



FINTECH BAROMETER VOL II

# Lending Trends in H1FY25 PL, UBL & LAP

January 2025



Internal



# Foreword (CRIF)

## Welcome to the second issue of our report, CRIF - DLAI FinTech Barometer VOL II – Lending Trends in H1FY25 – PL, UBL & LAP

India continues to be fastest growing major economy of the world despite recent turbulent quarters. However, the relatively adverse macro trends in India had resulted in tapering in growth of new loan originations in H2 FY23-24 and H1 FY24-25 for most of major loan products along with rising delinquencies after Mar'24.

RBI's latest Financial Stability Report (FSR) released on 30<sup>th</sup> Dec 2024 states that Household debt is on a rising trend with the super prime borrowers borrowing to create assets and the subprime borrowers borrowing for consumption purposes. These comments, when viewed in conjunction with the previous regulatory actions indicate the need to adopt a sustainable approach to portfolio growth in the unsecured lending space.

At CRIF, we have reviewed the trends in the data & believe there are opportunities for lenders to adopt some additional guardrails for right borrower selection and maintain optimum asset quality while leading financial innovation.

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

Sincerely,  
**Subhrangshu Chattopadhyay**  
Whole time Director, CRIF High Mark

## Foreword (DLAI)



The swift advancement of FinTech has revolutionised lending methodologies, enhancing financial accessibility for those who were previously deprived of credit. CRIF India's FinTech Barometer Vol II Report provides an exceptional insight into the portfolio performance of significant loan categories—personal loans, unsecured business loans, and property loans. This detailed analysis emphasises performance measures, borrower trends, and risk dynamics within these categories. It highlights the increasing significance of data-driven insights in facilitating responsible lending and promoting sustainable financial inclusion.

Small-ticket loans, frequently essential for individuals and microenterprises, are crucial for enhancing credit accessibility. This research analyses portfolio patterns, enabling lenders to manage risk judiciously while catering to the specific requirements of different segments. Additionally, it offers a framework for FinTech entities to enhance underwriting methodologies and create specialised products that align with various borrower demographics. This report's insights correspond with India's financial inclusion objectives, highlighting the necessity for inclusive, innovative, and scalable lending frameworks. CRIF India's proficiency in credit analytics is evident in this initiative, providing the FinTech ecosystem with essential knowledge to facilitate informed decision-making.

As the FinTech sector expands, such data will be crucial in formulating plans that guarantee equitable growth, strong portfolio integrity, and enhanced financial empowerment.

Sincerely,  
**Jatinder Handoo**  
CEO, DLAI

# Definitions



This report is based on data reported as on Sept'24



Portfolio Outstanding (POS) or Book or value refers to the current outstanding balance of the loan account



Active loans or volume refers to the number/count of active loans, unless otherwise mentioned



Originations Value refers to the total sanctioned amount, unless otherwise mentioned



Originations Volume refers to the number of loans sanctioned, unless otherwise mentioned



Lender category Others comprises SFBs, Foreign Banks, RRBs, Co-op Banks, etc.



PAR or Portfolio at Risk refers to the proportion of delinquent portfolio



LAR or Loans at Risk refers to the proportion of delinquent Active Loans



DPD or Days Past Due refers to loan delinquency/overdue, segmented as 1-30, 31-90, 91-180, 180+ etc



MOB or Month on Book refers to vintage of the account in months

# Personal Loans

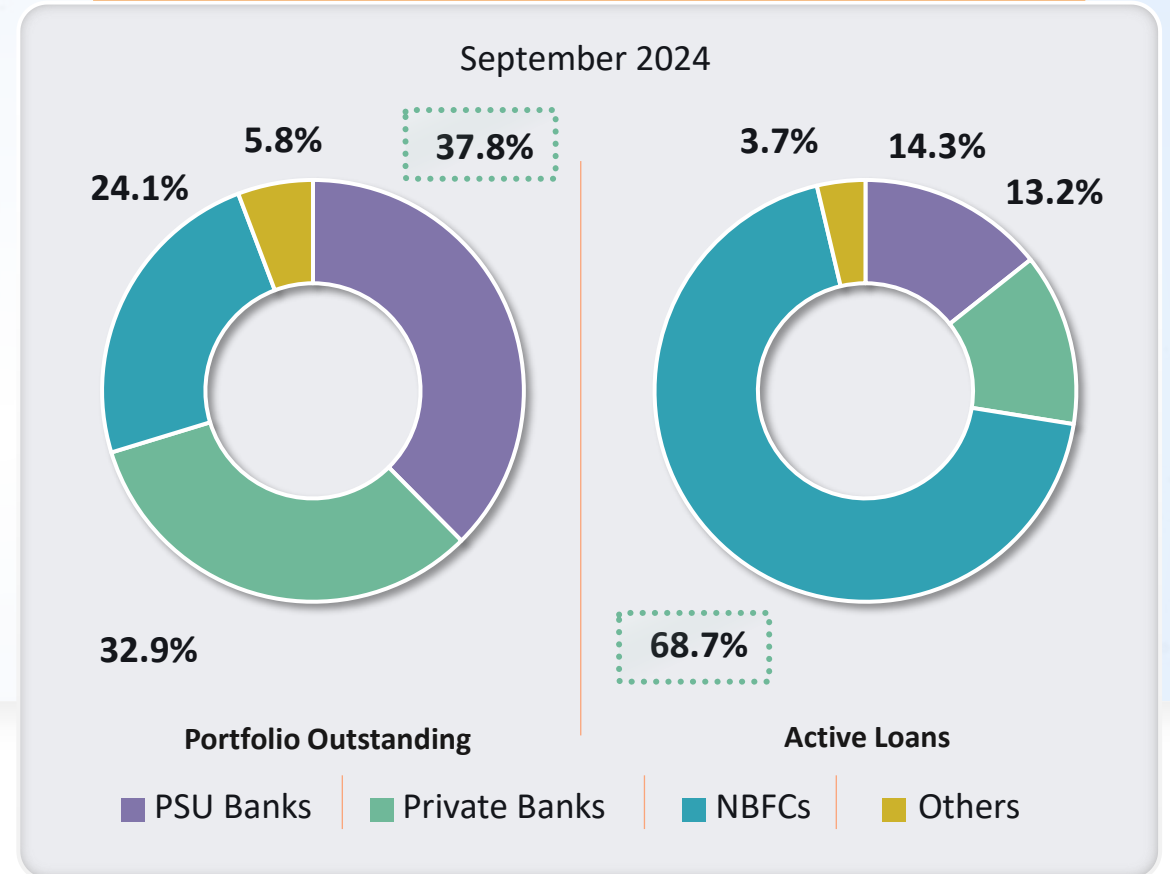


# Slowdown in Y-o-Y Growth with deterioration in PAR 30+%

## Personal Loans – Portfolio Snapshot

	Sept-22	Sept-23	Sept-24
Portfolio Outstanding (₹ L Cr)	9.3	12.1	13.7
Y-o-Y Growth%		29.1%	13.8%
Active Loans (Lakhs)	800.0	1,195.7	1,139.8
Y-o-Y Growth%		49.5%	-4.7%
PAR 31-90%	1.7%	1.5%	1.8%
PAR 91-180%	0.9%	1.1%	1.2%
PAR 181-360%	0.6%	0.7%	0.7%
PAR 360+%	2.7%	3.2%	3.3%

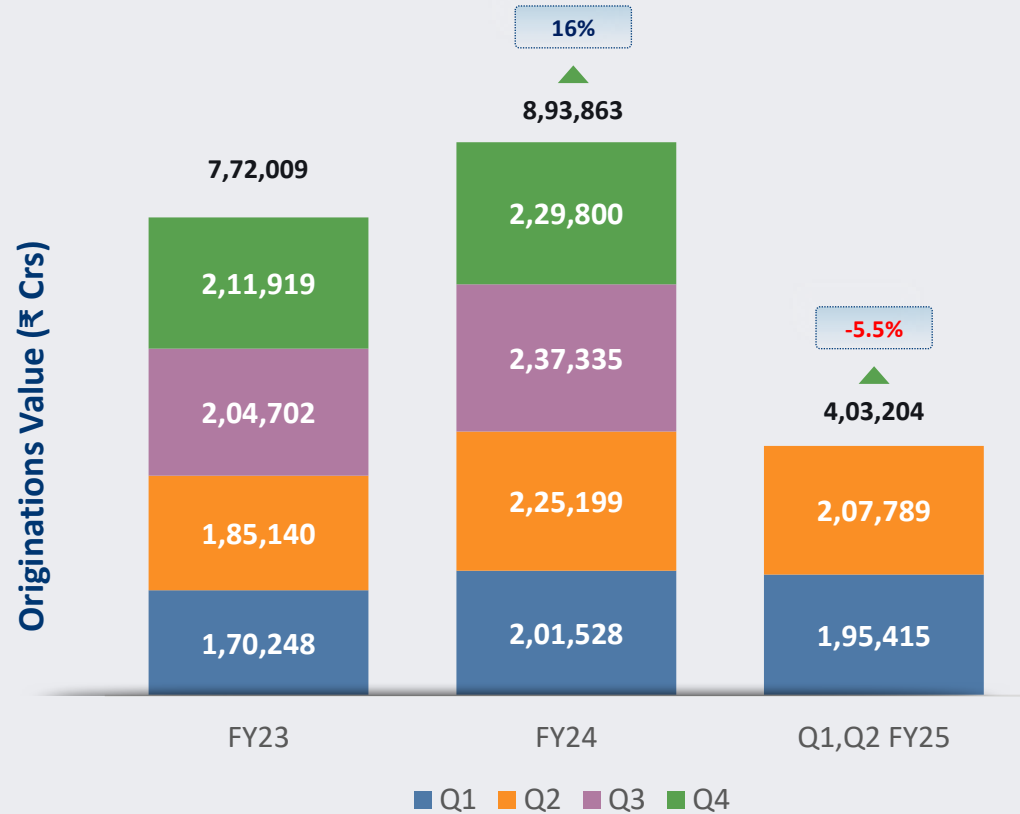
## Personal Loans – Market Share



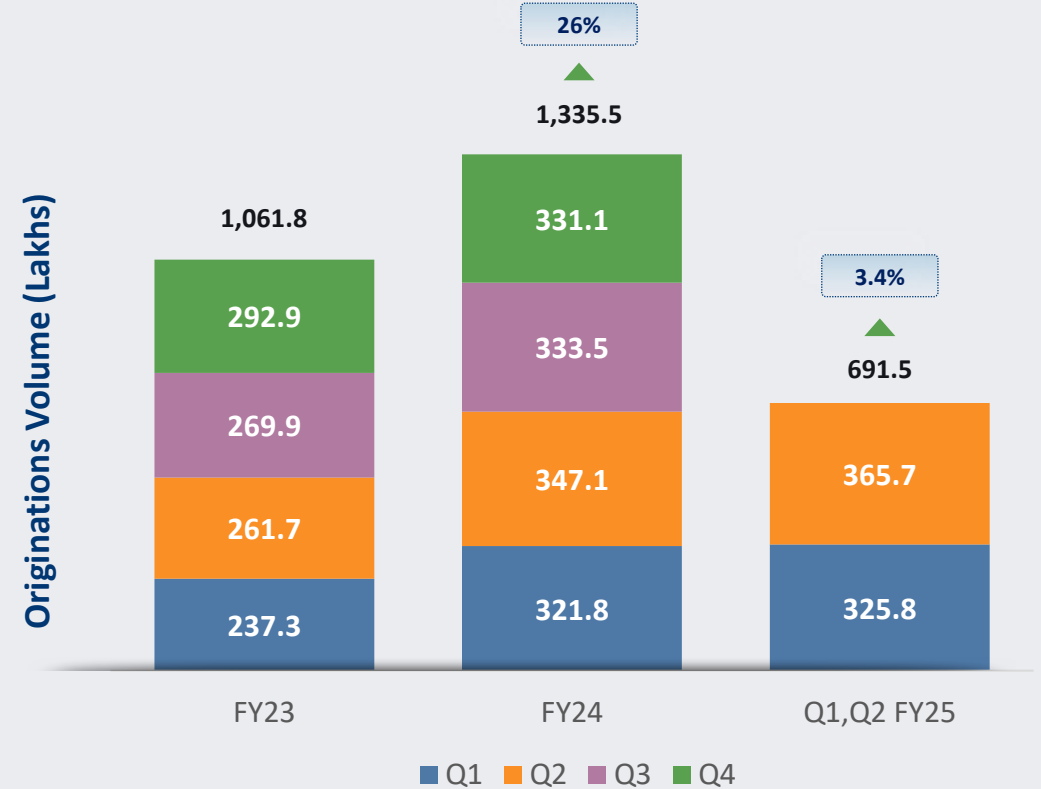
1 Dominated by Public Sec Banks and Pvt Banks by Value and NBFCs by Volume

# Degrowth in Originations value in H1FY25 over H1FY24, reduced growth in Originations volume

### Originations Value

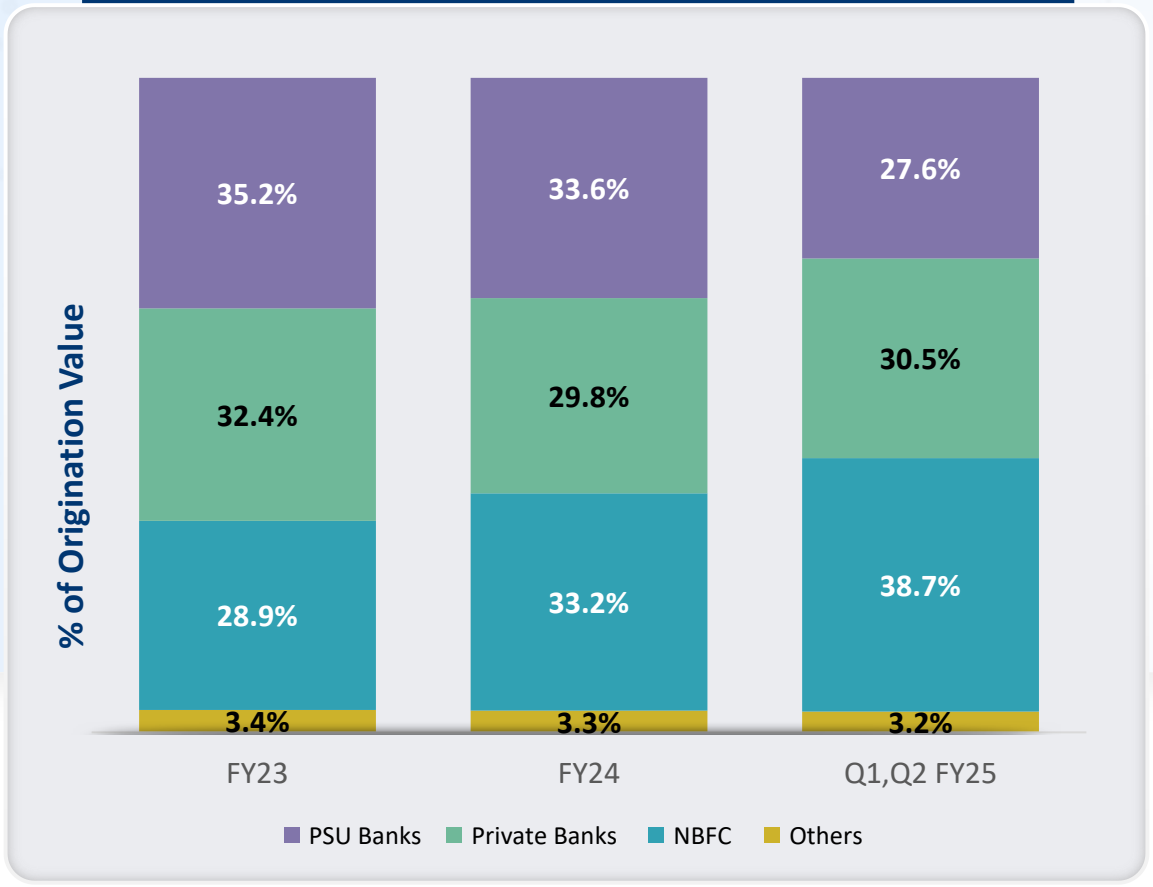


### Originations Volume

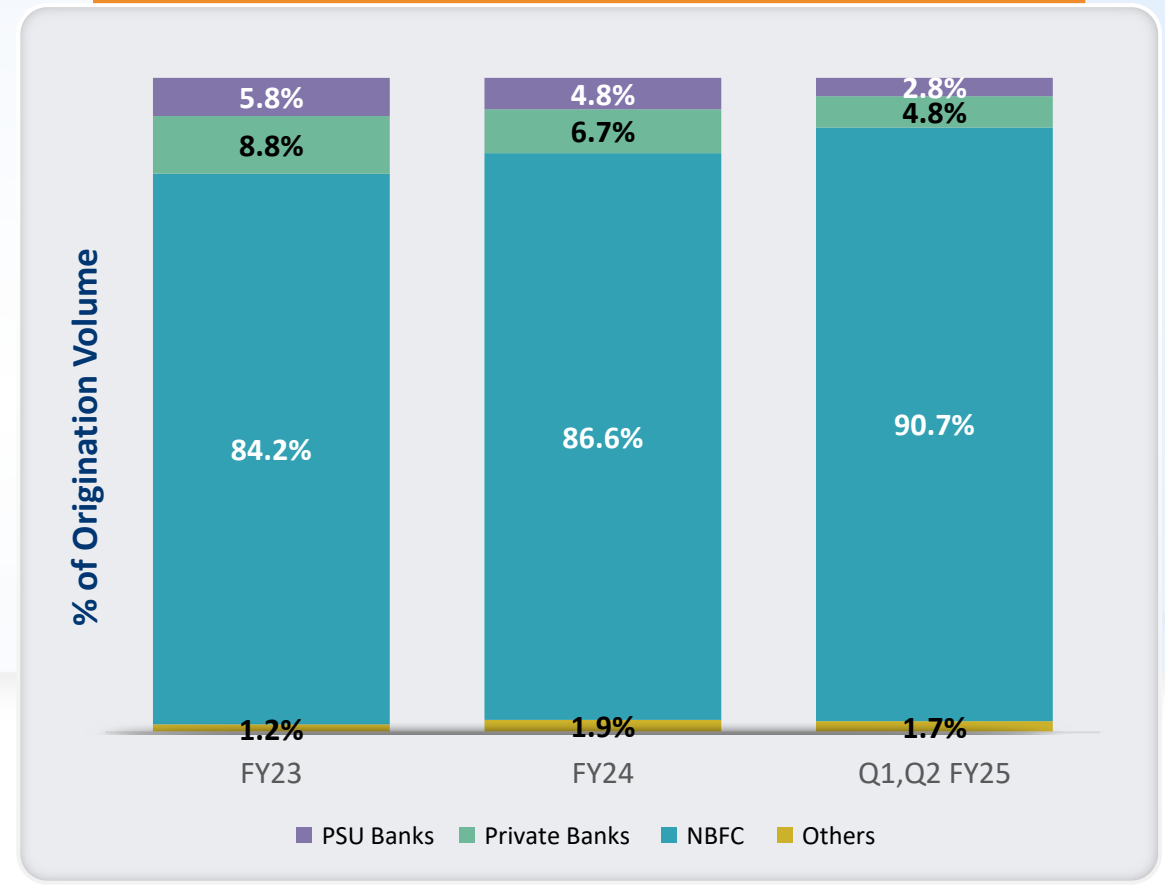


# Increase in Originations Share (by value and volume) of NBFCs in H1FY25

### Originations Value by Lender Type



### Originations Volume by Lender Type



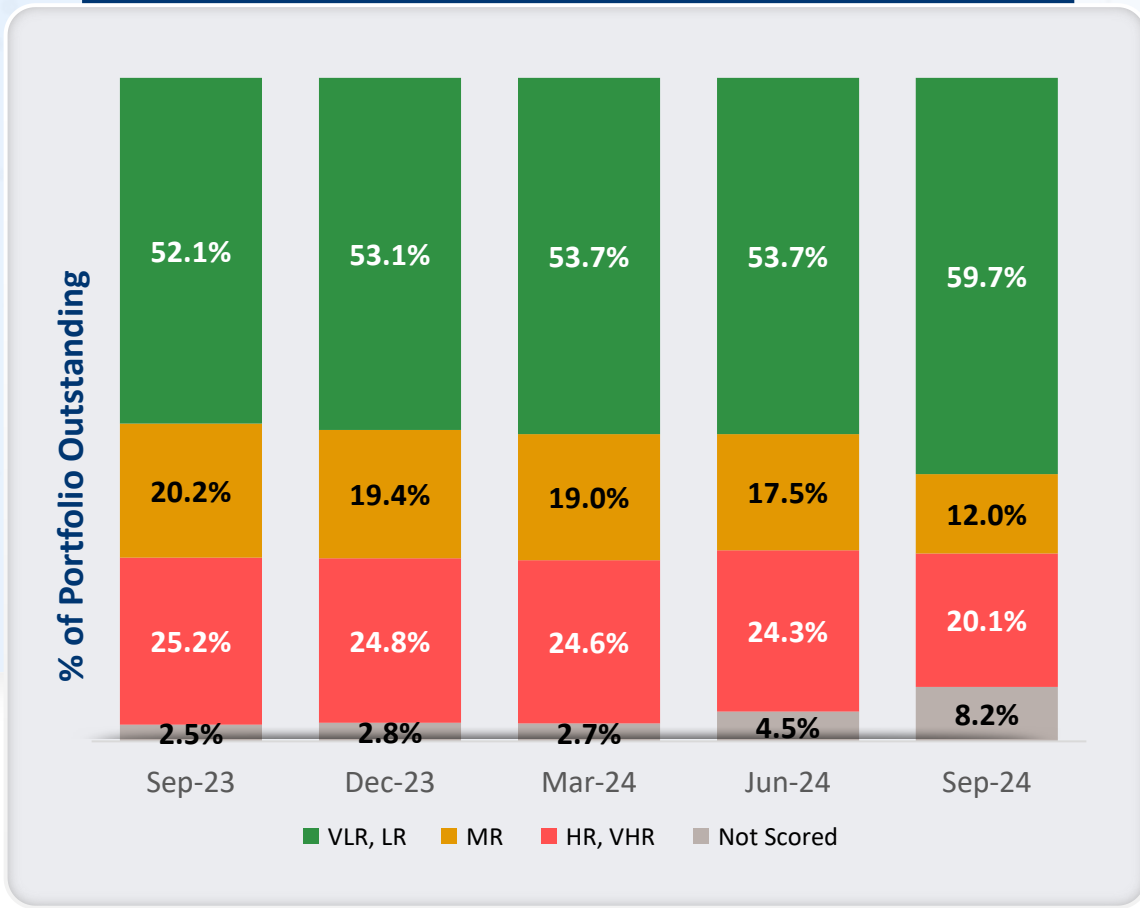
**1** Growing dominance of NBFCs in Originations (by value and volume)

**2** Decline in Originations Share (by volume) of Pvt Banks during the same period

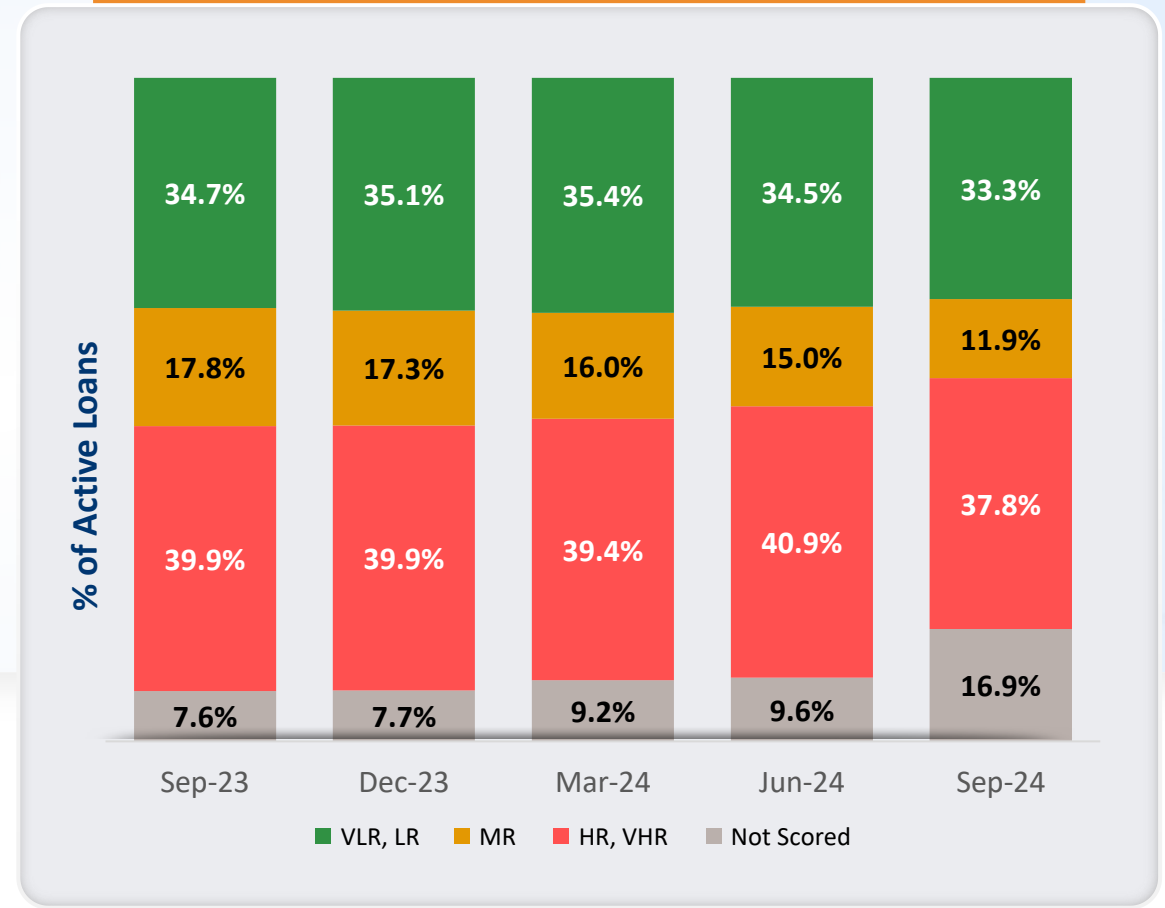


# Reduction in risk due to decline in Very High and High Risk Portfolio and Active loans | Increase in Not scored and Thin files

