

# FinTech Compass

JULY 2026

Research Report by TransUnion CIBIL.



# Foreword

## Mr. Bhavesh Jain

MD & CEO | TransUnion CIBIL Ltd.

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 expansion 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 help in risk mitigated portfolio diversification.

This shift towards diversification is already evident in the retail credit space, where the FinTech sector has contributed significantly to credit expansion. Fintechs now account for about 25% of retail originations by volume. While small-ticket loans continue to remain the mainstay for the sector, it is encouraging to note a gradual increase in their share of high-ticket personal loans, business loans, and property loans.

This evolving credit mix, along with early signs of improvement in delinquency levels, can enable the FinTech sector to scale its next trajectory of growth. Our insights further indicate differentiated persona of borrowers in existing to credit segment which presents a meaningful opportunity for FinTechs to achieve sustained growth in a calibrated and responsible manner.

"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 evolving landscape of FinTech lenders in India within a changing macroeconomic environment, characterised by innovation, agility, and faster credit delivery enabled by technology. Over time, FinTechs have strengthened their role in the ecosystem by expanding access and accelerating volume-led growth.

**FinTech Lending Landscape:** FinTech lenders continue to play a transformative role in India's credit ecosystem, particularly in driving financial inclusion through digital-first models. As of March 2026, the portfolio reached INR 1.77 trillion, reflecting 31% year-on-year growth, with 27.9 million live consumers. FinTechs account for ~25% of retail originations by volume, indicating strong participation in new credit flows. This growth has been largely anchored in small-ticket personal loans ( $\leq$  INR 50,000), enabling scale and broad customer reach. At the same time, increasing participation in higher-ticket personal loans, business loans, and property loan segments signals early diversification, supported by stronger value growth. Improvements in recent vintage performance, particularly in small-ticket personal loans, reflect tightening underwriting and evolving product mix. However, rising 90+ delinquencies and emerging stress in certain segments highlight the importance of continued risk discipline. Hence, understanding the borrower base becomes critical to sustaining growth.

**Understanding Borrower Profiles:** FinTechs are reshaping borrower demographics by expanding access to younger, first-time, and semi-urban and rural consumers. While the NTC segment remains below ~5% and has moderated, it continues to play an important role in financial inclusion. Within NTC, borrowers are increasingly younger (<25 years) and concentrated in semi-urban and rural regions, with the "SURU & Young" segment contributing ~45% of originations. However, this segment shows higher delinquency levels, indicating the need for sharper segmentation. At the same time, existing-to-credit borrowers dominate (~94%) and form the core of current growth. Their behaviour reflects increasing maturity, with higher secured product presence improving underwriting visibility. Risk differentiation within this segment is more pronounced, particularly for borrowers >25 years, where bureau maturity provides a strong indicator of credit quality. These dynamics highlight the need to move toward more granular borrower-level analysis.

**Identifying Risk-Optimised Segments:** As borrower diversity increases, the next phase of FinTech growth will depend on improving precision in targeting and underwriting. Opportunities exist to enhance conversion outcomes within the lending funnel by better distinguishing between borrower segments. Analysis indicates that on-lender originations perform better than off-lender sourcing in terms of delinquency despite lower initial conversion. Leveraging behavioural and bureau attributes enables identification of higher-quality borrowers within broader pools. A targeted approach to selecting low-risk segments can deliver approximately 33% incremental growth in disbursement value while reducing delinquency rates by ~14% (~80 bps improvement), reinforcing the importance of risk-optimised growth strategies.

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

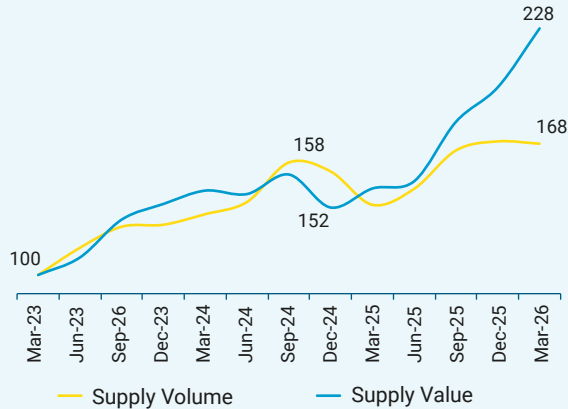


# FinTech Lending Landscape



# Fintechs Are Key Contributors To Retail Credit Origination Growth

**FinTech Indexed Supply trend in Retail - 3M Ended Period**



Indexed 3 month ended Mar-23 to 100

**Origination Share as of FY26 (YoY Change % points)**

Lender Group	Volume	Value
PSU	14% (-1%)	32% (0%)
Private Banks	12% (-3%)	25% (-3%)
SFBs	1% (0%)	2% (0%)
NBFCs	43% (+6%)	33% (+4%)
FinTech	25% (-2%)	2% (0%)
Others	5% (0%)	6% (+1%)

