

Secured loans soar. So does investor interest in commodities.

Fewer takers for postal schemes, ULIPs, crypto—and even direct equity. **PG3-6**

2025 Lending Expectations **PG11-15**
Life Coverage Blip **PG8**
FIRE Plans Strong **PG10**



FROM THE FOUNDERS' DESK

Dear reader,

We're thrilled to present the sixth edition of BankBazaar MoneyMood.

This report summarises personal finance trends from 2024 and outlines expectations for 2025. While we typically focus on credit cards, personal loans, and home loans, this year we've expanded to broader consumer behaviour trends.

Here are the key trends from 2024.

Year of Secured Loans

Retail lending grew by 16% to ₹5.2 trillion, slightly slower than last year's 18%. Secured loans led the way: home loans, the largest retail lending category, rose by 18% (up from 14% last year), and gold loans surged 56%, marking the fastest growth across all categories.

Credit Cards Break Records

Outstanding cards reached 106 million, with monthly spends touching ₹2 trillion. Despite regulatory tightening and rising delinquencies, credit card debt grew 17% (vs 28% last year). With less than 6% of Indians owning a card, this underpenetrated segment remains poised for strong growth.

Personal and Auto Loans Slow Down

Unsecured credit faced challenges, especially small-ticket loans under ₹50,000 to sub-prime borrowers. However, larger loans to prime and super-prime borrowers continued to grow and are expected to

perform well in coming years.

SIPs > FDs

The gap favouring SIPs over FDs among salaried Indians widened to 5%, the highest on record. SIPs offer better returns, flexibility, and liquidity, while we observed a declining preference for life insurance, postal schemes, crypto, and even direct equity investments. With persisting economic uncertainties, gold had another stellar year as an investment.

Coverage Declines

Although more Indians reported health coverage, there was a dip in those with both life and health insurance. Alarming, the proportion of respondents without any coverage nearly doubled.

We hope you find this year's report insightful. From all of us at BankBazaar, we wish you a prosperous 2025.

**RATI, ADHIL
& ARJUN**



THE 2024 INVESTMENT STORY:

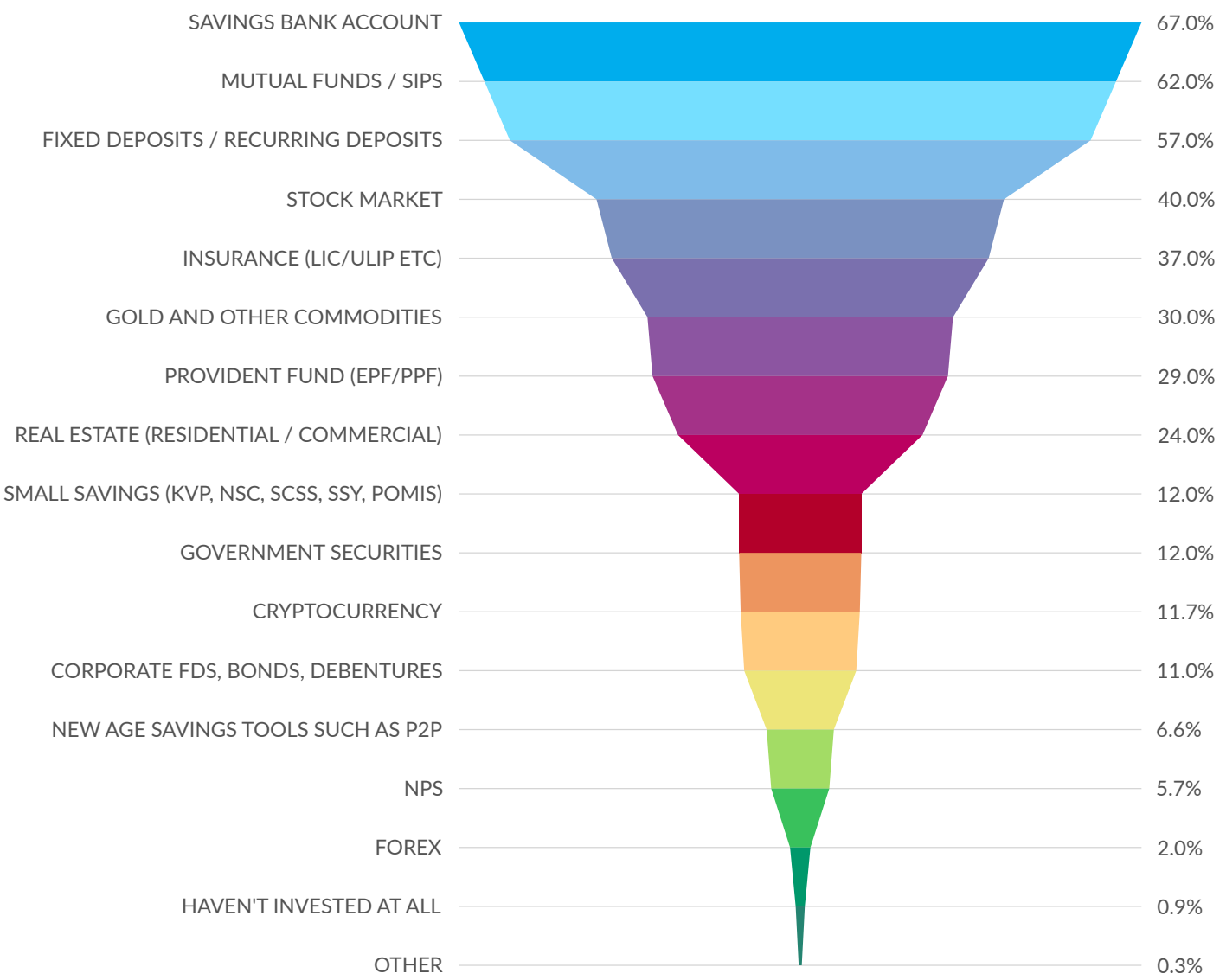
The gap favouring MFs over FDs widened, with MF SIPs remaining the top investment choice.

