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# Fintech Newsletter: Vol VII



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## Executive summary

As of 2023, India is the third-largest FinTech market after the US and UK. Numerous factors, such as the increasing adoption of smartphones and digital payment initiatives, have contributed to the exponential growth of India's FinTech sector. FinTechs integrate banking services through advanced innovations, not only making them useful to the general population but also linking them to the banking infrastructure. The collaboration of FinTechs with banks has enabled the FinTech industry to scale rapidly, offering a more diversified range of services. Additionally, thanks to technological advancements in the fields of artificial intelligence, analytics, and blockchain technology, Fintech companies are able to meet customer expectations in spite of a highly competitive financial market, addressing the growing demand for comprehensive financial services. In this report, we present an overview of the current state of the FinTech landscape, its top products, geographies, and their respective growth trends.

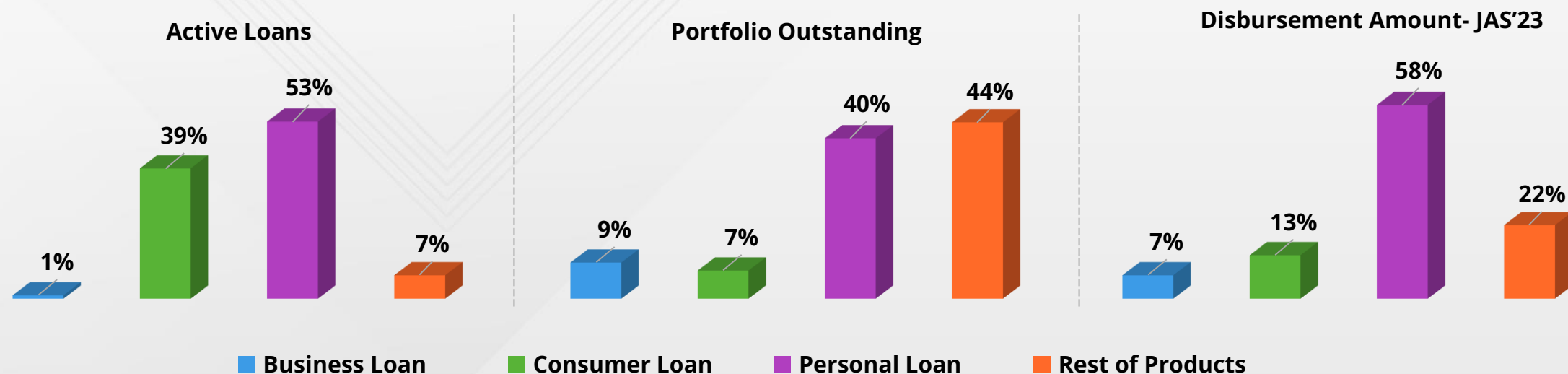
FinTech industry contributes Rs. 86,174 crore towards portfolio outstanding as on 30th September 2023, and recorded an annual growth of 57%. Loan disbursement show an annual growth where disbursement by amount grew by 12% in JAS'23 over JAS'22. FinTech's value and volume-based analysis reflect Business Loan – General as the top favorite product among borrowers and it has grown by 47% and 540% respectively. Geographically, all segment has highest share of Personal Loans disbursement. Business Loans have low Fintech's market share but have been able to manage their delinquencies below industry levels. The current report is an analysis of 129 NBFC - FinTech's (as on September 2023) which submit data to Equifax. Through this report, we aim to answer key questions on the FinTech growth, regional presence and outreach, risk profiling and growth trends in FinTech lending space.





