

# India Financials- Consumption credit landscape

## Growth moderates; Pvt banks losing market share across segments



We take stock of the trends in consumption lending (~54% of the total lending pie) in India over the last few years on the basis of a recent bureau report (by [CRIF Highmark](#)).

Disbursement growth has come down materially across segments in FY25 (-3% to +11% vs +5% to +25% YoY in FY24), which will weigh negatively on FY26 loan growth across the board. In terms of market share, NBFC/HFCs have gained while private banks have lost across segments. PSBs have lost market share in unsecured loans (PL) but gained in secured loans (HL/Auto). In PL, banks have been cutting on small ticket size loans (ATS up 30% YoY) while ATS has declined further for NBFCs in FY25. In HL, disbursements in the lower ATS segment (<INR3.5mn) have declined by 5% YoY in FY25. Delinquencies have increased in unsecured segments (PL/CD/CC) while they have been broadly stable in secured segments (HL/Auto). We remain selective in financials with preference for large banks (ICICI/Axis/SBI), CUBK/DCB in mid banks, and BAF/AB Cap/PNB HF/Aadhar in NBFC/HFCs.

- **Unsecured lending- Personal loans (PL):** Moderating system level disbursements, banks cutting down on lower ticket size segment, NBFCs still gaining market share driven by small ticket size loans, early/late delinquencies deteriorate

In FY25, PL disbursements has come down by ~3% YoY with banks' disbursements falling by 9% YoY (volume down 30% YoY) and NBFCs' disbursements growing at 10% YoY (volume up 14% YoY), leading to continued market share gains for NBFCs (**Exhibit 7; Exhibit 9**). Banks' disbursement average ticket size (ATS) has gone up by ~30% YoY in FY25 to INR 435k (INR 592/382k for PSB/Private) while NBFCs' ATS has further come down to INR 24k (down 4% YoY) (**Exhibit 11**). Delinquencies (both early/late) have gone up YoY in FY25 (**Exhibit 16**). Individual lenders' data show similar trends with large banks' PL growth being flat to 8% YoY and NBFCs' PL growth at ~25%-30% in FY25, with inch-up in GNPA (%) (**Exhibit 20, Exhibit 21**).

- **Unsecured lending- Consumer durables (CD):** Similar to PL, moderating system level disbursements, NBFCs gaining market share, early/late delinquencies worsen

In FY25, CD disbursements growth has moderated to only ~3% YoY with private banks' disbursements down by 28% YoY (volume down 33% YoY) and NBFCs' disbursements up by 15% YoY (volume up 28% YoY), resulting in market share gains for NBFCs (**Exhibit 27**). Delinquencies (both early and late) have gone up in FY25 vs. FY24 (**Exhibit 33**). Individual lenders' data show similar trends with HDFC Bank's consumer durables portfolio growing at 11% YoY with ~35bps inch-up in GNPA (%) in FY25. BAF's CD portfolio has grown faster in CD at 25% YoY with marginal increase in GNPA (%) in FY25 (**Exhibit 36**).

- **Unsecured lending- Credit cards (CD):** Huge fall in new originations; NBFC/Mid-banks gaining market share; early/late delinquencies down/up respectively

In FY25, new cards issued fell 26% YoY with both private banks and NBFC/mid-banks issuing lower number of cards (down 28%/22% YoY respectively) (**Exhibit 43**). While early delinquencies came down, late delinquencies inched up sharply in FY25 (**Exhibit 46**). Individual lenders' data show similar trends with loan growth moderating to ~1%-12% YoY with a marginal rise in GNPA (%) in FY25 (**Exhibit 52**).

- **Secured lending: Home loans (HL):** Moderating disbursements; PSB/HFCs consistently gaining market share; early/late delinquencies improve

In FY25, disbursement growth has come down to only ~3% YoY with disbursements of private banks coming down by 17% YoY and that of PSB/HFCs going up by ~21%/7%

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YoY, resulting in continued market share gains for PSB/HFCs over the last 4 years (**Exhibit 56**). The **share of higher ticket size HL continues to go up** with 5% YoY decline observed in the lower ATS (<INR3.5mn) segment (**Exhibit 60**). **Delinquencies** (both early and late) have gone down in FY25 vs. FY24 (**Exhibit 63, Exhibit 64**).

- **Secured lending: Auto loans (Auto):** Moderating disbursements; PSB/HFCs consistently gaining market share; early/late delinquencies stable

In FY25, **disbursement growth** has come down to ~5% YoY with private banks' disbursements down 6% YoY vs. ~10%/7% growth for PSB/NBFCs, leading to consistent market share gains for PSB/NBFCs over the last 4 years (**Exhibit 67**). **Delinquencies** (both early/late) are broadly stable in FY25 vs. FY24 (**Exhibit 77, Exhibit 78**).

- **Secured lending: 2W loans (2W):** Moderating disbursements; NBFCs consistently gaining market share; early delinquencies up

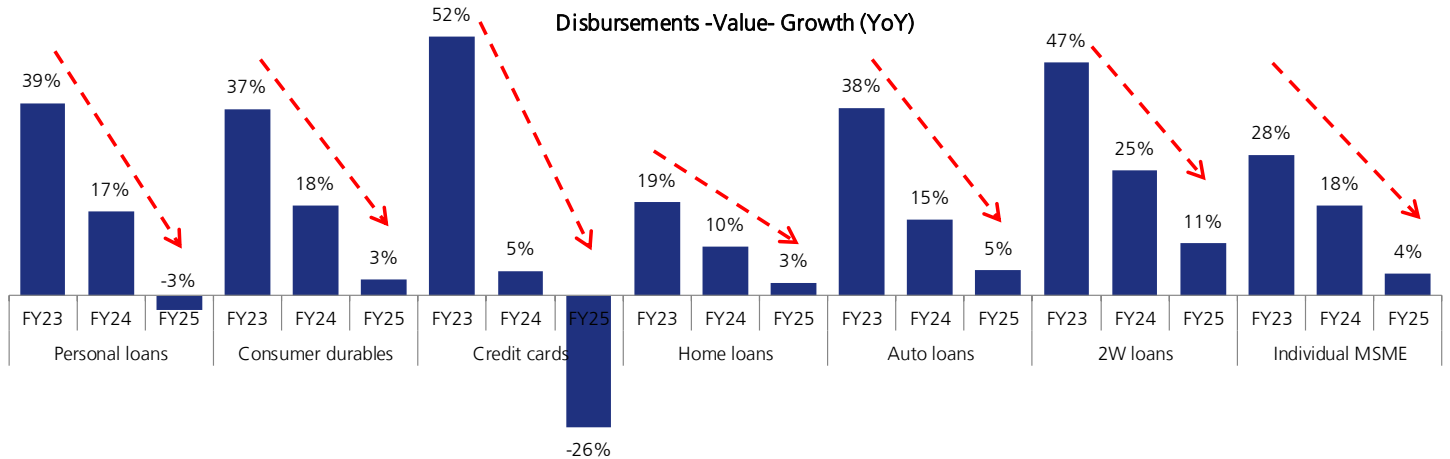
In FY25, **disbursement growth** has moderated to ~11% YoY with private banks' disbursements being up 7% YoY vs. ~11% growth for NBFCs, resulting in consistent market share gains for NBFCs over the last 3 years (**Exhibit 84**). **Early delinquencies** have gone up in FY25 vs. FY24 (**Exhibit 91**).

- **Remain selective in financials: Large banks/CUBK/DCB in banks; BAF/AB Cap/PNB HF/Aadhar in NBFC/HFCs remains our top picks**

Moderating disbursement growth in FY25 across segments is likely to weigh negatively on loan growth in FY26 across lenders. NBFCs gaining market share in most of the segments means that loan growth for NBFCs will continue to outpace banks (especially private banks), though the quality of this loan growth needs to be monitored, especially in unsecured sub-segments. **For banks**, moderating loan growth along with NIM compression should lead to muted PAT growth in FY26 before recovering in FY27. **For NBFC/HFCs as well**, moderating growth and elevated credit cost is likely to put negative pressure on PAT growth in FY26, though potential NIMs expansion due to rate cuts is a tailwind. We remain selective on financials with preference for large banks (ICICI/Axis/SBI), CUBK/DCB in mid banks, BAF/AB Cap/PNB HF/Aadhar in NBFC/HFCs space.

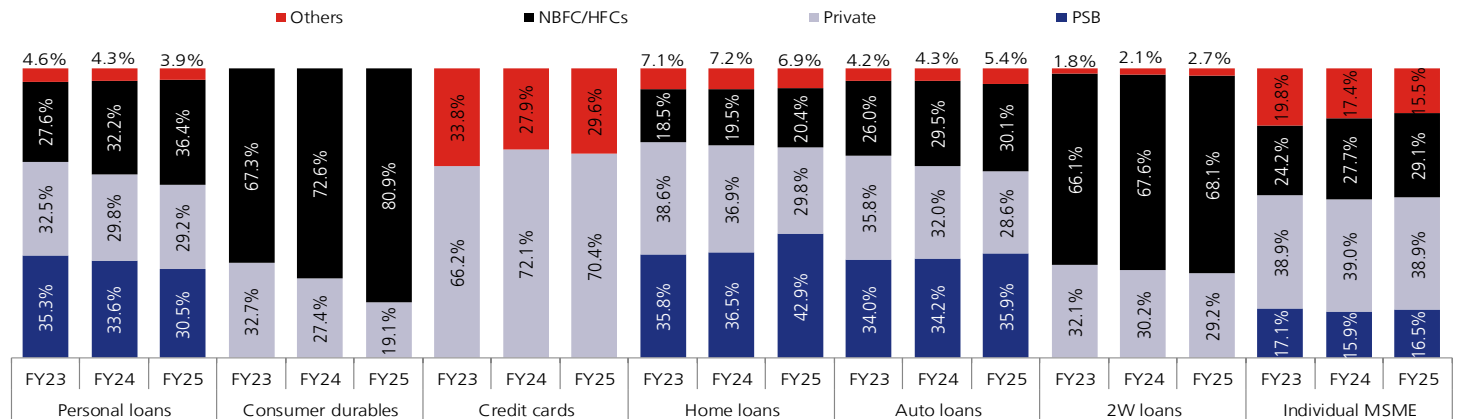
Focus Charts

Exhibit 1. Disbursement (value) growth has come down materially across segments in FY25, which will weigh negatively on FY26 loan growth



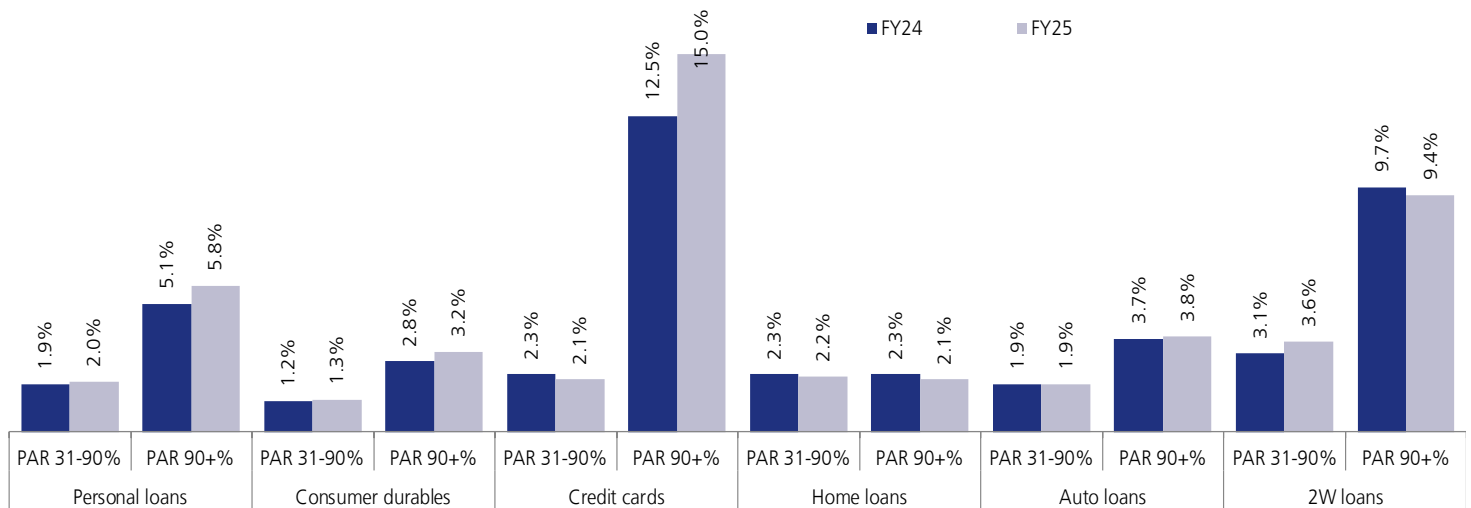
Source: CRIF, JM Financial \*For Credit cards, YoY growth is for new cards issued

Exhibit 2. Disbursements (value): NBFC/HFCs have gained market share while private banks have lost market share across all sub-segments.



Source: CRIF, JM Financial \*For Credit cards, market share is for new cards issued

Exhibit 3. Delinquencies have increased in unsecured segments (PL/CD/CC) while being broadly stable in secured segments (HL/Auto)



Source: CRIF, JM Financial

## Personal Loans: Growth falling, NBFCs continue to gain market share

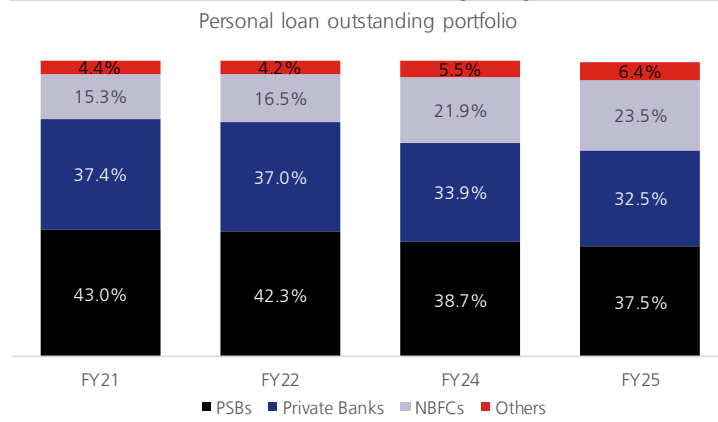
- System disbursements growth declined both in volume/value terms:** There was a decline in disbursements (value) by 3% YoY in FY25 with only ~7% CAGR growth during FY23-25 vs. ~28% CAGR during FY20-23. Even in terms of volume, disbursement growth was ~17% CAGR during FY23-25 vs. ~39% during FY20-23. (Exhibit 7)
- System growth falling in o/s loans:** Driven by moderating disbursement growth, o/s personal loan growth decelerated to only 9% YoY in FY25 vs. 25% YoY in FY24. Over FY23-25, o/s personal loan growth decelerated to 17% CAGR vs. 26% during FY20-23. (Exhibit 4)
- System growth falling in volume:** The slowdown in o/s personal loan growth can be attributed to fall in volume as active loans CAGR fell to only 11% CAGR during FY23-25 vs. strong 40% CAGR during FY20-23. (Exhibit 4)
- NBFCs continue to grow faster, gaining market share:** PL portfolio of NBFCs rose 17% YoY in FY25, higher than 9% YoY growth for the system. In disbursements (value), NBFCs growth was +10% YoY in FY25 vs. -5% to -12% for other entities. This has led to market share gains for NBFCs in the system in the last few years. (Exhibit 9, Exhibit 10)
- Banks cutting down on small ticket size loans; NBFCs still at the forefront of providing small ticket size loans:** Disbursement ticket size for banks has gone up in FY25 vs. FY24 by ~30% YoY to ~INR592/382k for PSU/Private banks. NBFCs, on the other hand, continue to provide lower ticket size loans with average ATS of INR24k (down 4% YoY). This indicates banks have been cautious on small ticket size loans and are cutting down on it, while NBFCs are still aggressive on providing small ticket size loans. (Exhibit 11)
- Rise in share of <INR 0.1mn loans in the mix:** In the disbursement mix, the share of <INR0.1mn has gone up by ~90/220bps in terms of value/volume, mainly driven by NBFCs. The share of >INR1mn+ (by value) has gone up as well but come down by volume in FY25 vs. FY24. This has been driven by banks. (Exhibit 12, Exhibit 13)
- This surge in low-ticket originations has coincided with a rise in credit stress:** Portfolio at Risk (PAR) 360+ increased to over 4.0% in FY25 from 3.5% in FY24, with delinquencies significantly higher for NBFC-originated and low-ticket-size personal loans. Even in other buckets, PAR has gone up by ~10-20bps YoY. NBFCs, often in collaboration with fintechs, have been driving this trend, increasing their market share but also amplifying asset quality concerns. (Exhibit 16)
- Trends in individual Banks/NBFCs:** We have seen deceleration in personal loan growth for individual banks and NBFCs as well. In Banks, SBI, HDFC Bank, ICICI, and Axis all have materially slowed down their PL growth in FY25 vs. FY24. For NBFCs, while growth has decelerated it is still higher than the system with BAF, CIFC, Tata Capital, etc., growing at a strong pace. (Exhibit 20, Exhibit 21)

