PAR 180+ buckets-reflecting their strong growth and elevated risk appetite.
- While PAR 31-90 and PAR 91-180 remained stable or slightly improved across both fintech and traditional NBFCs between June'24 and June'25, PAR 180+ rose for NBFC Fintechs (from 7.1% in June'24 to 8.6% in June'25) but declined for the overall NBFC industry.

### Portfolio snapshot of NBFC Fintechs and the Overall NBFC Industry

Figure 1

#### Portfolio Snapshot - NBFC Fintechs

	Jun'23	Jun'24	Jun'25
Portfolio Outstanding (₹L Cr)	1.0	1.6	2.1
Y-o-Y Growth%		58.5%	34.9%
Active Loans (Cr)	3.6	4.7	5.9
Y-o-Y Growth%		29.6%	25.6%
PAR 31-90	3.1%	2.8%	2.8%
PAR 91-180	2.2%	2.0%	2.1%
PAR 180+	9.2%	7.1%	8.6%

#### Portfolio Snapshot - NBFC Industry

	Jun'23	Jun'24	Jun'25
Portfolio Outstanding (₹L Cr)	13.9	19.2	23.9
Y-o-Y Growth%		38.0%	24.5%
Active Loans (Cr)	18.9	22.7	26.1
Y-o-Y Growth%		20.1%	15.1%
PAR 31-90	3.1%	2.5%	2.6%
PAR 91-180	1.3%	1.2%	1.3%
PAR 180+	10.1%	5.8%	5.2%

(Note: The above reflects the overall portfolio snapshot, covering all products offered by the players. PAR 180+ figures exclude write-offs. NBFC-Fintechs represent a curated subset of 120+ players within the broader NBFC industry.)

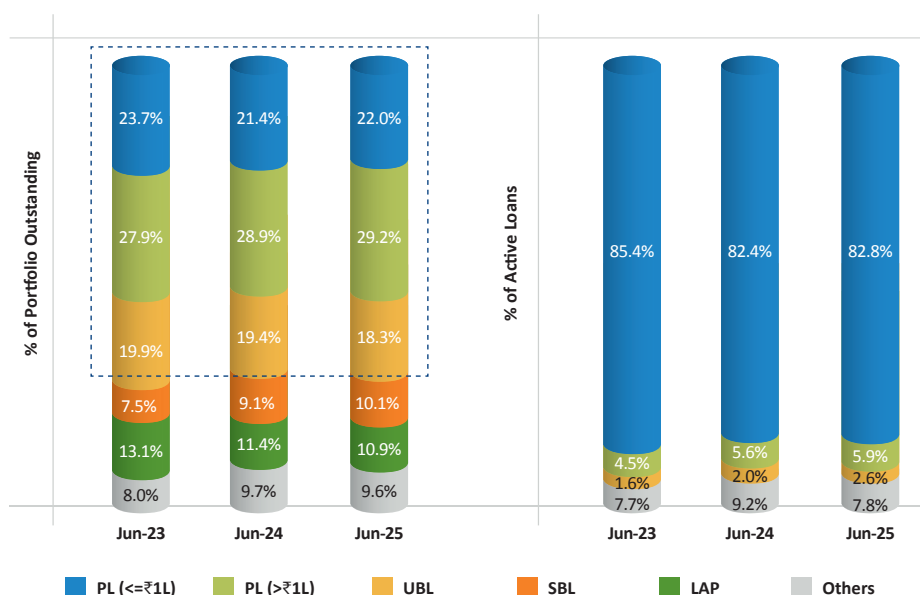


## PRODUCT MIX ANALYSIS FOR NBFC FINTECHS

- Unsecured loans-including personal loans and unsecured business loans-accounted for 70% of the total portfolio outstanding as of June 2025. The overall share of secured vs. unsecured loans has remained largely range-bound over the years.
- Within unsecured lending, growth is concentrated in personal loans above ₹1 lakh, indicating a gradual shift toward higher ticket sizes. In the unsecured business loan segment, ticket sizes are thinning, reflected in a decline in portfolio outstanding from 19.9% in June 2023 to 18.3% in June 2025, alongside a slight increase in the share of active loans.
- In the secured loan category, property-backed lending declined from 13.1% in June 2023 to 11% in June 2025, indicating diversification away from property-based lending. Meanwhile, secured business loans increased from 7.5% to 10.1% over the same period.

### Product-wise portfolio outstanding and active loan trends of NBFC Fintechs

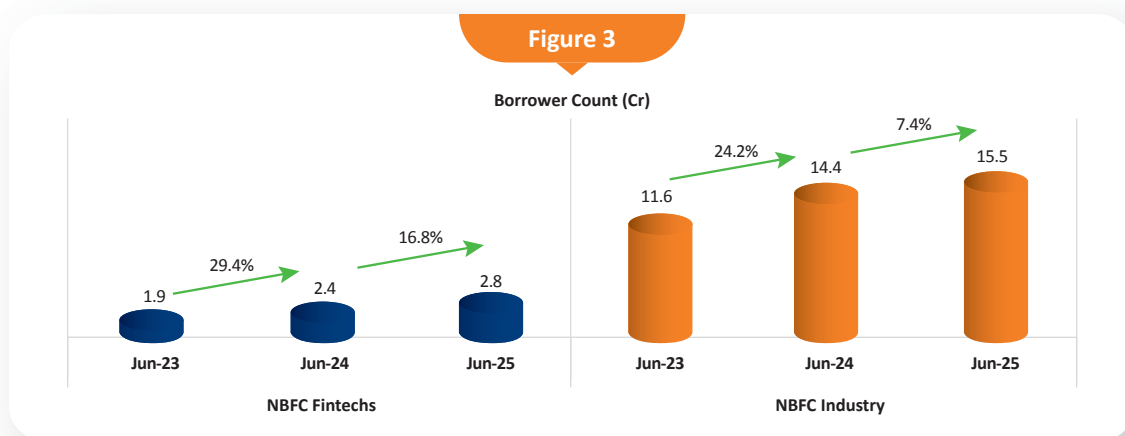
Figure 2



## BORROWERS COUNT AND OPPORTUNITY ANALYSIS

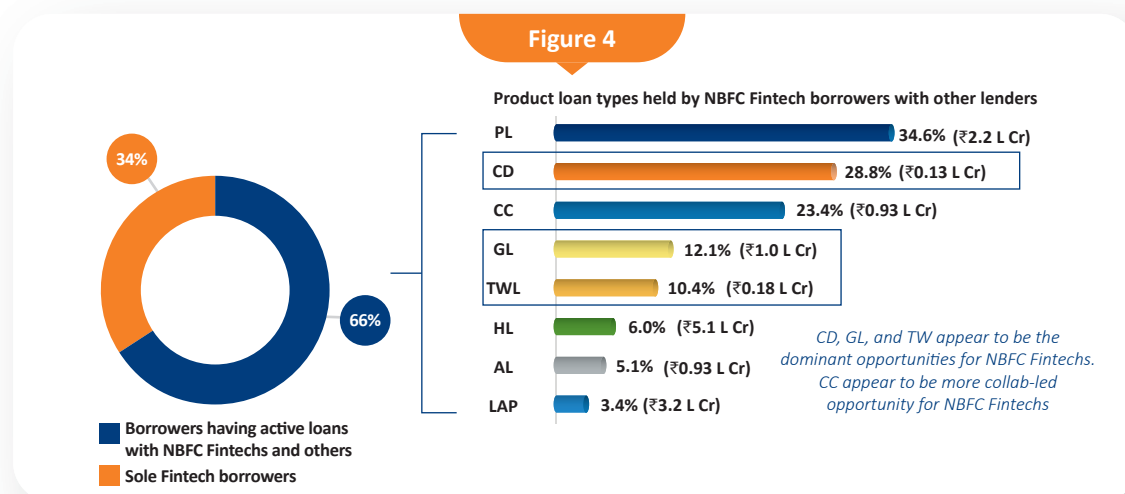
NBFC Fintechs saw their active borrower base grow to 2.8 crore, marking a 16.8% YoY increase between June'24 and June'25—more than double the growth rate of the overall NBFC industry during the same period. However, this reflects a moderation from the previous year's growth, which stood at 29.4% YoY for NBFC Fintechs and 24.2% YoY for the overall NBFC Industry (June'23 to June'24) potentially due to regulatory interventions and monitoring.

### Active borrower count of NBFC Fintechs & NBFC Industry



**Next-best opportunity analysis:** As of June 25, out of 2.8 crore NBFC Fintech borrowers, 34% are exclusive to these lenders, while 66% also engage with other financial institutions. Among multi-lender borrowers, 34.6% hold PL\*, 28.8% have CD loans, and 23.4% use credit cards. Less than 10% possess home, auto, or property loans—highlighting a strong preference for short-term unsecured credit and limited uptake of secured lending.

### Product-wise distribution of NBFC-Fintech borrowers who also hold other active loans with other lenders (PSU Banks, Pvt Banks, Other NBFCs, SFBs, FRBs, Others)



\*PL: Personal Loans, CC: Credit cards; GL: Gold loan; TWL: Two wheeler loans, HL: Home Loan, AL: Auto loan, LAP: Loan against Property

## GEOGRAPHIC TRENDS

- As of June 2025, the top 10 states account for 81% of the overall POS, with the top 5 states contributing 52%.
- States like Uttar Pradesh (UP), Rajasthan (RJ), and Telangana (TS) are witnessing higher NBFC Fintech Y-o-Y growth compared to NBFC industry.
- Maharashtra (MH), Uttar Pradesh (UP), and Rajasthan (RJ) show a significantly higher growth delta between NBFC Fintechs and the broader NBFC industry, indicating stronger momentum in these regions. Notably, UP's share of total NBFC-Fintech POS has increased in June 2025 compared to June 2024.
- In contrast, Delhi (DL) and Gujarat (GJ) show relatively lower NBFC-Fintech growth, with minimal difference between the growth rates of NBFC Fintechs and the overall NBFC industry.

### State wise portfolio outstanding and performance trends - NBFC Fintech

Figure 5

Top 10 States	NBFC Fintechs Portfolio Outstanding (₹ K Cr)		% Share of Overall Total		State's Fintech share to NBFC Industry Share (%)	Y-o-Y Growth% NBFC Fintechs	Y-o-Y Growth % NBFC Industry
	Jun-24	Jun-25	Jun-24	Jun-25	Jun-25	Jun-25	Jun-25
MH	23.6	31.3	15.2%	14.9%	10.1%	32.5%	22.2%
KA	16.5	22.0	10.6%	10.5%	10.3%	33.8%	26.6%
TN	15.3	20.3	9.9%	9.7%	8.2%	32.4%	22.6%
TS	14.0	19.0	9.0%	9.0%	10.0%	35.1%	28.5%
UP	11.5	16.8	7.4%	8.0%	9.3%	45.7%	27.6%
GJ	11.5	14.7	7.4%	7.0%	9.3%	27.1%	22.5%
AP	9.9	12.9	6.3%	6.2%	8.6%	30.9%	26.3%
DL	9.9	12.6	6.4%	6.0%	12.0%	27.1%	25.9%
RJ	9.1	12.4	5.9%	5.9%	8.4%	35.4%	22.1%
HR	5.9	7.7	3.8%	3.7%	8.9%	31.2%	27.4%
<b>PAN India</b>	<b>155.4</b>	<b>209.7</b>				<b>34.9%</b>	<b>24.5%</b>

Overall, the rapid growth and sub-12% fintech penetration across the top states underscore significant potential for further market share expansion for NBFC Fintechs.