NBFC includes NBFC & HFC; FinTech refers to NBFC as defined in the cover slide on the table of contents page; Others includes Foreign Banks, RRBs and Co-ops

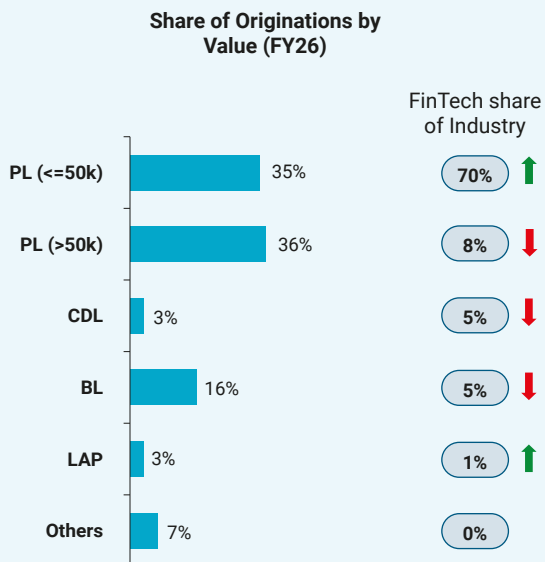
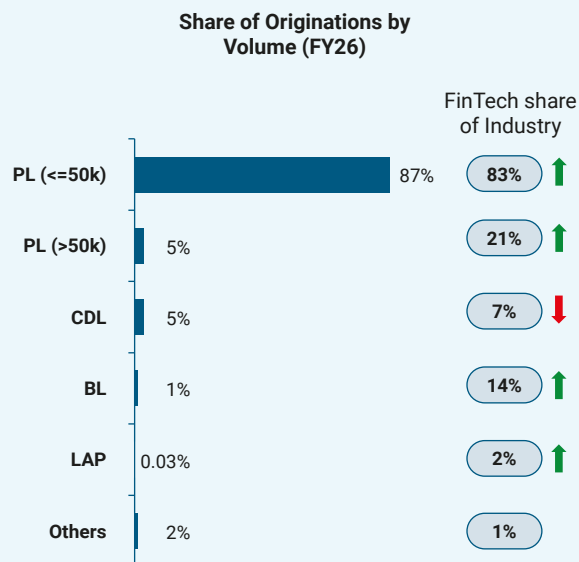


FinTechs account for ~25% of retail originations by volume, reflecting strong distribution and acquisition capabilities. Lower share of origination value indicates a focus on small-ticket lending, enabling scale while creating opportunities to expand value per borrower through product evolution.

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

# Fintech Growth Is Anchored In Small-ticket Lending With Emerging Diversification

YoY Increase/Decrease in FinTech share of Industry ↑ ↓

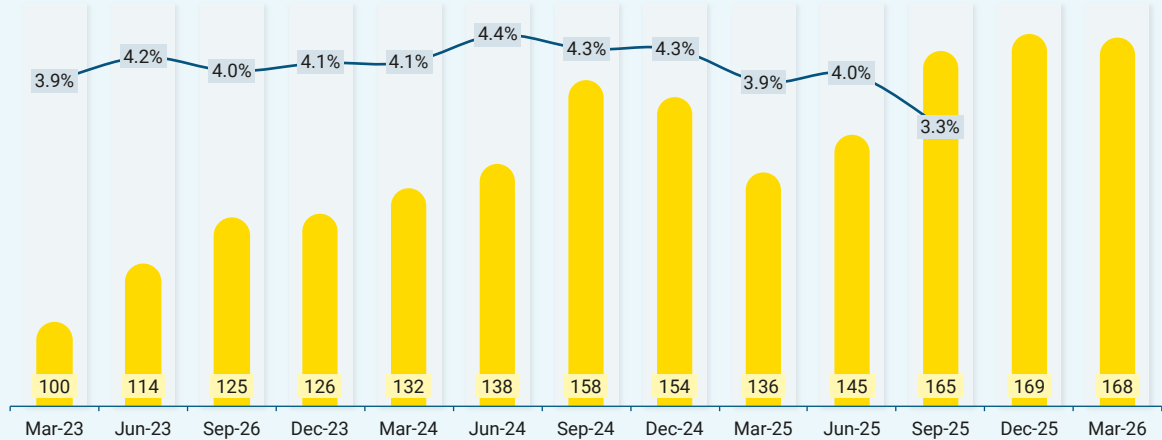


Small-ticket personal loans dominate originations, supporting high-frequency disbursement and broad reach. Early expansion into higher-ticket personal and business loans indicates evolving product strategies aimed at increasing origination value while sustaining scale.

