



Indian Retail Loans Overview– April 2023

Vol- II

Equifax

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Looking back on 2022, we can say that it was a year of hope and growth as the economy made significant strides towards recovery from the pandemic-related disruption. Retail lending rebounded strongly, even surpassing pre-Covid levels.

As we move further into 2023, it's worth reflecting on the trends that shaped retail lending in the pre and post-Covid years. It's important to understand which segments were most impacted by the pandemic and which ones emerged stronger from the crisis.

We are thrilled to have partnered with Andromeda to provide you with the latest insights on retail lending in Indian financial services. Our report covers a broad range of topics, including disbursements, delinquencies, top growing geographies, and loan categories.

The insights presented in our report will prove to be immensely beneficial for lenders as they aim to uphold high underwriting standards, manage risks prudently, and increase operational efficiencies. Furthermore, the report will enable lenders to navigate the new high growth environment effectively by leveraging the knowledge gained from the pandemic.

At Equifax, we are committed to empowering individuals and businesses alike with the tools they need to succeed. We believe that this report will provide the financial industry with the information necessary to navigate the post-Covid environment and emerge stronger than ever before.

Finally, I would like to extend my congratulations to the Equifax and Andromeda teams for their efforts in launching this report. It is a testament to their commitment to excellence, and I am confident that it will undoubtedly be an essential resource for the financial industry.

Foreword



Mr. V Swaminathan
Executive Chairman - Andromeda Sales and Distributions Pvt.Ltd.

Dear Reader,

Welcome to the second edition of Andromeda's retail Newsletter prepared in conjunction with our partner Equifax.

This edition of the report gives an overview of how the retail lending sector has performed over the last few years. The pandemic induced a crisis that forced low interest rates which meant that lenders were flush with liquidity. With the pandemic abating, Central Banks across the world, including India, have taken measures to counter inflation and reduce liquidity. So, on the one hand, we have a situation where there is a lot of pent up post pandemic demand and on the other, we have high interest rates dampening the demand for loans. It is in such interesting times that this report is published. The report analyses the retail lending trends through the last few years across several parameters like geography, product and lender type. It also goes on to perform a more thorough analysis of the Housing Loan market in India. We analyse this loan product type in some detail across multiple parameters.

While the lending industry goes through a phase of consolidation, innovation and digitisation continue at a fast pace. Indeed, it is the active use of technology that has enabled Andromeda to clock a growth rate of 85% in loan originations in the last FY. We continue to remain optimistic of continuing this growth trajectory and consolidating our position as India's largest loan distributor. This report also captures some of Andromeda's practical insights into loan distribution in India along-side the broader macro trends.

We hope you enjoy reading this report and find it informative.

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Housing Loan

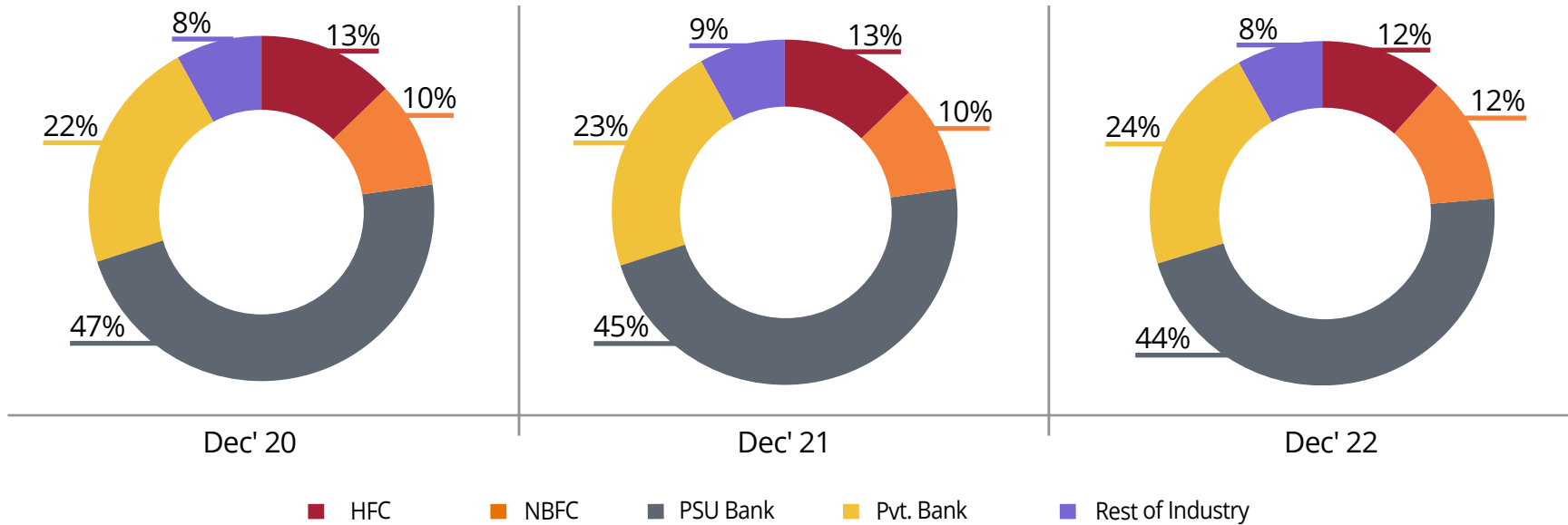
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Industry Overview