In terms of PAR 31–90, the overall rate of NBFC Fintechs remained high, with a Pan India figure of 2.8%, consistently above the NBFC industry average in both June '24 and June '25.

- Delhi (DL), followed by Uttar Pradesh (UP), recorded some of the highest delinquency rates at 3.5% and 3.4% respectively as of June 2025.
- Delhi (DL) also saw one of the sharpest increases in PAR 31–90 within the NBFC Fintech segment, rising from 2.5% in June 2024 to 3.5% in June 2025.
- In contrast, DL's PAR 31–90 for the broader NBFC industry improved slightly from 2.1% to 2.0% over the same period.
- Maharashtra (MH) and Haryana (HR) showed notable improvement in NBFC Fintech performance, with PAR 31–90 declining from 2.7% to 2.3% for both MH, and HR between June 2024 and June 2025

### State wise portfolio outstanding and performance trends

Figure 6

Top 10 States	NBFC Fintechs Portfolio Outstanding (₹ K Cr)		NBFC Fintechs PAR 31-90		NBFC Industry PAR 31-90	
	Jun-24	Jun-25	Jun-24	Jun-25	Jun-24	Jun-25
MH	23.6	31.3	2.7%	2.3% ↓	2.3%	2.1% ↓
KA	16.5	22.0	2.5%	2.6% ↑	2.4%	2.8% ↑
TN	15.3	20.3	2.8%	2.9% ↑	2.2%	2.5% ↑
TS	14.0	19.0	2.1%	2.4% ↑	2.2%	2.5% ↑
UP	11.5	16.8	3.2%	3.4% ↑	2.7%	2.7% ↔
GJ	11.5	14.7	2.9%	2.9% ↔	2.3%	2.3% ↔
AP	9.9	12.9	2.5%	2.8% ↑	2.9%	3.3% ↑
DL	9.9	12.6	2.5%	3.5% ↑	2.1%	2.0% ↓
RJ	9.1	12.4	2.9%	2.8% ↓	3.0%	3.1% ↑
HR	5.9	7.7	2.7%	2.3% ↓	2.3%	2.0% ↓
<b>PAN India</b>	<b>155.4</b>	<b>209.7</b>	<b>2.8%</b>	<b>2.8% ↔</b>	<b>2.5%</b>	<b>2.6% ↑</b>

The overall NBFC Industry also showed a significant increase in risk across many states, including KA, TN, AP, and TS (Southern states) indicating rising stress in the category.

## INDUSTRY CORNER- I



### 1 | What factors do you believe are contributing most to the growth in the NBFC Fintech segment?



- NBFC fintech segment has grown on the back of digital rails such as CKYC, and vKYC, which have made customer onboarding and credit delivery faster and simpler. Customers now expect instant, app-based experiences with transparency and control, and fintech NBFCs have been able to meet that demand. Regulatory clarity in digital lending guidelines has further strengthened customer trust, while co-lending frameworks and capital-light models have enabled NBFCs to expand without overextending their balance sheet.

– **Abhishek Dwivedi, CEO, Navi Finserv**



- The NBFC fintech segment is growing because of three main factors: unmet demand, technology-driven innovation and supportive policy frameworks. India's digital savvy generation continues to seek faster, simpler and more transparent access to finance. This rising demand for affordable credit across education, healthcare, clean energy and other essential needs has created fertile ground for digital NBFCs to scale.

digital NBFCs to scale.

A significant development within this is impact lending. By creating dedicated products for life-shaping needs such as medical procedures, upskilling and rooftop solar installations, NBFC fintechs are filling critical affordability and accessibility gaps that insurance or traditional loans do not cover. This approach enables customers to access essential services without financial strain and also strengthens long-term repayment behaviour and trust in formal credit.

Technology is another key driver. AI and ML based underwriting, automated KYC, instant disbursements and real-time credit tracking have transformed the speed, accuracy and reach of lending. Platforms can now underwrite millions of applications a month with minimal manual intervention while improving risk control.

Product innovation, from impact lending to Loan Against Mutual Funds and Digital Fixed Deposits, combined with integrations into open networks like ONDC and Jan Samarth, has opened up new channels to reach new segments responsibly

– **Akshay Mehrotra, Co Founder & CEO, Fibe India (Formerly EarlySalary)**

## INDUSTRY CORNER- I



- Digital India, powered by mobile and internet penetration, has enabled NBFC fintechs to access rich data for document-free underwriting. Credit bureaus are helping borrowers become more responsible with quality tradeline data, while tech providers and payment gateways offer valuable alternate data. Most KYC is now digital, making loan disbursal seamless.

As banks and traditional NBFCs leave a large segment underserved, growing borrower openness and fading loan stigma are driving demand—among creditworthy users—for instant, seamless loans from NBFC fintechs

– Sharath Pareddy, Head of Credit at Branch International



## 2 | How do you see the role of secured products evolving in your portfolio strategy?

- Over the years, we have evolved to introduce various products to cater to the unmet needs of our customers. We envision to become the most trusted holistic financial services platform that serves customers across their lifecycle needs. Traditionally, our focus was on offering personal loans targeting salaried individuals who often face barriers accessing credit due to rigid criteria from conventional lenders. However, we also do recognize the critical role secured lending plays in offering customers affordable, flexible credit solutions while also managing risk prudently at our end.

We continue to innovate in integrating secured products seamlessly into our AI-driven underwriting platform, ensuring rapid, transparent and responsible credit decisions. In essence, secured products are not just an addition; they represent an essential growth vector for us, strengthening our focus on holistic financial inclusion, sustainable risk management and customer-centric innovation.

– Akshay Mehrotra, Co Founder & CEO, Fibe.India (Formerly EarlySalary)

## INDUSTRY CORNER- I



- They are critical component of our strategy, while the portfolio behaviour across secured and unsecured remain the same, the final credit cost is a function of underlying collateral and we continue to focus on building at least 70% of secured portfolio.

– Shachindra Nath, Founder, UGRO Capital



### 3 | Are there specific customer segments or use cases that are influencing your product mix decisions?



- Yes. Our core focus remains on salaried professionals, who often borrow for specific life-stage needs such as healthcare, education, or family emergencies. These are real, purpose-driven use cases where timely access to credit makes a meaningful impact. By understanding these segments and use cases, we've been able to design products that are both flexible and responsible. Ultimately, our product mix is not driven by what we want to sell, but by what our customers truly need, at terms that are transparent and affordable.

– Yogi Sadana, Founder and CEO, Respo Financial (Zype)



## INDUSTRY CORNER- I



### 4 | How do you tailor your digital lending strategies to regional market dynamics?



- Earlier a branch or physical network was considered a necessity for any kind of lending to happen in a particular region. Markets that were earlier inaccessible are now within reach due to digital lending. However, understanding the differences in income and spending patterns is important while catering to customers across multiple markets ( eg- metros, tier 1 , tier 2 etc). The same income that might be sufficient in a Tier 2 City may not suffice in a Metro due to lifestyle inflation. Capturing these nuances along with an understanding of how collection strategies change at a local level, is key towards adapting to the newer markets.

– **Mudit Agarwal, Chief Operating Officer, Innofin Solutions (LenDenClub)**

## ***Section 2:***

Deep dive into dominant  
products of NBFC-Fintechs

(PL  $\leq$  ₹1L, PL  $>$  ₹1 L, Unsecured Business Loans)  
and benchmarking



## DEEP DIVE INTO DOMINANT PRODUCTS OF NBFC FINTECH

(PL ≤ ₹1L, PL > ₹1 L, Unsecured Business Loans) and benchmarking

This section will now provide an in-depth analysis of the key products offered by NBFC Fintechs—primarily personal loans, including both small and higher-ticket loans, and unsecured business loans. It also examines originations trends within the NBFC fintech segment and compares them with the rest of NBFC industry.

## ORIGINATIONS ANALYSIS: OVERALL AND PRODUCT TYPE

### 1a. Originations growth:

- NBFC Fintechs continued to show strong momentum, with originations value rising from ₹25.4K Cr in Q1 FY24 to ₹48.4K Cr in Q1 FY26—reflecting a robust 25.8% YoY growth between Q1 FY25 and Q1 FY26. This growth was primarily volume-driven, with disbursements increasing from 254.1 lakh to 301 lakh, an 18% YoY rise.
- While NBFC Fintechs maintained predominantly range-bound average ticket sizes, their growth was fuelled by scale and reach rather than ticket size expansion.
- In contrast, Other NBFCs recorded a modest 5.9% YoY growth in originations value, reaching ₹73.5K Cr in Q1 FY26. Their growth was largely driven by an increase in average ticket sizes, particularly in the Unsecured Business Loans segment, signalling a strategic focus on self-employed borrowers.

**Share of PL and UBL in NBFC Fintech:** As of Q1 FY26, personal loans below ₹1 lakh accounted for the largest share of total origination value at 51.7% (₹48.4K crore), followed by personal loans above ₹1 lakh at 34.1%, and unsecured business loans at 14.3%.

In terms of volume (301.0 lakh accounts), personal loans below ₹1 lakh dominated with a 96.6% share, while personal loans above ₹1 lakh and unsecured business loans contributed 2.2% and 1.2%, respectively.

### Originations Value (₹ K Cr) Originations Volume (Lakh) of NBFC Fintechs and rest of the NBFC Industry – for unsecured (overall PL and UBL)

Figure 7

NBFC Fintechs	Q1 FY 24	Q1 FY 25	Q1 FY 26
<b>Originations Value (₹ K Cr)</b>	25.4	38.5	48.4
YoY growth %		51.5%	25.8%
<b>Origination Volume (Lakh)</b>	195.0	254.2	301.0
YoY growth %		30.3%	18.4%
<b>Average Ticket Size (₹)</b>	13,028	15,143	16,085
YoY growth %		16.2%	6.2%
Other NBFCs	Q1 FY 24	Q1 FY 25	Q1 FY 26
<b>Originations Value (₹ K Cr)</b>	64.2	69.4	73.5
YoY growth %		8.1%	5.9%
<b>Origination Volume (Lakh)</b>	84.5	55.4	52.6
YoY growth %		-34.6%	-4.8%
<b>Average Ticket Size (₹)</b>	75,954	1,25,554	1,39,711
YoY growth %		65.3%	11.3%

*The average ticket size for NBFC-Fintechs is primarily driven by personal loans, whereas for Other NBFCs, it is largely influenced by unsecured business loans (focus on self-employed).*

### NBFC Fintechs originations share in the overall NBFC Industry

**Dominance in small ticket loans:** NBFC Fintechs are rapidly expanding their share in personal loan originations in the NBFC industry, especially in the sub-₹1 lakh segment—commanding about 90% of volume and more than two-thirds of value (68%) by Q1 FY26. Within this, their share by value rose from 45% in Q1 FY24 to 68% in Q1 FY26, and by volume from 73% to 89%, indicating dominance in small-ticket loans.