# FinTech Overview

# FinTech Overview – 30th September 2023

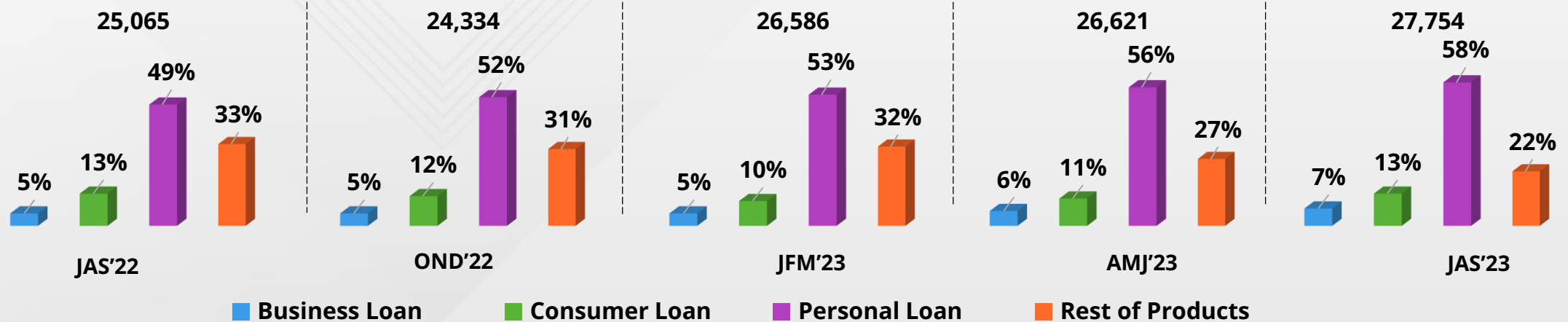


Snapshot as on 30th September 2023	Business Loan – General	Consumer Loan	Personal Loan	Rest of the Product	All Products
Active Loans (In '000 )	270	19,297	25,013	3,669	48,249
Portfolio Outstanding (Rs. crore)	7,374	6,455	34,572	37,773	86,174
Disbursement Amount (Rs. crore) - JAS'23	1,818	3,499	16,287	6,150	27,754

- As on 30<sup>th</sup> September 2023 book size of Fintech Industry is Rs. 86,174 crore.
- FinTech industry disbursed loans worth Rs. 27,754 crore in JAS'23.
- Personal Loan is top fintech lending product in terms of value and volume (excluding Rest of the Product).
- In the FinTech segment Personal Loan contributes highest to portfolio outstanding followed by Business Loan - General (excluding Rest of the Product)

# FinTech Disbursement Trends

Quarterly Sourcing Distribution by value (Rs. Crore)



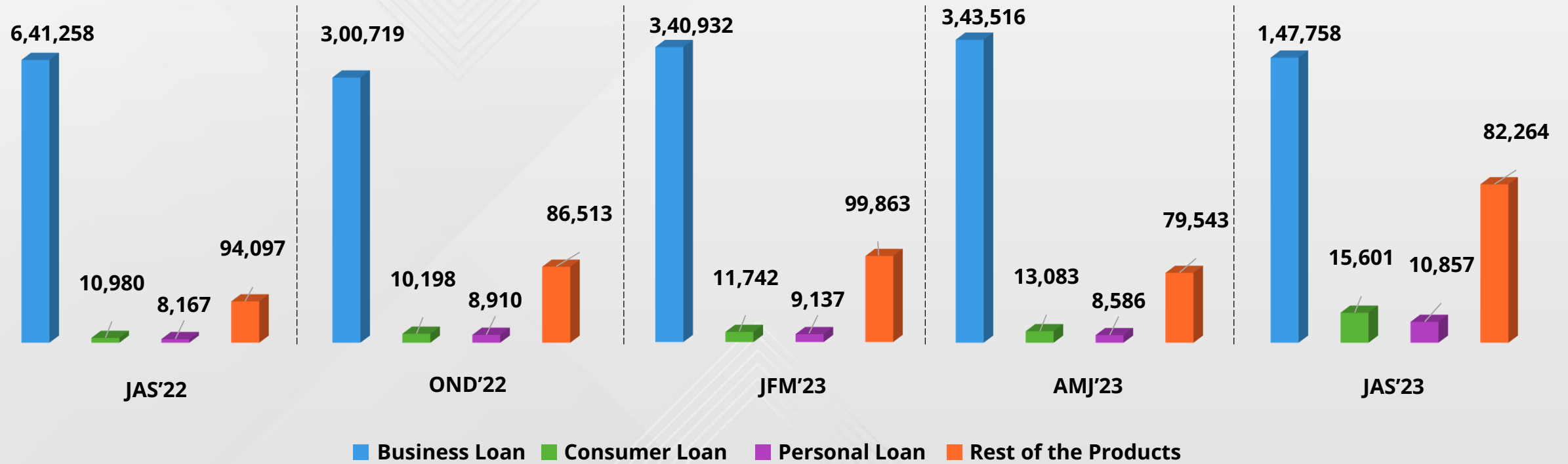
Quarterly Sourcing Distribution by Volume

Top Products (No of Loans,'000)	JAS'22	OND'22	JFM'23	AMJ'23	JAS'23	Y-O-Y Growth
Business Loan – General	19	42	39	45	123	540%
Consumer Loan	3,125	2,971	2,345	2,311	2,243	-28%
Personal Loan	15,242	14,301	15,521	17,359	15,001	-2%
Rest of the Products	845	843	833	899	748	-12%
Grand Total	19,231	18,157	18,738	20,614	18,115	-6%
Q-O-Q Growth		-6%	3%	10%	-12%	

- Disbursement by volume registered decline of 6% and value registered a Y-O-Y growth of 11% JAS'22 to JAS'23.
- In terms of disbursement volume and value Business Loan – General Loans registered highest Y-O-Y growth of 540% and 47% respectively from JAS'22 to JAS'23.

