

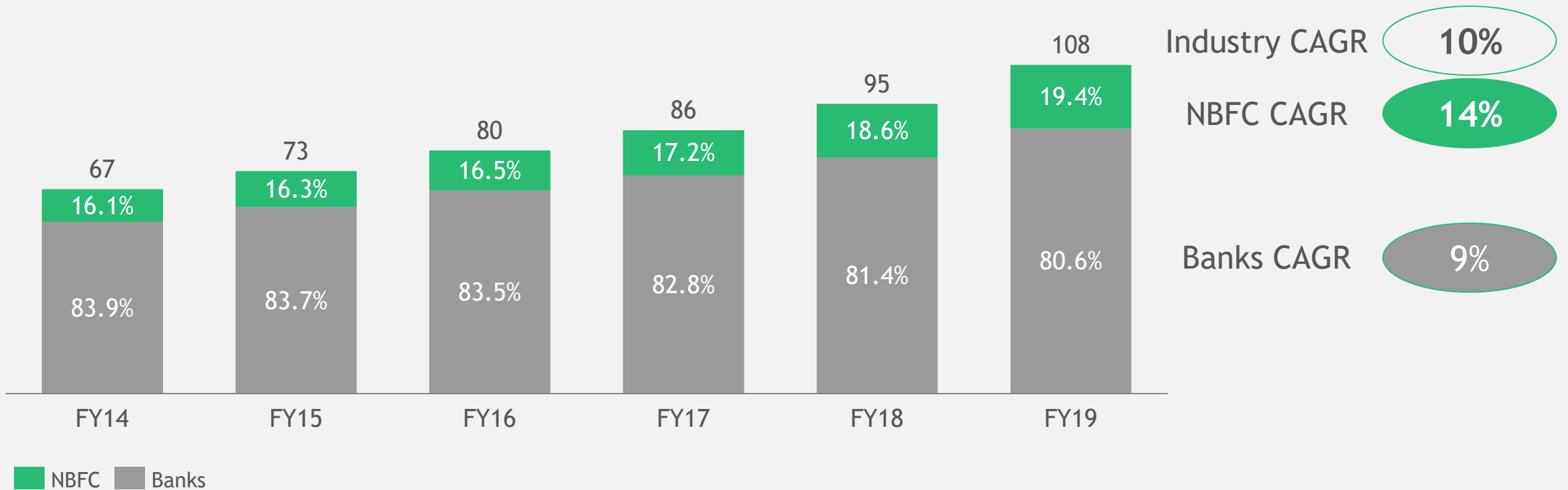


NBFCs: Need for responsible growth and collaboration with banks

FIBAC 2019

NBFCs key contributor to credit growth

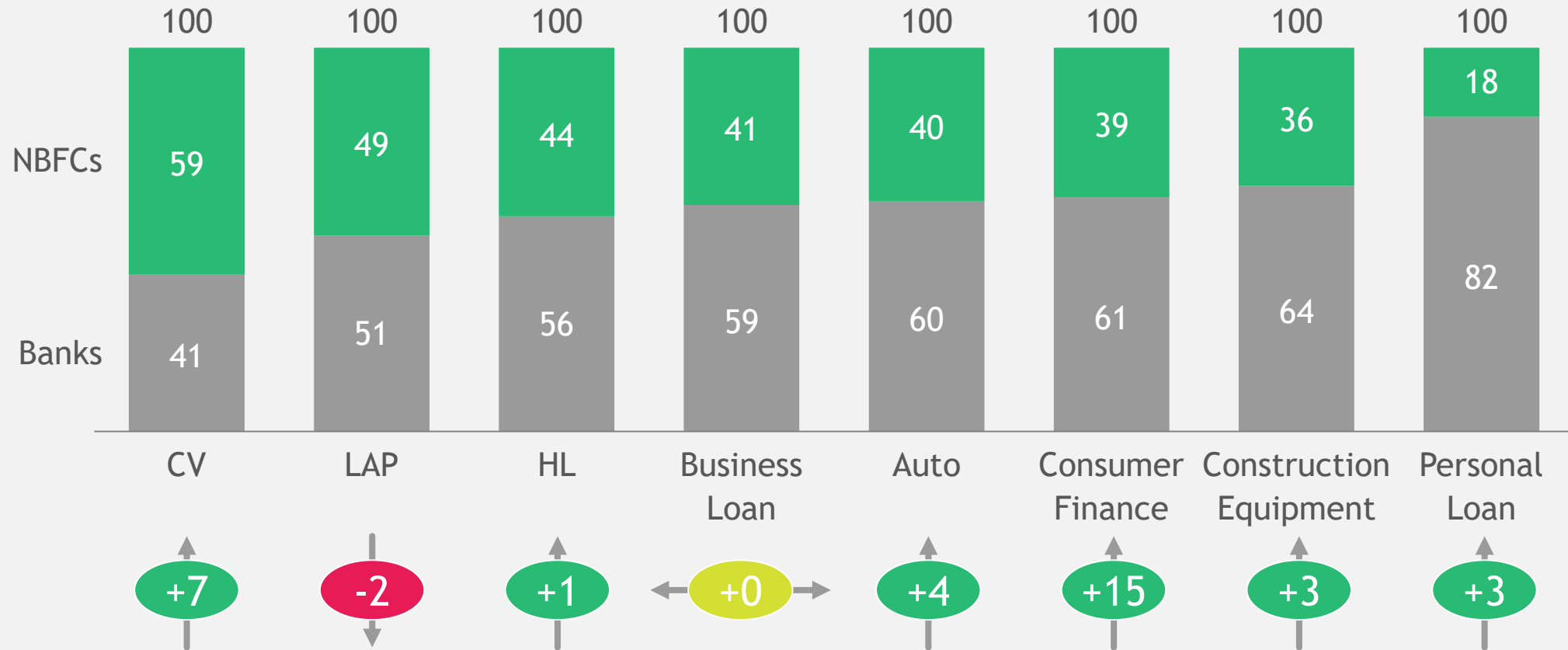