Portfolio Outstanding

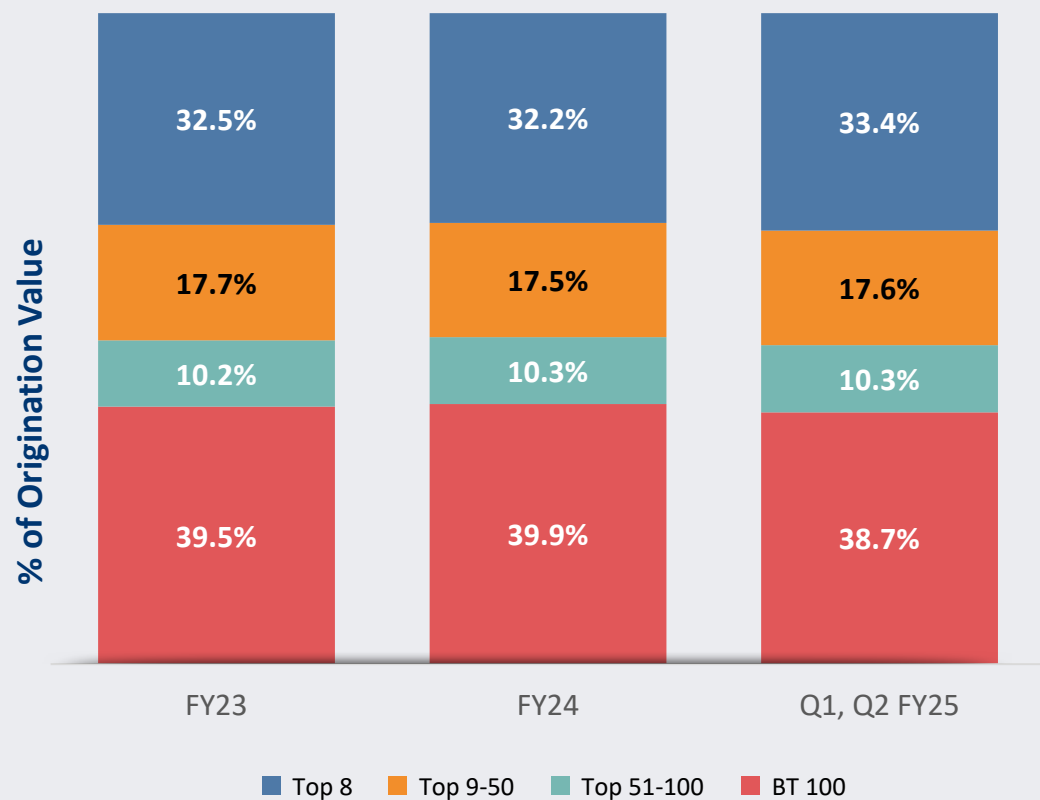


Active Loans

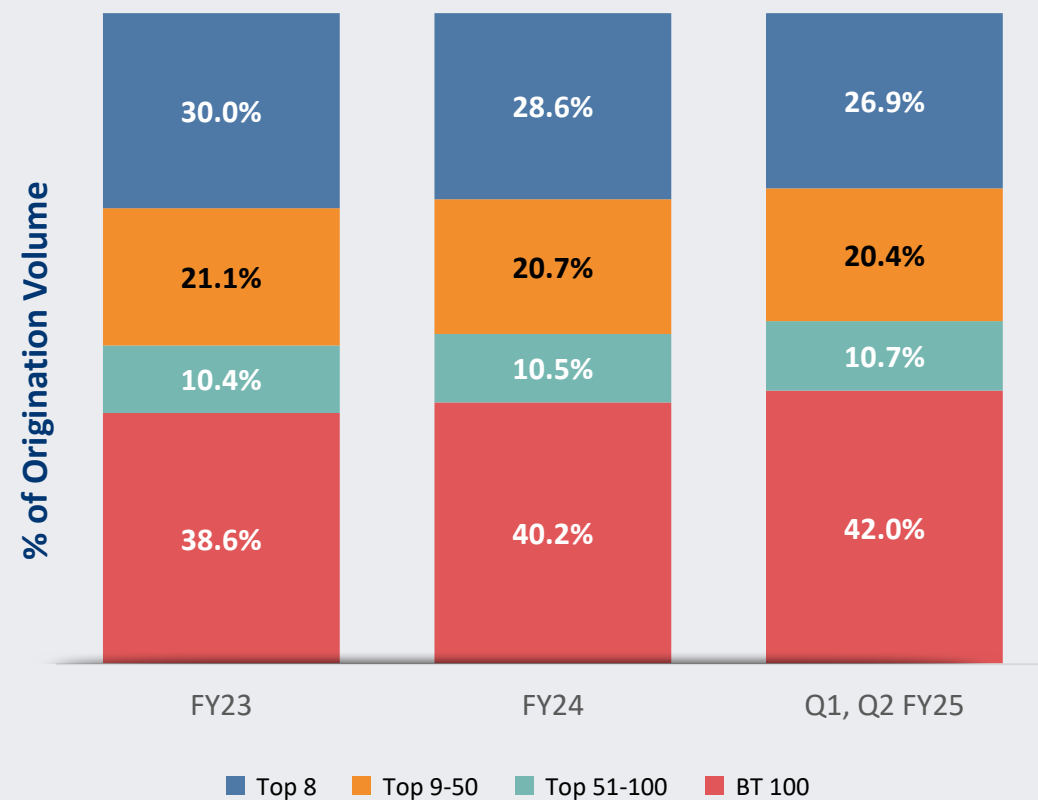


# Originations dominated by BT100 by Value and Volume | Increasing Volume share of BT100 at expense of Top 8

### Originations Value by City Classification

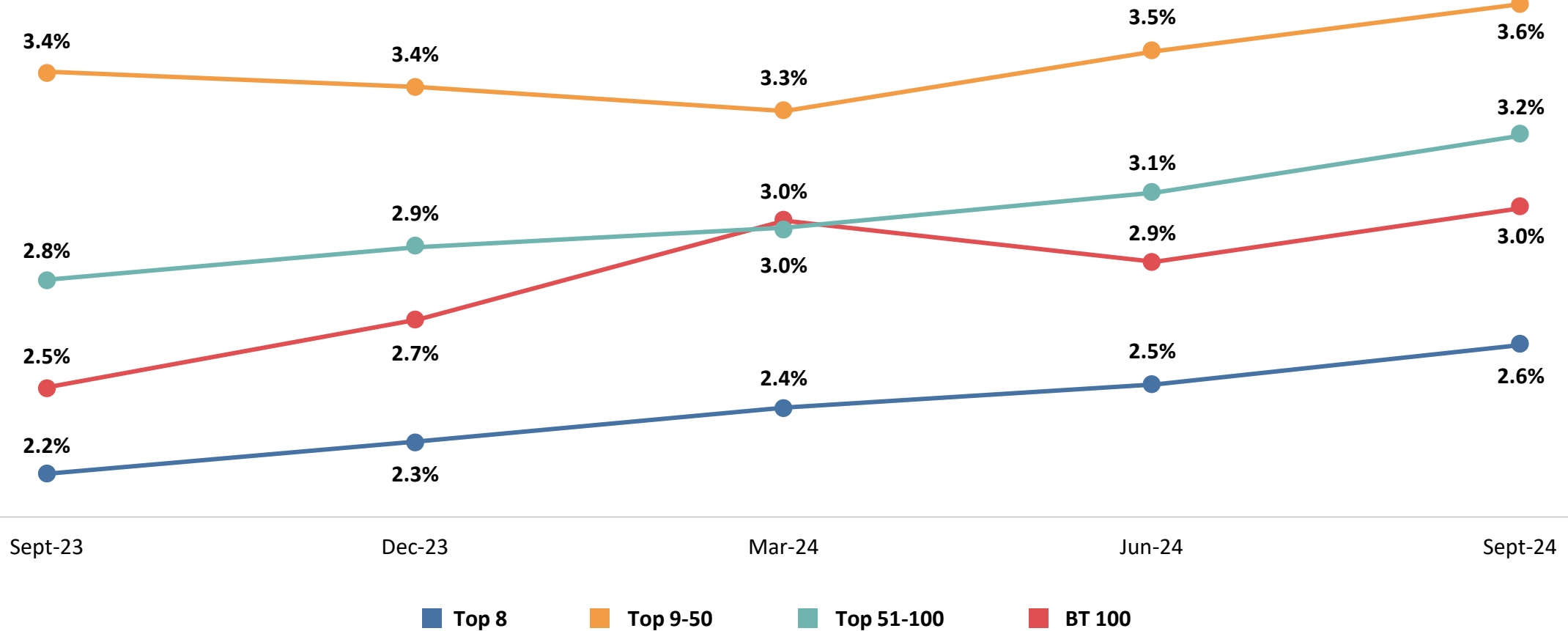


### Originations Volume by City Classification



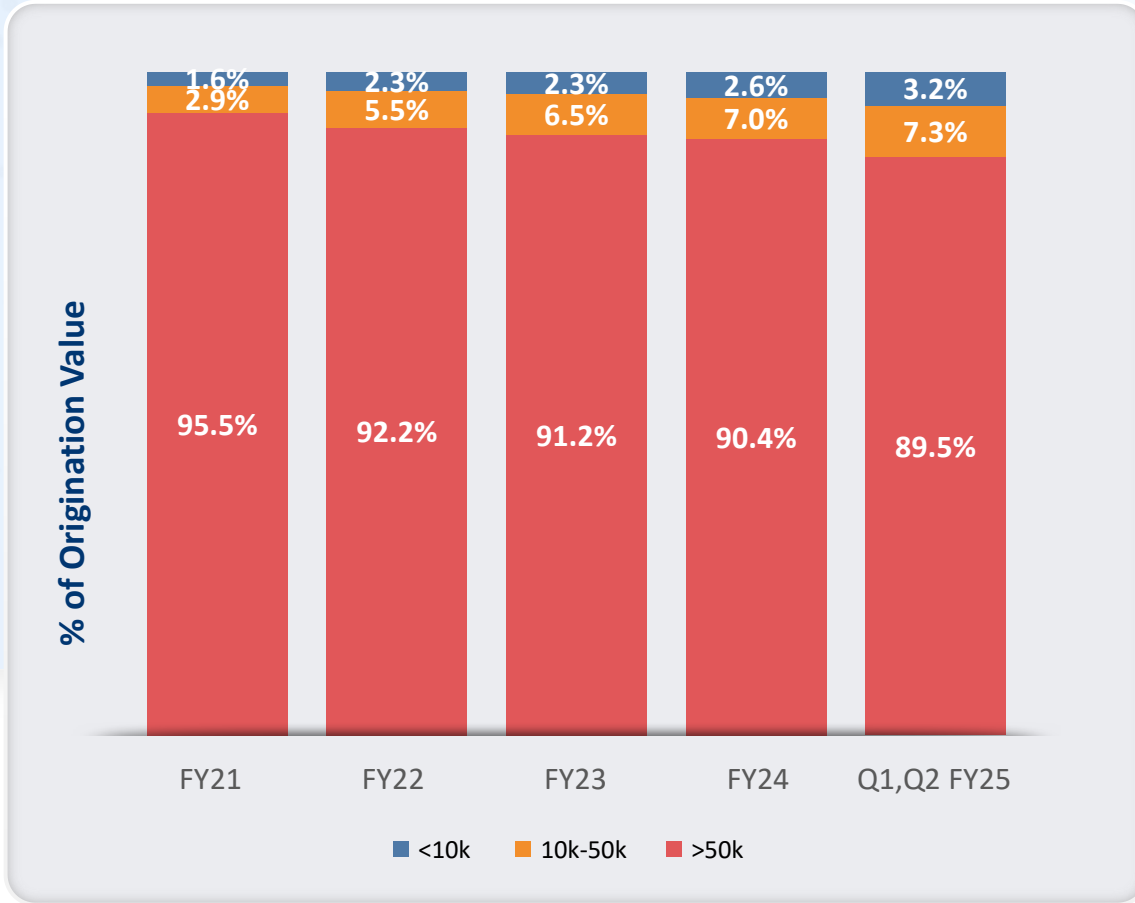
# Increasing PAR 31-180 across Geographies after Mar'24 | Delinquency range bound across all Geographies

PAR 31-180%

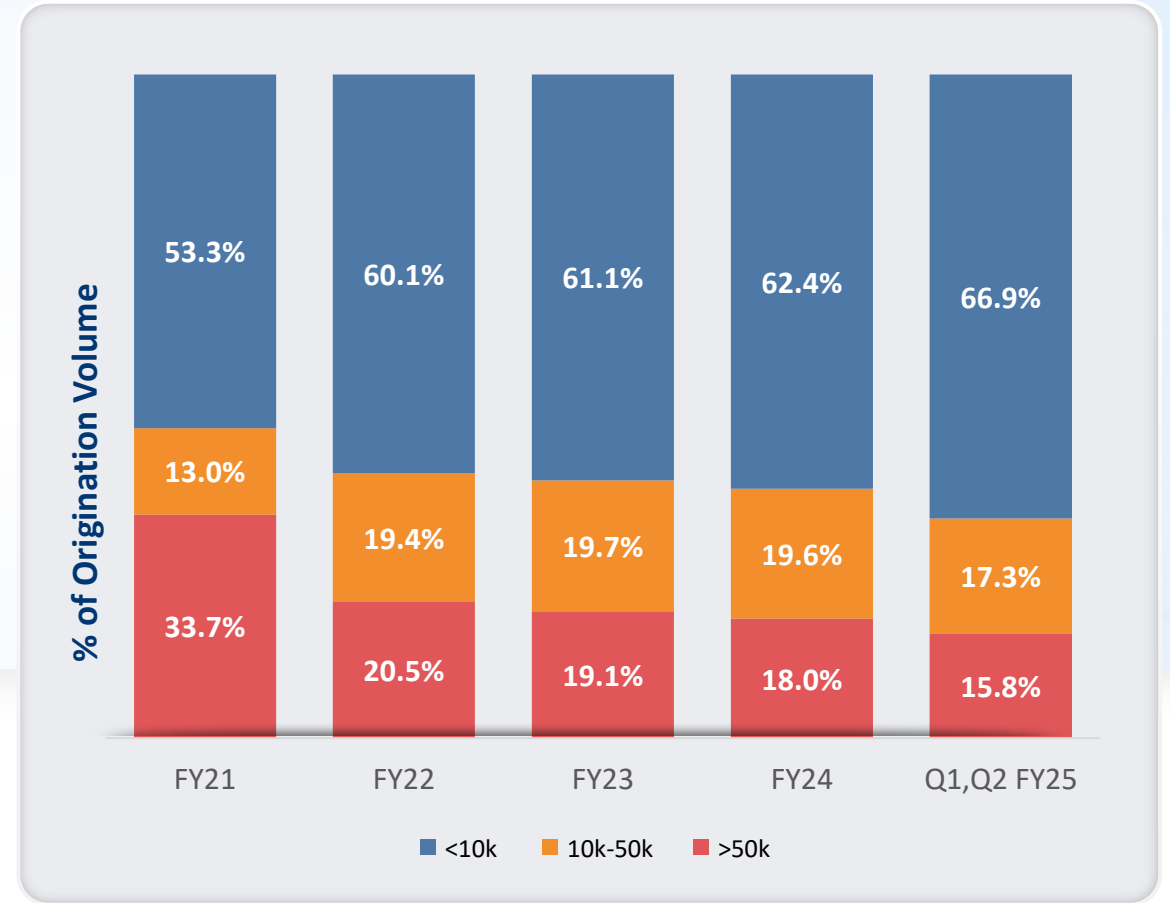


# Increasing Originations share (by Value & Volume) for loans with Ticket Size below Rs 10K

Originations Value by Ticket Size

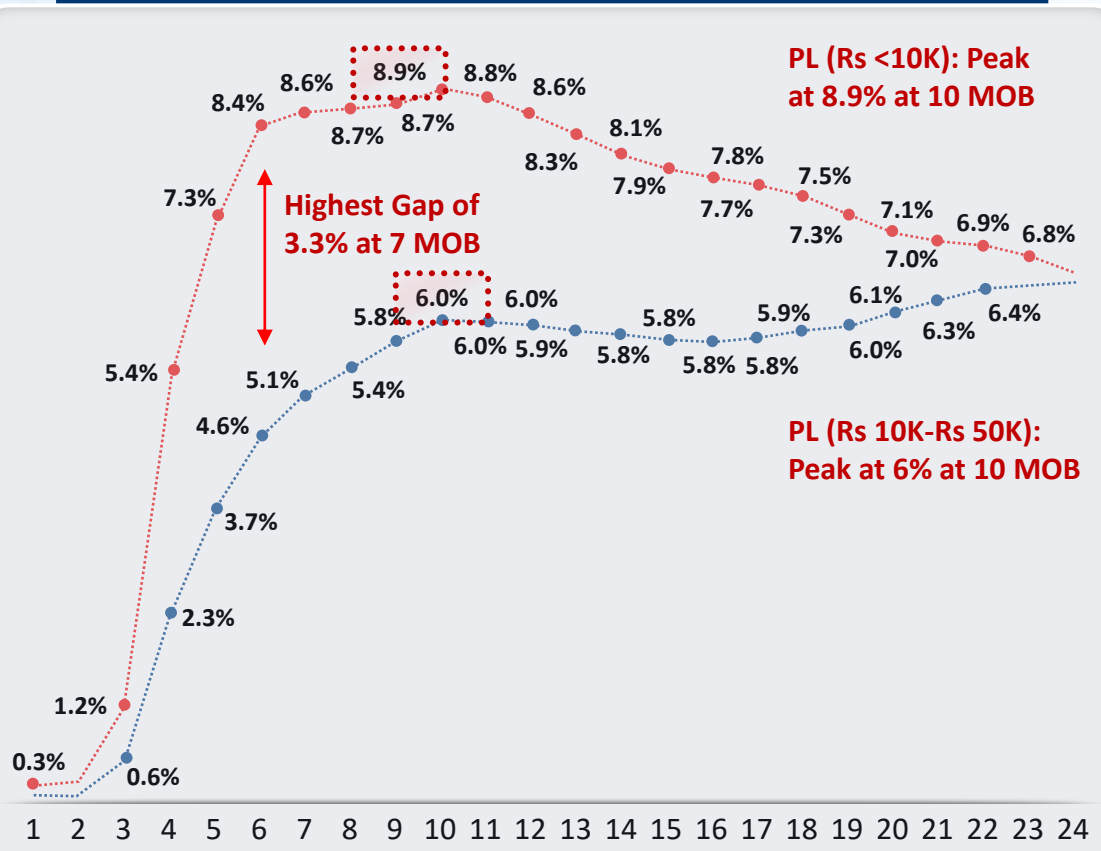


Originations Volume by Ticket Size

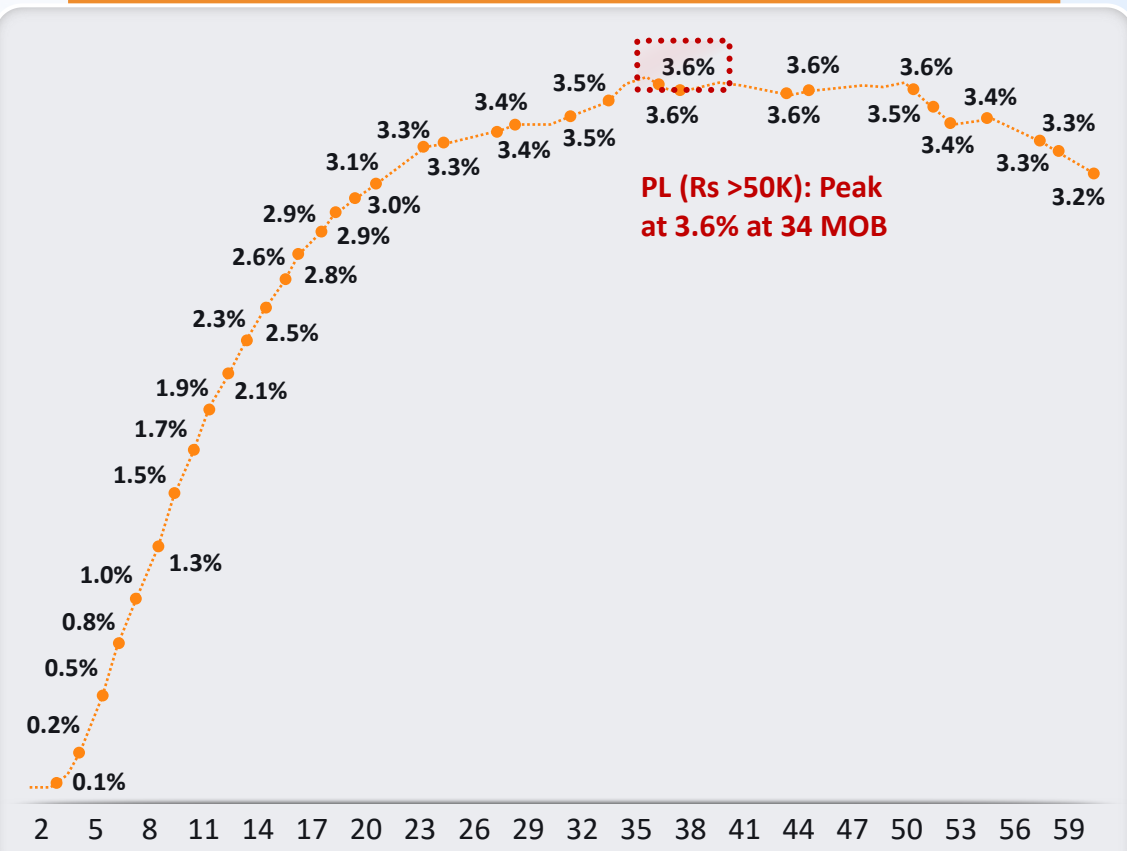


# Vintage LAR 90+ peaks at different MOB for ticket sizes <Rs 10K, Rs 10K-50K and Rs 50K+ | Gap between Vintage LAR 90+ for Rs <10K and Rs 10K-50K loans highest at 7 MOB

Vintage Curve LAR 90+ %



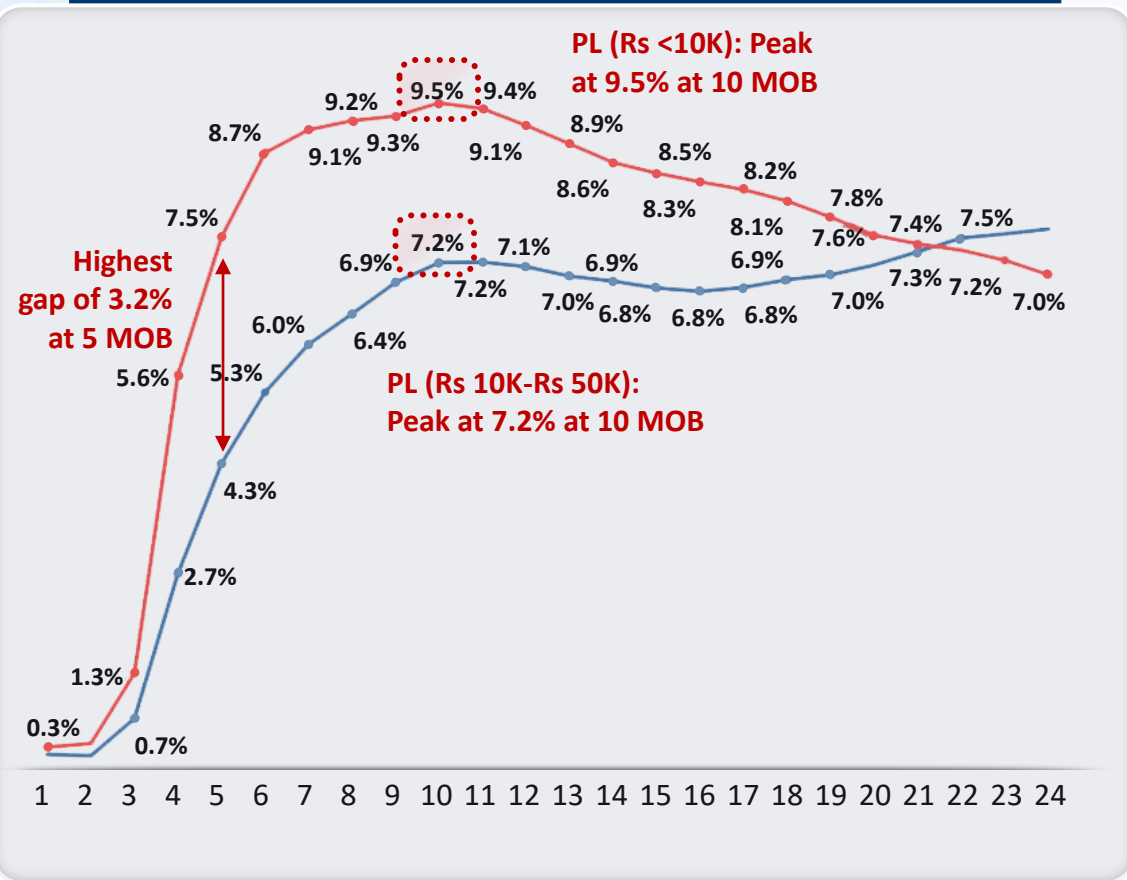
Vintage Curve LAR 90+ %



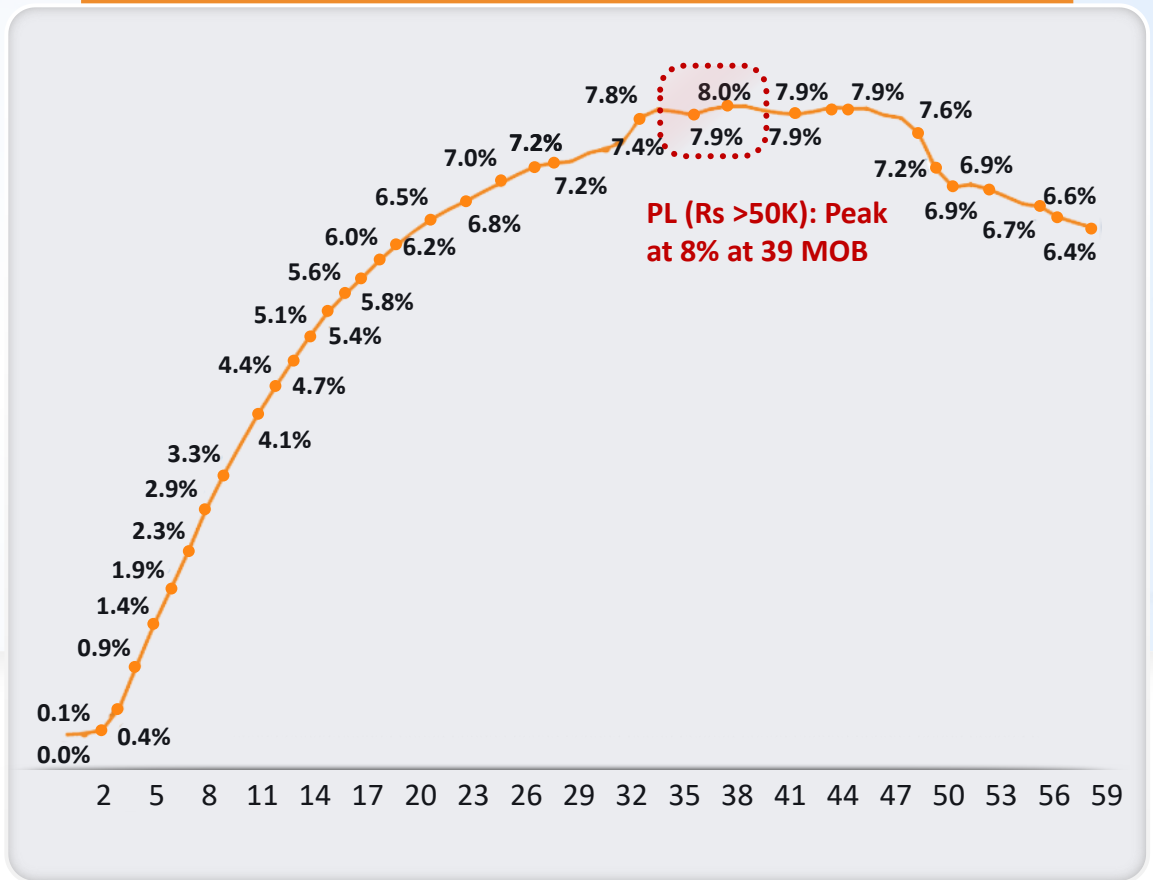
■ <10k | ■ 10K-50K | ■ >50K

# NBFCs: Vintage LAR 90+ peaks at different MOBs for ticket sizes <Rs 10K, Rs 10K-50K and Rs 50K+ | Gap between Vintage LAR 90+ for Rs <10K and Rs 10K-50K loans highest at 5 MOB

NBFCs: Vintage Curve LAR 90+ %



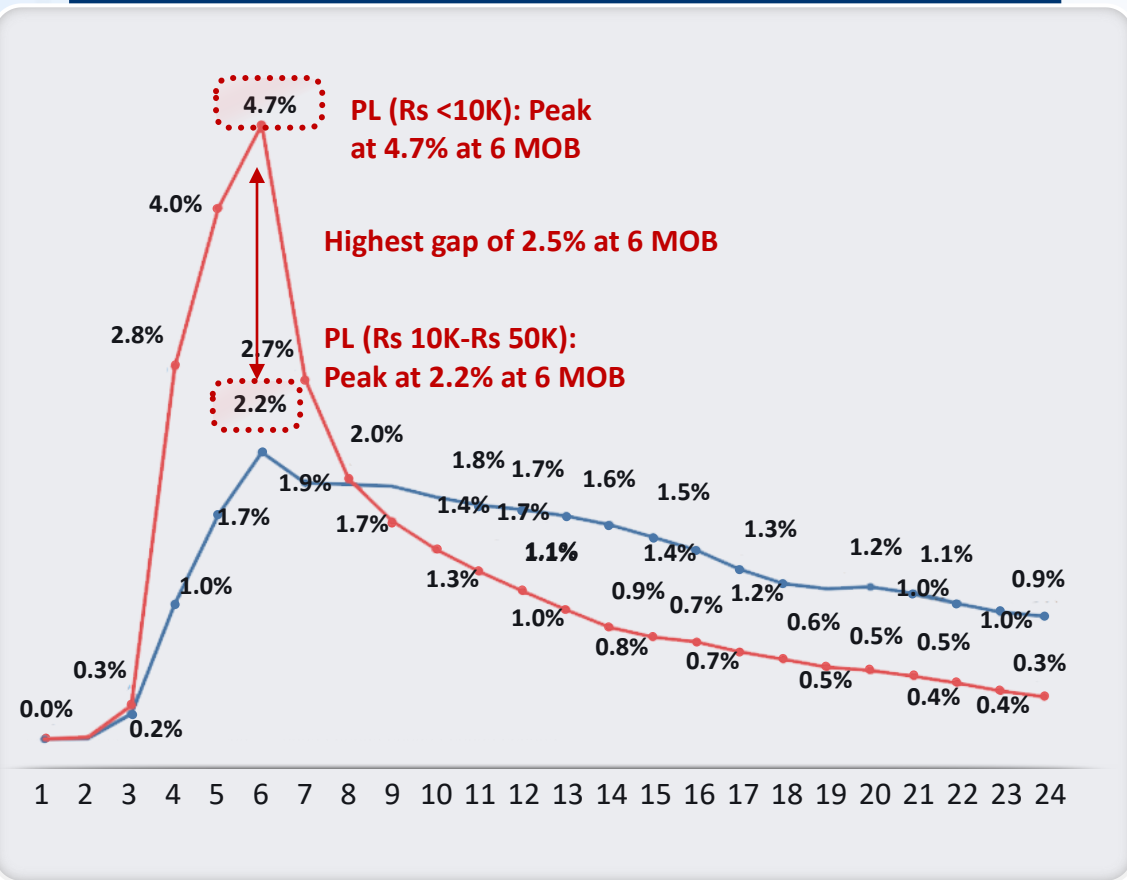
NBFCs: Vintage Curve LAR 90+ %



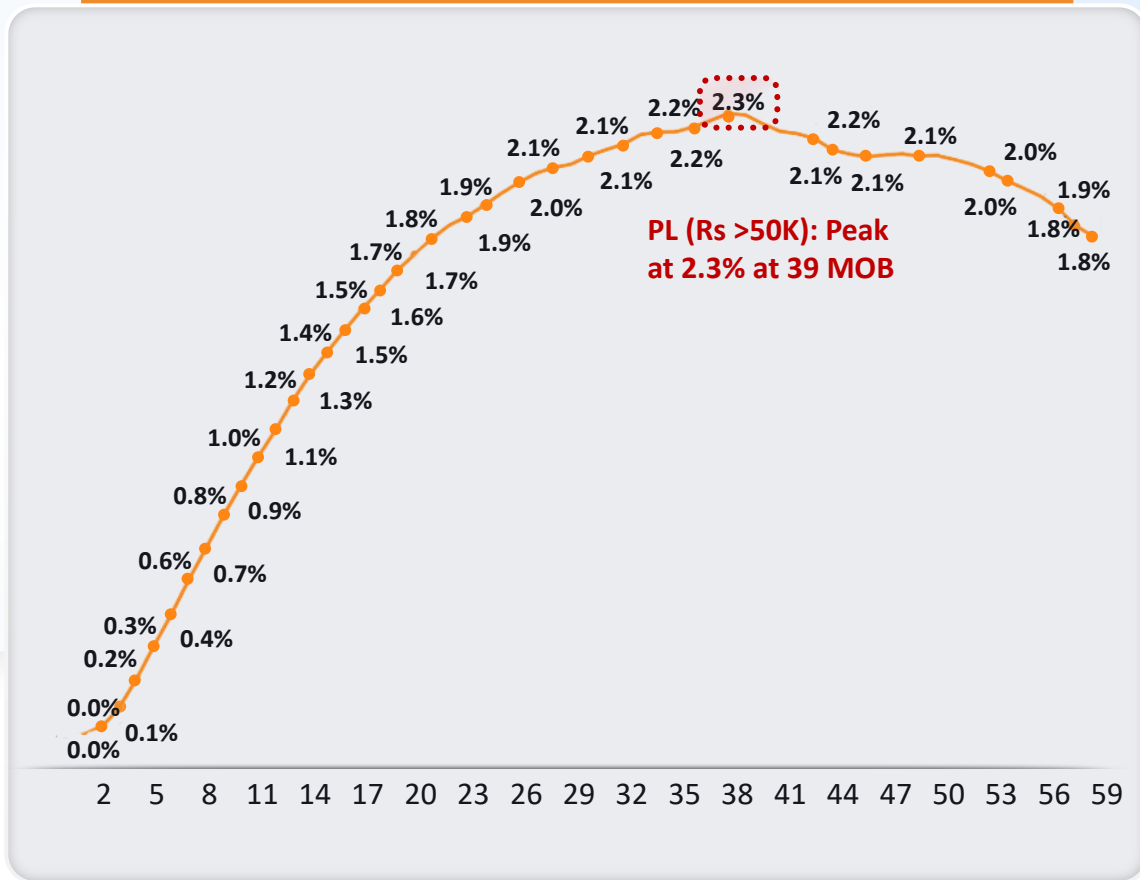
■ <10k | ■ 10K-50K | ■ >50K

# Private Banks: Vintage LAR 90+ peaks at different MOBs for ticket sizes <Rs 10K, Rs 10K-50K and Rs 50K+ | Gap between Vintage LAR 90+ for Rs <10K and Rs 10K-50K loans highest at 6 MOB

Private Banks: Vintage Curve LAR 90+ %



Private Banks: Vintage Curve LAR 90+ %



■ <10k | ■ 10K-50K | ■ >50K

# Personal Loans

## <₹10K



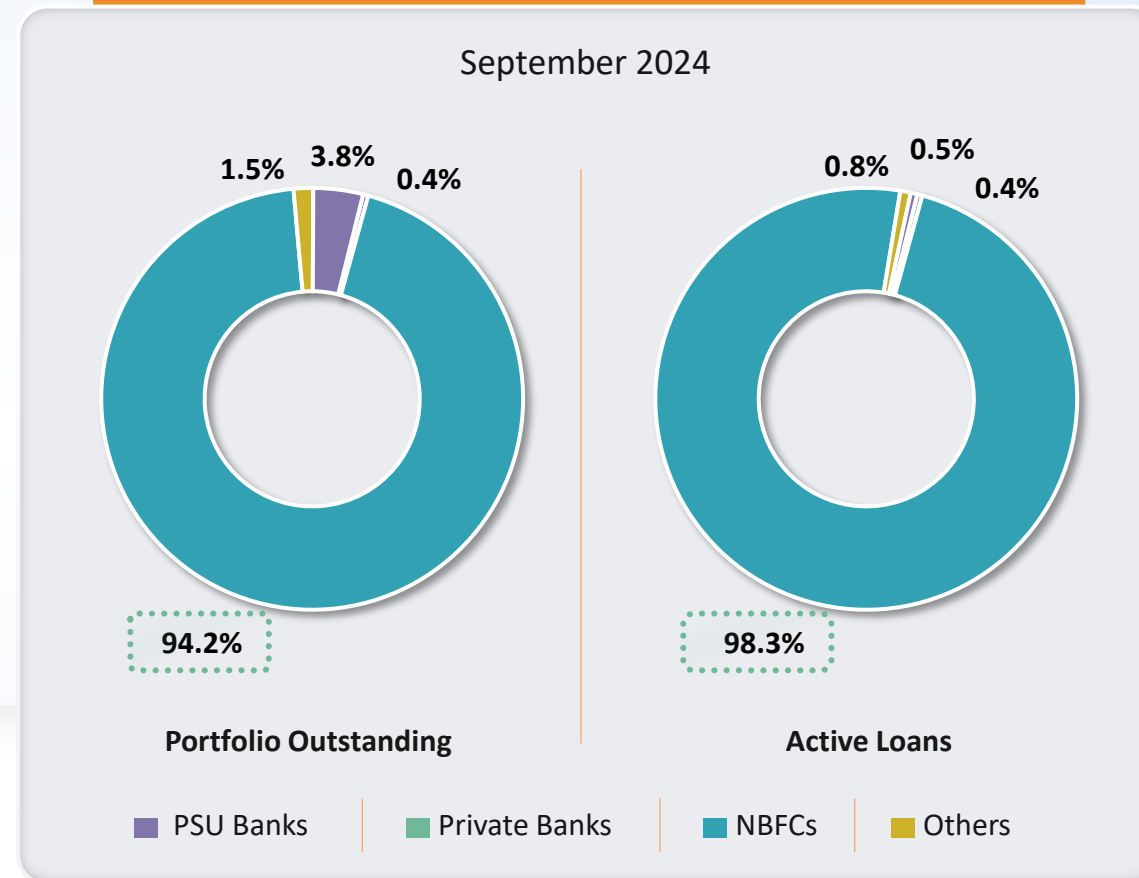


# De-growth in Portfolio and Active loans with deterioration in PAR 30+%

## Personal Loans – Portfolio Snapshot

	Sept-22	Sept-23	Sept-24
Portfolio Outstanding (₹ L Cr)	0.07	0.12	0.12
Y-o-Y Growth%		77.0%	-1.6%
Active Loans (Lakhs)	286.0	456.5	383.5
Y-o-Y Growth%		59.6%	-16.0%
PAR 31-90%	8.4%	3.7%	3.9%
PAR 91-180%	7.5%	5.9%	6.2%
PAR 181-360%	10.5%	10.7%	9.8%
PAR 360+%	16.5%	24.5%	39.7%