Exhibit 4. Personal loans (outstanding): System growth falling both in value and volume terms

Personal loans	FY20	FY21	FY22	FY23	FY24	FY25	FY20-23	FY23-25	FY19-25
Portfolio Outstanding (INR tn)	5.4	6.5	8.1	10.7	13.4	14.6	26%	17%	24%
Active loans (mn)	33.9	39.7	65.6	92.9	124.3	113.9	40%	11%	33%
Ticket size (INR k)	158	163	123	115	108	128	-10%	5%	-7%
<b>YoY growth</b>									
Portfolio Outstanding	31%	21%	25%	32%	25%	9%			NA
Active loans	61%	17%	65%	42%	34%	-8%			NA
Ticket size	-19%	3%	-24%	-7%	-6%	19%			NA

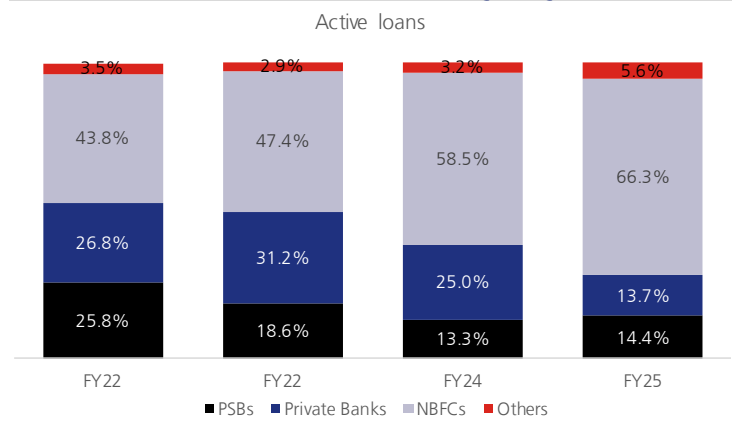
Source: CRIF, JM Financial

**Exhibit 5. Personal O/s loans (value): NBFCs gaining market share**



Source: CRIF, JM Financial

**Exhibit 6. Personal O/s loans (volume): NBFCs gaining market share**



Source: CRIF, JM Financial

**Exhibit 7. PL disbursements: Moderating growth both in volume/value terms**

Originations (INR tn)	FY20	FY21	FY22	FY23	FY24	FY25	CAGR		
							FY20-23	FY23-25	FY17-25
Disbursement Value (INR tn)	3.7	3.6	5.6	7.7	9.1	8.8	28%	7%	25%
Disbursement Volume (mn)	39.7	28.6	67.6	106.5	135.1	146.3	39%	17%	48%
Ticket size (INR k)	94	125	83	73	67	60	-8%	-9%	-16%
<b>YoY Growth</b>									
Disbursement Value	30%	-4%	56%	39%	17%	-3%			NA
Disbursement Volume	161%	-28%	137%	58%	27%	8%			NA
Ticket size	-50%	33%	-34%	-12%	-8%	-10%			NA

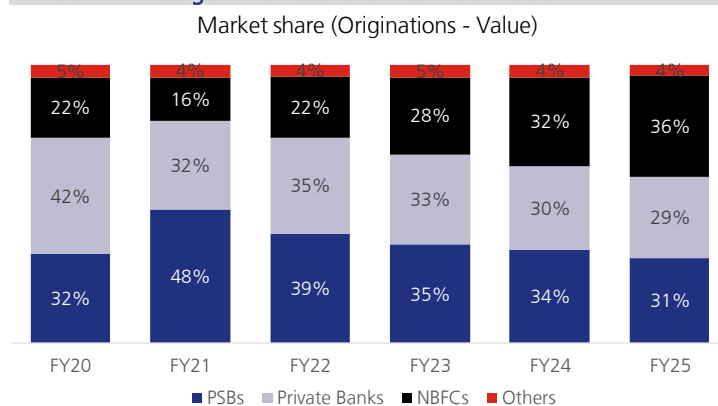
Source: CRIF, JM Financial

**Exhibit 8. PL disbursements: NBFCs disbursements are higher than PSB/Private banks in FY25**

Originations (INR tn)	FY20	FY21	FY22	FY23	FY24	FY25	YoY		CAGR	
							FY25	FY20-23	FY23-25	FY17-25
PSBs	1.2	1.7	2.2	2.7	3.0	2.7	-12%	32%	-1%	21%
Private Banks	1.5	1.1	1.9	2.5	2.7	2.6	-5%	18%	1%	20%
NBFCs	0.8	0.6	1.2	2.1	2.9	3.2	10%	38%	22%	40%
Others	0.2	0.2	0.2	0.4	0.4	0.3	-12%	27%	-2%	17%
<b>NBFC vs Pvt banks</b>	<b>0.5x</b>	<b>0.5x</b>	<b>0.6x</b>	<b>0.8x</b>	<b>1.1x</b>	<b>1.3x</b>				
<b>NBFC vs PSB</b>	<b>0.7x</b>	<b>0.3x</b>	<b>0.6x</b>	<b>0.8x</b>	<b>1.0x</b>	<b>1.2x</b>				

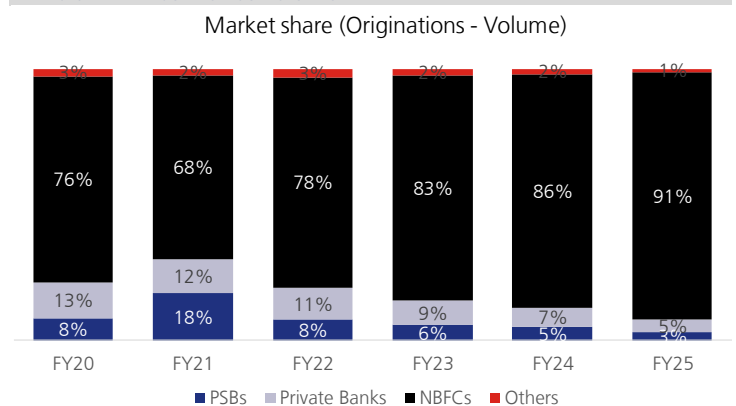
Source: CRIF, JM Financial

**Exhibit 9. NBFCs gain market share in terms of value...**



Source: CRIF, JM Financial

**Exhibit 10. ...as well as volume**



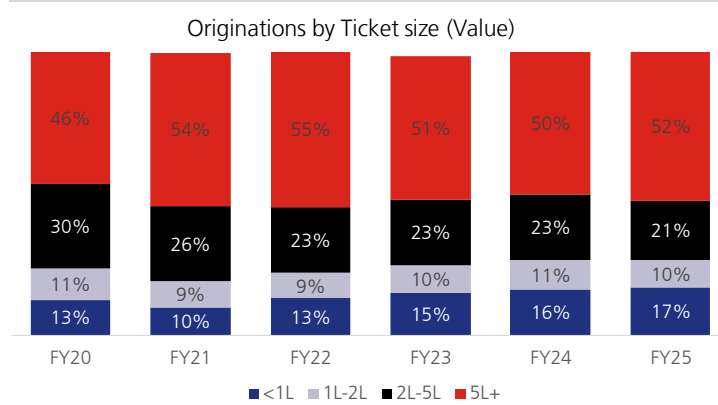
Source: CRIF, JM Financial

## Exhibit 11. Ticket sizes: Small ticket size loans - banks cutting down, NBFCs still at the forefront

Originations -							YoY Growth	CAGR		
Ticket size (INR k)	FY20	FY21	FY22	FY23	FY24	FY25		FY25	FY20-23	FY23-25
PSBs	364	343	410	443	442	592	34%	7%	16%	14%
Private Banks	300	325	251	269	294	382	30%	-4%	19%	2%
NBFCs	27	29	23	24	25	24	-4%	-3%	0%	-23%
Others	170	235	120	146	160	213	33%	-5%	21%	-2%
<b>Total</b>	<b>94</b>	<b>125</b>	<b>83</b>	<b>73</b>	<b>67</b>	<b>60</b>	<b>-10%</b>	<b>-8%</b>	<b>-9%</b>	<b>-16%</b>

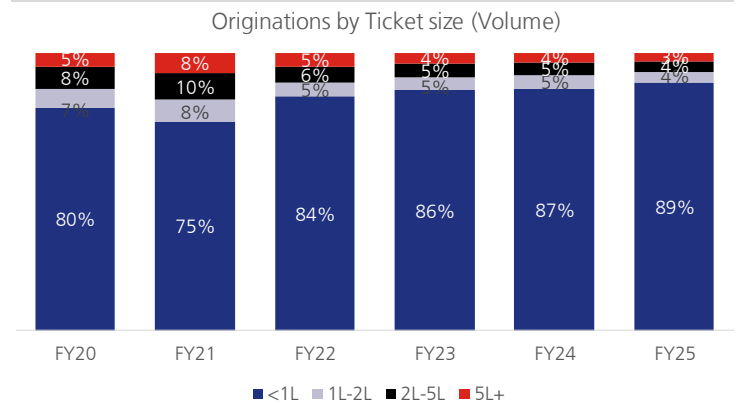
Source: CRIF, JM Financial

## Exhibit 12. PL disbursements: Rise in share of &lt;INR 0.1mn loans...



Source: CRIF, JM Financial

## Exhibit 13. ...as well as in volume mix



Source: CRIF, JM Financial

## Exhibit 14. Banks: Deceleration of personal loan growth in individual banks

Personal loans landscape	Outstanding loans (INR bn)			YoY growth (%)				Market share (%) - FY25		% of loan book		% of Networth	
	FY23	FY24	FY25	FY22	FY23	FY24	FY25	Banks	System	FY21	FY25	FY21	FY25
SBIN	3,040	3,484	3,501	28%	23%	15%	0%	31%	24%	8%	8%	51%	53%
HDFCB	1,717	1,846	1,993	17%	23%	8%	8%	18%	14%	11%	8%	59%	40%
ICICI	881	1,167	1,216	27%	40%	33%	4%	11%	8%	7%	9%	33%	42%
Axis	546	716	773	15%	21%	31%	8%	7%	5%	6%	7%	39%	43%
BOB	196	298	361	108%	102%	52%	21%	3%	2%	1%	3%	4%	20%
IDFCB	199	265	297	NA	NA	33%	12%	3%	2%	0%	13%	0%	78%
KMB	158	200	248	44%	56%	27%	24%	2%	2%	3%	6%	11%	21%
Yes	146	158	132	85%	31%	8%	-16%	1%	1%	4%	5%	18%	28%
IIB	54	80	102	NA	NA	49%	28%	1%	1%	0%	3%	0%	16%
Federal	24	38	38	-3%	37%	61%	-1%	0%	0%	1%	2%	11%	11%
Bandhan	9	13.7	21	NA	NA	52%	54%	0%	0%	0%	2%	0%	9%
CUB	9	14	12	16%	1%	44%	-11%	0%	0%	2%	2%	14%	13%
AU SFB	6	9	8	106%	94%	35%	-5%	0%	0%	0%	1%	1%	3%
<b>Total-Selected banks</b>	<b>6,984</b>	<b>8,288</b>	<b>8,703</b>	<b>26%</b>	<b>32%</b>	<b>19%</b>	<b>5%</b>	<b>78%</b>	<b>60%</b>	<b>6%</b>	<b>7%</b>	<b>37%</b>	<b>40%</b>
<b>Overall banks-Personal loans</b>	<b>8,913</b>	<b>10,465</b>	<b>11,154</b>	<b>23%</b>	<b>32%</b>	<b>17%</b>	<b>7%</b>	<b>NA</b>	<b>76%</b>	<b>5%</b>	<b>6%</b>	<b>33%</b>	<b>36%</b>
<b>System- Personal loans</b>	<b>10,700</b>	<b>13,400</b>	<b>14,600</b>	<b>25%</b>	<b>32%</b>	<b>25%</b>	<b>9%</b>						
<b>Market share of:</b>													
<b>Selected Banks in system</b>	<b>65%</b>	<b>62%</b>	<b>60%</b>										
<b>Selected Banks in overall Banks</b>	<b>78%</b>	<b>79%</b>	<b>78%</b>										
<b>Overall Banks in system</b>	<b>83%</b>	<b>78%</b>	<b>76%</b>										

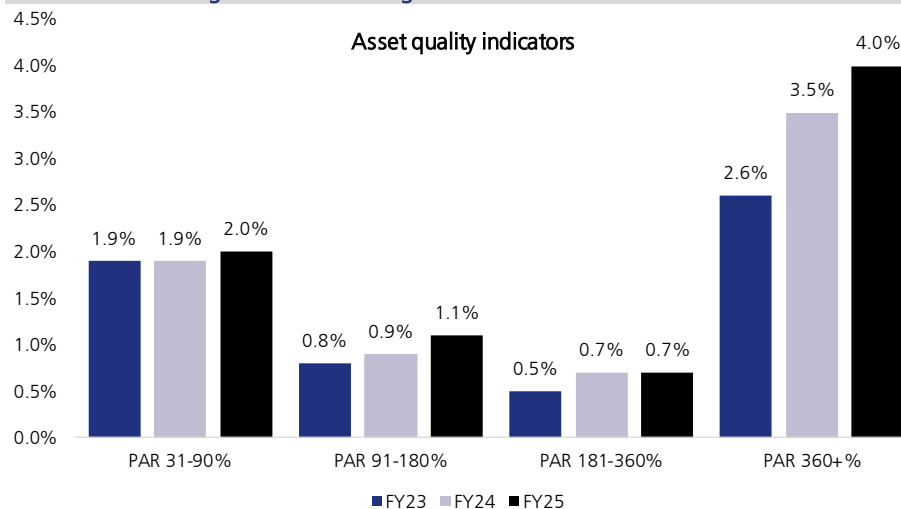
Source: RBI, Company data, Rating agencies, CRIF Highmark, Transunion CIBIL, JMF Note: For KMB, we have taken PL, BL and consumer durable loans for analysis

## Exhibit 15. NBFCs: Deceleration in personal loan growth for individual NBFCs

Personal loans landscape	Outstanding loans (INR bn)			YoY Growth (%)					Market share (%) - FY25		% of loan book		% of networth	
	FY23	FY24	FY25	FY22	FY23	FY24	FY25	FY25 vs FY22	System	NBFCs	FY22	FY25	FY21	FY25
Bajaj Finance- Personal loans (Rural/Urban B2C)	680	837	1,092	30%	31%	23%	30%	2.1 x	7%	32%	26%	26%	97%	110%
Tata Capital- Personal loans	171	209	294	18%	61%	22%	41%	2.8 x	2%	9%	17%	19%	137%	104%
Aditya Birla Finance- Personal and consumer	154	174	155	96%	197%	13%	-11%	3.0 x	1%	5%	9%	12%	30%	62%
Cholamandalam - Consumer & small enterprise loans	55	114	146	NA	865%	107%	27%	25.4 x	1%	4%	1%	8%	0%	62%
Shriram Finance- Personal loans	67	90	96	282%	61%	35%	7%	2.3 x	1%	3%	3%	4%	2%	17%
Piramal Enterprise- Personal and digital	36	69	89	NA	1168%	95%	28%	31.7 x	1%	3%	0%	11%	0%	33%
L&T Finance- Consumer loans	55	64	86	370%	138%	18%	34%	3.8 x	1%	3%	3%	9%	3%	34%
Poonawalla Fincorp- Personal and consumer	26	59	82	NA	1051%	127%	40%	36.6 x	1%	2%	2%	23%	0%	101%
Navi Finserv	62	76	76	413%	144%	24%	-1%	3.0 x	1%	2%	85%	89%	44%	239%
MMFS- Personal/consumer/TA loans	41	41	60	34%	59%	-1%	46%	2.3 x	0%	2%	4%	5%	13%	30%
Krazybee	23	46	56	74%	108%	97%	24%	5.1 x	0%	2%	100%	100%	119%	240%
IIFL Finance- Digital loans	25	43	55	1%	33%	71%	27%	2.9 x	0%	2%	4%	7%	34%	39%
<b>Total</b>	<b>1,554</b>	<b>2,031</b>	<b>2,535</b>	<b>35%</b>	<b>61%</b>	<b>31%</b>	<b>25%</b>	<b>2.6 x</b>	<b>17%</b>	<b>74%</b>	<b>11%</b>	<b>15%</b>	<b>33%</b>	<b>73%</b>
<b>Overall NBFCs- Personal loans</b>	<b>1,787</b>	<b>2,935</b>	<b>3,446</b>	<b>36%</b>	<b>34%</b>	<b>64%</b>	<b>17%</b>	<b>2.6 x</b>	<b>NA</b>	<b>NA</b>				
<b>System- Banks/NBFCs/Others- Personal loans</b>	<b>10,700</b>	<b>13,400</b>	<b>14,600</b>	<b>25%</b>	<b>32%</b>	<b>25%</b>	<b>9%</b>	<b>1.8 x</b>	<b>NA</b>	<b>NA</b>				
<b>Market share of:</b>														
<b>Selected NBFCs in system</b>	<b>14%</b>	<b>15%</b>	<b>17%</b>											
<b>Selected NBFCs in overall NBFCs</b>	<b>87%</b>	<b>69%</b>	<b>74%</b>											
<b>Overall NBFCs in system</b>	<b>17%</b>	<b>22%</b>	<b>24%</b>											