Total credit (Rs. Lakh cr.)



NBFCs have become formidable players in many retail lending segments

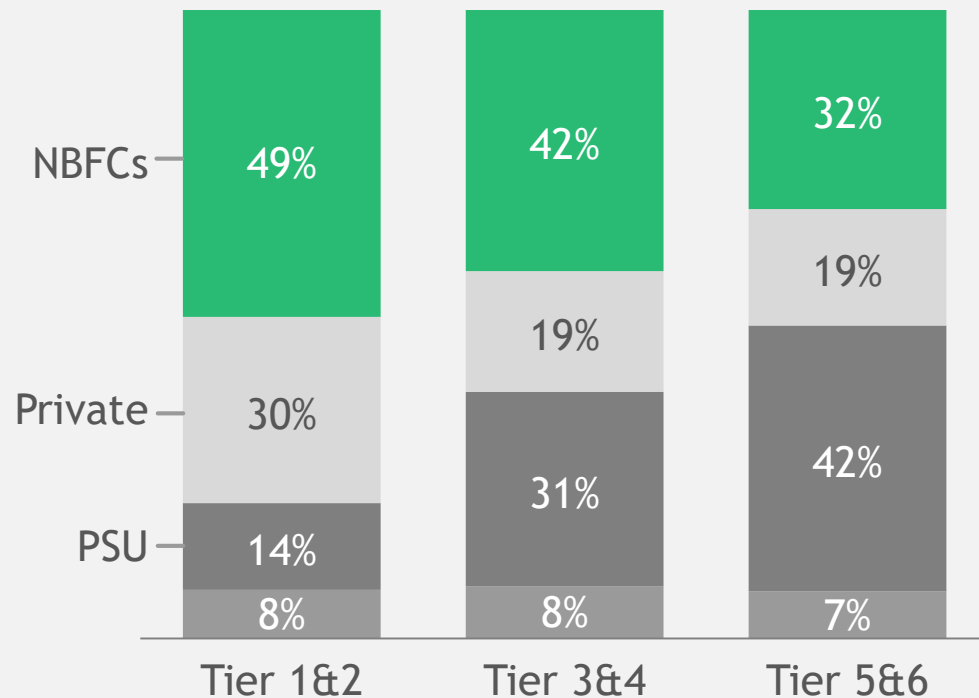
Share of FY19 sanctions (%)