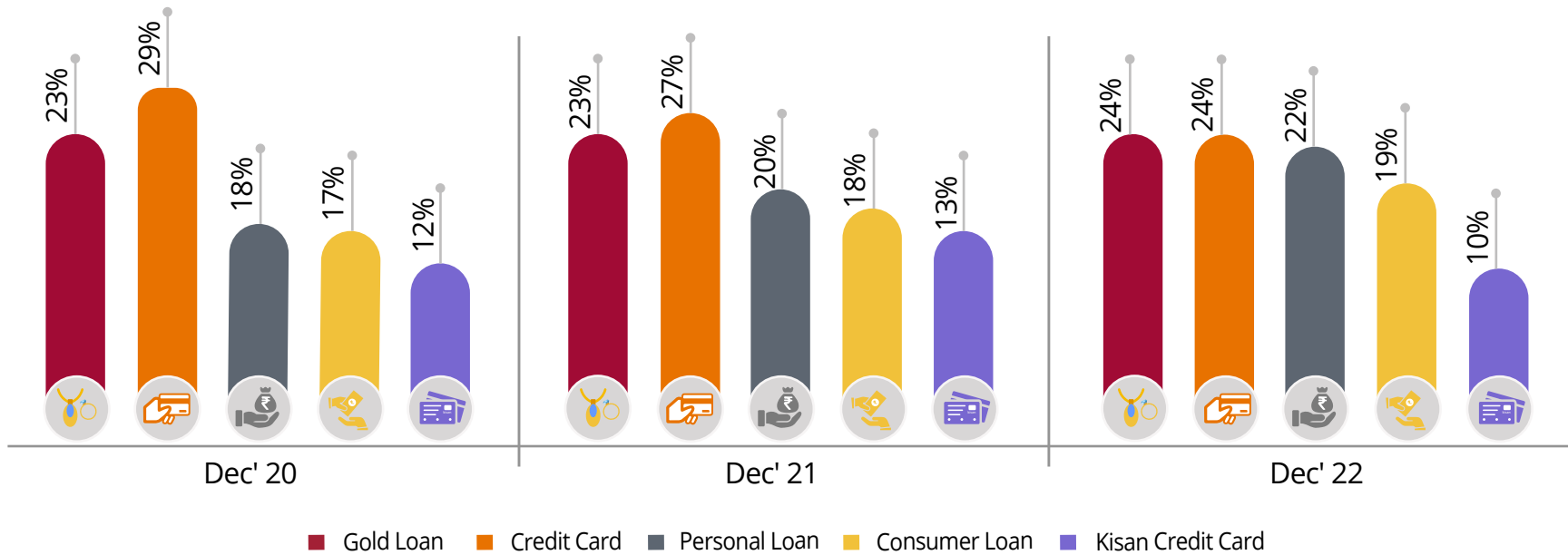


% Market Share by Portfolio Outstanding



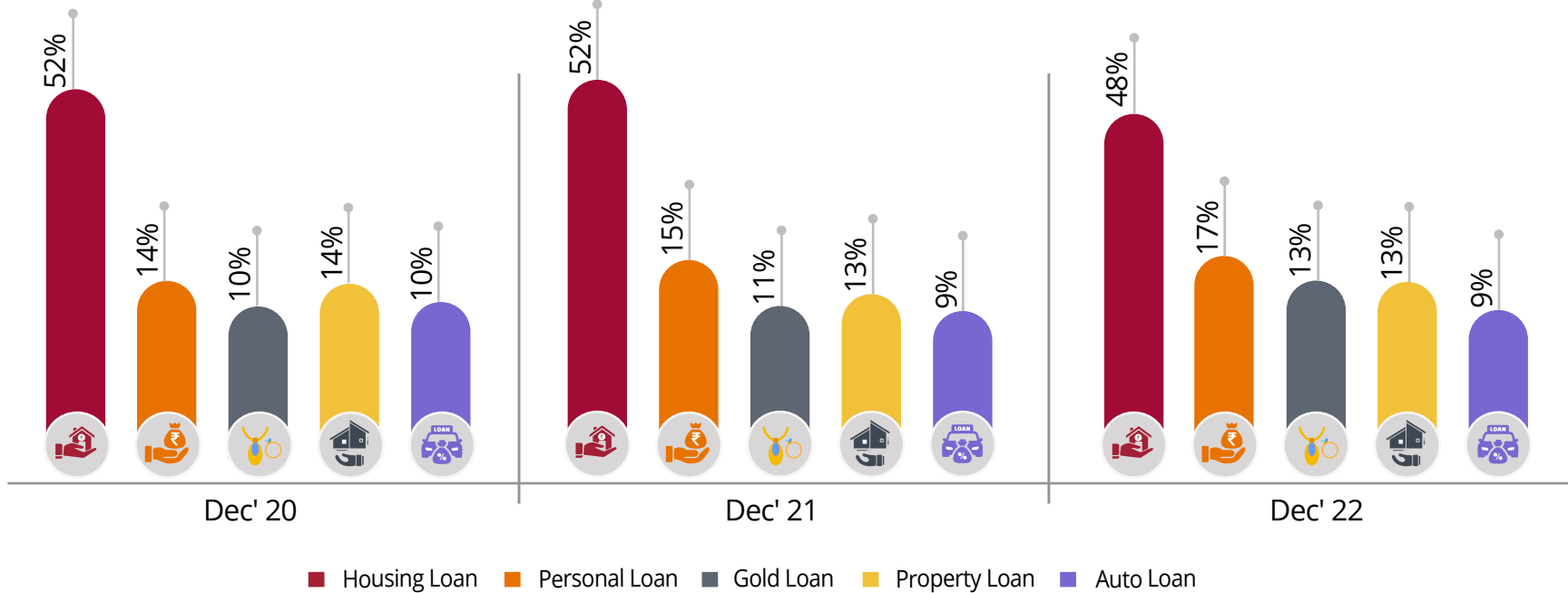
- Book size of retail industry as on 31st December 2022 was ₹ 100 lakhs crore
- As on 31st December 2022 book size of public sector banks was 44 lakhs crore and it registered 17% growth from December 2021 to December 2022
- NBFCs witnessed highest growth of 35% from December 2021 to December 2022 followed by Private sector banks with the growth rate of 26% for the same period

