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India NBFC Sector Update - H1 FY22

DECEMBER 2021

Glossary: Classification of 31 NBFCs used in this document

HFCs (10 NBFCs)



TATA CAPITAL HOUSING FINANCE LIMITED

BAJAJ HOUSING FINANCE LIMITED

Microfinance (3 NBFCs)



Gold (2 NBFCs)



Diversified (16 NBFCs)



TATA CAPITAL FINANCIAL SERVICES LIMITED



Mahindra FINANCE



CAPRI GLOBAL CAPITAL LIMITED

Summary snapshot



Key Performance Indicators

- Growth of NBFC credit has moderated post pandemic to 8.1% on year; Revival observed in diversified NBFCs
- Profitability of NBFCs to remain impacted due to elevated provisioning and operational costs; MFIs most hit; gold NBFCs maintained high RoA of 6.2% despite decline
- Higher NIMs for NBFCs at 5.2% on account of higher yields; CIR for NBFCs inching up to pre-pandemic levels
- Bank financing continues to support NBFCs; Many large NBFCs raised capital post the pandemic; Securitization deals starting to pick up



NPA and Risk Management

- IRAC norms put into effect - daily recognition of NPAs and upgrading NPA accounts only after payment of all dues
- Impact on collection efficiency low during the second wave; levels close to pre-pandemic
- Restructured book of NBFCs has doubled to 4.2%



Advances Deep-dive

- Auto Loan: Growth on an upswing post second wave; asset quality stress worsens; New PVs and CVs continue to dominate the book
- Gold Loan: Continue strong performance; rising share of online loans
- Personal Loans: Dominance of top players; swifter recovery in the segment post subdued last fiscal
- Home, MSME and MFI Loans: Economic revival, government support and lower rate cycle to spur credit growth



Other trends

- Usage of digitalization, tech enablement, data analytics gathering momentum
- Fundamentals remain steady; regulatory clarifications to lead to an increase in GNPA; Regulations more closely aligned with banks and would impact metrics of NBFCs
- Partnerships to support mid-sized and emerging NBFCs; Focus on traditional segments to gain traction

India NBFC Sector Update - FY21

➤ Macro Indicators

Key Performance Indicators- Industry (Banks + NBFCs)

Key Performance Indicators- NBFC sector

NPA & Risk Management

Valuation

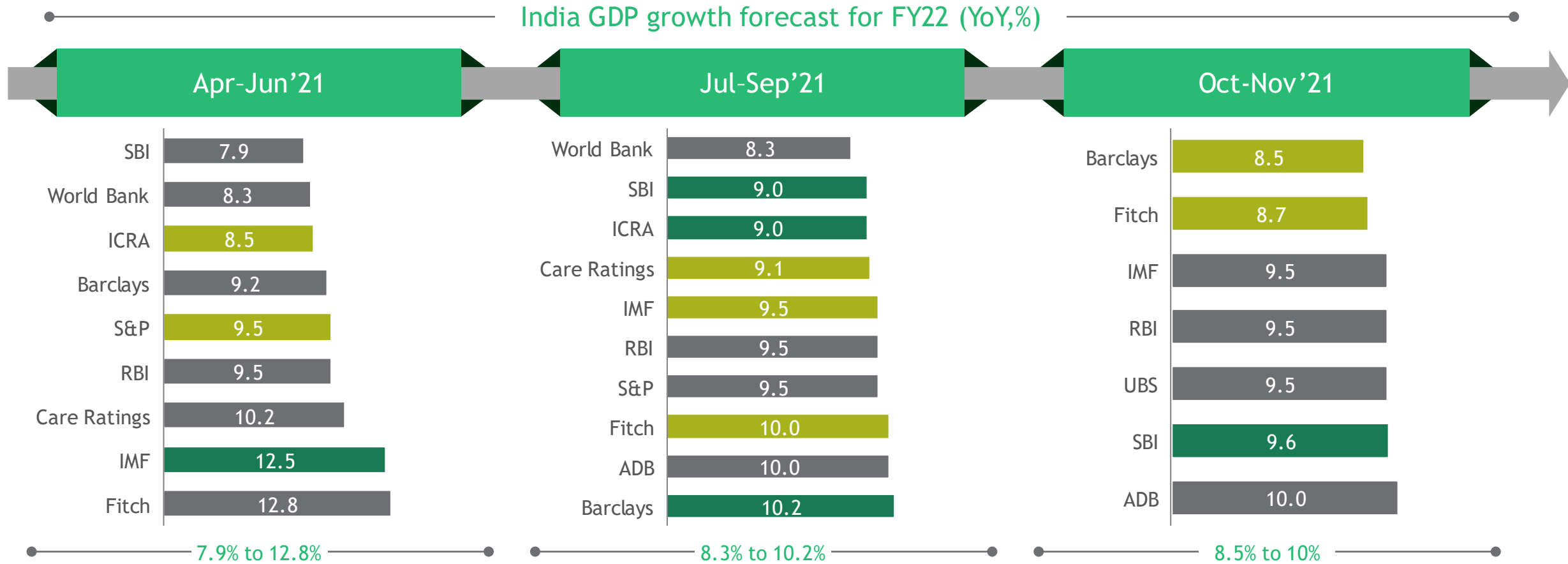
Advances deep-dive (select products)

Recent Trends

Player performance



India's FY22 GDP forecasted to grow within 8.5% - 10% YoY



Data as of 21 Nov'21; Estimates likely to be revised further

No change
 Downward revision
 Upward revision

Note: Upper-limit has been included where agencies reported forecast range
 Source: Analyst reports, BCG analysis



2021 Monthly Trend Summary: Select high frequency indicators witnessed growth while others exhibited mixed trends in Sep-Oct'21 vs. previous month

Absolute MoM delta comparison of 2021 data(vs. previous month)

Indicator	May	Jun	Jul	Aug	Sep	Oct
1 Industrial Activity						
Power Consumption	-7%	8%	5%	3%	-12%	0%
Petroleum Consumption	-11%	8%	3%	-4%	0%	12%
Index of Industrial Prod.	-8%	6%	7%	0%	-2%	NA
2 Trade						
Services Export	-1%	14%	-4%	3%	6%	NA
Services Import	3%	9%	3%	0%	6%	NA
Merchandise Export	5%	1%	9%	-6%	2%	6%
Merchandise Import	-16%	9%	11%	1%	20%	-2%
3 Logistics						
E-Way Bills Generated	-32%	37%	17%	3%	3%	8%
Railway Freight Originated	3%	-2%	0%	-2%	-4%	11%
JNPT Container Traffic	-3%	-3%	-2%	5%	-5%	10%
Air Freight	-9%	0%	9%	2%	4%	NA
4 Sector-wise Impact						
Steels Sales	27%	-13%	0%	-4%	5%	7%
Passengers Vehicle Sales	-61%	137%	11%	-11%	-25%	25%
Two-wheeler Sales	-63%	97%	16%	4%	11%	2%
Gross Premium (Life)	33%	131%	-32%	36%	11%	-30%
5 Macroeconomic Indicators						
Total GST Collection	-27%	-10%	25%	-4%	4%	11%
MGNREGA Jobs Provided	4%	32%	-27%	-9%	-4%	11%

➤ Mixed growth
 ⬆️ Degrowth
 ⬇️ Growth

➤ Industrial activity exhibited mixed trends in Sep-Oct'21 vs. previous month—Power consumption remained unchanged while fuel consumption grew; IIP recorded marginal MoM degrowth

⬆️ Services exports & imports improved; Merchandise exports grew for the second consecutive month while imports declined MoM

⬆️ Logistics indicators exhibited MoM improvement—JNPT traffic, rail freight & E-way bills recorded substantial growth in Oct'21 vs. Sep'21

➤ Some sectors grew while others fell in Oct'21 vs. Sep'21—Steel, passenger vehicle & 2W sales logged growth while life insurance recorded MoM degrowth

⬆️ Select macroeconomic indicators grew in Oct'21 vs. Sep'21—Both GST collection & MGNREGA jobs provided witnessed MoM improvement

Source: POSOCO, PPAC, MoSPI, RBI, Ministry of Comm. And Industry, GST Network, Ministry of Railways, JNPT, AAI, NPCI, JPC, Ministry of Steel, SIAM, CMIE, mFMS, IRDAI, AIOCD, American Chemistry Council, GST Council, Ministry of Finance, Controller General of Accounts, Ministry of Rural Development Projects Today, Bloomberg, NSE, BSE, HIS Markit; BCG analysis

India NBFC Sector Update - FY21

Macro Indicators

➤ Key Performance Indicators- Industry (Banks + NBFCs)

Key Performance Indicators- NBFC sector

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Advances deep-dive (select products)

Recent Trends

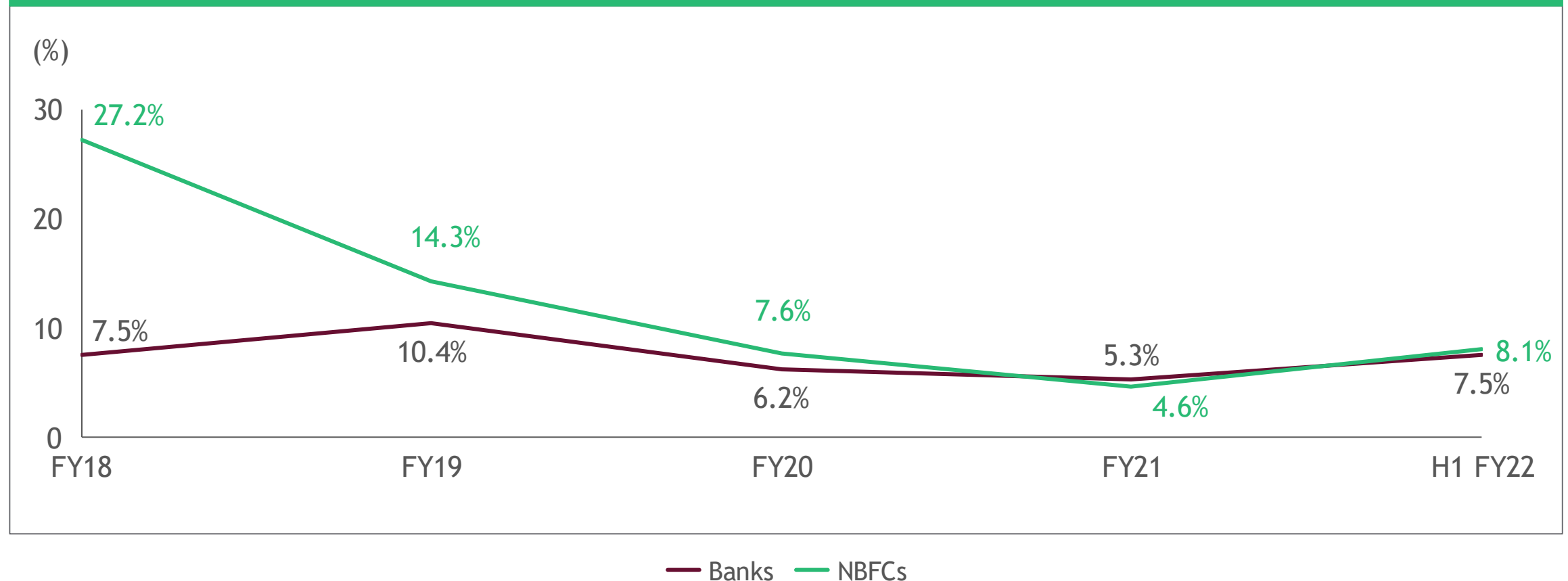
Player performance



Pandemic years have narrowed the growth gap between banks & NBFCs

NBFC growth has moderated post onset of the pandemic; Further revival expected in the second half

Player-group wise y-o-y growth in loan book

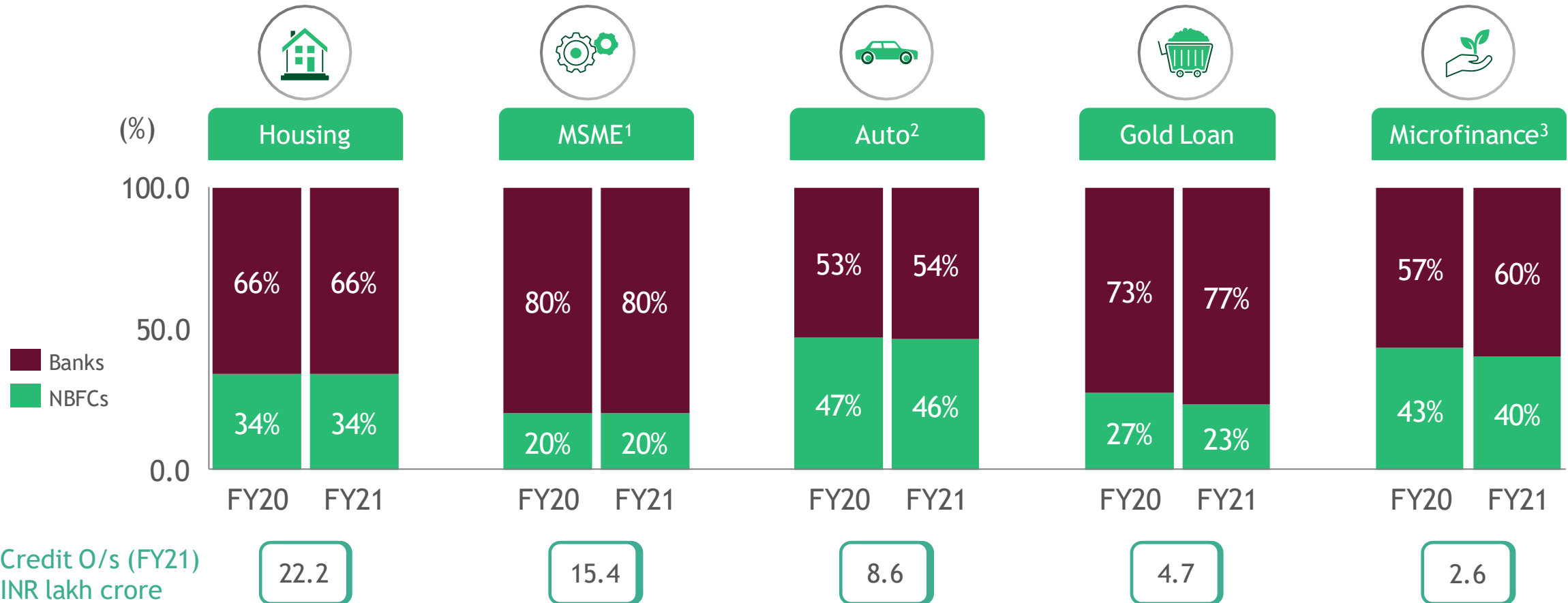


Note: Analysis has been made based on 29 NBFCs (9 HFCs, 2 Gold, 3 MFI and 15 Diversified NBFCs) and 30 Banks (12 PSU Banks, 10 Private-New and 8 Private-old banks)
Source: Capitaline, Quarterly Results, Investor Presentation, Annual Report, BCG Analysis



NBFCs lost market share in MFI and Gold loans in FY21; relatively stable share across other segments

Change in share of player groups across asset class



Credit O/s (FY21)
INR lakh crore

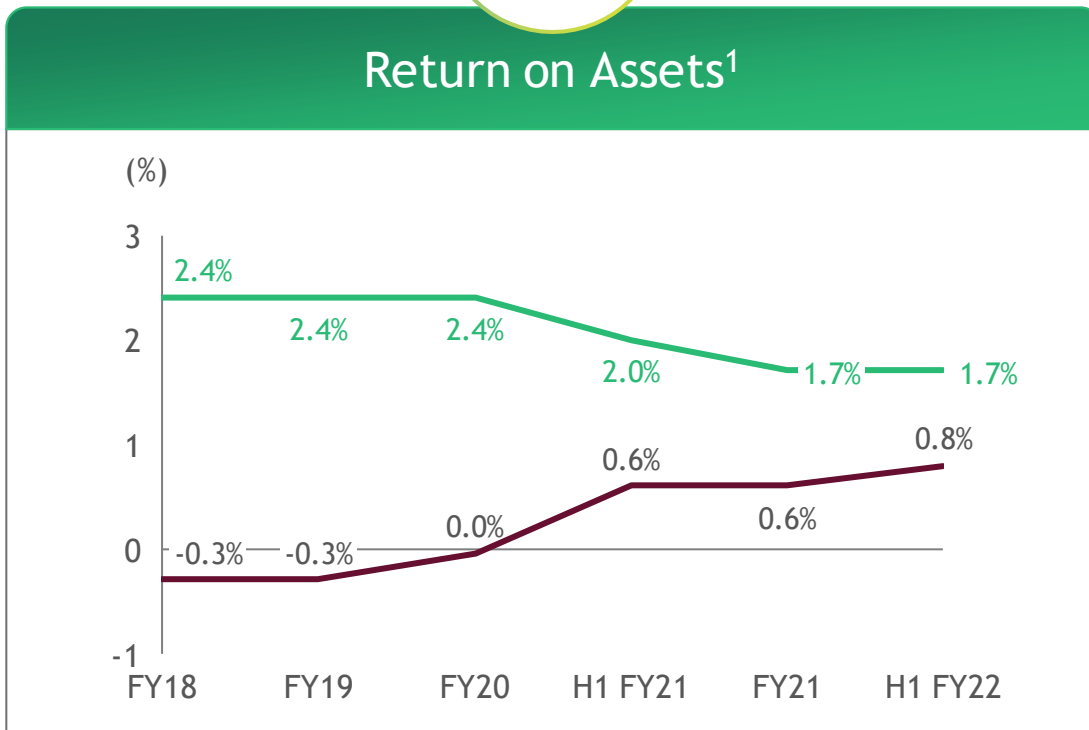
1. MSME includes Loan against property, secured non-LAP MSME loans and unsecured MSME loans; 2. Auto includes PVs new and used, CVs new and used, tractors, 2 and 3 wheelers; 3. Share of NBFCs in MFI include NBFC-MFI, NBFCs and Non-Profit MFIs
Source: CRISIL research; BCG Analysis



