



Data Taste Revealed

Economic Research Vertical: Canara Bank: Head Office

Discussion

Indian Lending Landscape: Emerging Trends, FY 2024-25

Data Source

CRIF Report, FY 2025 (Based on lending reported by Banks, NBFCs, SFCs & Others to Consumer Bureau & Commercial Bureau)

Reflections

- ✓ Share of Consumer loan (54%) is highest, being followed by loans to Individual & entity (44%) and microfinance (2%)
- ✓ However, highest growth (30.3%) is observed for Loan to Individual & Entity
- ✓ Microfinance sector experienced a sharp contraction in FY25 (-13.9%)
- ✓ Under Consumer loan segment, home loan weigh highest share (62%), followed by personal loan (22%) % Autoloan (15.6%)
- ✓ Highest growth (18.2%) observed in Two-Wheeler category

Fig-1 : Category of lending
(% Share, March 25)

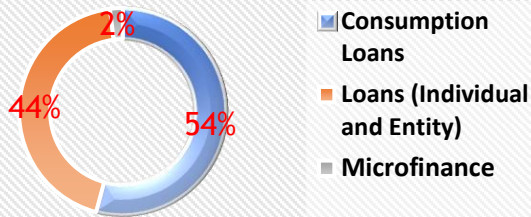


Fig-2 : Growth in Different Categories of Lending
(Mar'24 to Mar'25)

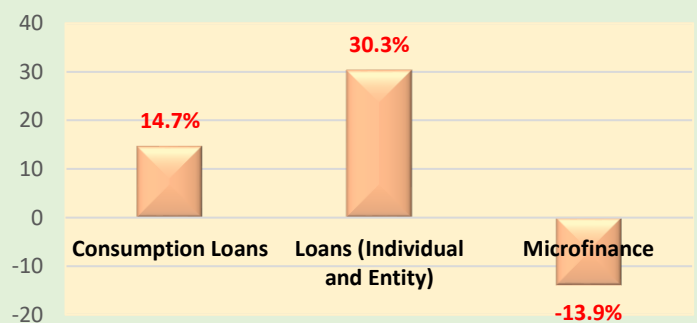


Fig-3 : % Share of components of Consumer Loans (Mar'25)

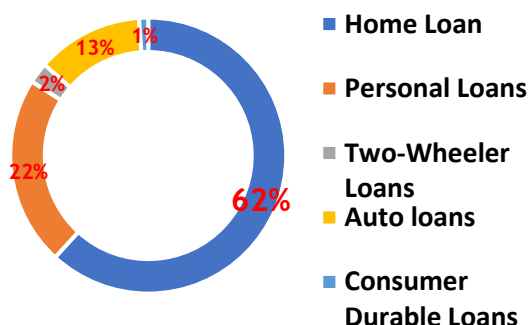
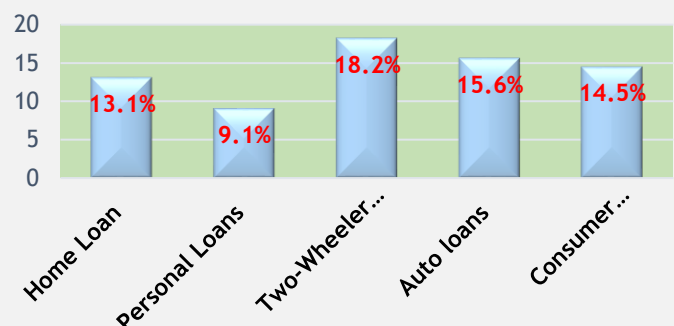


Fig-4: Growth in Consumer loans (%)
March 24 to March 25



Key Takeaway:

Contraction in microfinance sector is an outcome of combination of macroeconomic conditions (migration, rural unemployment), institutional norms (interest rate cap, exposure norms, compliance burden) and borrower level factors (level of debtiness). India is World's largest two-wheeler market (35-40% of Global production), as the growth in two-wheeler segment has been highest (18.2%) in consumer loan segment.

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