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

# FinTech Growth Is Moderating In Recent Periods Alongside Improving Credit Performance

FinTech Indexed Supply and Vintage Delinquency % (30+ Balance at 6 Months) - 3M Ended Period



Indexed 3 month ended Mar-23 to 100

Indexed Volume — At 30+ CBA in 6 mob

Vintage delinquency is calculated for origination of 3M ended period and performance measured for 30+ at 6 months end by value / sanction value

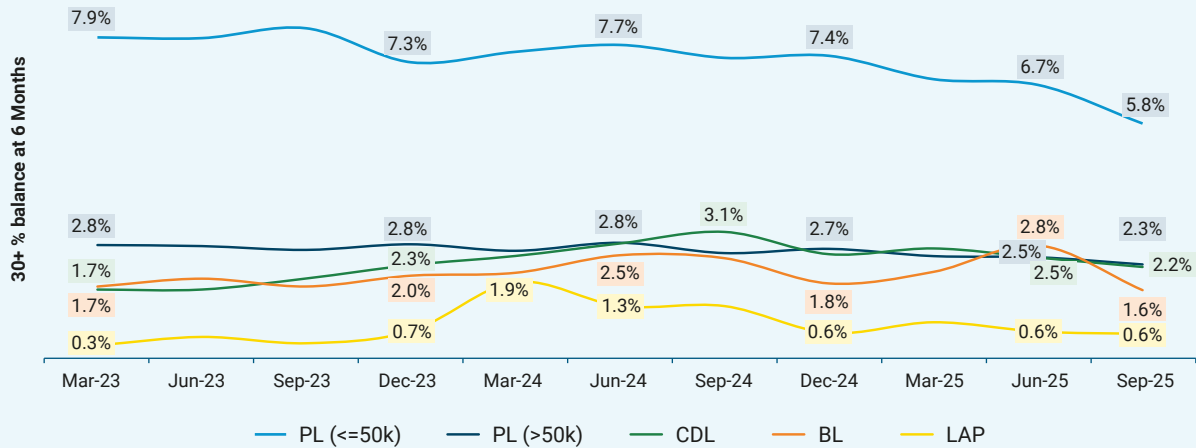


Recent trends show moderation in growth coupled with improving early delinquency rates, particularly post December 2024. This reflects improving underwriting discipline and signals a transition toward more sustainable and calibrated expansion.

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

# Vintage Delinquency Trends Are Improving Across Products Apart From Business Loans

FinTech Vintage Delinquency % (30+ Balance at 6 Months) by Product - 3M Ended Period



Vintage delinquency is calculated for origination of 3M ended period and performance measured for 30+ at 6 months end by value / sanction value

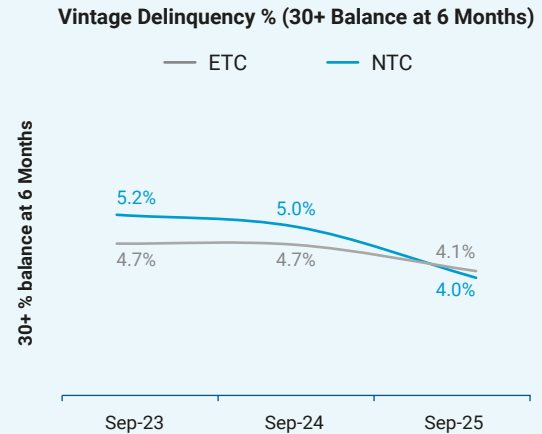
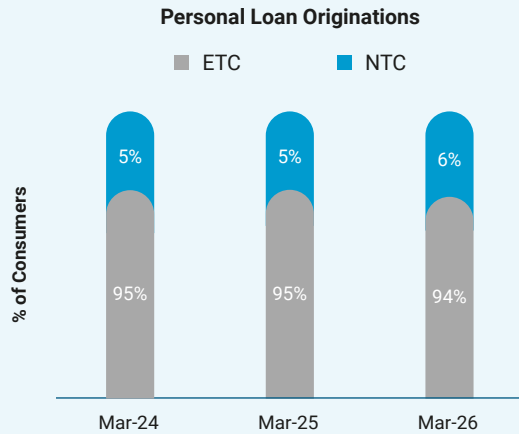


FinTech performance is stabilising across most segments, with variation persisting across products. As lending shifts toward more diverse product segments and higher ticket sizes, accurate pricing of risk becomes critical to sustaining growth and ensuring portfolio quality

# Understanding FinTech Borrower's Profiling Segments



## New-to-credit Share Has Remained Stable But Sizeable With Corresponding Delinquencies Moderating Over Time



*New-to-credit (NTC) Borrowers are defined as consumers who are availing their first ever retail credit product; Vintage delinquency is calculated for origination of Jul-Sep period and performance measured in Jan-Mar period for 30+ at 6 months end by value / sanction value.*



New-to-credit (NTC) contribution remains below ~6% but continues to enable access to credit for first-time borrowers. Sustaining growth opportunities in this segment requires tailored onboarding and underwriting approaches aligned to thin-file and emerging borrower profiles.