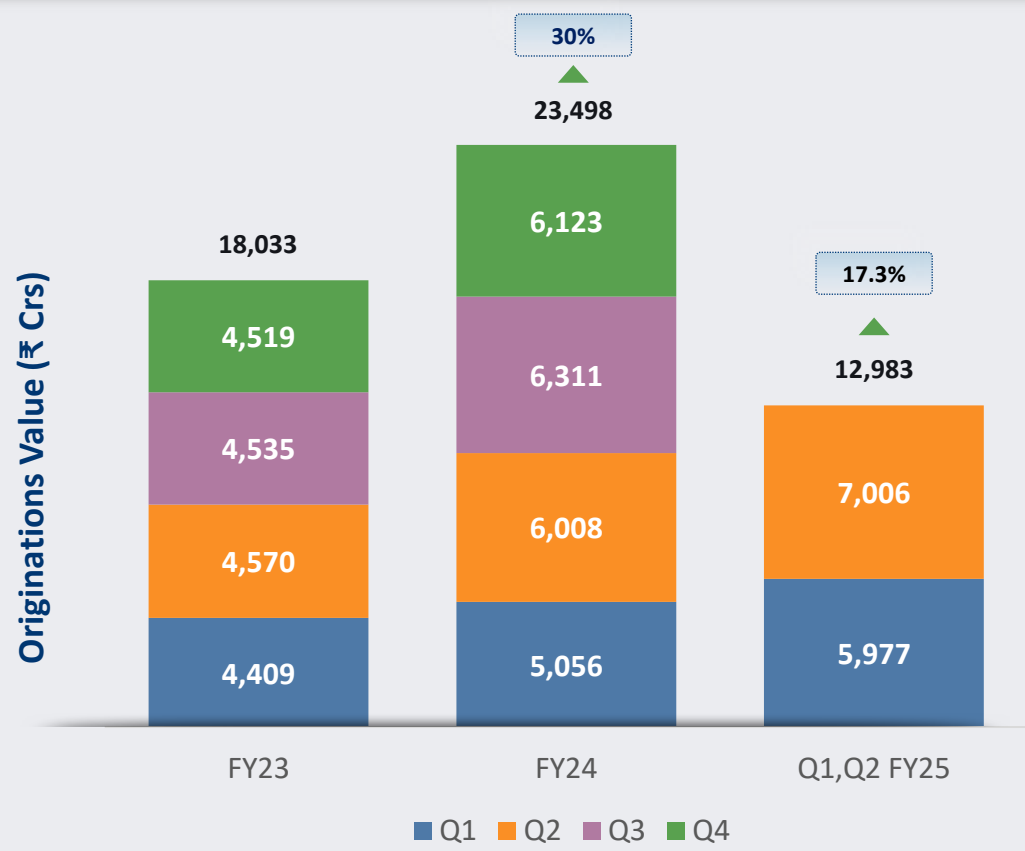
## Personal Loans – Market Share



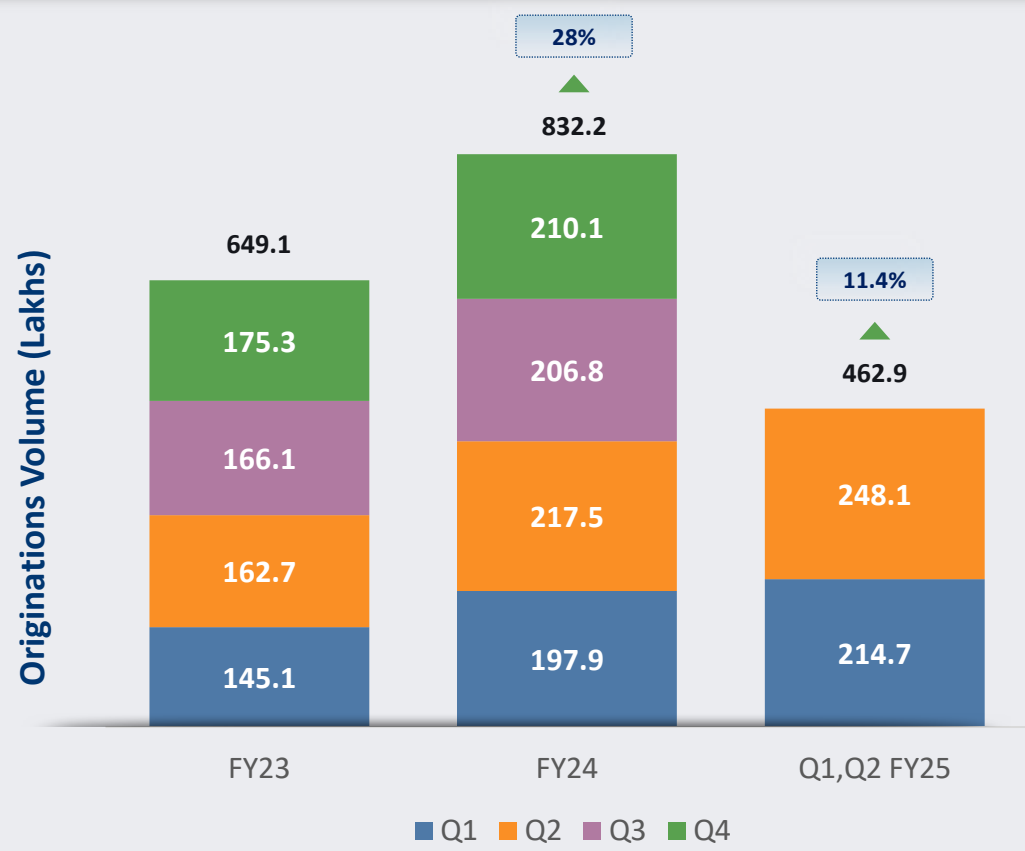
1 Dominated by NBFCs by Value and Volume

# Decline in Originations growth (Value and Volume) in H1FY25 over H1FY24

## Originations Value

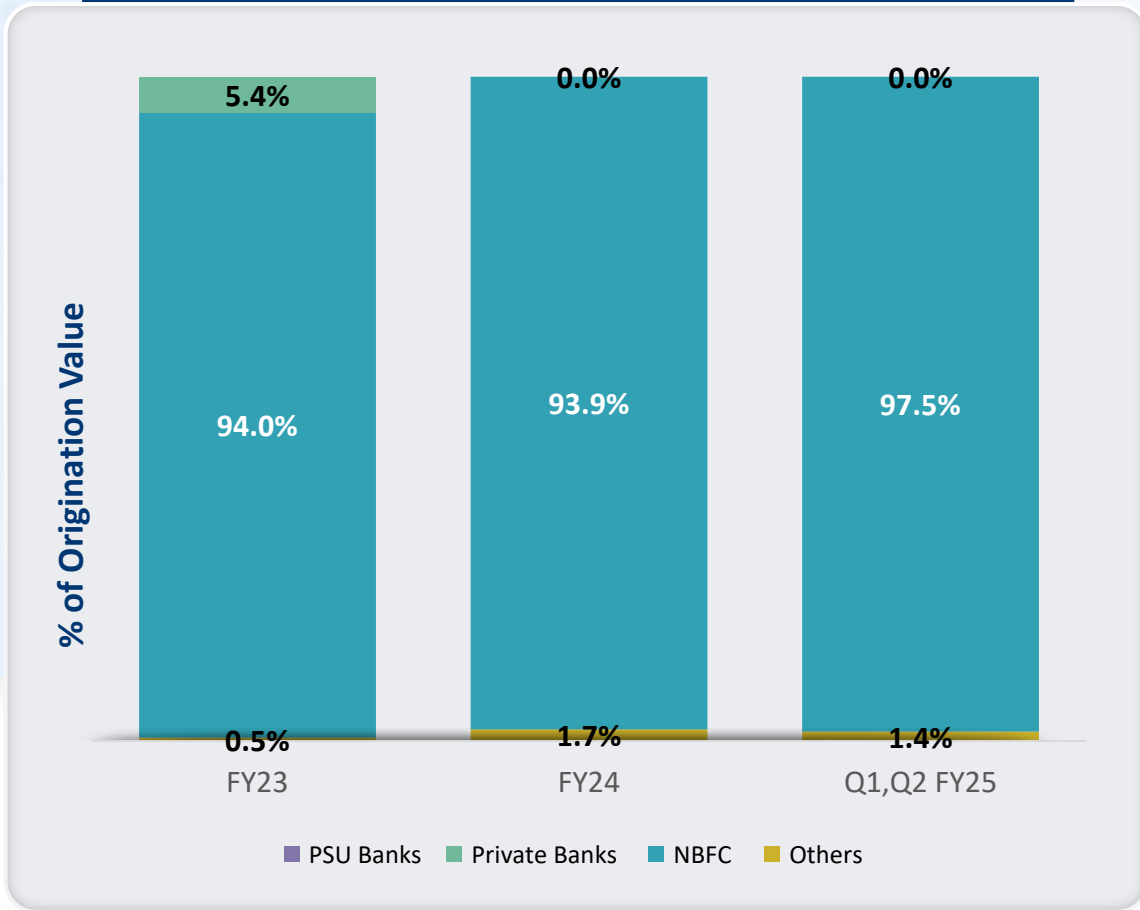


## Originations Volume

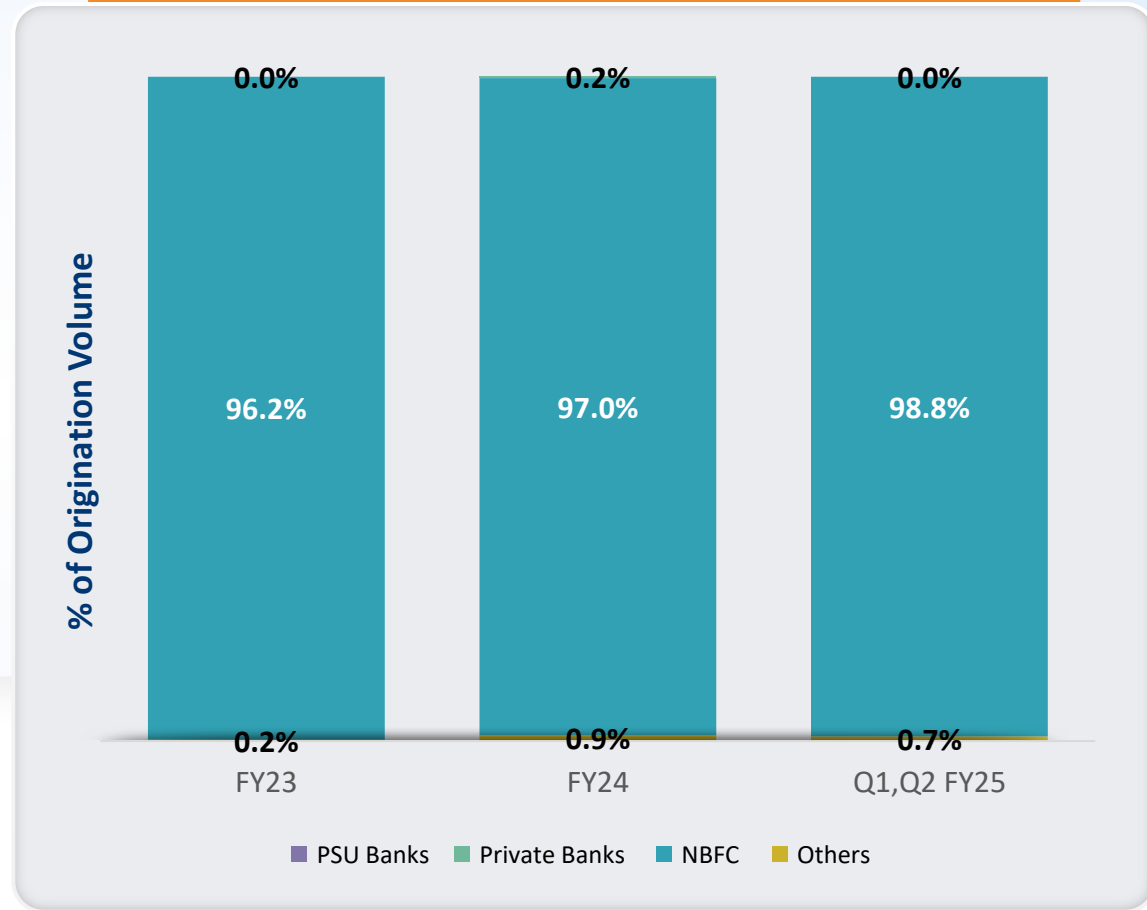


# Originations dominated by NBFCs | Increase in Originations Share (by value and volume) of NBFCs in H1FY25

Originations Value by Lender Type

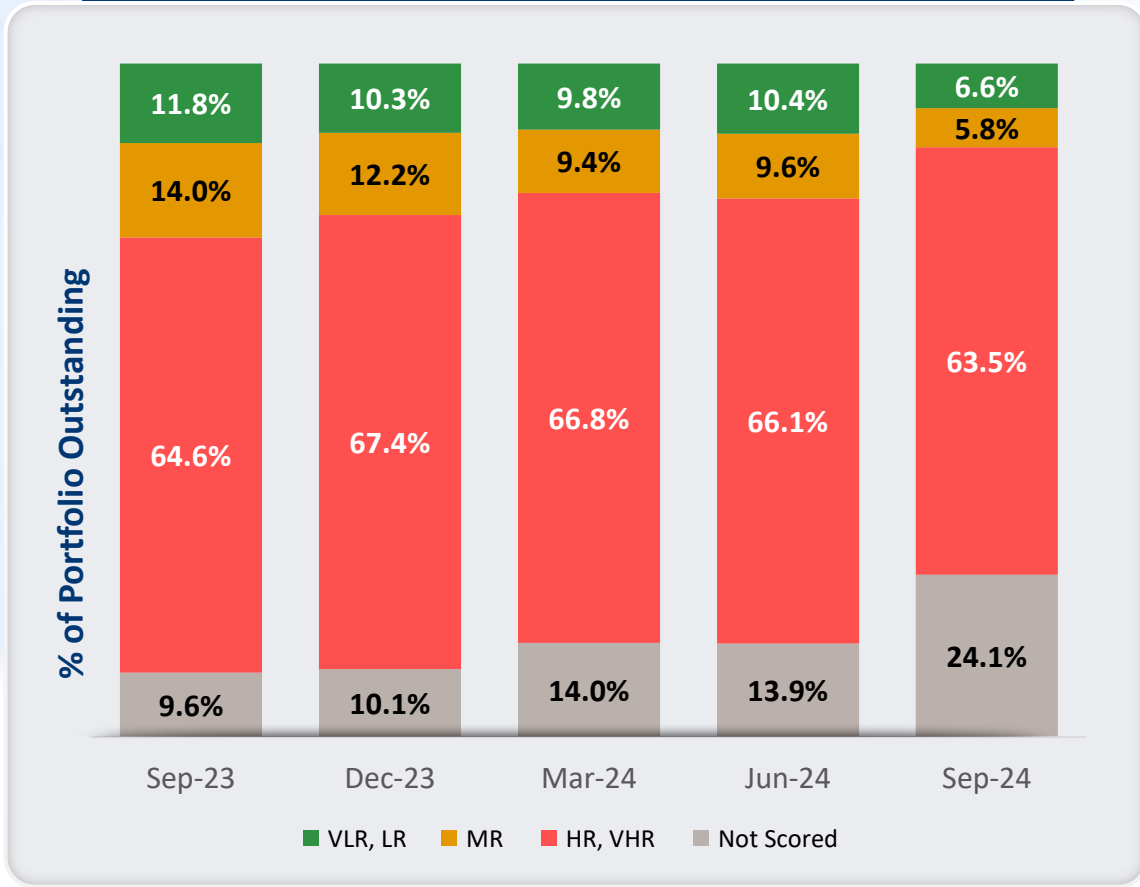


Originations Volume by Lender Type

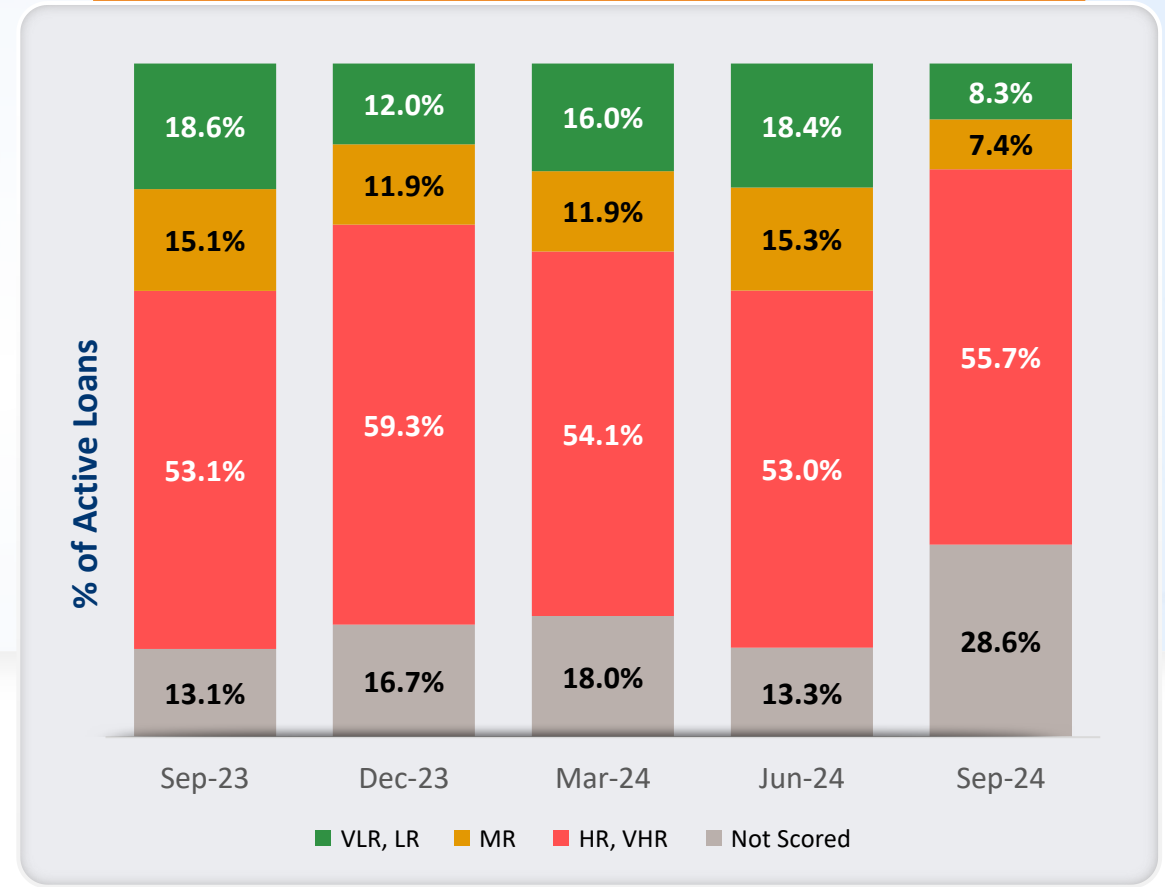


# Increase in risk due to decline in Very Low, Low & Medium Risk Portfolio | Portfolio in Not scored & Thin files is almost 3X of Overall PL, thereby driving financial inclusion

Portfolio Outstanding

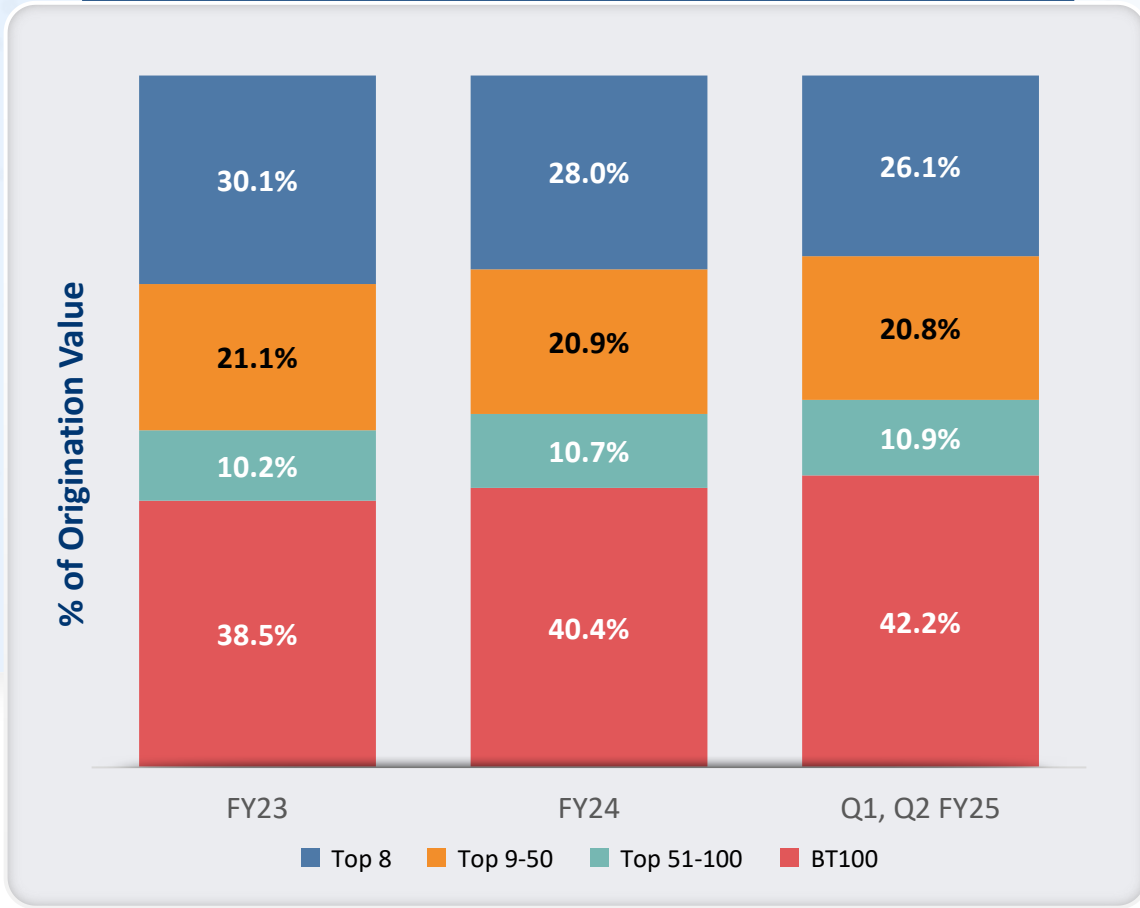


Active Loans

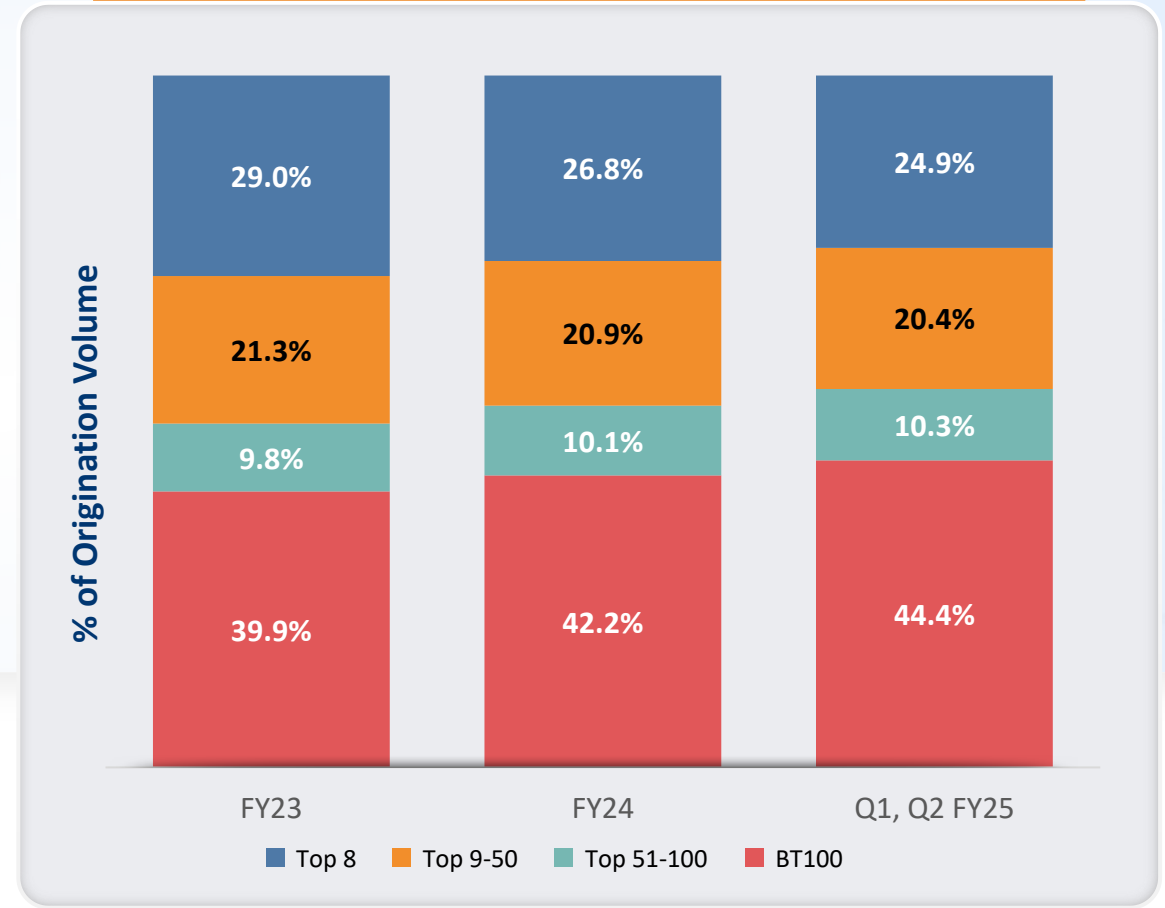


# Originations dominated by BT100 by value and volume | Increasing share of BT100 at expense of Top 8

Originations Value by City Classification

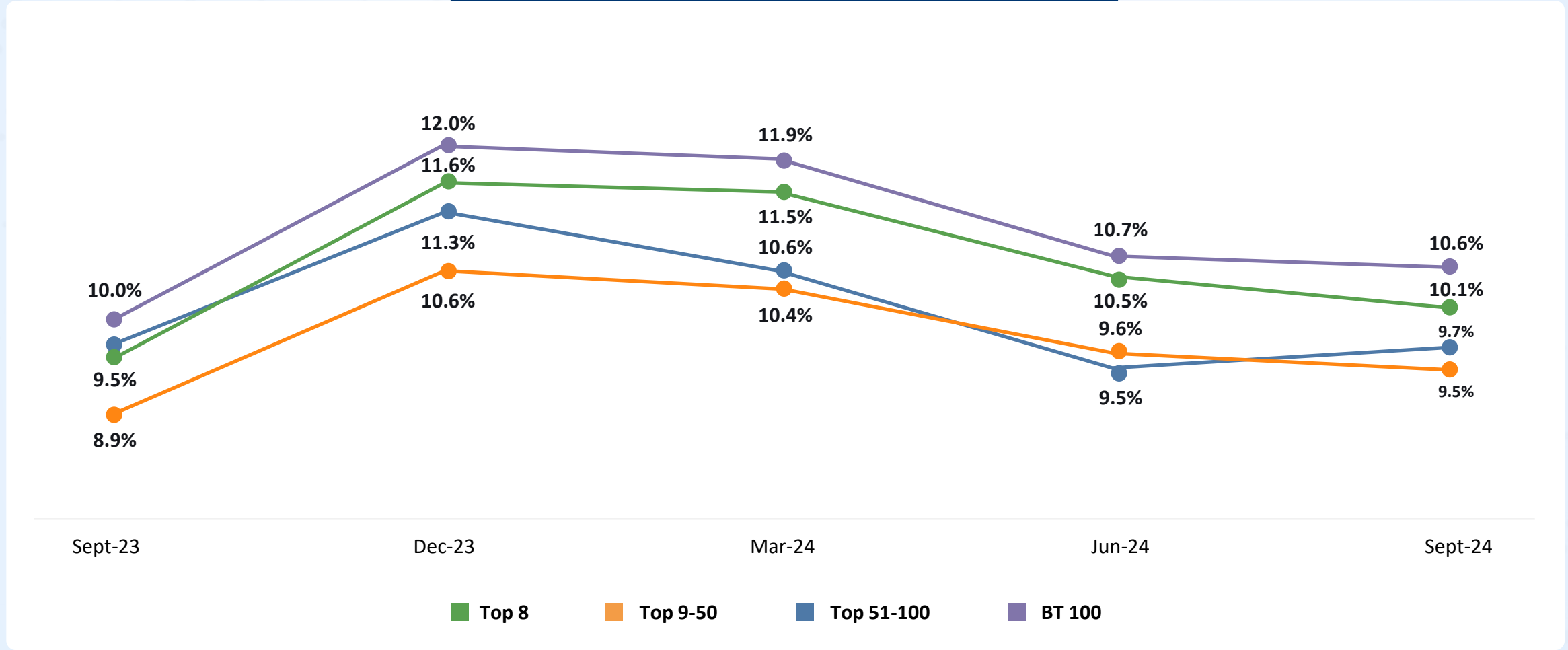


Originations Volume by City Classification



# Improved PAR 31-180 across Geographies after Mar'24 | Delinquency range bound across all Geographies

PAR 31-180 %



# Suggested Guardrails for Sourcing of PL (Rs <10K)



Score Trends should be considered instead of Point in time Scores at the time of Origination



CRIF ST2 Index to be utilized for sourcing Personal Loans with ticket size Rs <10K

# Case Study 1: Score Transition of Borrowers taking PL <₹10K in Dec'23 | Borrower Score deteriorated for 22.7% of borrowers compared to Jun'23

Jun'23 to Dec'23				
Score Transition	% Borrowers	% Increase in New Sanctioned Loans	% Increase in Borrower Exposure	% Increase in Borrower PAR 90+
Same	27.6%	48.6%	17.4%	-0.8%
Improve	9.4%	48.8%	21.0%	-5.3%
<b>Deteriorate</b>	<b>22.7%</b>	<b>75.2%</b>	<b>36.3%</b>	<b>13.2%</b>
NA	40.4%	68.9%	28.6%	-6.5%
<b>Grand Total</b>	<b>100.0%</b>	<b>61.0%</b>	<b>25.2%</b>	<b>1.2%</b>



### Borrower Selection:

Considered borrowers availing PL with ticket size Rs <10K in the month of Dec 2023



### Exposure and Risk Mapping:

For Borrowers identified from above step, Captured Risk Band, Borrower Exposure, Total loans ever disbursed, Borrower PAR 90+ as of Dec'23, 6 months prior to availing PL (Jun'23) and 6 months post availing PL (Jun'24)