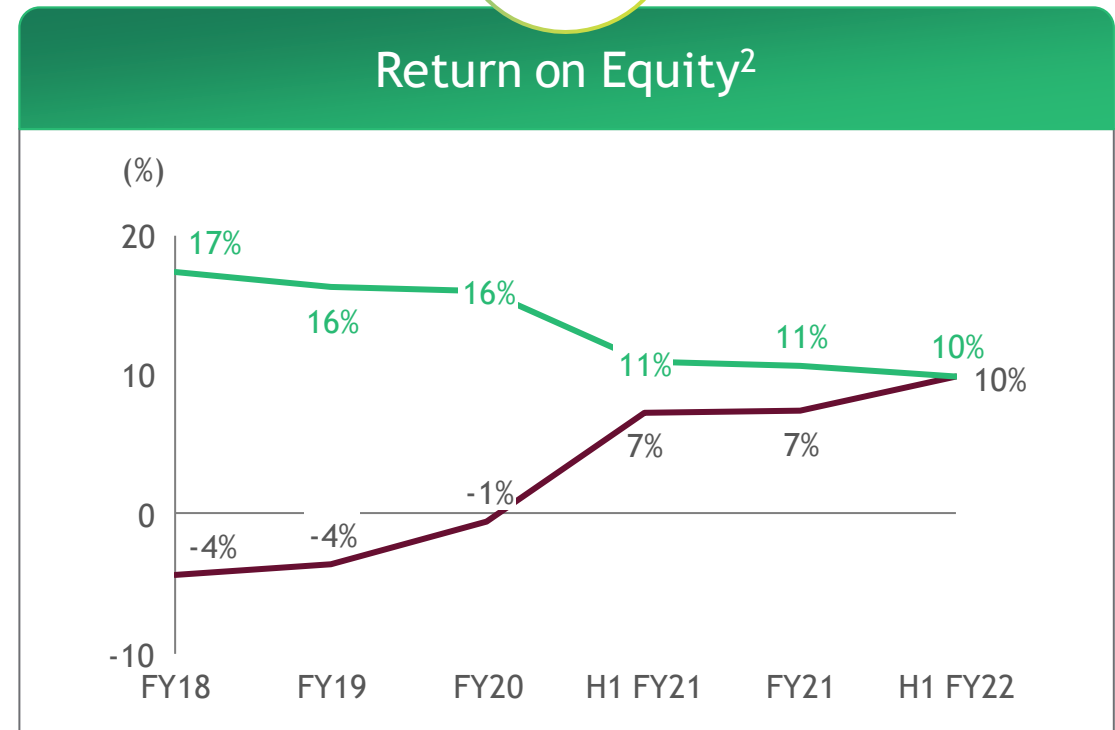
Profitability to remain impacted on account of elevated provisioning costs



Return on Assets¹



Return on Equity²

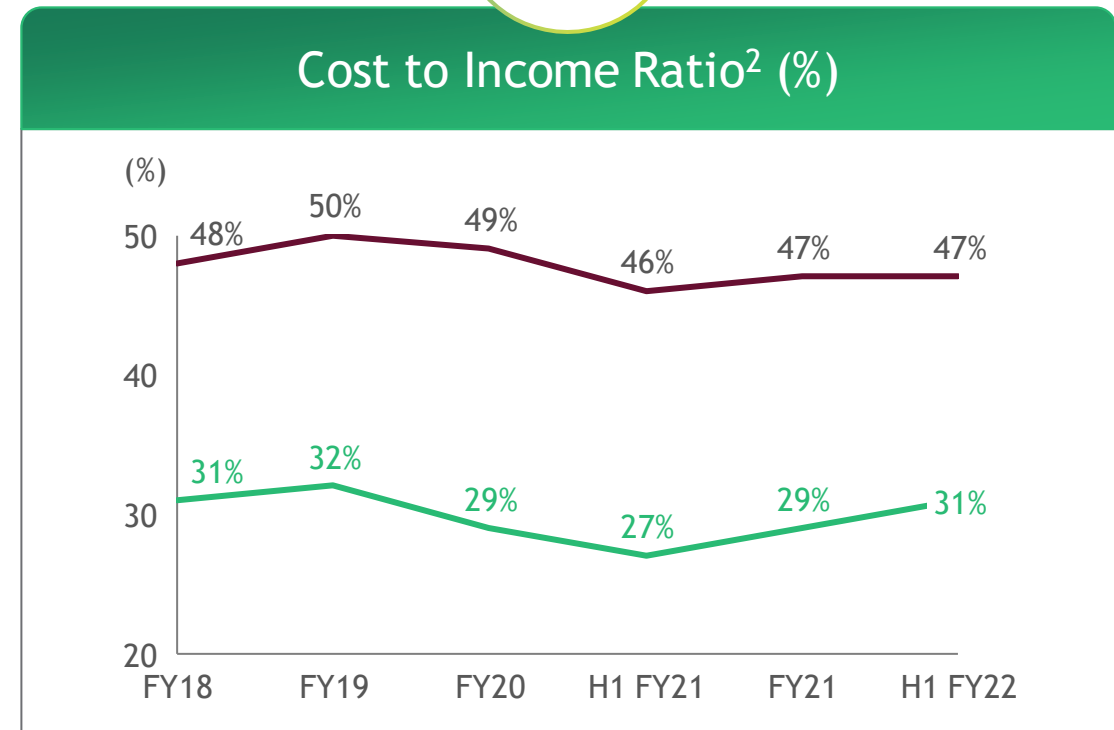
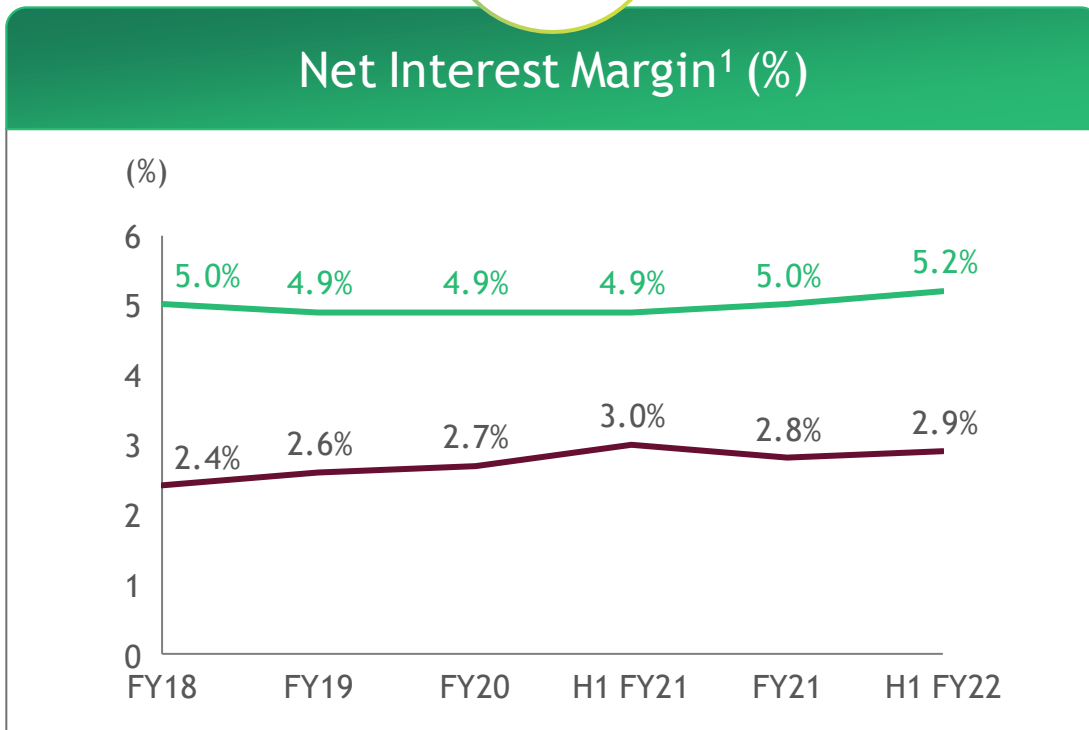


— Banks — NBFCs

1. Return on Assets is calculated as net profit/average assets 2. Return on Equity is calculated as net profit/average shareholders' fund.
 Note: Analysis has been made based on 31 NBFCs (10 HFCs, 2 Gold, 3 MFI and 16 Diversified NBFCs) and 30 Banks (12 PSU Banks, 10 Private-New and 8 Private-old banks)
 Source: Capitaline, Quarterly Results, Investor Presentation, Annual Report, BCG Analysis



Higher NIMs for NBFCs on account of higher yields; CIR for NBFCs inching up to pre-pandemic levels



— Banks — NBFCs

1. NIM is calculated as (Interest Income - Interest Expense)/Average Assets ²Cost to Income is calculated as Operation expense/(net interest income + other income)
 Operation Expense excludes "Net loss on fair value changes", "Net loss on derecognition of financial instruments under amortized cost category", "Net Transaction Exchange Loss" and/or "Loss/write-off on Repossessed Assets and Assets acquired in satisfaction of debt"

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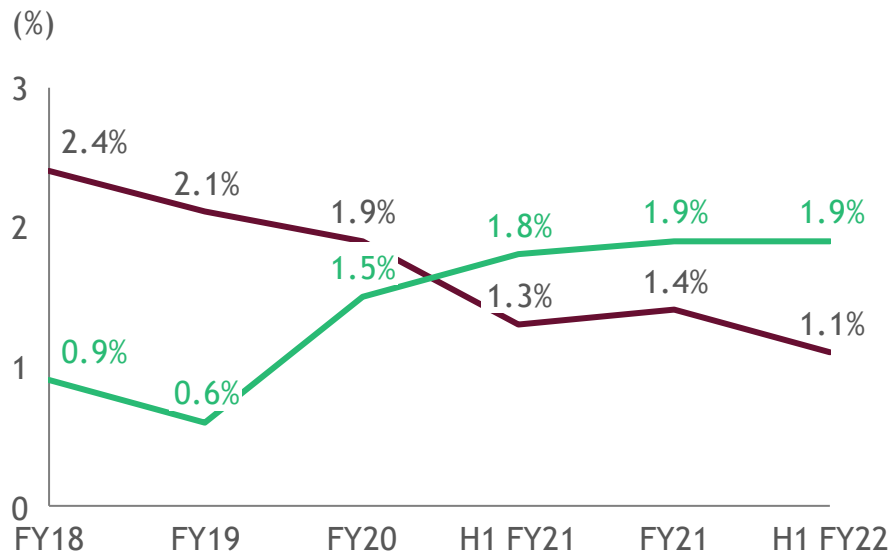
Source: Capitaline, Quarterly Results, Investor Presentation, Annual Report, BCG Analysis



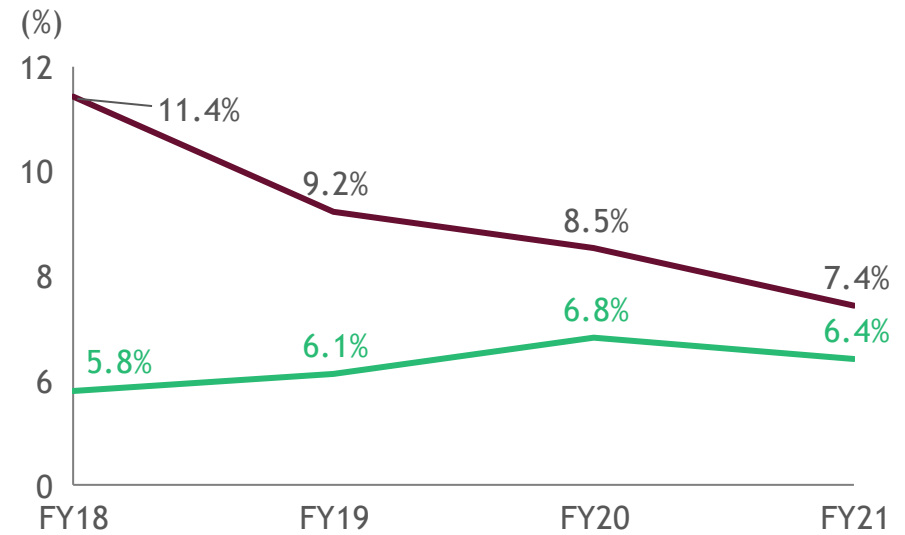
Moratorium and restructuring led to lower fresh slippages for banks and reduction in credit costs; Asset quality of NBFCs worsened



Credit Cost¹ (%)



GNPA (%)



— Banks — NBFCs

1. Credit Cost is calculated as provision and contingencies/average assets

Note: Analysis has been made based on 31 NBFCs (10 HFCs, 2 Gold, 3 MFI and 16 Diversified NBFCs) and 30 Banks (12 PSU Banks, 10 Private-New and 8 Private-old banks)

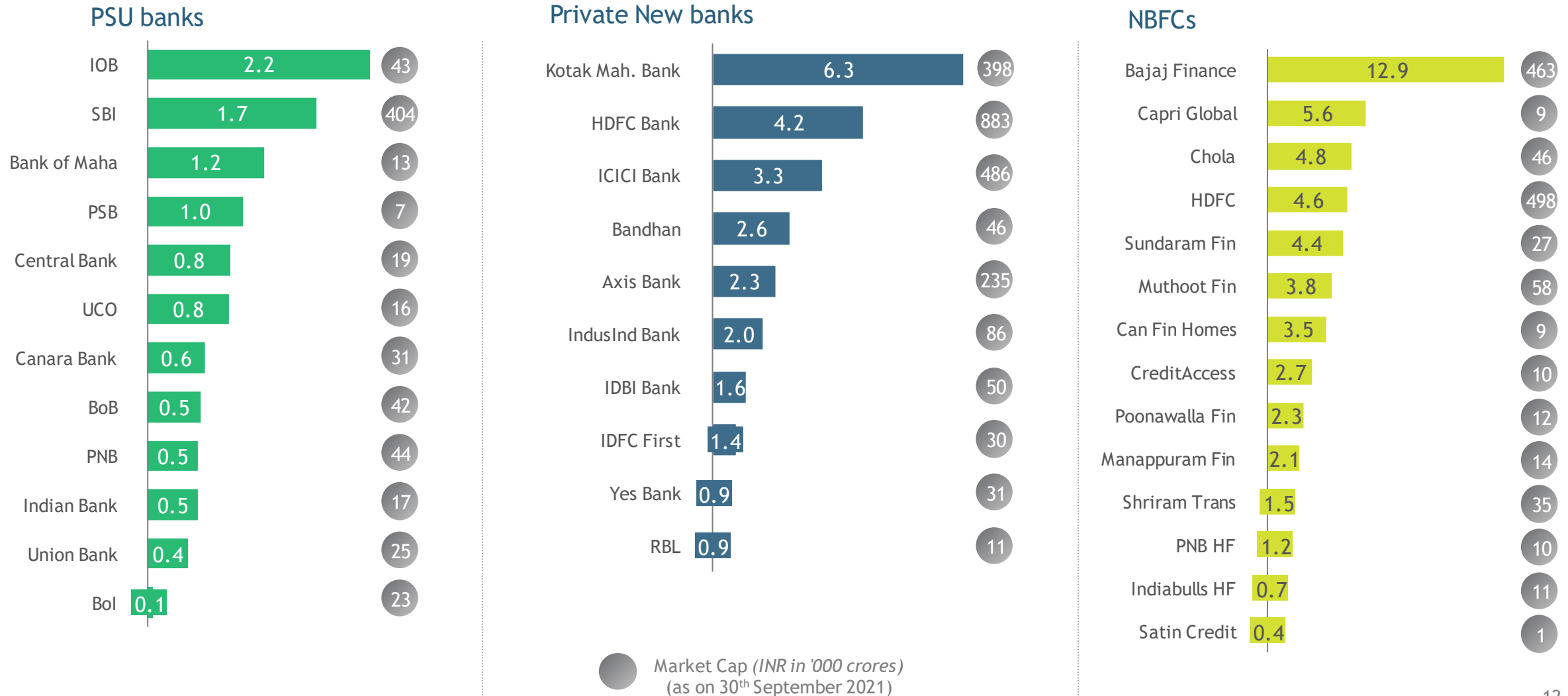
Source: Quarterly Results, Investor Presentation, Annual Report, RBI, BCG Analysis



Most PSU banks traded at a lower valuation as compared to Private and Non-bank peers

Price to book ratio (As on 30th September 2021)