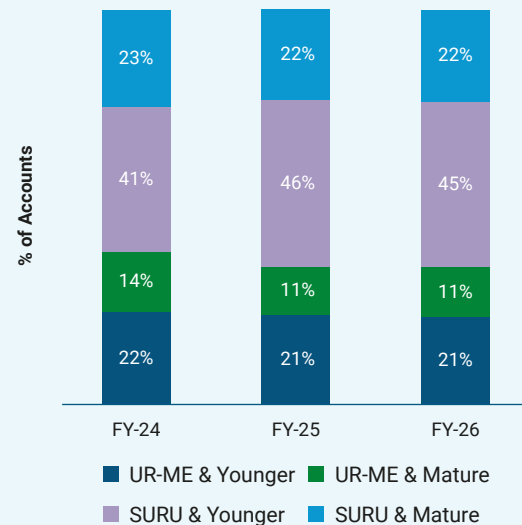
# NTC Share Is Concentrated Among Younger Borrowers From Semi-urban And Rural Geographies

## NTC Borrowers

### NTC Personas

<b>SURU &amp; Mature</b>	Consumers from Semi-Urban and Rural geographies with age greater than 25 years
<b>SURU &amp; Younger</b>	Consumers from Semi-Urban and Rural geographies with age less than 25 years
<b>UR-ME &amp; Mature</b>	Consumers from Metro and Urban geographies with age greater than 25 years
<b>UR-ME &amp; Younger</b>	Consumers from Metro and Urban geographies with age less than 25 years

### Age: Personal Loan Originations



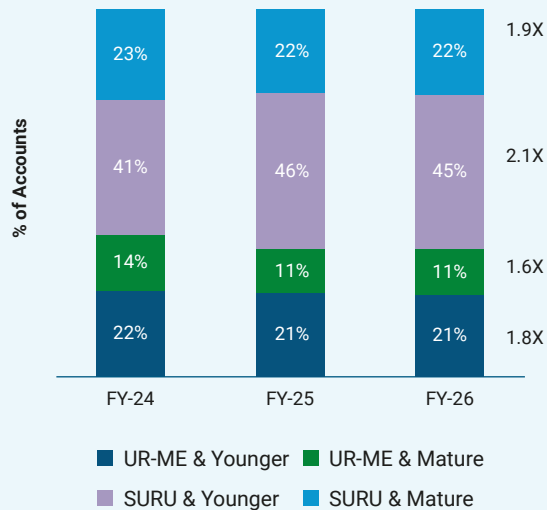
Expansion is driven by "SURU & Younger" with ~45% of NTC originations. This broadens the addressable market but requires additional segmentation for effective risk assessment.

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

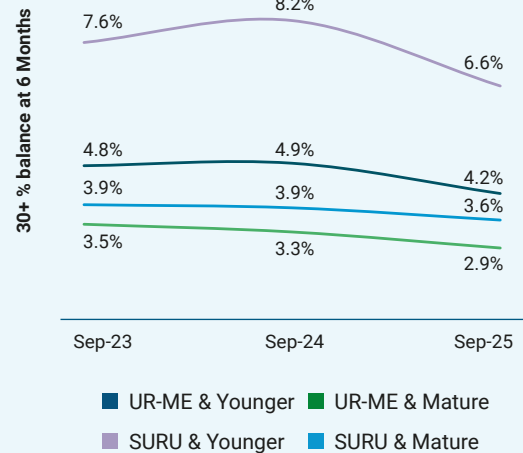
# Distinct Borrower Personas Show Varying Growth And Risk Patterns

NTC Borrowers

NTC Persona: Personal Loan Originations



Vintage Delinquency % (30+ Balance at 6 Months)



NTC Borrowers are defined as consumers who are availing their first ever retail credit product; Vintage delinquency is calculated for origination of Jul-Sep period and performance measured in Jan-Mar period for 30+ at 6 months end by value / sanction value.

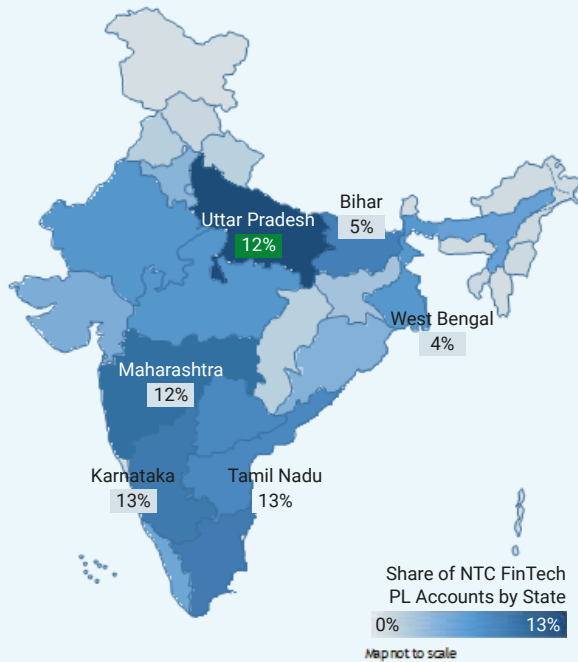


Segments such as “SURU & Younger” drive a large share of NTC originations but exhibit higher delinquencies. Differentiating between borrower personas enables more precise underwriting and improves portfolio outcomes.