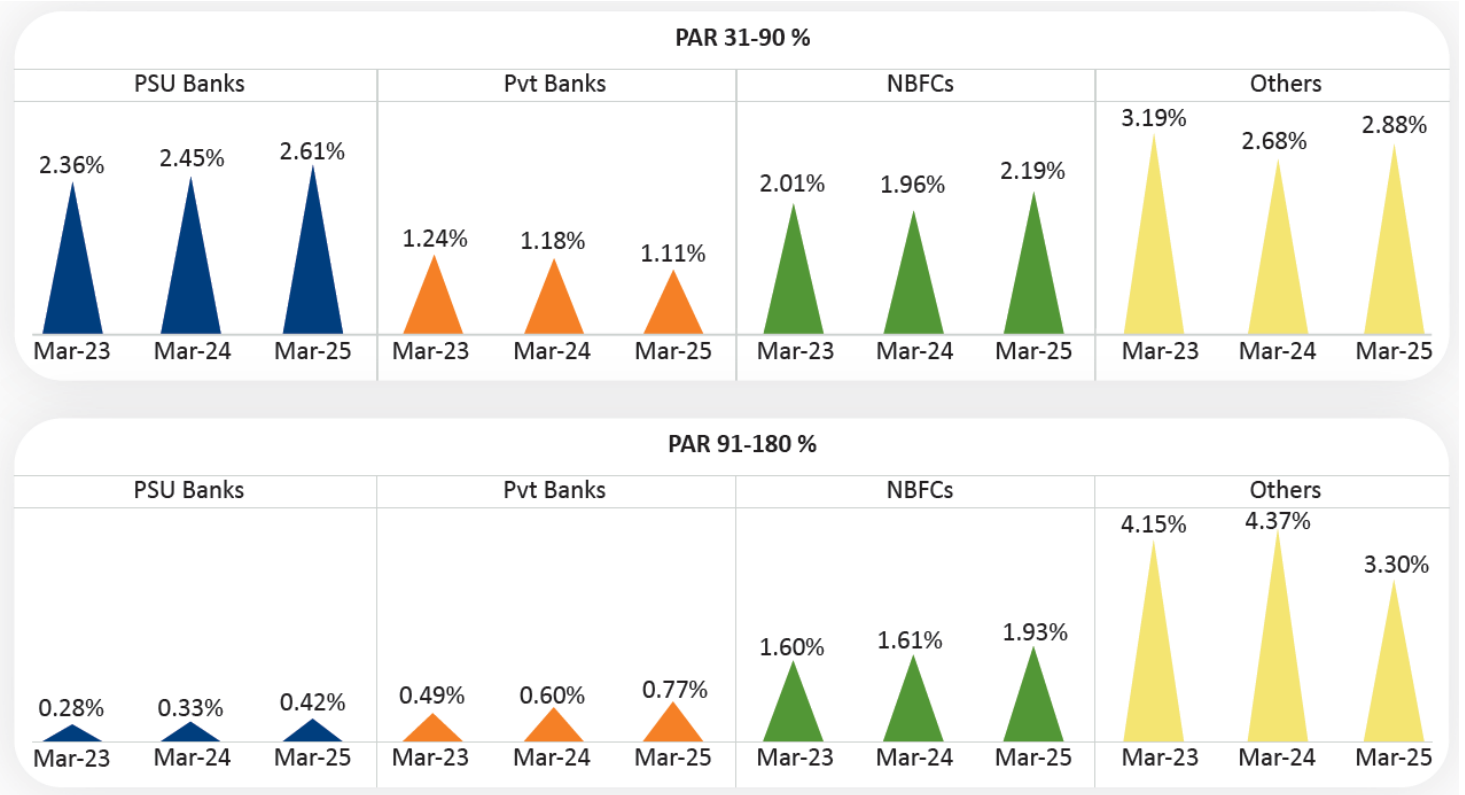
Source: RBI, Company data, Rating agencies, CRIF Highmark. JM Financial estimates Note: For Tata Capital - In FY25, we have assumed personal loans to be in same proportion of total loans as in FY24

## Exhibit 16. This surge in low-ticket originations has coincided with a rise in credit stress



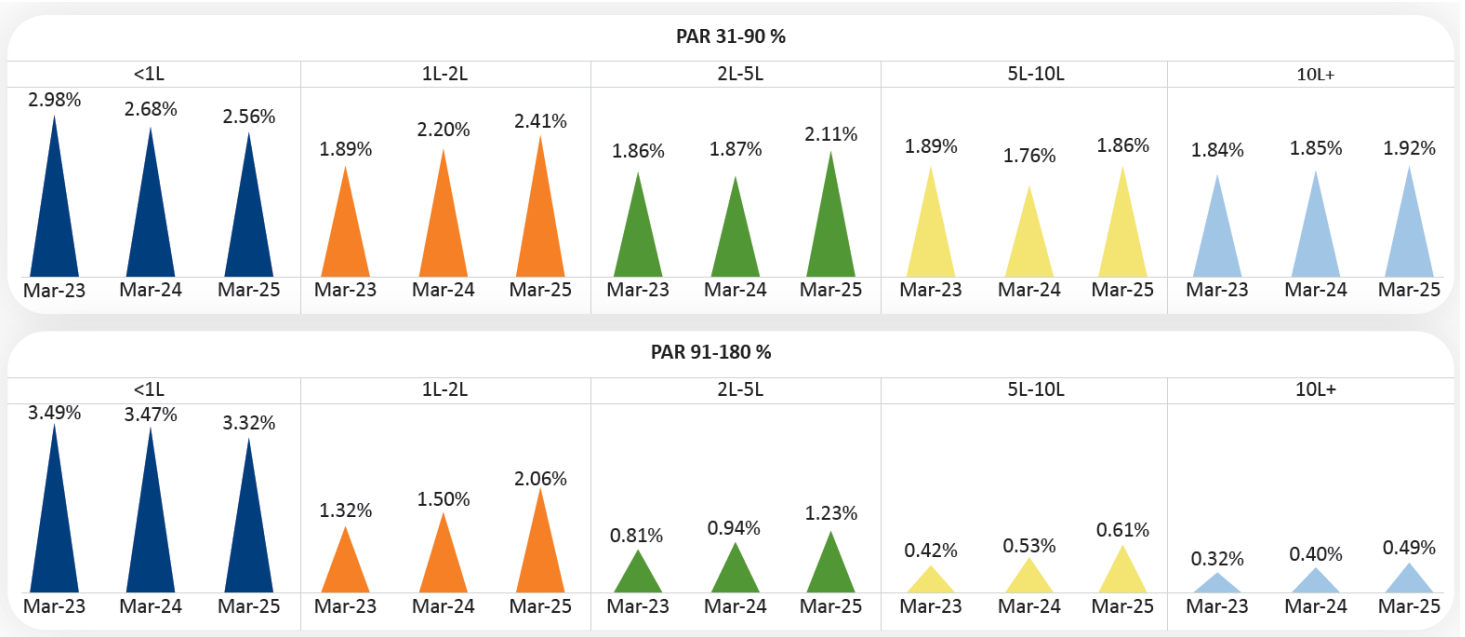
Source: CRIF, JM Financial

Exhibit 17. PL Delinquency: Asset quality deteriorating for NBFC/PSU banks; private banks relatively better placed



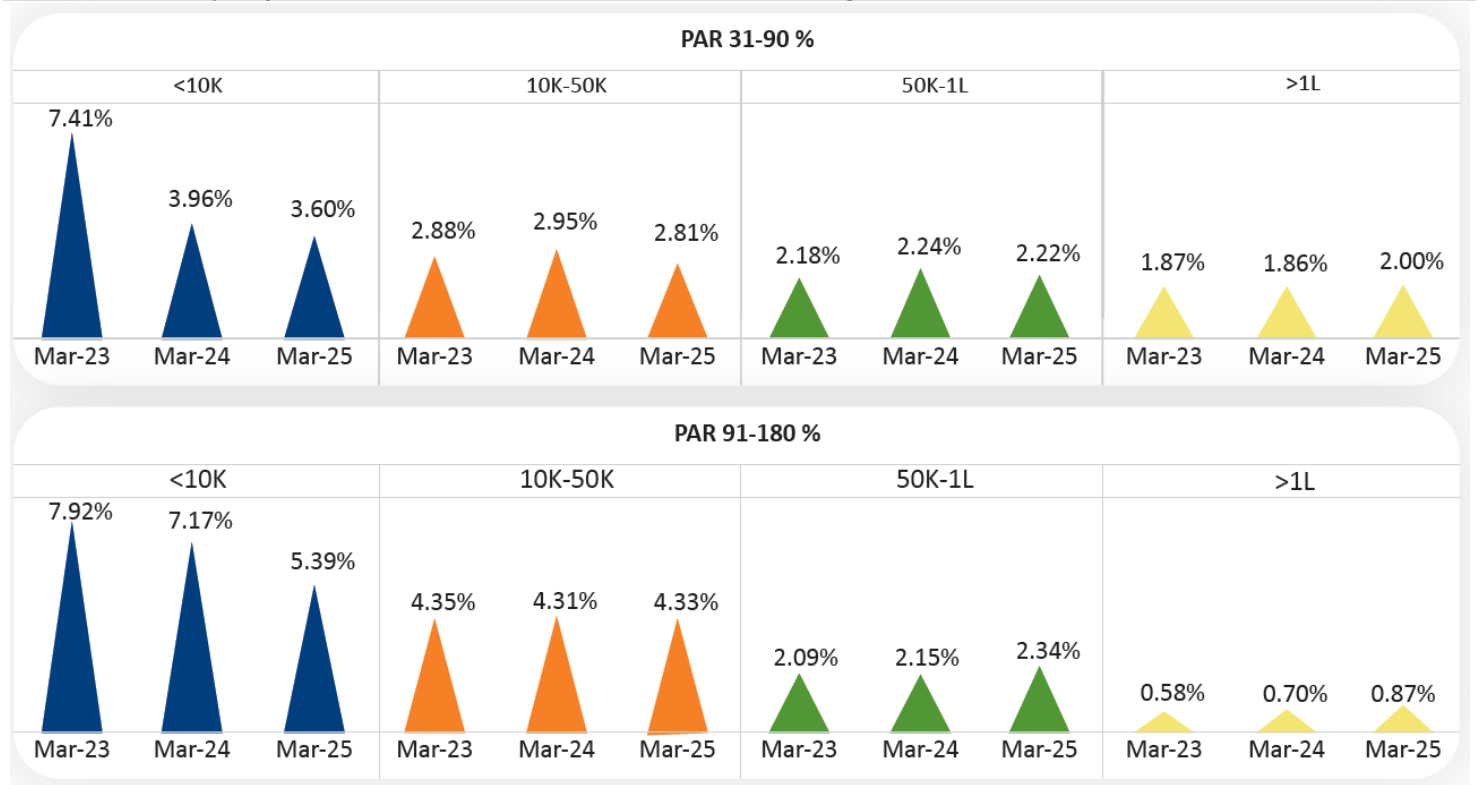
Source: CRIF, JM Financial

Exhibit 18. PL Delinquency: Asset quality worsens throughout all ticket sizes except in <INR 0.1mn, though stress remains high in <INR 0.1mn



Source: CRIF, JM Financial

## Exhibit 19. PL Delinquency: Within INR 0.1mn loans, those below INR 10k faces high stress



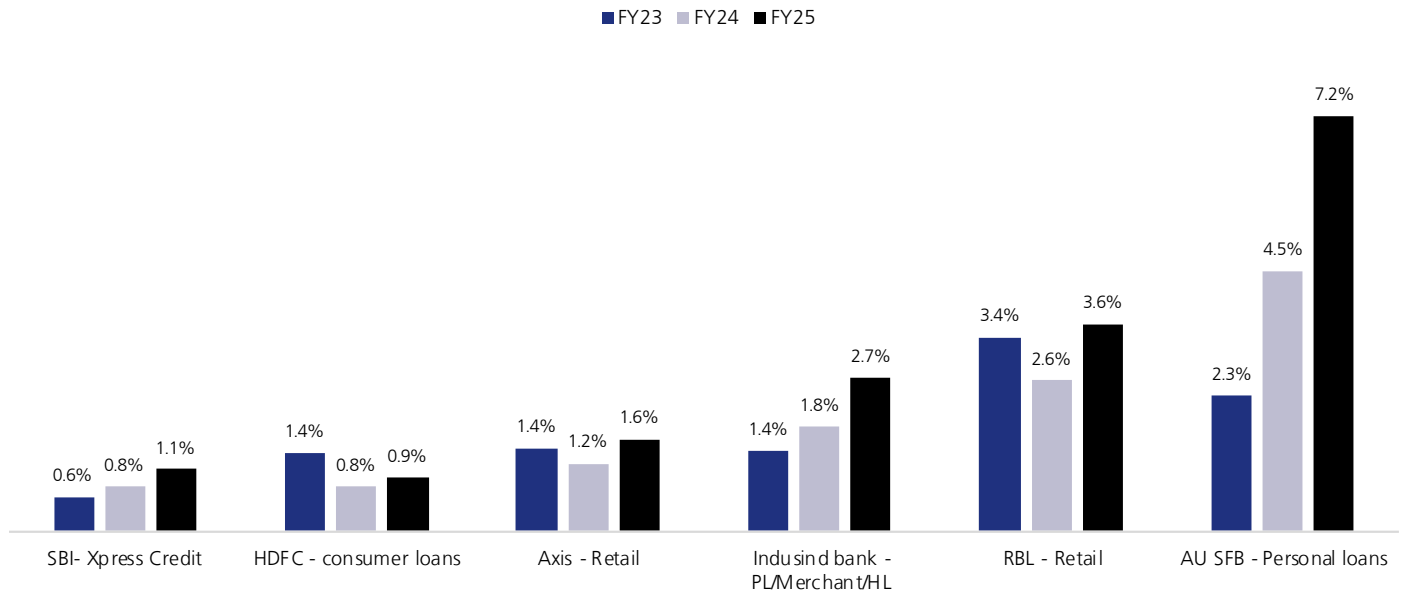
Source: CRIF, JM Financial

## Exhibit 20. State Bank of India: Personal (incl. pension) loans: Disbursements declined 9% YoY in FY25 leading to only 2% loan growth, GNPA going up from past 3 years despite operating in higher ticket size segment (avg. ticket size of ~INR 0.6mn)

Personal Loan	FY21	FY22	FY23	FY24	FY25
<b>Xpress credit- A</b>					
% of loan book	7.6%	8.8%	9.3%	9.2%	8.3%
O/S (INR mn)	19,27,800	24,77,140	30,39,890	34,84,380	35,01,380
<b>Y-Y growth</b>	<b>36.5%</b>	<b>28.5%</b>	<b>22.7%</b>	<b>14.6%</b>	<b>0.5%</b>
Disbursement (INR mn)	NA	NA	NA	NA	15,10,000
Disbursement- No. of customers (# mn)	NA	NA	NA	NA	2.2
Ticket size (INR mn)	NA	NA	NA	NA	0.7
<b>GNPA</b>	<b>0.36%</b>	<b>0.59%</b>	<b>0.60%</b>	<b>0.77%</b>	<b>1.07%</b>
<b>Pension loan- B</b>					
% of loan book	1.2%	1.4%	1.4%	1.4%	1.4%
O/S (Part of others in retail loans, INR mn)	3,01,860	3,82,730	4,59,990	5,42,880	6,07,130
<b>Y-Y growth</b>	<b>19.4%</b>	<b>26.8%</b>	<b>20.2%</b>	<b>18.0%</b>	<b>11.8%</b>
Sanction (INR mn)	NA	NA	NA	NA	3,18,860
Sanction- No. of customers (# mn)	NA	NA	NA	NA	0.73
Ticket size (INR mn)	NA	NA	NA	NA	0.4
<b>Total Personal loan- (A+B)</b>					
% of loan book	8.8%	10.1%	10.7%	10.7%	9.7%
O/s (INR mn)	22,29,660	28,59,870	34,99,880	40,27,260	41,08,510
<b>Y-Y growth</b>	<b>33.9%</b>	<b>28.3%</b>	<b>22.4%</b>	<b>15.1%</b>	<b>2.0%</b>
Disbursements (INR mn)	NA	NA	NA	20,12,790	18,28,860
Y-Y growth	NA	NA	NA	NA	<b>-9.1%</b>
Disbursements- No. of customers (# mn)	NA	NA	NA	NA	2.9
Ticket size (INR mn)	NA	NA	NA	NA	0.6
<b>Market share- Calculated (%)</b>	<b>34%</b>	<b>35%</b>	<b>33%</b>	<b>30%</b>	<b>28%</b>