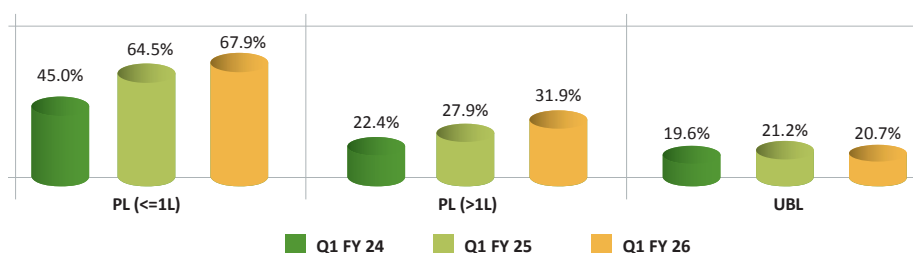
### Other emerging focus:

- In the case of UBLs, the value share remained relatively stable, increasing slightly from 19.6% to 20.7% between Q1 FY24 to Q1 FY26, while the volume share rose significantly from 20.9% to 39.2%, signaling notable gains in small business lending.
- For PL > ₹1 lakh, NBFC Fintechs' value share rose from 22.4% in Q1 FY24 to 31.9% in Q1 FY26, while their volume share also increased from 24.1% to 37.4% during the same period—reflecting moderate growth relative to the expansion seen in PL ≤ ₹1 lakh.

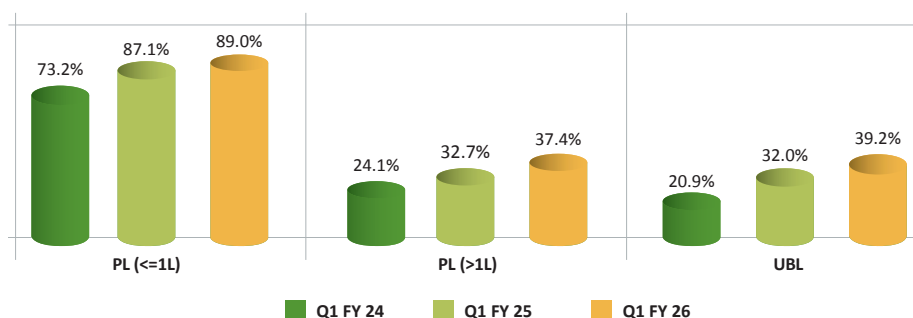
### Share of NBFC Fintechs to NBFC Industry in originations by product type

Figure 8

NBFC Fintechs Originations (Value) share of NBFC Industry



NBFC Fintechs Originations (Volume) share of NBFC Industry



1.b. Originations by NTC analysis:

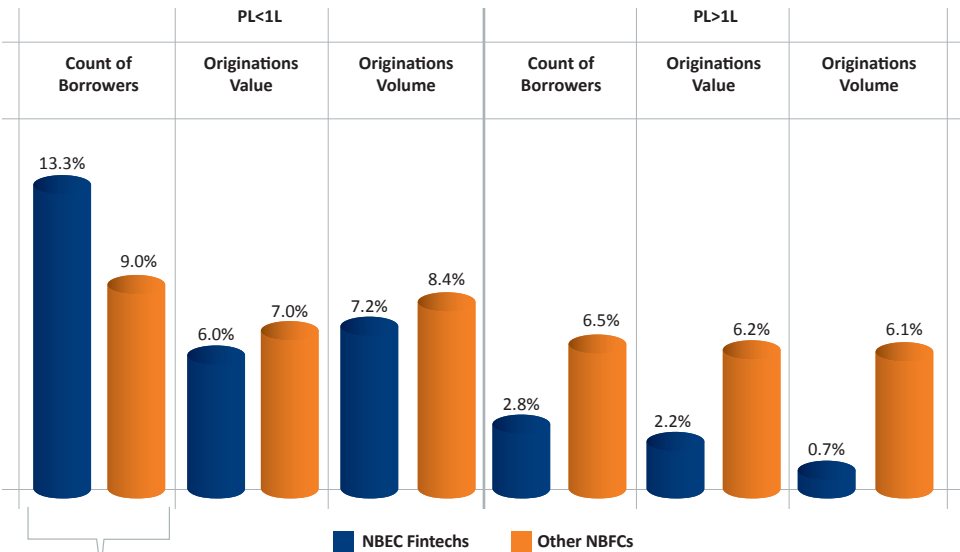
For personal loans under ₹1 lakh, NBFC Fintechs have a higher share of new-to-credit (NTC) borrowers at 13.3% compared to 9% for Other NBFCs, highlighting their stronger role in driving financial inclusion. However, their originations value and volume are slightly lower as compared to Other NBFCs.

In the ₹1 lakh+ category, Other NBFCs report a significantly higher NTC share across borrower count, value, and volume—indicating a strategic divergence in risk appetite and borrower targeting between NBFC Fintechs and traditional NBFCs.

NTC borrower contribution to personal loan originations in Q1 FY26:  
A comparison between NBFC-Fintechs and Other NBFCs

Figure 9

Share of NTC borrowers in Q1 FY26 personal loan originations: NBFC Fintechs vs Other NBFCs



Higher share of NTC borrowers in NBFC Fintech driving financial inclusion

Percentage represents the share of NTC borrowers within each category, based on active count, origination value, or origination volume

## TICKET SIZE ANALYSIS - PERSONAL LOANS AND UNSECURED BUSINESS LOANS

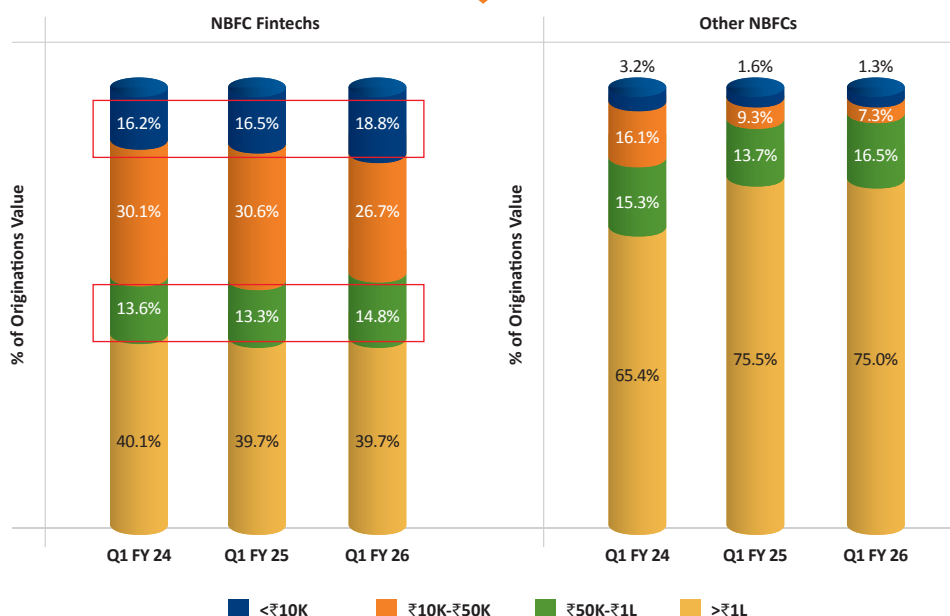
### 2.a. Personal loans ticket size analysis

#### Originations value:

- **<₹50K loans:** Within the sub-₹50K segment, NBFC Fintechs are gaining share in the <₹10K category, rising from 16.2% in Q1 FY24 to 19% in Q1 FY26 as compared to the ₹10K–₹50K range.
- Other NBFCs have significantly reduced their focus on loans below ₹50K, with this lender cohort's share overall dropping from 80.7% to 8.6% in Q1 FY26.
- **₹50K+ loans:** The share of loans above ₹50K saw a marginal increase from 53.7% in Q1 FY24 to 54.5% in Q1 FY26, continuing to represent the highest share within the segment. In contrast, other NBFCs demonstrated a sharper rise in this category—from 80.7% to 91.5% over the same period—highlighting their sustained strategic focus on higher-ticket loans.

### Breakdown of originations value share across ticket size bands (PL overall) - NBFC Fintech vs Other NBFCs

Figure 10

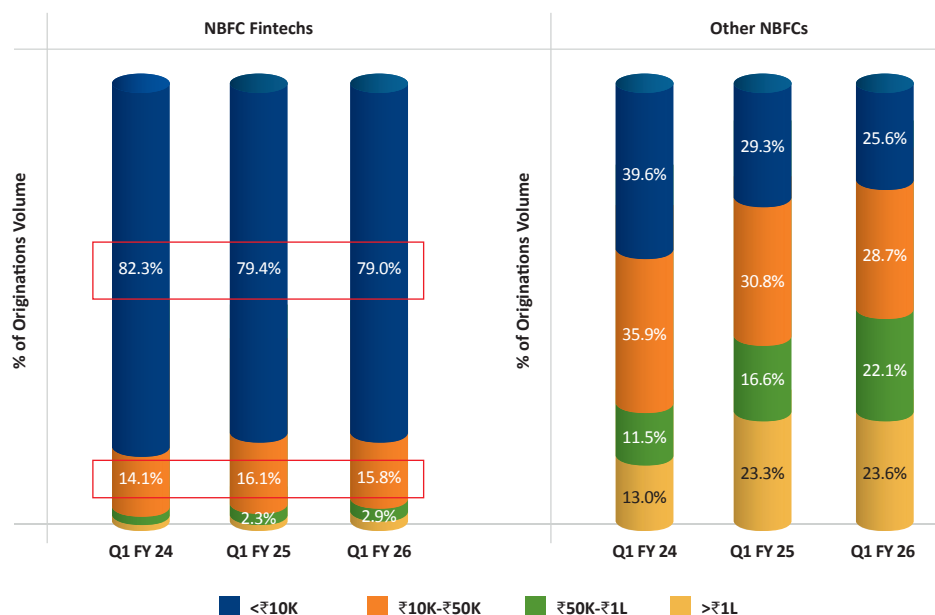


### Personal loans originations volume:

- Dominant focus:** NBFC Fintechs continue to lead the sub-₹10K loan segment, that accounted for 79% of originations volume in Q1 FY26—a slight dip from 82.3% in Q1 FY24. In contrast, Other NBFCs saw a sharp decline in this segment, with their share falling from 40% to just 26% over the same period.
- Emerging focus:** NBFC Fintechs are also expanding their originations volume presence in the ₹10K–₹50K range. However, the concurrent decline in originations value within this band suggests a stronger focus on the lower end of the ticket size spectrum. Meanwhile, Other NBFCs appear to be shifting their focus toward the ₹50K+ segment, as reflected in the corresponding value trends.