Select Banks and NBFCs



India NBFC Sector Update - FY21

Macro Indicators

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➤ Key Performance Indicators- NBFC sector

NPA & Risk Management

Valuation

Advances deep-dive (select products)

Recent Trends

Player performance



MFIs most hit; gold NBFCs maintained high RoA despite decline of 70 bps

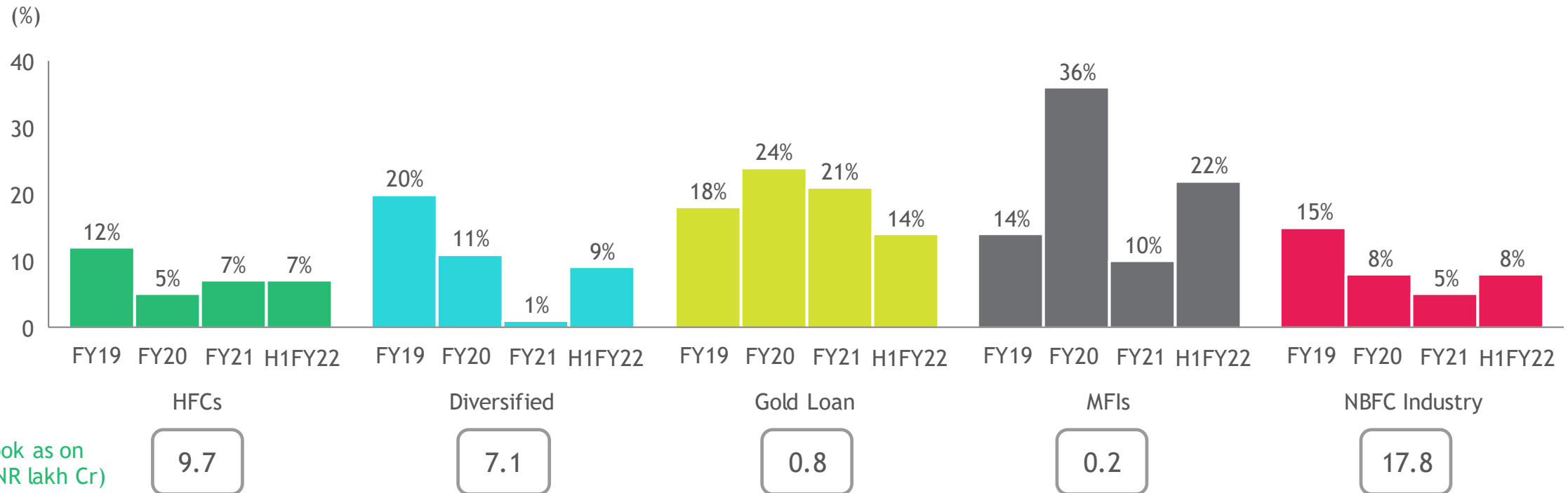
Particulars ¹	UoM	HFCs		Diversified		Gold Loan		MFIs		Industry	
		H1 FY22	H1 FY21	H1 FY22	H1 FY21	H1 FY22	H1 FY21	H1 FY22	H1 FY21	H1 FY22	H1 FY21
Net interest Margin	(%)	2.8	2.6	7.7	8.0	11.7	12.8	9.3	10.9	5.2	5.2
Fee + Other Income	(%)	0.6	0.7	1.3	1.2	0.2	0.5	1.3	1.5	0.9	0.9
Operating expenses	(%)	0.5	0.4	3.4	3.2	3.3	3.7	5	5.4	1.9	1.7
Pre-Provision Profit²	(%)	2.9	2.9	5.6	6.0	8.6	9.6	5.5	6.9	4.2	4.4
Credit costs	(%)	0.7	0.6	3.5	3.7	0.3	0.3	4.8	4.5	1.9	1.8
Tax	(%)	0.5	0.4	0.5	0.6	2.1	2.4	0.2	0.6	0.5	0.6
Other Expenses ³	(%)	0.0	0.0	0.3	0.1	0	0	0	0	0.1	0.1
Return on Assets	(%)	1.7	1.8	1.3	1.6	6.2	6.9	0.5	1.7	1.7	2.0

1. All the above #s are as a % of Average Assets, 2. Pre-provision profit may not tally due to rounding off error 3. Other Expenses include "Net loss on fair value changes", "Net loss on derecognition of financial instruments under amortized cost category", "Net Transaction Exchange Loss" and/or "Loss/write-off on Repossessed Assets and Assets acquired in satisfaction of debt"
 Note: Analysis has been made based on 31 NBFCs: 10 HFCs, 2 Gold, 3 MFI and 16 Diversified NBFCs
 Source: Capitaline, Quarterly Results, Investor Presentation, Annual Report, BCG Analysis



Revival in growth across MFIs and diversified NBFCs; rate of growth impacted on account of the second wave

Category-wise y-o-y growth in loan book (%)



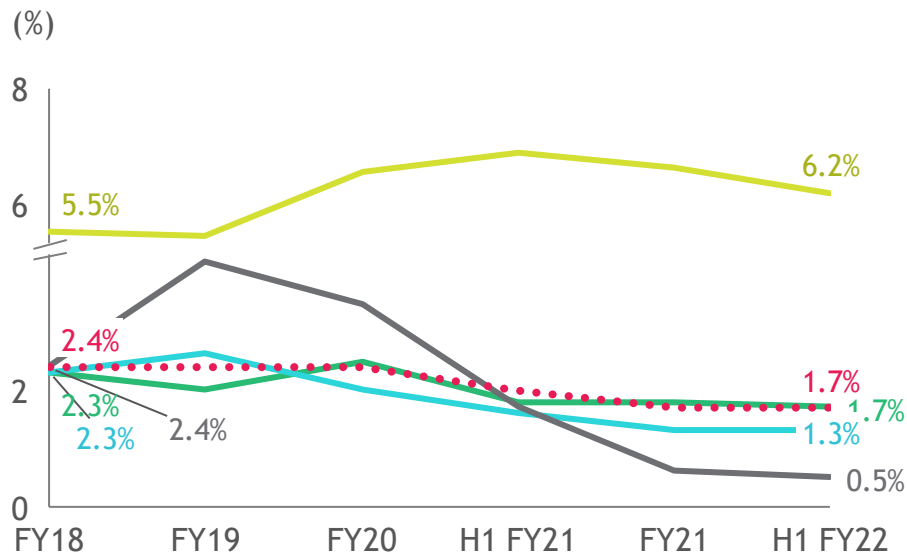
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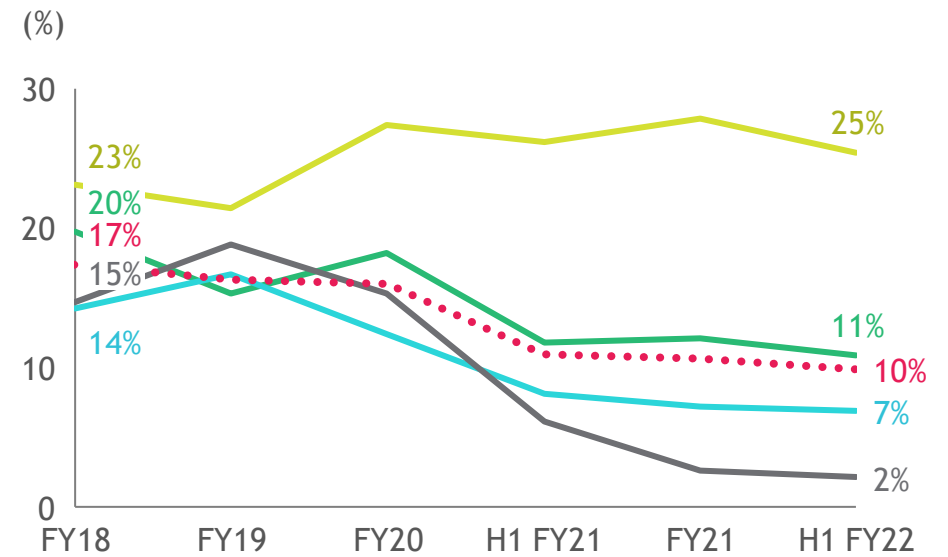
Profitability: Sharp drop driven by higher credit and operational costs



Return on Assets¹ by NBFC category



Return on Equity² by NBFC category



— HFCs — Diversified — MFIs — Gold Loan •• NBFC Industry

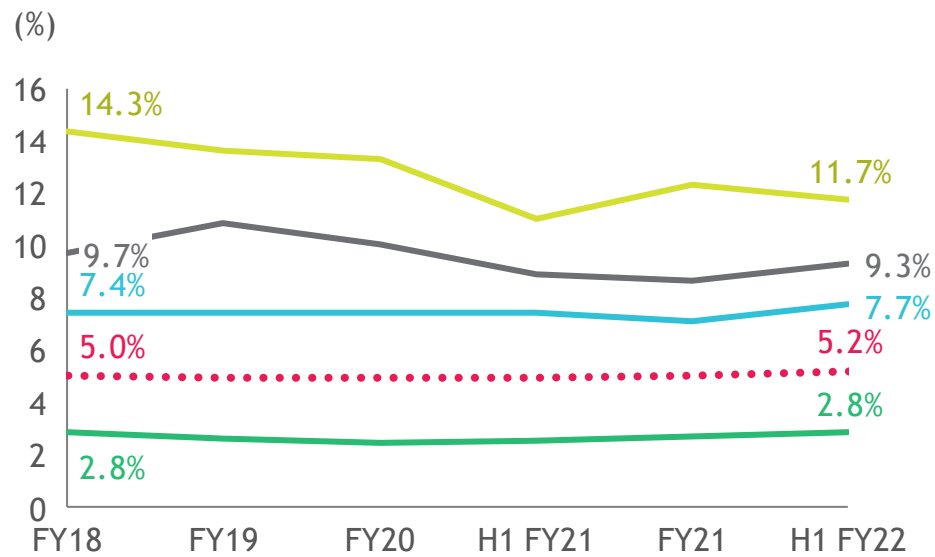
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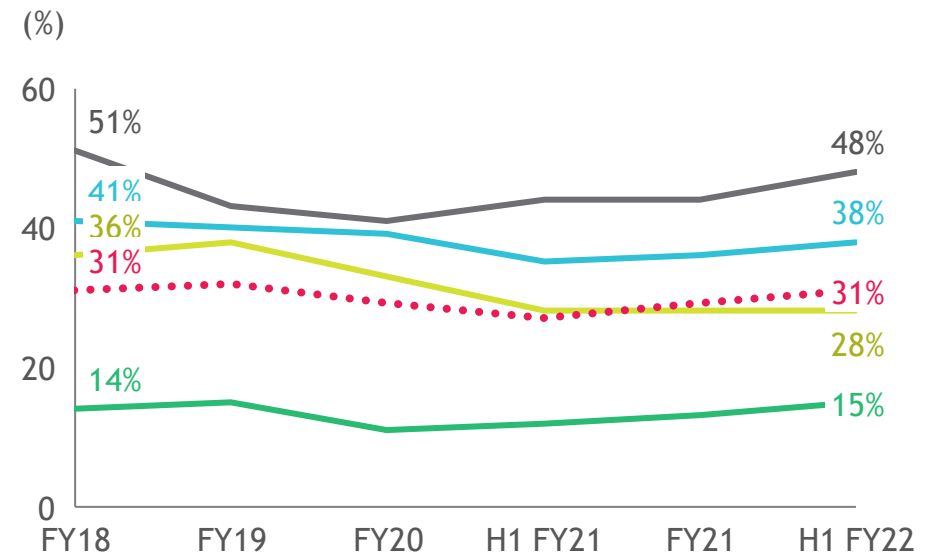
NIMs remained broadly stable; lower CIR as NBFCs tightened cost control post pandemic



Net Interest Margin¹ by NBFC category (%)



Cost to Income Ratio² by NBFC category (%)



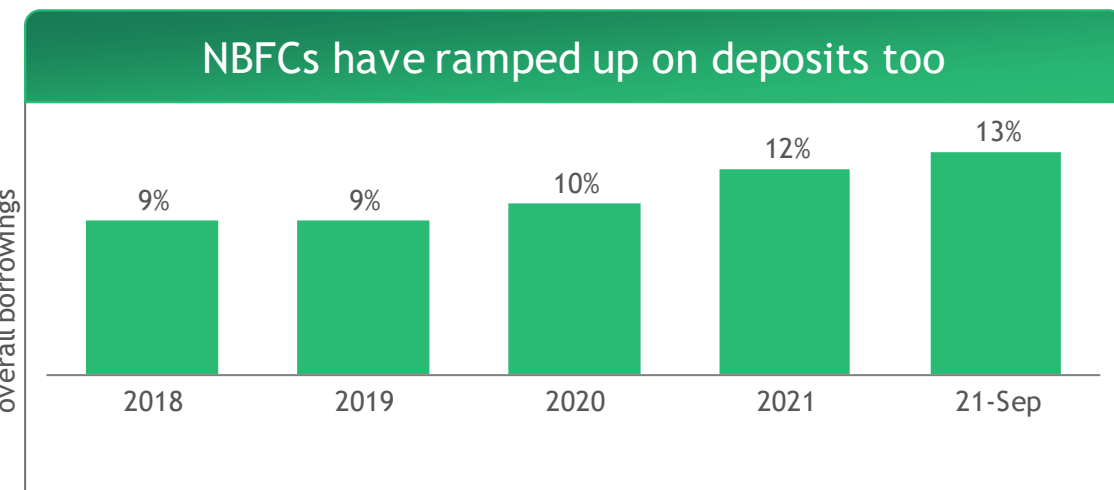
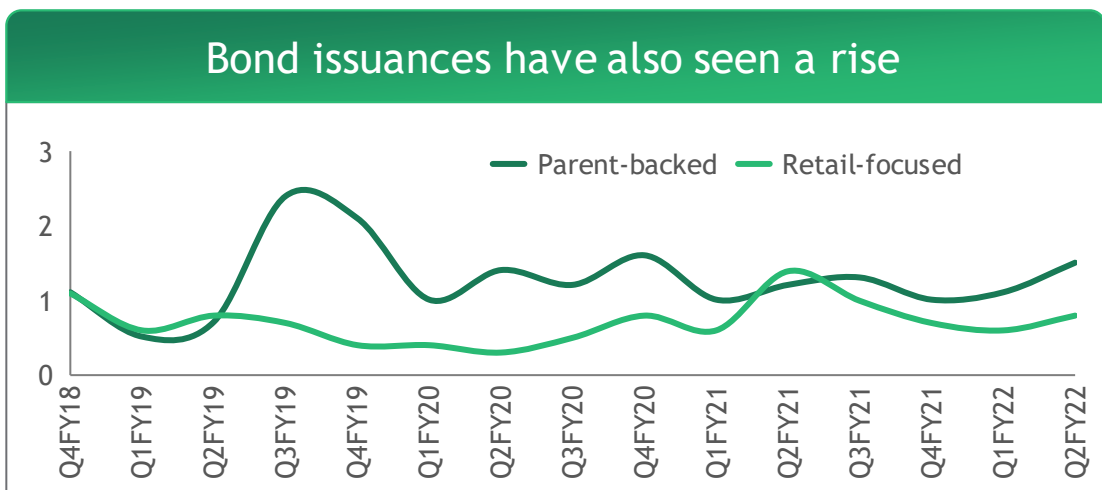
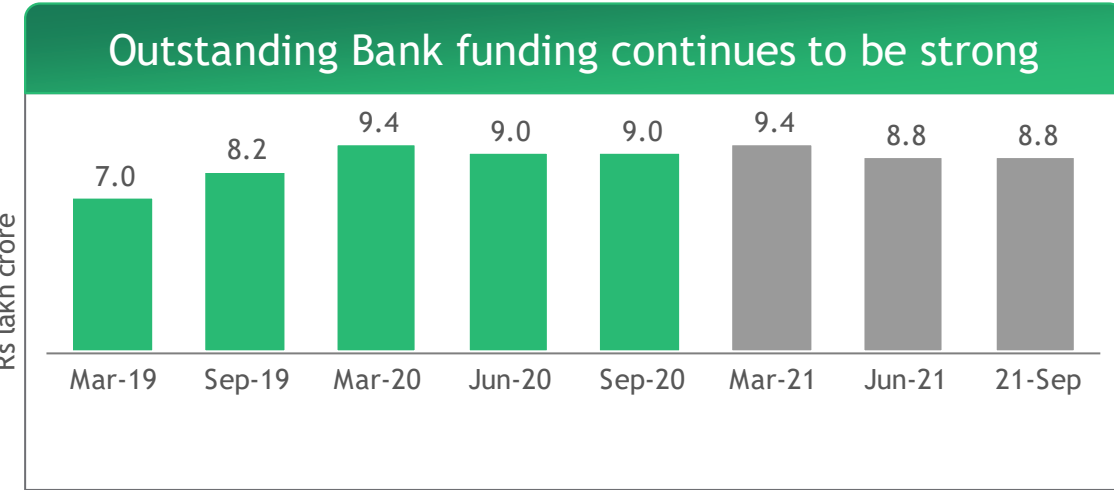
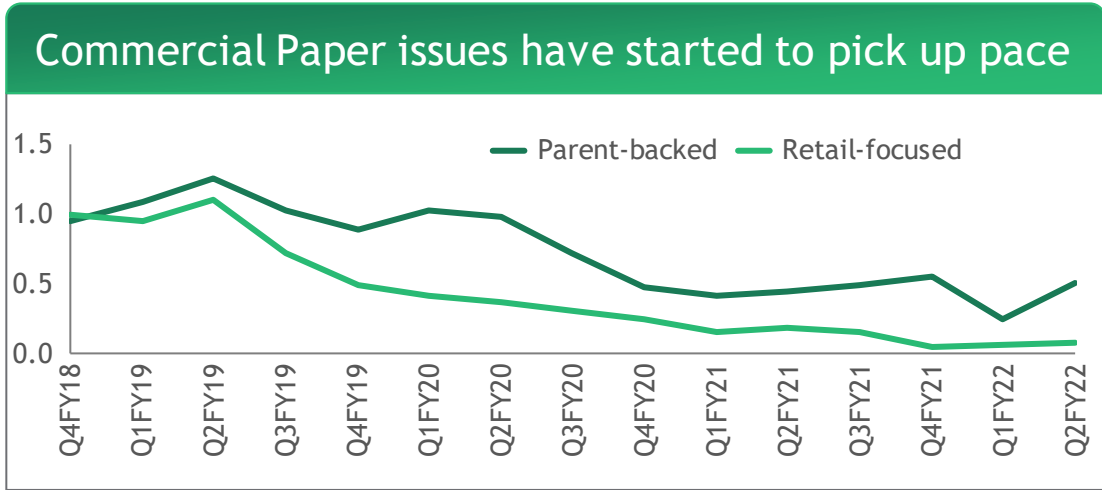
— HFCs — Diversified — MFIs — Gold Loan •• NBFC Industry