% Market Share by Portfolio Outstanding



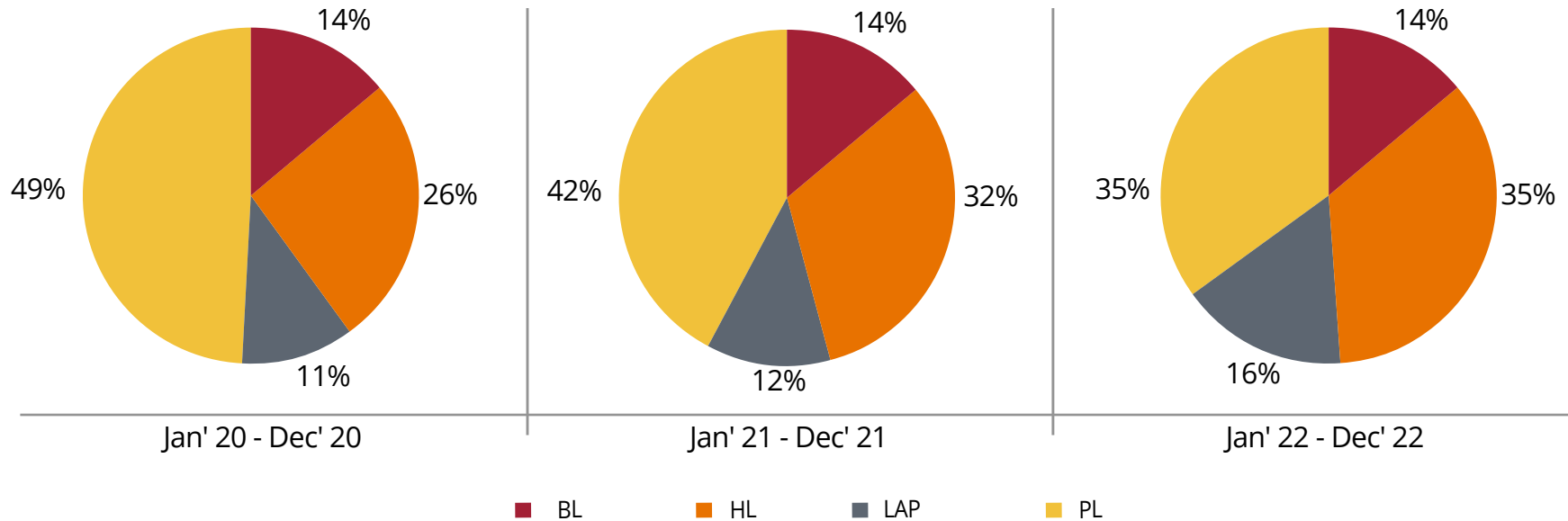
- As on 31st December 2022 retail industry reported 54 crore active loans, out of which 64% market share is of top active loans
- Personal loan witnessed the highest growth of 32% from December 2020 to December 2021 and 57% from December 2021 to December 2022
- As on 31st December 2022, 65 million active consumer durable loans were reported to bureau, it registered annual growth of 48% from December 2021 to December 2022

% Market share (by POS)



- As on 31st December 2022, total portfolio outstanding for retail industry reported was ₹100 lakh crore, out of which 59% market share is of top 5 products
- Gold loan witnessed highest growth of 23% from December 2020 to December 2021 and 57% from December 2021 to December 2022

% Share by Number of Loans



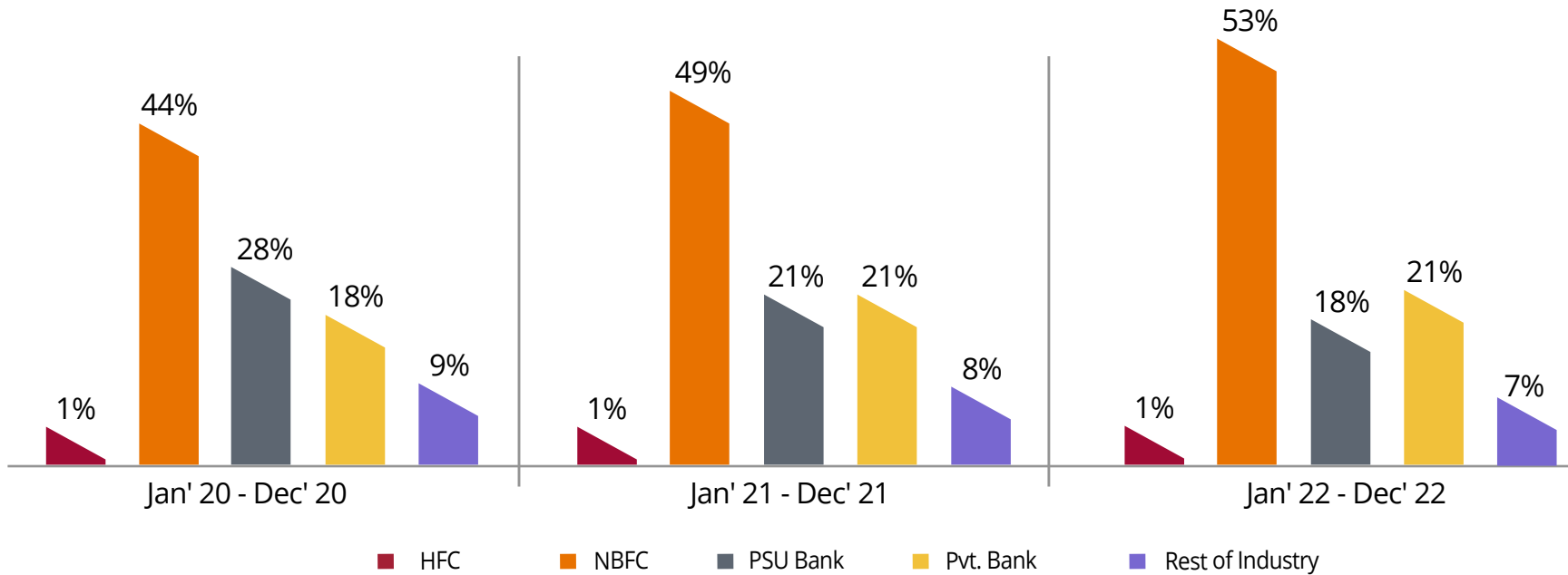
- Andromeda disbursals grew by 85% in Jan21 - Dec21 on from Jan20 - Dec20
- Growth momentum expected to continue powered by the enhanced use of technology

Jan' 20 - Dec' 20	
Product	ATS
BL	12,45,688
HL	35,44,779
LAP	57,57,364
PL	6,20,783

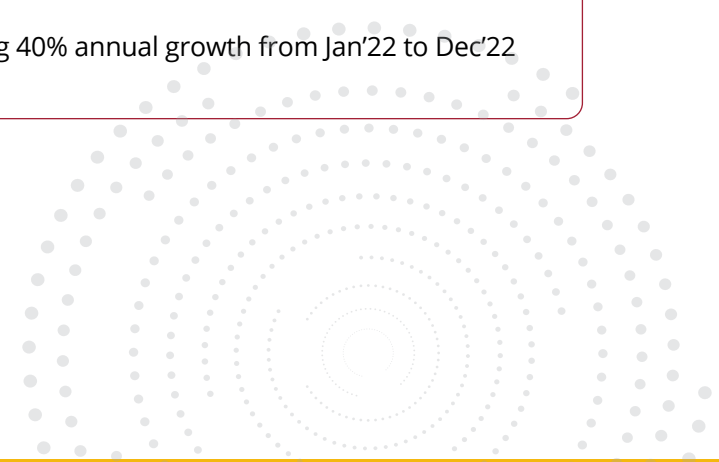
Jan' 21 - Dec' 21	
Product	ATS
BL	12,60,505
HL	33,83,758
LAP	62,80,881
PL	6,29,577

