

FinTech Compass

JULY 2025

Research Report by **TransUnion CIBIL**.



Foreword

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The FinTech sector has played a pivotal role in shaping the financial landscape of India by offering a faster and easier mode of credit delivery through digital technology and innovation. This has made credit accessible to consumers across demographic, geographical, and socio-economic segments, thereby helping expand the scope of financial inclusion. Now at the cusp of its next evolution, the FinTech sector is geared to add incremental value by triggering financial inclusion across various segments.

In order to sustain this growth, it is essential for the FinTech sector to diversify its product portfolio. By wielding the power of information, insights, and solutions, FinTechs can offer the right value to consumers and businesses while remaining well-aligned with emerging compliance and legal guidelines. By leveraging data and analytics, FinTechs can offer customized financial products, which can further drive financial inclusion and help in portfolio diversification.

“FinTech Compass” reinforces TransUnion CIBIL’s commitment to assist our members with contemporary and sharp insights on the FinTech lending landscape. We hope you find these insights useful.

We look forward to supporting you in sustained business growth while helping create economic opportunity, great experiences, and personal empowerment for millions of people and businesses in India.



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Methodology to define FinTech Lenders

This research analyzes the on-book lending over the last 3 years for a cohort of over 140+ NBFC credit institutions who have a 'digital first' approach to their business and operations hereinafter collectively referred to as 'FinTechs'

Disclaimer

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Executive Summary

This report by TransUnion CIBIL, explores the dynamic landscape of FinTech lenders in the evolving macro economic environment, characterized by their innovation, agility, and speed of delivery, driven by advancement in technology.

Portfolio Snapshot - As of March 2025, the outstanding balance for FinTech stood at INR 1.3 trillion, showing a 23% year-on-year growth. Their contribution make up 1% of the total balances in the industry.

Product Preference - FinTech dominates the small ticket personal loan (STPL - ticket size less than INR 50,000) space contributing to 86% of industry originations. Off the total FinTech originations, 91% were of small ticket personal loans. Loan against property and lower ticket business loans have seen a rise showing that FinTech lenders are also diversifying into other products to meet consumer demands.

Profile of Personal Loan Consumers - To analyse this, we have studied demographic trends including change in lending preferences -

- FinTech lenders are attracting younger and rural consumers, thus promoting financial inclusion.
- FinTechs have reduced average loan amounts across risk tiers - for above prime consumers, the average ticket size reduced to INR 47,000 in March 2025 quarter from INR 57,000 in March 2024 quarter.
- For Non-STPL, share of repeat consumers has increased. The repeat consumer segment has also witnessed a marginal elevation in early delinquencies for recent originations, underscoring the need for a comprehensive view of consumers for enhanced underwriting.

Credit Performance - Recent STPL originations have shown improved early delinquency rates. The rise in overall 90+ delinquencies witnessed amongst non-STPL and newer products of Business loan and Loan against Property, suggests a need for focus on risk management to maintain growth.

Opportunities for Product Diversification - An analysis on a cohort of FinTech consumers revealed that top products availed by these consumers were personal loans, consumer durable loans, business loans and loans against property. Although FinTechs have forayed into these product segments, consumer loyalty towards FinTech remain low other than for STPL.

FinTech refers to NBFC as defined in the methodology on the table of contents page



FinTech Landscape



Section Highlights - FinTech Landscape

The **FinTech sector has experienced a steady increase in its market share** within the retail lending ecosystem, with 8% of all retail consumers actively engaging with FinTechs by March 2025. This growth is further accentuated by FinTechs' foraying into secured products. Share of balances for business loans and loan against property (LAP) increased by 2% and 1% respectively in March 2025 compared to their share in March 2023. This shift indicates a strategic move by FinTechs to expand their product offerings to cater to a broader range of financial needs.

There is a noticeable **shift in product mix in credit supply by FinTech**. 17% of industry originations in business loans in quarter ending March 2025 were by FinTechs. FinTechs are steadily increasing their share in property loans as well. Despite growth in secured product offerings, 91% of FinTech originations continue to be towards STPL.

Vintage delinquencies (measured as accounts ever in 30 days past due in 6 months since origination) for recent acquisitions of STPL improved while they deteriorated for business loans. The increase in overall balance-level 90+ delinquencies highlights the **need for more rigorous portfolio risk monitoring** to ensure sustainable growth. Additionally, roll rate trends indicate a higher roll forward rate for STPL and consumer durable loans in the early buckets. This underscores the importance of effective collection strategies to manage and mitigate risks associated with these product categories.