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Note: Analysis has been made based on 31 NBFCs: 10 HFCs, 2 Gold, 3 MFI and 16 Diversified NBFCs
 Source: Capitaline, Quarterly Results, Investor Presentation, Annual Report, BCG Analysis



Bank financing continues to support NBFCs despite challenges in funding for smaller NBFCs



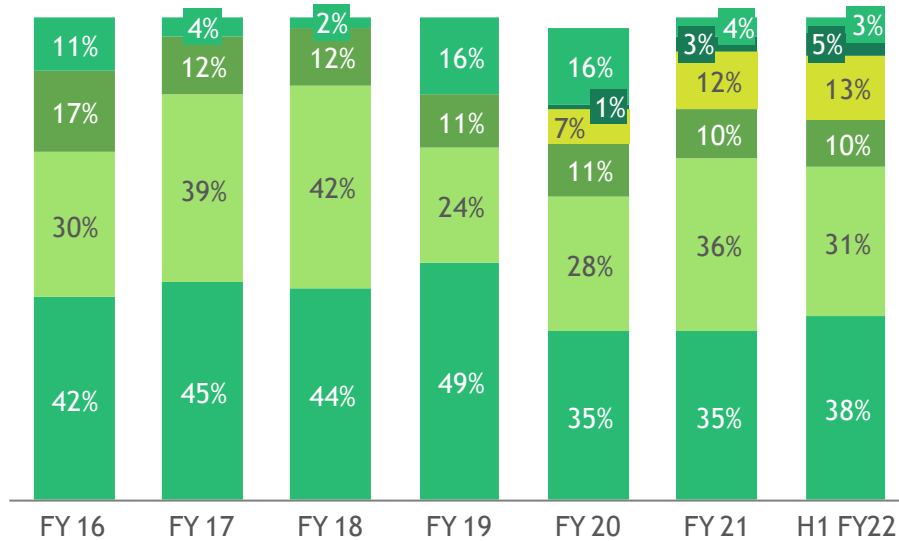
Note: For Commercial Paper (CP) and Bond issuance the data is indexed to 1 for issuances during Q4 FY18; CP issuances excludes IPO Financing
 Source: CRISIL Ratings



Securitization deals starting to pick up post the second wave; still halfway from the pre-pandemic levels

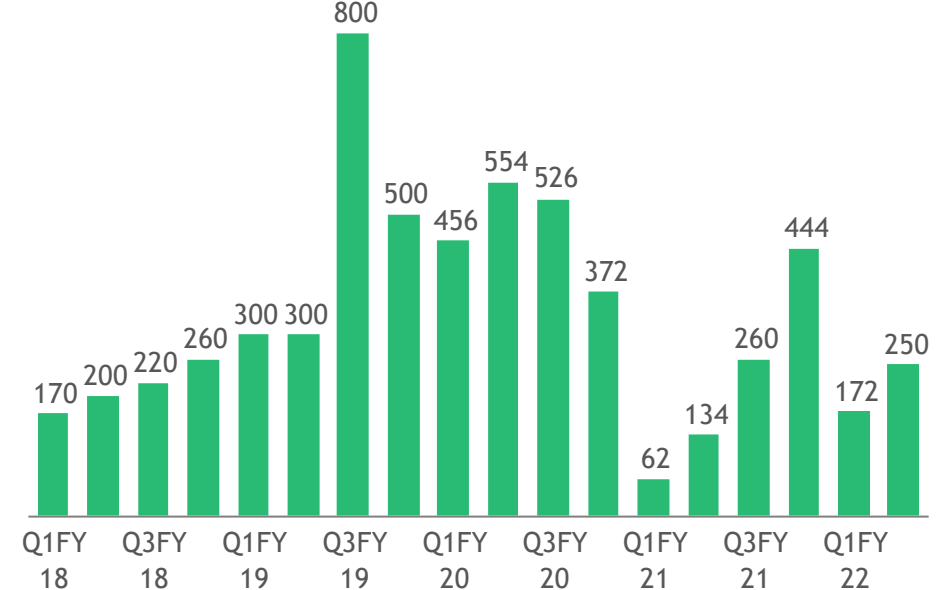
New Segments gained traction in FY21; Mortgage loans most dominant still

Segment wise securitization transaction



Securitization deals gained traction in the second quarter

Securitization volume (Rs. Bn)

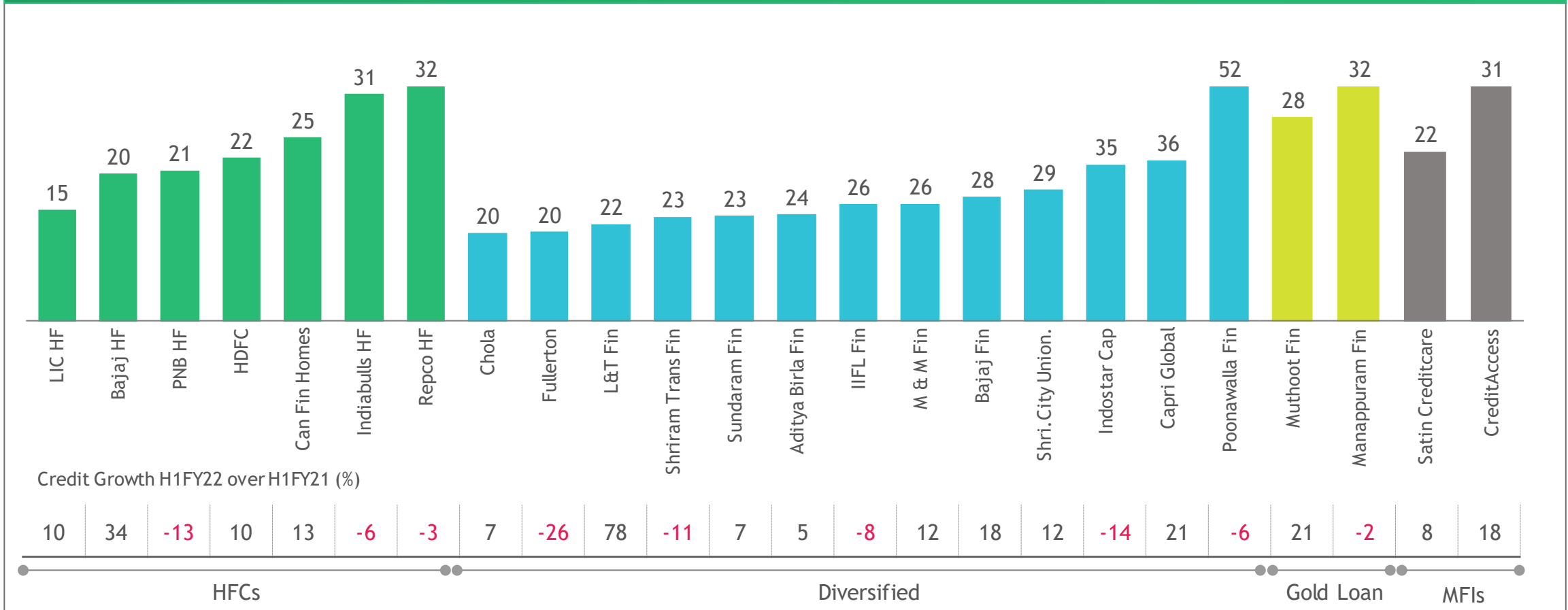




Many large NBFCs raised capital post the pandemic to absorb the stress and on account of favourable rate cycle

Select NBFCs

Capital to Risk-weighted assets ratio of NBFC players (%)



Source: Capitaline, Investor presentation, Press release, RBI, CARE Ratings, BCG Analysis

India NBFC Sector Update - FY21

Macro Indicators

Key Performance Indicators- Industry (Banks + NBFCs)

Key Performance Indicators- NBFC sector

➤ NPA & Risk Management

Valuation

Advances deep-dive (select products)

Recent Trends

Player performance

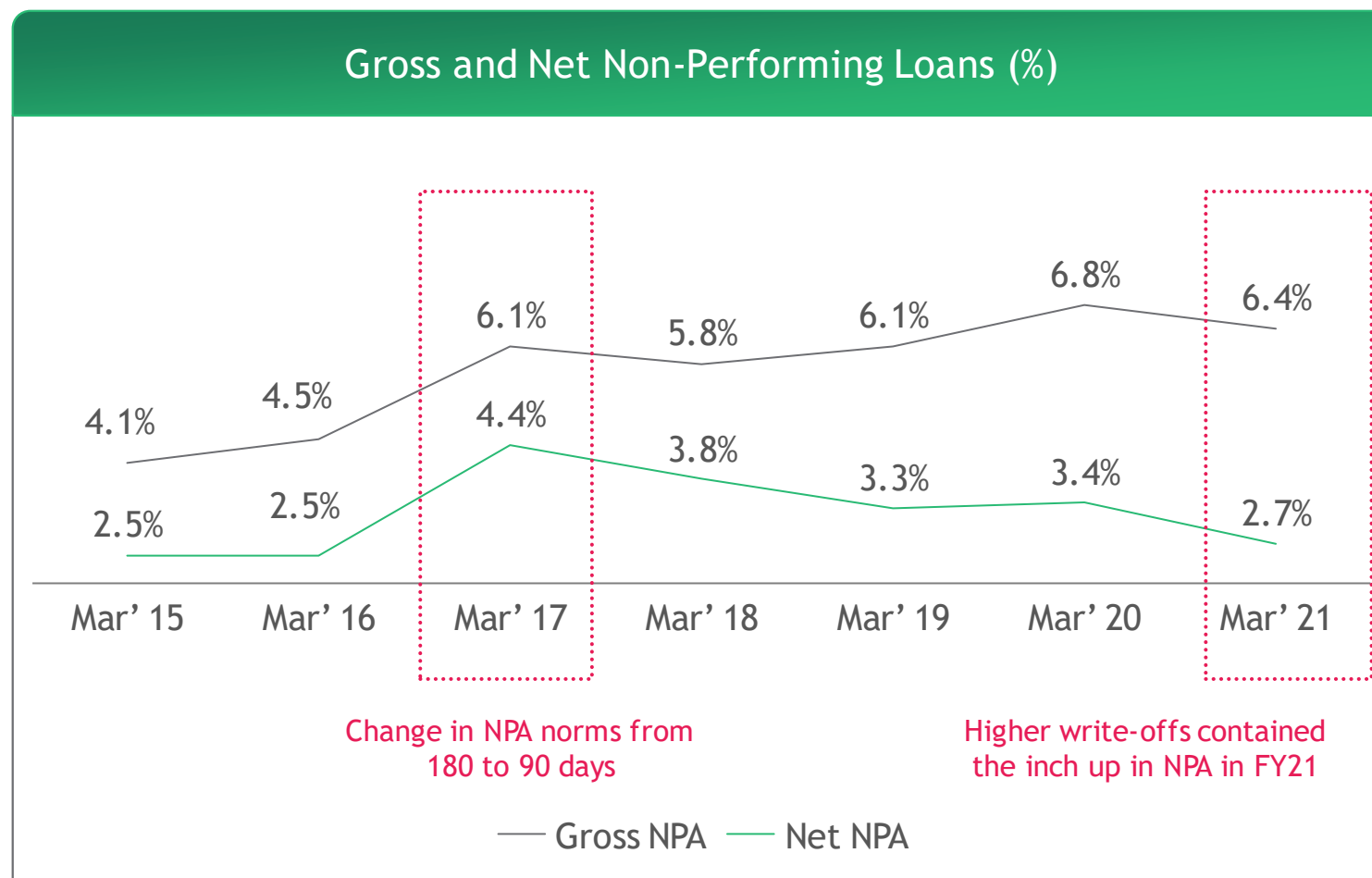


IRAC norms will lead to spike in NPA

- Classification of NPA accounts basis day-end position

- Upgrade to standard category only after clearance of all outstanding overdues

- Treatment of delays in interest payments on a 90-day overdue basis for all NBFCs



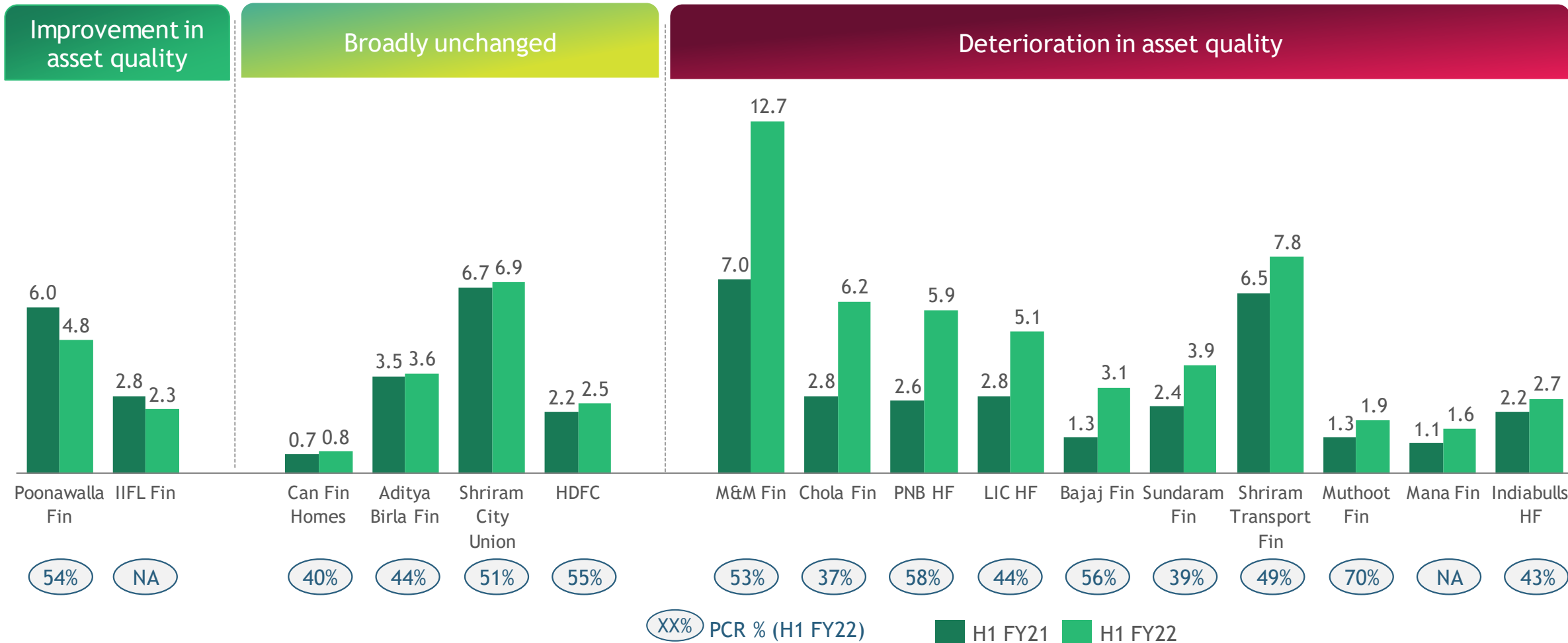
Deterioration in asset quality despite recovery in collection and restructuring of loans under 2.0 scheme