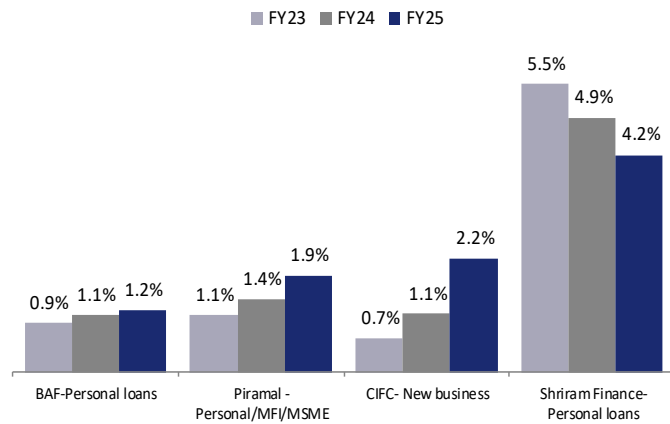
Source: Company, JM Financial

Exhibit 21. Bank's PL/retail portfolio snapshot: GNPA % has gone up in FY25 vs. FY24



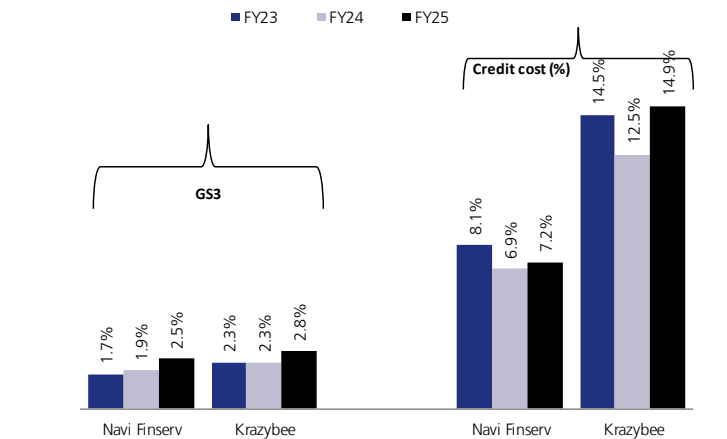
Source: Company, JM Financial \*For HDFC Bank, we have taken data from Basel 3

Exhibit 22. NBFC PL: GS3 has gone up for most of the players



Source: Company, JM Financial

Exhibit 23. Fintechs' asset quality deteriorated in FY25



Source: Company, JM Financial

## Consumer Durables: Growth falling, NBFCs continue to gain market share

- Fall in disbursement growth in both value/volume terms:** Disbursement (value) growth in consumer durables has come down to only 3% YoY in FY25 and ~10% CAGR during FY23-25 vs. ~21% during FY20-23. Similar trends can be observed in terms of volume as well. (Exhibit 27)
- Fall in loan growth in FY25, NBFCs gaining market share:** Driven by moderating disbursement growth, o/s loan growth came down to 14% YoY in FY25 vs. 33% in FY24. NBFCs grew faster at 21% YoY in FY25 vs. 3% YoY decline for banks, leading to market share gains for NBFCs. (Exhibit 24)
- Asset quality worsened across buckets:** On the asset quality front, this segment saw deterioration in FY25. PAR91-180 and PAR180+ buckets rose by ~20bps each to 1.1% and 2.1%, respectively. Early delinquency (PAR 31-90+) also deteriorated by 10bps YoY. Loans with an average ticket size (ATS) of less than INR 10,000 exhibited higher delinquency rates. (Exhibit 33)
- Trends in individual banks/NBFCs:** We have seen deceleration in consumer durables loan growth for HDFC Bank (11% YoY in FY25 vs. 24% in FY24) and Bajaj Finance (BAF) (25% YoY in FY25 vs. 32% in FY24). The asset quality of BAF was largely stable but worsened for HDFC Bank in FY25. (Exhibit 36, Exhibit 37)

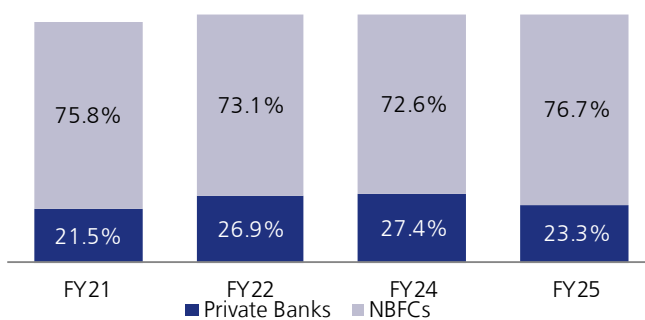
**Exhibit 24. Consumer durable (outstanding): Growth has moderated in FY25**

Consumer Durables	FY20	FY21	FY22	FY23	FY24	FY25	FY20-23	FY23-25	FY20-25
Portfolio Outstanding (INR bn)	345	287	391	485	644	737	12%	23%	16%
Active loans (mn)	37.3	38.2	48.2	65.4	76.9	96.6	21%	21%	21%
Ticket size (INR k)	9.2	7.5	8.1	7.4	8.4	7.6	-7%	1%	-4%
<b>YoY growth</b>									
Portfolio Outstanding		-17%	36%	24%	33%	14%			NA
Active loans		2%	26%	36%	17%	26%			NA
Ticket size		-19%	8%	-9%	13%	-9%			NA

Source: CRIF, JM Financial

**Exhibit 25. Consumer durable (outstanding): NBFCs have gained market share in value terms**

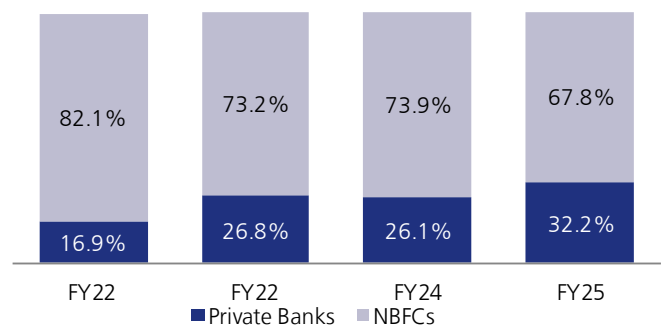
### Outstanding portfolio



Source: CRIF, JM Financial

**Exhibit 26. Consumer durables (outstanding): NBFCs have lost market share in volume terms**

### Active Loans



Source: CRIF, JM Financial

Exhibit 27. Consumer durables disbursements: Growth moderation in both value/volume terms

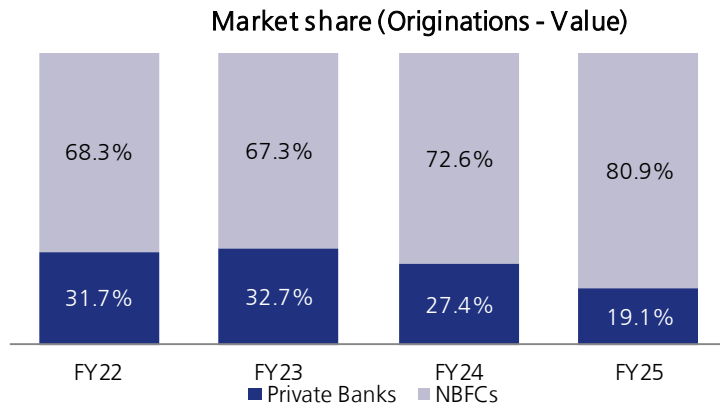
Originations	FY20	FY21	FY22	FY23	FY24	FY25	CAGR		
							FY20-23	FY23-25	FY18-25
Disbursement Value (INR bn)	744	553	955	1314	1550	1602	21%	10%	20%
Disbursement Volume (mn)	37.0	28.9	44.9	61.8	69.8	77.8	19%	12%	20%
Ticket size (INR k)	20.1	19.1	21.3	21.2	22.2	20.6	2%	-2%	0%

YoY Growth	FY20	FY21	FY22	FY23	FY24	FY25	
Disbursement Value	18%	-26%	73%	37%	18%	3%	NA
Disbursement Volume	18%	-22%	55%	38%	13%	12%	NA
Ticket size	0%	-5%	11%	0%	5%	-7%	NA

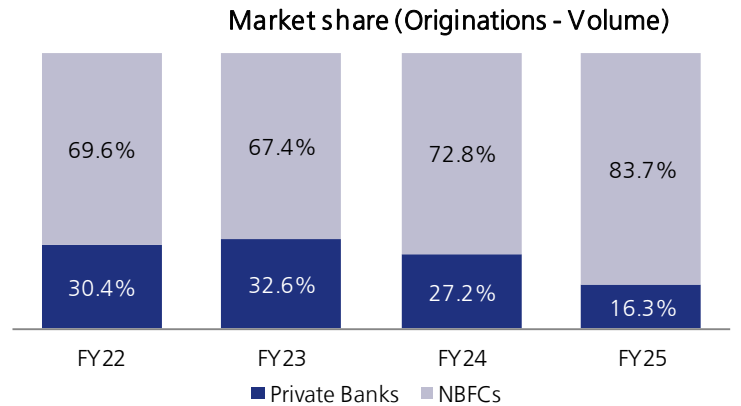
Source: CRIF, JM Financial

Exhibit 28. Consumer durables disbursements: NBFCs have gained market share in value terms



Source: CRIF, JM Financial

Exhibit 29. Consumer durables disbursements: NBFCs have gained market share in volume terms as well



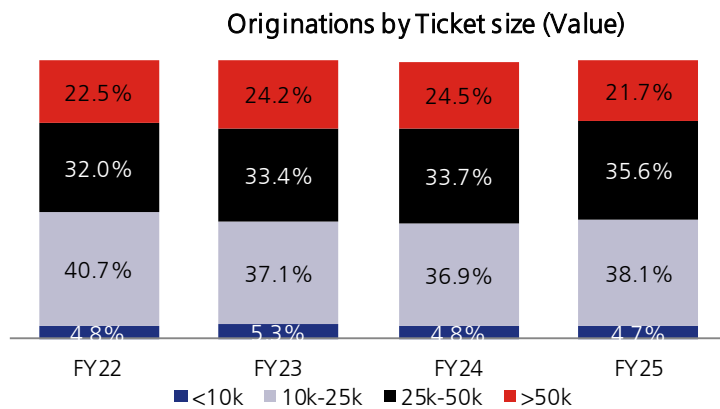
Source: CRIF, JM Financial

Exhibit 30. Consumer durable loans: Ticket size increasing for private banks and reducing for NBFCs

Originations - Ticket size (INR k)	FY22	FY23	FY24	FY25	YoY Growth	CAGR
					FY25	FY20-23
Private Banks	22	21	22	24	8%	3%
NBFCs	21	21	22	20	-10%	-2%

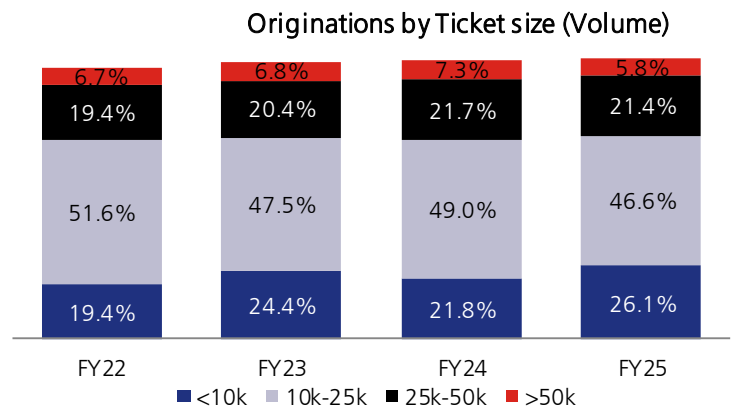
Source: CRIF, JM Financial

Exhibit 31. Mid segment loans (INR10k-50k) constitute the majority



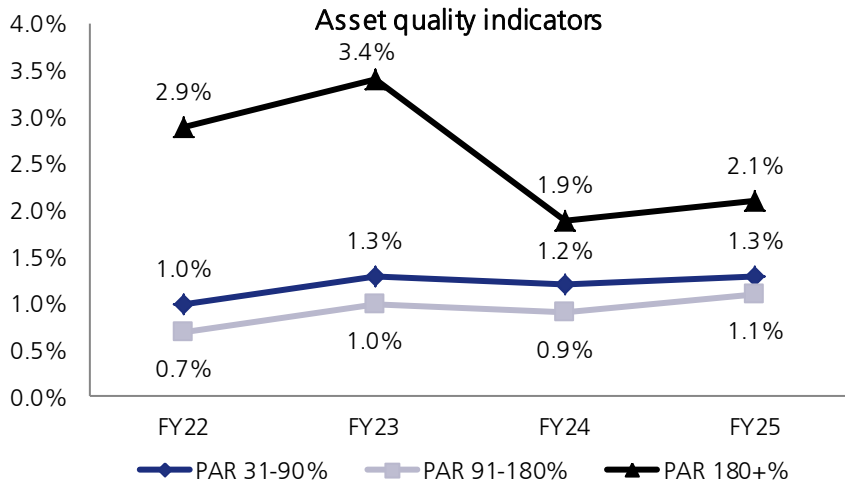
Source: CRIF, JM Financial

Exhibit 32. Same trend can be observed in volume terms



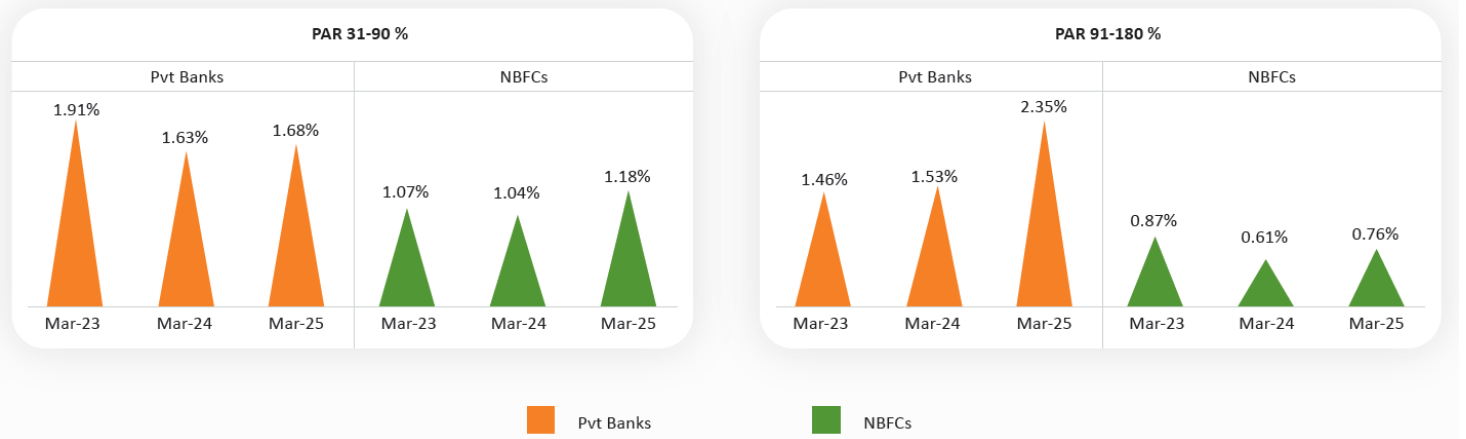
Source: CRIF, JM Financial

Exhibit 33. Asset quality: Inch up in PAR across buckets



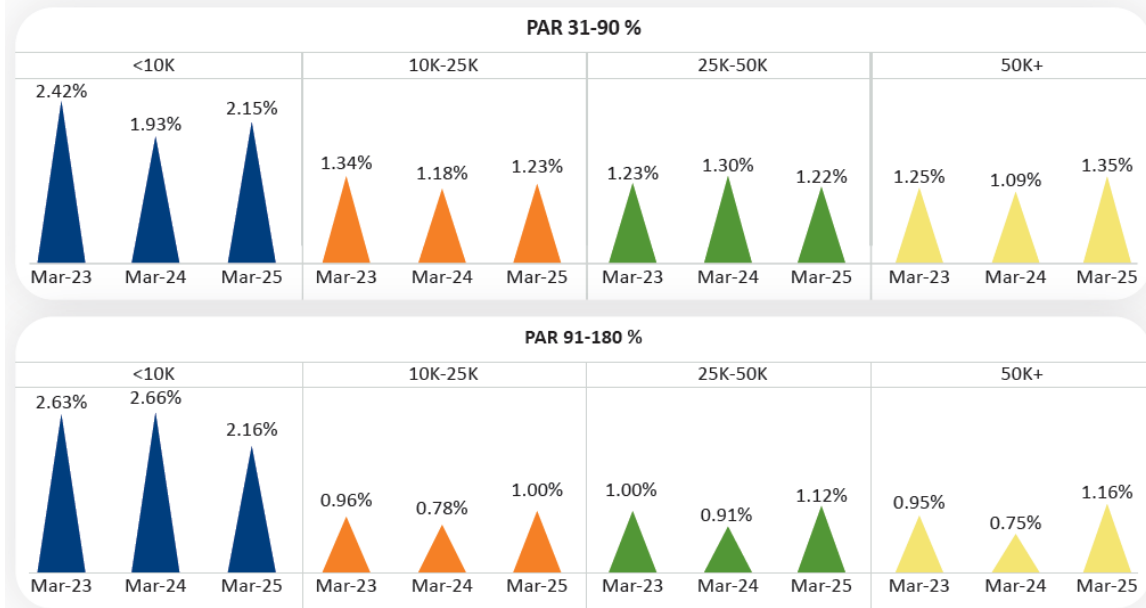
Source: CRIF, JM Financial

Exhibit 34. Consumer durables delinquency: Asset quality worsens for NBFCs and private banks