In the rapidly evolving financial landscape, FinTech lenders face increasing competition and changing consumer preferences. An analysis on new loans availed by FinTech consumers revealed consumer durable loans, business loans and loan against property to be top 3 products after personal loans. This trend offers FinTechs an opportunity to expand their market share by aligning with consumer preferences and enhancing their offerings.

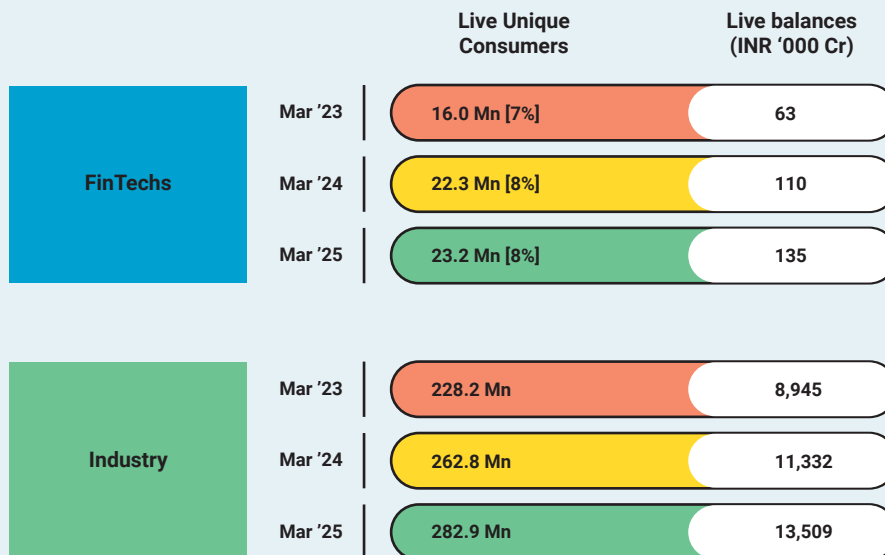
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There has been a steady growth in FinTech market share in the retail lending ecosystem

with 8% of the total live consumers in the Industry being live with FinTechs as of March 2025

FinTech Landscape

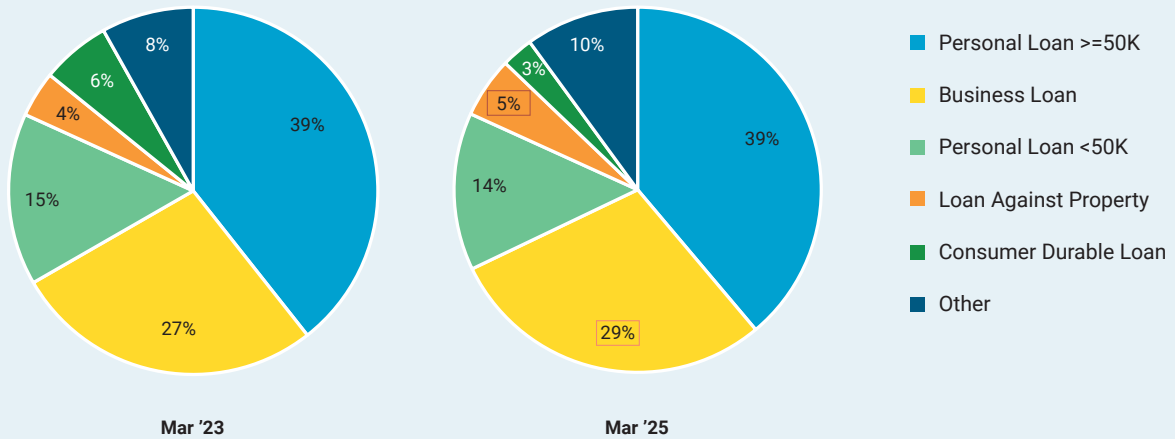


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FinTechs' readiness to foray into new products has been the key driver to their balance growth

Balance Growth

Balance Share by Product



*Others include P2P Personal Loans, Two-wheeler loans, Education Loans, Auto Loans, Housing Loans, etc.