# FinTech Average Ticket Size Trends

FinTech Average Ticket Size Trends

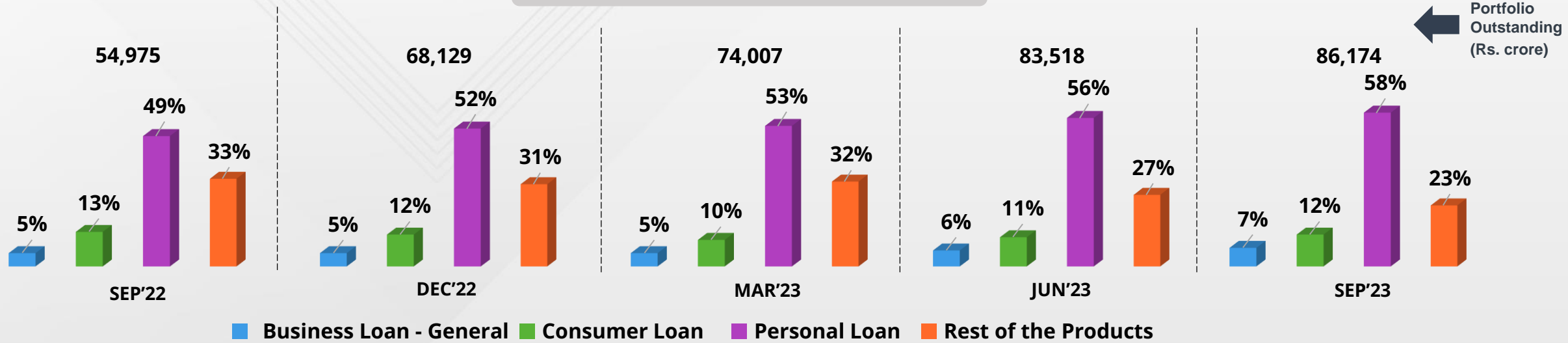


- Average ticket size of Consumer loan increased annually by 42% from JAS'22 to JAS'23
- Average ticket size of Personal loan increased by 33% in JAS'23 over JAS'22



# FinTech Portfolio Trends

## Portfolio Outstanding Distribution



Particulars	Sep' 22	Dec' 22	Mar' 23	Jun' 23	Sep' 23	Y-o-Y Growth %
Business Loan – General	6,542	6,118	6,752	6,947	7,374	13%
Consumer Loan	6,654	7,048	5,277	5,675	6,455	-3%
Personal Loan	19,018	22,270	23,974	27,574	34,572	81%
Rest of the Product	22,516	31,374	34,744	40,308	37,773	68%
All Products	54,730	66,810	70,747	80,504	86,174	57%
Q-o-Q Growth Rate %		22%	6%	14%	7%	