Jan' 22 - Dec' 22	
Product	ATS
BL	13,24,214
HL	32,58,547
LAP	64,64,394
PL	7,01,266

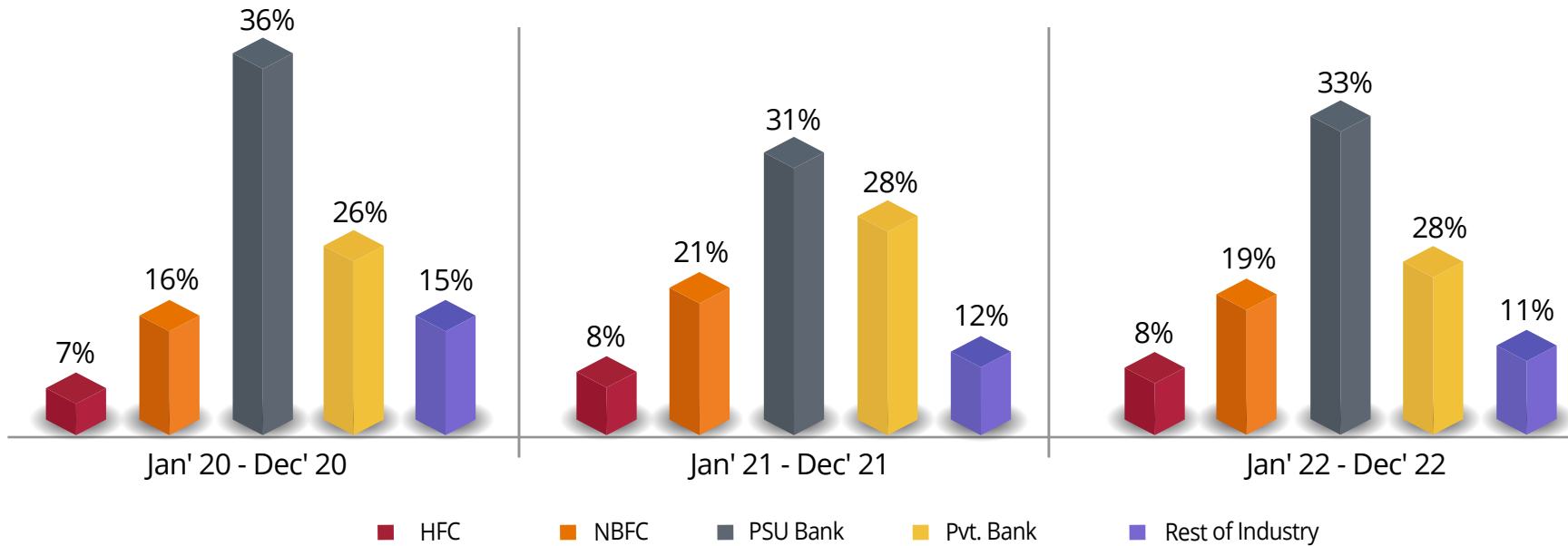
% Market Share by Number of Loans



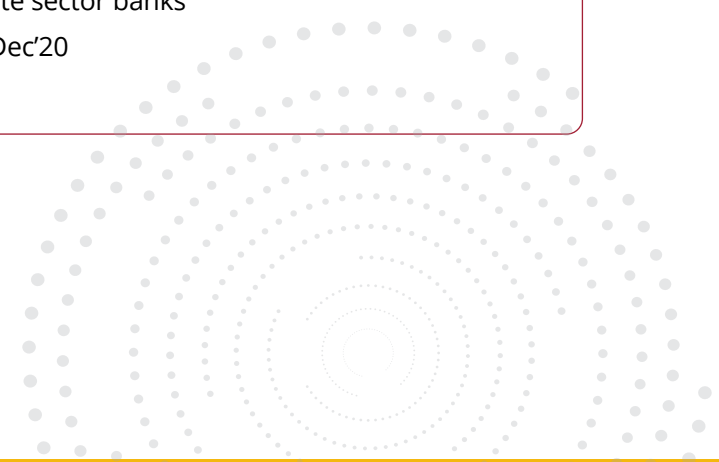
- Retail industry disbursed 31 crore loans from Jan'22 to Dec'22
- During pandemic retail lending was badly affected but it has bounced back by registering 40% annual growth from Jan'22 to Dec'22 over Jan'21 to Dec'21



% Market Share by Disbursement Amount



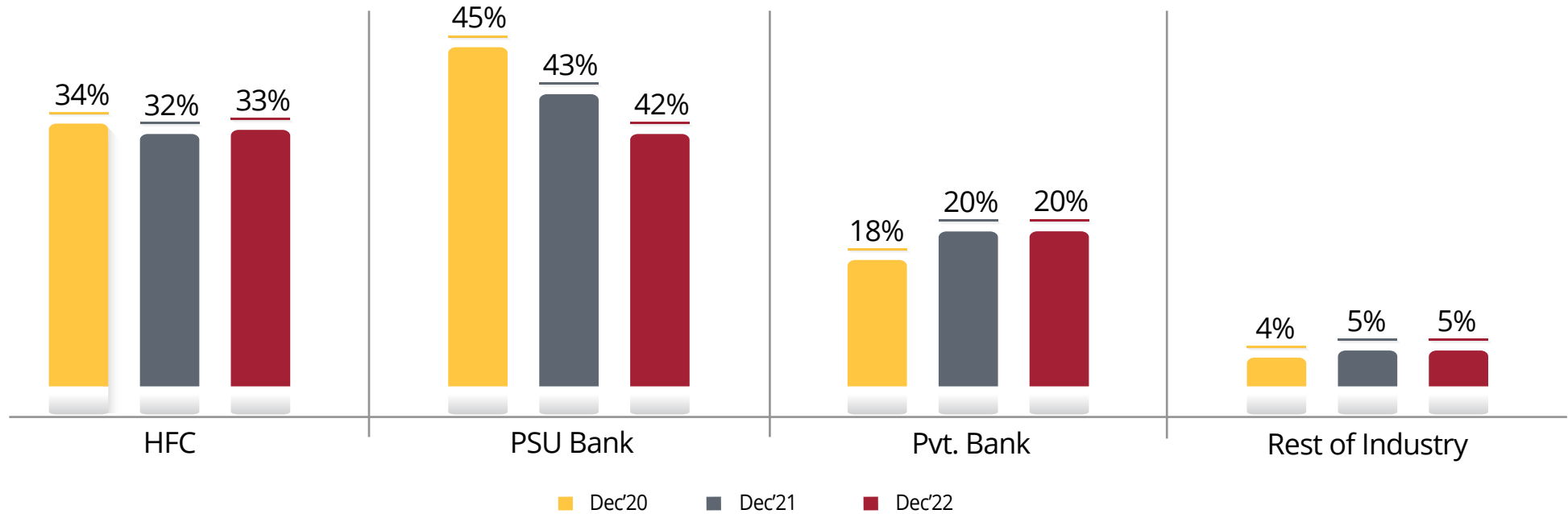
- Public sector banks are contributing highest to the retail disbursement followed by Private sector banks
- NBFCs witnessed highest growth of 78% during Jan'21 to Dec'21 compared to Jan'20 to Dec'20
- Private sector banks grew by 24% from Jan'22 to Dec'22 over Jan'21 to Dec'21