# Geographic Differences Shape Growth And Risk Opportunities

## NTC Borrowers

Share of NTC originations (FY26)



Top 10 States by Share

SURU & Younger share of State's originations (FY26)

Vintage Delinquency % (30+ Balance at 6 Months from 3M ended Sep-25)

Uttar Pradesh	41%	7.5%
<b>Maharashtra</b>	<b>35%</b>	<b>6.0%</b>
<b>Karnataka</b>	<b>35%</b>	<b>6.0%</b>
<b>Tamil Nadu</b>	<b>44%</b>	<b>2.9%</b>
Bihar	56%	6.9%
<b>Andhra Pradesh</b>	<b>55%</b>	<b>5.3%</b>
<b>Telangana</b>	<b>42%</b>	<b>6.1%</b>
Madhya Pradesh	50%	11.0%
Rajasthan	55%	8.3%
West Bengal	44%	7.3%

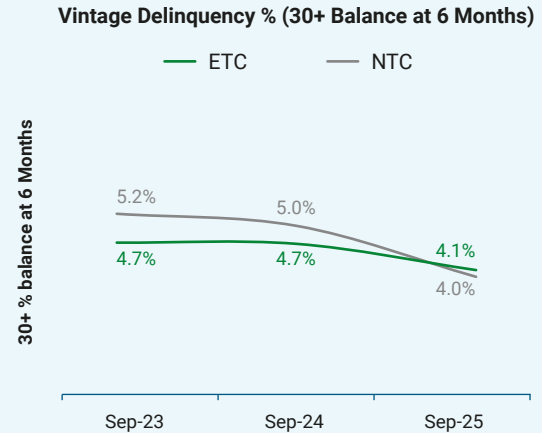
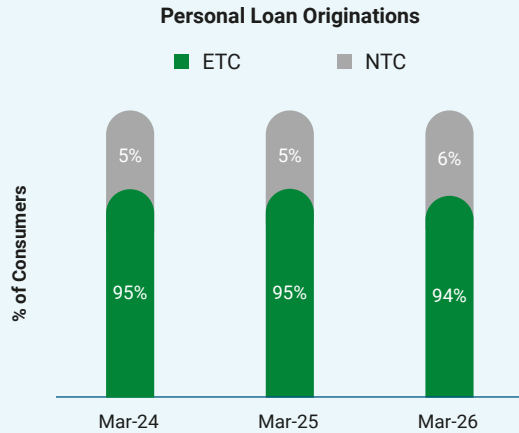
Vintage delinquency is calculated for origination of 3M ended period and performance measured for 30+ at 6 months end by value / sanction value.



Variation across states like Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh, and Telangana highlights pockets of strong growth with stable performance. Leveraging geographic insights allows lenders to optimise expansion strategies and improve efficiency in scaling.

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

## Existing Borrowers Account For The Majority Of Fintech Originations



*NTC Borrowers are defined as consumers who are availing their first ever retail credit product; Vintage delinquency is calculated for origination of Jul-Sep period and performance measured in Jan-Mar period for 30+ at 6 months end by value / sanction value.*

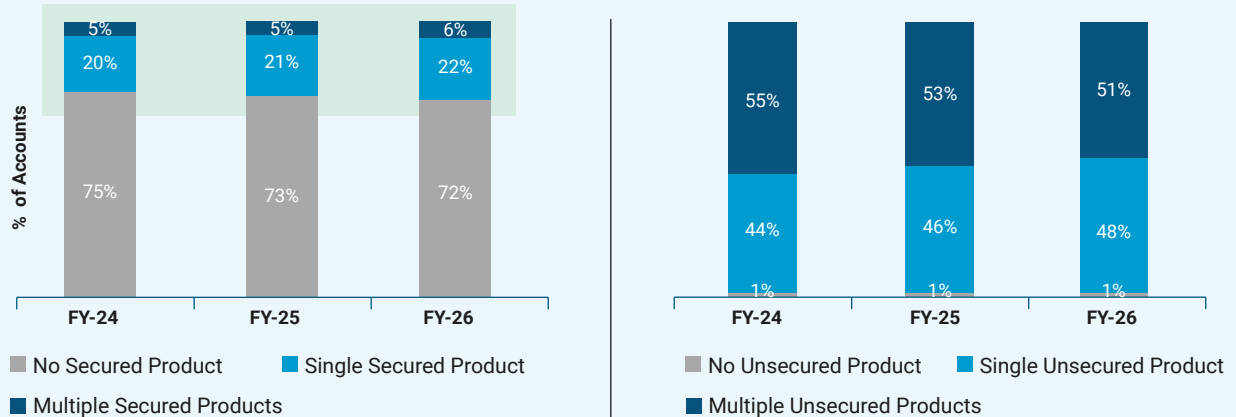


The ETC borrowers remains central to growth with ~94% of originations, providing stability and scale. Enhancing engagement with this segment supports higher customer lifetime value and more predictable portfolio performance.