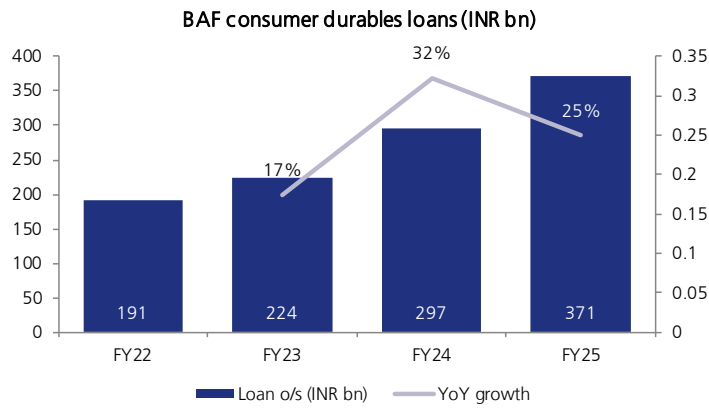
Source: CRIF, JM Financial

Exhibit 35. Consumer durables delinquency: Performance of loans of ticket size INR 10K-50K is better compared to <INR 10k



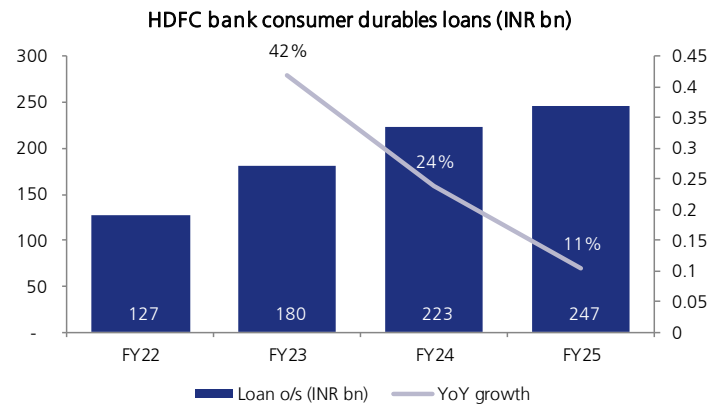
Source: CRIF, JM Financial

**Exhibit 36. BAF- Consumer durable loans growing rapidly**



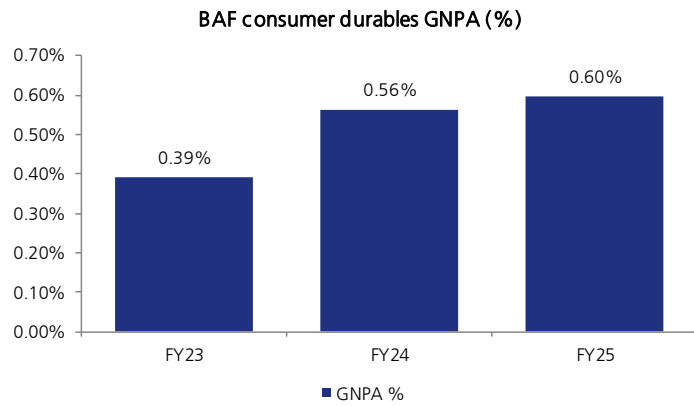
Source: Company, JM Financial

**Exhibit 37. HDFCB: Consumer durable loans growth has moderated**



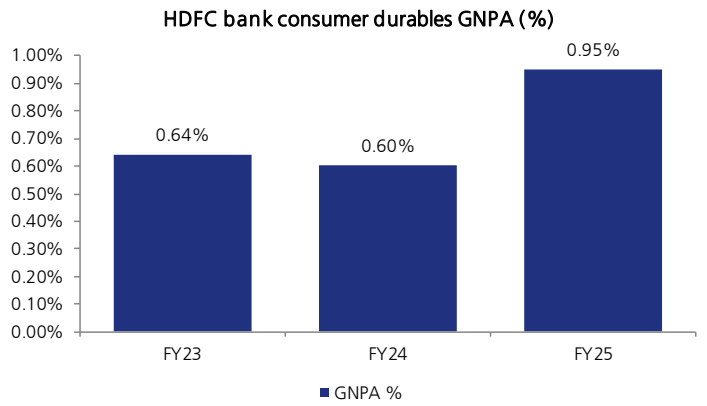
Source: Company, JM Financial. Note: Consumer durable loans denote fund exposure disclosed in Basel 3 disclosures

**Exhibit 38. BAF- GNPA has inched up in consumer durables**



Source: Company, JM Financial

**Exhibit 39. HDFCB- GNPA has inched up in consumer durables**



Source: Company, JM Financial

## Credit cards: Growth moderation; private banks losing market share

- **Fall in new card issuance:** The number of new cards issued during FY25 was 21.6mn, down from 29.4mn in FY24 (**down 26% YoY**). Hence, growth in card in circulation moderated to only 7% YoY in FY25 vs. 17% YoY in FY24. (**Exhibit 43**)
- **Moderation in growth of o/s balance:** Driven by moderation in cards growth, growth in o/s balances was down 20% YoY in FY25 vs. 28% YoY in FY24. (**Exhibit 40**)
- **Majority of cards issued by private banks, though NBFC/others gaining market share:** ~70% of the new card issues were done by private banks and the rest by NBFC/Others. The ratio has increased from 61% in FY21 to 70% in FY25; however, it fell ~170bps YoY in FY25. (**Exhibit 44, Exhibit 45**)
- **Late delinquencies shot up in FY25; early delinquencies down:** PAR90+ witnessed a sharp uptick of 250bps from 12.5% in FY24 to 15% in FY25. However, Par 31-90 and Par 1-30 reduced by ~20/120bps YoY in FY25. (**Exhibit 46, Exhibit 47**)
- **HDFC/ICICI bank gain market share in spends:** Data from RBI also shows that HDFC and ICICI Bank have gained market share in credit cards spends in FY25 vs. FY24. On the other hand, SBI Cards and Axis Bank have lost market share in spends in FY25 vs. FY24. **We also note that loan growth across players have moderated in this segment in FY25.** (**Exhibit 50, Exhibit 51**)

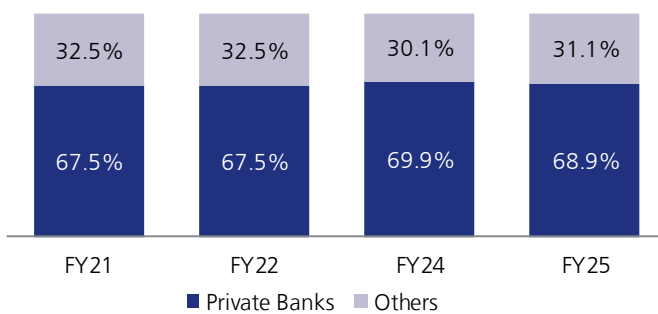
**Exhibit 40. Credit cards: Moderation in growth of o/s balances and cards in circulation**

Credit Cards	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY20-23	FY23-25	FY19-25
Credit card balances (INR tn)	1.1	1.6	1.7	1.8	2.4	3.0	3.7	15%	24%	23%
Cards in circulation (mn)	45.2	54.0	60.6	71.3	85.7	99.9	107.2	17%	12%	15%
Ticket size (INR k)	23.3	29.1	28.6	25.4	27.8	30.4	34.1	-2%	11%	7%
<b>YoY growth</b>										
Credit card balances			10%	4%	31%	28%	20%			NA
Cards in circulation			12%	18%	20%	17%	7%			NA
Ticket size			-2%	-11%	9%	10%	12%			NA

Source: CRIF, JM Financial

**Exhibit 41. Cards in circulation (o/s) dominated by private banks...**

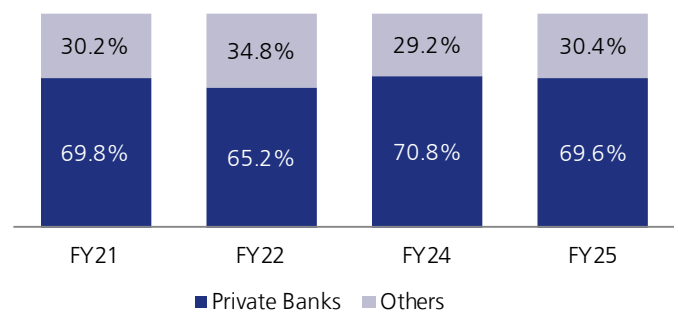
### Cards in circulation



Source: CRIF, JM Financial

**Exhibit 42. ...and credit card balances follow similar trend**

### Credit card balances



Source: CRIF, JM Financial

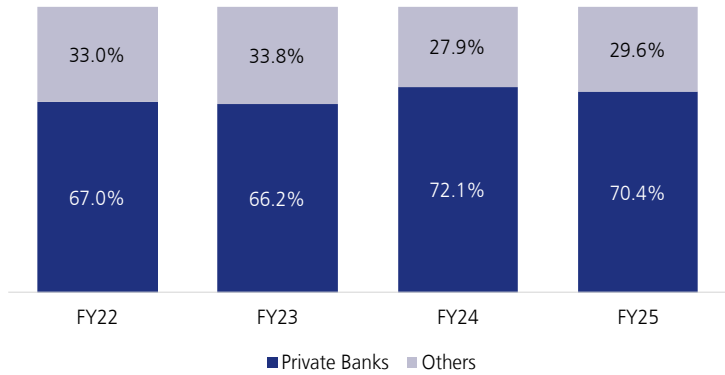
**Exhibit 43. Credit cards: New card issuances fall by 26% in FY25**

Originations	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	CAGR		
									FY20-23	FY23-25	FY18-25
New cards issued (mn)	10.9	13.5	16.0	11.1	18.4	28.0	29.4	21.6	20%	-12%	10%
YoY Growth (%)		25%	19%	-31%	67%	52%	5%	-26%			

Source: CRIF, JM Financial

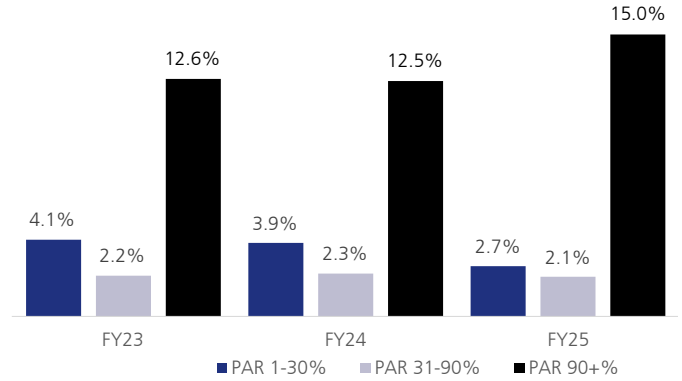
Exhibit 44. New card issuance: NBFC/others gaining market share

New Cards issued - by issuer type



Source: CRIF, JM Financial

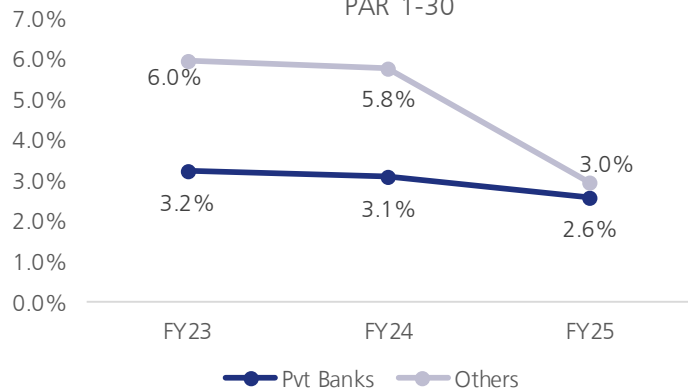
Exhibit 45. Late delinquencies (PAR 90+) rose significantly to 15.0% in FY25



Source: CRIF, JM Financial

Exhibit 46. Improvement seen in early stage delinquencies...

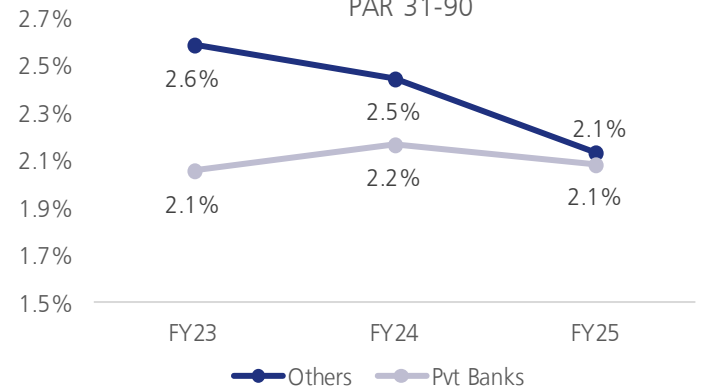
PAR 1-30



Source: CRIF, JM Financial

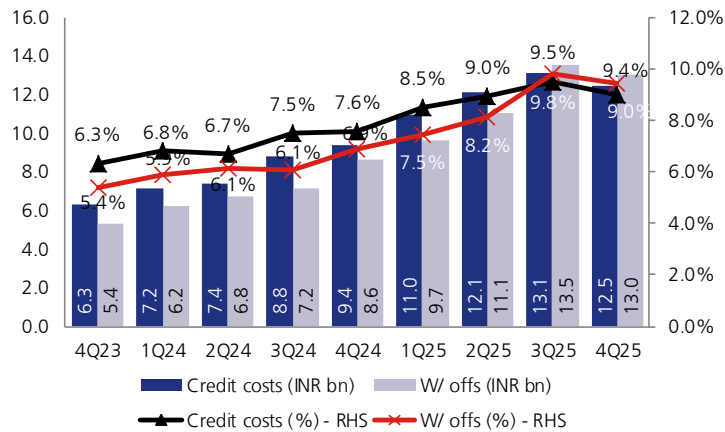
Exhibit 47. ...as well as mid stage delinquencies

PAR 31-90



Source: CRIF, JM Financial

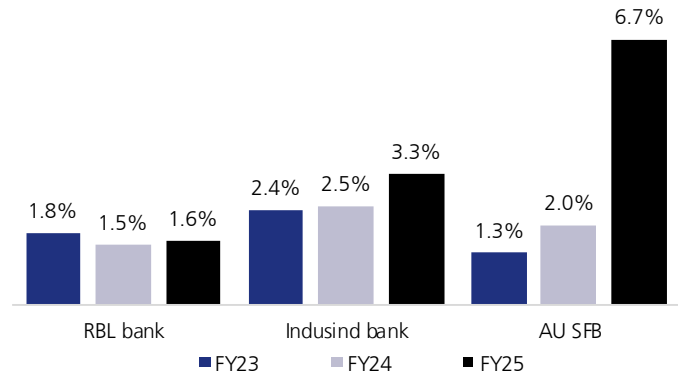
Exhibit 48. SBI Cards: Credit cost remains elevated



Source: Company, JM Financial

Exhibit 49. GNPA in credit card segment has gone up across banks

Credit card GNPA



Source: Company, JM Financial

## Exhibit 50. HDFC bank, SBI Cards have gained market share in terms of O/s cards in FY25 vs. FY24

Market share- O/S cards	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Apr'25	May'25	MoM (bps)
HDFC Bank	28.5%	26.5%	25.1%	24.2%	22.5%	20.6%	20.2%	21.7%	21.7%	21.8%	10
SBI Cards	16.7%	17.6%	18.3%	19.1%	18.7%	19.7%	18.6%	19.0%	19.0%	19.0%	(2)
ICICI Bank	13.3%	14.1%	15.8%	17.1%	17.6%	16.9%	16.7%	16.6%	16.6%	16.4%	(14)
Axis Bank (Inc. Citi)	19.1%	18.4%	16.9%	15.8%	15.7%	14.4%	14.2%	13.8%	13.8%	13.8%	0
RBL Bank	2.1%	3.6%	4.6%	4.8%	5.0%	5.2%	5.1%	4.4%	4.3%	4.3%	(7)
Kotak Mahindra	3.9%	4.3%	4.0%	3.9%	4.3%	5.8%	5.8%	4.4%	4.4%	4.4%	(1)
Indusind Bank	2.1%	2.3%	2.3%	2.5%	2.6%	2.6%	2.8%	2.9%	2.9%	2.9%	(1)
AMEX	3.2%	3.1%	2.9%	2.5%	1.9%	1.6%	1.3%	1.3%	1.3%	1.3%	(2)
Standard Chartered	3.3%	2.7%	2.5%	2.4%	1.8%	1.2%	1.0%	0.8%	0.8%	0.7%	(2)
YES	0.7%	1.1%	1.5%	1.5%	1.6%	1.7%	2.0%	2.2%	2.3%	2.4%	15
HSBC	1.5%	1.6%	1.5%	1.4%	1.1%	0.8%	0.6%	0.8%	0.8%	0.8%	1
<b>Top 4 players (Inc. CITI)</b>	<b>77.6%</b>	<b>76.6%</b>	<b>76.1%</b>	<b>76.0%</b>	<b>74.5%</b>	<b>71.6%</b>	<b>69.6%</b>	<b>71.0%</b>	<b>71.1%</b>	<b>71.0%</b>	<b>(6)</b>