↑ xx FY19 vs FY17

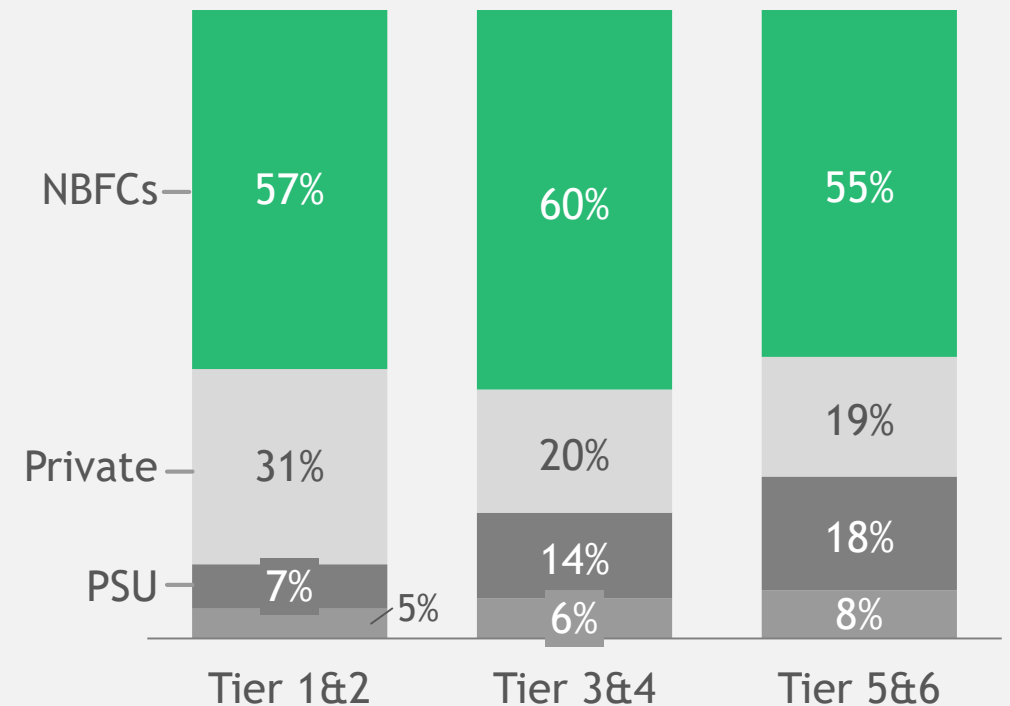


NBFCs continue to drive credit growth and inclusion across tiers...

Total no. of new loans (FY19)



Total no. of loans to NTC¹ (FY19)