### Breakdown of originations volume share across ticket size bands (PL overall)

Figure 11





### 2.b. Unsecured business loans ticket size analysis

#### Shift toward small-ticket business lending:

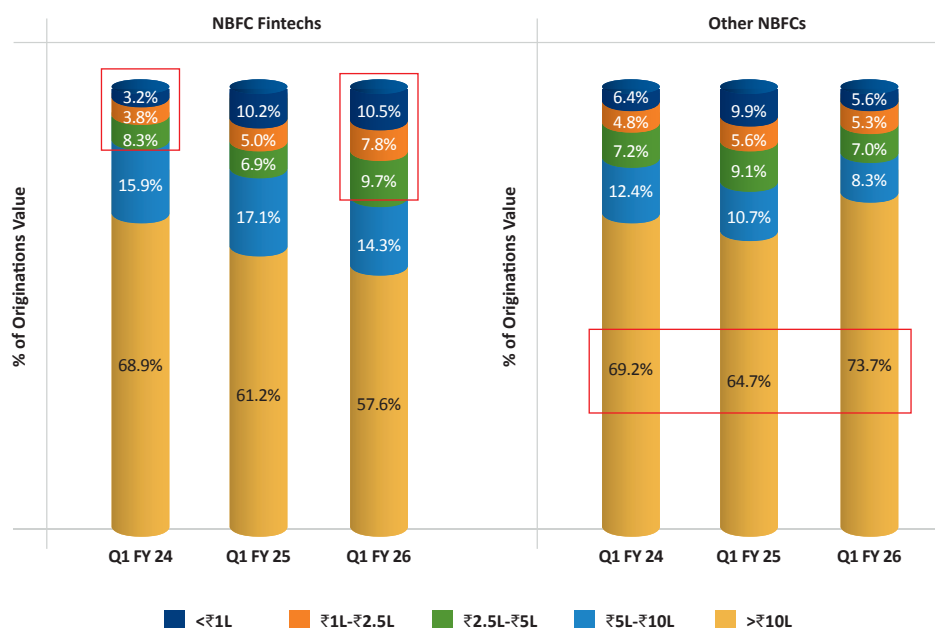
- NBFC Fintechs continue to derive the highest value share of loan originations from the >₹10L ticket size band, however its dominance is waning—from 68.9% in Q1 FY24 to 57.6% in Q1 FY26.
- Simultaneously, originations in lower ticket sizes (<₹5L) are rising, growing from 15.3% to 28% over the same period, indicating a shift toward serving micro and small borrowers.

- Overall, the market for NBFC Fintechs remains dominated by small-ticket originations in unsecured business lending, reflecting improved access for micro-enterprises but limited traction in large-ticket lending.

**Comparison with Other NBFCs:** These lenders (Other NBFCs) prioritize high-value lending, with >₹10L originations rising from 69.2% in Q1 FY24 to 73.7% in Q1 FY26.

#### Breakdown of originations value share across ticket size bands

Figure 12

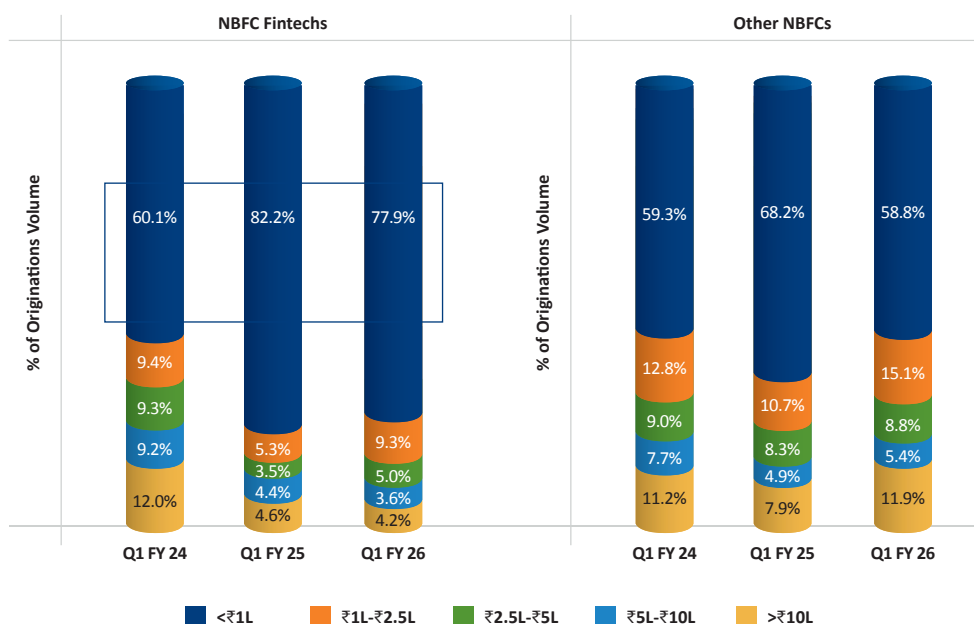


### Originations volume benchmarking:

- In terms of volume, NBFC Fintechs are heavily skewed toward the sub-₹1L segment, which rose from 60.1% in Q1 FY24 to 78% in Q1 FY26. Combined with the ₹1L–5L band, these segments dominate their total originations volume.
- For Other NBFCs, while sub-₹1L volumes remain dominant (58.8% in Q1 FY26), they show a more balanced spread across mid-range ticket sizes (₹1L - ₹5L) than NBFC Fintechs.

### Breakdown of originations volume share across ticket size bands - Keeping the same ticket size

Figure 13



## GRANULAR GEOGRAPHIC ANALYSIS - BT 100 ANALYSIS

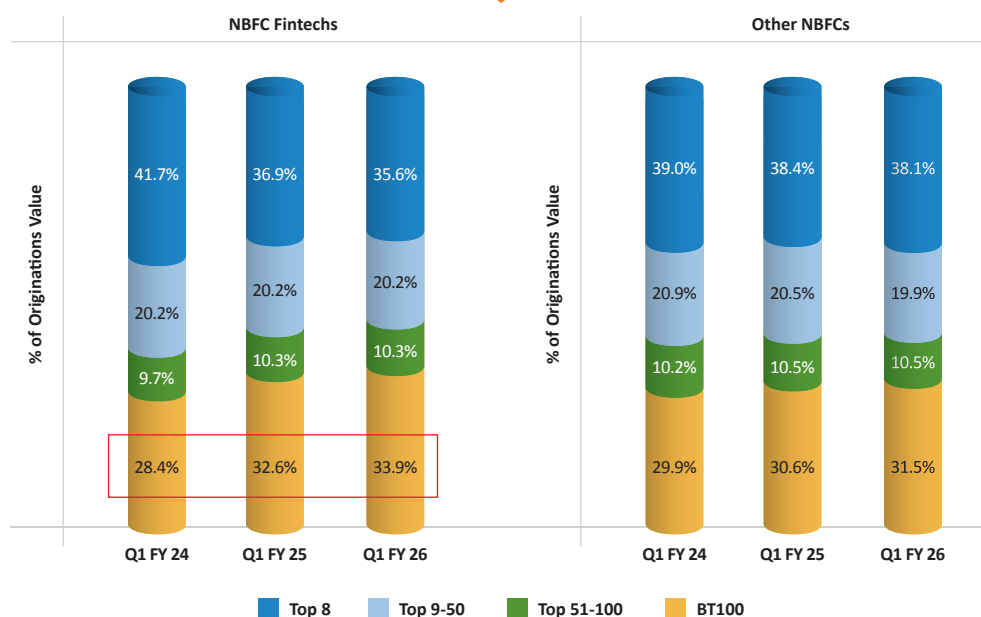
### 3a. Personal loans: Originations value: BT 100 analysis

#### NBFC Fintech broadening reach:

- NBFC Fintechs received 35.6% of their origination value from the top 8\* cities in Q1 FY26, down from 41.7% in Q1 FY24—indicating a shift away from metro concentration. In contrast, other NBFCs have maintained a steady focus on these top cities (38.1% as of Q1 FY26).
- Meanwhile, NBFC Fintechs have deepened their reach in the BT 100 cities, with origination share rising from 28.4% in Q1 FY24 to 33.9% in Q1 FY26. Other NBFCs saw only a marginal increase—from 29.9% to 31.5% over the same period.
- NBFC Fintechs also grew their share in the Top 51–100 cities from 9.7% to 10.3%, reflecting broader geographic expansion.

#### Breakdown of originations value share for overall PL - NBFC Fintech vs Other NBFCs across top cities and BT 100 (Beyond Top 100)

Figure 14



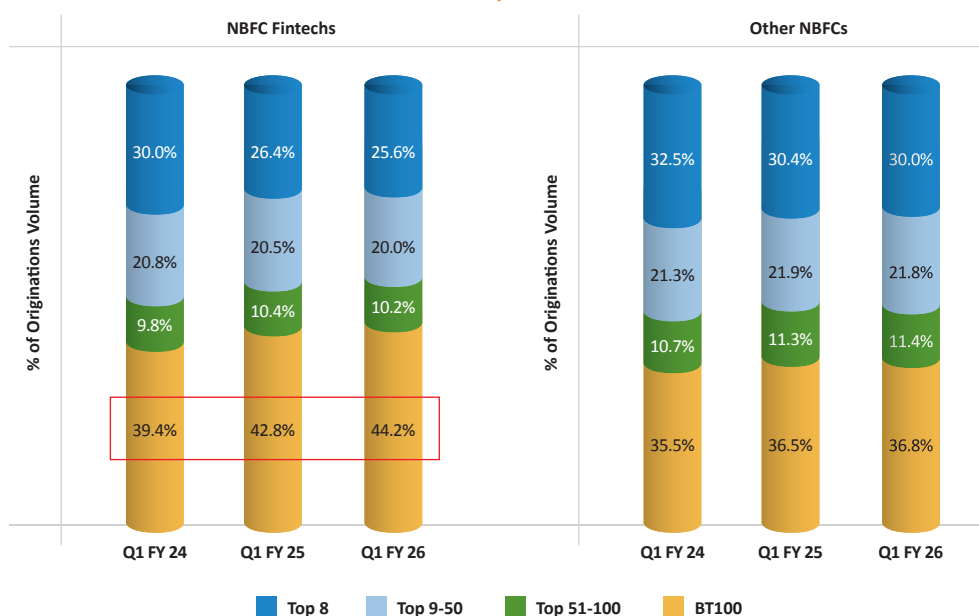
\*Top 8, Top 9-50, Top 51-100 and Beyond Top 100 (BT100) cities are classified based on highest aggregated portfolio outstanding of consumer loans reported to CRIF High Mark, at the end of the financial year

### Personal loans: Originations volume: BT 100 analysis

In Q1 FY26, BT 100 cities accounted for 44.2% of NBFC fintech originations by volume-up from 39.4% in Q1 FY24 and higher than Other NBFCs at 36.8%. This mirrors the trend observed in origination value.

