

Growth stabilises in digital lending disbursement in Q3 FY 23-24: FACETS

The latest issue of FACETS report from FACE, an industry body, tracks the progress of digital loans for the Q3 FY 23-24 alongside comparable quarters.

Mumbai, 20th March 2024: The Fintech Association for Consumer Empowerment (FACE), an industry body, has released 9th edition of its quarterly report FACETS. The report analyses Q3 FY 23-24 disbursement trends, with data from 37 FACE member companies. The disbursement volume and value grew YoY by 12% and 46%, respectively, reaching 2.5 Cr loans totaling Rs 33,922 crores in Q3 FY 23-24. Besides capturing women's participation in digital lending, the report presents data on profitability for the first time.

Commenting on the ninth edition of FACETS, Sugandh Saxena, CEO at FACE, said, *"Quarterly trends inform us that FACE members are adapting well to the market conditions. The scale of 2.5 Cr loans, nearing Rs 34,000 Cr, reflects strong consumer trust and preference for digital loans. The industry is on the path to the remarkable milestone of 10 Cr loans in FY 23-24, which is no small feat. The scale propels the industry to the next growth stage with a well-rounded focus on compliance, risk management and profitability. The white spaces in women's participation in digital lending present a new horizon for inclusion."*

This report analysed the disbursement data of 37 FACE member companies. Some of the key insights from the report are as follows:

- FACE member companies disbursed 2.5 crore loans during Q3 FY 23-24, an **increase of 12% compared to Q3 FY 22-23 and marginal degrowth over the previous quarter.**
- **Disbursement value increased by 46% in Q3 FY 23-24 from Q3 FY 22-23** to reach Rs 33,922 crore. The **average ticket size** for loans disbursed in Q3 FY 23-24 stood at **Rs 11,945**, though **significant variations exist across companies**.
- **As of Dec 2024, the total Asset Under Management (AUM) was Rs 41,220 crore, with a two-third portfolio on-balance sheet.** For companies that are/own NBFCs, 76% of AUM is on-balance, and 24% is off-balance.
- Based on data reported by 28 members, 80% are profitable, compared to two-thirds in the last year.
- **12% of loans** disbursed in FY 23-24 (Apr 2023 - Dec 2023) went to women. Women account for less than a third of the workforce, and participation is lesser at the leadership level.

ABOUT FACE:

Fintech Association for Consumer Empowerment (FACE), a non-profit industry association, set up in Sep 2020. FACE brings together the fintech lending community (regulated entities and platforms/aggregators partnering with the regulated entities) and other stakeholders committed to advancing fair and responsible digital lending practices through self-regulation and customer-centricity. FACE members account for an estimated 80% of the retail fintech lending volumes and abide by the FACE Code of Conduct. Closely working with the ecosystem, FACE pursues customer empowerment through its work in self-regulation, policy advocacy, knowledge, standards, market monitoring, and customer insights. For more information, visit <https://faceofindia.org/>

Link to report: TBA