1

Borrower Score deteriorated for 22.7% of borrowers availing PL in Dec'23 compared to Jun'23

2

These borrowers had seen 75.2% increase in loans sanctioned and 36.3% increase in Borrower Exposure resulting in 13.2% increase in Borrower level PAR 90+ from Jun'23 to Dec'23



# Case Study 1: Borrowers with deteriorating score from Jun'23 to Dec'23 carry highest Risk as of Jun'24 | Highlights Criticality of Utilizing Score Trends at Origination vs Point in Time Score

### % Borrowers

JUN'23 TO DEC'23	DEC'23 TO JUN'24				Grand Total
	Same	Improve	Deteriorate	NA	
SAME	39.1%	13.8%	19.8%	27.4%	100.0%
IMPROVE	28.1%	12.6%	31.7%	27.5%	100.0%
<b>DETERIORATE</b>	32.1%	21.4%	<b>24.3%</b>	22.2%	100.0%
NA	8.4%	4.8%	8.5%	78.4%	100.0%
<b>Grand Total</b>	<b>24.1%</b>	<b>11.8%</b>	<b>17.4%</b>	<b>46.8%</b>	<b>100.0%</b>

### % Increase in Borrower Exposure

JUN'23 TO DEC'23	DEC'23 TO JUN'24				Grand Total
	Same	Improve	Deteriorate	NA	
SAME	20.4%	28.0%	43.5%	-94.8%	-3.3%
IMPROVE	36.5%	32.9%	43.9%	-93.8%	8.7%
<b>DETERIORATE</b>	34.8%	40.6%	<b>56.9%</b>	-95.1%	12.9%
NA	408.0%	303.4%	403.4%	-45.0%	-29.3%
<b>Grand Total</b>	<b>29.9%</b>	<b>37.7%</b>	<b>54.5%</b>	<b>-69.4%</b>	<b>-2.7%</b>

### % Increase in Borrower PAR 90+

JUN'23 TO DEC'23	DEC'23 TO JUN'24				Grand Total
	Same	Improve	Deteriorate	NA	
SAME	-0.9%	-5.9%	28.3%	6.9%	2.7%
IMPROVE	-6.3%	-10.1%	15.1%	5.7%	2.5%
<b>DETERIORATE</b>	29.3%	0.3%	<b>44.7%</b>	32.7%	26.9%
NA	13.7%	1.0%	38.3%	-8.4%	-14.1%
<b>Grand Total</b>	<b>7.3%</b>	<b>-3.8%</b>	<b>31.1%</b>	<b>8.3%</b>	<b>4.8%</b>

- ▶ Among 22.7% Borrowers availing PL in Dec'23 and Score deteriorating for Jun'23 to Dec'23, score further deteriorated for 24.3% of borrowers
- ▶ These Borrowers carry highest Borrower level PAR 90+ and witnessed highest increase in Borrower level Exposure

# Case Study 2: Usage of a dedicated risk guardrail for loans of < 10K and <=6 months

# 1

## Mass Knowledge

Risk index built on mass knowledge on small ticket and small tenure originations gathered from Bureau

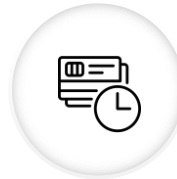
# 2

## 95% Scorable customers

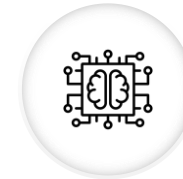
95% of the customers are likely to be assigned with a risk index. 5% fall into exclusion due to lack of sufficient bureau history

**SHORT TENURE**  
(Loan term <= 6 months)

**SMALL TICKET**  
(Loan Amount <=10,000 INR)



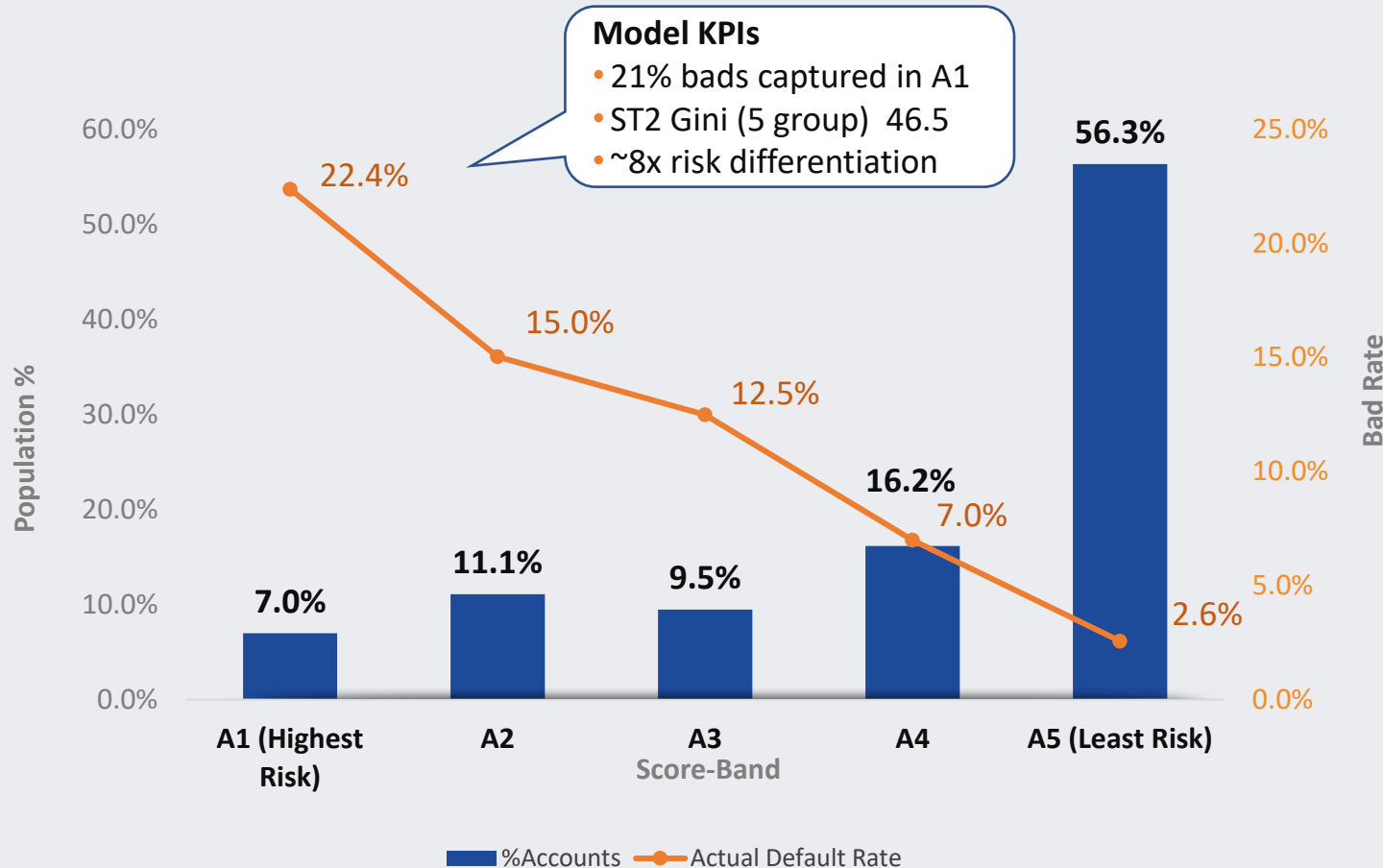
**Relevant bad definition**  
ST2 Risk index is built on default definition of twice 5+DPD or once 30+DPD in first 6 months



**Machine Learning Models**  
ST2 models are machine learning models build with 2000+ iterations

# Case Study 2: CRIF ST2 Analysis for a large Digital NBFC

## 5 Group Distribution



1 Overall, forward looking bad rate is 6.6% for the new loans disbursed between Nov 2022 – Jan 2023 for 1 Lakh account

2 CRIF ST2 index uniformly segregates accounts from very high to low risk – with risk rank ordering ranging from 22.4% to 2.6% giving about 8x risk differentiation

3 High level insights –

If Cut Off used is	Disbursal Rate	Bad Rate	Risk Reduction
A1	93%	5.5%	110 BPS

4 By reducing only 7% population there is 110 BPS reduction of Bad Rate from 6.5% to 5.5%

# Personal Loans

## ₹10K-₹50K

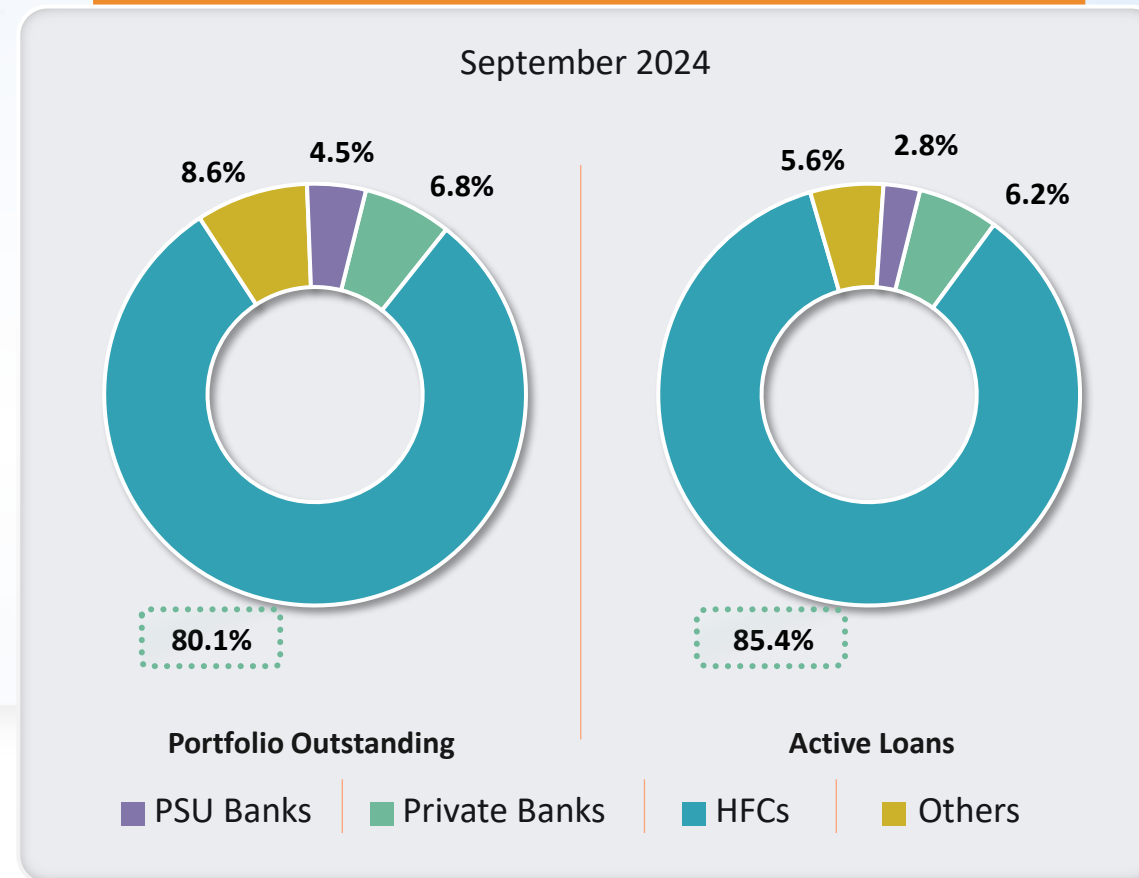


# Slowdown in Y-o-Y Portfolio Growth with deterioration in PAR 30+%

## Personal Loans – Portfolio Snapshot

	Sept-22	Sept-23	Sept-24
Portfolio Outstanding (₹ L Cr)	0.22	0.34	0.37
Y-o-Y Growth%		55.8%	8.2%
Active Loans (Lakhs)	166.8	262.6	214.4
Y-o-Y Growth%		57.4%	-18.3%
PAR 31-90%	2.8%	2.6%	3.0%
PAR 91-180%	4.3%	4.2%	4.8%
PAR 181-360%	3.5%	3.8%	4.3%
PAR 360+%	9.9%	12.6%	15.5%

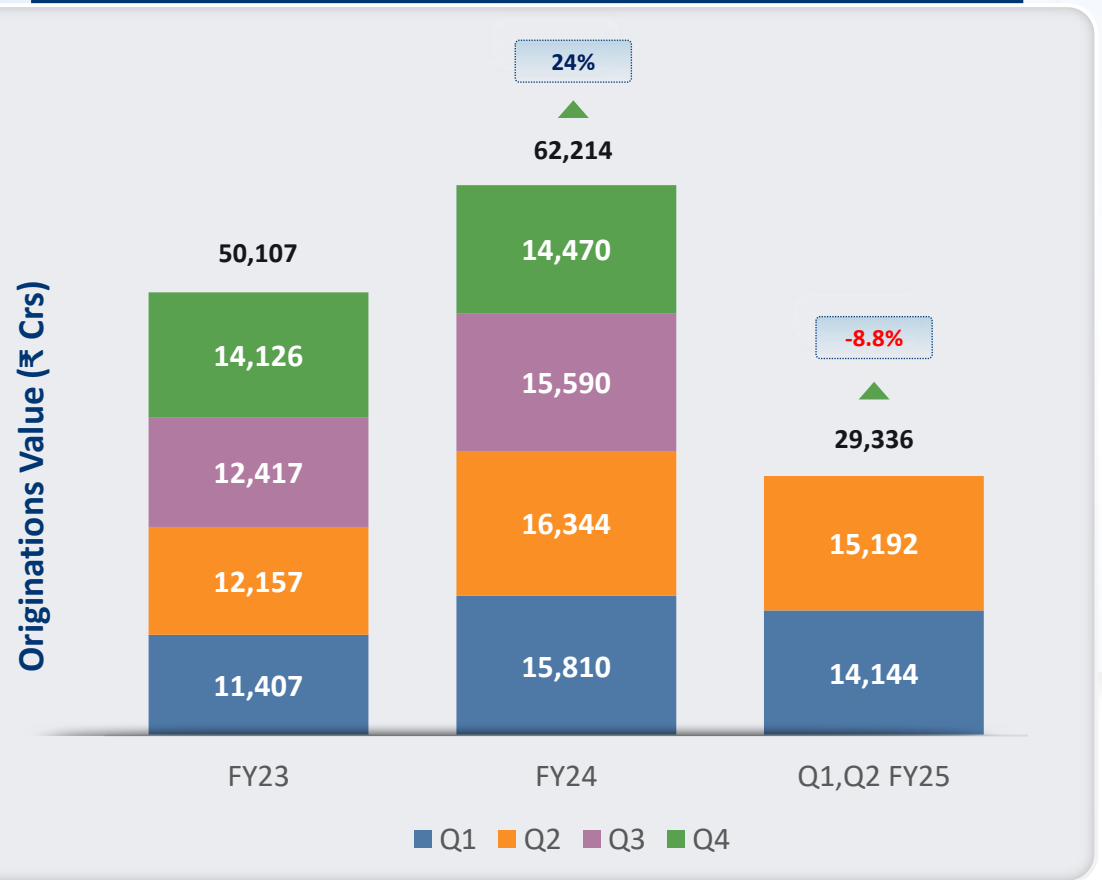
## Personal Loans – Market Share



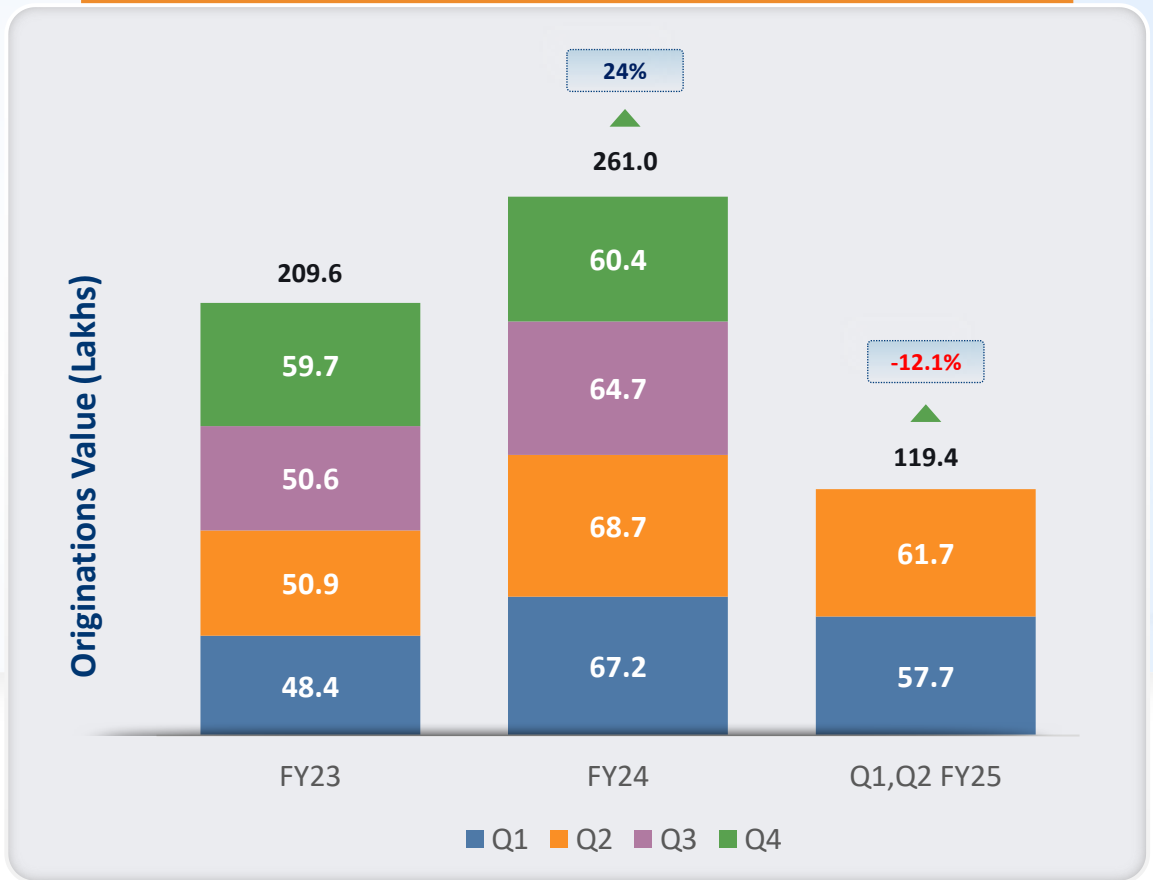
1 Dominated by NBFCs by Value and Volume

# De-growth in Originations Value and Volume in H1FY25 over H1FY24

Originations Value

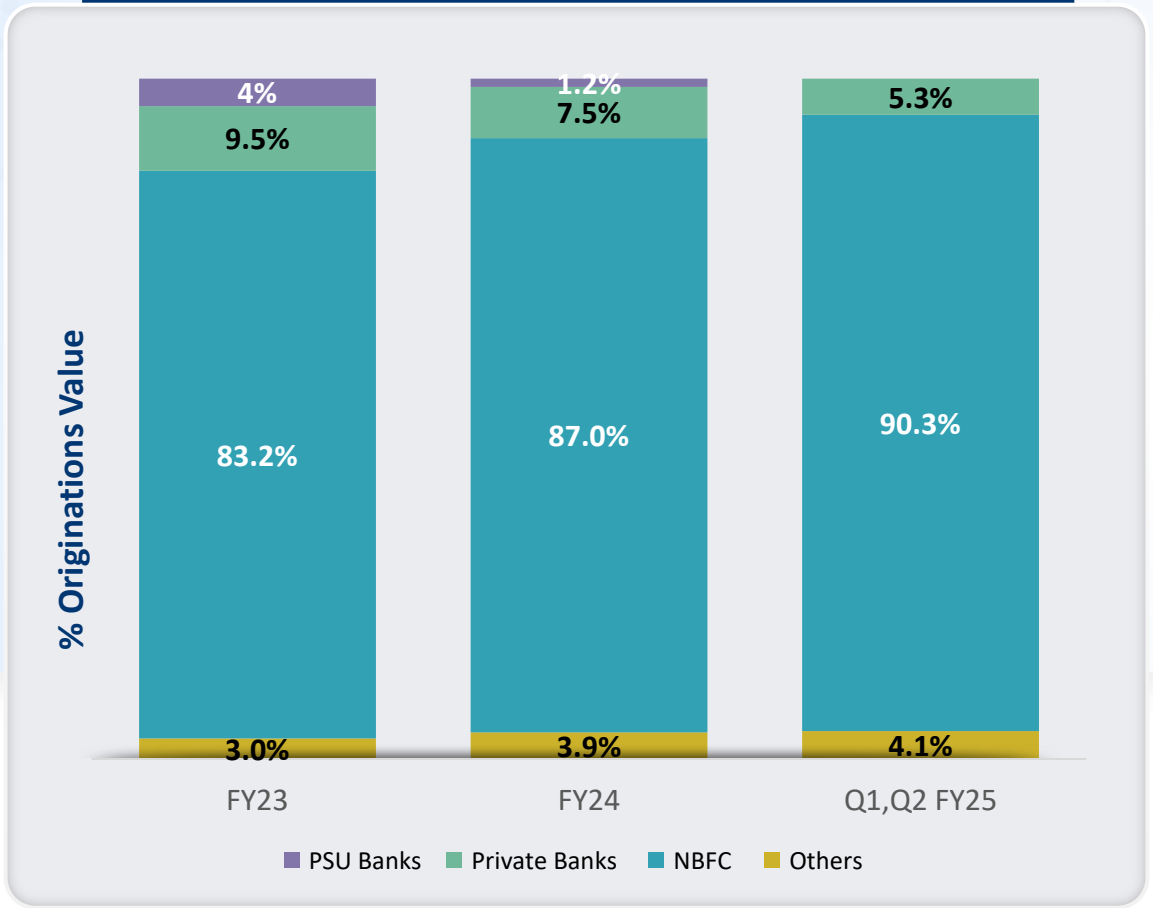


Originations Volume

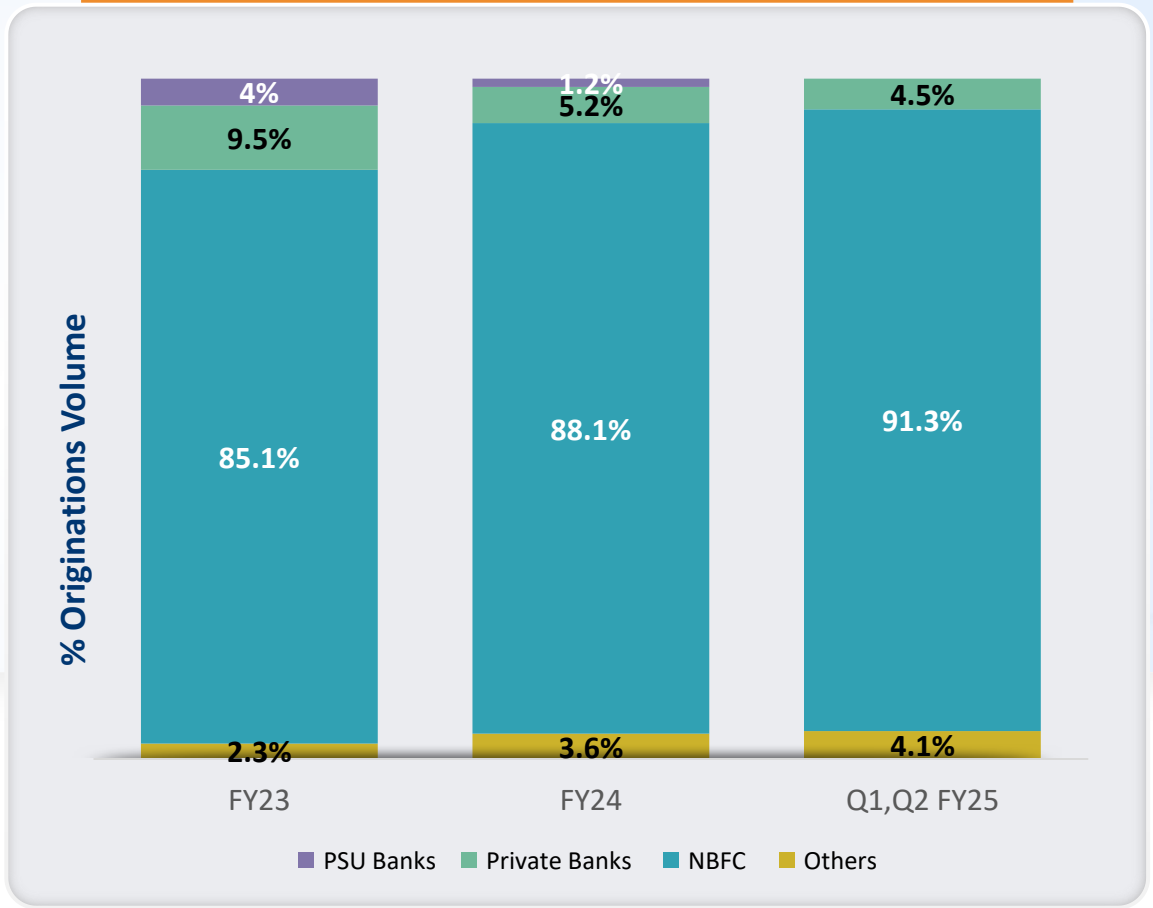


# Originations dominated by NBFCs | Increase in Originations Share (by value and volume) of NBFCs in H1FY25

Originations Value by Lender Type

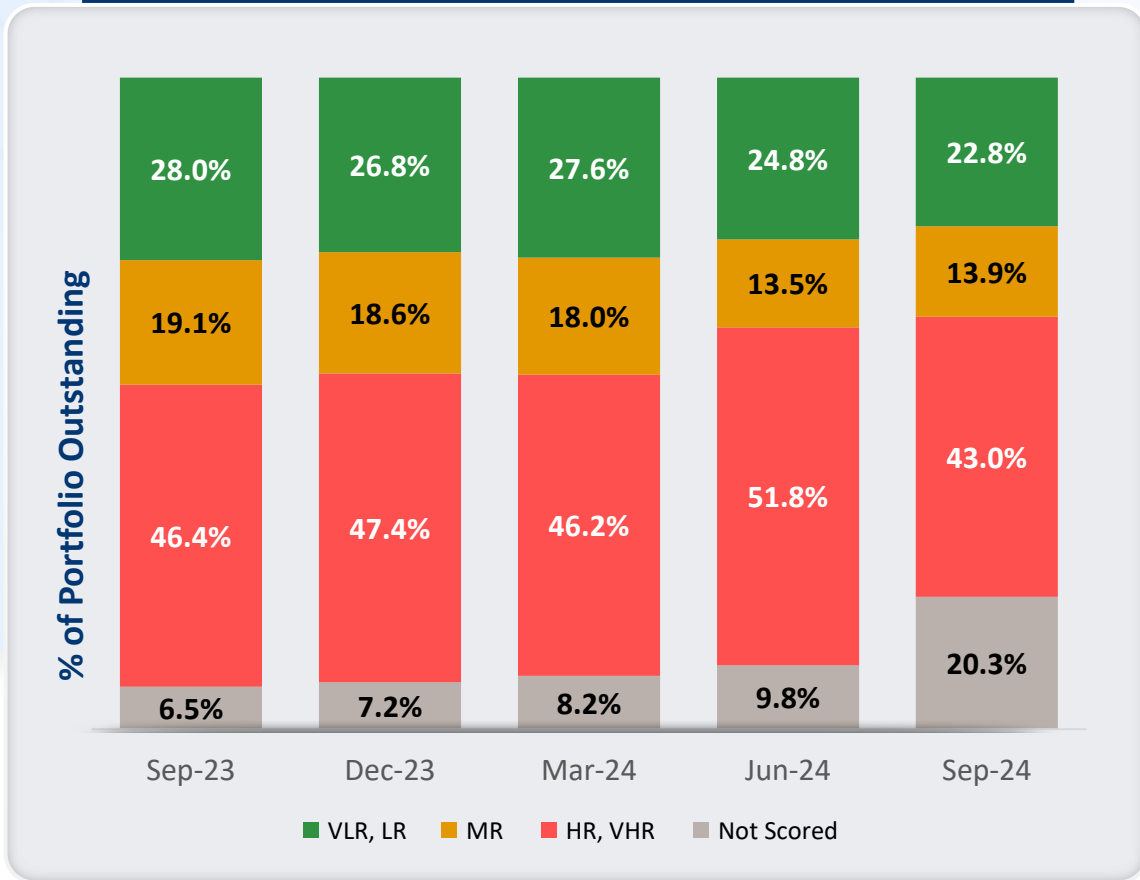


Originations Volume by Lender Type

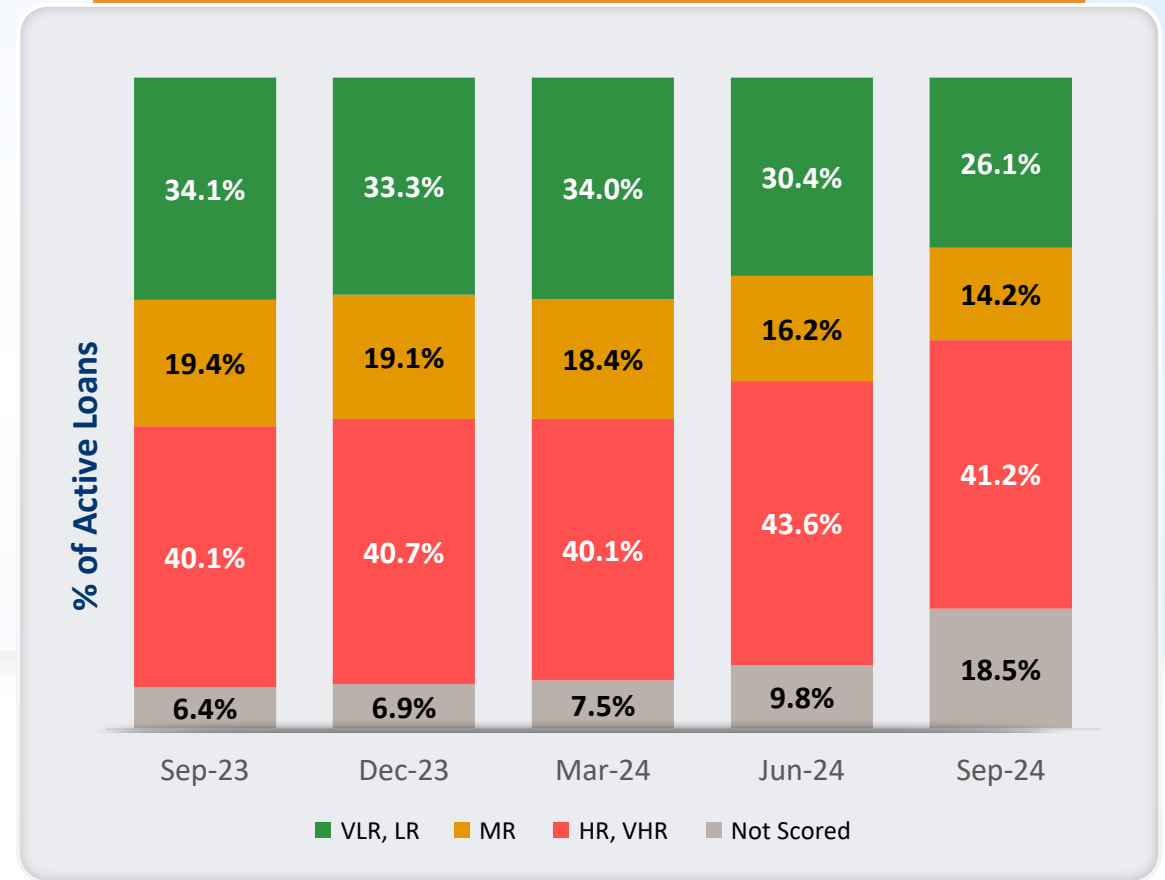


# Increase in risk due to decline in Very Low, Low & Medium Risk Portfolio | Portfolio in Not scored & Thin files is almost 2X of Overall PL, thereby driving financial inclusion