Higher number of NBFCs saw a deterioration in their asset quality

Select NBFCs

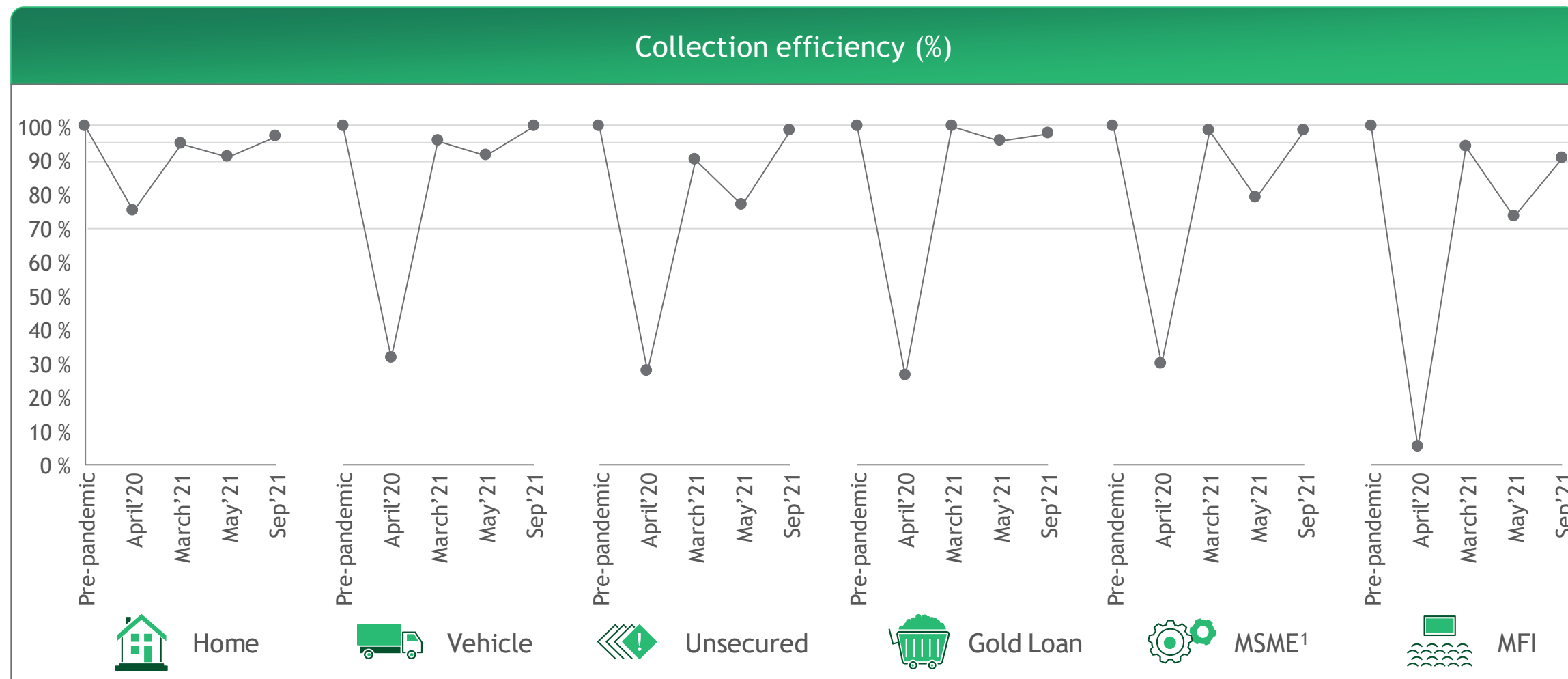
Gross Non-Performing assets (%)



Source: Investor Presentation, Analyst Report BCG Analysis



Impact on collection efficiency low during the second wave; levels close to pre-pandemic



95%

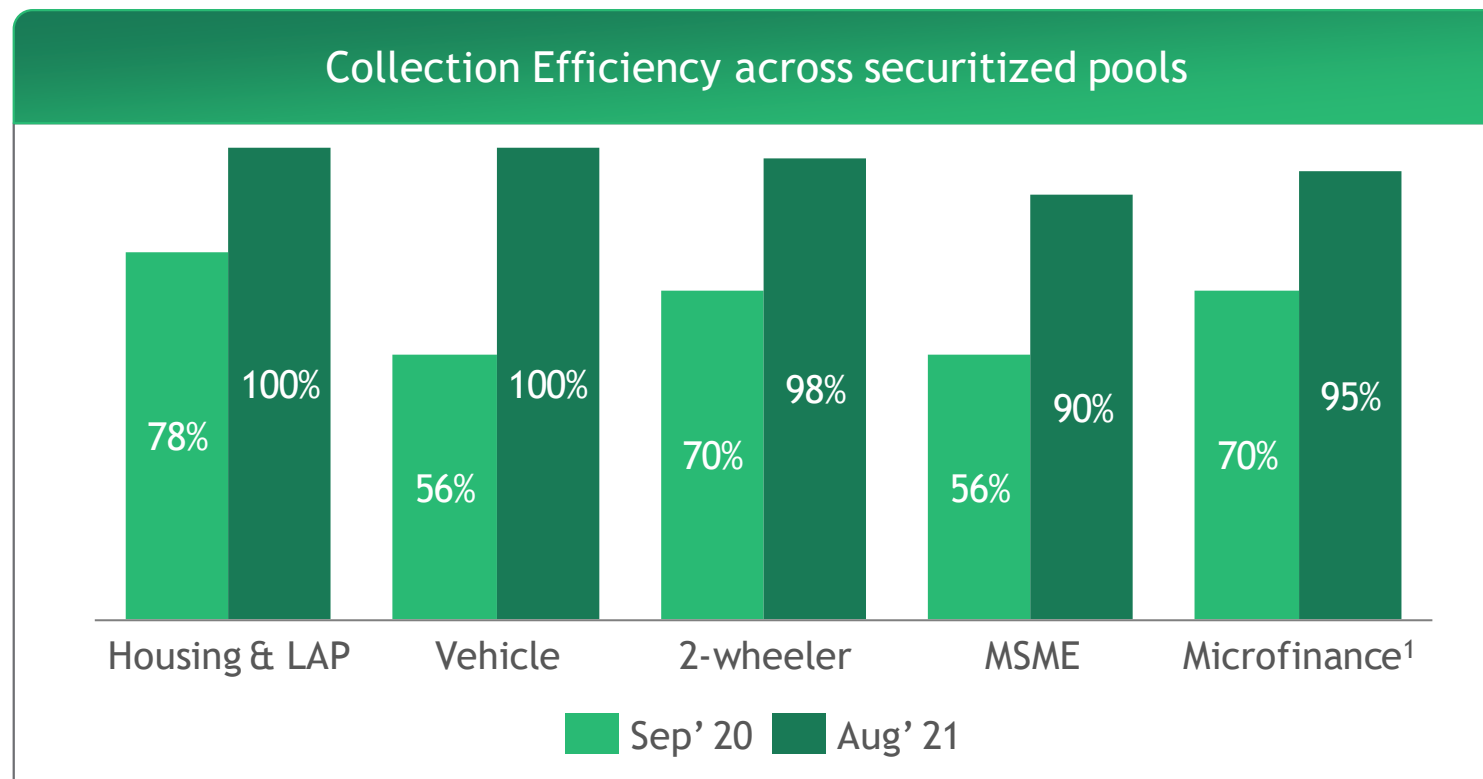
1. Include loans against property and unsecured business loans
Source: CRISIL Ratings



Restructured book of NBFCs has doubled from the March'21 levels to ~4.2% for NBFCs and ~2% for HFCs

Slippages from the restructured books expected to be higher

Additional focus on collections may impact the expectation of a higher credit growth in H2 FY22



Post second wave of COVID which impacted recovery, collections have zoomed back up

<p>Monthly collection Sep '21</p>	<ul style="list-style-type: none"> • Monthly collection efficiency recovers to pre second wave levels across asset classes • Incremental slippages in delinquency buckets see a decline
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Note: 1. Microfinance Collection Efficiency is average efficiency for the month of September 2021
 Source: CRISIL Research; Press Search; ICRA; BCG Analysis

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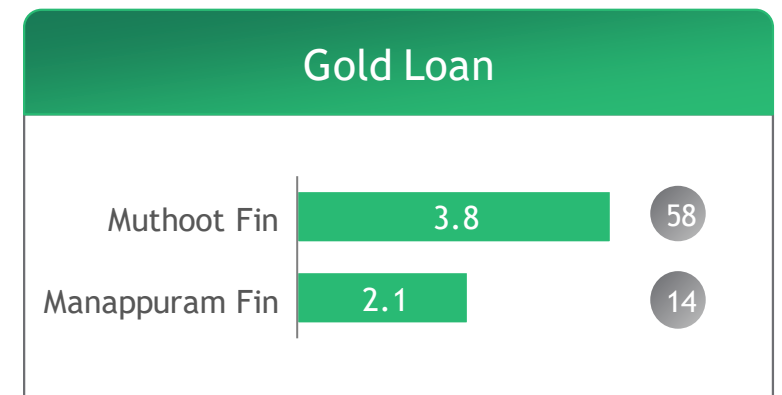
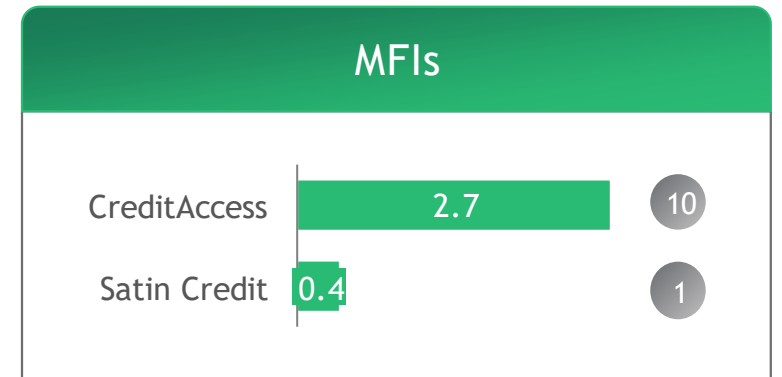
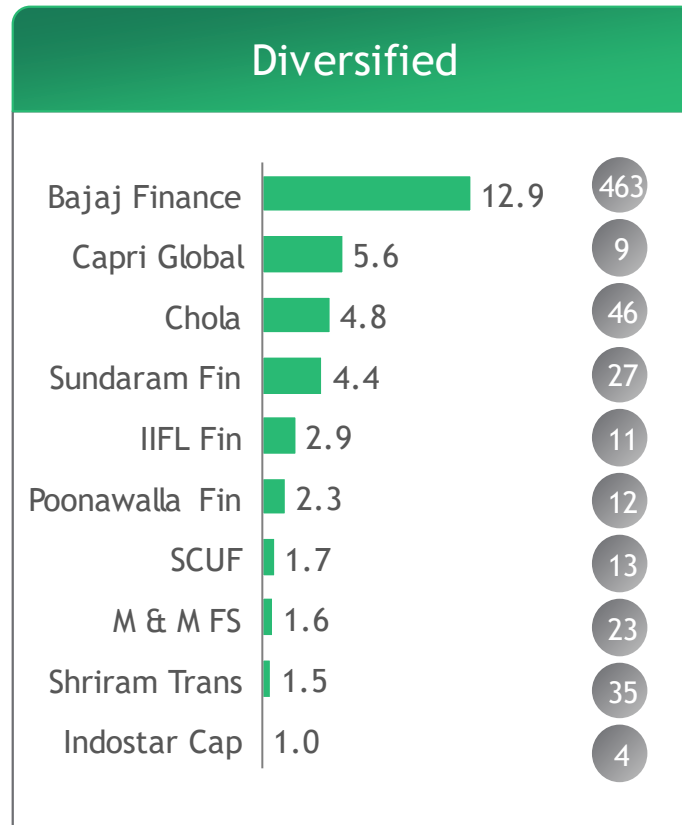
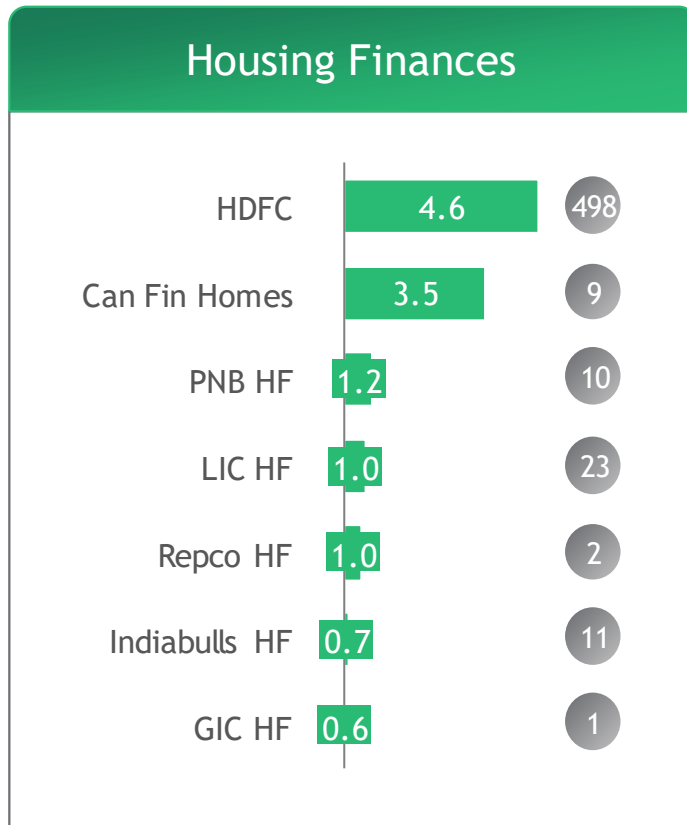
Player performance



Bajaj Finance with highest P/BV now joins 4 trillion m-cap club

Select NBFCs

Price to book ratio (as of September 30, 2021)



● Market Cap (INR in '000 crores)
(as of September 30, 2021)

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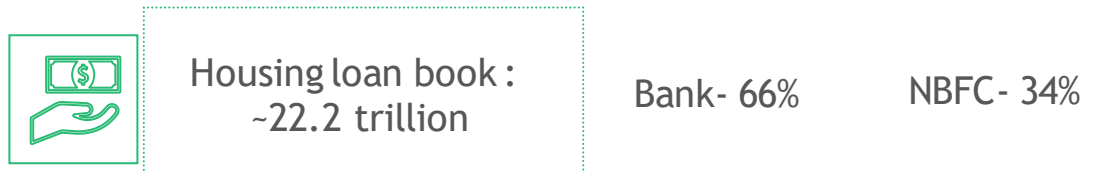
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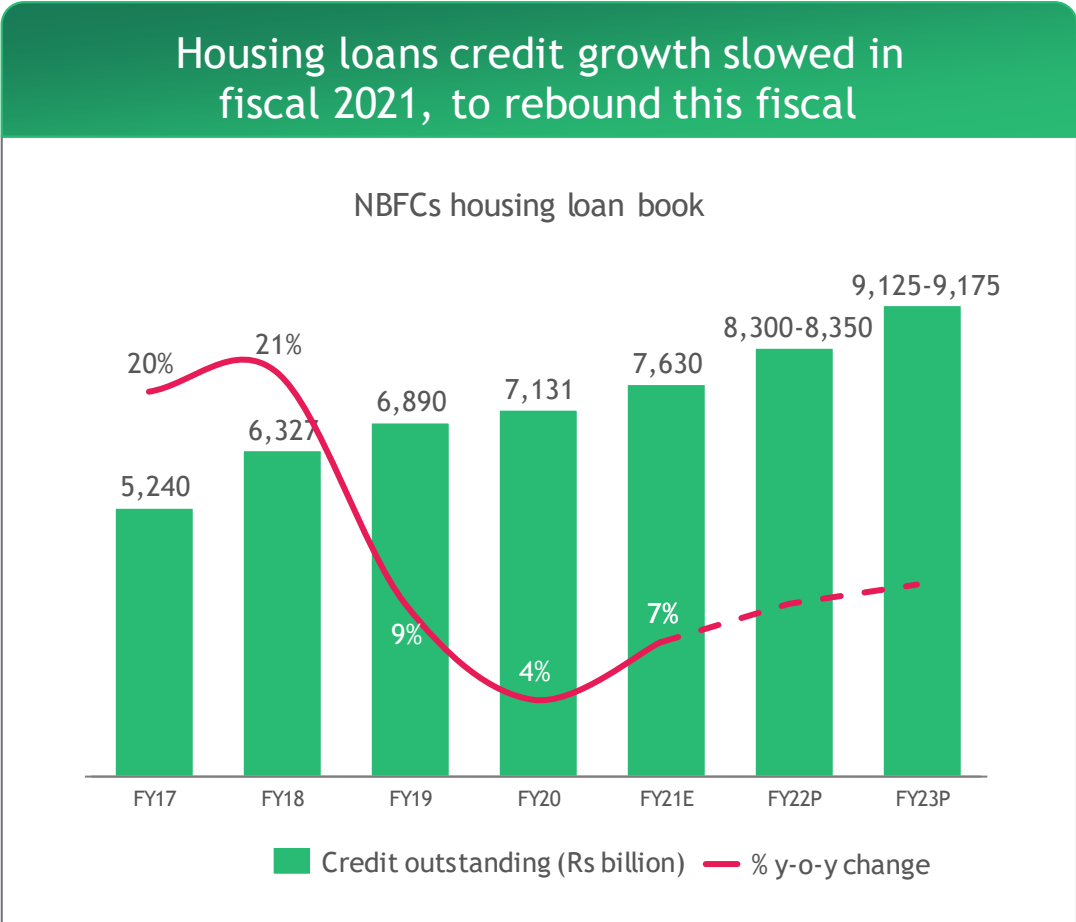
Player performance