Source: RBI, JM Financial

## Exhibit 51. Spends: HDFC Bank has gained market share while SBI Cards has lost market share

Market share- Spends	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Apr'25	May'25	MoM (bps)
HDFC Bank	28.6%	28.0%	28.8%	30.9%	26.3%	27.9%	27.0%	27.1%	28.1%	27.3%	(82)
SBI Cards	16.7%	17.1%	17.9%	19.4%	19.1%	18.2%	17.8%	15.7%	16.0%	17.1%	110
ICICI Bank	11.2%	11.1%	12.3%	14.6%	20.3%	18.0%	17.8%	18.9%	19.0%	18.2%	(86)
Axis Bank (inc. Citi)	20.2%	19.0%	17.6%	14.2%	13.1%	12.6%	12.1%	11.6%	11.8%	12.1%	31
RBL Bank	1.5%	2.7%	4.0%	4.7%	4.5%	4.2%	4.3%	4.4%	3.7%	3.9%	21
Kotak Mahindra	2.3%	2.7%	2.7%	2.5%	2.6%	3.2%	3.9%	3.9%	3.3%	3.3%	4
Indusind Bank	3.4%	4.2%	4.1%	4.1%	4.7%	5.1%	4.9%	4.9%	4.8%	4.8%	(4)
AMEX	10.1%	9.3%	7.3%	3.7%	3.0%	2.7%	2.7%	3.0%	2.9%	2.8%	(9)
Standard Chartered	2.5%	2.2%	1.5%	1.5%	1.3%	1.0%	0.7%	0.6%	0.5%	0.5%	(1)
YES	0.4%	0.7%	0.9%	1.0%	0.9%	1.1%	1.3%	1.6%	1.7%	1.8%	4
HSBC	1.1%	1.1%	1.1%	1.0%	0.8%	0.6%	0.5%	0.9%	1.0%	1.0%	(0)
<b>Top 4 players (Inc. CITI)</b>	<b>76.6%</b>	<b>75.3%</b>	<b>76.5%</b>	<b>79.2%</b>	<b>78.8%</b>	<b>76.7%</b>	<b>74.7%</b>	<b>73.2%</b>	<b>74.9%</b>	<b>74.6%</b>	<b>(26)</b>

Source: RBI, JM Financial

## Exhibit 52. Credit card loan growth moderates in FY25 across players

Credit card loans YoY growth	FY22	FY23	FY24	FY25
SBIC	25%	30%	25%	10%
ICICIBC	45%	52%	36%	12%
AXSB	19%	100%	30%	4%
KMB	4%	81%	44%	-7%
IIB	30%	46%	27%	3%
RBL	52%	5%	8%	1%

Source: Company, JM Financial

## Home Loans: Muted disbursements; PSB/HFCs gains market share

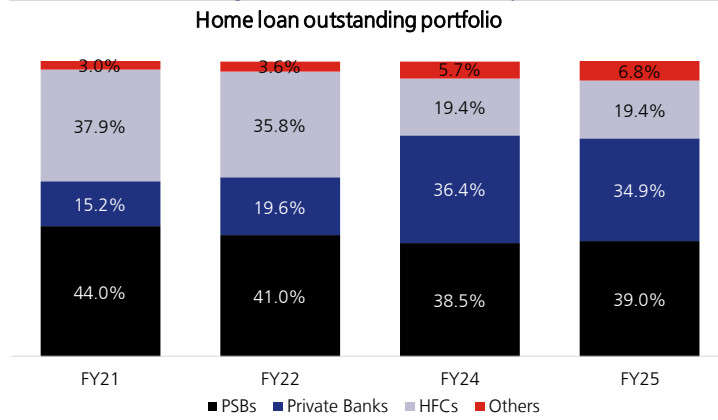
- **Disbursements growth declined in terms of both value/volume:** Disbursements in home loans in terms of value grew only 3% YoY in FY25. **During FY23-25, disbursements (value) grew at CAGR of only 6% vs. 18% CAGR during FY20-23.** Even in terms of volume, disbursement volume was down 5% YoY in FY25 (down 2% CAGR during FY23-25 vs. 8% CAGR during FY20-23). (Exhibit 56).
- **System growth falls notably in o/s loans and volumes:** During FY25, the growth in o/s portfolio and active loans in the home loans industry was stable but low at 13% and 5% respectively. However, given the decline in disbursements, growth has moderated notably over the past 2 years, with the overall loan book expanding at a CAGR of 13% over FY23-25, compared to a robust 17% CAGR during FY20-23. O/s volume growth has also decelerated sharply to 5% over FY23-25, from 22% over FY20-23. (Exhibit 53)
- **Private banks losing market share while PSB/HFCs have benefited:** The competitive landscape has tilted further in favour of public sector banks, with the share of PSBs in terms of origination value increasing 43% in FY25 (vs. 37% in FY24), while private banks lost market share from 37% in FY24 to 30% in FY25. HFCs' market share rose by a marginal 90bps to 20.4% in FY25. (Exhibit 57, Exhibit 58)
- **Rise in share of >INR 7.5mn high ticket housing loans:** A noteworthy shift has been the rising share of high-ticket housing loans (>INR 7.5mn), for which the share in terms of disbursement (value) increased to 35% in FY25 (vs. 31% in FY24). This reflects the consumer preference for larger homes amid rising real estate prices. (Exhibit 60, Exhibit 61)
- **Increase in high-ticket originations leads to improvement in asset quality:** Asset quality trends are stable to positive broadly across all lenders in FY25. HFCs reported a significant improvement in PAR91–180 delinquencies, which dropped to 0.3% in FY25 from 1.6% in FY24, but experienced a slight deterioration in PAR 31-90. Private banks steadily reduced overall PAR 31-180, while PSU banks also saw improvement in delinquencies. (Exhibit 62, Exhibit 63)

Exhibit 53. Home loans: Growth moderates in portfolio o/s and active loans

Home loans	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY20-23	FY23-25	FY19-25
Portfolio Outstanding (INR tn)	18.4	20.0	22.5	27.3	31.9	35.9	40.6	17%	13%	14%
Active loans (mn)	10.6	11.5	12.4	13.5	20.9	22.0	23.0	22%	5%	14%
Ticket size (INR mn)	1.7	1.7	1.8	2.0	1.5	1.6	1.8	-4%	8%	0%
<b>YoY growth</b>										
Portfolio Outstanding		9%	13%	21%	17%	13%	13%			NA
Active loans		8%	8%	9%	54%	5%	5%			NA
Ticket size		1%	4%	11%	-24%	7%	8%			NA

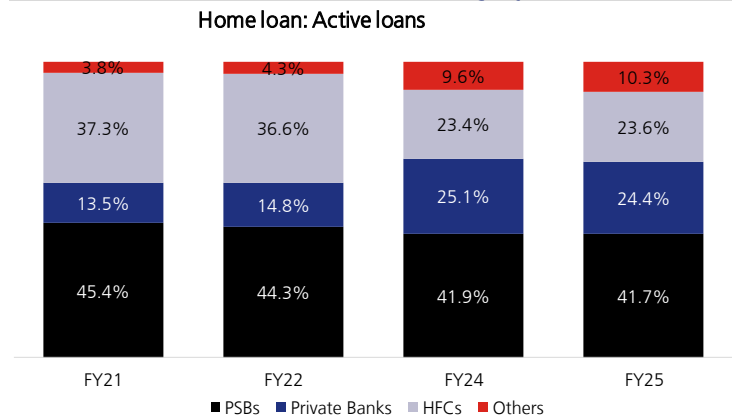
Source: CRIF, JM Financial

Exhibit 54. PSBs have gained market share in o/s portfolio...



Source: CRIF, JM Financial

Exhibit 55. ...while its share in active loans slightly reduced



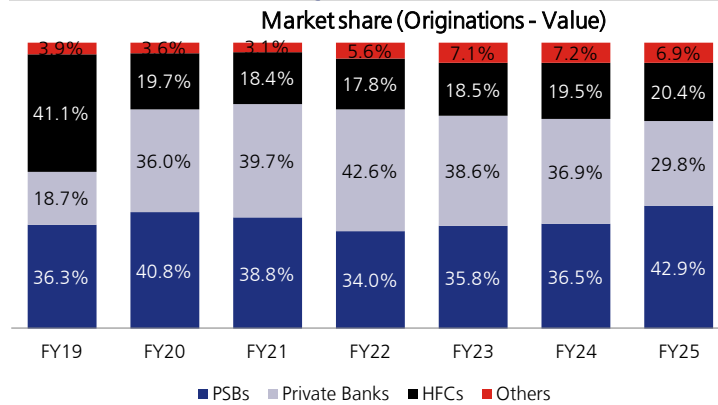
Source: CRIF, JM Financial

Exhibit 56. Home loans: Moderation in growth of disbursement value as volume falls

Originations	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	CAGR		
										FY20-23	FY23-25	FY17-25
Disbursement Value (INR tn)	4.2	5.5	5.7	5.8	6.0	8.0	9.5	10.4	10.7	18%	6%	13%
Disbursement Volume (mn)	1.7	2.2	2.2	2.9	2.7	3.3	3.6	3.7	3.5	8%	-2%	9%
Ticket size (INR mn)	2.5	2.5	2.6	2.0	2.2	2.4	2.6	2.8	3.1	9%	8%	3%
<b>YoY Growth</b>												
Disbursement Value		32%	4%	3%	3%	33%	19%	10%	3%			
Disbursement Volume		31%	-1%	33%	-7%	21%	11%	1%	-5%			
Ticket size		1%	4%	-23%	11%	10%	7%	8%	9%			

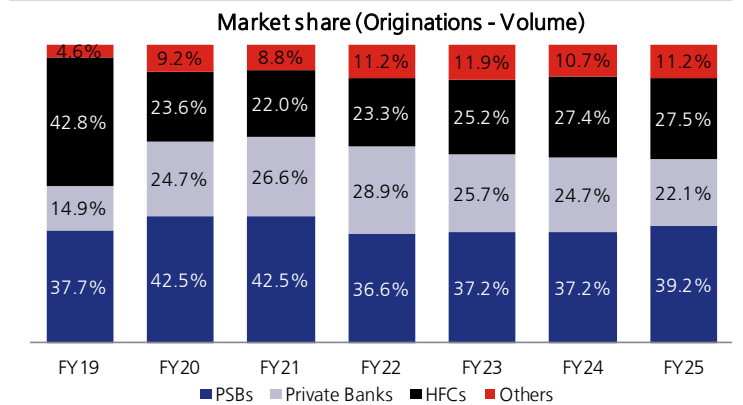
Source: CRIF, JM Financial

Exhibit 57. Home loans: PSBs gain market share in value terms...



Source: CRIF, JM Financial

Exhibit 58. ...and in volume terms



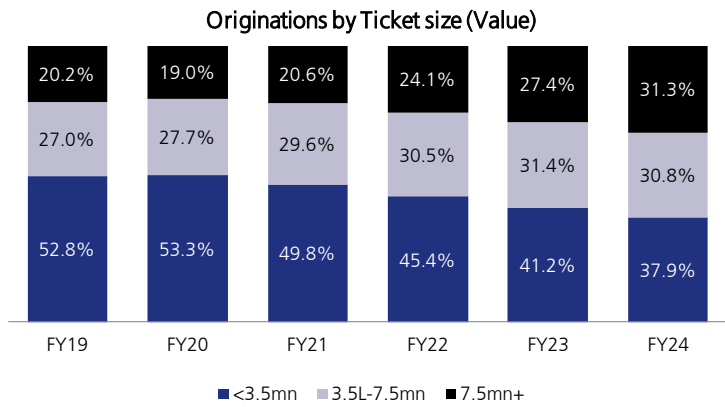
Source: CRIF, JM Financial

Exhibit 59. Home loans: Ticket size increases for PSBs and HFCs while it is broadly stable for private banks and other lenders

Originations - Ticket size (INR mn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	YoY FY25	CAGR		
											FY20-23	FY23-25	FY17-25
PSBs	2.2	2.3	2.5	1.9	2.0	2.3	2.5	2.8	3.4	21.1%	9%	16%	5%
Private Banks	3.3	3.3	3.3	2.9	3.3	3.6	3.9	4.2	4.2	-2.0%	10%	3%	3%
HFCs	2.4	2.4	2.5	1.7	1.9	1.9	1.9	2.0	2.3	13.2%	5%	9%	-1%
Others	2.5	2.2	2.2	0.8	0.8	1.2	1.6	1.9	1.9	-0.6%	26%	10%	-3%