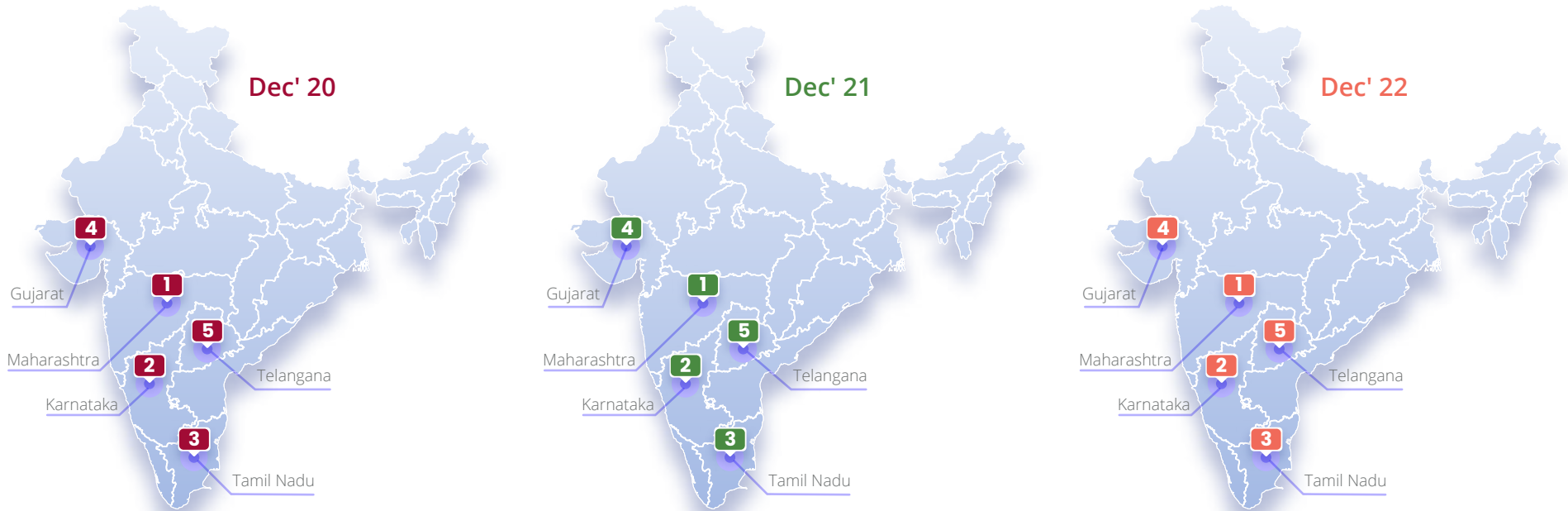
Housing Loan Portfolio Trends

% Market Share by Portfolio Outstanding



- Overall portfolio outstanding of Home loan grew by 16% from December 2021 to December 2022
- Private banks witnessed highest growth of 20% from December 2021 to December 2022 and they reported ₹ 5 lakh crore or portfolio outstanding at the end of December 2022

Top 5 States by Portfolio Outstanding

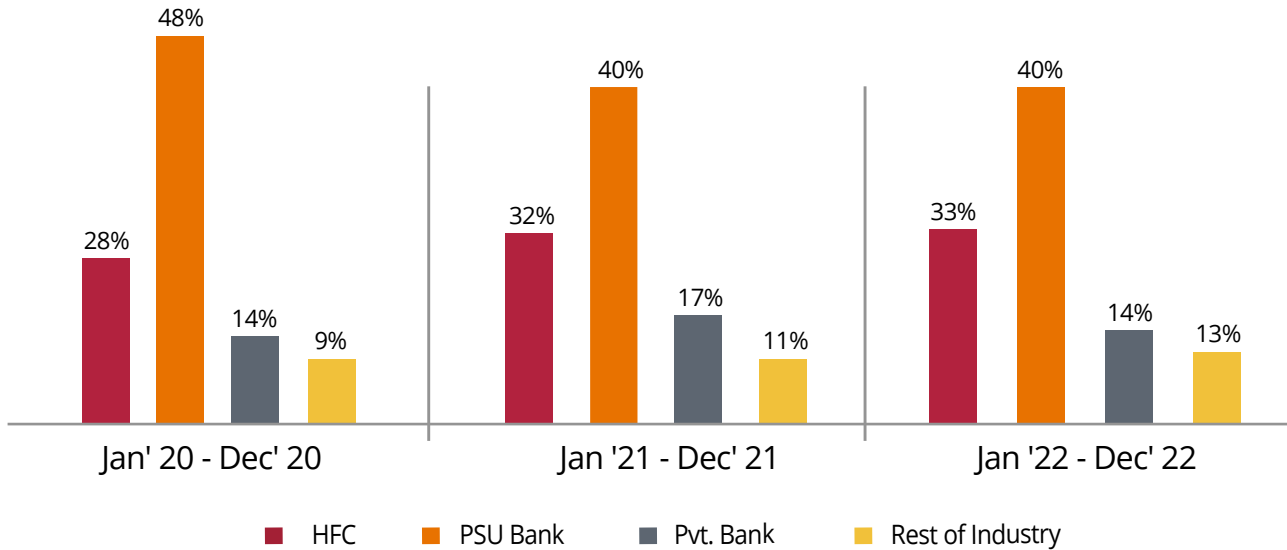


- Top 5 states contribute 55% towards the industry portfolio
- Telangana witnessed the highest growth of 29% from December 2021 to December 2022