Portfolio Outstanding



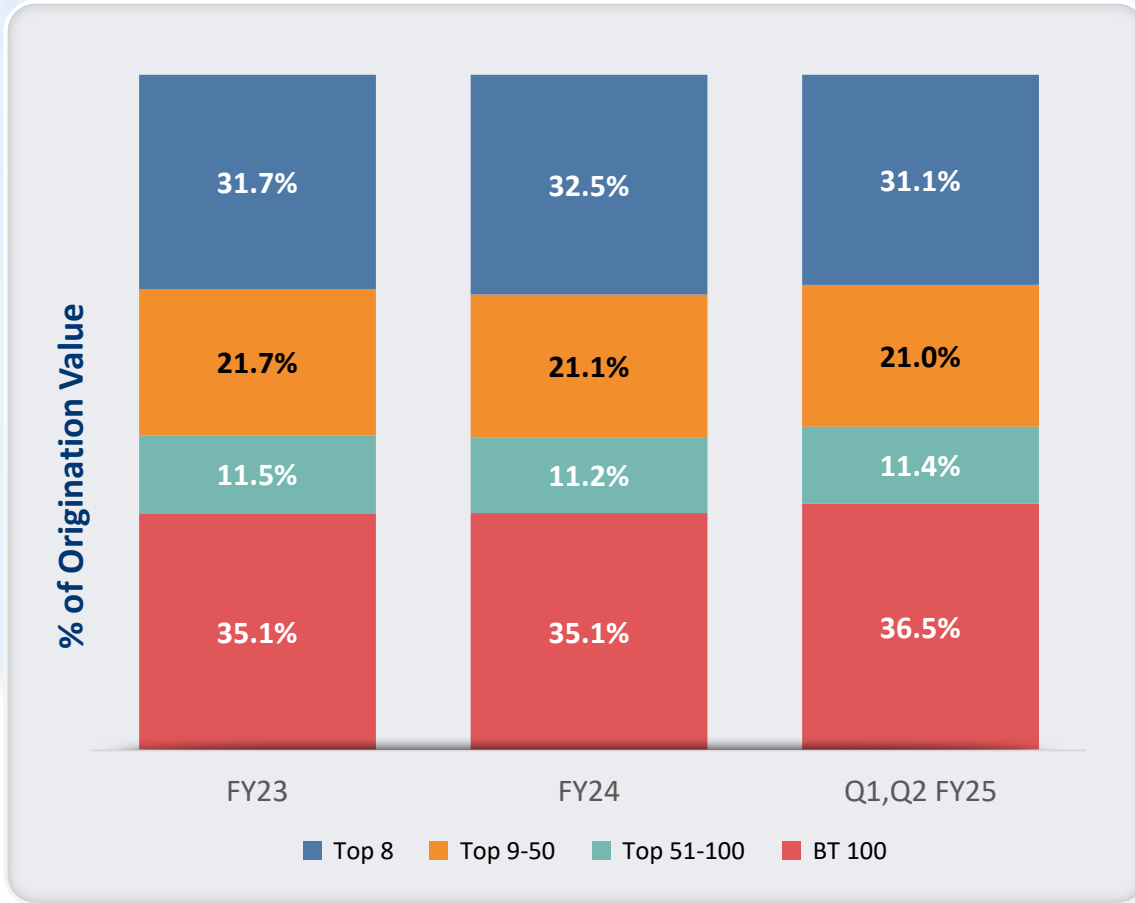
Active Loans



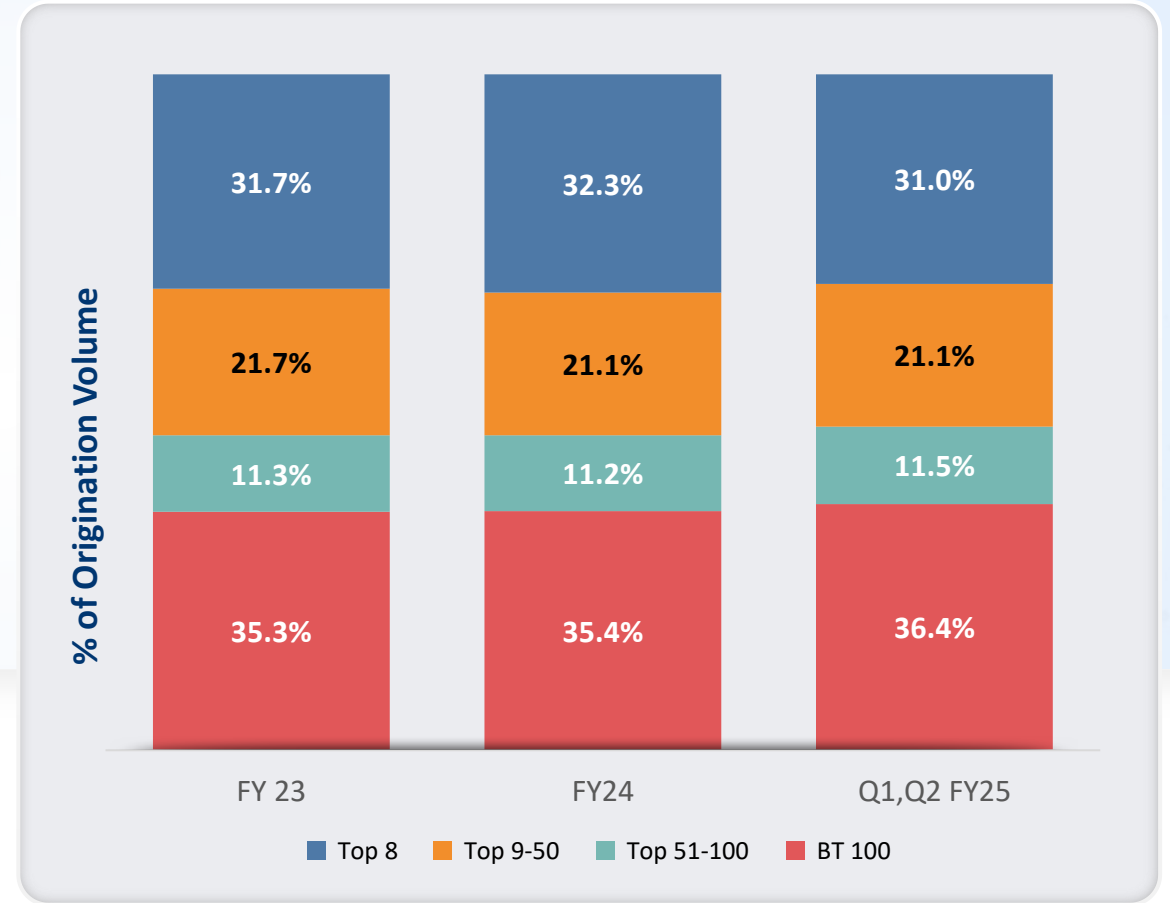


# Originations dominated by BT100 by Value and volume | Increasing share of BT100 at expense of Top 8

Originations Value by City Classification

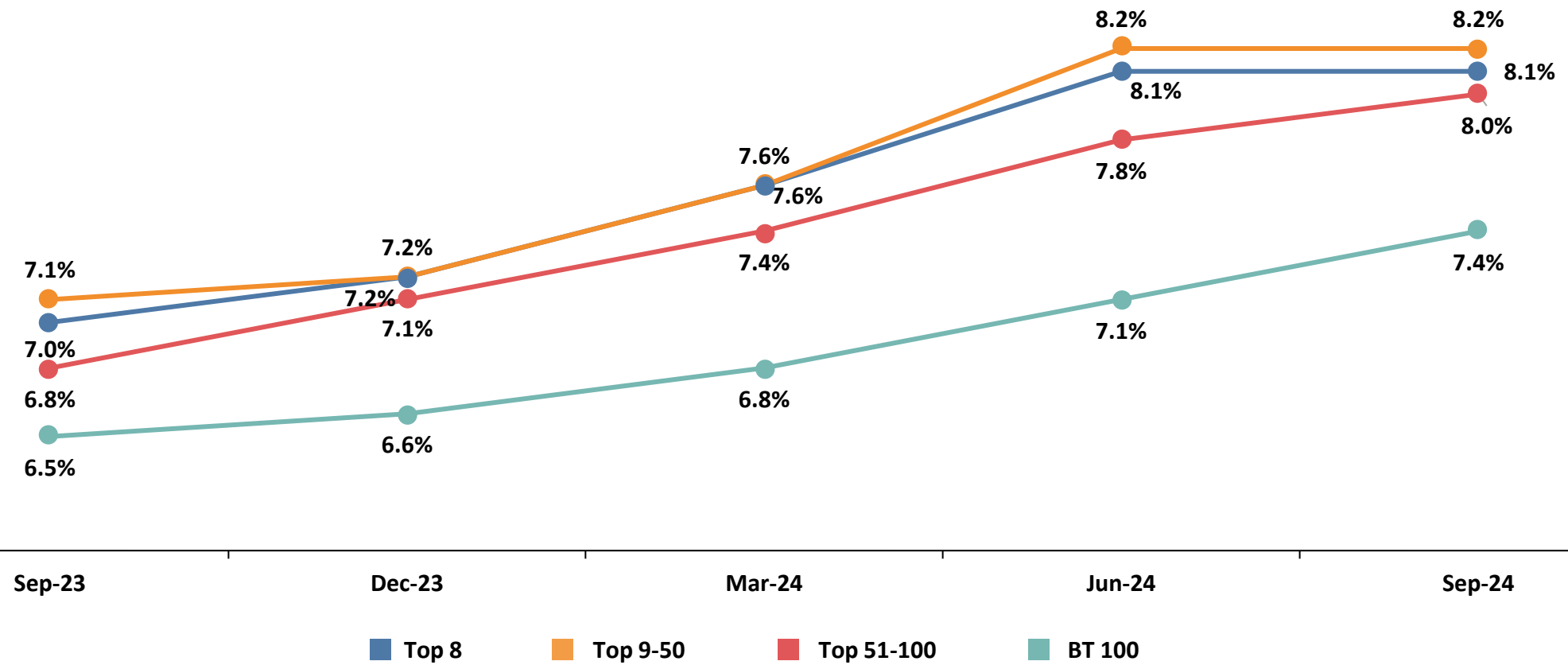


Originations Volume by City Classification



# Deteriorating PAR 31-180 across Geographies after Sept'23 | Delinquency range bound across all Geographies

PAR 31-180 %



# Suggested Guardrails for Sourcing of PL (Rs 10K-50K)



Score Trends should be considered instead of Point in time Scores at the time of Origination



CRIF Transactional Score (Credit Risk Score Based on bank A/c transactions) to be utilized for sourcing Personal Loans with ticket size Rs 10K-50K

# Case Study 1: Score Transition of Borrowers taking PL ₹10K -50K in Dec'23 | Borrower Score deteriorated for 29.3% of borrowers compared to Jun'23

Jun'23 to Dec'23				
Score Transition	% Borrowers	% Increase in New Sanctioned Loans	% Increase in Borrower Exposure	% Increase in Borrower PAR 90+
SAME	36.8%	42.3%	21.9%	-0.9%
IMPROVE	11.6%	39.7%	22.0%	-3.3%
<b>DETERIORATE</b>	<b>29.3%</b>	<b>62.7%</b>	<b>37.6%</b>	<b>8.2%</b>
NA	22.3%	41.9%	17.5%	-0.9%
<b>Grand Total</b>	<b>100.0%</b>	<b>45.5%</b>	<b>24.5%</b>	<b>0.3%</b>



### Borrower Selection:

Considered borrowers availing PL with ticket size Rs 10K-50K in the month of Dec 2023



### Exposure and Risk Mapping:

For Borrowers identified from above step, Captured Risk Band, Borrower Exposure, Total loans ever disbursed, Borrower PAR 90+ as of Dec'23, 6 months prior to availing PL (Jun'23) and 6 months post availing PL (Jun'24)

1

Borrower Score deteriorated for 29.3% of borrowers availing PL in Dec'23 compared to Jun'23

2

These borrowers had seen 62.7% increase in loans sanctioned and 37.6% increase in Borrower Exposure resulting in 8.2% increase in Borrower level PAR 90+ from Jun'23 to Dec'23

# Case Study 1: Borrowers with deteriorating score from Jun'23 to Dec'23 carry highest Risk as of Jun'24 | Highlights Criticality of Utilizing Score Trends at Origination vs Point in Time Score

### % Borrowers

JUN'23 TO DEC'23	DEC'23 TO JUN'24				Grand Total
	Same	Improve	Deteriorate	NA	
SAME	43.8%	16.6%	22.1%	17.4%	100.0%
IMPROVE	34.7%	14.4%	32.8%	18.0%	100.0%
<b>DETERIORATE</b>	33.0%	27.7%	<b>23.2%</b>	16.1%	100.0%
NA	8.2%	7.1%	7.4%	77.3%	100.0%
Grand Total	31.6%	17.5%	20.4%	30.5%	100.0%

### % Increase in Borrower Exposure

JUN'23 TO DEC'23	DEC'23 TO JUN'24				Grand Total
	Same	Improve	Deteriorate	NA	
SAME	24.5%	24.9%	39.7%	-87.2%	9.0%
IMPROVE	30.9%	26.1%	37.0%	-84.8%	12.8%
<b>DETERIORATE</b>	38.5%	35.3%	<b>52.3%</b>	-87.7%	20.3%
NA	440.1%	304.6%	486.8%	-46.1%	-42.2%
Grand Total	30.5%	30.9%	44.5%	-59.6%	-0.9%

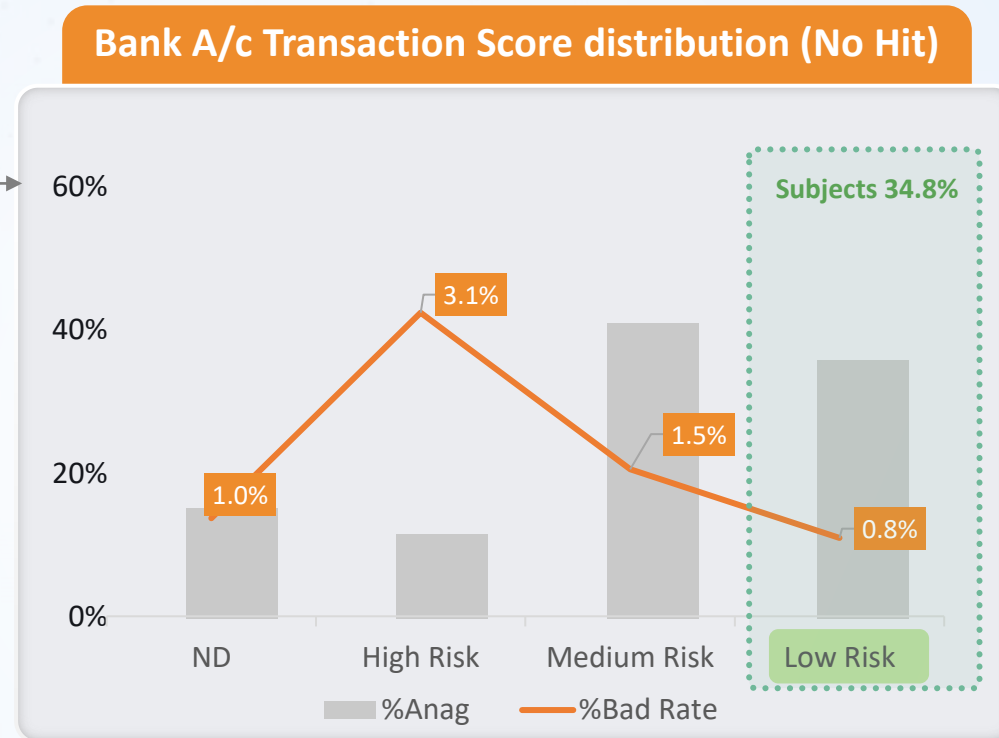
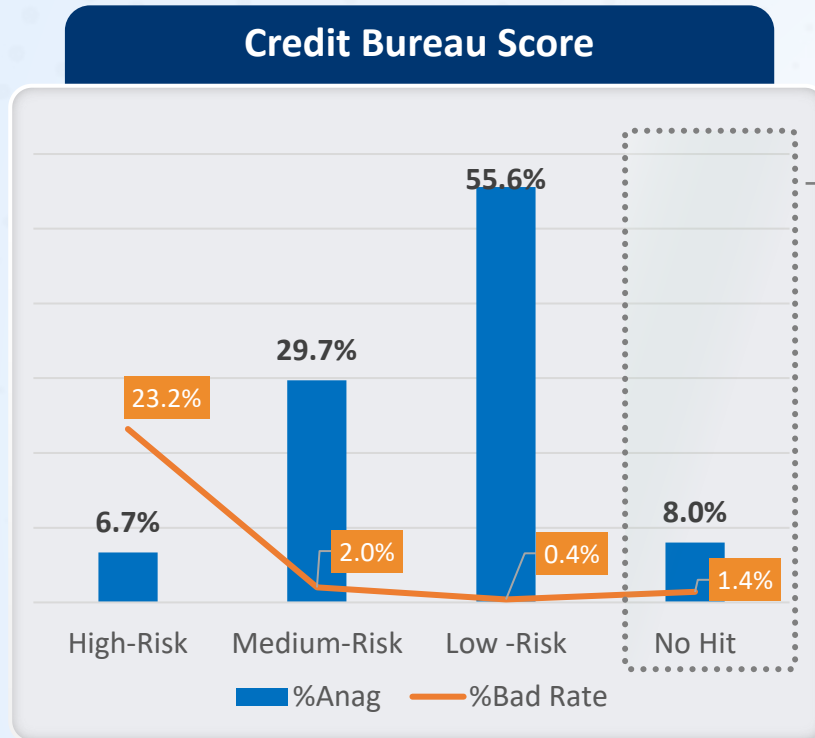
### % Increase in Borrower PAR 90+

JUN'23 TO DEC'23	DEC'23 TO JUN'24				Grand Total
	Same	Improve	Deteriorate	NA	
SAME	-1.4%	-3.9%	22.2%	10.9%	3.8%
IMPROVE	-3.2%	-7.0%	11.0%	7.4%	2.3%
<b>DETERIORATE</b>	17.8%	0.2%	<b>36.8%</b>	29.2%	18.5%
NA	5.0%	0.6%	31.5%	-6.1%	-8.4%
Grand Total	3.7%	-2.6%	24.1%	5.5%	1.0%

▶ Among 29.3% Borrowers availing PL in Dec'23 and Score deteriorating for Jun'23 to Dec'23, score further deteriorated for 23.2% of borrowers

▶ These Borrowers carry highest Borrower level PAR 90+ and witnessed highest increase in Borrower level Exposure

# Case Study 2: Using banking analytics developed by CRIF can help onboard new to credit customers at risk rates comparable to existing to credit customers



- Reduction of No-Hit cases
- +35% financial inclusion for New to Credit



## Solution

- Integration of the bank account transaction score into the application process to assess No Hit customers



## Benefits

- Assessment of customers with no credit history
- Increased financial inclusion, seizing business opportunities

# Case Study 2: CRIF's analytics combines the bureau analytics and banking analytics to create optimized approval and risk rates for lenders

Approve/Reject (Client : Rejects :  
Score Card Rejects Approved : Disbursed)

Approve/Reject (Client : Rejects :  
Score Card Rejects Approved : Disbursed)

Swap in additional  
good customers

Swap in additional  
good customers

## Banking score (670 cut-off)

% POP / BR	REJECT	APPROVE	TOTAL
REJECT	24.2% / 6.9%	32.3% / 2.1%	56.5% / 3.7%
APPROVE	9.0% / 3.3%	34.5% / 2.5%	43.5% / 2.7%
TOTAL	33.2% / 4.4%	66.8% / 2.4%	100.0% / 2.9%*

Risk based pricing on current  
approved but higher risk segment

Additional Volume at  
11% lower bad rate

## Banking + Bureau score

% POP / BR	REJECT	APPROVE	TOTAL
REJECT	29.4% / 5.5%	27.0% / 2.6%	56.4% / 3.7%
APPROVE	10.2% / 5.4%	33.4% / 1.8%	43.6% / 2.7%
TOTAL	39.7% / 5.5%	60.3% / 2.0%	100.0% / 2.9%*

Risk based pricing on current  
approved but higher risk segment

Additional Volume at  
11% lower bad rate

\*Note : this slide contains Disbursed and scorecard rejects who received a PL>1 Lac from a NBFC within 45 days of client rejection

# Unsecured Business Loans

Loans given to self employed individuals in their individual name and reported to Consumer bureau

## Loan Types Includes:

Business Loan  
General

Business Loan  
Unsecured

Loan to  
Professional



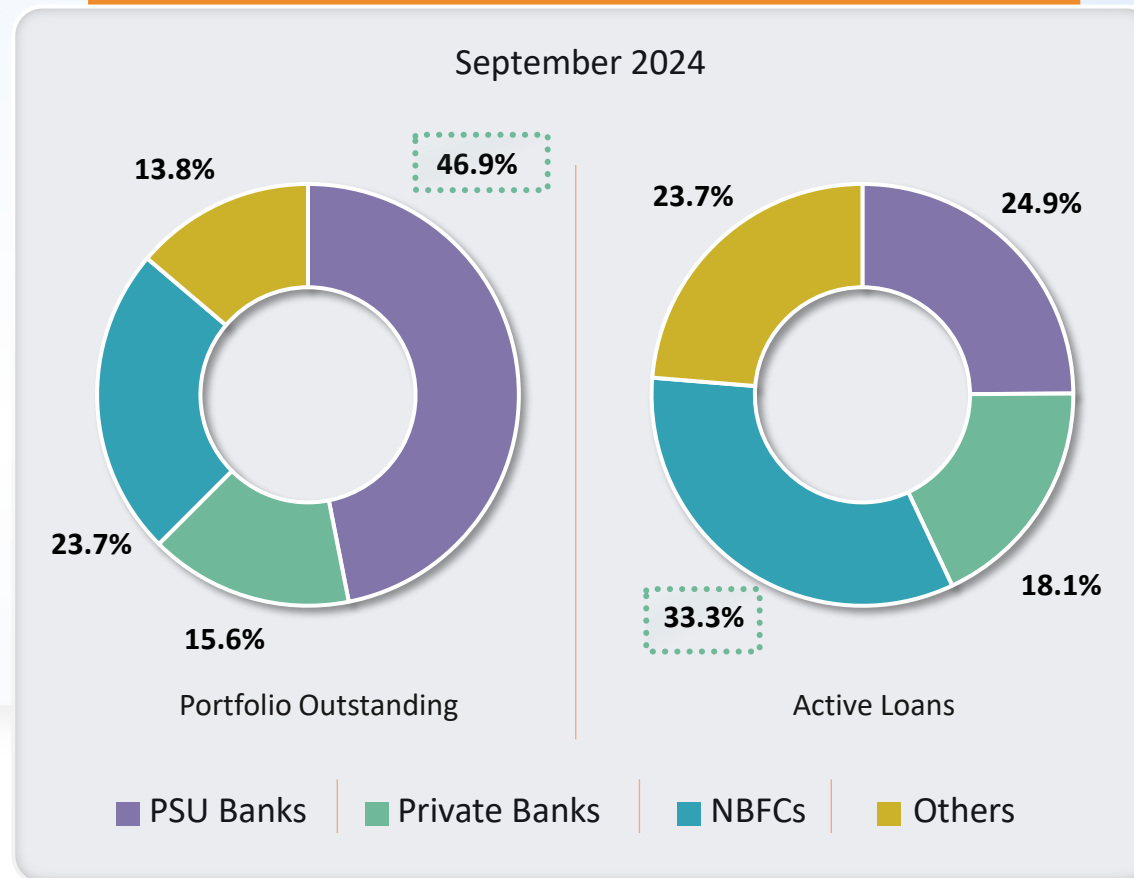


# Steep Y-o-Y Growth in Portfolio and Active Loans with improvement in PAR 30+%

## Unsecured Business Loans – Portfolio Snapshot

	Sept-22	Sept-23	Sept-24
Portfolio Outstanding (₹ L Cr)	4.9	5.5	7.8
Y-o-Y Growth%		12.1%	43.5%
Active Loans (Lakhs)	0.8	1.1	1.5
Y-o-Y Growth%		29.9%	46.7%
PAR 31-90%	3.0%	2.5%	2.3%
PAR 91-180%	2.1%	1.9%	1.5%
PAR 181-360%	1.0%	0.8%	0.6%
PAR 360+%	17.9%	14.6%	11.2%

## Unsecured Business Loans – Market Share

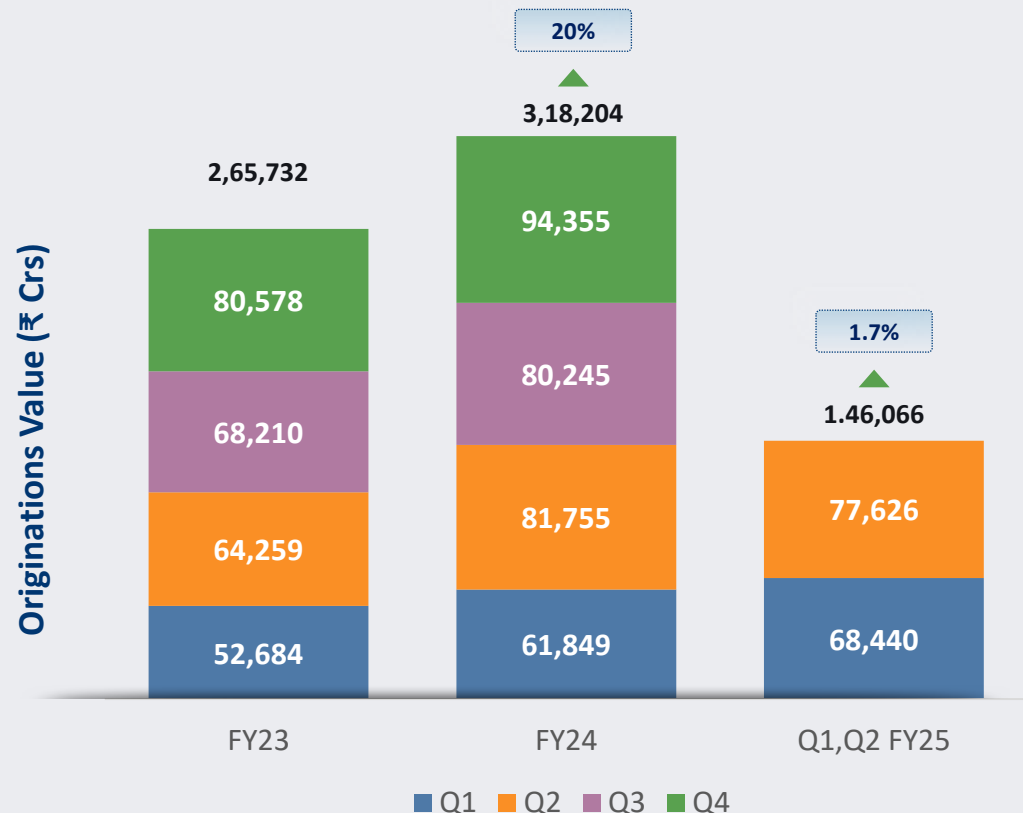


1

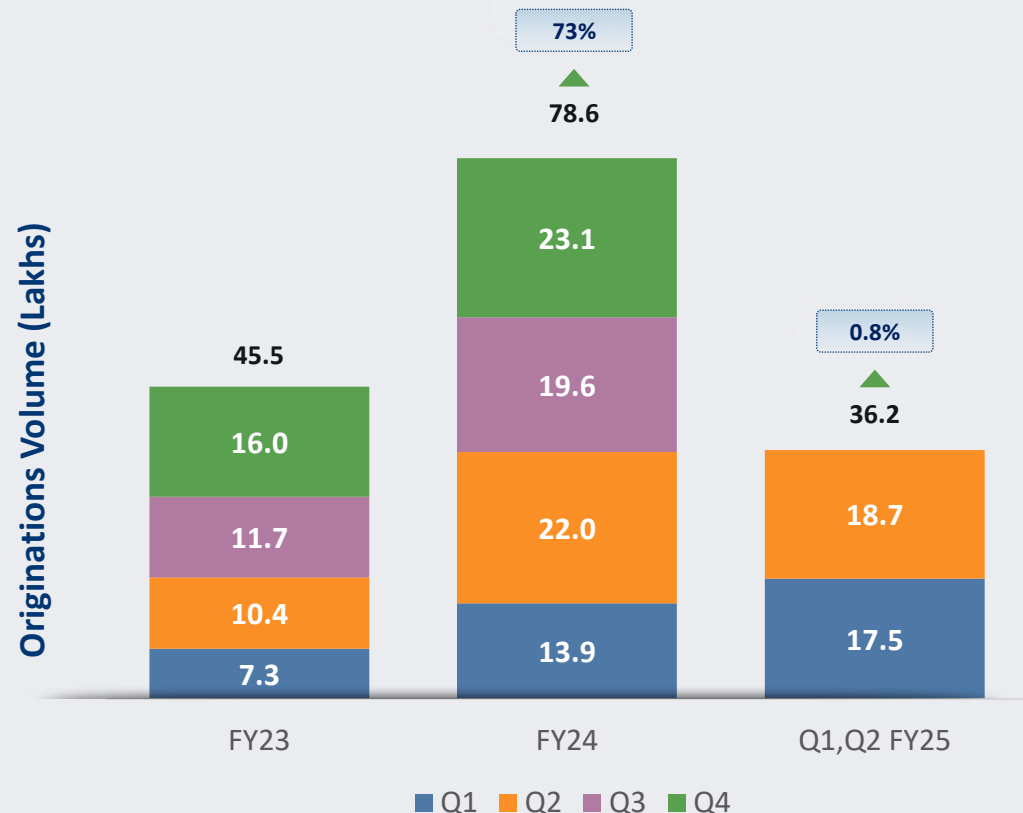
Dominated by Public Sec Banks by Value and NBFCs by Volume

# Flat growth in Originations Value & Volume in H1FY25 compared to H1FY24

## Originations Value



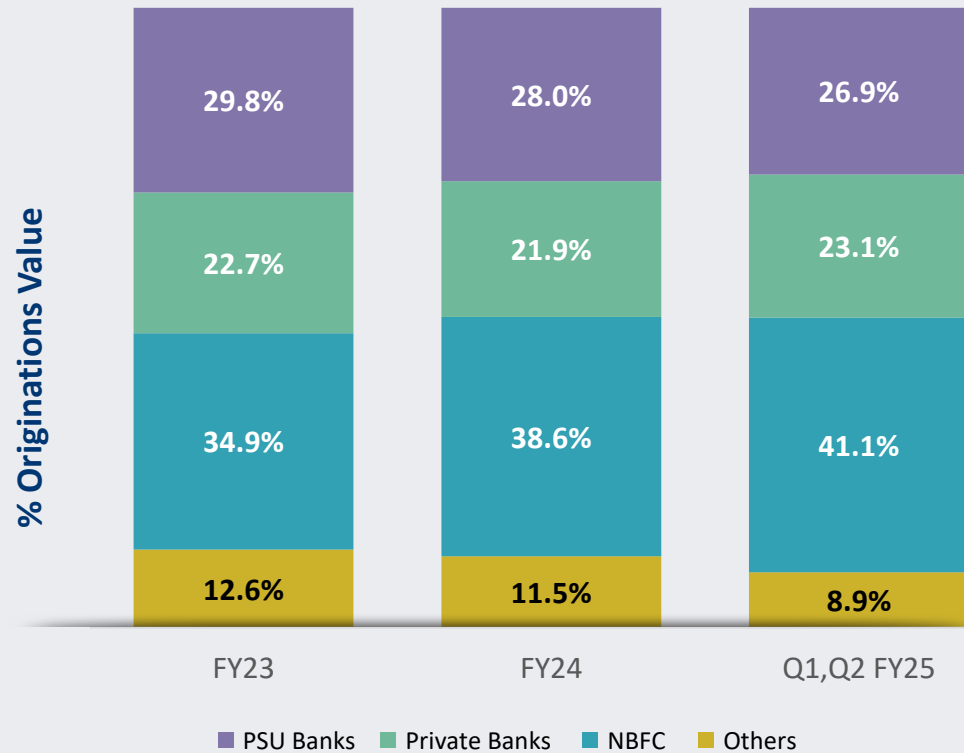
## Originations Volume



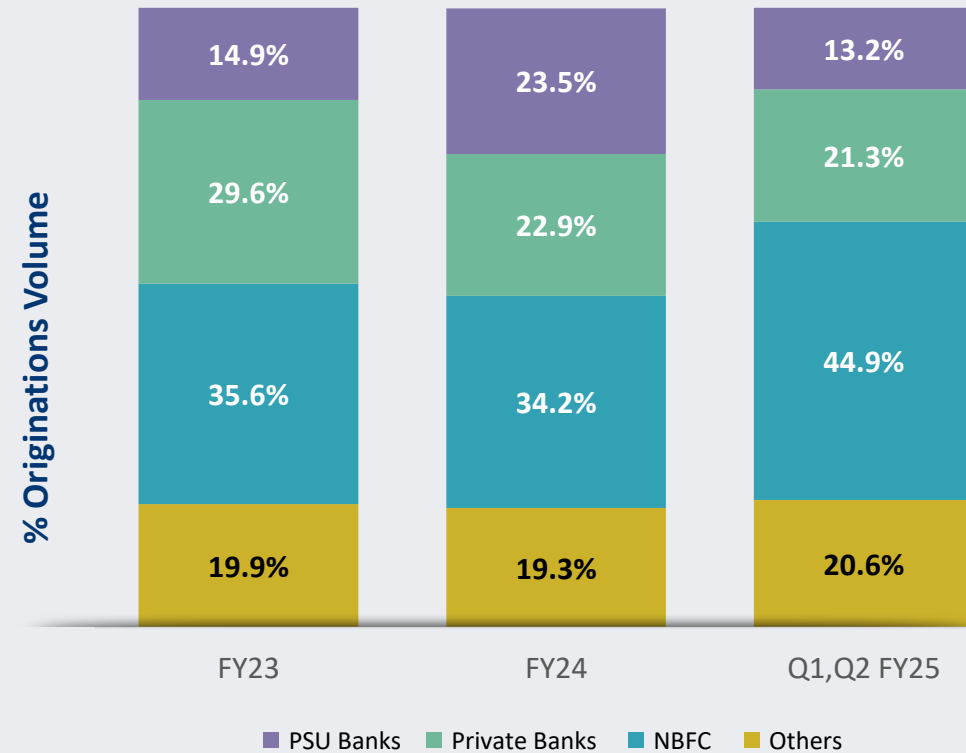
# Increase in Originations Share of NBFCs in H1FY25