# Borrower's Product Composition Is Evolving With Increased Presence Of Secured Product In Wallet

Existing Borrowers

Secured and Unsecured product counts in wallet at the time of PL origination with FinTech



Secured products consists of Auto Loan, Housing Loan, Property Loan, Loan Against Shares/Security, Leasing, Two-Wheeler Loan, Loan Against Bank Deposits, Commercial Vehicle Loans, Secured Credit Card, Used Car Loan, Construction Equipment Loan, Tractor Loan, Microfinance-Housing Loan, Business Loan - Secured, PSL, Agri; Unsecured products consist of Personal Loan, Consumer Loan, Education Loan, Loan To Professional, Credit Card, Overdraft, Fleet Card, Corporate Credit Card, Kisan Credit Card, Prime Minister Jaan Dhan Yo, Mudra Loans –Shishu / Kish, Business Loan - Unsecured, Others, Temporary Overdraft, BL-General, BNFCF-General, Gold Loan.



Greater presence of secured products in borrower wallets indicates rising credit maturity. Segmenting based on products in wallet could provide richer data for underwriting and supports more informed credit decisions.

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

# Segmentation By Products In Wallet Enables Deeper Insights Into Existing Borrower's Credit Behaviour

Existing Borrowers



### Starter profile borrowers

Consumers predominantly with PL only in wallet or with products like TWL in wallet



### Gold backed borrowers

Consumers with Gold Loans in wallet



### Mature borrowers

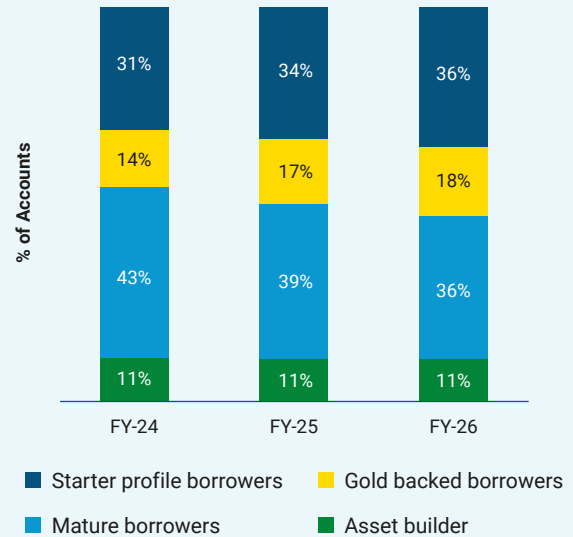
Consumers with combination of products like Credit Cards, Consumer Durable along with Personal Loans



### Asset builder

Consumers with Housing / LAP in wallet

### Bureau Maturity Distribution



Bureau Maturity is defined based the product holding in the wallet and their implication on borrower profile; FinTech originations considered for ticket size 10k+.

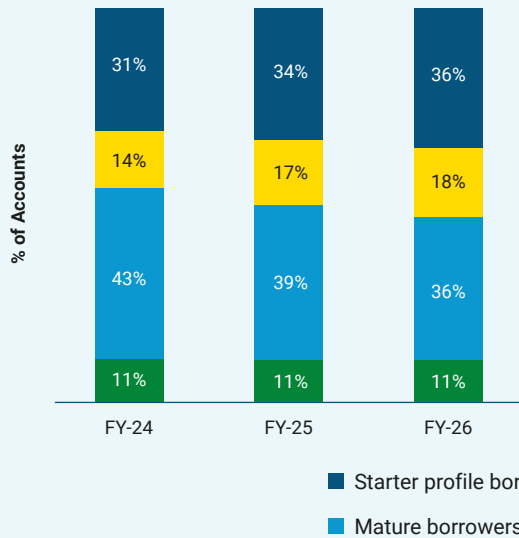


Differences in borrower maturity and product holdings reflect distinct credit profiles. Leveraging these distinctions enables more granular targeting and improves decision-making.