Interest in investment-linked insurance plans, direct equities, crypto, and even government schemes continues to decline.

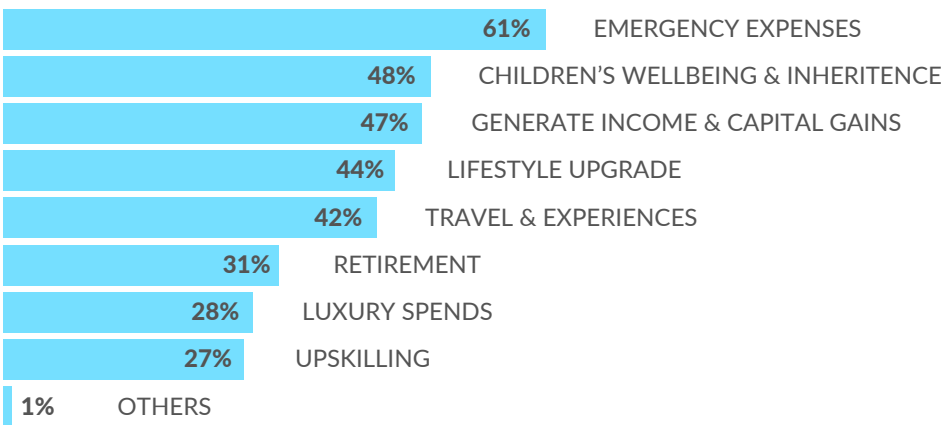
TOP INVESTMENTS

HOW INDIA SAVES

WHERE THEY SAVE



WHY THEY SAVE



TOP INVESTMENTS MUTUAL FUNDS ON TOP

LONG-TERM TRENDS: HOW PREFERENCES ARE SHIFTING

#	Instrument	2022	2023	2024	Story Behind The Trend
1	Mutual Funds and SIPs ▲	57%	54%	62%	As investors look for better returns in the light of high inflation and low returns from traditional debt investments, popularity of mutual funds continues to be on the rise. Increased education on market-linked investments has also increased investor confidence.
2	Fixed & Recurring Deposits ▲	54%	53%	57%	Indian investors have always had a soft corner for FDs, given the promise of steady growth with capital protection. The higher than usual returns have helped, but the gap between MFs and FDs has widened in this study to a record difference of 5 percent points.
3	PF & Postal Schemes ▼	45%	43%	41%	In the COVID period, small savings and EPF returns were marked above the market. When the repo rate went up, these products didn't deliver higher returns. That, combined with difficulties with liquidation, may be contributing to the decline. declining interest.
4	Stock Market ▼	45%	43%	40%	Surprisingly, this study has tracked a falling interest in direct investments in the stock markets, even though its overall share remains robust. The crackdown on F&O and the relative stability of MFs may have contributed to the decline.
5	Life Insurance ▼	46%	43%	37%	Better education around financial products, need for higher returns, and a higher risk appetite especially for long-term investments is causing people to move away from endowment plans and ULIPs to more user-friendly products such as MFs.
6	Gold ▲	33%	27%	30%	Commodities had a great year. While global trade tensions persisted and inflation remained volatile, investors loaded up on gold. After a brief dip last year, gold and silver had more takers this year.
7	Cryptocurrency ▼	32%	23%	12%	High taxation, lack of regulation, extreme volatility, and infosecurity problems have squeezed out most interest in this segment. However, recent geopolitical shifts and declining interest rates should revive interest, as the latest rally suggests.