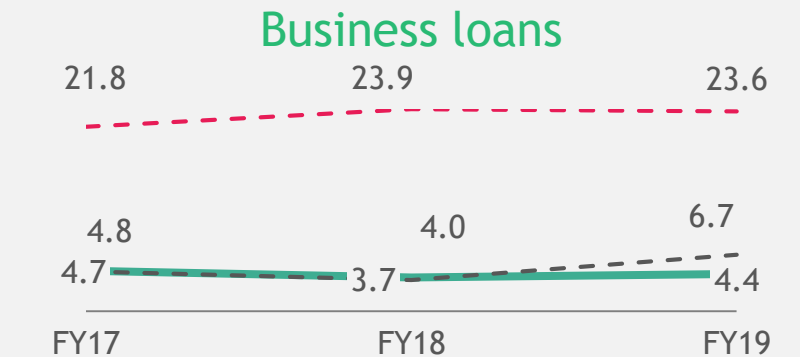
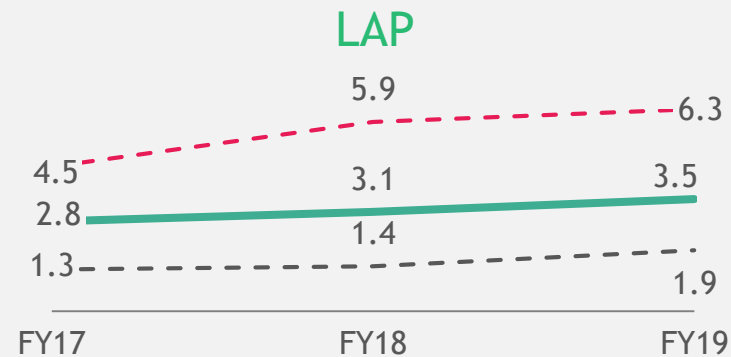
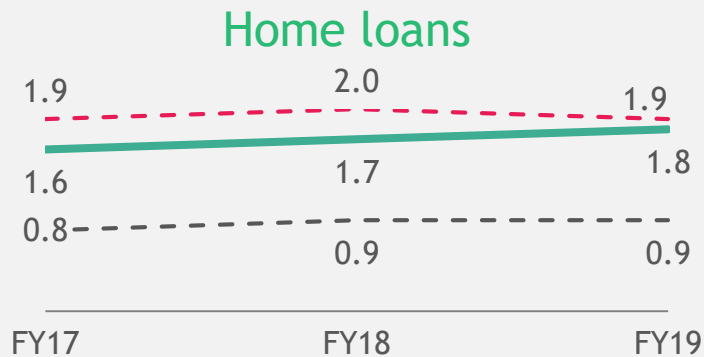
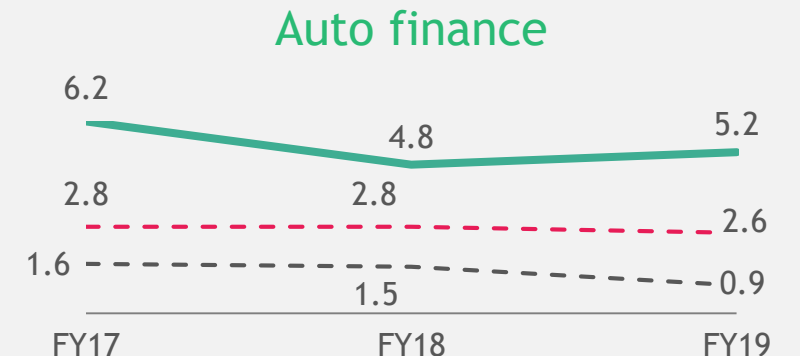
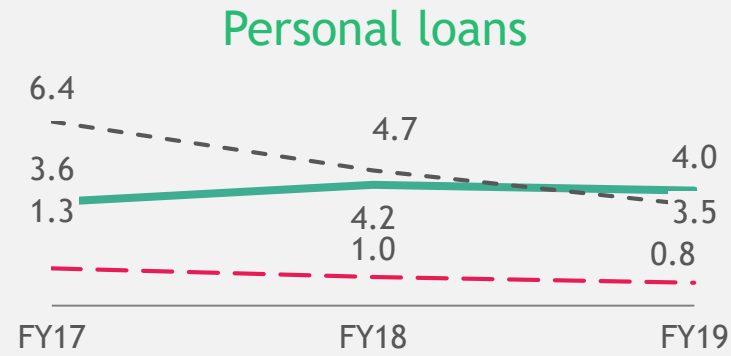
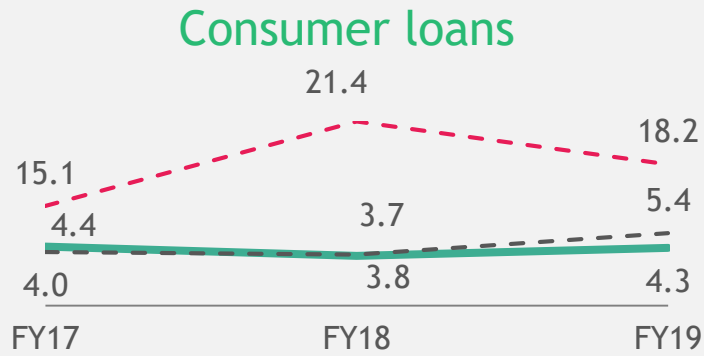


Note: 1. Data for number of new loans sanctioned in FY19 2. NTC means New to Credit 3. NBFCs includes HFCs 4. Products included are Auto Loans, Personal Loans, Housing Loans, Consumer Loans, Business loans, Loan Against Property, Gold Loan, Credit cards, Agri-Priority, Commercial Vehicle and Construction Equipment Loans 5. Others include Co-operative Banks, MNCs and Regional Rural Banks

Source: TransUnion CIBIL; BCG Analysis

... while maintaining asset quality...