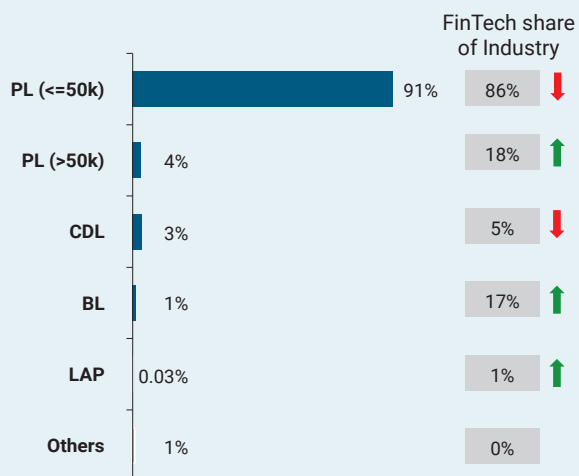
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Despite balance growth in new products, personal loans with sanction amount < INR 50,000 continue to be the primary focus

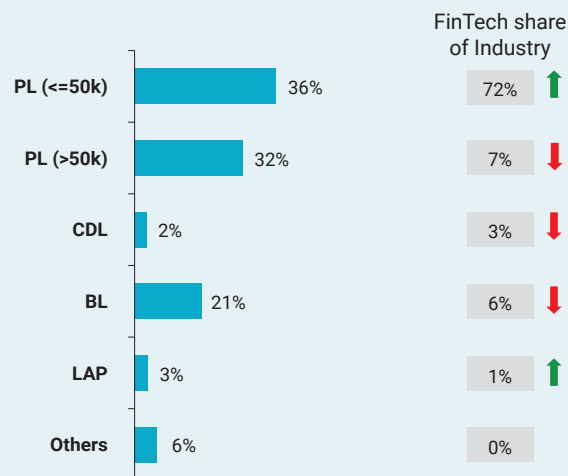
Supply

YoY Increase/Decrease in FinTech share of Industry ↑ ↓

Share of Originations by Volume
(quarter ending Mar '25)



Share of Originations by Value
(quarter ending Mar '25)



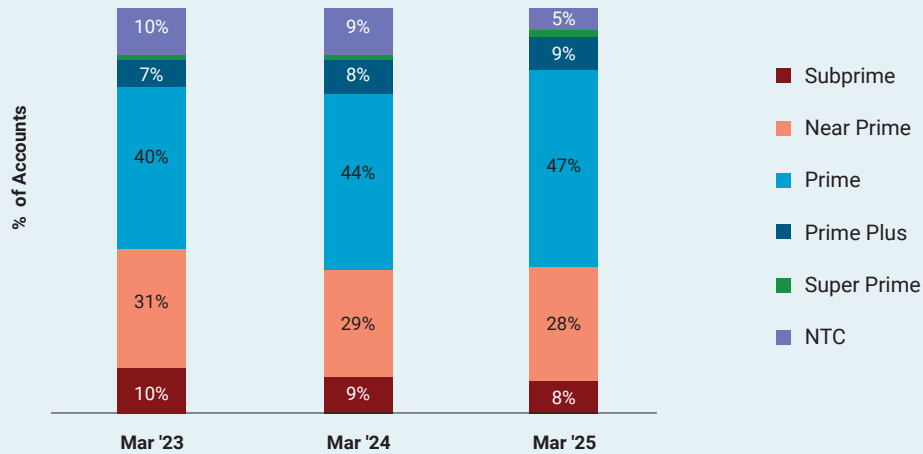
*Others include P2P Personal Loans, Two-wheeler loans, Education Loans, Auto Loans, Housing Loans, etc.

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FinTech lenders are increasingly targeting existing to credit consumers, with a focus on prime and above segments

Supply

Share of Origination Volume by Risk Band (quarter ending)