AT A GLANCE 1-YEAR INVESTMENTS RETURNS

INSTRUMENT	TYPE	MEASURE	1-YEAR RETURNS	₹1 LAKH INVESTED 1 YEAR AGO
Gold	COMMODITIES	MCX Spot Prices	23.34%	₹ 123,340
Silver	COMMODITIES	MCX Spot Prices	21.12%	₹ 121,120
Bitcoin	CRYPTOCURRENCY	CoinDCX Exchange Rates	163%	₹ 263,000
Employees' Provident Fund	DEBT	2024-25 Rate	8.25%	₹ 108,250
NPS Government Bonds Tier 1	DEBT	HDFC	8.08%	₹ 108,080
NPS Corporate Bonds Tier 1	DEBT	HDFC	7.99%	₹ 107,990
1-Year Time Deposit	DEBT	Post Office	6.90%	₹ 106,900
1-Year Fixed Deposit	DEBT	SBI FD Rates	6.80%	₹ 106,800
Small Cap Equity	EQUITY	Nifty Smallcap 250 TRI	32.40%	₹ 132,400
Mid Cap Equity	EQUITY	Nifty 150 TRI	30.20%	₹ 130,200
NPS Equity Tier 1	EQUITY	UTI	27.23%	₹ 127,230
Total Market	EQUITY	Nifty 500 TRI	22.50%	₹ 122,500
Large Cap Total	EQUITY	Nifty 100 TRI	19.60%	₹ 119,600
Large Cap Equal Weight	EQUITY	Nifty 50 Equal Weight TRI	16.50%	₹ 116,500
Large Cap Equity	EQUITY	Nifty 50 TRI	16.20%	₹ 116,200
NPS Alternatives Tier 1	HYBRID	SBI	9.61%	₹ 109,610
REITs & Invits	REAL ESTATE	Nifty REIT & InvITs Index	13.19%	₹ 113,190
Housing	REAL ESTATE	RBI House Price Index*	4.34%	₹ 104,340
Sukanya Samriddhi Yojana	SMALL SAVINGS	Post Office	8.20%	₹ 108,200
Senior Citizens Savings Scheme	SMALL SAVINGS	Post Office	8.20%	₹ 108,200
National Savings Certificate	SMALL SAVINGS	Post Office	7.70%	₹ 107,700
Kisan Vikas Patra	SMALL SAVINGS	Post Office	7.50%	₹ 107,500
Monthly Income Scheme	SMALL SAVINGS	Post Office	7.40%	₹ 107,400
Public Provident Fund	SMALL SAVINGS	Post Office	7.10%	₹ 107,100

DATA AS OF DECEMBER 17, 2024. RBI HPI: Q2 TO Q2 DATA ONLY.