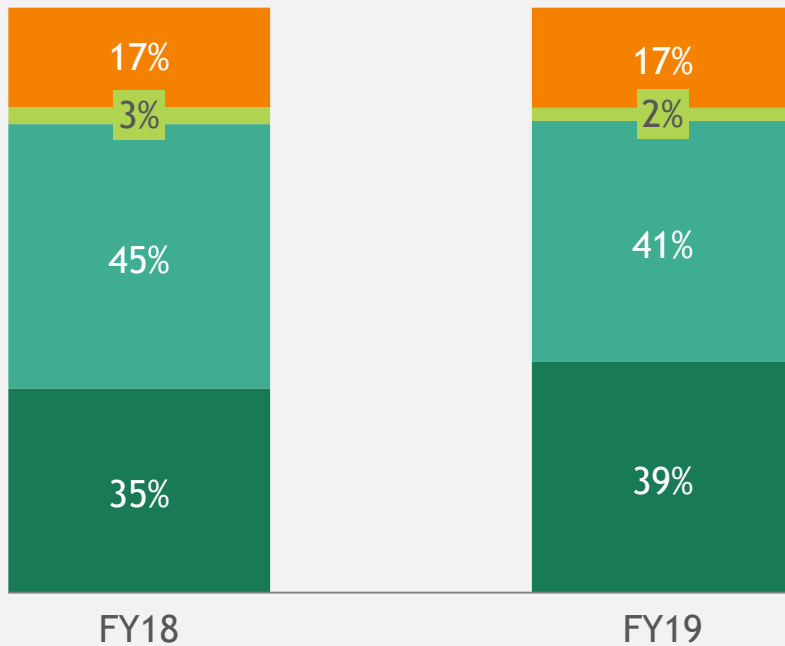
NPA% of lenders for last three years



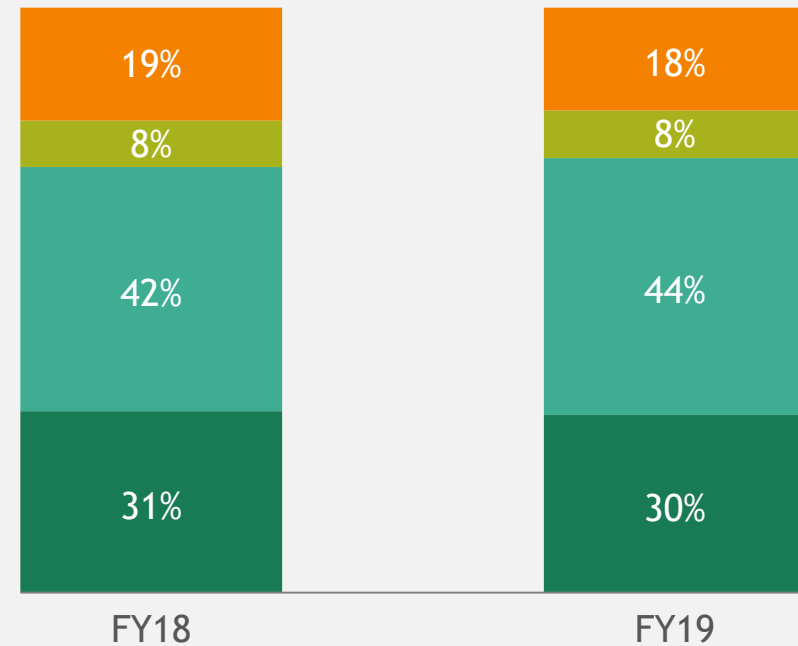
— NBFC - - - Pvt. Bank - - - Public Sector Bank

... and they continue to tighten lending standards

New Retail Consumer Loans by Credit Score (%)