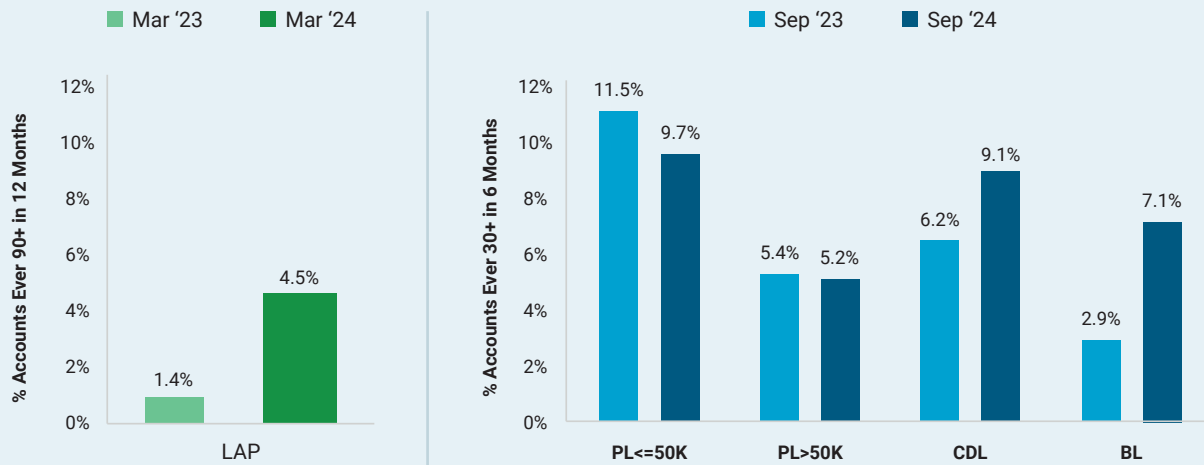
Based on Personal Loan, Business Loan, Consumer Durable Loan and Loan Against Property data reported to TransUnion CIBIL's consumer bureau database. CreditVision (CV) score ranges are: Subprime = 300-680; Near prime = 681-730; Prime = 731-770; Prime plus = 771-790; Super prime = 791-900

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Early delinquencies have decreased for personal loans but have seen a rise for other products

Credit Performance

Vintage Delinquency by Accounts (Originations for Quarter Ending Period)



Vintage delinquency is calculated as % of accounts ever 30+dpd and 90+dpd respectively in 6 and 12 months from origination. Origination of Jul-Sep period was measured in Jan-Mar period for Ever 30+ in 6 months and origination of Jan-Mar period was measured in next Jan-Mar period for Ever 90+ in 12 months.

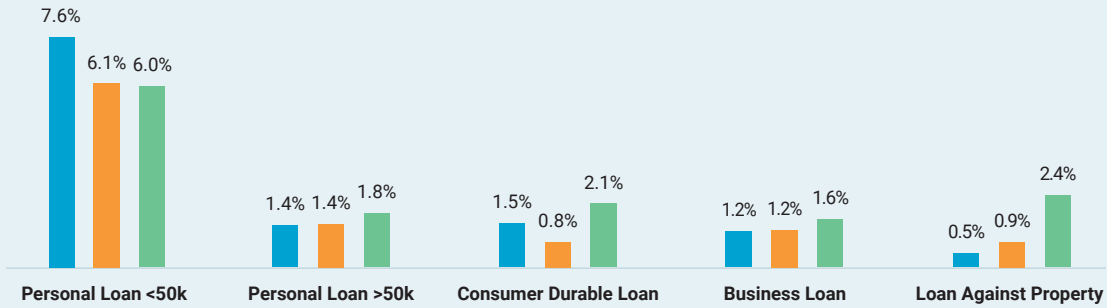
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Increase in balance level delinquencies especially for Non-STPL products indicates a need for closer portfolio risk management for sustainable growth

Credit Performance

Balance level 90+ Delinquency by Product Type

■ Mar '23 ■ Mar '24 ■ Mar '25



90+ delinquency rate is measured as percentage of balances 90 to 179 days past due for personal loans, consumer durable loans and business loans; 90+ delinquency rate is measured as percentage of balances 90 to 719 days past due for loan against property.