Housing loan: Loan growth in fiscal 2022 to be revived on account of economic revival



Share of housing banks in housing loans to improve in FY22 and FY23; Within NBFCs and HFCs the share of larger players to improve

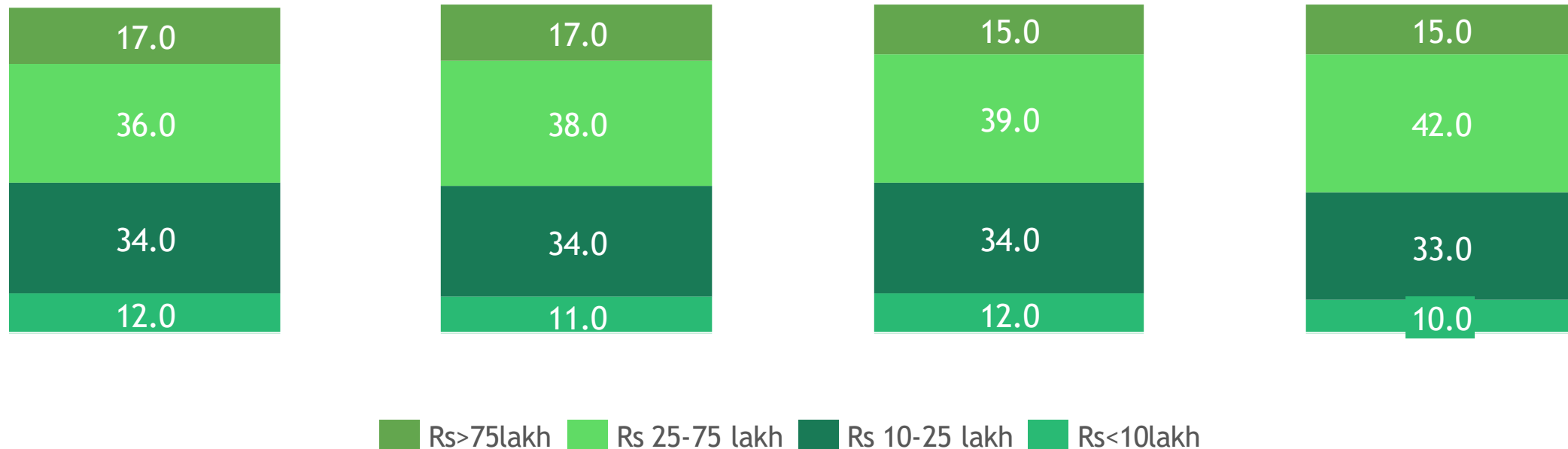




Housing Loan: Mid-ticket gaining share over the years within NBFC's

Rs 25-75 lakh segment's share increased from 36% in fiscal 2018 to 42% in fiscal 2021

Split of housing credit outstanding at NBFCs (%)






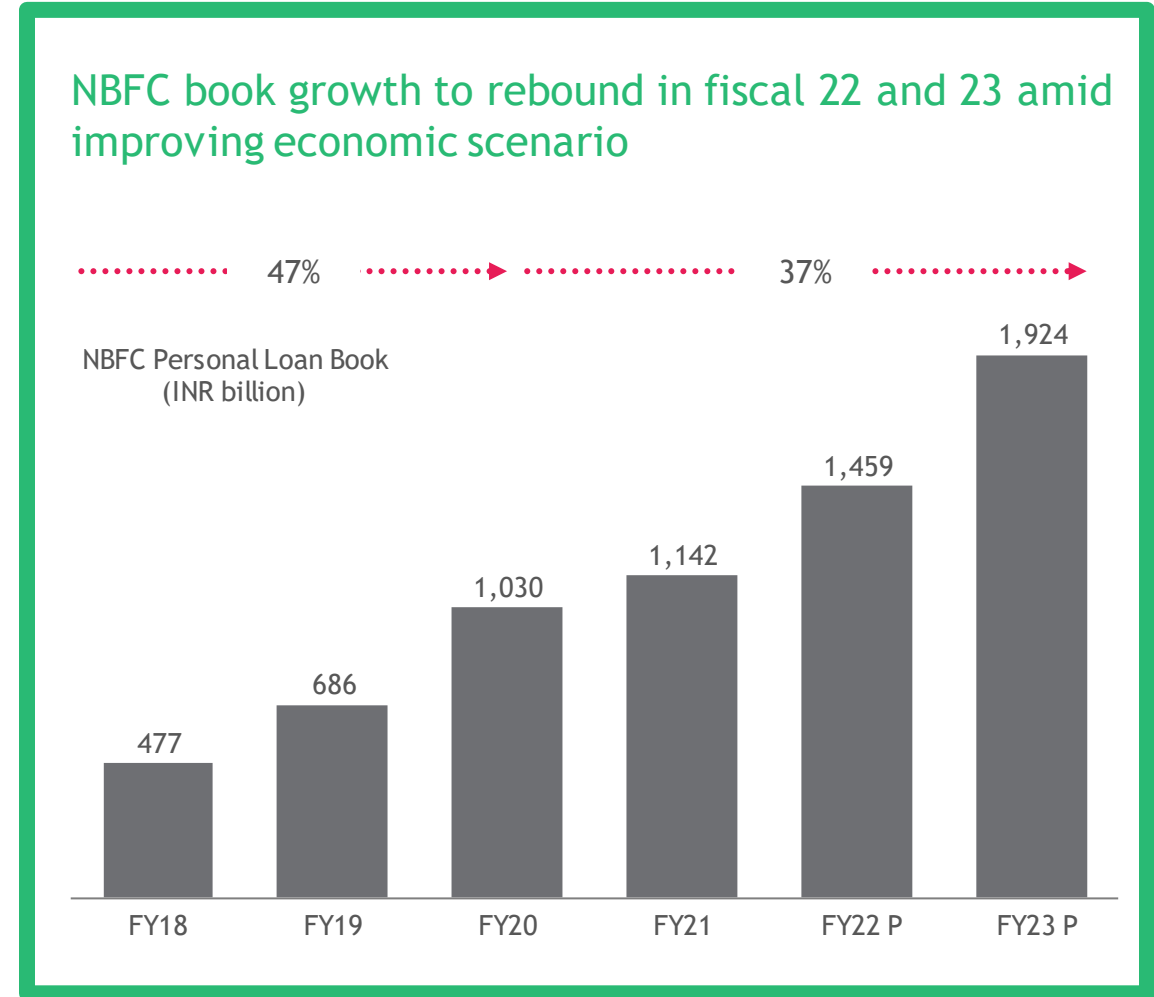
Mid ticket segment did comparatively better post covid; impact more severe on affordable housing

Timely interventions from the government position the housing finance segment to further grow



Personal Loan: Loan growth to recover post subdued last fiscal

	Personal loan book : ~6.7 trillion	Bank- 83%	NBFC- 17%	
	Disbursement growth	CAGR (FY18-20) 38%	FY 2021 -11%	FY22-23 40-45%
	Book Growth	CAGR (FY18-20) 38%	FY 2021 16%	FY22-23 27-30%

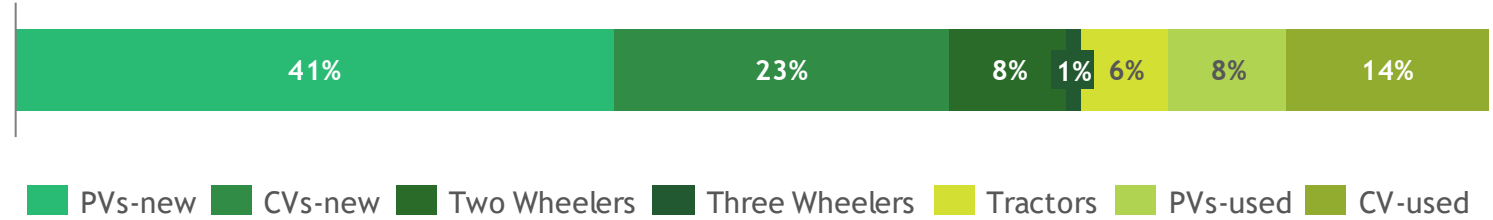




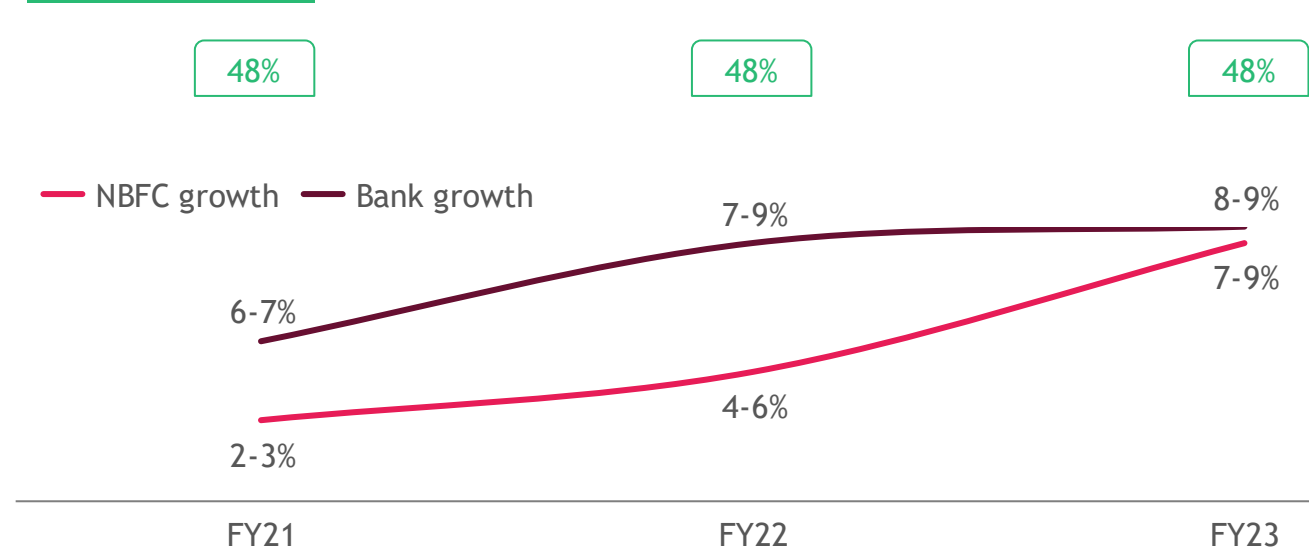
Auto Finance: New PVs and CVs continue to dominate the overall Auto finance book

- Banks to outgrow NBFCs in FY22 and FY23 on account of being aggressive in retail segments and lower asset quality concerns
- Retail segments to continue to perform and segments like 3-wheelers and CV to come to the fore in FY23
- Better agricultural sector performance and rural demand to drive two-wheeler and tractors segment

Auto finance outstanding ~Rs 8.6 lakh crore (FY21)



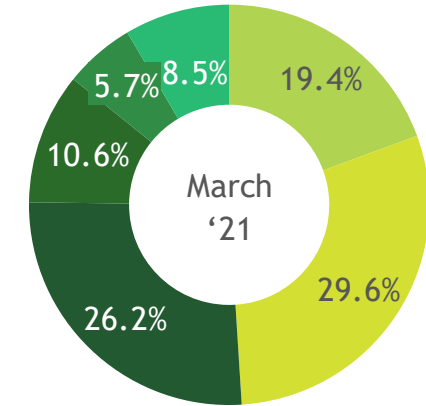
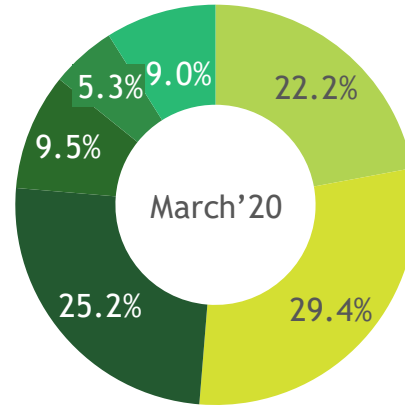
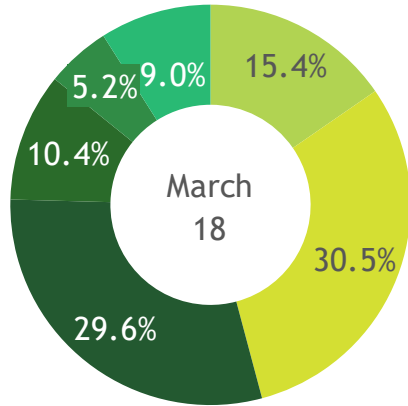
Share of NBFCs



Personal Loan: Dominance of top players will lead to swifter recovery in the segment



Share of small ticket personal loans (STPL) increasing in overall NBFC book



Legend: <1L (lightest green), 1L-2.5L (yellow-green), 2.5L-5L (medium green), 5L-7.5L (dark green), 7.5L-10L (darker green), >10 lakhs (darkest green)

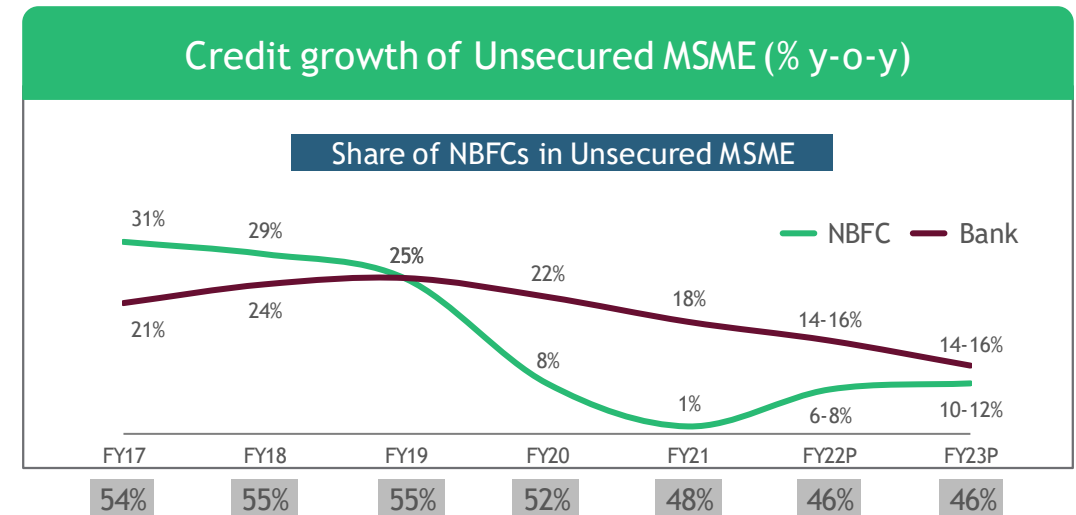
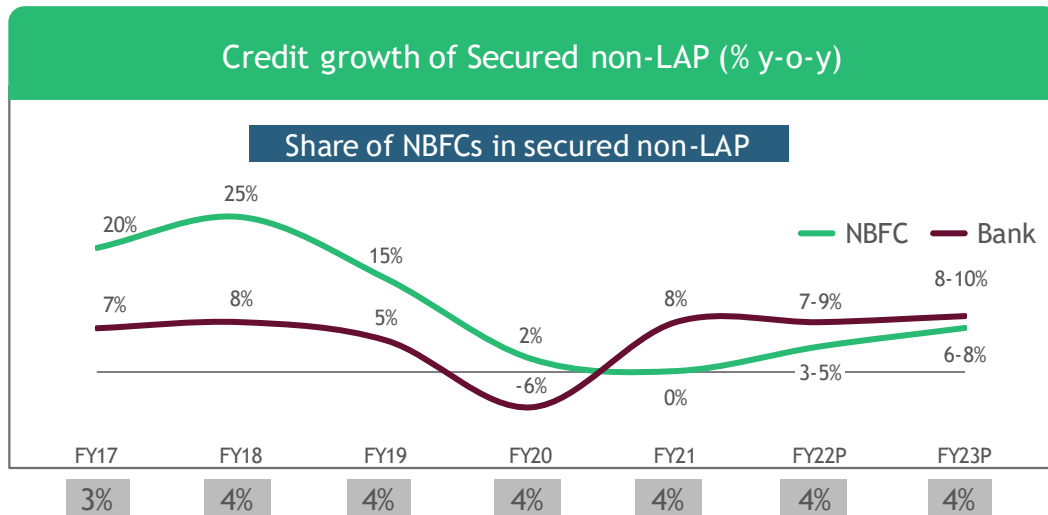
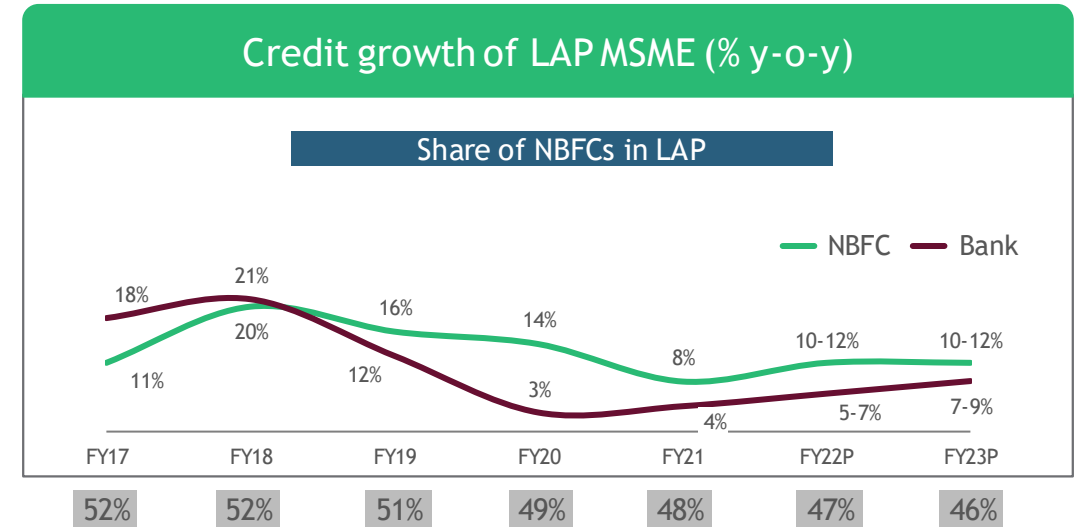
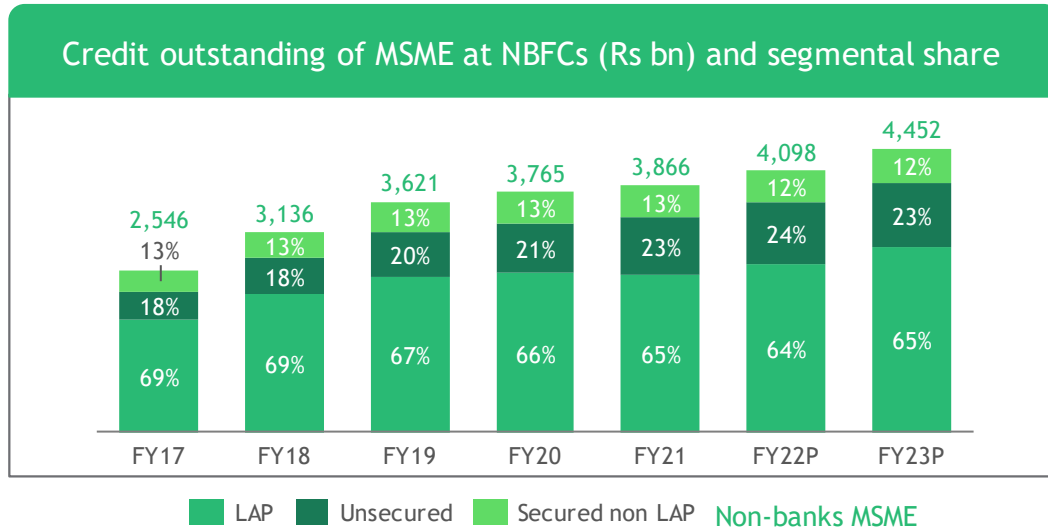
Bajaj account for one-third of the NBFC personal loan market