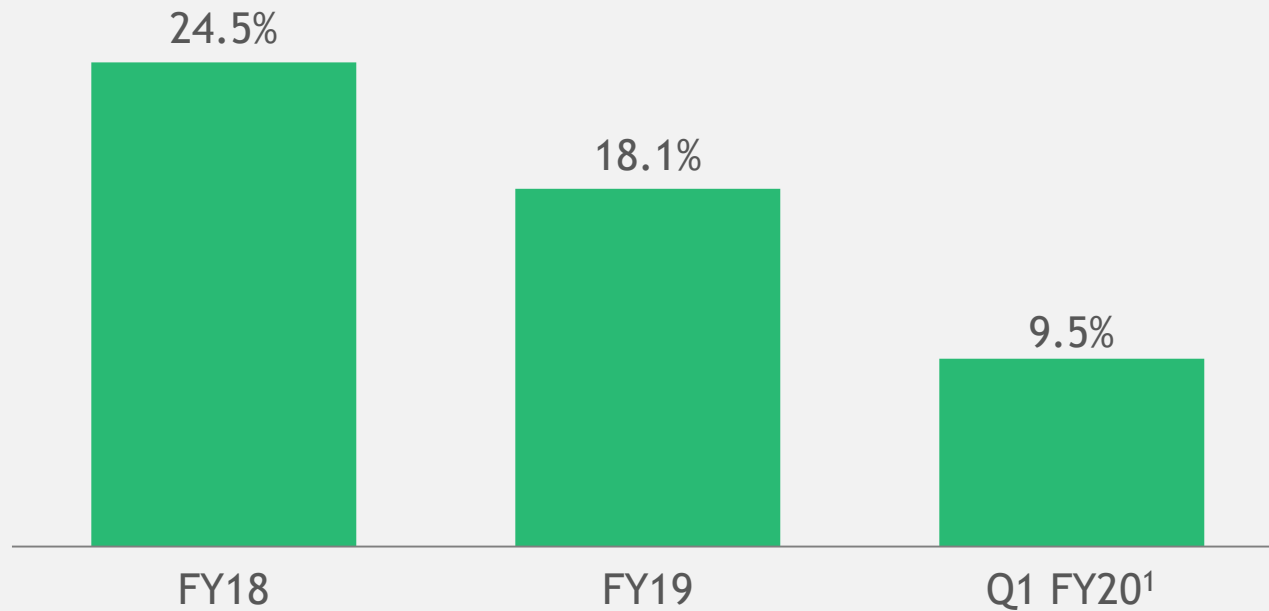
New Retail Business Loans by Credit Score (%)



Legend: -1 (Orange), Below 650 (Light Green), 650-750 (Teal), 750+ (Dark Green)