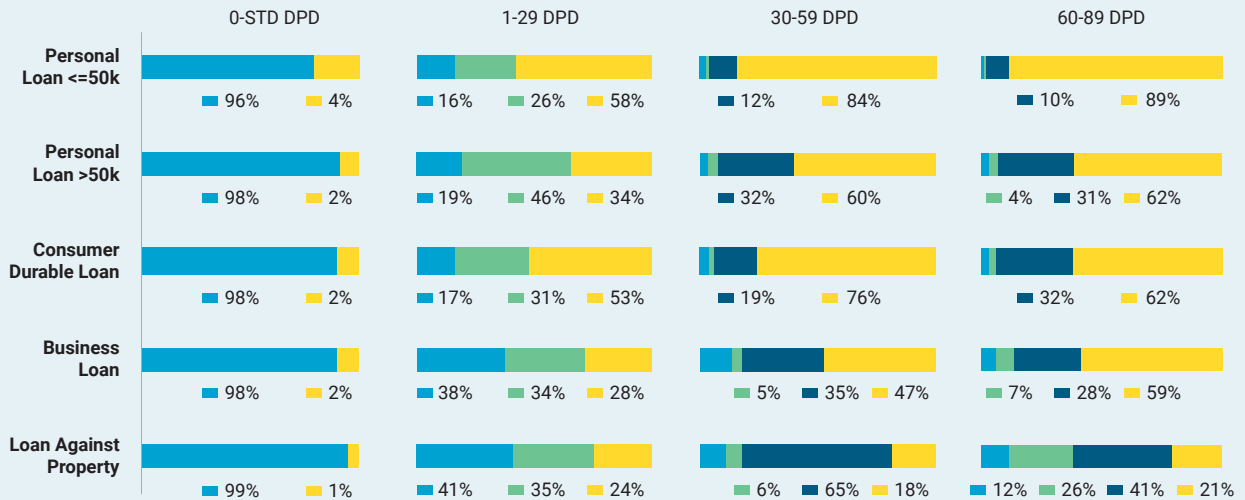
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Bucket roll forward rates for STPL and consumer durable loans are high, highlighting the need for prompt intervention to prevent flow to delinquencies

Credit Performance

Roll Rates (Balances) for Mar '25

Cure Roll Back Stabilize Roll Forward



Cure Rate is the percentage of accounts in 1+ DPD in the previous month, which normalized to 0 DPD in the current month.

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We looked at FinTech consumer preferences, focusing on new loans opened to understand the opportunity for product diversification

Opportunity for Product Diversification

Methodology: We looked at cohort of consumers who had at least 1 live loan with a FinTech as of December 2023. For these consumers, we looked at new loan originations in the next 6 months to identify top products availed and who disbursed these loans.

Base: Live FinTech consumers as of Dec '23

20.2 Mn

Number of consumers availed a loan between Jan '24 and Jun '24

9.8 Mn

Corresponding Sanctioned Amount

INR 3.6 Lakh Cr

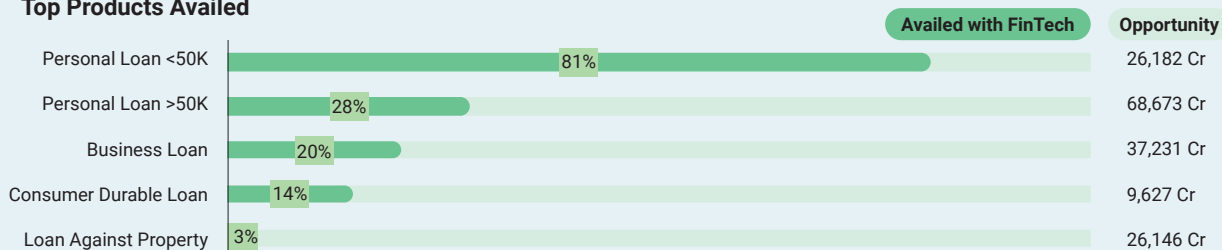
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Personal Loan > INR 50,000, BL, CDL and LAP present opportunity for Fintechs for foraying into newer segments to meet consumer preferences

Opportunity for Product Diversification

New loans sanctioned (INR Cr) by top product types

Top Products Availed



Emerging Products



Note: Products showcased comprise 87% of the total sanctioned amount of the new loans availed by FinTech consumers that were live as on Dec '23

FinTech refers to NBFC as defined in the methodology on the table of contents page

Understanding the profile of personal loan consumers



Section Highlights – Profile of Personal Loan Consumer

As seen in the previous section, a majority of FinTech lenders continue to provide personal loans. Therefore, understanding personal loan consumer profiles is crucial for lenders as it provides insights into the demographics, behaviors, and financial needs of consumers. By analyzing these profiles, lenders can refine their acquisition strategies, be it for offering tailored products to meet the specific needs of different consumer segments, enhancing consumer satisfaction, or improving risk management.