## Originations Value by Lender Type

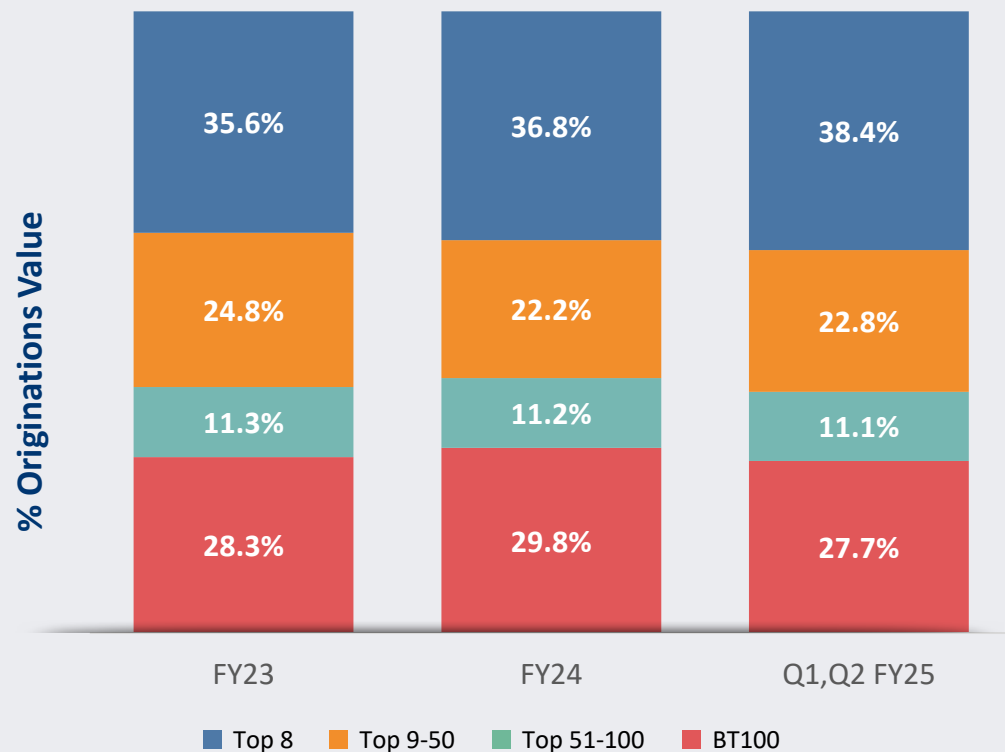


## Originations Volume by Lender Type

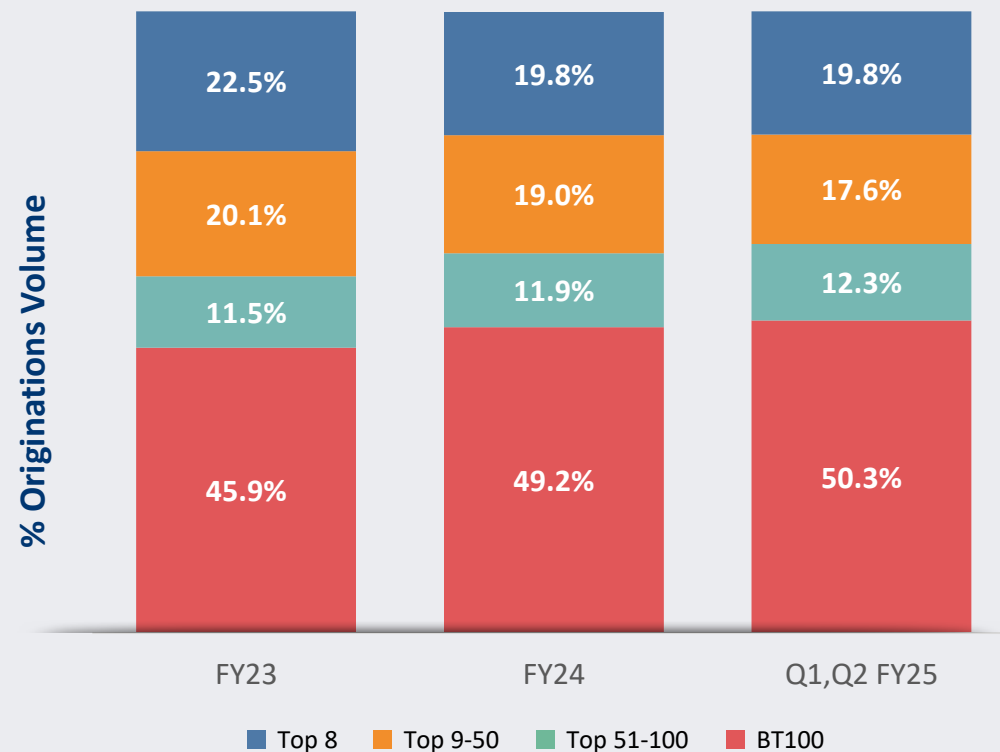


# Originations Value Share dominated by Top 8 | Originations Volume Share dominated by BT100

### Originations Value by City Classification



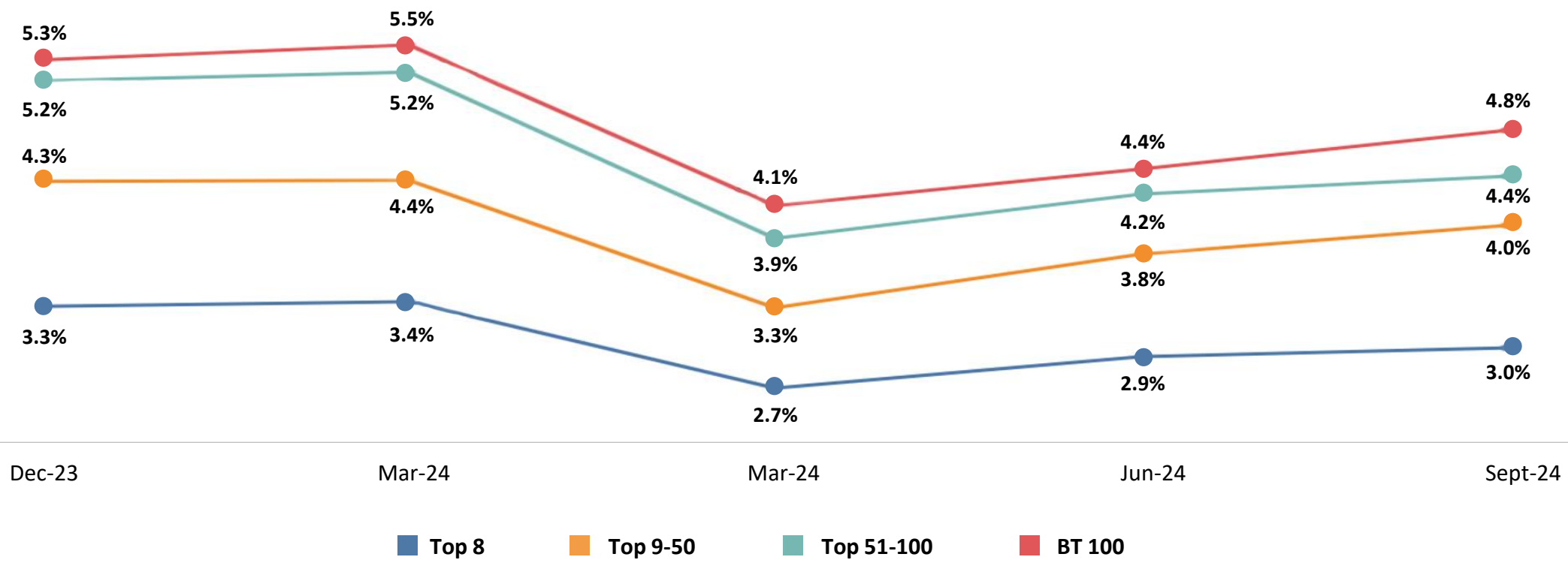
### Originations Volume by City Classification





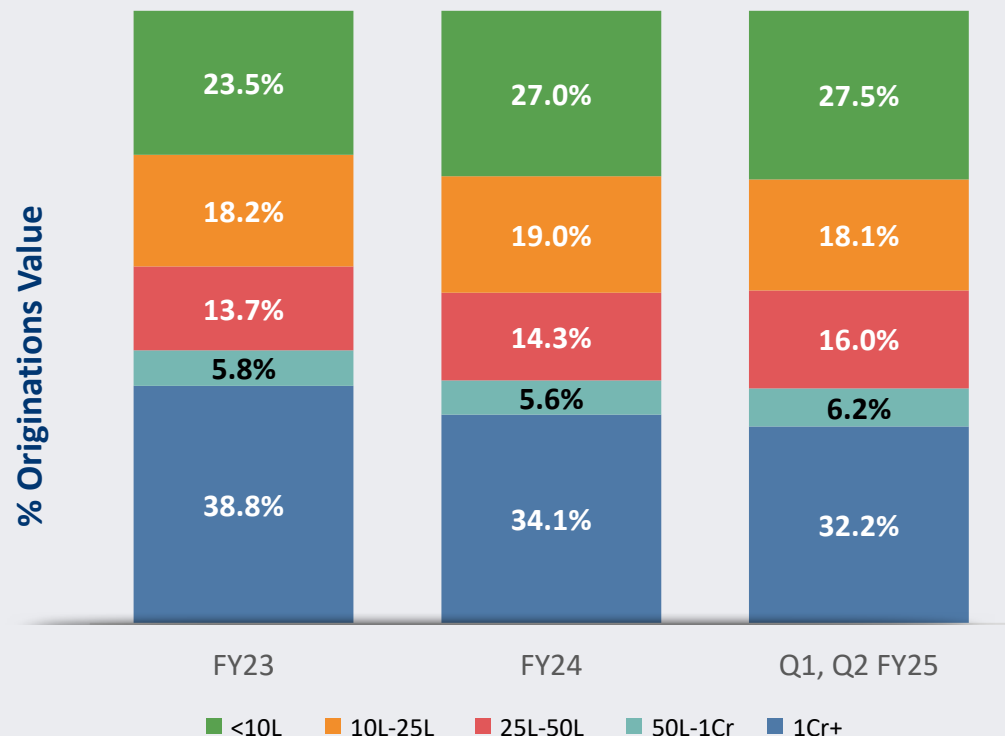
# Increasing PAR 31-180 across Geographies after Mar'24 | Top 8 has better delinquency compared to Industry | Delinquency range bound for Top 9-50, Top 51-100 and BT100

PAR 31-180 %

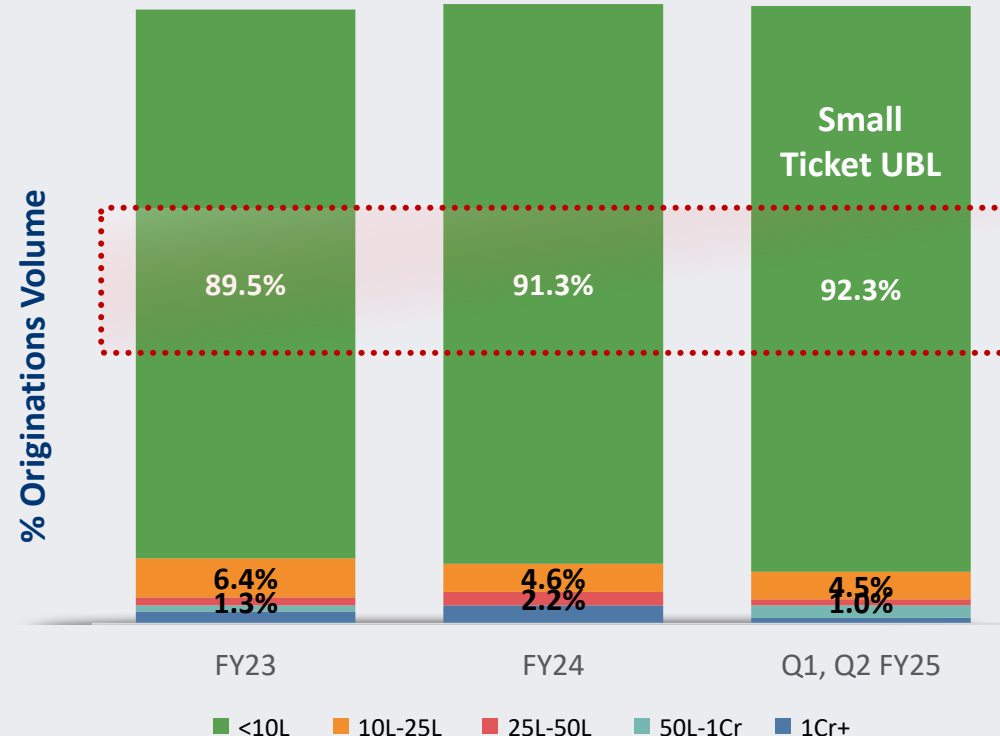


# Increasing share of Originations Value & Volume for <₹10L loans in H1FY25

## Originations Value by Ticket Size

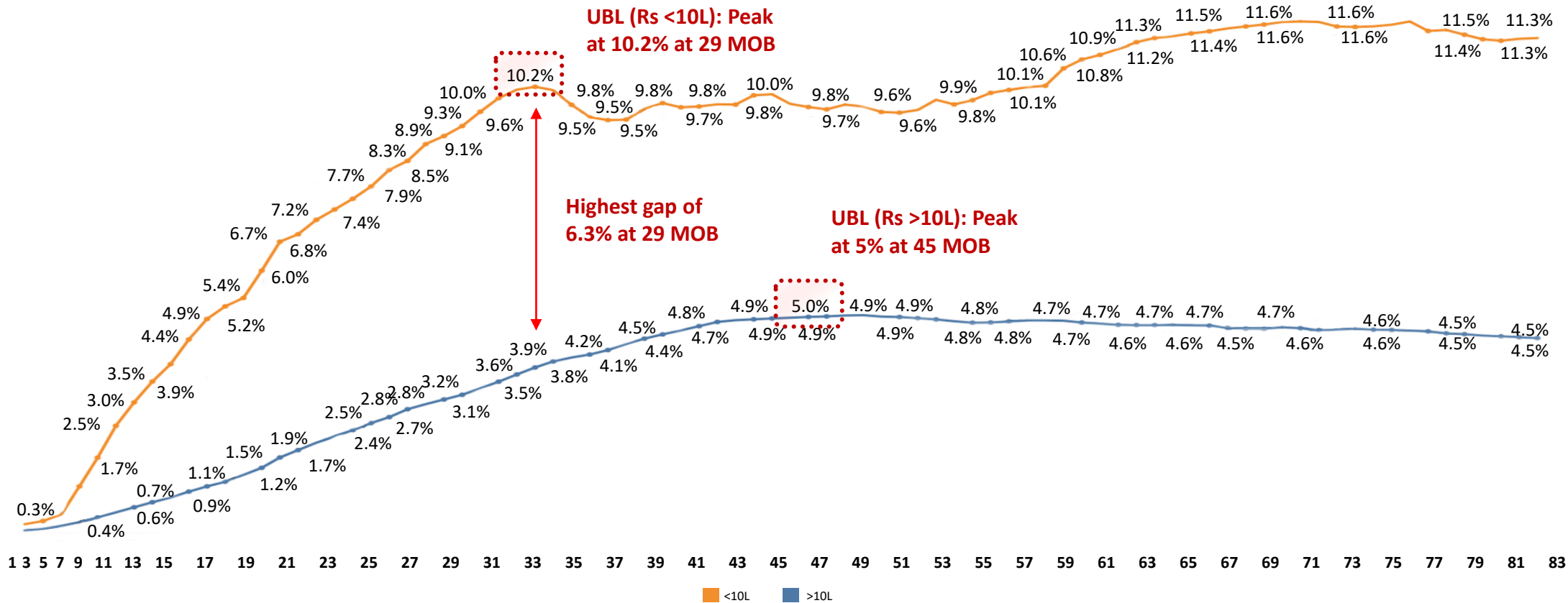


## Originations Volume by Ticket Size



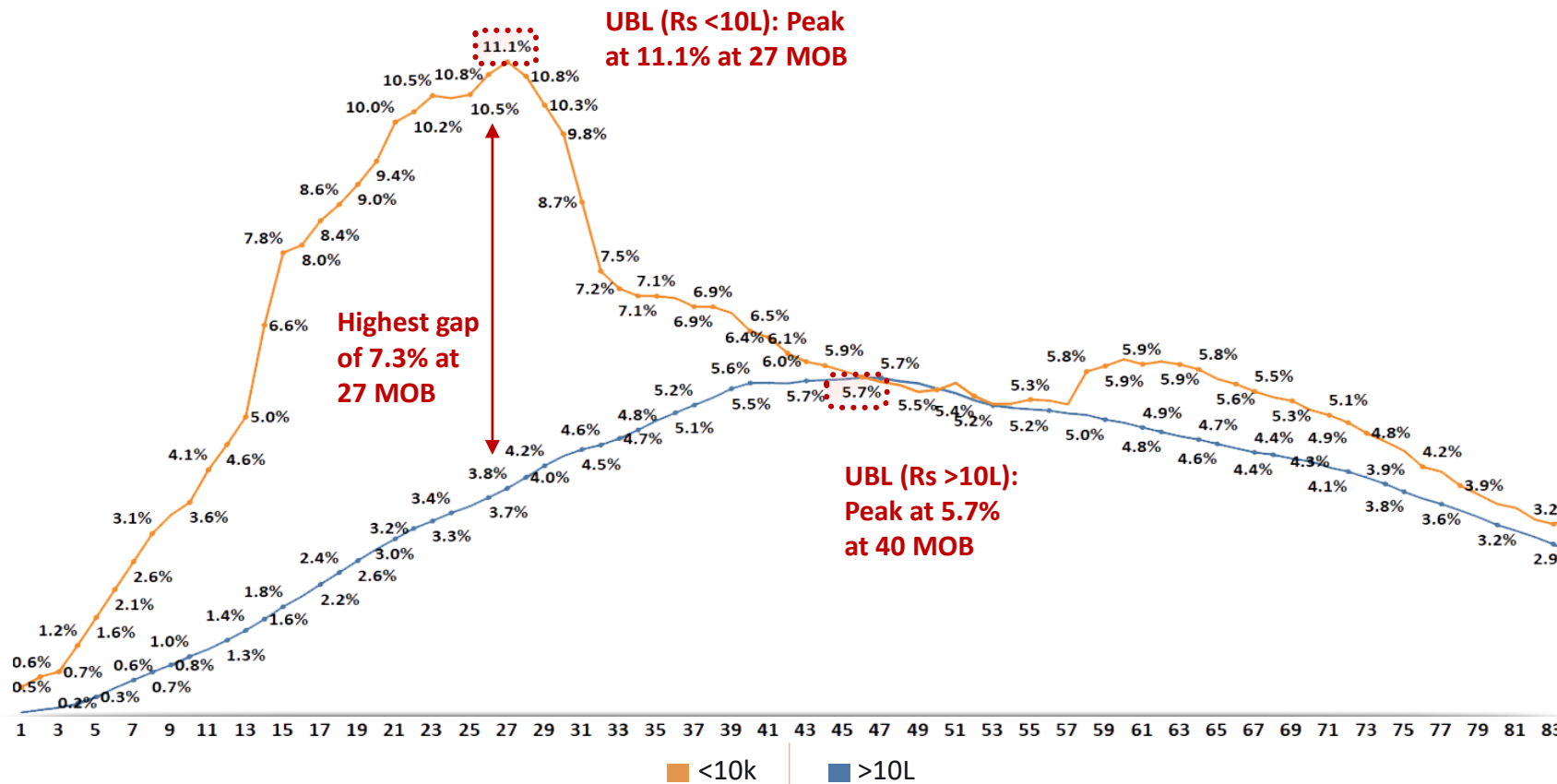
# Vintage LAR 90+ peaks at different MOBs for ticket sizes <Rs 10L and Rs >10L | Gap between Vintage LAR 90+ for Rs <10L and Rs >10L loans highest at 29 MOB

Vintage Curve LAR 90+ %



# NBFCs: Vintage LAR 90+ peaks at different MOBs for ticket sizes <Rs 10L and Rs >10L | Gap between Vintage LAR 90+ for Rs <10L and Rs >10L loans highest at 27 MOB, Converging at 40 MOB

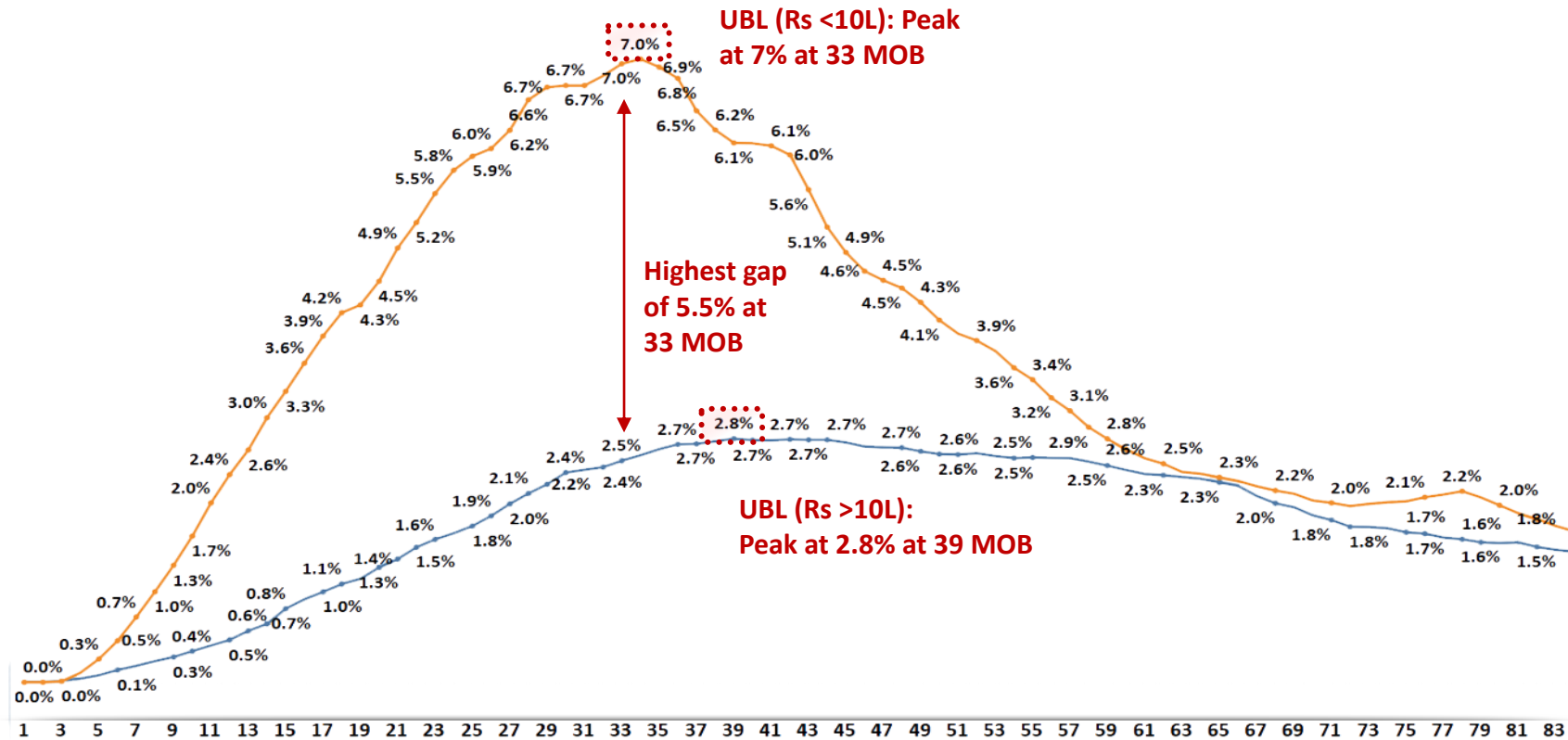
NBFCs: Vintage Curve LAR 90+ %





# Private Banks: Vintage Curve LAR 90+ peaks at different MOB for ticket sizes <Rs 10L and Rs >10L | Gap between Vintage LAR 90+ for Rs <10L and Rs >10L loans highest at 33 MOB, Converging at 65 MOB

Private Banks: Vintage Curve LAR 90+



**UBL (Rs <10L): Peak at 7% at 33 MOB**

**Highest gap of 5.5% at 33 MOB**

**UBL (Rs >10L): Peak at 2.8% at 39 MOB**

# Suggested Guardrails for Sourcing of UBL



Score Trends should be considered instead of Point in time Scores at the time of Origination



Combined Credit Report (CCIR) should be considered to have 360 degree holistic view of Exposure being carried by a Borrower at both Personal level and Entity Level



CRIF Transactional Score (Credit Risk Score Based on bank A/c transactions) to be utilized for sourcing Unsecured Business Loan

# Case Study 1: Score Transition of Borrowers taking Small Ticket UBL in June'23 | Borrower Score deteriorated for 15.2% of borrowers compared to June'22

Jun'22 to Jun'23				
Score Transition	% Borrowers	% Increase in New Sanctioned Loans	% Increase in Borrower Exposure	% Increase in Borrower PAR 90+
Same	23.9%	48.4%	67.9%	-2.7%
Improve	15.7%	50.0%	68.6%	-5.9%
<b>Deteriorate</b>	<b>15.2%</b>	<b>76.0%</b>	<b>93.0%</b>	<b>3.8%</b>
NA	45.2%	99.3%	89.6%	-28.4%
<b>Grand Total</b>	<b>100.0%</b>	<b>68.0%</b>	<b>78.5%</b>	<b>-7.9%</b>



### Borrower Selection:

Considered borrowers availing UBL with ticket size Rs <10L in the month of June 2023



### Exposure and Risk Mapping:

For Borrowers identified from above step, Captured Risk Band, Borrower Exposure, Total loans ever disbursed, Borrower PAR 90+ as of June'23, 12 months prior to availing UBL (June'22) and 12 months post availing UBL (June'24)

1

Borrower Score deteriorated for 15.2% of borrowers availing Small Ticket UBL in June'23 compared to June'22

2

These borrowers had seen 76% increase in loans sanctioned and 93% increase in Borrower Exposure resulting in 3.8% increase in Borrower level PAR 90+ from June'22 to June'23

# Case Study 1: Borrowers with deteriorating score from June'22 to June'23 carry highest Risk as of June'24 | Highlights Criticality of Utilizing Score Trends at Origination vs Point in Time Score

## % Borrowers

JUN'22 TO JUN'23	JUN'23 TO JUN'24				Grand Total
	Same	Improve	Deteriorate	NA	
SAME	49.0%	19.3%	25.9%	5.9%	100.0%
IMPROVE	35.7%	19.4%	38.8%	6.0%	100.0%
DETERIORATE	31.2%	33.0%	28.9%	6.9%	100.0%
NA	18.4%	10.5%	20.4%	50.7%	100.0%
Grand Total	30.4%	17.4%	25.9%	26.3%	100.0%

## % Increase in Borrower Exposure

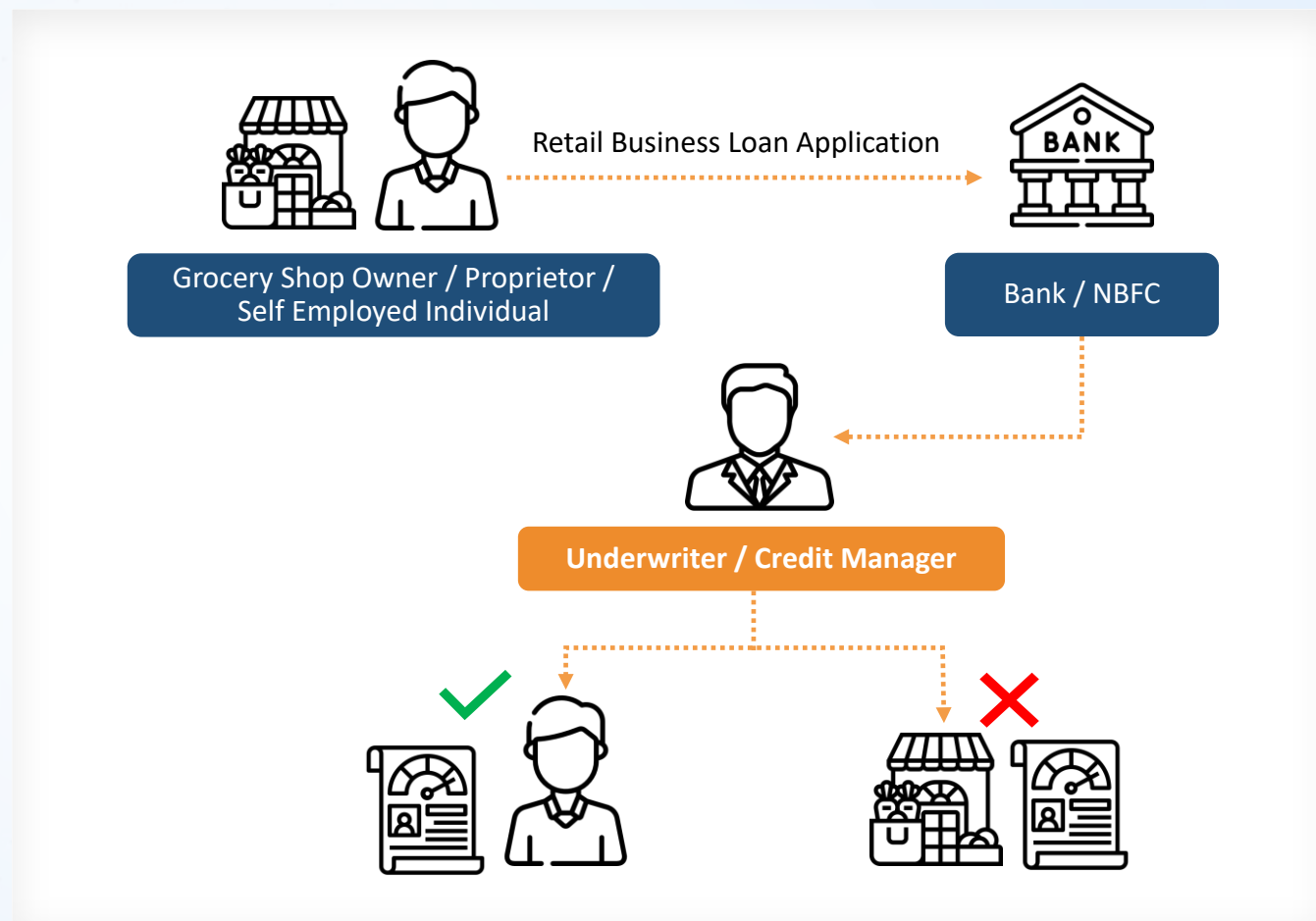
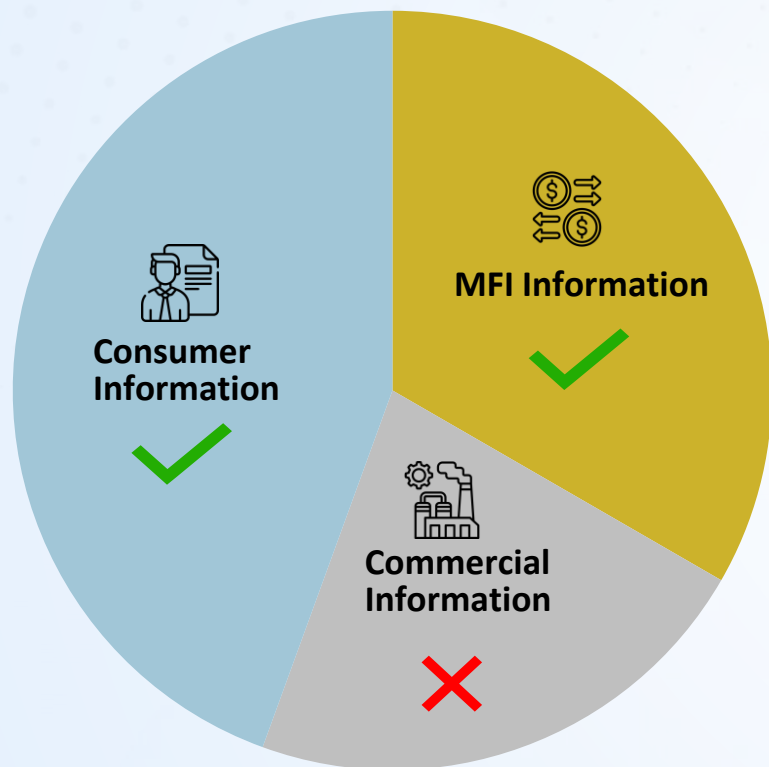
JUN'22 TO JUN'23	JUN'23 TO JUN'24				Grand Total
	Same	Improve	Deteriorate	NA	
SAME	83.7%	76.3%	126.9%	-89.3%	78.9%
IMPROVE	83.0%	96.3%	112.7%	-86.7%	83.5%
DETERIORATE	118.9%	104.5%	141.8%	-85.0%	100.8%
NA	1510.9%	1024.8%	1878.4%	-30.1%	19.7%
Grand Total	104.2%	104.8%	147.2%	-42.3%	69.8%