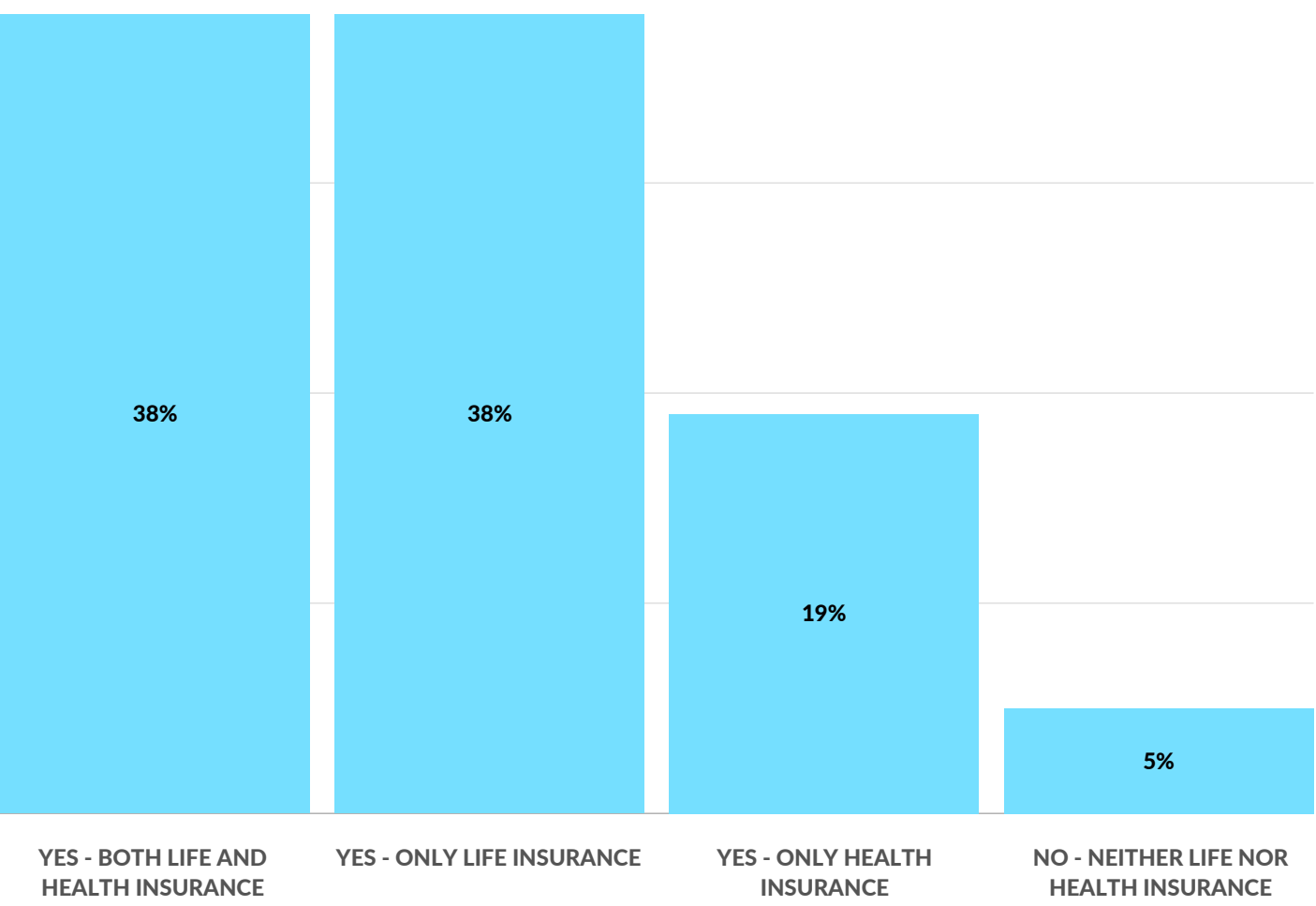
THE 2024 INSURANCE STORY:

Health coverage improved marginally. But a drop was seen in life coverage.

The percent of people who had neither coverage nearly doubled.

LIFE & HEALTH INSURANCE RISE IN UNINSURED

DO YOU HAVE PERSONAL LIFE & HEALTH INSURANCE?



DECLINING PROTECTION: FEWER INDIANS FULLY COVERED

Which cover do you have?	2022	2023	2024
Both life and health insurance ▼	43%	37%	38%
Just life insurance ▼	39%	41%	38%
Just health insurance ▲	16%	16%	19%
Neither life nor health insurance ▼	3%	6%	5%

THE 2024 RETIREMENT STORY:

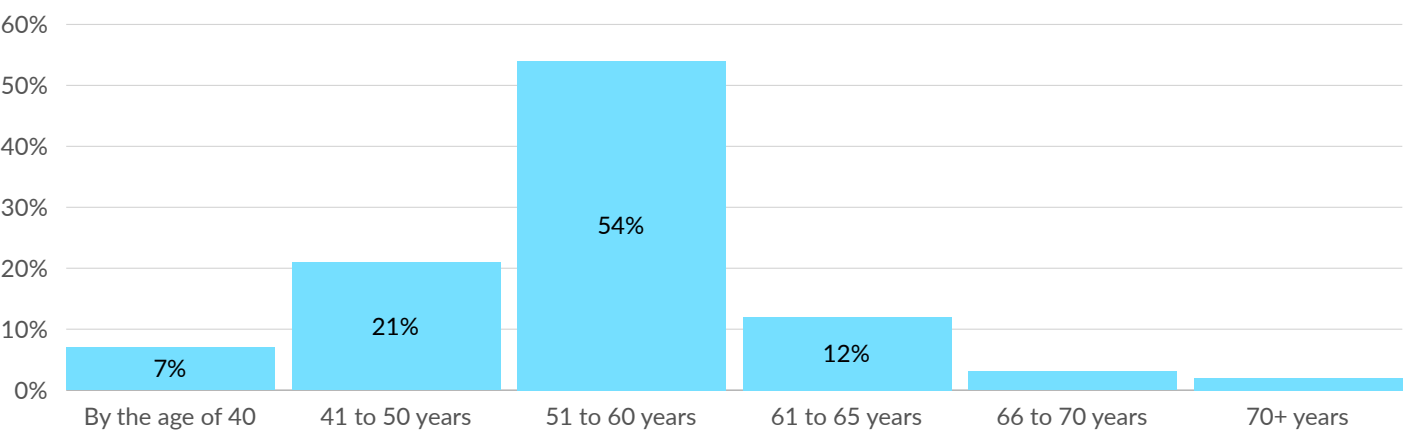
More people are saving for retirement than 2023.