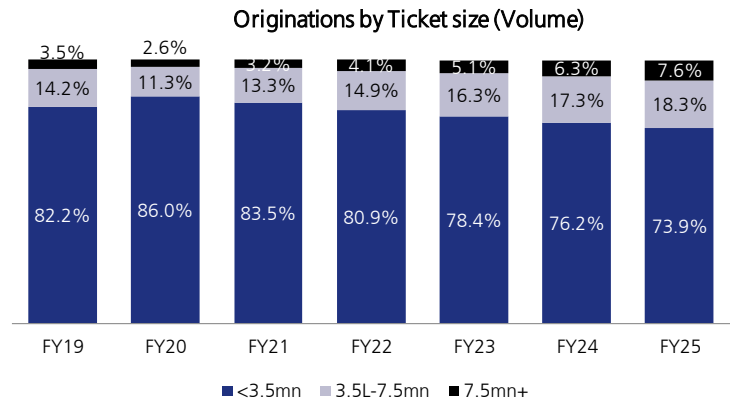
Source: CRIF, JM Financial

**Exhibit 60. Home loans: Rise in share of high ticket loans in disbursement value terms**



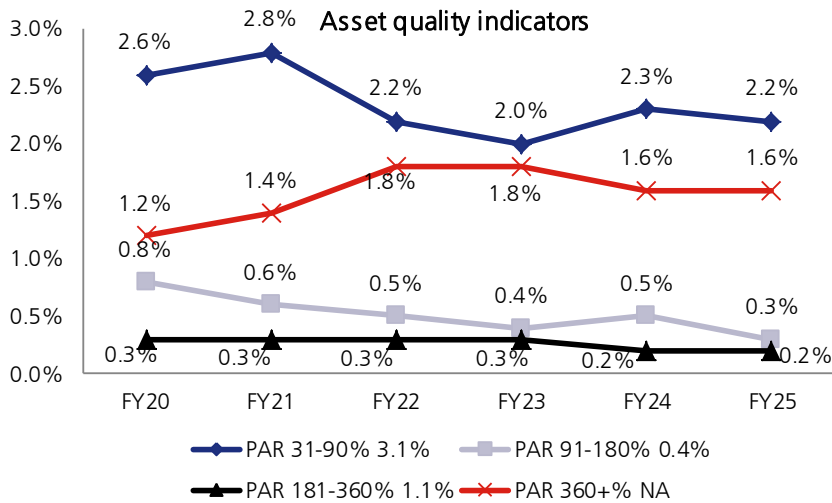
Source: CRIF, JM Financial

**Exhibit 61. Home loans: Rise in share of high ticket loans in disbursement volume terms**



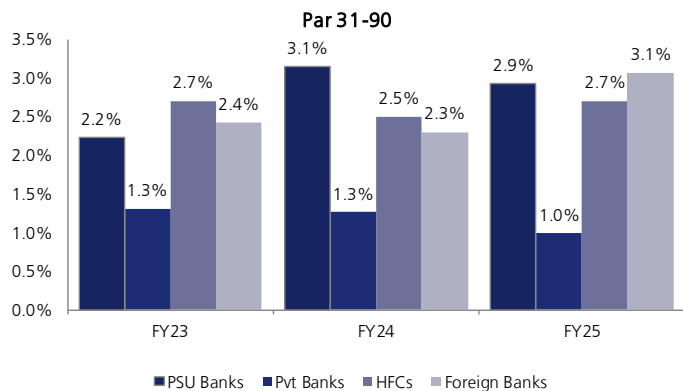
Source: CRIF, JM Financial

**Exhibit 62. Home loans: Asset quality stable to positive**



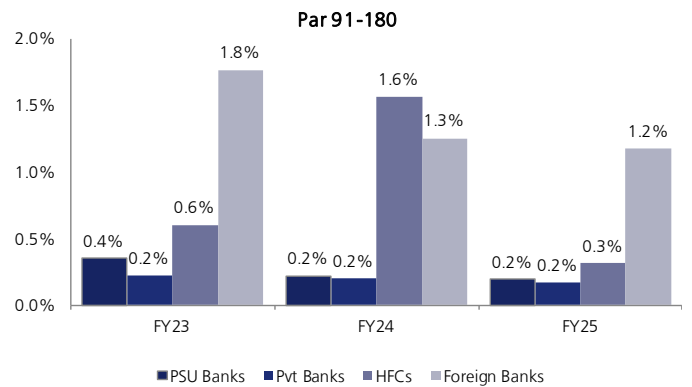
Source: CRIF, JM Financial

**Exhibit 63. Home loans: Early stage delinquencies improve for banks**



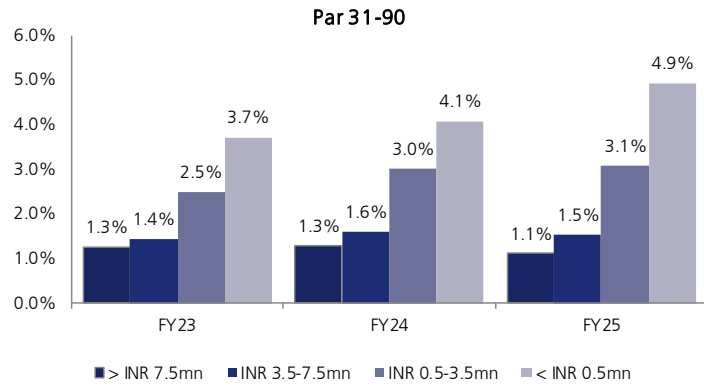
Source: CRIF, JM Financial

**Exhibit 64. Home loans: Mid stage delinquencies improve for HFCs**



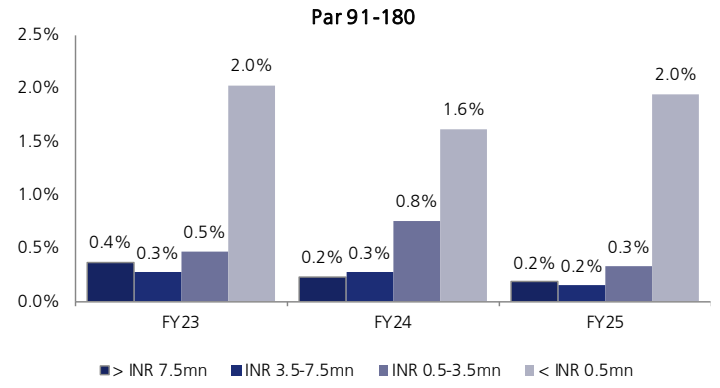
Source: CRIF, JM Financial

**Exhibit 65. Home loans: Early delinquency rates for low ticket loans worsened significantly**



Source: CRIF, JM Financial

**Exhibit 66. Home loans: PAR 91-180 showed overall improvement, reflecting stronger debt recovery efforts, except for small ticket loans**



Source: CRIF, JM Financial

## Auto Loans: Growth moderation; PSB/NBFCs gain market share

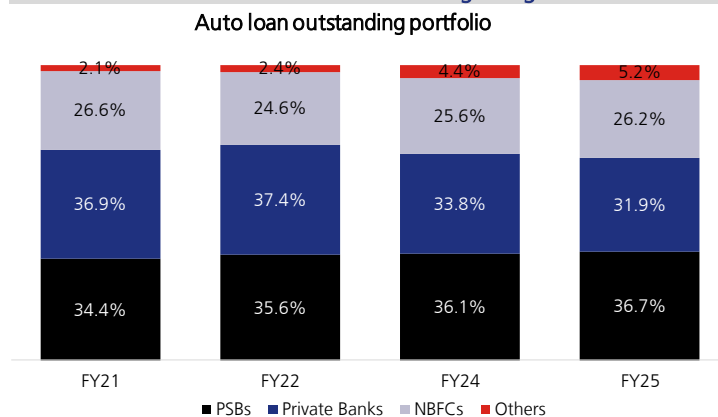
- Disbursements growth declined in terms of value and volume:** Auto loans saw a moderation in disbursement growth in FY25 with volume growing at 2% YoY (vs. 8% YoY in FY24) and value growing at 5% YoY (vs. 15% growth in FY24). The disbursement value increased with a lower CAGR of 10% over FY 23-25 vs. 34% over FY21-23, showing moderation over the years. (Exhibit 67).
- Growth in o/s portfolio slows down with reducing growth in ticket size:** The growth in o/s portfolio in the auto loans industry reduced to 15% in FY25 (vs. 20% in FY24). The decline in growth was led by slowdown in disbursements growth and moderating ticket size growth, which grew 6% YoY in FY25 (vs. 12% in FY24). (Exhibit 67).
- Private banks lose market share while PSBs benefit:** Public sector banks gained 170bps market share in terms of disbursement value in FY25, while private banks lost 140bps YoY. NBFCs gained 60bps at 30.1%. In terms of borrower profile, banks prefer higher ticket size loans whereas NBFCs focus on low-mid ticket size loans. (Exhibit 71, Exhibit 72).
- Rise in share of >INR 1.0mn medium to high ticket auto loans:** The auto loan sector is gradually shifting to medium to high ticket loans with share of originations in ticket size >1.0mn rising from 47.5% in FY24 to 49% in FY25, which increased from 29% in FY21. (Exhibit 74).
- Asset quality metrics inched up in FY25:** Asset quality trends inched up across most lenders types in FY25. NBFCs reported increase in early and mid-stage delinquencies, with PAR31-90% increasing by 20bps to 1.8% in FY25 and PAR 90-180 increasing 20bps to 1.4%. Banks also saw slight increase in PAR 90-180 delinquencies in FY25. (Exhibit 76).

Exhibit 67. Auto loans: Moderation in growth of portfolio o/s and ticket size

Auto Loans	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY20-23	FY23-25	FY19-25
Portfolio Outstanding (INR tn)	4.0	4.3	4.4	4.9	5.9	7.1	8.2	11%	18%	13%
Active loans (mn)	11.1	11.9	11.5	13.0	13.6	14.6	15.9	4%	8%	6%
Ticket size (INR k)	358	357	377	378	434	487	516	7%	9%	6%
<b>YoY growth</b>										
Portfolio Outstanding		7%	2%	13%	20%	20%	15%			NA
Active loans		7%	-3%	12%	5%	7%	9%			NA
Ticket size		0%	6%	0%	15%	12%	6%			NA

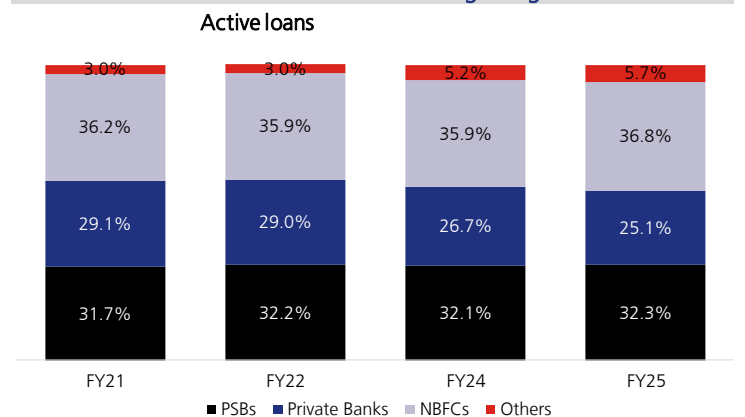
Source: CRIF, JM Financial

Exhibit 68. Auto loans: PSBs and NBFCs are gaining market share



Source: CRIF, JM Financial

Exhibit 69. Auto loans: PSBs and NBFCs are gaining market share



Source: CRIF, JM Financial

Exhibit 70. Auto loans: Moderation in disbursement growth in terms of value and volume

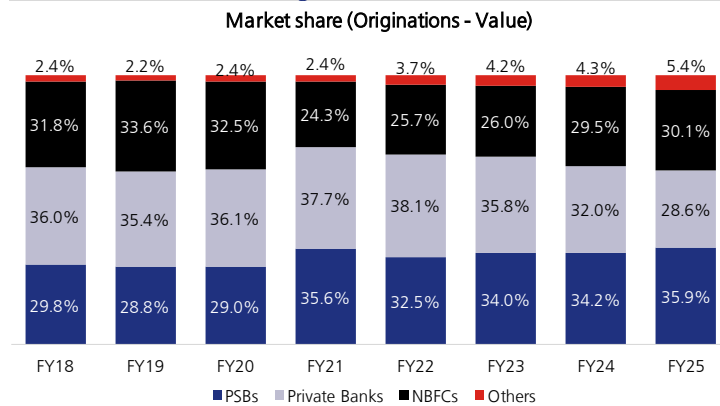
Originations	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	CAGR		
									FY21-23	FY23-25	FY18-25
Disbursement Value (INR tn)	1.9	1.9	1.8	1.6	2.2	3.0	3.4	3.6	34%	10%	10%
Disbursement Volume (mn)	3.5	3.5	3.5	2.8	3.2	3.9	4.2	4.2	18%	5%	3%
Ticket size (INR k)	535	536	512	595	675	770	824	848	14%	5%	7%

YoY Growth	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	
Disbursement Value		2%	-7%	-7%	31%	38%	15%	5%	NA
Disbursement Volume		2%	-3%	-20%	16%	21%	8%	2%	NA
Ticket size		0%	-4%	16%	14%	14%	7%	3%	NA

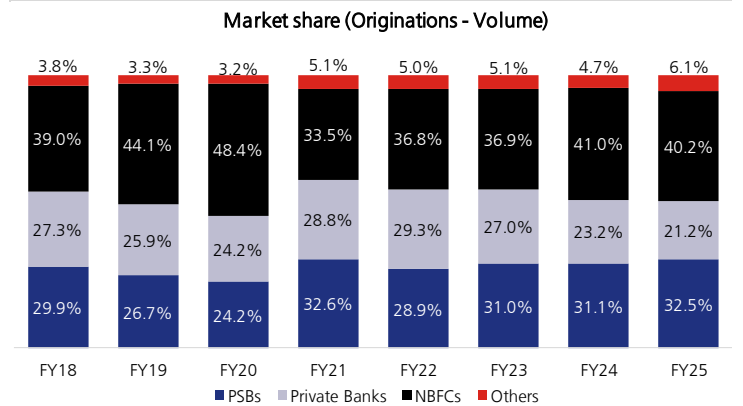
Source: CRIF, JM Financial

Exhibit 71. Auto loans: Rising market share of PSBs in value terms...



Source: CRIF, JM Financial

Exhibit 72. ...and in volume terms



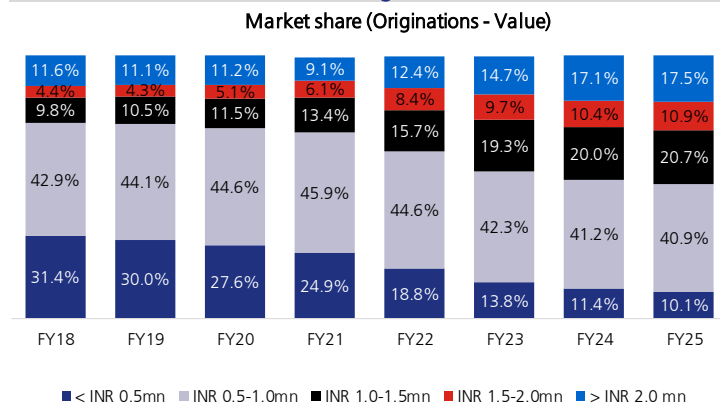
Source: CRIF, JM Financial

Exhibit 73. Auto loans: Banks focusing on higher ticket size loans while NBFCs tilting towards small ticket size

Originations - Ticket size (INR k)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	YoY Growth	CAGR		
									FY25	FY20-23	FY23-25	FY18-25
PSBs	533	578	614	650	760	845	906	937	3%	11%	5%	8%
Private Banks	706	732	764	779	878	1,021	1,136	1,144	1%	10%	6%	7%
NBFCs	436	408	344	432	472	543	593	635	7%	16%	8%	6%
Others	338	357	384	280	500	634	754	751	0%	18%	9%	12%
<b>Total</b>	<b>535</b>	<b>536</b>	<b>512</b>	<b>595</b>	<b>675</b>	<b>770</b>	<b>824</b>	<b>848</b>	<b>3%</b>	<b>15%</b>	<b>5%</b>	<b>7%</b>

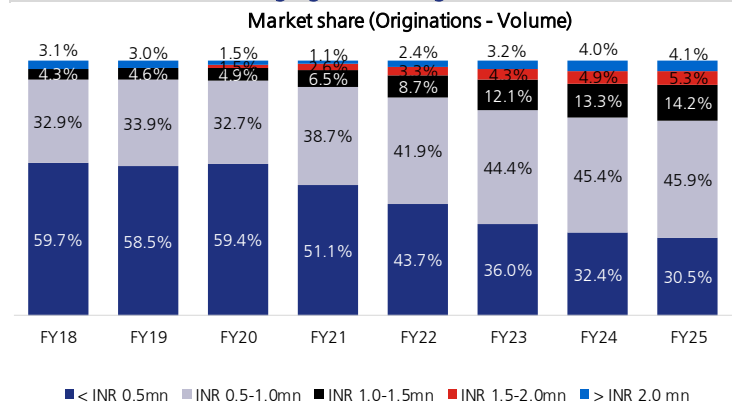
Source: CRIF, JM Financial

Exhibit 74. Auto loans: Growth in higher ticket size loans



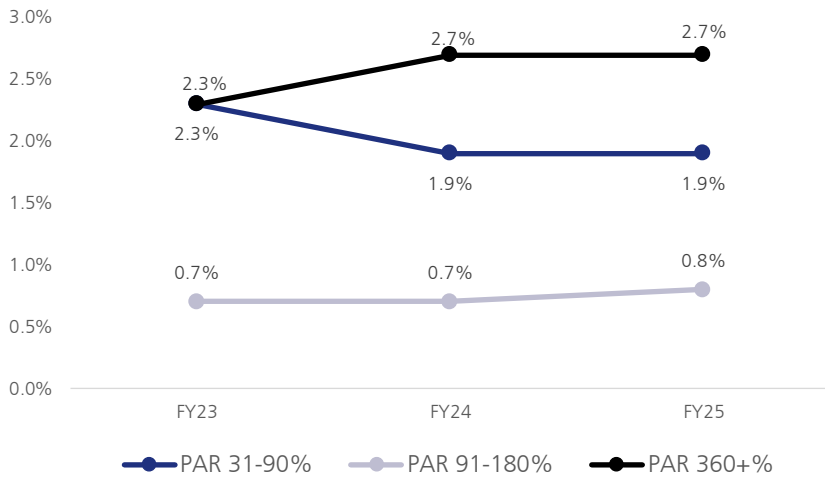
Source: CRIF, JM Financial

Exhibit 75. Auto loans: High growth in higher ticket size loan



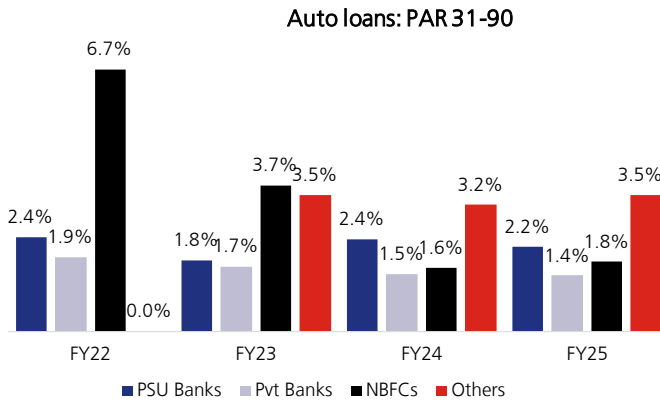
Source: CRIF, JM Financial

Exhibit 76. Auto loans: Asset quality parameters broadly stable in FY25



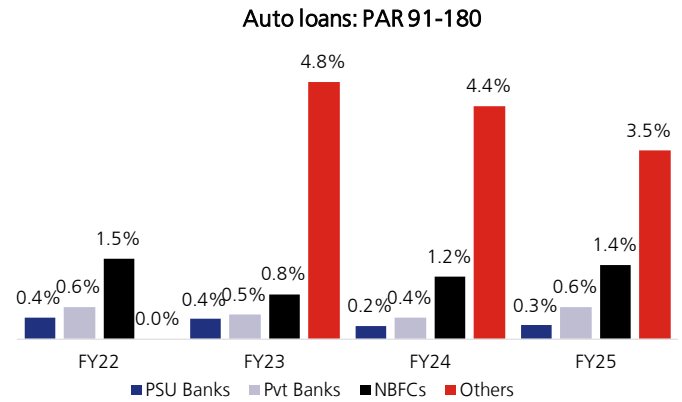
Source: CRIF, JM Financial

Exhibit 77. Auto loans: Early delinquencies inched up for NBFCs and other lenders