## % Increase in Borrower PAR 90+

JUN'23 TO JUN'23	JUN'23 TO JUN'24				Grand Total
	Same	Improve	Deteriorate	NA	
SAME	-3.2%	-4.9%	19.6%	9.4%	2.7%
IMPROVE	-8.0%	-5.5%	11.2%	4.0%	1.4%
DETERIORATE	14.5%	-0.2%	33.1%	12.8%	15.2%
NA	1.4%	-0.7%	19.8%	-43.8%	-50.7%
Grand Total	-1.5%	-3.6%	19.1%	-31.5%	-8.2%

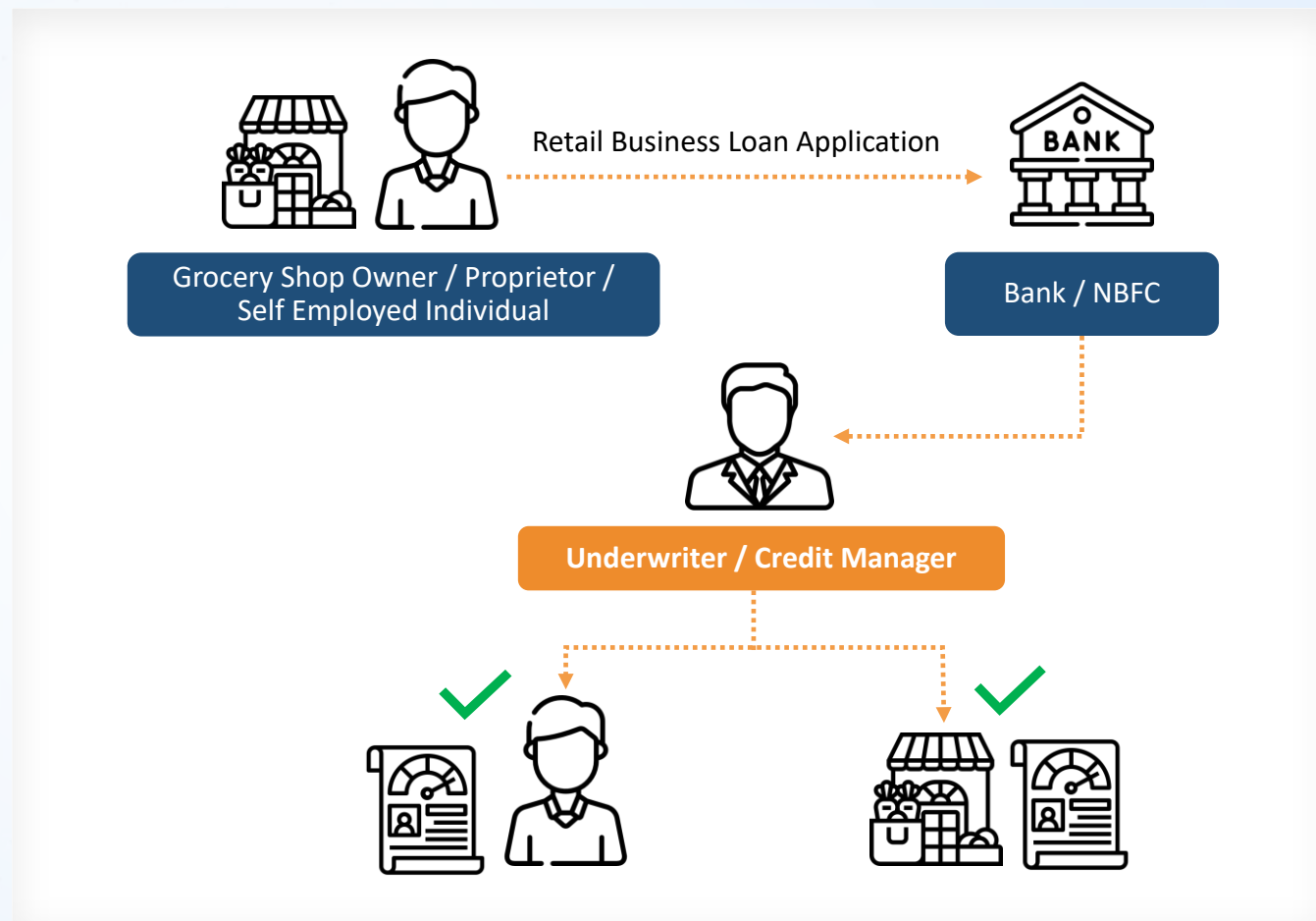
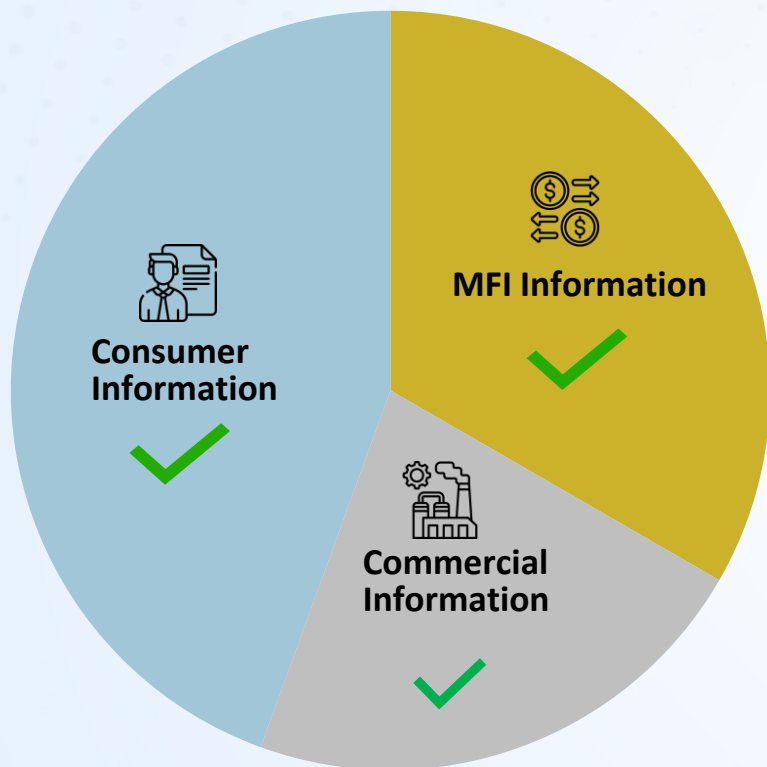
- ▶ Among 15.2% Borrowers availing Small Ticket UBL in June'23 and Score deteriorating for June'22 to June'23, score further deteriorated for 28.9% of borrowers
- ▶ These Borrowers carry highest Borrower level PAR 90+ and witnessed highest increase in Borrower level Exposure

# Case Study 2: Removing the risk of Blindspot on a Proprietor's or Business Owners Commercial Obligations and Relations with Entities



# Case Study 2: The Solution – Comprehensive Credit Report (CCIR)

360-degree information on a Proprietor’s or Business Owner’s Total Credit Exposure – covers Consumer, Retail and Commercial bureau types and enables Comprehensive Risk Assessment



# Case Study 2: Analysis of Top 20 Clients



## Base Considered

Top 20 Credit Institutions

Disbursal Period Considered:  
Consumer Disbursals from Jan'23 to Mar'23

Loans given to Self Employed Individuals / Business Owners –  
Business Loans, Loan Against Property, Commercial Vehicle  
Loans, Construction Equipment Loans

## Analysis Done

### Overlap found on Commercial Exposure:

- Relation with an Entity
- Obligation to repay in Commercial Credit Facility

Impact of related entity credit risk on personal credit risk

Impact of existing commercial delinquency on subsequent  
consumer delinquency

Delinquency definition – **15+ DPD**

## Outcome

### ▶ Industry Level Overlap – **15%**

### ▶ Individuals Related to Entities:

- Individuals with Low personal credit risk but high related entity credit risk – **23.5%**
- Individuals with subsequent delinquency on personal obligations – **7%**

### ▶ Individuals with obligation to repay in Commercial Credit Facilities:

- Individuals with existing delinquency on commercial obligations – **21%**
- Individuals with subsequent delinquency on personal obligations – **64%**



# Case Study 3: CRIF's banking analytics can help optimize approval and risk for UBL



\*Known goods & Bads : Bad rate assessment based on known goods & Bads on Business loans reported in bureau  
# Applications with approved (Self or Off us) & have Business loans performance in bureau considered for analysis



# Property Loans

Property Loans (LAP) given to self employed individuals in their individual name and reported to Consumer bureau

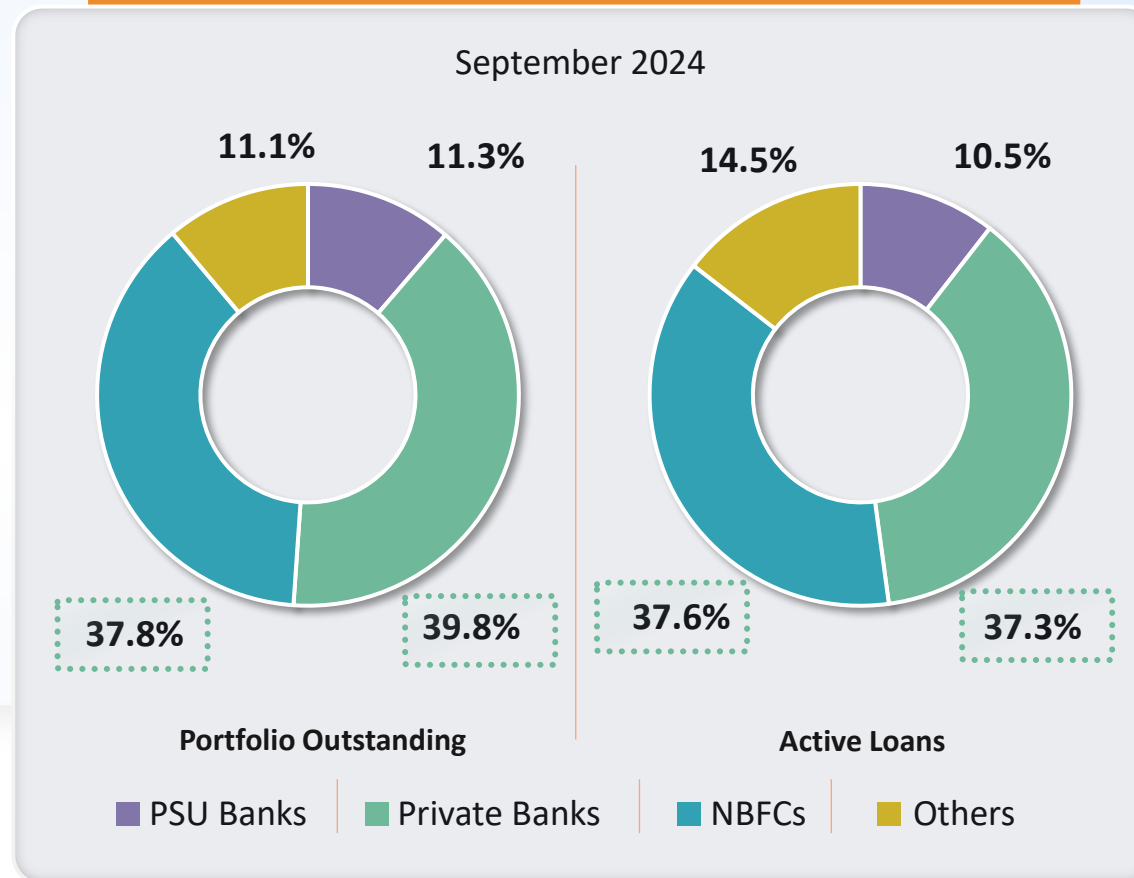


# Stable Y-o-Y Portfolio Growth with improvement in PAR 30+%

## Property Loans – Portfolio Snapshot

	Sept-22	Sept-23	Sept-24
Portfolio Outstanding (₹ L Cr)	7.5	9.2	11.3
Y-o-Y Growth%		23.6%	22.5%
Active Loans (Lakhs)	0.5	0.6	0.8
Y-o-Y Growth%		27.5%	21.8%
PAR 31-90%	3.3%	2.7%	2.8%
PAR 91-180%	1.3%	1.2%	0.8%
PAR 181-360%	0.8%	0.6%	0.5%
PAR 360+%	4.0%	3.0%	2.7%

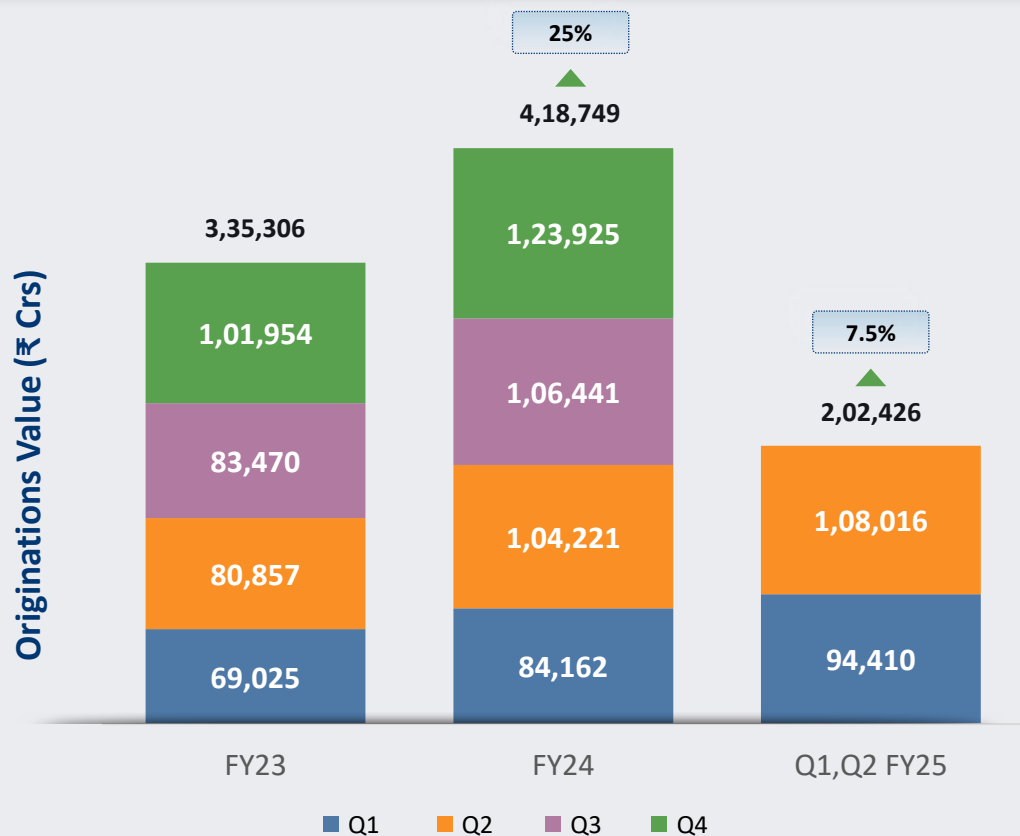
## Property Loans – Market Share



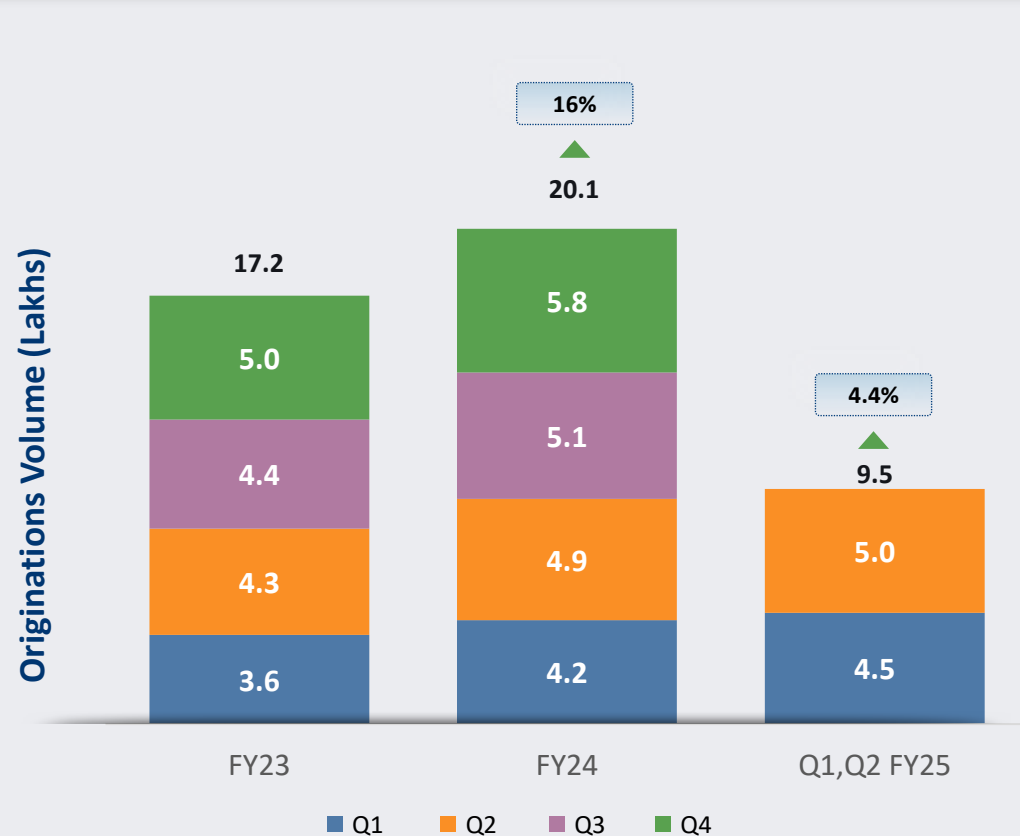
1 Dominated by Pvt Banks and NBFCs by Value and Volume

# Reduced Growth in Originations (Value and Volume) in H1FY25 over H1FY24

## Originations Value

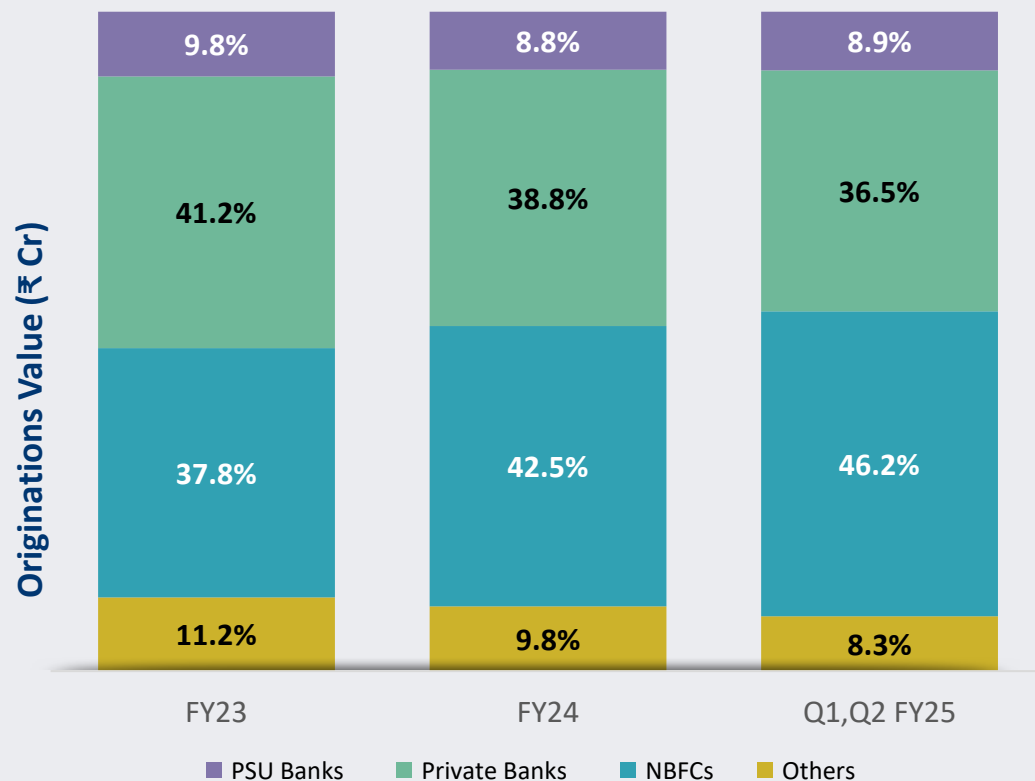


## Originations Volume

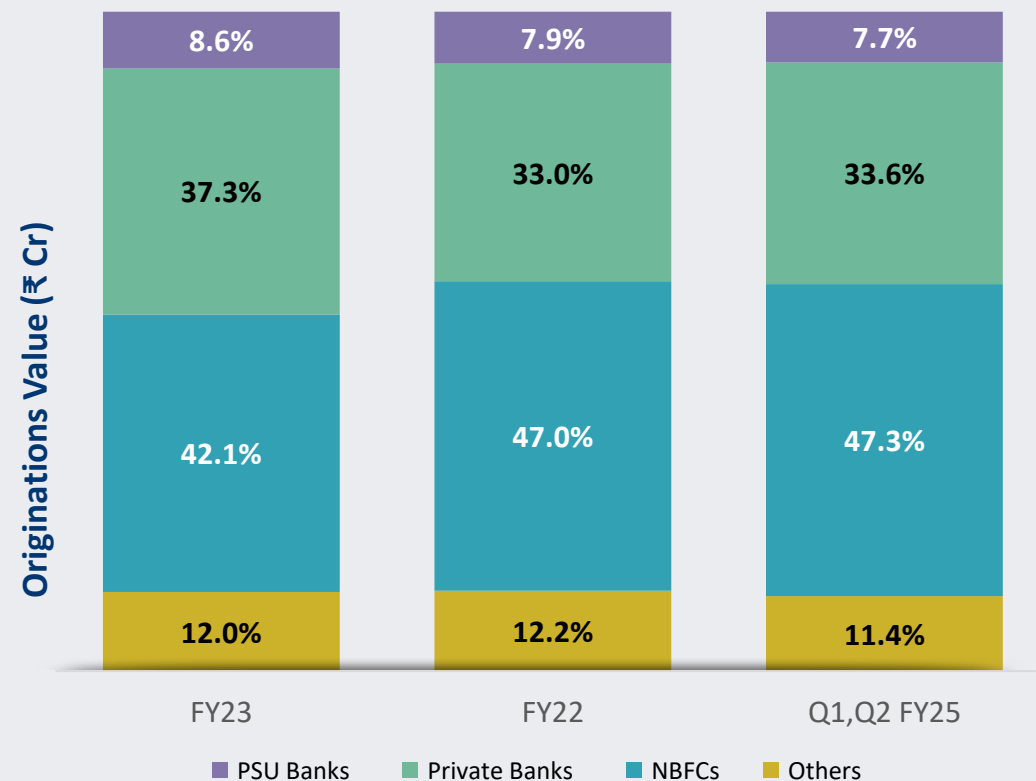


# Increase in Originations Share (Value and Volume) of NBFCs in H1FY25

## Originations Value by Lender Type

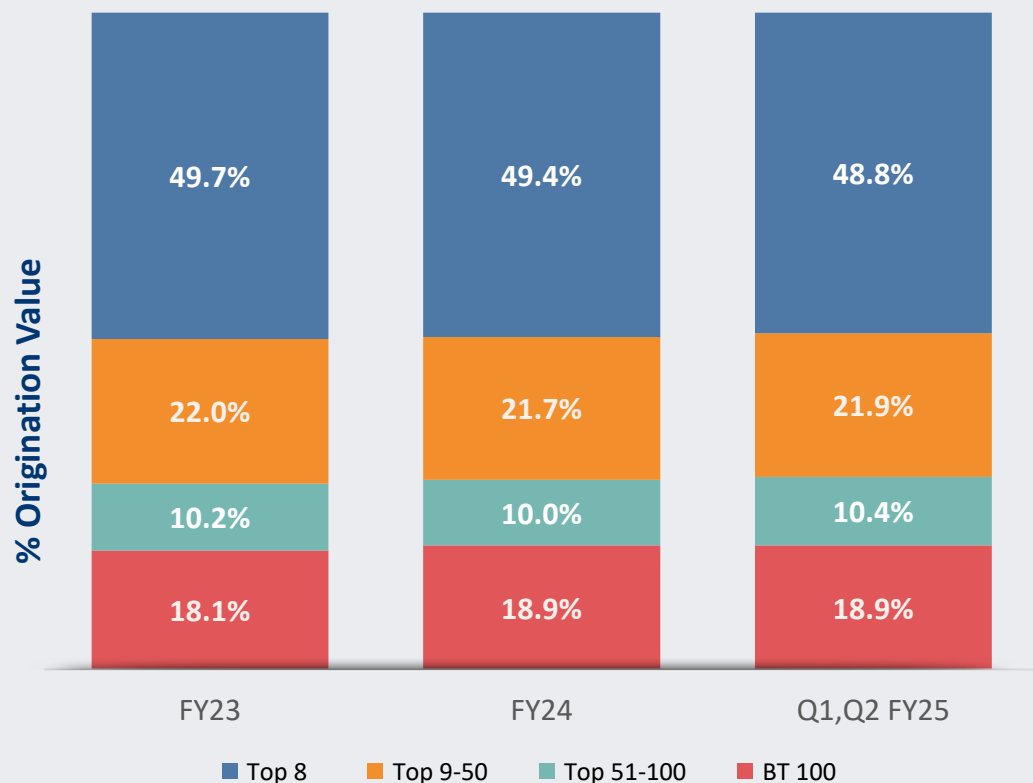


## Originations Volume by Lender Type

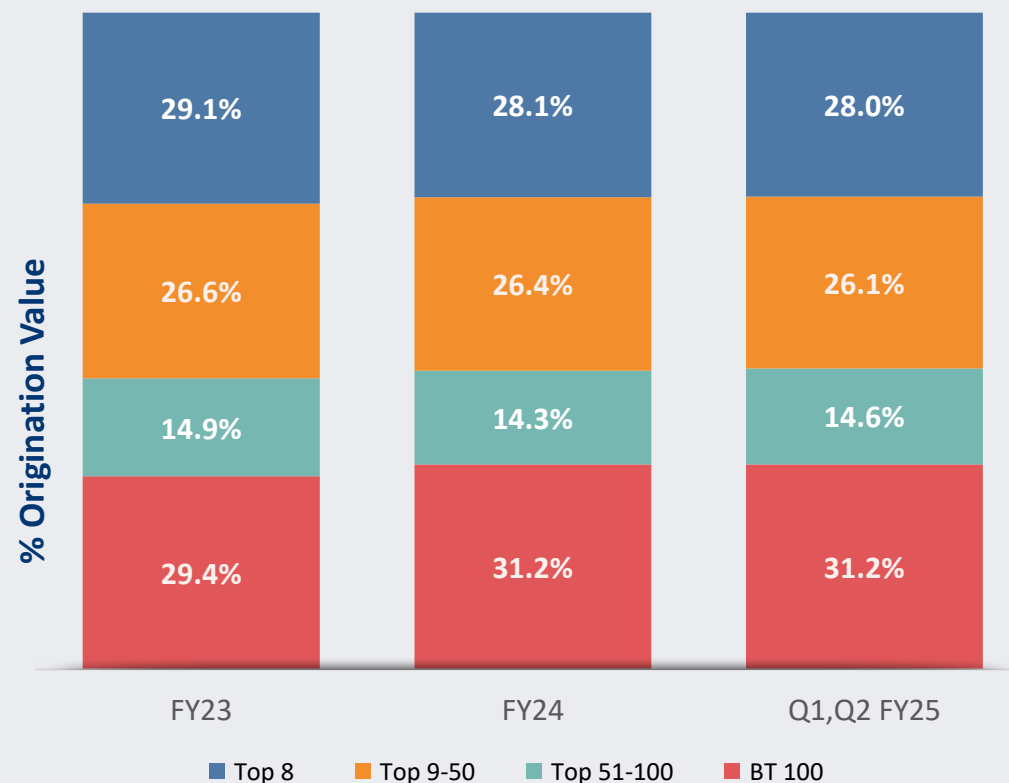


# Originations (Value) dominated by Top 8 | Originations (Volume) dominated by BT100

### Originations Value by Lender Type

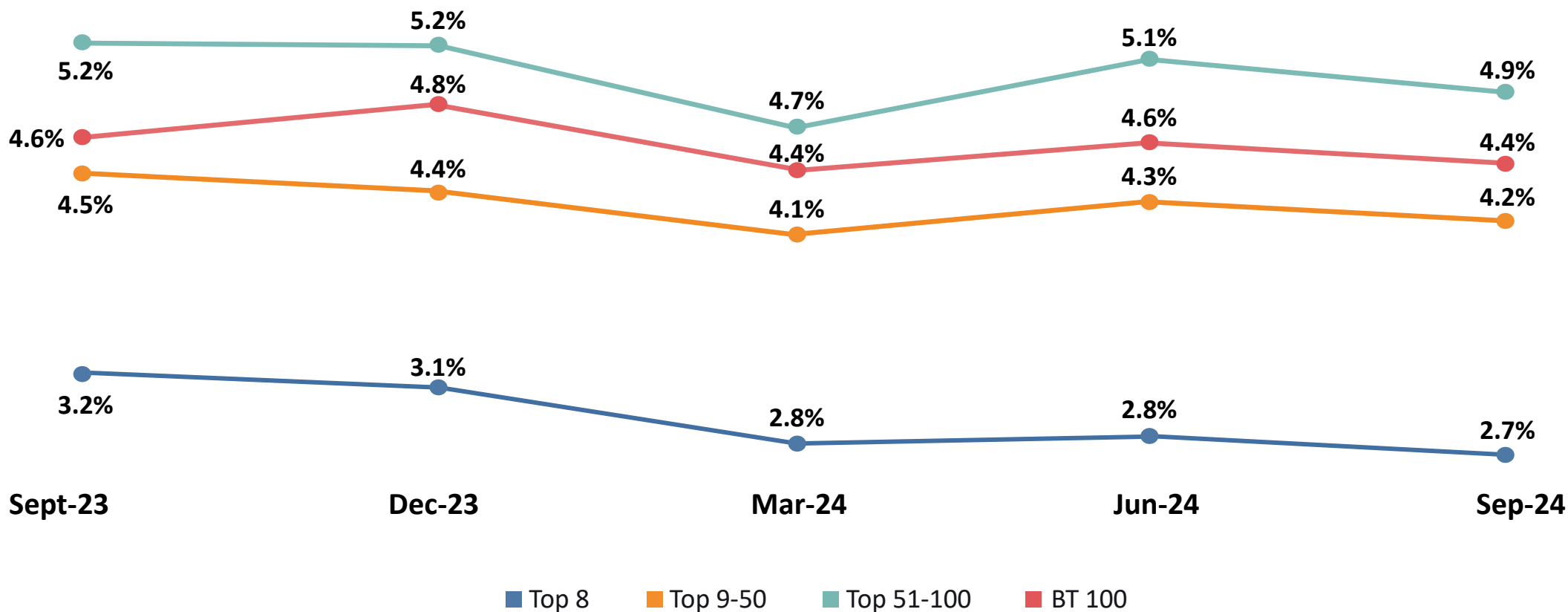


### Originations Volume by Lender Type



# Stable PAR 31-180 across Geographies after Mar'24 | Top 8 has better Delinquency compared to Industry | Delinquency range bound for Top 9-50, Top 51-100 and BT100