### Breakdown of originations volume share for overall PL - NBFC Fintech vs Other NBFCs across top cities and BT 100 (Beyond Top 100)

Figure 15



### Unsecured business loans (UBL) -Originations value: BT 100 analysis

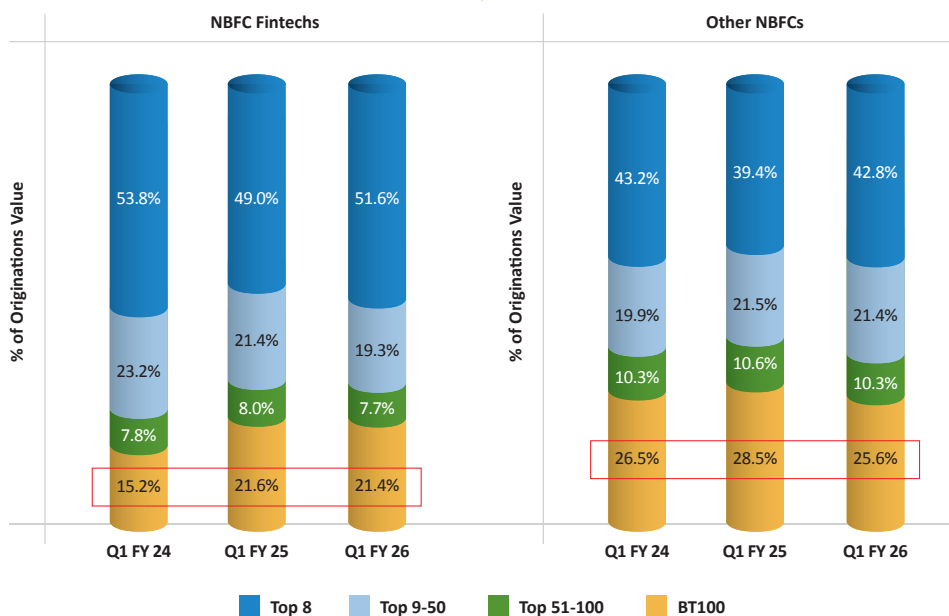
#### Potential for deeper penetration in value:

- As of Q1 FY26, the top 8 cities contributed 51.6% to NBFC Fintechs' unsecured business loan origination value-a slight decline from Q1 FY24. BT 100 penetration for NBFC Fintechs in this segment stood at 21.4%, up from 15.2% in Q1 FY24, signalling deeper expansion into smaller towns. However, this remains lower than Other NBFCs at 25.6%, and significantly below NBFC Fintechs' own BT 100 share in personal loans (33.9%).

- In contrast, Other NBFCs saw a dip in BT 100 share from 26.5% to 25.6%, while their Top 9–50 city share rose from 19.9% to 21.4%, indicating a stronger urban focus.

#### Breakdown of originations value share for overall unsecured business loans - NBFC Fintech vs Other NBFCs across top cities and BT 100 (Beyond Top 100)

Figure 16

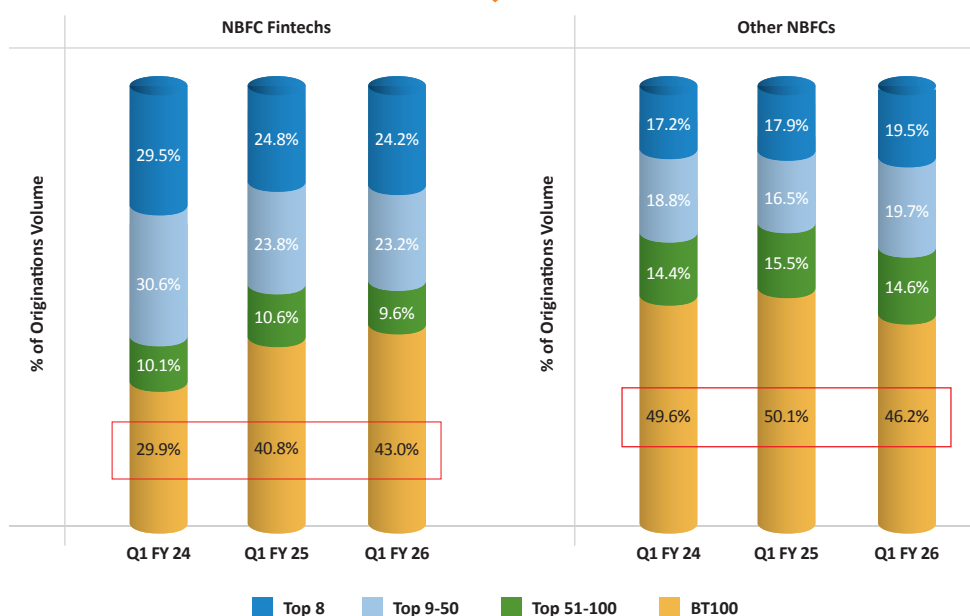


### Unsecured business loans (UBL) -Originations volume: BT 100 analysis

NBFC Fintechs have significantly expanded their presence in BT 100 cities, with origination volume rising from 29.9% in Q1 FY24 to 43% in Q1 FY26. Combined with a 21.4% share in originations value, this indicates strong momentum in low-ticket business loans targeting the micro segment in BT 100. In contrast, Other NBFCs saw a marginal decline in BT 100 origination value-from 49.6% to 46.2% over the same period.

### Breakdown of originations volume share for overall Unsecured Business loans - NBFC Fintech vs other NBFCs across top cities and BT 100 (Beyond Top 100)

Figure 17



## PERFORMANCE ANALYSIS: NBFC FINTECHS CONTINUE TO SHOW HIGHER RISK OVERALL AS COMPARED TO OTHER NBFCs

### a. Static Pool Performance – NBFC Fintechs

#### Higher stress in PL <=₹1L for NBFC Fintechs

**PL <=₹1L trends comparisons:** The 6 MOB PAR 30+% for PL <=₹1 L for NBFC Fintechs was at 6.4% as of June'24 peaked at 6.6% as of Sep'24 and improved to 5.4% as of June'25 but remain significantly elevated as compared to other products.

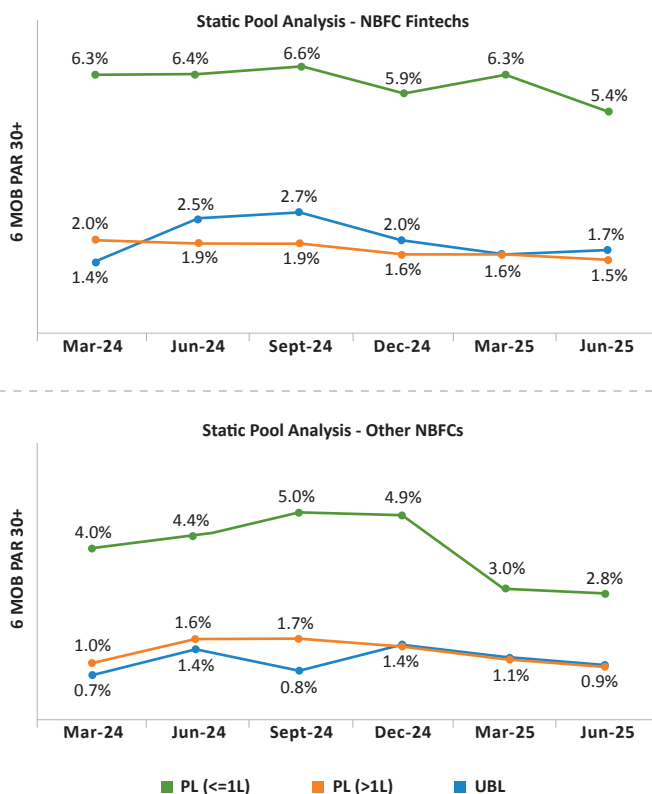
While for 'Other NBFCs' this improved to sharply to 2.8% as of June'25 from 4.4% a year before, indicating stronger risk management

**Other product trends comparisons:** For NBFC Fintechs, Unsecured business loans, 6 MON PAR 30+% peaked at 2.7% as of Sep'24 before improving to 1.7% as of June '25. PL >₹1 L has one of the lowest delinquencies, improving to 1.5% as of June'25.

For Other NBFCs, both PL >₹1 L and UBL strongly improved to 0.9% as of June'25 indicating better asset quality and portfolio recalibration.

### 6 MOB PAR 30+ by product type

Figure 18





## b. Delinquency trends

### Personal loans

- **Higher stress in NBFC Fintech:** NBFC-Fintechs continue to show higher delinquency rates (PAR 31-90 and PAR 91-180) than Other NBFCs across all ticket sizes, especially in the sub-₹10K segment:
- PAR 31-90 for the sub-₹10K segment stood at 4.1% for NBFC-Fintechs in June 2025, versus 1.7% for Other NBFCs
- PAR 91-180 was 4.8% for NBFC-Fintechs, compared to 1.8% for Other NBFCs
- **However, improvement is also visible:** There is a visible improvement in both early and late-stage delinquency for fintech loans over the two-year period, with most ticket size buckets showing a decline-sharply in the <₹10K segment.
- PAR 31-90 declined from 4.9% in June'23 to 4.1% in June'25
- PAR 91-180 dropped from 7.6% to 4.8% over the same period
- **Comparative Benchmarking:**
  - Other NBFCs reported significantly lower delinquency rates compared to NBFC Fintechs across all loan sizes. However, for loans above ₹50K, both segments exhibited near parity in performance by June 2025, with only marginal differences in delinquency levels.

### Delinquency by early stage and late-stage buckets – Personal loans

Figure 19



## Unsecured business loans

**Stress in Lower Ticket Sizes - Other NBFCs:** For loans up to ₹5 lakh, other NBFCs continue to exhibit significantly higher delinquency rates, particularly in the sub-₹1 lakh segment. This category has experienced a steep rise in delinquencies between June 2024 and June 2025, indicating growing stress in smaller-ticket lending for Other NBFCs.

**Stress in Higher Ticket Sizes - NBFC Fintechs:** Conversely, for loans above ₹5 lakh, NBFC Fintechs show greater signs of stress compared to other NBFCs, with a sharp increase in delinquency levels over the same period.

- For loans between ₹5L-₹10L, PAR 31-90 increased from 2.4% in June'24 to 3.3% in June'25 with similar increases in PAR 91-180.

- For loans above ₹10L, the rate rose from 2.4% to 3.5% over the same period.

While their origination share in this segment is gradually declining for NBFC Fintechs-for instance, the origination value of unsecured business loans fell from 68.9% in Q1 FY24 to 57.6% in Q1 FY26-the exposure remains substantial. This underscores the need for continued risk monitoring, particularly in the unsecured business loan category.

These trends also suggest a risk migration toward larger ticket sizes in NBFC-Fintechs, while Other NBFCs are experiencing concentrated stress among micro and small borrowers.