This section highlights following key insights: FinTechs **attract younger consumers and penetrate rural areas**, promoting financial inclusion by providing credit access to these segments. FinTechs lenders have witnessed a steady increase in share of prime and above consumers in originations, indicating improved credit profiles

Non-FinTech lenders have increased average loan amount disbursed for above prime consumers. Meanwhile, **FinTechs have witnessed a decrease in average loan amount across risk tiers**. In fact, even for the above prime consumers the average ticket size for quarter ending March 2025 originations was below INR 50,000

When examining FinTech personal loan originations for ticket size higher than INR 50,000, there has been an **increase in share of consumers who have had prior loans with the same lender**. Vintage delinquencies (measured as accounts ever in 30 days past due in 6 months since origination) among consumers in this segment have witnessed a marginal increase of 8 basis points for the quarter ending September 2024 originations compared to same period previous year, while other consumer segments have shown improved performance

CreditVision (CV) score ranges are: Below Prime = 300–730; Prime = 731–770; Above Prime = 771–900. FinTech refers to NBFC as defined in the methodology on the table of contents page

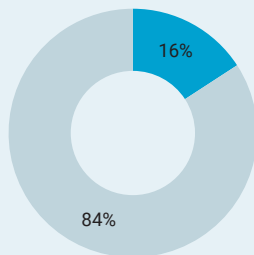


FinTech personal loan consumers are younger and from deeper geographies, underscoring FinTechs' role in financial inclusion

Personal Loans

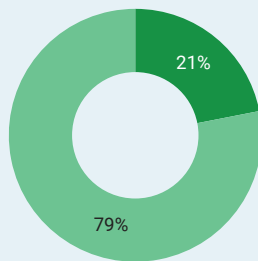
Originations for Quarter Ending Mar '25

FinTech Consumer Distribution by Gender



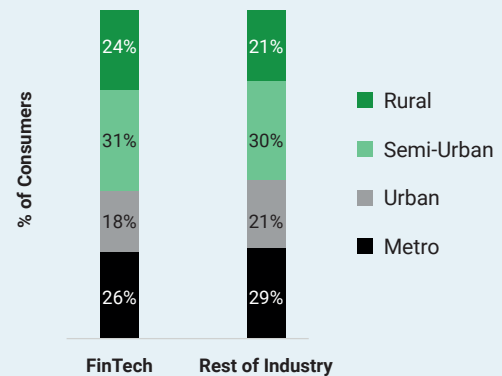
Female Male

Rest of Industry Consumer Distribution by Gender

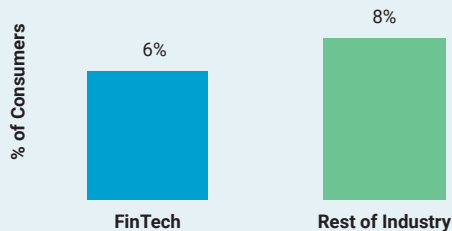


Female Male

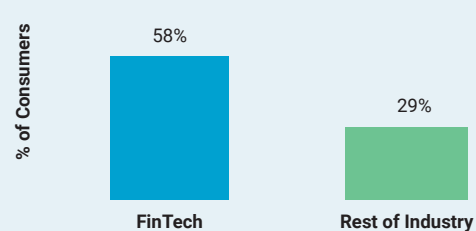
Consumer Distribution by Geography



NTC Consumer Share



Young Consumers (<30 Years) Share



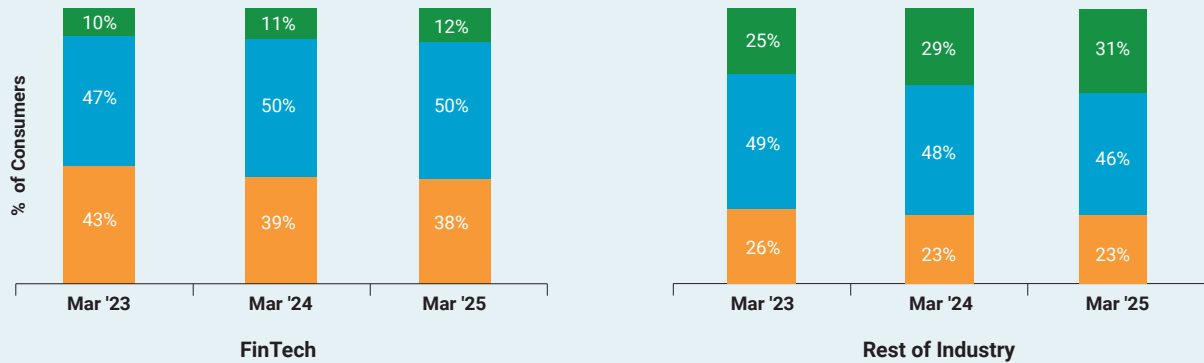
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Share of prime and above consumers has steadily increased in origination for FinTech as well as for the rest of the industry