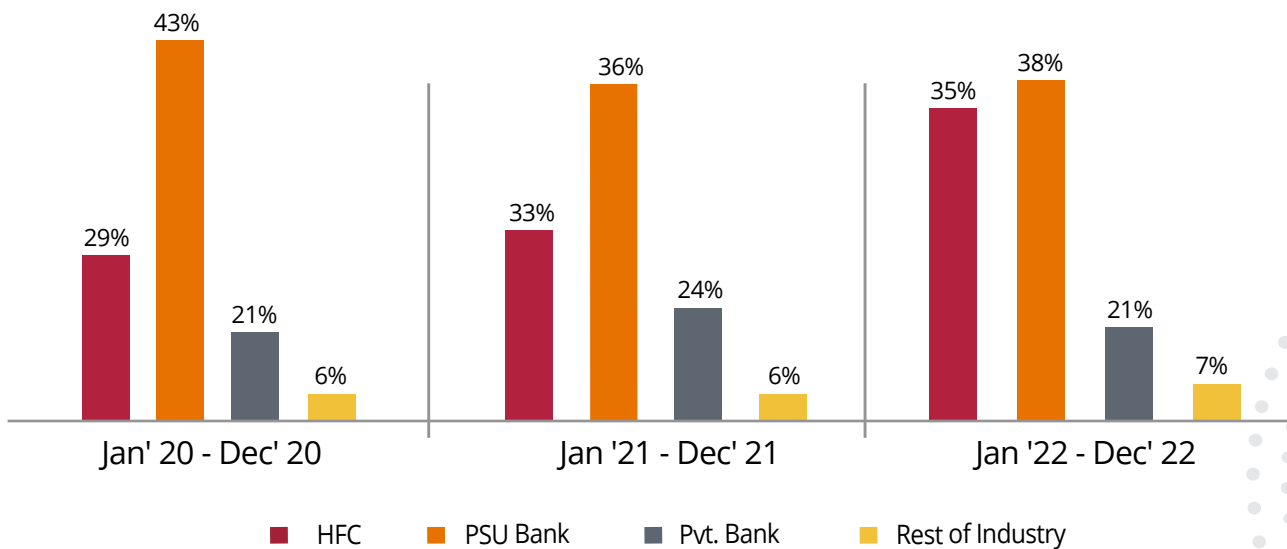
Housing Loan Disbursement Trends

% Market Share by Number of Loans

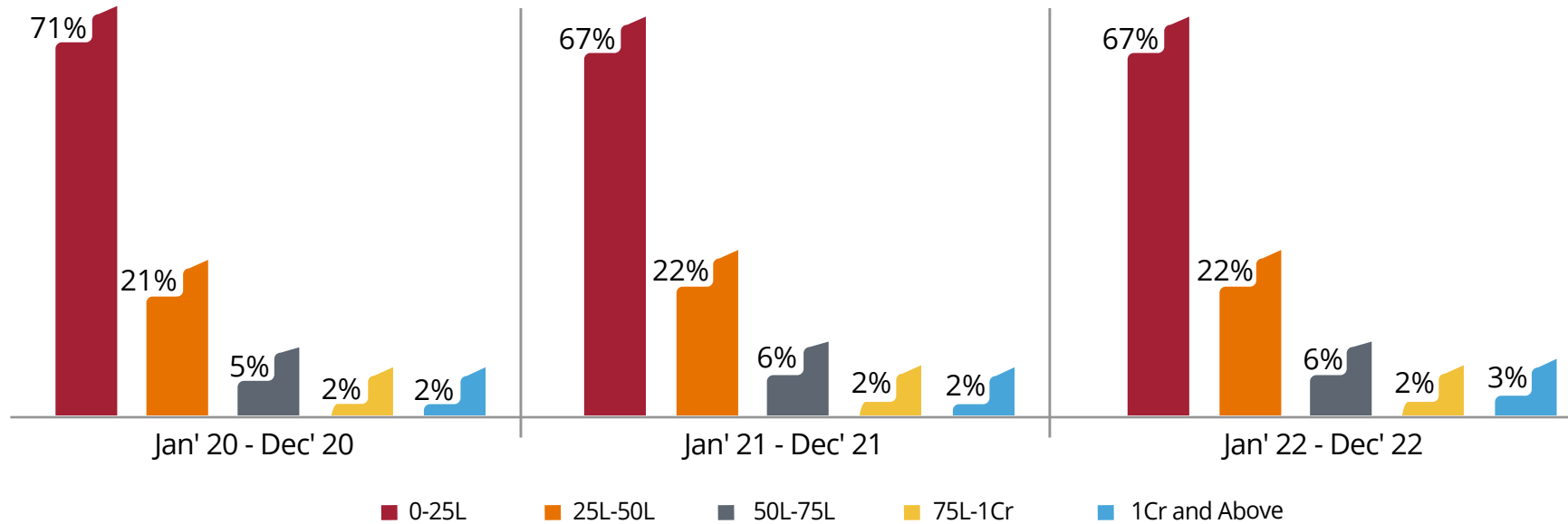


- 34 lakh home loans worth ₹ 9 lakh crore were disbursed during Jan'22 to Dec'22
- Industry registered 17% growth by volume and 18% by value in Jan'22 to Dec'22 over Jan'21 to Dec'21
- Public sector banks are leading the home loan segment, followed by HFCs