## Delinquency by early stage and late-stage buckets – Unsecured business loans

Figure 20



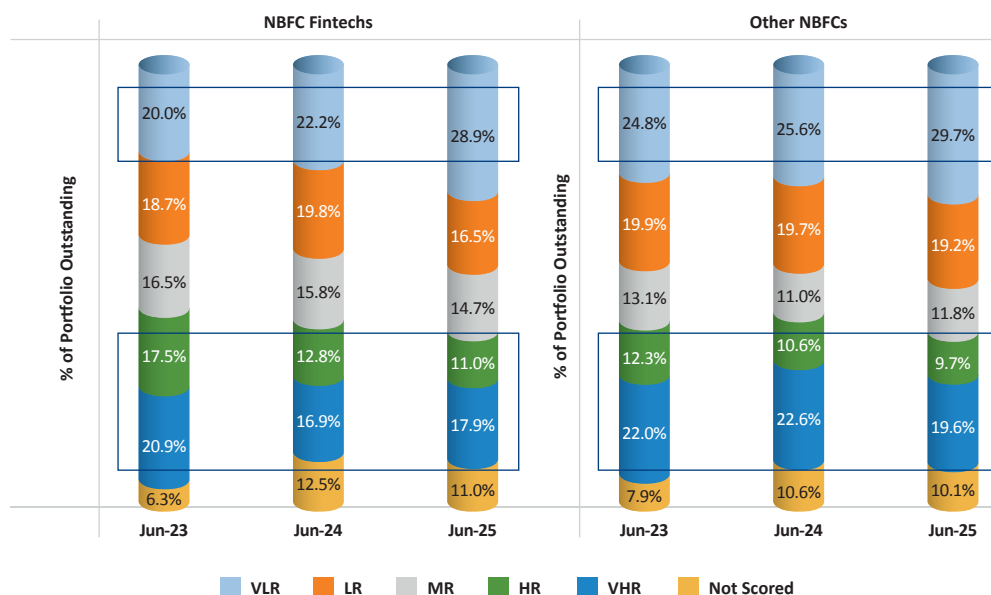
## RISK DISTRIBUTION AND PORTFOLIO SHIFTS

**Risk tier shifts:** The 'Very Low Risk' (VLR) borrower segment has expanded steadily across both NBFC-Fintechs and Other NBFCs, with NBFC-Fintechs showing a faster rate of growth. Between June 2023 and June 2025, the share of VLR borrowers in NBFC-Fintechs rose from 20.0% to 28.9%, compared to an increase from 24.8% to 29.7% for Other NBFCs over the same period. However, the share of 'Low risk' (LR) segments within NBFC Fintechs declined from 18.7% to 16.5% between June'23 and June'25, pointing to the need for tighter portfolio standards in this category.

**Overall portfolio quality:** Meanwhile, high-risk segments (high and very high risk) contracted across both cohorts over the same period. NBFC Fintechs recorded a sharper drop—from 38.4% to 28.9% (VHR+HR)—compared to Other NBFCs, which declined from 34.3% to 29.3%, signaling an overall improvement in portfolio quality.

### Risk distribution across portfolio outstanding

Figure 21



Risk distribution for borrowers is based on CRIF Credit Score, ranging from 300 to 900, predicts the possibility of customer defaulting. Score bands: Very High Risk (300–399), High Risk (400–577), Medium Risk (578–644), Low Risk (645–693), Very Low Risk (694–900), and Not Scored.

## INDUSTRY CORNER- II



- To navigate growth moderation, we've leaned into partnerships-building APIs for banks, card networks, and ecosystems-ensuring diversified, sustainable expansion

– Amit Srivastava, Co-Founder & CTO, GetVantage (GetGrowth Capital)



- We are expanding our footprint to Tier 2 – 4 towns in India and diversifying our portfolio to much wider geographies and the over leveraged customers concentration which is in Tier 1 geography.

– Shachindra Nath, Founder, UGRO Capital



- We tailor digital lending strategies to regional markets by using data analytics, local partnerships, vernacular interfaces, FOS and customized risk models to address unique customer needs and maximize access in each area.

– Deepak Jain, Co-Founder, Flexiloans (Epimoney)

## INDUSTRY CORNER- II



- We tailor lending to regional dynamics by combining bureau insights with local cash-flow cycles and building partnerships with ecosystem players in tier-2/3 markets.

– Amit Srivastava, Co-Founder & CTO, GetVantage (GetGrowth Capital)



### 3 | What changes are you implementing to improve risk metrics across your portfolio?



- Agility, accuracy, and adaptability define the new era of fintech, and AI is at the heart of this transformation. By combining bureau data with alternative sources—such as transactional patterns and digital behavior—AI enables real-time, intelligent decisioning that makes credit more inclusive and seamless. Advanced analytics and automation are enhancing engagement, strengthening risk integrity, and reshaping the way financial services are delivered. As the industry continues to evolve, AI-driven frameworks will be central to driving smarter lending, promoting financial inclusion, and building long-term trust with customers.

– Soumyajit Ghosh, COO, Balancehero India



- At an onboarding level, the broader strategy is leveraging bank statements, bureau data as well as alternate data to create robust identification and segmentation patterns. CRIF our Bureau partner is enabling our risk models in an efficient way. A strategy of strengthening the underwriting practices combined with early identification and intervention in portfolio monitoring is the first step towards improving the risk metrics across the portfolio.

– Mudit Agarwal, Chief Operating Officer, Innofin Solutions (LenDenClub)

## INDUSTRY CORNER- II



### 4 | What role does analytics and automation play in improving customer engagement and risk assessment?



- We rely on analytics and automation to strike the right balance between customer delight and credit discipline. We use advanced models for real-time credit decisioning, ensuring a seamless experience for customers while maintaining robust risk controls. Our real-time anomaly detection tools further strengthen fraud prevention, helping us identify and mitigate high-risk applications instantly.

– Vimal Saboo, CEO, EarlySalary Services Pvt. Ltd.



- Analytics and automation allow us to personalize the customer journey, from onboarding to loan servicing, without adding cost or friction. On the risk side, this allows us to assess large datasets in real time, spot early signs of risk, and make consistent credit decisions. This improves the customer experience while keeping the portfolio strong.

– Tushar Aggarwal, Founder and CEO, Stashfin



## ***Section 3:***

### Borrower behaviour profile

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## BORROWER BEHAVIOUR PROFILE

This section presents a detailed comparison of borrower behavior between NBFC Fintechs and Other NBFCs (excluding fintechs), focusing on two core product categories: personal loans across ticket sizes and unsecured business loans (UBLs).

- Borrower Profile Mapping:** We examine borrower characteristics as of June'25, along with trends over the previous two years. This includes insights into age, gender, exposure levels, active borrower counts, and geographic distribution. The goal is to identify distinct borrower segments served by NBFC Fintechs, highlight gaps in coverage, and uncover whitespace opportunities for future growth.

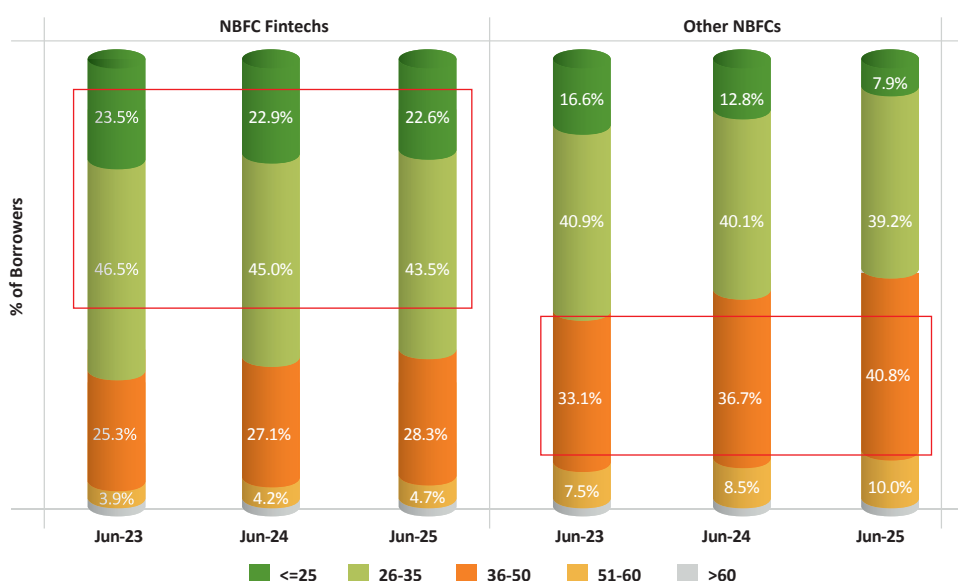
- Product movement tracking:** This analysis focuses on NBFC Fintech borrowers who availed personal loans and unsecured business loans during a fixed reference period (Q1 FY24). By observing their borrowing behavior over the subsequent six months, the objective is to assess leverage patterns and identify the next set of loan products they tend to opt for.

Overall, by analysing behavioural trends across these borrower segments and monitoring their progression over time, lenders can sharpen acquisition strategies, design targeted offerings, and refine product portfolios. *Note: Some NBFC Fintech borrowers may also hold loans with Other NBFCs.*

### Borrower profiles

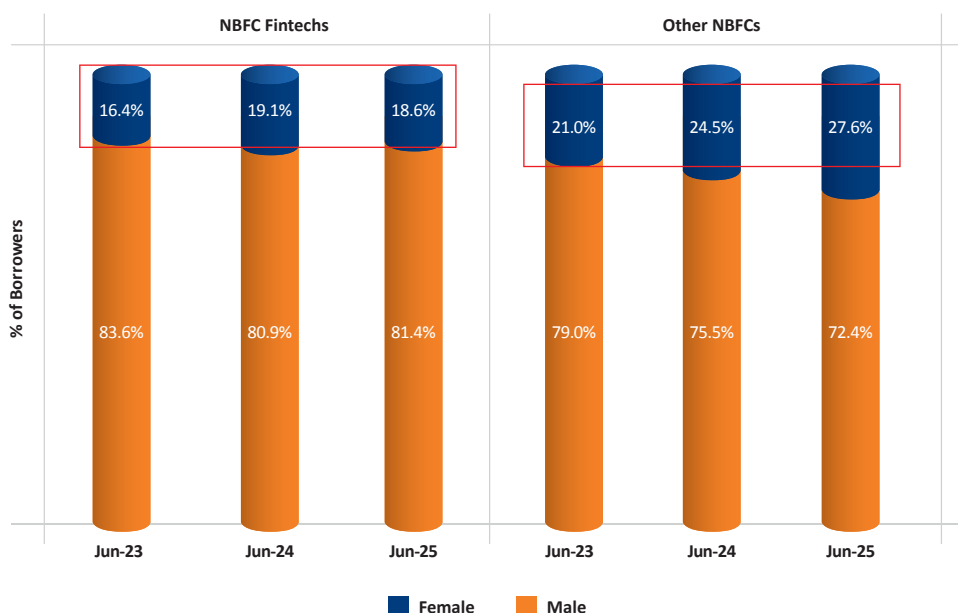
#### 1. Distribution of count of borrowers by Age for NBFC Fintechs and Other NBFCs

- NBFC Fintechs continue to serve a younger borrower base, with over 65% of borrowers aged  $\leq 35$  as of June 2025—slightly down from 70% in June 2023.
- The 26-35 age group remains the dominant cohort for NBFC Fintechs, accounting for 43.5% of borrowers as of June 2025.
- Meanwhile, the 36-50 age group leads in overall population share at 40.8%, marking a reversal from earlier trends where 26-35 was the dominant segment for Other NBFCs.