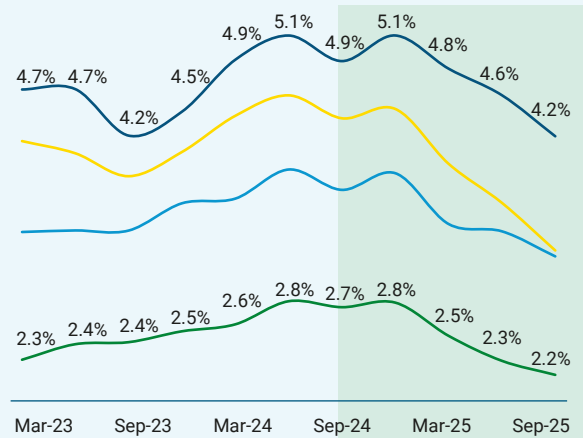
# Credit Performance Varies Across Borrower Maturity Segments

Existing Borrowers

Bureau Maturity Distribution - 3M Ended Period



Vintage Delinquency %  
(30+ Balance at 6 Months) - 3M Ended Period



FinTech originations considered for ticket size 10k+; Vintage delinquency is calculated for origination of 3M ended period and performance measured for 30+ at 6 months end by value / sanction value.



Asset builders consistently demonstrate significantly lower risk compared to the starter segment. The clear risk differentiation across segments underscores the importance of segment-based underwriting to drive risk-adjusted growth.

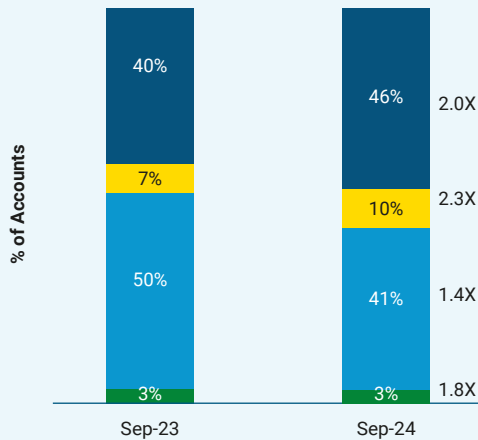
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# Younger Borrowers Require Enhanced Risk Assessment Approaches

Existing Borrowers

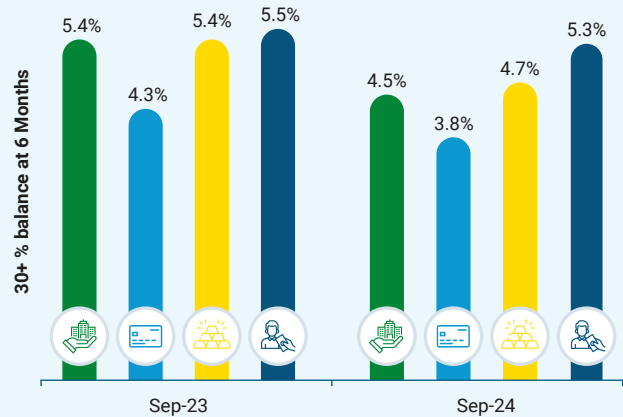
Age <=25 years (~17% of all ETC originations)

Bureau Maturity Distribution - 3M Ended Period



■ Starter profile borrowers
 ■ Gold backed borrowers  
■ Mature borrowers
 ■ Asset builder

Vintage Delinquency % (30+ Balance at 6 Months) - 3M Ended Period



FinTech and NBFC originations considered for ticket size 10k+; Vintage delinquency is calculated for origination of Jul-Sep 2025 period and performance measured in Jan-Mar 2026 period for 30+ at 6 months end by value / sanction value.



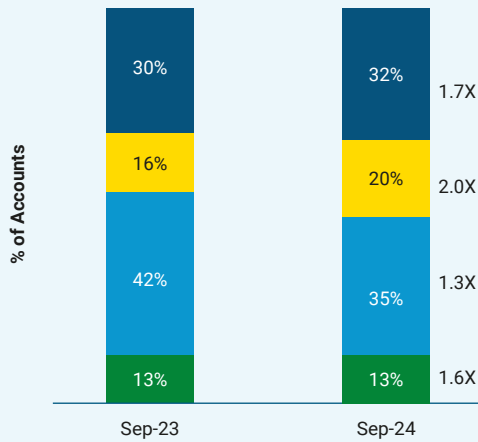
No significant separation of risk for younger personal loan borrowers basis bureau maturity. Incorporating trended attributes can improve early-stage risk identification and underwriting effectiveness.

# Bureau Maturity Improves Risk Differentiation In Older Borrowers

Existing Borrowers

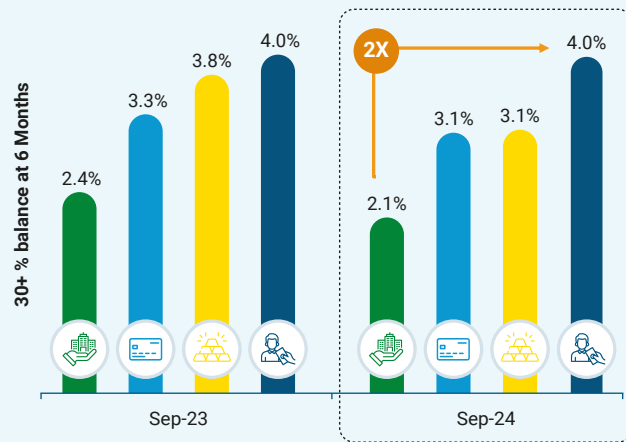
Age >25 years (~83% of all ETC originations)

Bureau Maturity Distribution - 3M Ended Period



■ Starter profile borrowers
 ■ Gold backed borrowers  
■ Mature borrowers
 ■ Asset builder

Vintage Delinquency % (30+ Balance at 6 Months) - 3M Ended Period



FinTech and NBFC originations considered for ticket size 10k+; Vintage delinquency is calculated for origination of Jul-Sep 2025 period and performance measured in Jan-Mar 2026 period for 30+ at 6 months end by value / sanction value.