Personal Loans

Consumer Origination by Risk Band for ETC (quarter ending)

Below Prime Prime Above Prime

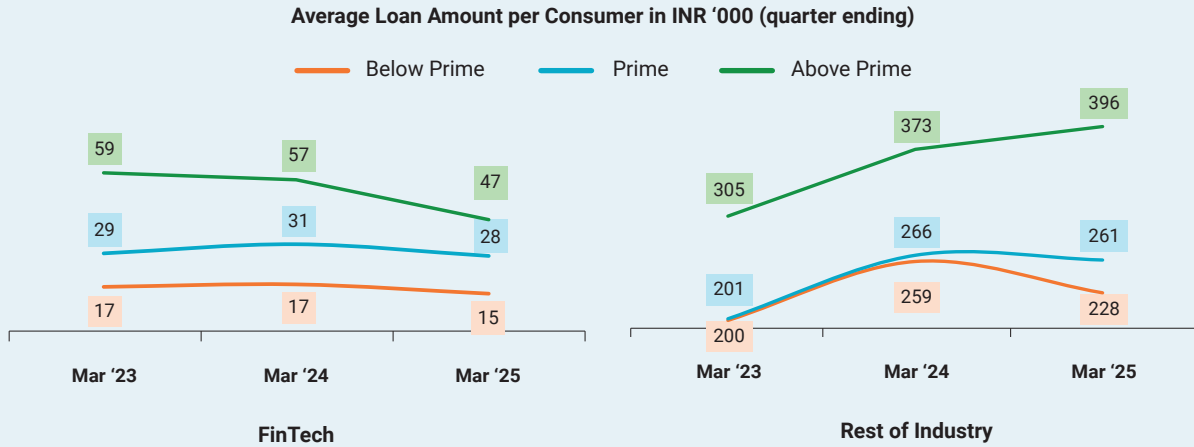


CreditVision (CV) score ranges are: Below Prime = 300–730; Prime = 731–770; Above Prime = 771–900

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FinTechs have witnessed a decrease in ticket size across risk tiers; while the rest of the industry have witnessed an increase in the above prime segment

Personal Loans



CreditVision (CV) score ranges are: Below Prime = 300–730; Prime = 731–770; Above Prime = 771–900

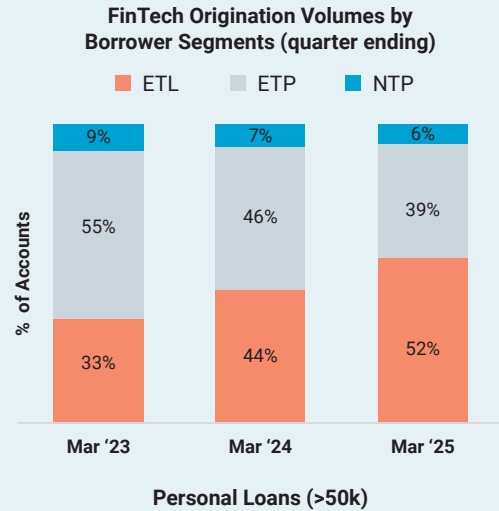
The average ticket size is higher as the risk profiles are better, however for FinTechs, even the lowest risk profile of consumers (CV score > 770) have an average ticket size lower than INR 50,000. Understanding the detailed risk profile of consumers availing non-STPL, using a combination of CV attributes and CV score can help in increasing the share of FinTech lenders in this segment.