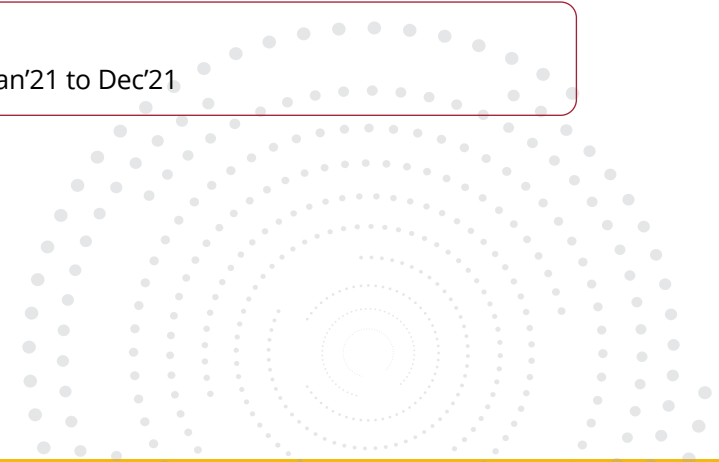
% Market Share by Disbursement Amount



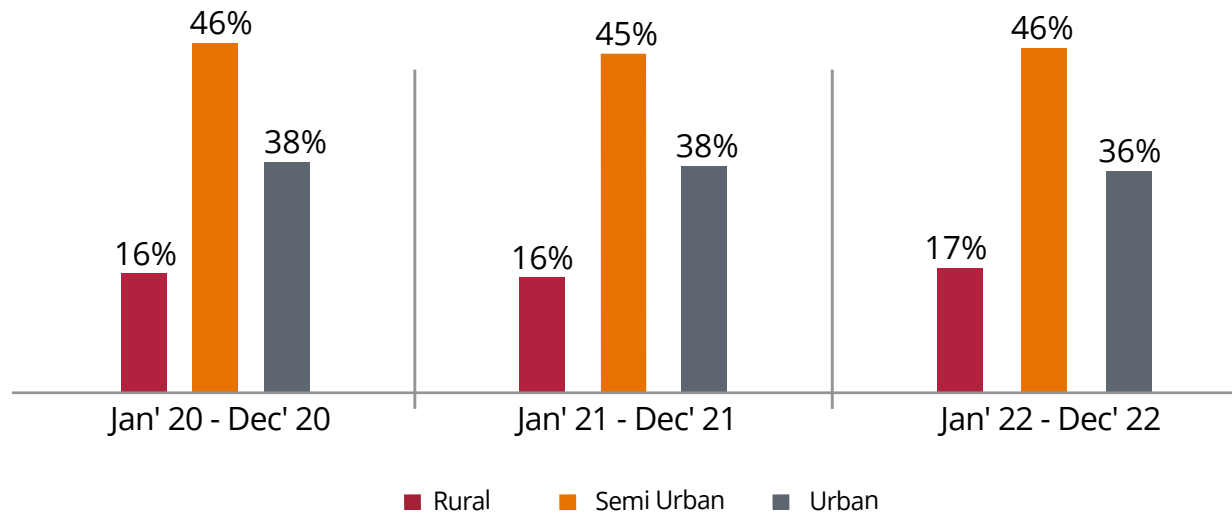
% Market Share by Volume



- Highest number of loans are disbursed in 0-25 lakhs ticket size category
- Loan disbursal increased by 36% in 75L-1Cr ticket size category in Jan'22 to Dec'22 over Jan'21 to Dec'21

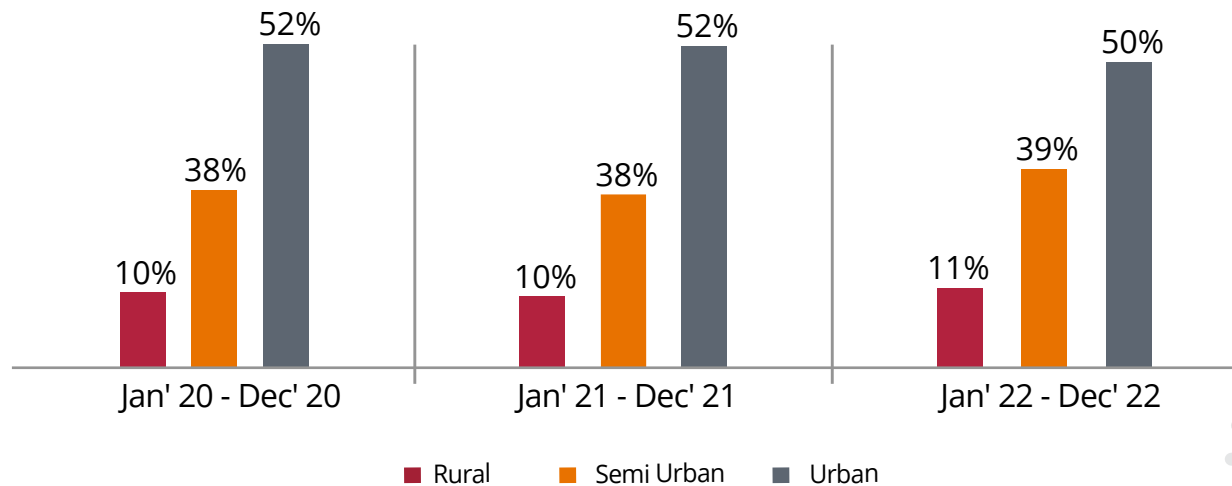


% Market Share by Number of Loans



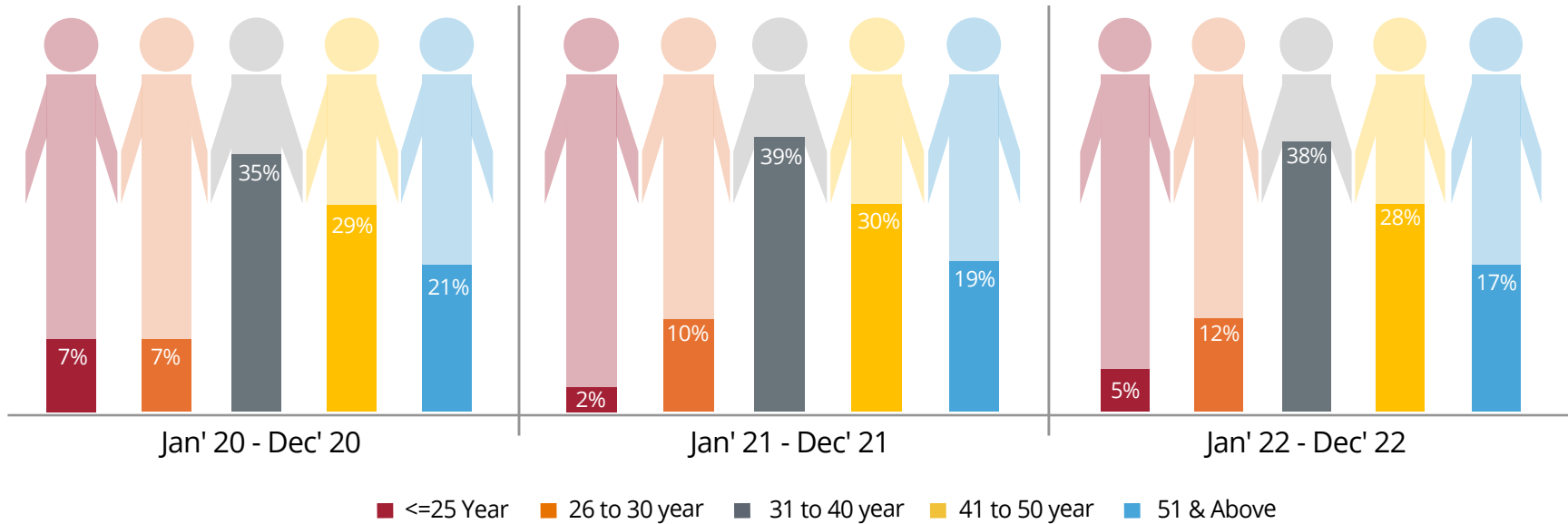
- Semi Urban area is disbursing highest number of housing loans
- Urban areas contribute highest towards disbursement amount, which means they deal into higher ticket size loans