For borrowers above 25 years, pronounced variation in performance across bureau maturity segments reinforces the importance of risk-based pricing. Integrating maturity and product mix into pricing frameworks can improve alignment of returns with risk and enable more efficient portfolio growth.

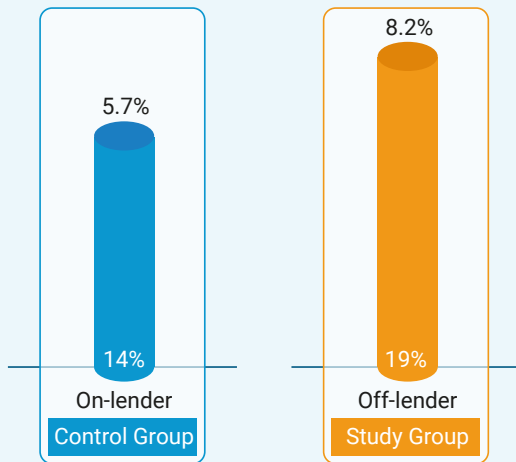
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# Identifying Risk-Optimized Segments



# Opportunities Exist To Improve Conversion At The Top Of The Lending Funnel

## Conversion proportion & Performance distribution



\*Base controlled for the following: Risk tier – 731-770; Age <40 years; Credit Vintage > 12 months;



### Base

We looked at a base\* of consumers that enquired with FinTechs for a PL from Mar-25 to Aug-25



### Conversion

Consumers that originated with a personal loan upto 2L within one month from enquiry either on or off lender



### Performance

Measured as ever 30+ within 6 months from origination

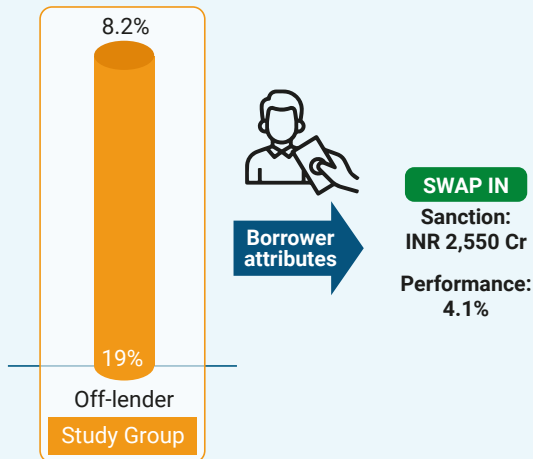


On-lender originations show better performance as compared to Off-lender. Better differentiation of borrower quality can enhance approvals at early stages, unlocking incremental growth while maintaining portfolio stability.

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# Trended Consumer-level Attributes Can Help In Identifying Good Borrowers From The Off-lender Segment

## Off-lender - Sanction & Performance distribution



## Value Analysis

	Sanctions (INR crore)	Performance
On-lender conversion	7,656	5.7%
<b>SWAP IN</b>	<b>2,550</b>	<b>4.1%</b>
<b>NET</b>	<b>10,206 (+33%)</b>	<b>4.9% (-80 bps)</b>

\*Base controlled for the following: Risk tier – 731-770; Age <40 years; Credit Vintage > 12 months; Performance measured as ever 30+ within 6 months from origination



Drive 33% growth (INR) opportunity and reduce delinquencies by 14% by identifying low risk segments at the top of the funnel

## Conclusion

**FinTech lenders in India are transitioning from scale-driven growth to risk-calibrated expansion. Success in the next phase will depend on:**

### **Growth with guardrails:**

The industry is gradually diversifying into higher-ticket and secured products, signalling maturation of the business model. This shift and emerging stress in select segments call for balanced growth with tighter risk discipline.

### **Deepening understanding of borrower heterogeneity:**

Expansion into younger, first-time, and SURU segments is driving scale, while ETC borrowers remain the core opportunity—requiring sharper segmentation based on bureau maturity and borrower profiles.

### **Precision-led onboarding strategy:**

Leveraging data, on-lender strategies, and targeted “swap-in” approaches can unlock higher disbursements (~33%) with improved credit performance (~14% delinquency reduction), defining the next phase of sustainable growth.

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

## Analytical Contacts

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