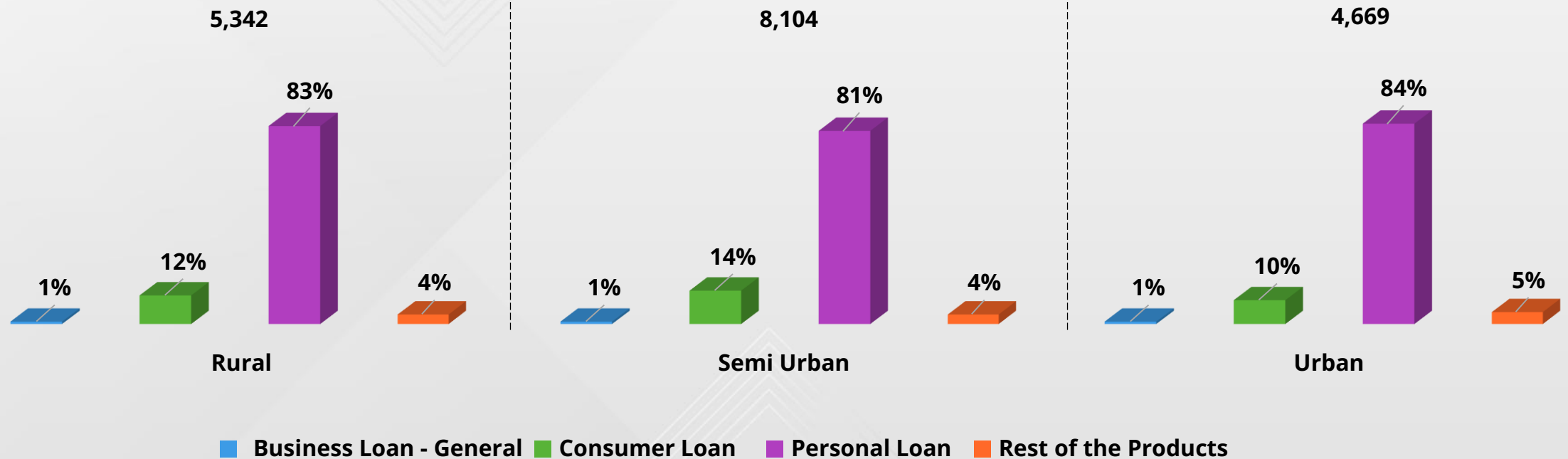
- Book size of FinTech industry grew by 57% in September 2023 over September 2022
- Personal loan witnessed highest annual growth of 81% from September 2022 to September 2023



# Geographical Overview

# Urban/Rural Disbursement Trends – JAS'23

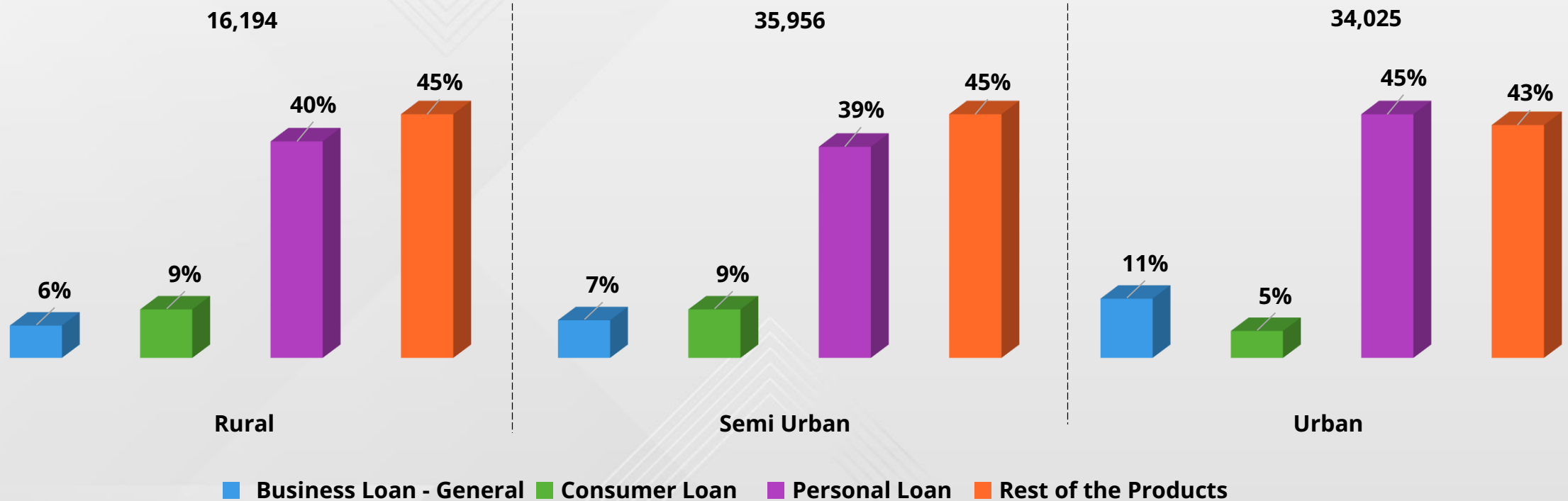
Urban/Rural Sourcing Distribution by No. of Loans – JAS'23 ('000)



- Highest loan disbursement is of Personal Loan across all the regions.
- 45% of the loan disbursement by FinTech industry is in Semi Urban region.