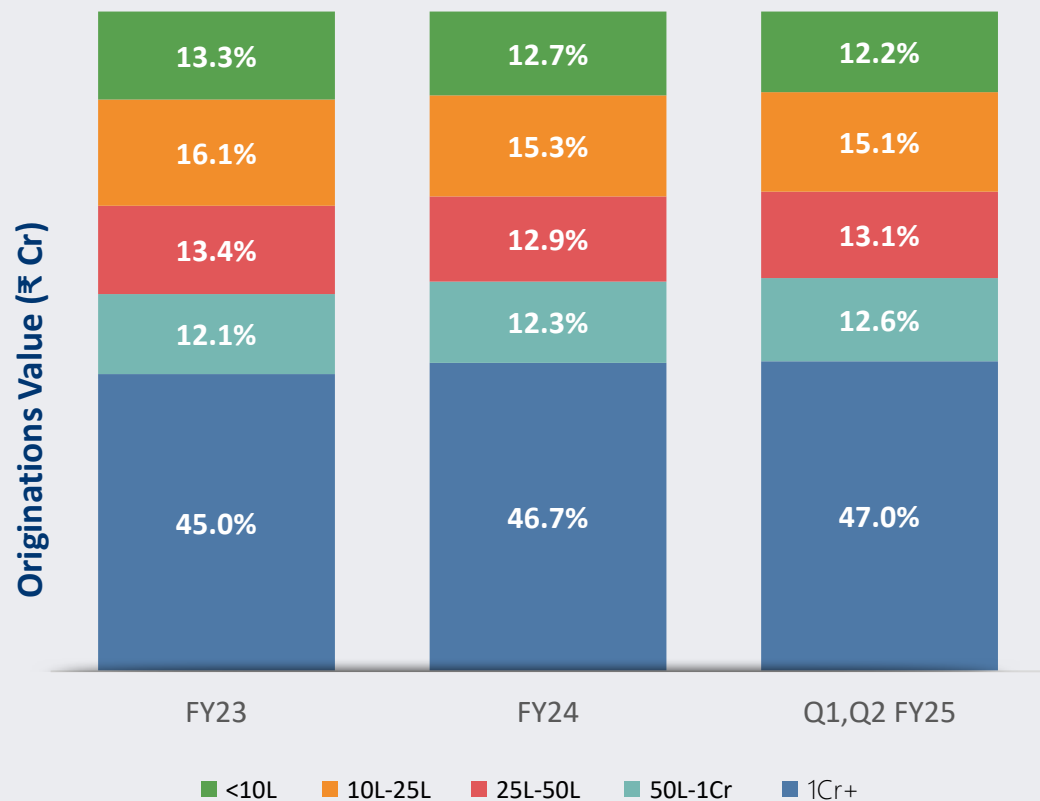
Vintage Curve LAR 90+ %



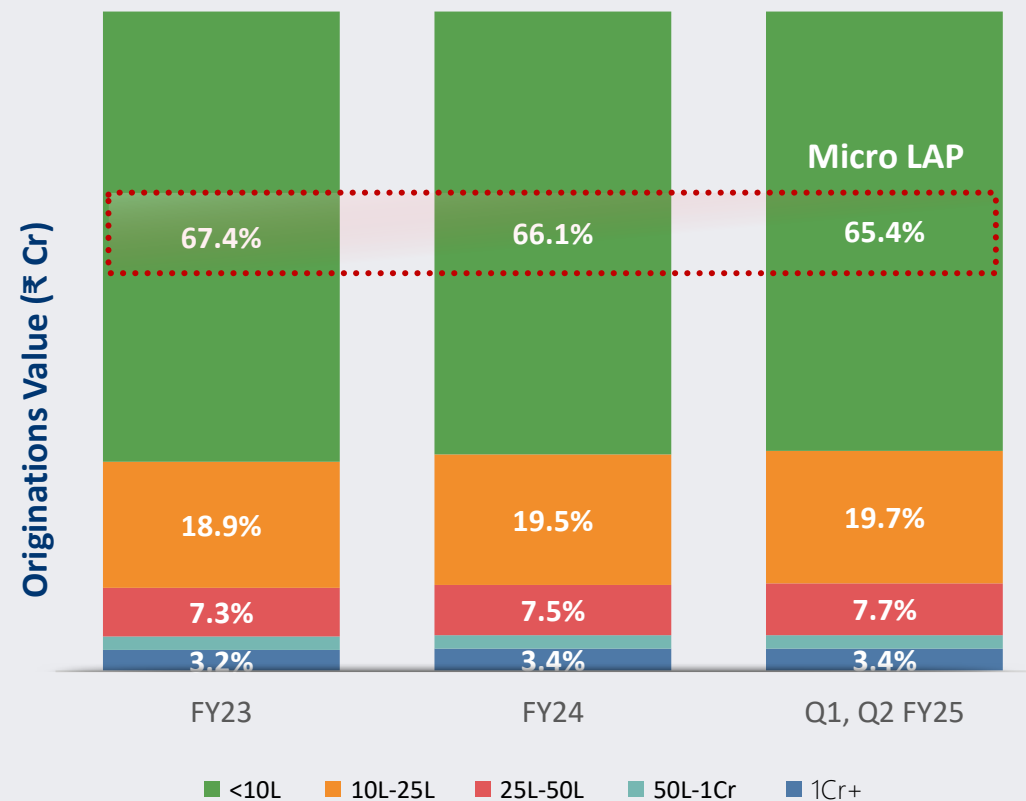


# Originations Share by Volume dominated by <Rs 10L loans

### Originations Value by Ticket Size

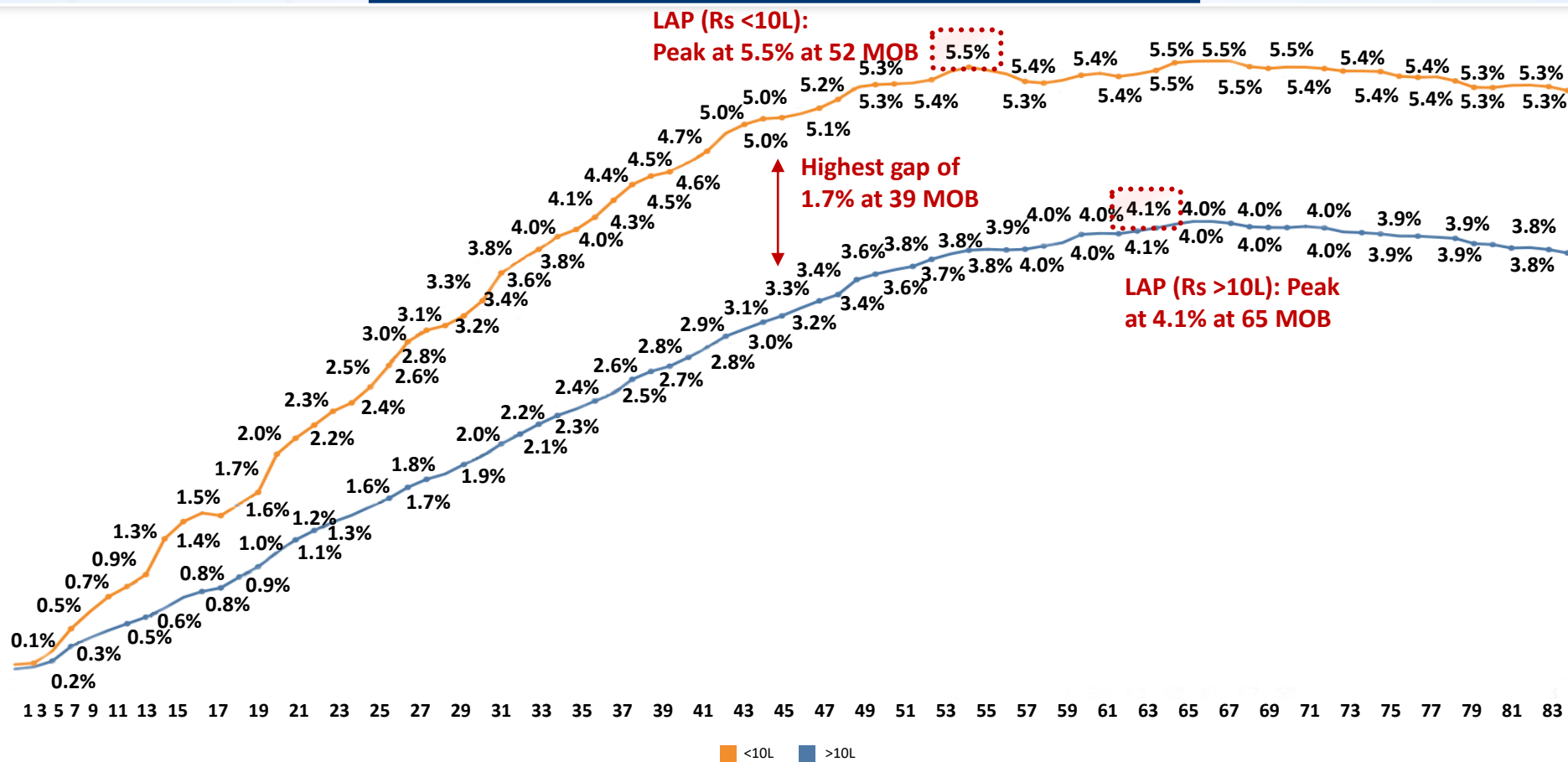


### Originations Volume by Ticket Size



# Vintage LAR 90+ peaks at different MOB for ticket sizes <Rs 10L and Rs >10L | Gap between Vintage LAR 90+ for Rs <10L and Rs >10L loans highest at 39 MOB

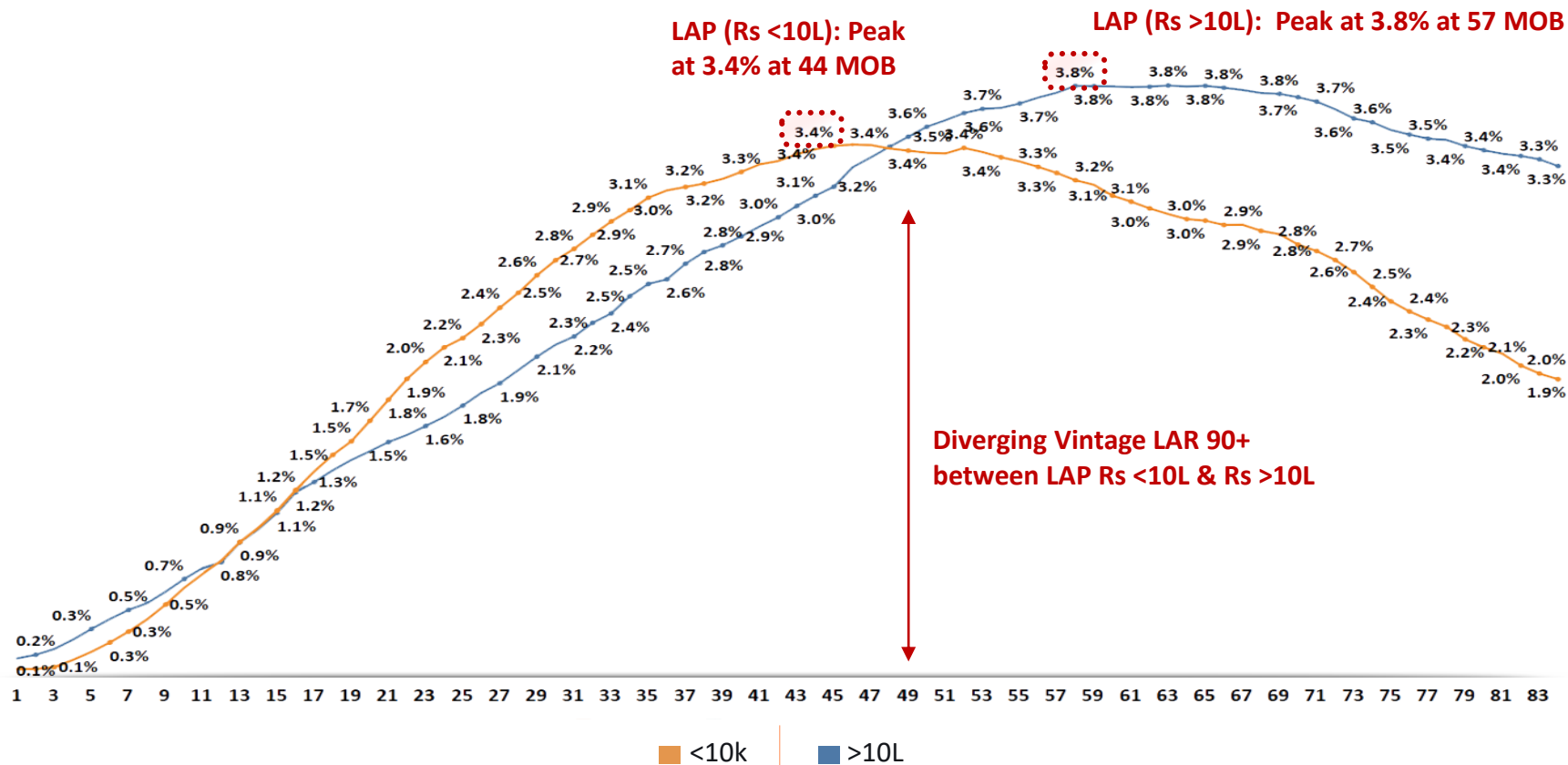
Vintage Curve LAR 90+ %





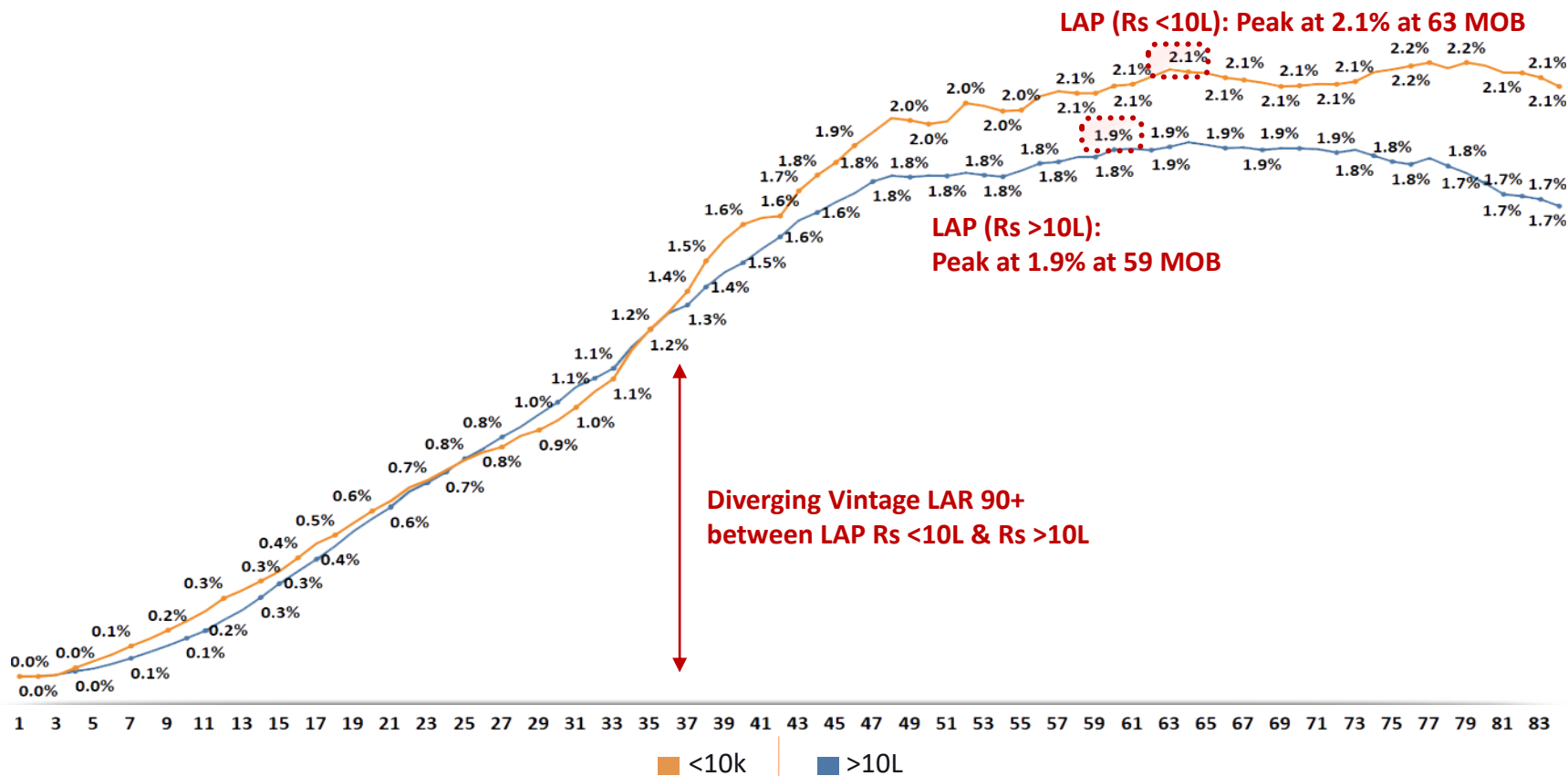
# NBFCs: Vintage LAR 90+ peaks at different MOB for ticket sizes <Rs 10L and Rs >10L | Vintage LAR 90+ Rs <10L and Rs >Rs 10L diverging from 48 MOB

## NBFCs: Vintage Curve LAR 90+ %



# Private Banks : Vintage LAR 90+ peaks at different MOBs for ticket sizes <Rs 10L and Rs >10L | Vintage LAR 90+ Rs <10L and Rs >Rs 10L diverging from 35 MOB

Private Banks: Vintage Curve LAR 90+

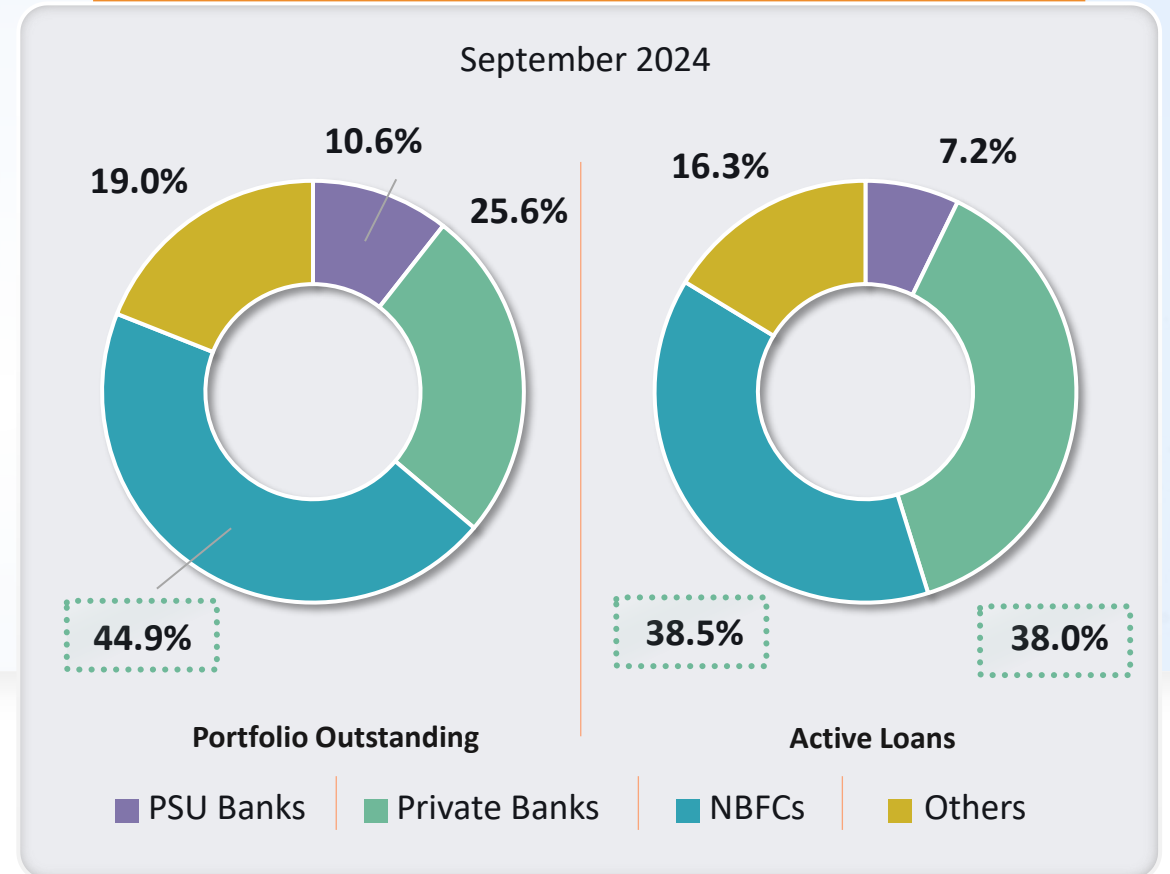


# Micro LAP (LAP with Ticket Size <Rs 10L): Stable Y-o-Y Portfolio Growth with improvement in PAR 30+%

## Micro LAP – Portfolio Snapshot

	Sept-22	Sept-23	Sept-24
Portfolio Outstanding (₹ L Cr)	1.0	1.3	1.6
Y-o-Y Growth%		28.7%	25.5%
Active Loans (Cr)	0.3	0.4	0.5
Y-o-Y Growth%		28.1%	24.4%
PAR 31-90%	3.7%	3.4%	3.9%
PAR 91-180%	2.0%	2.1%	1.7%
PAR 181-360%	1.0%	0.7%	0.7%
PAR 360+%	3.7%	3.3%	3.2%

## Micro LAP – Market Share



1 Dominated by NBFCs by Value and Volume

# Score Transition of Borrowers taking Micro LAP in June'23 |

## Borrower Score deteriorated for 16.8% of borrowers compared to June'22

Jun'23 to Jun'23				
Score Transition	% Borrowers	% Increase in New Sanctioned Loans	% Increase in Borrower Exposure	% Increase in Borrower PAR 90+
Same	29.1%	34.6%	138.8%	-2.0%
Improve	15.6%	37.2%	126.0%	-4.6%
<b>Deteriorate</b>	<b>16.8%</b>	<b>52.3%</b>	<b>155.6%</b>	<b>3.4%</b>
NA	38.5%	59.5%	211.3%	-56.5%
<b>Grand Total</b>	<b>100.0%</b>	<b>44.0%</b>	<b>157.0%</b>	<b>-13.4%</b>



### ▶ Borrower Selection:

Considered borrowers availing LAP with ticket size Rs <10L in the month of June 2023



### ▶ Exposure and Risk Mapping:

For Borrowers identified from above step, Captured Risk Band, Borrower Exposure, Total loans ever disbursed, Borrower PAR 90+ as of June'23, 12 months prior to availing LAP (June'22) and 12 months post availing LAP (June'24)

1

Borrower Score deteriorated for 16.8% of borrowers availing LAP in June'23 compared to June'22

2

These borrowers had seen 52% increase in loans sanctioned and 155% increase in Borrower Exposure resulting in 3.4% increase in Borrower level PAR 90+ from June'22 to June'23

# Borrowers with deteriorating score from June'22 to June'23 carry highest Risk as of June'24 | Highlights Criticality of Utilizing Score Trends at Origination vs Point in Time Score

## % Borrowers

JUN'22 TO JUN'23	JUN'23 TO JUN'24				Grand Total
	Same	Improve	Deteriorate	NA	
SAME	62.4%	15.9%	18.1%	3.7%	100.0%
IMPROVE	39.5%	22.8%	33.0%	4.6%	100.0%
<b>DETERIORATE</b>	24.1%	54.6%	<b>17.3%</b>	4.0%	100.0%
NA	10.3%	11.0%	7.7%	70.9%	100.0%
Grand Total	32.4%	21.6%	16.3%	29.7%	100.0%

## % Increase in Borrower Exposure

JUN'22 TO JUN'23	JUN'23 TO JUN'24				Grand Total
	Same	Improve	Deteriorate	NA	
SAME	151.3%	127.4%	176.4%	-82.6%	140.3%
IMPROVE	149.3%	150.9%	143.4%	-74.9%	133.8%
<b>DETERIORATE</b>	155.7%	163.6%	<b>190.1%</b>	-83.5%	151.2%
NA	2169.7%	1536.5%	2158.1%	75.9%	142.1%
Grand Total	165.0%	182.8%	188.4%	52.2%	141.6%

## % Increase in Borrower PAR 90+

JUN'22 TO JUN'23	JUN'23 TO JUN'24				Grand Total
	Same	Improve	Deteriorate	NA	
SAME	-1.8%	-4.0%	8.2%	8.1%	-0.8%
IMPROVE	-4.0%	-11.3%	7.4%	-6.9%	-1.8%
<b>DETERIORATE</b>	10.0%	0.8%	<b>19.9%</b>	17.8%	5.8%
NA	1.7%	-0.2%	13.5%	-79.2%	-77.7%
Grand Total	-1.1%	-3.4%	9.8%	-68.0%	-18.1%

- ▶ Among 16.8% Borrowers availing Micro LAP in June'23 and Score deteriorating for June'22 to June'23, score further deteriorated for 17.3% of borrowers
- ▶ These Borrowers whose score deteriorated from June'22 to June'23, carry highest Borrower level PAR 90+ and witnessed highest increase in Borrower level Exposure

# 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 anti-fraud services. It is India's first full service credit information bureau which provides comprehensive information solutions for all borrower segments – MSME and Commercial borrowers, Retail consumers, 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.

## Disclaimer

This report contains only aggregate level information. It does not contain any Credit Information and shall not be construed as Credit Information Report or part thereof. The analysis in this report is based on Credit Information in CRIF High Mark's database. The results are NOT to be construed or used as a "legal description". CRIF High Mark strives to keep its data accurate and up to date but does not guarantee its accuracy. CRIF High Mark does not assume any liability for any errors, omissions, or inaccuracies in the data provided regardless of the cause of such or for any decision made, action taken, or action not taken by the user in reliance upon any data provided herein. The contents of the report shall not be reproduced in part or whole without permission from CRIF High Mark Credit Information Services Pvt. Ltd. The opinions expressed herein are those of the author. Its contents, therefore, do not represent any commitment between CRIF High Mark and the recipient(s) and no liability or responsibility is accepted by CRIF High Mark for the content herein.

# About CRIF Solutions

CRIF Solutions India is a leader in delivering data-driven insights and cutting-edge technology to businesses across Banking, Financial Services, Insurance, and Telecom sectors. With a center of excellence in Pune, we provide a comprehensive range of services that include Analytics & Scoring Services, Business Information Reports, Digital Solutions, and ESG Assessments. Our advanced Decision Solutions, such as Loan Origination Systems and Decision Rule Engines, help businesses make informed, efficient decisions throughout the customer lifecycle.

By combining local expertise with global best practices, CRIF Solutions empowers organizations to optimize operations, manage risks, and drive sustainable growth, making us a trusted partner for businesses seeking to stay ahead in a dynamic market.



# About DLAI



DLAI is a national-level premier industry association of fintech firms which has over 100 members, established in October 2016. Incorporated as section 8, not-for-profit company duly registered with Ministry of Corporate Affairs, Government of India, its registered office is in Bengaluru, Karnataka.

DLAI is committed to foster a regulatory compliant, pro-innovation, market friendly sustainable fintech ecosystem in India with strong focus on client protection and promoting stakeholders' interests. DLAI adheres to the highest standards of corporate governance.

Of its total board strength, over 40% are independent directors and the Chairman of the board is an independent director.

DLAI is committed to represent voice of the sector to appropriate offices and platforms with an equally strong focus on consumer protection, and responsible innovations in the fintech space. DLAI represents a diverse set of financial institutions in fintech space - both non-regulated and regulated entities (Platform Lenders, LSPs, Payment firms, fintech firms, Digital Lenders (NBFCs), Technology Service Providers (TSPs) etc.). At present DLAI has more than 100 active members out of which over 90% are digital financial services providers and others being consulting and other ecosystem enabler institutions. DLAI members voluntarily adhere to Industry Code of Conduct and RBI regulations applicable to their respective business modes.

The primary objective of DLAI is to strengthen the fintech ecosystem in India and establish ethical and transparent customer engagement practices within the FinTech space. By developing and promoting an Industry Code of Conduct (COC), DLAI ensure that its members adhere to the highest standards of customer service, data privacy, fair lending practices etc. This commitment to responsible lending is instrumental in building trust among consumers and regulators alike.

DLAI actively engages with external stakeholders like policymakers, regulatory bodies, actors of civil society, customers of FinTech Services etc. to obtain and provide insights and recommendations that contribute to the formulation of policies which are conducive to the growth of digital lending while safeguarding the interests of borrowers. This collaborative approach helps in creating an environment that balances innovation with regulatory compliance, fostering a sustainable and inclusive financial ecosystem.

DLAI also serves as an educational hub which organizes workshops, seminars, and conferences to disseminate knowledge and insights about fintech trends, technologies, and regulatory developments. This emphasis on continuous learning not only benefits DLAI members but also contributes to the overall advancement of the digital lending sector in India.

As fintech continues to evolve, DLAI remains at the forefront of shaping the industry's development and represents customer centric and industry views. DLAI's commitment to fostering responsible lending practices, advocating for regulatory clarity, and promoting collaboration positions it as a key player in driving the positive transformation of India's digital lending landscape. In essence, DLAI serves as a cornerstone for the industry, championing ethical conduct, innovation, and inclusivity in the rapidly expanding domain of fintech in India.



# Analytical Contacts

## Srikanth Goli

Vice President, Research & Insights  
[srikant.goli@crifhighmark.com](mailto:srikant.goli@crifhighmark.com)

## Jayesh Mhatre

Sr Manager, Research & Insights  
[jayesh.mhatre@crifhighmark.com](mailto:jayesh.mhatre@crifhighmark.com)

Reach us at  
[research@crifhighmark.com](mailto:research@crifhighmark.com)  
[contact@dlai.in](mailto:contact@dlai.in)  
**for any queries**

[www.crifhighmark.com](http://www.crifhighmark.com)

Stay updated with Insights,  
follow us on



Thank You