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Personal loans greater than INR 50,000 have seen an increase in share of consumers with prior credit history with the same lender

Personal Loans > INR 50,000

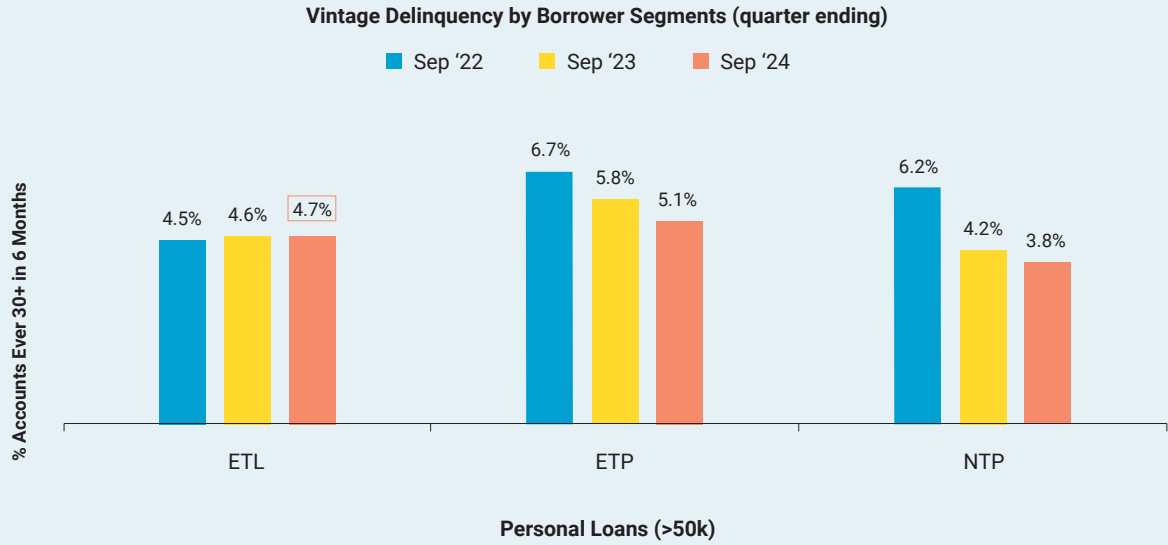
Borrower Type	Description
Existing to Lender (ETL)	Borrower with at least 1 live/closed loan with lender
Existing to Product (ETP)	Borrower does not have any history with lender, but having at least 1 Personal Loan off-Lender
New to Product (NTP)	Borrower neither has live personal loan nor had prior relationship with lender



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There is a marginal YoY increase in early delinquencies in the ETL segment, while delinquencies for other segments have improved

Personal Loans > INR 50,000



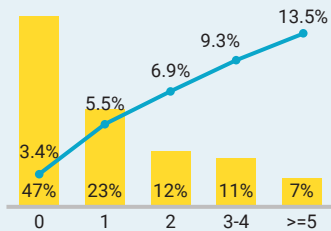
Vintage delinquency is calculated as % of accounts ever 30+dpd in 6 months from origination. Origination of Jul-Sep period was measured in Jan-Mar period.

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Examining comprehensive credit behaviors can help in identifying finer risk segments

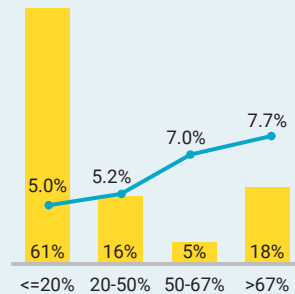
Personal Loans > INR 50,000

Number of retail installment loan inquiries in past 12 months



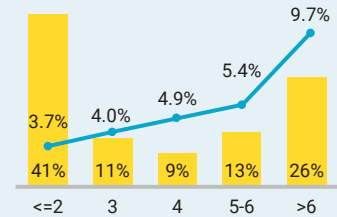
Average 6MOB30+ Rate : 5.6%

Percentage of open credit card trades > 75% of credit line verified in past 12 months



POP% 6MOB30+%

Number of trades opened in past 6 months



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Conclusions

FinTech lenders can adapt to the current headwinds and adopt changes in the ecosystem by evolving at a fast pace. Below are some of the recommendations:

Identify Opportunities for Product Diversification

1. Business loans and property loans being popular products opted by FinTech consumers continue to present opportunity for product diversification.
2. Foraying into personal loans of higher ticket size could also help in addressing consumer preferences.

Leverage Advanced Data Across Consumer Lifecycle

Both vintage delinquency and balance level delinquencies for business loans and property loans have witnessed YoY increase. Use of trended CreditVision algorithms as trended consumer attributes can help in better risk differentiation whether for acquisition or portfolio management strategies.

Debt Management

A case study on a large FinTech lender highlighted the ability of CreditVision algorithms for further enhancing debt management strategies for managing roll forwards and recoveries.

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