% share		FY 20	FY 21E	FY 23P
	Bajaj	31	26	24
	HDB	13	12	11
	Fullerton	11	11	11
	Rest of market	44	52	54
	Total (Rs bn)	1,030	1,142	1,924

Note: E-Estimated; P- Projected
Source: CRISIL Research; BCG analysis



MSME Loan: Lower interest rates in addition to economic revival to aid future growth





Gold loan: Moderating gold prices to impact the pace of loan book growth



Gold loan AUM of industry:
~ 4.7 trillion

Share

Bank- 77% NBFC- 23%



Book Growth (industry)

CAGR
(FY18-20)

14%

FY20-21

44%

FY21-23

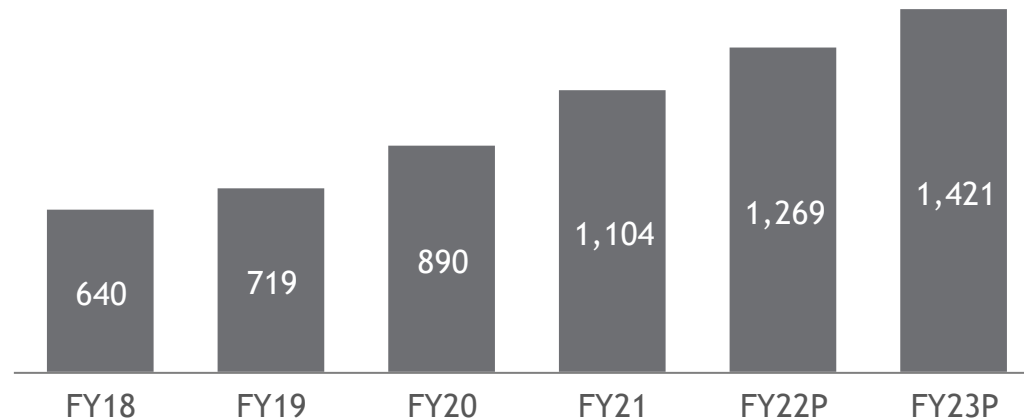
15%

Share of online gold loans increased from 10% to 24% for Muthoot Finance and from 12% to 54% for Manappuram Finance in FY21 as compared to FY17

NBFC Gold loan AUM grew at 24% in FY21

..... 20%> 13%

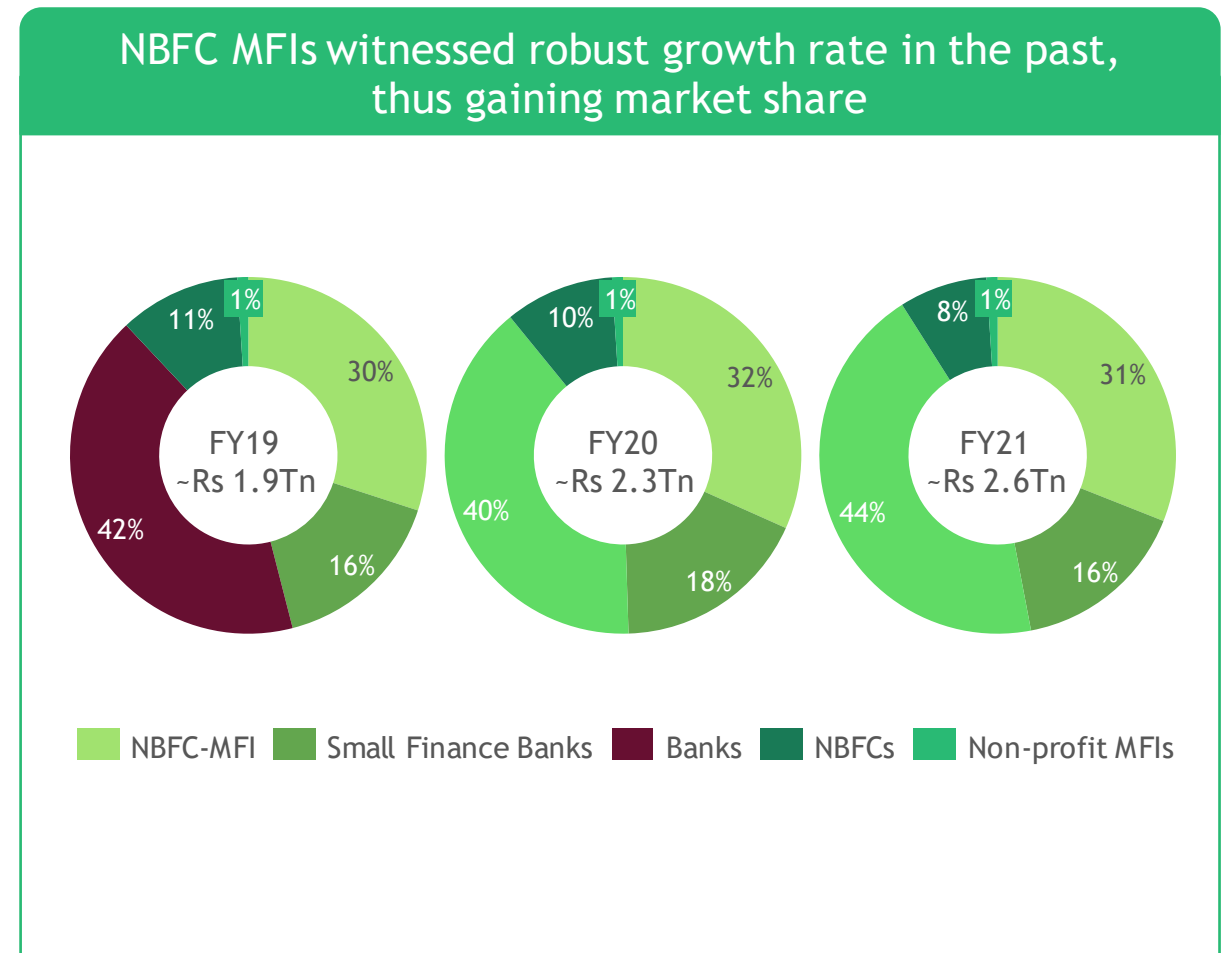
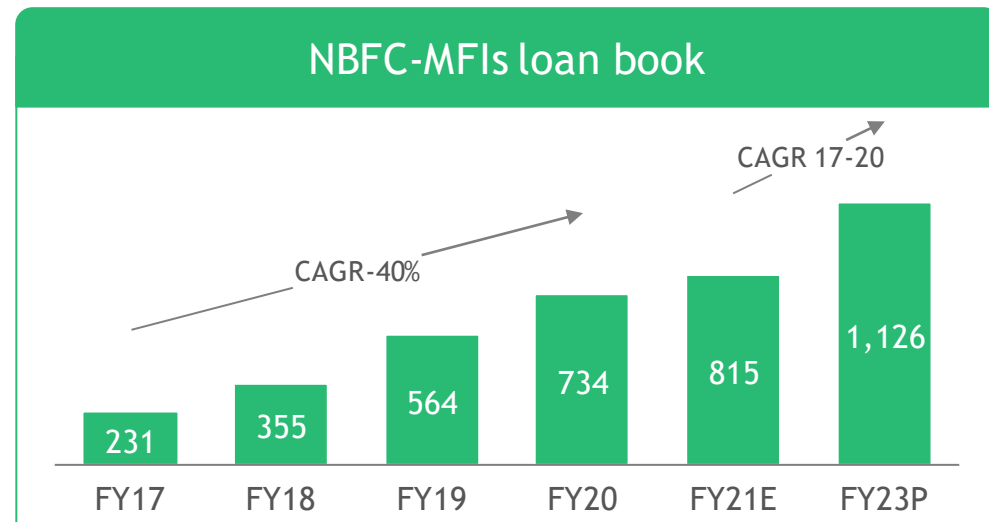
NBFC Gold Loan AUM
(INR billion)





MFI Loan: Recovery in loans halted on account of second wave post a fragile recovery from the pandemic

MFI Loan Book (FY 21): 2.6 lakh crore	Bank-44%	NBFC MFI-31%	SFBs, Non-Profit MFIs-25%	
	CAGR (FY18-20)	FY21	FY22	FY23
Disbursement Growth	38%	-23%	24-26%	60-65%
Book Growth	44%	11%	8-10%	23-27%



India NBFC Sector Update - FY21

Macro Indicators

Key Performance Indicators- Industry (Banks + NBFCs)

Key Performance Indicators- NBFC sector

NPA & Risk Management

Valuation

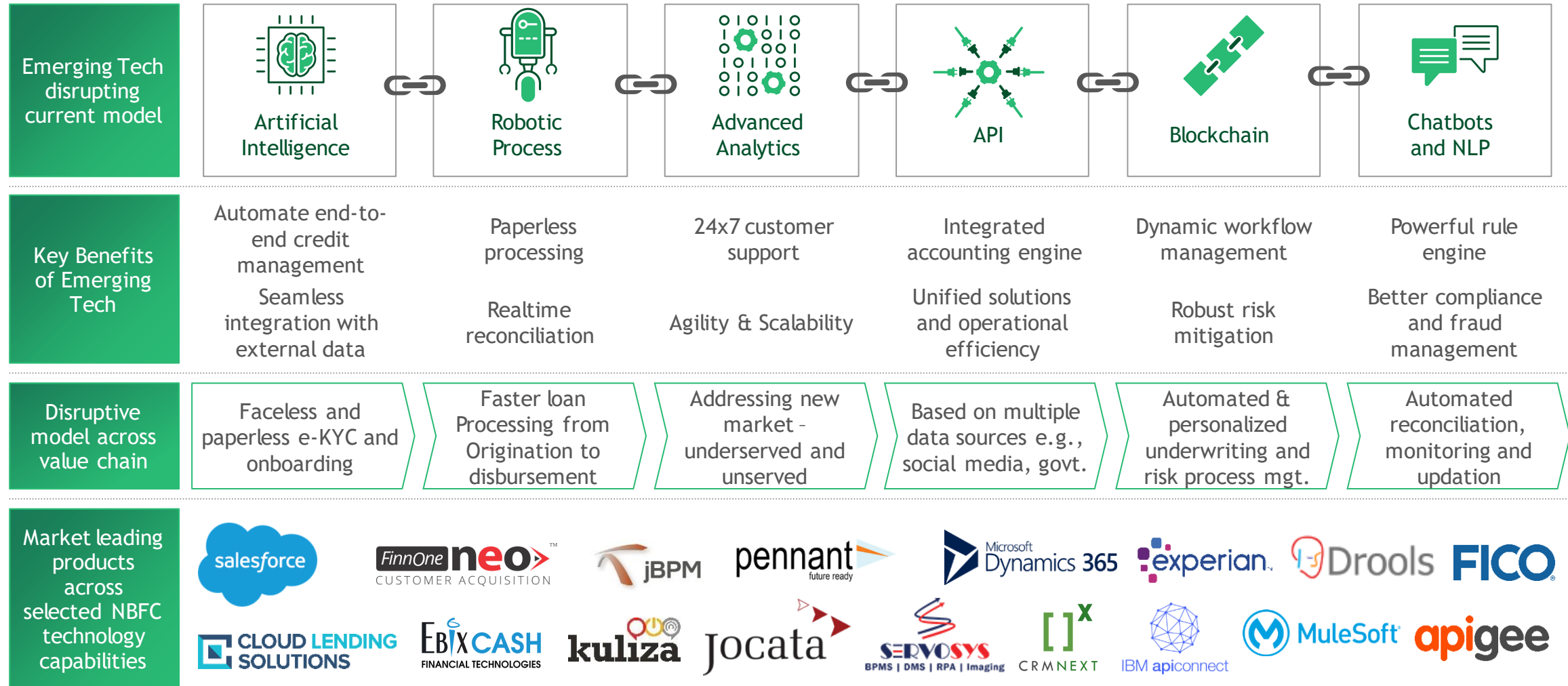
Advances deep-dive (select products)

 Recent Trends

Player performance



Technologies defining a new paradigm for NBFCs and FinTechs





Digital adoption by NBFCs increasing by the day



- Share of online gold loan in overall gold AUM at 45%
- First NBFC to launch online Gold loan; Pioneer in process innovation-Fraud alert system in place
- \$30 bn worth of online transactions in FY21, and more than 1mn online customers registered



- 29.4% of gold loans customer transacting online
- 38.7 lakh downloads iMuthoot App and 6,596 Cr worth of payments
- 10k+ downloads for loan at home app



- Integrated home loans technology platform with analytical capabilities, Benefits include
 - Elimination of manual data entry saving 5-man hours per file
 - Help with brand recall and reach enhancement etc.