## 2. Distribution of count of borrowers by gender for NBFC Fintechs and Other NBFCs

- Both NBFC-Fintechs and Other NBFCs remain male-dominated, with 81–84% of borrowers being male in NBFC-Fintechs between June'23 and June'25 and 73% in Other NBFCs as of June 25.
- A healthy trend of gender inclusion is emerging in both cohorts, with a more pronounced improvement in Other NBFCs—female borrower share rose from 21% in June 2023 to 28% in June 2025.



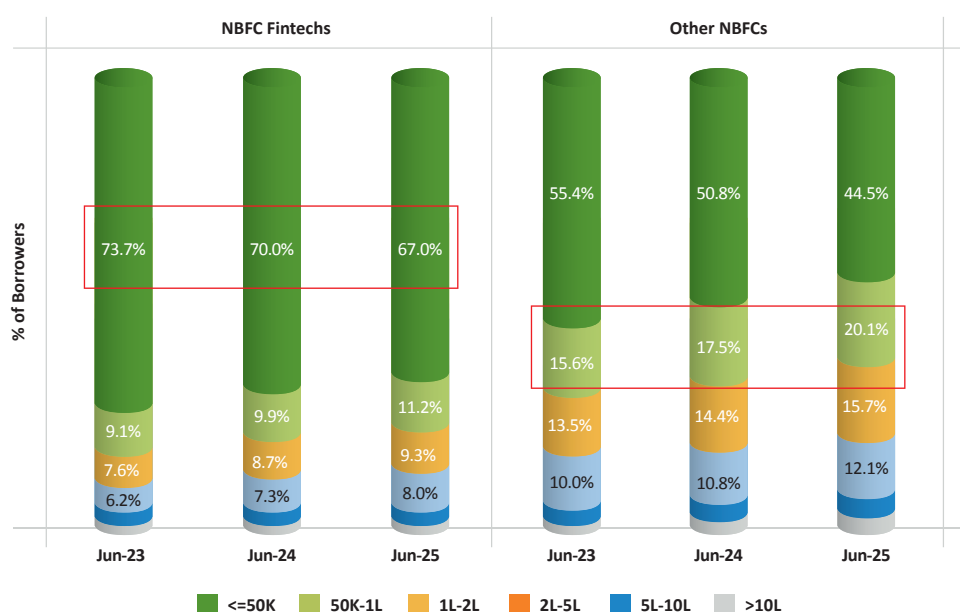
UBL is the key driver behind the increase in female share within Other NBFCs. For instance, the share of female borrowers in Other NBFCs under UBL stood at 51% as of June 2025, compared to 28% for NBFC Fintechs.

### How does borrowing behaviour differ across age groups—say, Gen Z, millennials, and older cohorts?

The contribution of younger borrowers, especially Gen Z, is rising. It's crucial to design solutions that reflect their evolving needs and spending habits. Unlike traditional borrowers, they prefer smaller-ticket personal loans, often as first-time earners, to build credit histories through short tenures. Lending is no longer limited to big-ticket items like homes or cars; Gen Z is driving demand for products like payday loans, revolving LOCs, and lifestyle financing. Understanding the end-use of such loans is essential for accurate assessment and responsible lending - **Mudit Agarwwal, Chief Operating Officer, Innofin Solutions (LenDenClub)**

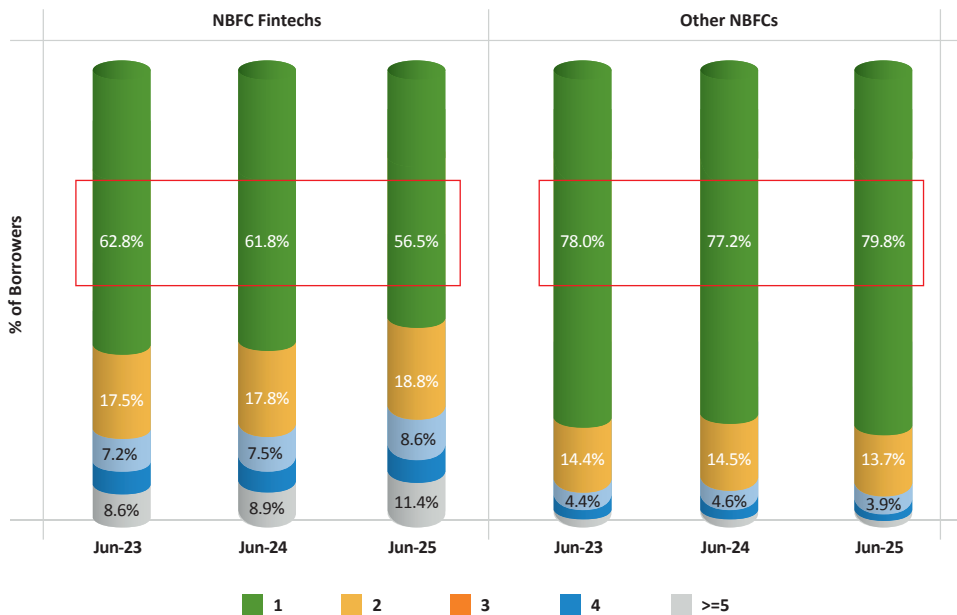
## 3. Distribution of count of borrowers by Exposure Bands for NBFC Fintechs and Other NBFCs

- NBFC Fintechs continue to be dominated by low-exposure borrowers ( $\leq ₹50K$ ), though their share declined from 73.7% in June'23 to 67.0% in June'25, indicating a slight shift toward higher exposure segments.
- Other NBFCs show a more diversified exposure profile, with  $\leq ₹50K$  borrowers dropping from 55.4% to 44.5%, and notable increases in ₹50K–₹1L: 15.6% to 20.1%.
- High-exposure borrowers ( $> ₹10L$ ) remain a small segment for both cohorts but are growing faster among Other NBFCs.



## 4. Distribution of count of borrowers by Active accounts held for NBFC Fintechs and Other NBFCs (where 1,2,3,4,>=5 respectively represents the number of accounts held by the borrowers)

- NBFC Fintechs continue to have a majority of single-account borrowers, at 56.5% as of June'25, down from 62.8% in June'23.
- However, the growing share of borrowers with multiple active accounts ( $\geq 2$ ) in NBFC Fintechs (from 37.2% as of June'23 to 43.5% as of June'25) may reflect the nature of small-ticket personal loans, but also signals potential overleveraging risks, underscoring the need for stronger portfolio monitoring.



## 5. Distribution of count of borrowers by Top 10 States for NBFC Fintechs and Other NBFCs

MH remains the largest market for NBFC Fintechs, accounting for 11.9% of their borrower base as of June'25. In contrast, TN leads for Other NBFCs at 12.1%, reflecting differing expansion strategies.

UP is steadily gaining share among NBFC Fintechs, rising from 8.3% to 9.7% between June'23 and June'25. For Other NBFCs, UP's share remained flat at 8.5% over the same period.

**Southern states-TN, AP, and KA**-continue to be key markets for both cohorts.

Other NBFCs have shown sharper growth in Tamil Nadu, with the share of borrowers rising from 7.8% to 12.1%. In contrast, NBFC Fintechs have seen more modest gains, increasing from 6.8% in June 2023 to 7.9% in June 2025, although declining from 8.2% in June 2024, reflecting slightly differing strategic priorities between the two cohorts in the region.

NBFC Fintechs are also expanding in eastern states, with BR's borrower count share growing from 3.7% to 4.8% and WB from 3.8% to 4.6%, indicating a strategic push toward regional diversification.

## Distribution of count of borrowers by Top 10 states

Figure 22

NBFC Fintechs				Other NBFCs			
State	Jun-23	Jun-24	Jun-25	State	Jun-23	Jun-24	Jun-25
MH	13.4%	12.7%	11.9%	TN	7.8%	9.5%	12.1%
UP	8.3%	8.9%	9.7%	MH	10.0%	10.3%	10.1%
KA	8.0%	8.6%	8.0%	UP	8.5%	9.0%	8.5%
TN	6.8%	8.2%	7.9%	KA	6.5%	7.3%	7.6%
AP	6.2%	6.5%	6.3%	AP	5.3%	6.0%	5.9%
TS	6.4%	6.5%	6.3%	RJ	6.1%	6.0%	5.4%
RJ	6.1%	5.7%	5.6%	TS	5.5%	5.5%	5.1%
GJ	5.0%	5.3%	4.9%	WB	4.5%	4.8%	4.8%
BR	3.7%	4.2%	4.8%	GJ	5.2%	5.1%	4.8%
WB	3.8%	4.2%	4.6%	BR	3.9%	4.8%	4.8%
Other States	32.3%	29.4%	29.9%	Other States	36.8%	31.8%	30.8%

*Overall, NBFC Fintechs exhibit a more pan-India footprint, with faster growth in emerging regions, while Other NBFCs are consolidating presence in top states, especially leading southern markets.*

## II) Product movement tracking – NBFC Fintech borrowers

To understand fintech borrower behaviour, we focused on individuals who availed personal loans or unsecured business loans in Q1 FY25 (April 2024–June 2024). We then isolated borrowers who sourced these loans specifically from NBFC Fintechs. For this cohort, we analyzed the next-best products they opted for six months later, between January 2025 and June 2025.

The objective of this analysis is to examine the leverage behavior of NBFC Fintechs and map their transition patterns to subsequent loan products.

### Product movement use case

#### Originations details – Time period Q1 FY25 (considering only PL and UBL)

Count of borrowers in Q1 FY 25 (Only PL or UBL)	Originations Value in Q1 FY 25 (Only PL or UBL)
80.2 L	₹ 38.5 K Cr

For the above borrowers, we analyzed products availed (originations) after six months from Q1 FY25, specifically between January and June 2025, and observed the following trends on product type movement.

Product	% of NBFC Fintech borrowers who availed loans after 6 months from Q1 FY 25*	Sanction amount availed by NBFC Fintech borrowers after 6 months from Q1 FY 25
PL	52.3%	₹ 55.3 K Cr
CD	13.5%	₹ 3.8 K Cr
GL	12.2%	₹ 42.4 K Cr
TW	2.0%	₹ 1.7 K Cr
AL	0.8%	₹ 4.9 K Cr
UBL	2.6%	₹ 14.1 K Cr
SBL	1.5%	₹ 8.0 K Cr

\*37.4% of these borrowers did not avail any loan after 6 months from Q1 FY 25

#### Observations:

- **Leverage effect:** Approximately 70% of borrowers resort to cash-based loans-comprising personal loans, gold loans, unsecured business loans (UBL), and secured business loans (SBL)-which suggests elevated leverage levels. This trend may also indicate that initial or urgent credit requirements were not adequately met through their first borrowing cycle.
- **Risk monitoring implication:** A second key observation is the rising share of repeat personal loan borrowers, with 52.3% availing personal loans again. This underscores the need for close monitoring of customers who have recently taken personal loans, and highlights the importance of implementing a risk-weighted pricing strategy as a critical implication.

## INDUSTRY CORNER- III



- The biggest opportunities lie in expanding credit access responsibly, especially for under-served segments. A key development will be credit lines integrated with UPI, opening up frictionless, small-ticket borrowing much like the journey with digital payments. Another shift is the adoption of GenAI in automation of tasks such as customer servicing, documentation, and internal processes. These can further streamline operations, cut down turnaround times and improve the customer experience. Alongside this, there is strong potential in creating a more balanced portfolio, by deepening secured lending while continuing to scale digital unsecured credit. Together, these shifts can define the next phase of growth for fintech NBFCs.