# Urban/Rural Portfolio Trends – 30th September 2023

Urban/Rural POS Exposure as on 30th September 2023 (Rs. crore)



- Semi Urban region accounted for 42% of FinTech industry's POS as on 30th September 2023

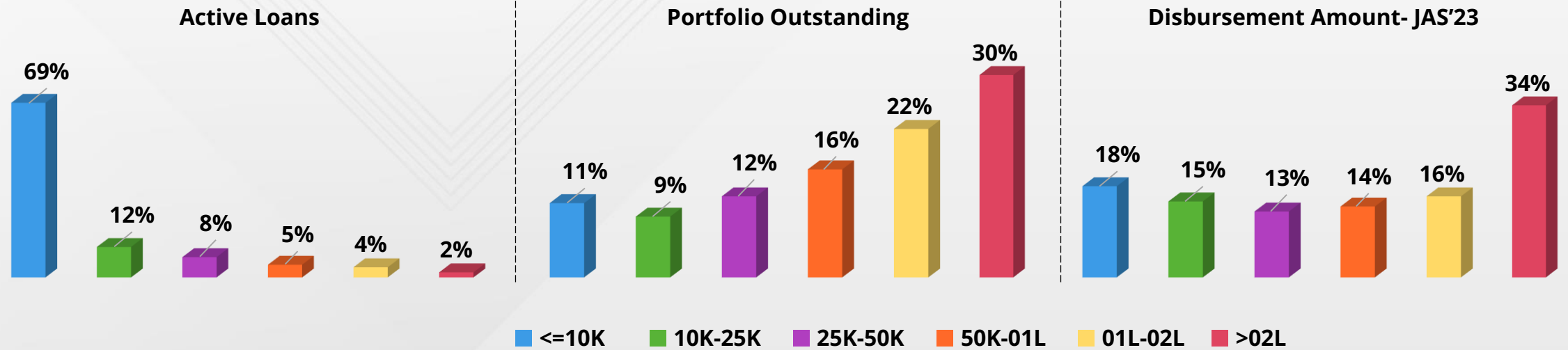




# FinTech Product:

Personal Loan Analysis  
based on Ticket size

# Personal Loan Overview – 30th September 2023

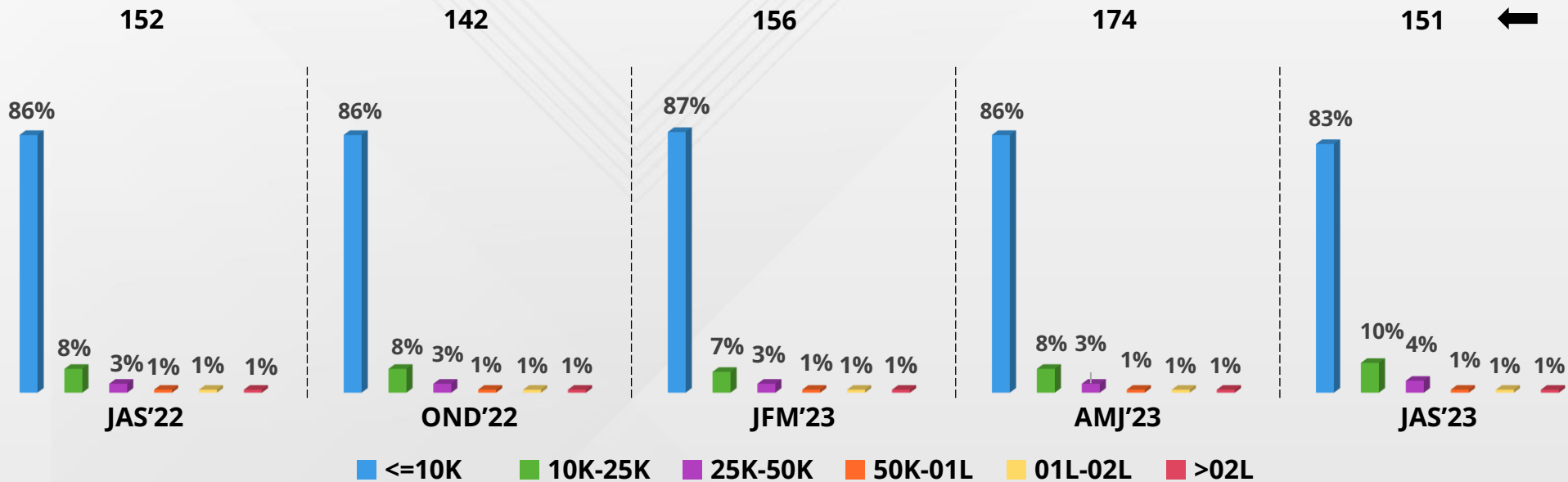


PL Snapshot as of Sep'23	<=10K	10K-25K	25K-50K	50K-01L	01L-02L	>02L	Total
Active Loans (in '000)	17,325	3,097	1,963	1,240	865	522	25,013
Portfolio Outstanding (Rs Crore)	3,688	2,999	3,979	5,490	7,507	10,909	34,572
Disbursement Amount (Rs Crore) – JAS'23	3,043	2,380	2,089	2,321	2,582	3,873	16,287

- Highest active Personal loans are in <=10k ticket size category.
- >2 Lacs ticket size category contributes highest towards disbursement amount and portfolio outstanding.