Two out of three said they are on track to hit their goal.

RETIREMENT PLANNING

F.I.R.E DREAMS GET STRONGER

BY WHAT AGE DO YOU WANT TO RETIRE?



Do you have a retirement corpus?	2024	2023
Yes	58% ▲	56%
No	42%	44%

WHAT IS YOUR RETIREMENT SAVINGS GOAL?

< ₹25 lakh	6%	₹1 – 1.5 crore	12%
₹25 - 50 lakh	19%	₹1.5 – 2 crore	11%
₹50 – 75 lakh	17%	₹2 - 5 crore	10%
₹75 lakh – 1 crore	14%	> ₹5 crore	11%

Has your retirement planning been impacted in the last one year?	
I've been able to increase my investments and plan to retire earlier	12%
I've been able to increase my investments and plan to retire earlier with a higher corpus	10%
My investments are continuing well and I'm on track	43%
My investments have slowed down and I've pushed back my retirement age	18%
My investments have slowed down and I've reduced my corpus size	16%

THE 2024 LENDING STORY:

Gold loans had a big year **growing 56%**. Home loans outperformed to grow 18%.

Credit card debt grew at **a robust 17%** despite a slowdown in other big segments like personal loans and car loans.

RETAIL LENDING SECURED LOANS GO BIG

OUTSTANDING LOANS SURGE 16% DESPITE SLOWDOWN

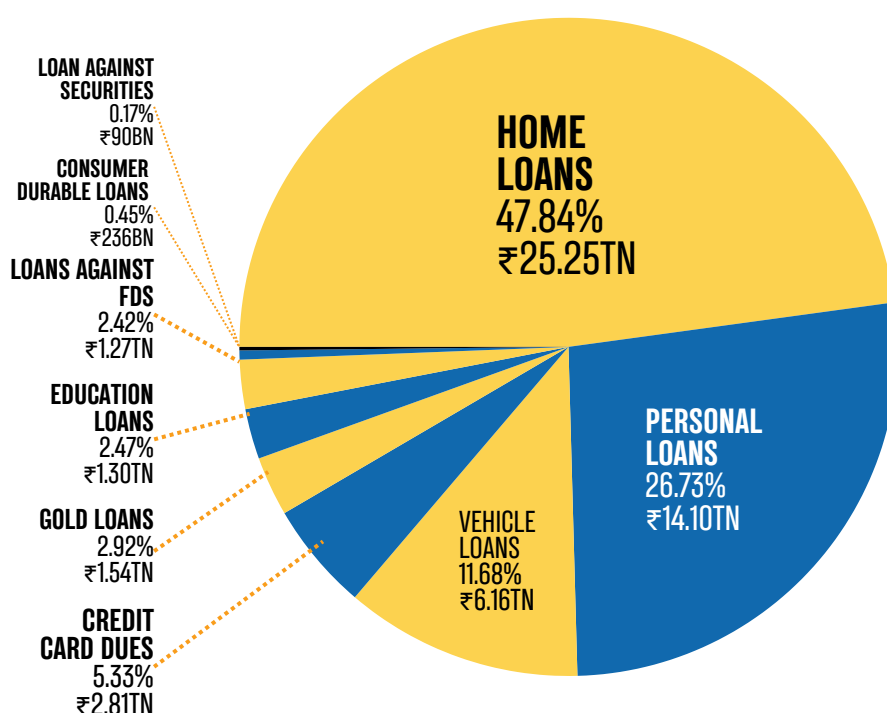
RETAIL LOANS	2024	Growth	2023	Growth	2022	Growth
HOUSING LOANS	₹2,525,138	18%	₹2,144,011	14%	₹1,876,066	17%
PERSONAL LOANS	₹1,410,905	11%	₹1,265,407	23%	₹1,029,939	25%
VEHICLE LOANS	₹616,405	11%	₹553,141	20%	₹460,947	22%
CREDIT CARD DUES	₹281,392	17%	₹240,635	28%	₹188,033	29%
LOANS AGAINST JEWELLERY	₹154,282	56%	₹98,747	13%	₹87,276	20%
EDUCATION LOANS	₹130,309	18%	₹110,852	21%	₹91,863	13%
LOANS AGAINST FDS	₹127,533	11%	₹114,983	17%	₹98,248	36%
CONSUMER DURABLE LOANS	₹23,640	7%	₹22,178	8%	₹20,618	41%
LOANS AGAINST SECURITIES	₹9,060	16%	₹7,812	-6%	₹8,273	33%
TOTAL	₹5,278,665	16%	₹4,557,766	18%	₹3,861,264	21%