% Market Share by Disbursement Amount

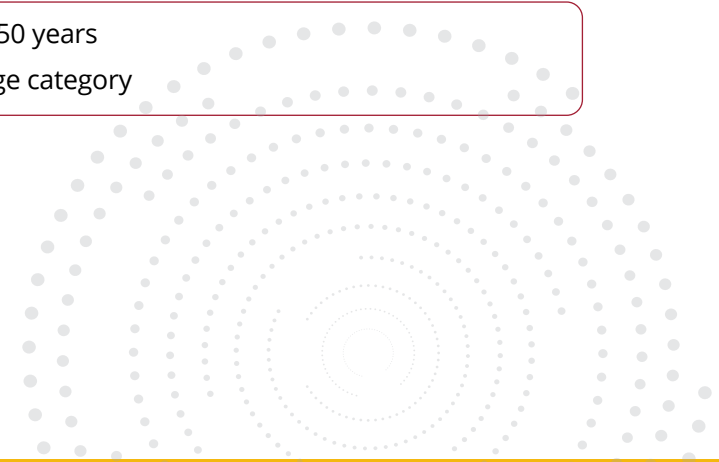


Area categorization provided on the platform is basis the census classification of regions in India as Rural if it's a village and Urban if it is a town or a city
Urban: If a pincode is in the heart of a town or city, with no overlap with a village. | **Semi-urban:** If the pincode is on the border of a city and has an overlap with a village. | **Rural:** If the pincode is entirely a village.

% Market Share by Number of Loans



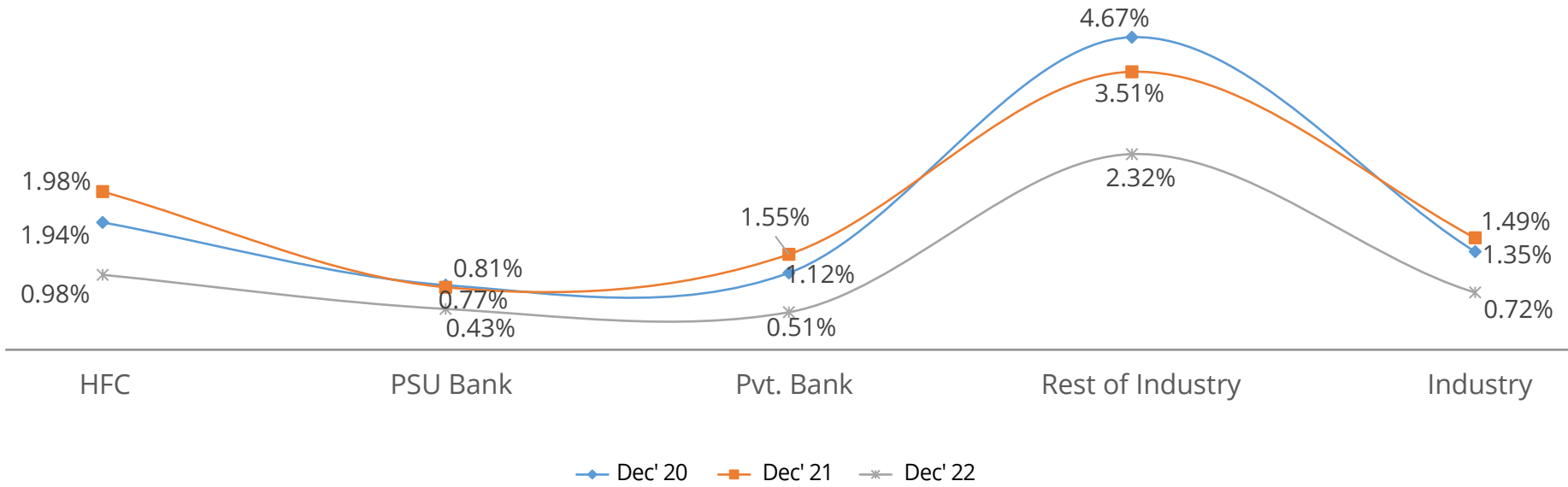
- Highest number of loans are disbursed in 31 to 40 years age category followed by 41 to 50 years
- From Jan'20-Dec'20 to Jan'21-Dec'21, loan disbursement increased by 38% in 26 to 30 years age category



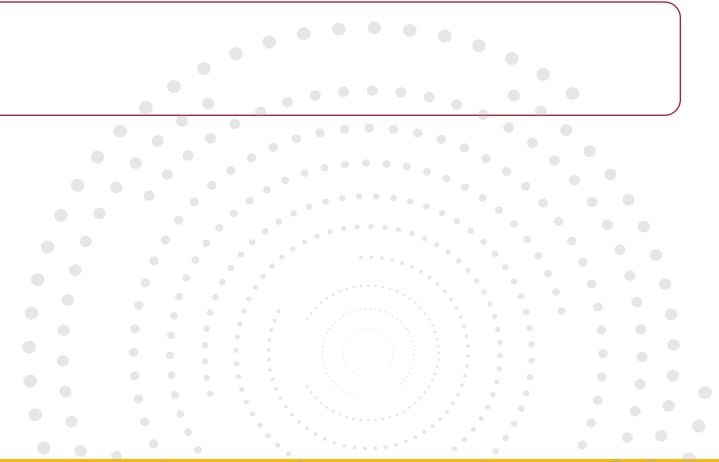


Housing Loan Performance

90+ Delinquency (by POS)



- 90+ delinquency of Public Sector banks is lower than the industry delinquency
- Delinquency of all the lenders have declined in December 2022 from to December 2021



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About Andromeda

Andromeda was founded in 1991 by Mr. V Swaminathan. Today, Andromeda is India's largest loan distributors. With a rich legacy that spans over 30 years, covering 1000+ cities, with over 3000 employees and a strong distributor network of over 15,000 partners, Andromeda is poised to leapfrog into the future by leveraging the power of technology. By integrating our strong understanding of the marketplace with the latest trends and developments in digital technology, we help customers find the financial products best suited to their needs.

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