# Personal Loan Disbursement Trends

## % Market Share



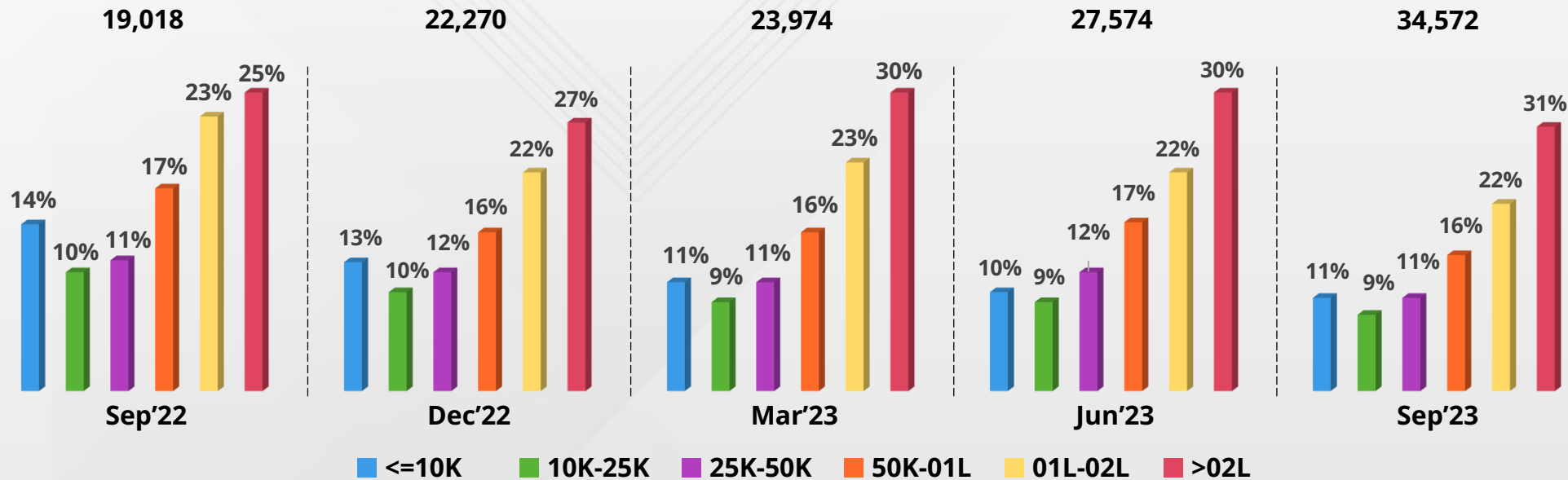
- 01L-02L category witnessed the highest growth in disbursement volume of 61% from JAS'22 to JAS'23.
- Across all the quarters highest number of loans are disbursed in <=10k ticket size category.

## No. of Loans (in lakhs)

Ticket Size	JAS'22	OND'22	JFM'23	AMJ'23	JAS'23
<=10K	130	122	135	149	124
10K-25K	14	12	10	13	15
25K-50K	4	4	5	6	6
50K-01L	2	2	3	3	3
01L-02L	1	1	2	2	2
>02L	1	1	1	1	1

# Personal Loan Portfolio Trends

## Portfolio Outstanding Distribution



- Portfolio outstanding of Personal Loan grew by 81% in September 2023 over September 2022.
- >2L ticket size category witnessed a highest Y-o-Y growth of 122% from September 2022 to September 2023