DATA: BANK CREDIT DEPLOYMENT, RBI

2024 Trends: 2023 saw one of the highest growth in credit and led to a slew of RBI measures to slow down unsecured credit. Unsurprisingly, the pace of credit growth has dipped for everything except home loans, gold loans, and secured loans. Home loans grew 18% year on year compared to 14% last year while gold loans grew at a whopping 56%. Loan against securities which had shrunk by 6% last year also grew by 16% year on year.

2025 Expectations: Housing remains the big Indian dream. So home finance should remain robust especially if interest rates start to drop. The high growth in gold loans signifies an increasing number of people moving away from informal to formal credit. According to a KPMG report, 65% of the gold loan market was unregulated. Against this, banks and NBFCs have increased their market share. There is also a significant transfer from unsecured personal loans to gold loans. We believe this rapid growth in gold loans is a reflection of the scaling from both these segments.

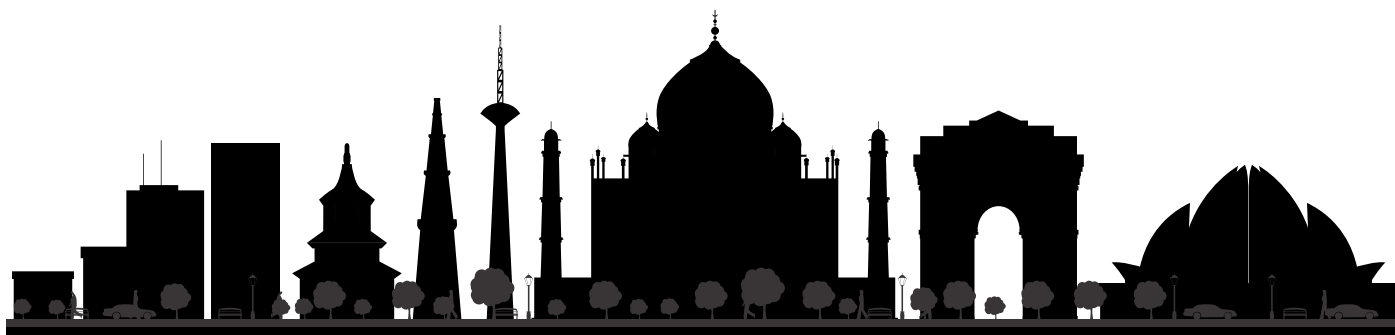
THE CREDIT PIE: HOUSING GAINS GROUND



DATA: BANK CREDIT DEPLOYMENT, RBI

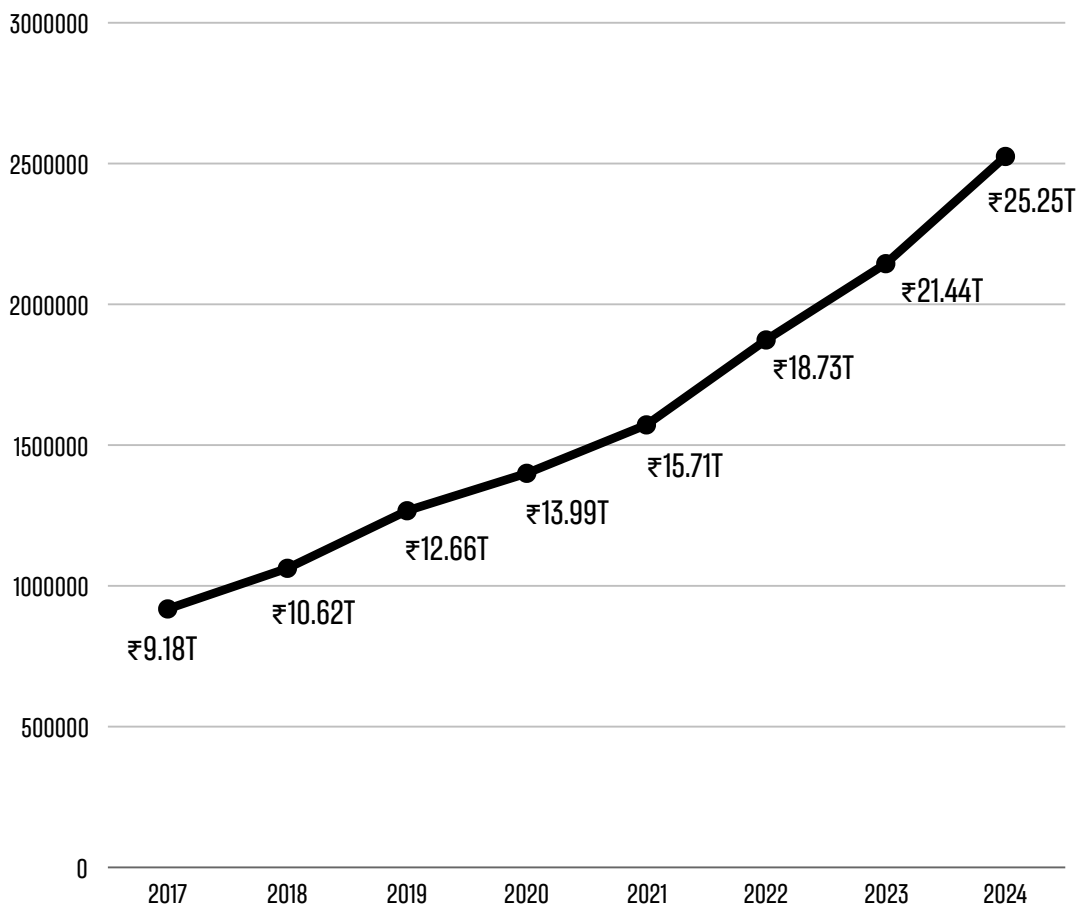
HOME LOANS WILL 2025 GET BETTER?

2024 DEFIES EXPECTATIONS



THE HOME LOAN MARKET

OUTSTANDING
LOANS GREW 18%
Y-O-Y TO ₹25.25
TRILLION BY THE
END OF 2024.
(RBI DATA)

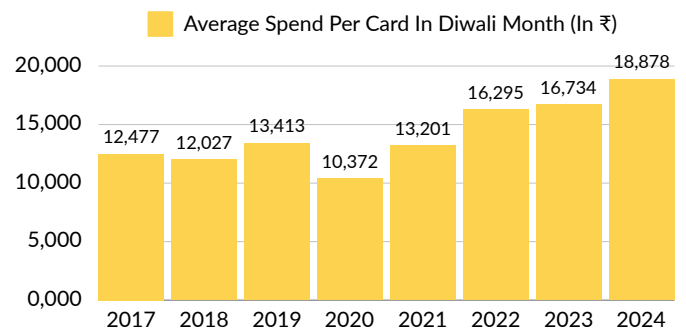
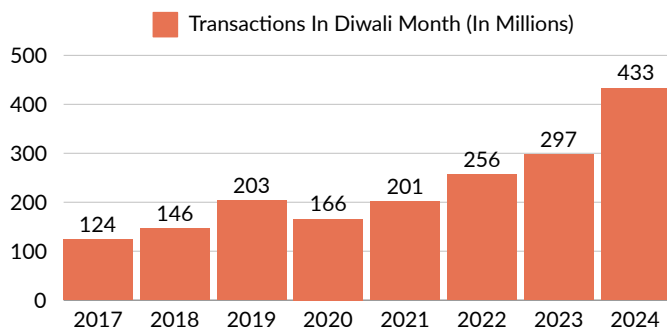
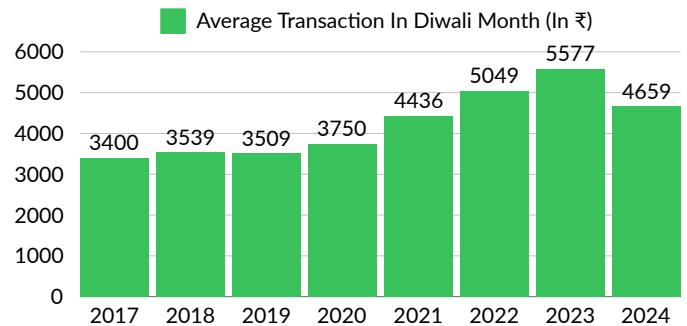
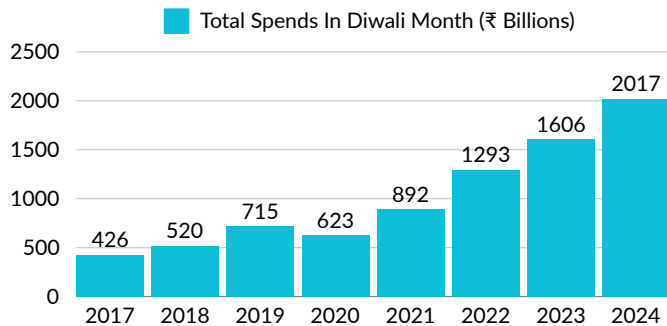