- Digital sourcing contributed to 48% of the total logins in Q2 FY22
- Multiple tools for assisting with process improvement, sourcing, underwriting, servicing of complaints etc.
- Implementation underway for Advanced Analytics powered business intelligence (BI) framework



- 12.9 million active users for consumer app
- Digitally acquired 372k new EMI card customers
- 3.1 million customers on wallet



- 1.45 million customers acquired via digital channels in H1 FY22
- 9% of retail segment portfolio and 27% of retail segment disbursements from digital ecosystem niche products
- 98% of customer onboarding and EMI collection done digitally



- First NBFC in the country with end-to-end journey on the platform
- 60,000+ leads generated in 10 days of the launch; Loans worth Rs 4.5 Crs disbursed
- 450 million plus WhatsApp users






Key Regulatory Measures (I/II)

	Apr 21 Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs)	Limit of audit of four commercial banks, eight UCBs and eight NBFCs for an audit firm in a year made applicable to audit of NBFCs with asset size below Rs. 1,000 crore too
	May 21 PSL by SFBs to NBFC-MFIs	Extension provided for SFBs permitted to reckon fresh lending to smaller MFIs for on-lending to individual borrowers as Priority Sector Lending (PSL) till FY22
	May 21 Special Long-Term Repo Operations (SLTRO) for Small Finance Banks (SFBs)	Special three-year long-term repo operations (SLTRO) of ₹10,000 crore at repo rate for the SFBs, to be deployed for to NBFC-MFIs to be available till October 31, 2021
	May 21 Restructuring existing individual, small business and MSME loans	NBFC's permitted by the RBI to restructure loans of individual, small businesses and MSMEs having aggregate exposure of up to Rs.25 crore and who have not availed restructuring under any of the previous frameworks and who were classified as 'standard' as on 31 Mar 21; The restructuring has to be invoked by Sep 2021
	Jun 21 Risk based Internal Audit (RBIA)	Provisions of RBIA to be applicable to all deposit taking HFCs and non-deposit taking HFCs with asset size of Rs 5,000 crore and above
	Jun 21 Declaration of Dividends	RBI has set a relatively relaxed criteria for dividend payout, as compared with the draft guidelines effective for dividends from profit for FY22 and onwards
	Jun 21 Credit Guarantee Scheme for MFIs	Banks have fully utilized ₹7,500 crore under the Credit Guarantee Scheme for Micro Finance Institutions (MFIs); part of a ₹6.29 lakh crore package to provide relief to various sectors affected by the second wave of the COVID-19 pandemic



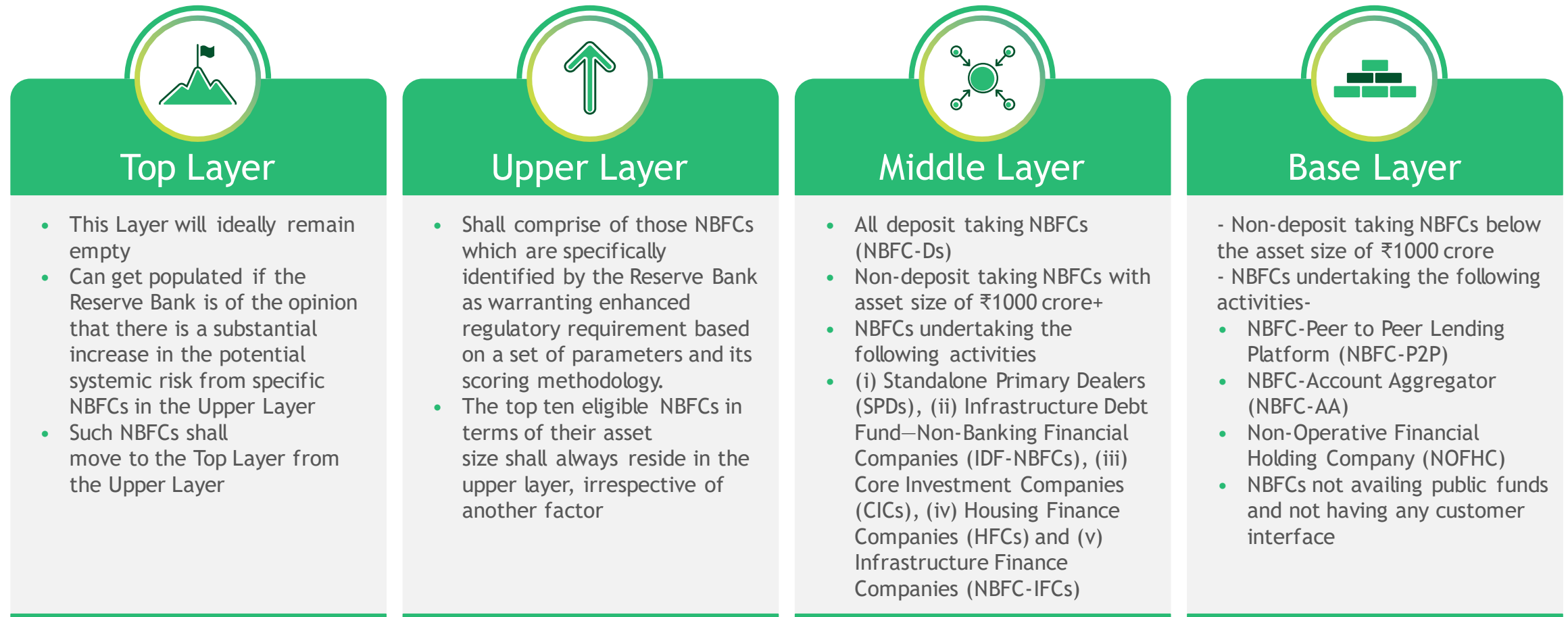
Key Regulatory Measures (II/II)

	Jun 21	Consultative document on regulation of Microfinance introduced	RBI discussion paper on borrower based regulatory regime and a movement away from lender based regulatory regime for MFIs introduced in the public domain for consultation with stakeholders
	Sep 21	Launch of Account Aggregator Framework	Introduction of a financial data sharing system to ease the accessibility of financial data, allowing individual consent and went live with 8 banks and multiple fintech firms
	Sep 21	NBFCs allowed to apply for Aadhaar e-KYC license	NBFCs and Payment System Operators allowed to seek Aadhaar Authentication License—KYC User Agency (KUA) or sub-KUA license to perform authentication
	Oct 21	Scale Based Regulation (SBR)	An integrated regulatory framework for NBFCs providing a holistic view of the SBR structure, set of fresh regulations and timelines
	Oct 21	RBI caps IPO financing	Under the SBR framework, there will be a ceiling of ₹1 crore per borrower for financing subscription to an initial public offering (IPO)
	Nov 21	Appointment of Internal Ombudsman by NBFCs	Deposit-taking NBFCs with ten or more branches and non-deposit taking NBFCs with assets size of ₹5,000 crore must appoint an Internal Ombudsman (IO). The RBI has given six months time to follow the directions



Scale based regulatory framework - to aid in better governance practices and structural strengthening of the sector

Classification of NBFCs into various layers as per scale-based approach



Note: The guidelines to be effective from October 2022
Source: Reserve Bank of India



Regulations more closely aligned with banks and would impact metrics of NBFCs



Net Owned Funds

Regulatory minimum Net Owned Fund (NOF) for NBFC-ICC, NBFC-MFI and NBFC-Factors shall be increased to ₹10 crore by March 31, 2027



NPA Classification

Extant NPA classification norm stands changed to the overdue period of more than 90 days for all categories of NBFCs by March 31, 2026



Experience of the Board

At least one of the directors shall have relevant experience of having worked in a Bank/NBFC



Capital Guidelines (For Middle and Upper Layer)

Internal assessment by NBFCs for need of capital; shall be on similar lines as ICAAP prescribed for Commercial Banks under pillar 2

India NBFC Sector Update - FY21

Macro Indicators

Key Performance Indicators- Industry (Banks + NBFCs)

Key Performance Indicators- NBFC sector

NPA & Risk Management

Valuation

Advances deep-dive (select products)

Recent Trends

 Player performance



Player performance (I/IV)

		Standalone financials											Select NBFCs	
		Period	Advances ¹ Rs Cr		NIM ² (%)		CIR ³ (%)		GNPA (%)		ROA ² (%)		ROE ⁴ (%)	
HFCs	 WITH YOU, RIGHT THROUGH	H1 FY22	5.1L	▲10%	2.8	▲46 bps	10	▲202 bps	2.5	▲31 bps	2.4	▲9 bps	12.8	▼23 bps
		H1 FY21	4.6L		2.4		8		2.2		2.3		13.0	
	 LIC HOUSING FINANCE LTD	H1 FY22	2.3L	▲10%	2.1	▼12 bps	22	▲959 bps	5.1	▲235 bps	0.3	▼116 bps	3.7	▼1367 bps
		H1 FY21	2.1L		2.2		12		2.8		1.5		17.4	
	 Indiabulls HOUSING FINANCE	H1 FY22	0.5L	▼6%	2.5	▲0 bps	29	▲931 bps	2.7	▲48 bps	0.7	▼12 bps	3.9	▼102 bps
		H1 FY21	0.5L		2.5		20		2.2		0.9		4.9	
	 Ehar Ki Baat	H1 FY22	0.6L	▼13%	2.7	▼9 bps	20	▲280 bps	5.9	▲333 bps	1.3	▼14 bps	10.5	▼338 bps
		H1 FY21	0.7L		2.7		17		2.6		1.4		13.9	
	 BAJAJ HOUSING FINANCE LIMITED	H1 FY22	0.4L	▲34%	3.3	▲90 bps	28	▲155 bps	0.4	NA	1.8	▲54 bps	10.8	▲352bps
		H1 FY21	0.3L		2.4		29		NA		1.2		7.3	
	 TATA CAPITAL HOUSING FINANCE LIMITED	H1 FY22	0.3L	▼3%	3.9	▲38 bps	28	▲460 bps	1.9	▲27 bps	1.5	▲31 bps	13.9	▲334 bps
		H1 FY21	0.3L		3.5		23		1.6		1.2		17.3	
	 CanFin Homes Ltd (Sponsor: CANARA BANK) EXPERIENCE TECHNOLOGIES Transforming Dreams into Reality	H1 FY22	0.2L	▲13%	3.3	▼51 bps	17	▲541 bps	0.8	▲6 bps	2.1	▼11 bps	17.9	▲270 bps
		H1 FY21	0.2L		3.8		12		0.7		2.2		20.6	
	 IIFL HOME LOAN	H1 FY22	0.2L	▲18%	5.2	▲73 bps	21	▼154 bps	2.3	NA	3.6	▲143 bps	25.9	▼881 bps
		H1 FY21	0.1L		4.5		22		NA		2.2		17.1	
	 GIC HOUSING FINANCE LTD. YOUR ROAD TO A DREAM HOME	H1 FY22	0.1L	▼8%	3.2	▲34 bps	24	▼122 bps	9.9	NA	0.8	▲130 bps	7.4	▲1308 bps
		H1 FY21	0.1L		2.9		26		NA		(0.5)		(5.7)	
 Repco Home Finance -We value your Dream-	H1 FY22	0.1L	▼3%	4.7	▲46 bps	17	▼80 bps	4.3	▲28 bps	1.9	▼46 bps	11.6	▼457 bps	
	H1 FY21	0.1L		4.2		18		4.0		2.4		16.2		

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Source: RBI; Capitaline; Press releases; BCG analysis

xxx Change vs. last year



Player performance (II/IV)

Standalone financials

Select NBFCs

Company	Period	Advances ¹ Rs Cr		NIM ² (%)		CIR ³ (%)		GNPA (%)		ROA ² (%)		ROE ⁴ (%)	
		Value	Change	Value	Change	Value	Change	Value	Change	Value	Change	Value	Change
BAJAJ FINANCE LIMITED	H1 FY22	1.2L	▲18%	10.3	▲ 104 bps	35	▲ 715 bps	3.1	▲ 183 bps	3.0	▲ 33 bps	12.1	▼ 56 bps
	H1 FY21	1.0L		9.3		28		1.3		2.7		12.6	
SHRIRAM <small>Transport Finance Company Limited A WINNING RELATIONSHIP</small>	H1 FY22	1.1L	▲ 7%	6.5	▲ 6 bps	23	▲ 74 bps	7.8	▲ 132 bps	1.5	▼ 28 bps	8.4	▼ 238 bps
	H1 FY21	1.0L		6.5		23		6.5		1.8		10.8	
L&T Financial Services	H1 FY22	0.7L	▲ 78%	8.1	▼ 255 bps	35	▼ 564 bps	7.0	NA	0.7	▲ 144 bps	4.2	▲ 846 bps
	H1 FY21	0.4L		10.7		40		NA		(0.7)		(4.3)	
Chola <small>Enter a better life</small>	H1 FY22	0.7L	▲ 7%	7.0	▲ 103 bps	32	▲ 91 bps	6.2	▲ 341 bps	2.6	▲ 1 bps	19.2	▼ 271 bps
	H1 FY21	0.6L		6.0		31		2.8		2.6		21.9	
Mahindra FINANCE	H1 FY22	0.6L	▼ 11%	6.8	▼ 14 bps	34	▲ 771 bps	12.7	▲ 565 bps	(1.3)	▼ 257 bps	(7.0)	▼ 1412 bps
	H1 FY21	0.6L		6.9		26		7.0		1.2		7.2	
HDB FINANCIAL SERVICES <small>From the trusted family of HDFC Bank Ltd.</small>	H1 FY22	0.6L	▼ 3%	8.2	▲ 90 bps	57	▲ 71 bps	6.1	NA	0.9	▲ 83 bps	6.7	▲ 605 bps
	H1 FY21	0.6L		7.3		51		NA		0.1		0.6	
ADITYA BIRLA FINANCE	H1 FY22	0.5L	▲ 5%	5.6	▲ 114 bps	30	▼ 88 bps	3.6	▲ 17 bps	2.1	▲ 85 bps	11.8	▲ 389 bps
	H1 FY21	0.4L		4.5		31		3.5		1.3		7.9	
TATA CAPITAL FINANCIAL SERVICES LIMITED	H1 FY22	0.5L	▲ 11%	5.4	▲ 38 bps	39	▲ 20 bps	2.6	▲ 27 bps	1.0	▼ 10 bps	7.0	▼ 90 bps
	H1 FY21	0.4L		5.0		39		2.3		1.1		7.9	
SUNDARAM FINANCE <small>Enduring values. New age thinking.</small>	H1 FY22	0.3L	▼ 1%	4.9	▲ 108 bps	29	▼ 318 bps	3.9	▲ 141 bps	2.3	▲ 25 bps	13.0	▲ 21 bps
	H1 FY21	0.3L		3.8		33		2.4		2.1		12.8	
SHRIRAM City <small>MONEY WHEN YOU NEED IT MOST</small>	H1 FY22	0.3L	▲ 12%	10.9	▼ 49 bps	62	▲ 142 bps	6.9	▲ 19 bps	3.0	▼ 5 bps	12.1	▼ 32 bps
	H1 FY21	0.3L		11.3		61		6.7		3.0		12.4	
HeroFinCorp. <small>Finance Made Easy</small>	H1 FY22	0.2L	▲ 9%	8.8	▲ 71 bps	47	▲ 1251 bps	10.5	▲ 554 bps	-3.0	▼ 398 bps	(16.5)	▼ 2239 bps
	H1 FY21	0.2L		8.1		34		5.0		1.0		5.9	

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Source: RBI; Capitaline; Press releases; BCG analysis

xxx Change vs. last year



Player performance (III/IV)

		Standalone financials											Select NBFCs	
		Period	Advances ¹ Rs Cr		NIM ² (%)		CIR ³ (%)		GNPA (%)		ROA ² (%)		ROE ⁴ (%)	
Diversified		H1 FY22	0.2L	▼ 26%	8.4	▼ 308 bps	56	▲ 2581 bps	10.4	NA	(3.7)	▼ 505 bps	-(19.5)	▼ 2689 bps
		H1 FY21	0.2L		11.5		30		NA		1.3		7.4	
		H1 FY22	0.1L	▼ 8%	8.3	▲ 112 bps	43	▼ 425 bps	2.3	▼ 47 bps	2.8	▲ 163 bps	14.9	▲ 1001 bps
		H1 FY21	0.2L		7.2		47		2.8		1.1		4.9	
		H1 FY22	0.1L	▼ 6%	7.4	▲ 8 bps	55	▲ 918 bps	4.8	▼ 121 bps	2.0	▲ 131 bps	6.1	▲ 248 bps
		H1 FY21	0.1L		7.4		46		6.0		0.7		3.6	
		H1 FY22	0.1L	▼ 14%	3.4	▼ 83 bps	72	▲ 1491 bps	4.7	▲ 180 bps	(0.2)	▼ 147 bps	(0.5)	▼ 449 bps
		H1 FY21	0.1L		4.2		57		2.9		1.3		4.0	
		H1 FY22	0.04L	▲ 21%	9.2	▼ 9 bps	41	▲ 1380 bps	3.8	▲ 5 bps	3.9	▼ 97 bps	9.7	▼ 196 bps
		H1 FY21	0.03L		9.3		27		3.7		4.8		11.7	

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Source: RBI; Capitaline; Press releases; BCG analysis

xxx Change vs. last year



Player performance (IV/IV)

		Standalone financials											Select NBFCs	
		Period	Advances ¹ Rs Cr		NIM ² (%)		CIR ³ (%)		GNPA (%)		ROA ² (%)		ROE ⁴ (%)	
MFIs		H1 FY22	0.1L	▲ 18%	10.3	▼ 27 bps	40	▲ 502 bps	7.2	▲ 554 bps	1.7	▼ 119 bps	6.2	▼ 436 bps
		H1 FY21	0.1L		10.5		35		1.6		2.9		10.6	
		H1 FY22	0.1L	▲ 50%	9.0	▲ 7 bps	46	▼ 101 bps	1.1	NA	0.6	▲ 79 bps	3.8	▲ 475 bps
		H1 FY21	0.04L		9.0		47		NA	NA	(0.2)		(1.0)	
		H1 FY22	0.05L	▲ 8%	8.0	▲ 170 bps	66	▲ 618 bps	8.7	▲ 581 bps	(1.6)	▼ 237 bps	(8.2)	▼ 1178 bps
		H1 FY21	0.05L		6.3		60		2.9		0.7		3.6	
Gold Loan		H1 FY22	0.6L	▲ 21%	11.3	▲ 70 bps	23	▼ 256 bps	1.9	▲ 59 bps	6.3	▼ 83 bps	26.6	▼ 258 bps
		H1 FY21	0.5L		10.6		26		1.3		7.1		29.2	
		H1 FY22	0.2L	▼ 2%	12.6	▲ 61 bps	37	▲ 510 bps	1.6	▲ 48 bps	5.8	▼ 64 bps	22.9	▼ 557 bps
		H1 FY21	0.2L		12.0		31		1.1		6.5		28.5	

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xxx Change vs. last year

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