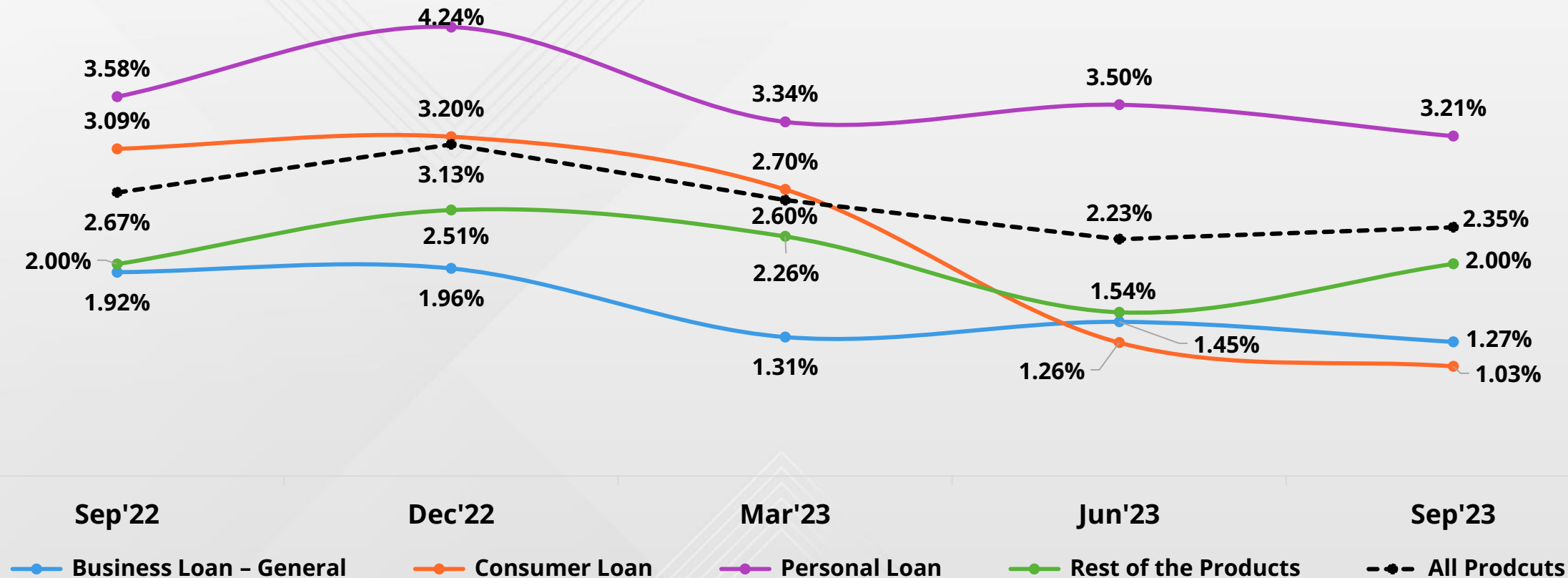
Ticket Size	Sep'22	Dec'22	Mar'23	Jun'23	Sep'23	YoY Growth Rate %
<=10K	2,603	2,984	2,604	2,792	3,688	42%
10K-25K	1,891	2,222	2,063	2,514	2,999	58%
25K-50K	2,188	2,606	2,815	3,382	3,979	82%
50K-01L	3,160	3,615	3,838	4,532	5,490	73%
01L-02L	4,348	4,916	5,489	6,161	7,507	72%
>02L	4,828	5,927	7,165	8,193	10,909	122%
Industry	19,018	22,270	23,974	27,574	34,572	81%