Growth has taken a major hit in FY19

Growth (%) in NBFC loan book

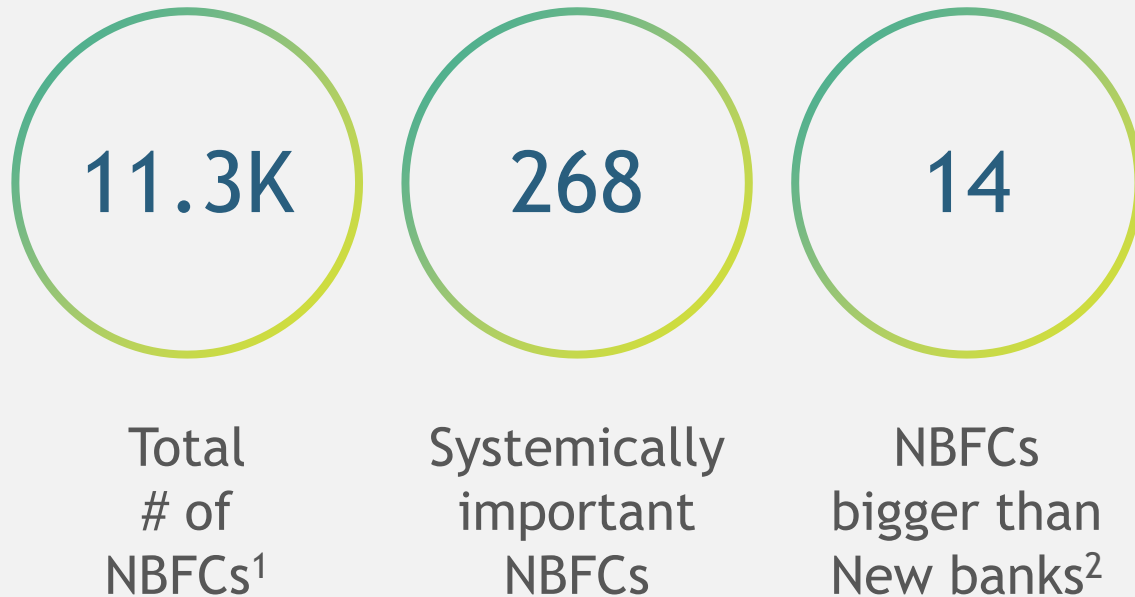


1. Growth in FY20 Q1 (Apr - Jun) over FY19 Q1 for select (reported) players

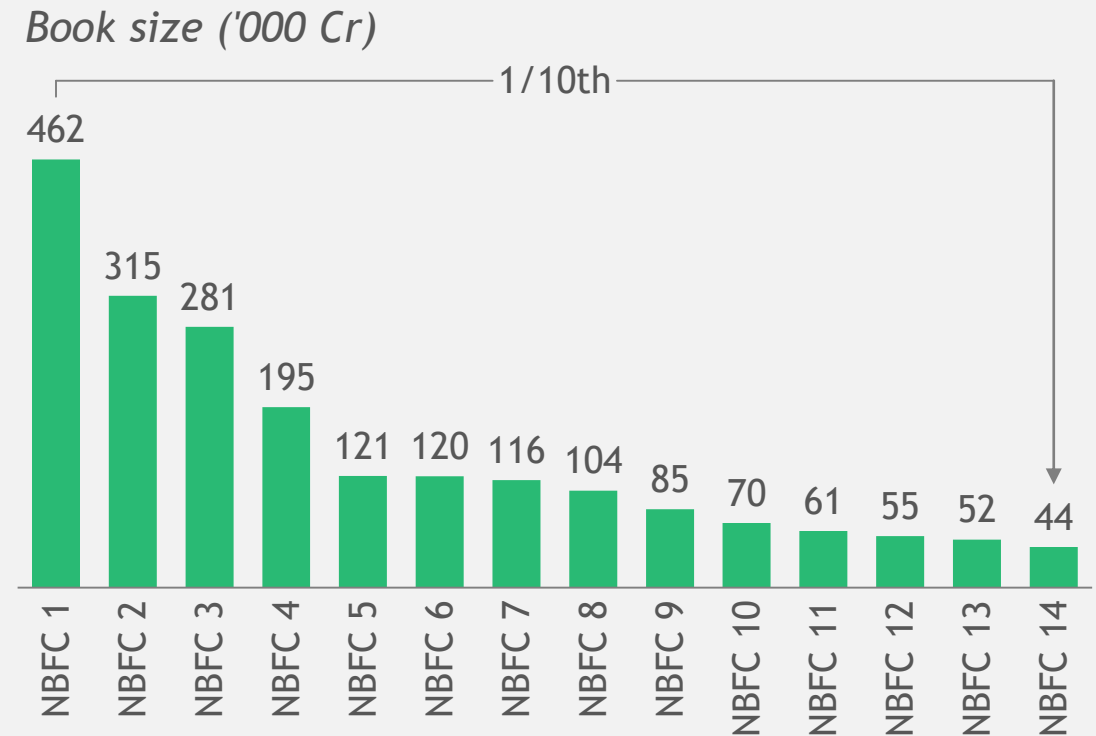
How should responsible growth be revived?

Can we afford to have "one size fits all" approach?

Long NBFC tail



74% NBFC assets with top 14 players



1. Including 1,701 NBFCs whose license was cancelled in FY19 2. Cut off taken as smallest bank by book size amongst Private New and PSU banks (Bandhan)
Source: RBI, BCG analysis



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