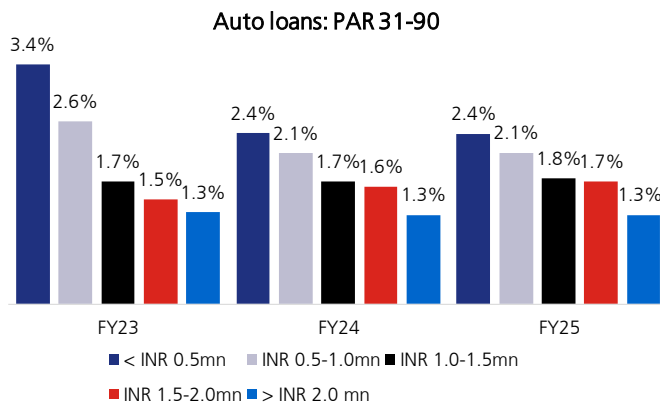
Source: CRIF, JM Financial

Exhibit 78. Auto loans: Late delinquencies inched up for banks and NBFCs



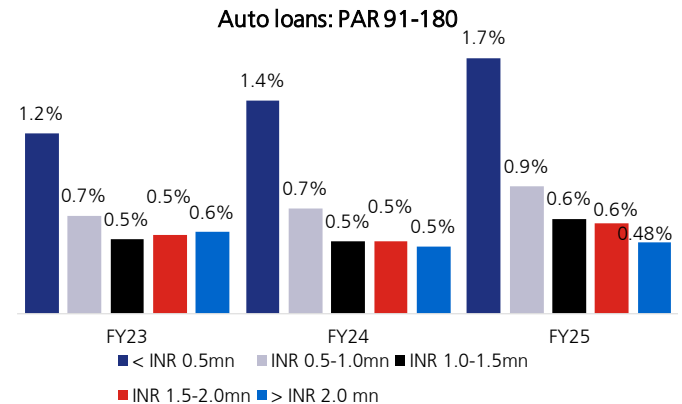
Source: CRIF, JM Financial

Exhibit 79. Auto loans: Early delinquencies inched up



Source: CRIF, JM Financial

Exhibit 80. Auto loans: Late delinquencies inched up



Source: CRIF, JM Financial

## 2W Loans: Growth moderates, NBFCs gain market share

- Moderation in growth of disbursement value and volume:** 2W loans saw a moderation in disbursement growth in FY25 with disbursement by value growing at 11% YoY (vs. 25% YoY in FY24) and volume growing at 7% YoY (vs. 16% growth in FY24). The growth in ticket size in disbursement has also slowed down at 3% YoY in FY25 (vs. 8% YoY in FY24). (Exhibit 84)
- Growth in o/s portfolio slows down with reducing growth in ticket size:** With slowdown in disbursements, the growth in o/s portfolio in the 2W loans industry reduced to 18% in FY25 (vs. 32% in FY24). The decline in growth is also attributed to the moderating ticket size growth, which grew only 3% YoY in FY25 (vs. 19% in FY24). (Exhibit 81)
- Banks lose market share while NBFCs benefit:** Banks lost 100bps market share in terms of disbursement value in FY25, and 70bps YoY in terms of disbursement volume. This led to growth in market share of NBFCs and other lenders by 50bps and 60bps YOY respectively. (Exhibit 85, Exhibit 86)
- Rise in share of high ticket 2W loans:** The 2W sector is gradually shifting to medium to higher ticket loans with share of originations in ticket size >0.1mn rising from 35.3% in FY24 to 38.9% in FY25. However, the growth in ticket size has moderated in FY25. (Exhibit 87, Exhibit 89)
- Early delinquencies deteriorate; late delinquencies show mixed trends:** Asset quality trends inched up for early delinquency stages for all lender types in FY25. However, late delinquencies trends show improvement for PSU banks and other lenders, while it deteriorated for NBFCs and private banks. (Exhibit 90)

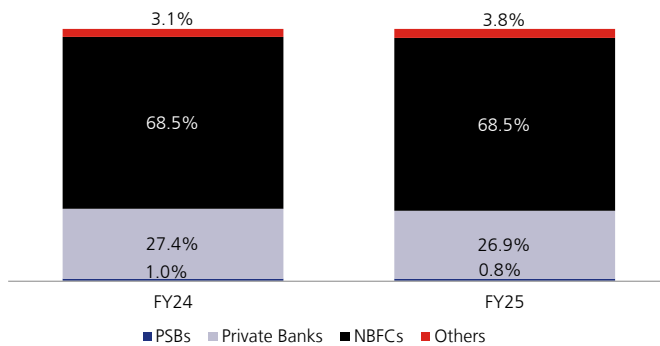
Exhibit 81. 2W loans: Growth moderation in FY25

2W loans	FY23	FY24	FY25	CAGR FY23-25
Portfolio Outstanding (INR bn)	1,053	1,393	1,646	25%
Active loans (mn)	26.5	29.5	33.9	13%
Ticket size (INR k)	39.7	47.2	48.5	11%
<b>YoY growth</b>				
Portfolio Outstanding		32%	18%	NA
Active loans		11%	15%	NA
Ticket size		19%	3%	NA

Source: CRIF, JM Financial

Exhibit 82. 2W loans: Banks lose market share in o/s portfolio...

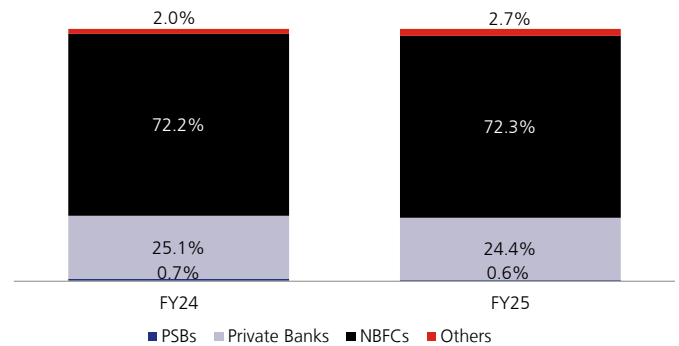
### Outstanding portfolio



Source: CRIF, JM Financial

Exhibit 83. ...and in active loan volume

### Active loans



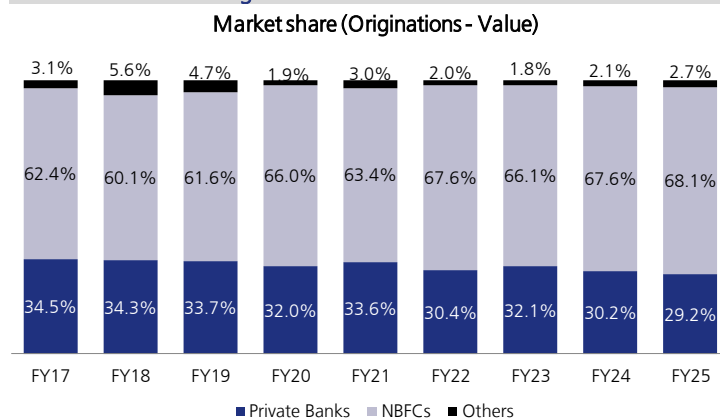
Source: CRIF, JM Financial

Exhibit 84. 2W loans: Moderation in growth of disbursement value and volume

Originations	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	CAGR		
										FY20-23	FY23-25	FY17-25
Disbursement Value (INR bn)	308	403	528	564	455	542	796	995	1,101	12%	18%	17%
Disbursement Volume (mn)	5.4	7.7	9.4	9.1	6.6	7.4	9.7	11.2	12.0	2%	11%	11%
Ticket size (INR k)	57.5	52.3	56.0	62.3	69.5	73.7	82.4	88.9	91.9	10%	6%	6%
YoY Growth												
Disbursement Value		31%	31%	7%	-19%	19%	47%	25%	11%			NA
Disbursement Volume		44%	22%	-4%	-28%	12%	31%	16%	7%			NA
Ticket size		-9%	7%	11%	12%	6%	12%	8%	3%			NA

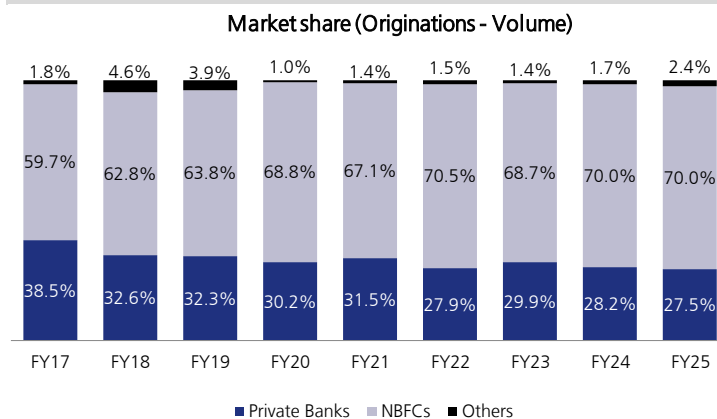
Source: CRIF, JM Financial

Exhibit 85. Banks losing market share in disbursement value...



Source: CRIF, JM Financial

Exhibit 86. ...and disbursement volume



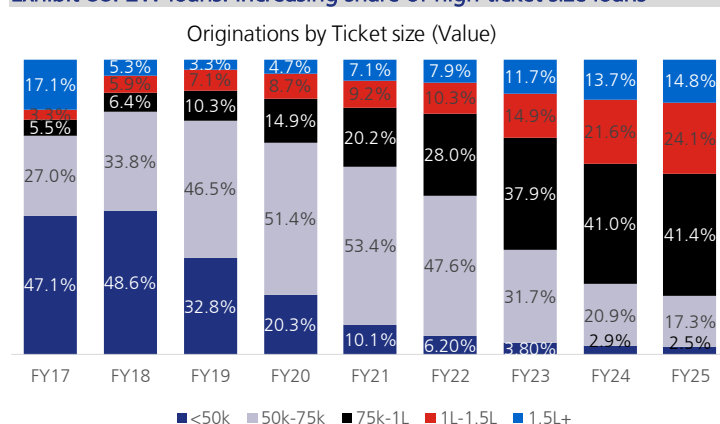
Source: CRIF, JM Financial

Exhibit 87. 2W loans: Moderation in growth of ticket size in FY25

Originations - Ticket size (INR k)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	YoY Growth	CAGR		
										FY25	FY20-23	FY23-25	FY17-25
Private Banks	52	55	58	66	74	80	88	95	98	3%	10%	5%	8%
NBFCs	60	50	54	60	66	71	79	86	89	4%	10%	6%	5%
Others	99	64	68	118	149	98	106	110	103	-6%	-4%	-1%	1%

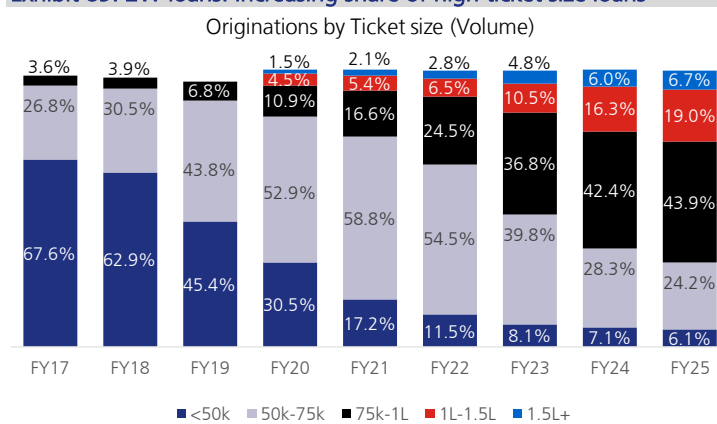
Source: CRIF, JM Financial

Exhibit 88. 2W loans: Increasing share of high ticket size loans



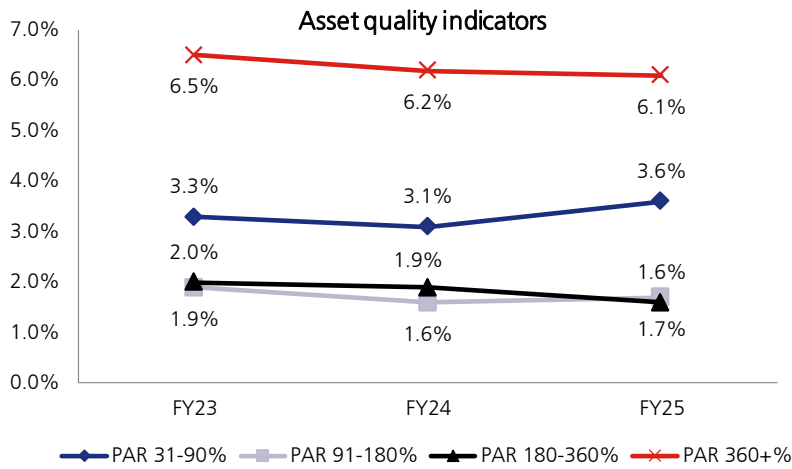
Source: CRIF, JM Financial

Exhibit 89. 2W loans: Increasing share of high ticket size loans



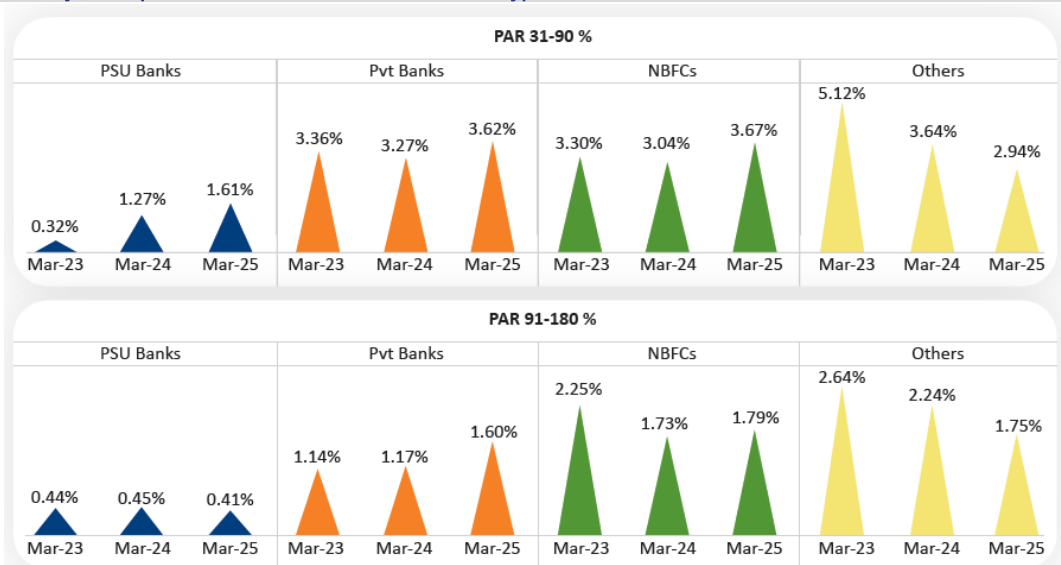
Source: CRIF, JM Financial

Exhibit 90. 2W loans: Early delinquencies deteriorates



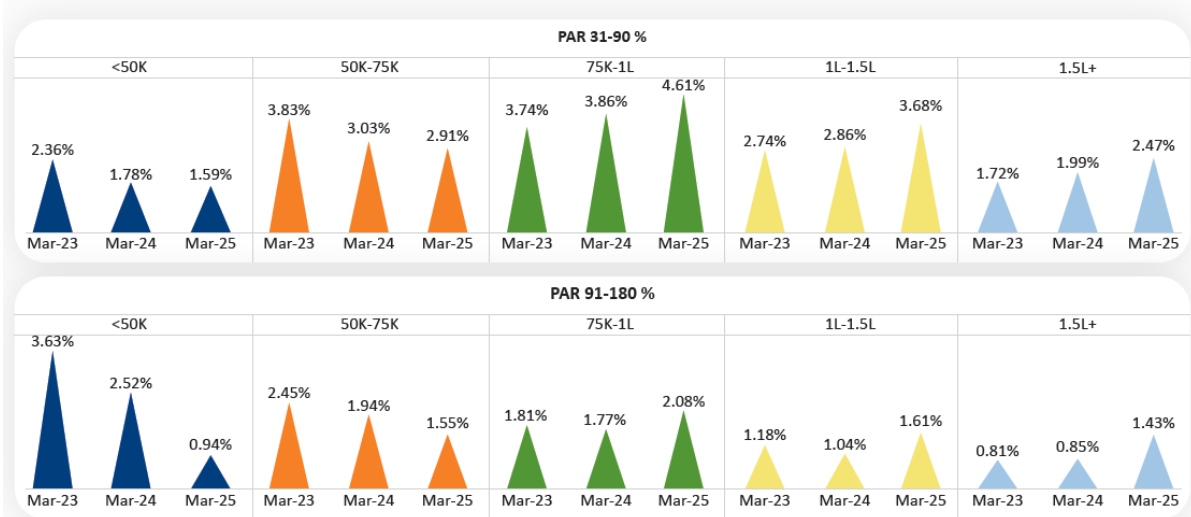
Source: CRIF, JM Financial

Exhibit 91. 2W loans: Early delinquencies deterioration for all lender types



Source: CRIF, JM Financial

Exhibit 92. 2W loans: Delinquencies deteriorating for medium – large ticket size loans



Source: CRIF, JM Financial

## APPENDIX I

### JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

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Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

\* REITs refers to Real Estate Investment Trusts.

#### Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

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