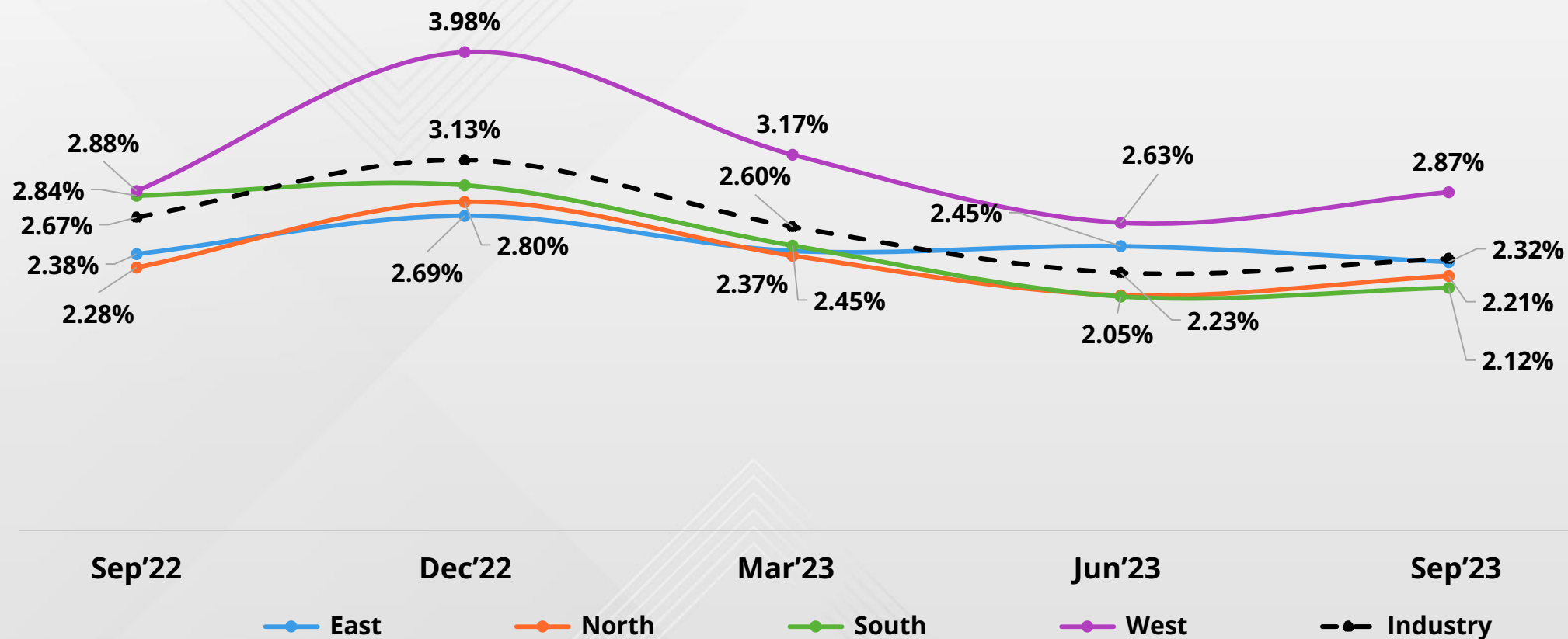
# Delinquency Deep Dive

# FinTech 90+ Delinquency trends



- 90+ delinquency of Consumer Loan declined by 205 bps in September 2023 over September 2022.
- FinTech industry's 90+ delinquency dropped by 34 bps in September 2023 over September 2022.
- As on Sep'23, among all the products Personal loan has highest 90+ delinquency.

# FinTech Zonal 90+ Delinquency trends



- In September 2023, South zone is showing highest drop in 90+ delinquency by 73 bps over September 2022.
- All zones are showing drop in 90+delinquency in September 2023 over September 2022 except West.
- As on September 2023, West zone has highest 90+ delinquency.

# Abbreviations & Glossary

**Live POS or Active loans** = 0 to 179 DPD + New Accounts + Current Accounts

**POS** = Portfolio Outstanding

**90+ Delinquency** = 90-179 DPD/ Live POS

**ATS (Average Ticket Size)** = Disbursed Amount / Number of Loans

**JAS'22** = July 2022 to September 2022

**OND'22** = October 2022 to December 2022

**JFM'23** = January 2023 to March 2023

**AMJ'23** = April 2023 to June 2023

**JAS'23** = July 2023 to September 2023

## **Rest of the products (ROP) :**

Auto Loan, Business Loan Against Bank Deposits, Business Loan - Priority Sector - Agriculture, Business Loan - Priority Sector - Small Business, Business Loan - Secured, Business Loan - Unsecured, Check Credit/Line of Credit, Commercial Vehicle Loan, Credit Card, Education Loan, Gold Loan, Housing Loan, Lease Loan against Shares/Securities, Loan on Credit Card, Loan to Professional, Manufactured Housing, MicroFinance Business Loan, MicroFinance Housing Loan, MicroFinance Personal Loan, Other, Overdraft, P2P Personal Loan, Pradhan Mantri Awas Yojana - Credit Link Subsidy Scheme MAY CLSS, Property Loan, Tractor Loan, Two-wheeler Loan, Used Car Loan

## **Zones:**

**East:** Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Jharkhand, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Sikkim, Tripura, West Bengal

**North:** Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, Uttar Pradesh, Uttarakhand

**South:** Andhra Pradesh, Karnataka, Lakshadweep, Kerala, Tamil Nadu, Telangana, Andaman & Nicobar Islands, Pondicherry

**West:** Dadra & Nagar Haveli, Daman & Diu, Goa, Gujarat, Madhya Pradesh, Maharashtra, Rajasthan



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The current report is an analysis of 129 NBFC-Fintechs (as on September 2023) which submit data to Equifax.

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