– **Abhishek Dwivedi, CEO, Navi Finserv**



- The biggest opportunities lie in three areas. First, secured digital credit—products like Loan Against Mutual Funds, securities—will unlock affordable credit for a larger base of customers. Second, embedded finance partnerships, where credit is seamlessly integrated into ecosystems like insurance, healthcare, or education, will be a key driver of scale. Third, the under-penetrated Bharat market—Tier-2 and Tier-3 cities—represents a vast opportunity where digital NBFCs can fill the gap. Players who combine product innovation with risk discipline will emerge as leaders. Importantly, the opportunity is not just in growth but in sustainable growth: investors, regulators, and customers alike are rewarding fintechs that are profitable, transparent, and resilient.

– **Yogi Sadana, Founder and CEO, Respo Financials (Zype)**

## INDUSTRY CORNER- III

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- Digital NBFCs that embrace the technologies will gain a significant competitive edge. The most promising technological opportunities are:
  - Artificial Intelligence and Machine Learning (AI/ML): Leveraging AI/ML for sophisticated credit scoring models, personalized loan offers, automated customer service through chatbots, and proactive fraud detection.
  - Embedded Finance: Integrating lending services directly into the customer journey on non-financial platforms. The Embedded Finance model is just the beginning, with opportunities to embed credit at various touchpoints in healthcare and education.
  - Open Banking and Account Aggregator Framework: Utilizing the Account Aggregator framework to gain a holistic view of a customer's financial health with their consent, enabling more responsible and tailored lending decisions.

The next two to three years will be a transformative period for digital NBFCs in India. By strategically focusing on the underserved MSME and Gold Loan segments, embracing technological innovation, and building a reputation for transparency and compliance, the agile lenders are set to play a pivotal role in driving financial inclusion and economic growth

– Zeenat Hamirani, Chief Risk Officer, LNT Finance





- The competitive landscape between fintech NBFCs and other players is rapidly evolving as technology and collaboration reshape the sector. Fintech NBFCs and other financial institutions are collaborating with each other and leverage their respective strengths across distribution, technology, data and capital. This will produce a win-win outcome for the whole industry.

– Deepak Jain, Cofounder, Flexiloans (Epimoney)



- The market is large enough to accommodate different types of players, each with room to grow. Fintech NBFCs bring speed, technology, and innovation, while traditional banks contribute scale and stability. Over time, we expect the landscape to evolve toward greater collaboration, with each player playing to its strengths.

– Tushar Aggarwal, Founder and CEO, Stashfin

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## GLOSSARY

- This report covers performance of NBFC Fintechs against traditional NBFCs (Other NBFCs) and the broader NBFC Industry
- NBFC Fintechs refers to 120+ NBFCs, primarily members of the Unified Fintech Forum (UFF) and the Fintech Association for Consumer Empowerment (FACE) who prioritize digital lending as a core strategy
- Other NBFCs refers to all the NBFCs that are not classified as NBFC Fintechs and typically operate using traditional lending ways
- 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
- PAR or Portfolio at Risk refers to the proportion of delinquent portfolio
- Originations Value refers to the total sanctioned amount
- Originations Volume refers to the number of loans sanctioned
- ATS or Average ticket Size refers to the average sanctioned amount
- NTC or New-to-Credit refers to the first-time borrowers applying for their first loan or credit product
- ETC or Existing-to-Credit refers to the borrowers having loans or used credit cards in the past

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## About CRIF High Mark

CRIF High Mark is an RBI licensed credit bureau in India that commenced its bureau operations in March 2011. CRIF High Mark offers Credit Bureau Information and Identification and fraud prevention services. It is India's first full-service credit information company which provides comprehensive credit information for all borrower segments, namely Commercial, Consumer, and Microfinance borrowers. With the databases of individuals and businesses from over 5,000 financial institutions CRIF High Mark provides credit information services and supports millions of lending decisions every month.

CRIF High Mark is part of CRIF S.p.A. a global company headquartered in Bologna, Italy. CRIF is a global company specializing in credit & business information systems, analytics, outsourcing and processing services, as well as advanced digital solutions for business development and open banking. Globally, CRIF operates in 37 countries with more than 10,500 financial institutions and over 600 insurance companies. CRIF's services are used by over 90,000 companies and more than 1,000,000+ consumers.

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## About Unified Fintech Forum

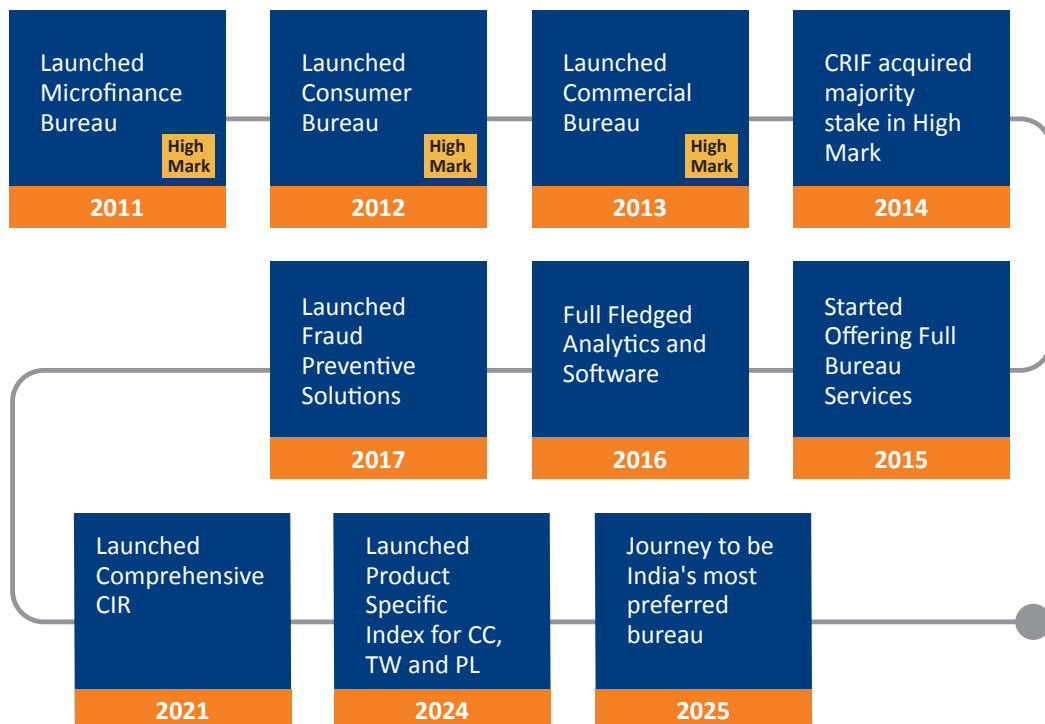
The Unified Fintech Forum (UFF), formerly known as the Digital Lenders Association of India (DLAI), stands as a pivotal non-profit Fintech sector Industry Association at the forefront of India's dynamic financial technology landscape. Established in October 2016 as a Section 8 company (not-for-profit) registered with the Ministry of Corporate Affairs, UFF has evolved significantly to represent the broader FinTech ecosystem. This mission and vision of UFF reflects the organization's commitment to fostering collaboration, innovation, and responsible growth across diverse FinTech domains, including payments, wealth tech, insurtech, and embedded finance.

UFF serves as a unified voice for FinTech companies operating in India, playing a crucial role in shaping the regulatory environment, promoting best practices, and driving financial inclusion nationwide. Its current diverse membership base, exceeding 120 entities, encompasses regulated lenders (NBFCs, Banks), FinTech platforms, embedded finance players, technology providers, credit bureaus, legal firms, and industry advisors. This wide representation allows UFF to address the evolving needs of the sector comprehensively.

A core pillar of UFF's mission is client protection. Recognizing the accelerated adoption of FinTech services, UFF has proactively championed initiatives to safeguard consumer rights and interests, particularly for those accessing digital credit and other digital financial services. It was among the first industry bodies to introduce a Voluntary Code of Conduct for digital lenders, outlining clear principles on transparency, responsible lending, fair collection practices, grievance redressal, and data privacy. This code has served as a benchmark for ethical practices and has significantly informed regulatory policy, including the Reserve Bank of India's (RBI) digital lending guidelines. UFF also actively collaborates with consumer rights organizations and legal experts to address emerging risks like predatory lending and digital fraud, reinforcing trust and accountability in the FinTech space.

Beyond advocacy and client protection, UFF is deeply engaged in capacity building within the Indian FinTech ecosystem. It recognizes the rapidly evolving regulatory, technological, and business landscape and strives to equip stakeholders with the necessary knowledge and skills. UFF regularly conducts workshops, masterclasses, and webinars on critical topics such as regulatory compliance, data privacy, fraud prevention, and inclusive product design. These initiatives are tailored for FinTech founders, compliance professionals, product managers, and technologists. By developing toolkits, explainer notes, and checklists in collaboration with policy experts and regulators, UFF simplifies complex regulatory frameworks and operationalizes compliance, fostering a culture of continuous learning and responsible growth. UFF is committed to advancing best practices, maintaining regulatory adherence, and supporting innovation to further financial inclusion in India. The forum's work is instrumental in ensuring that India's FinTech revolution remains inclusive, sustainable, and globally influential.

## CRIF – Journey in India



## CRIF in India



### Credit Bureau Information

Retail, Agri, MSME, Commercial and Microfinance lending



### Software

Decision Engine (BRE), Collection System, Loan Origination System (LOS)



### Business Information

Company reports, Cyber Risk report, Patent report and ESG Certification



### Analytics

Risk, Collection, Propensity Score



### Personal Financial Management

Finance Wellness (PFM), Business Wellness Management



### Account Aggregator

Account Aggregator Bank Statement Analytics, Categorization, KPI, Risk Score



### **CIR (Commercial, Consumer & Microfinance)**

- Detailed Information of a borrower's credit history & financial behavior. These details are utilized by the lenders & financial institutions to evaluate credit worthiness of the borrower.
- Commercial CIR includes CRIF India Business Rank (CIBR), which is a 13-Rank Assessment model to gauge a Business entity's Credit repayment ability based on its credit profile, credit history and other factors.



### **B2B2C Consumer CIR**

- The reports are fetched by individuals who approach Agents/Online Fintech Platform to avail personal credit for personal usage/pre-qualified offers.



### **B2C Consumer/Commercial CIR**

- Individuals/Entities looking for their personal/entity's credit report fetch this CIR through CRIF's portal.



### **Commercial Lite CIR**

- Synopsis of credit facilities with respect to Member and Off-member exposures, exposures on CC/OD facilities, Total Banking Exposure.



### **Portfolio review**

- The data output represents Offline bulk credit information of their customer base with Lending Institutions.



### **Market Insights Report**

- Market Insights products, offer insights on broader market trends and consumer behavior, using aggregated credit data.



### **Alerts**

- Event based triggers for near real time and effective monitoring of borrowers, post disbursement.



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