2024 Trends: Home loans had a strong year with 18% growth as inflation cooled and interest rates plateaued. Loan ticket sizes rose as premium housing saw higher uptake. PMAY kept rural and semi-urban demand steady. Developers offered attractive financing schemes. Property prices stabilised in key markets, making home ownership appealing. Urbanisation and improved infrastructure in Tier-2 cities further expanded housing finance demand.

2025 Expectations: With interest rates expected to cool off, housing affordability will improve. This will drive demand for mid-range and premium homes. Urbanisation and government-backed affordable housing schemes will keep rural and Tier-2 market demand healthy. Banks and NBFCs will compete aggressively to finance salaried professionals. Property prices might increase as demand surges, particularly in urban centres. Regulatory pressures may persist.

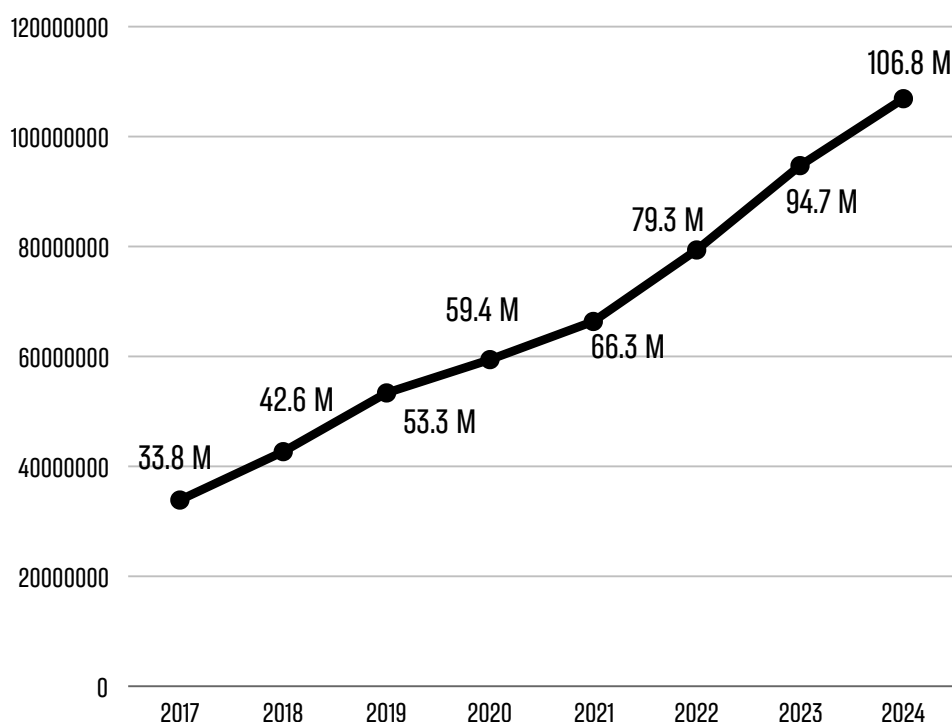
CREDIT CARDS ANOTHER BIG YEAR FOR SPENDS

DIWALI RECORD: ₹2 TRILLION SPENT OVER 433 MILLION PAYMENTS



HOW MANY CREDIT CARDS IN INDIA?

OUTSTANDING CARDS ROSE 13% Y-O-Y AS OF NOVEMBER 2024, DOUBLING FROM 2019.



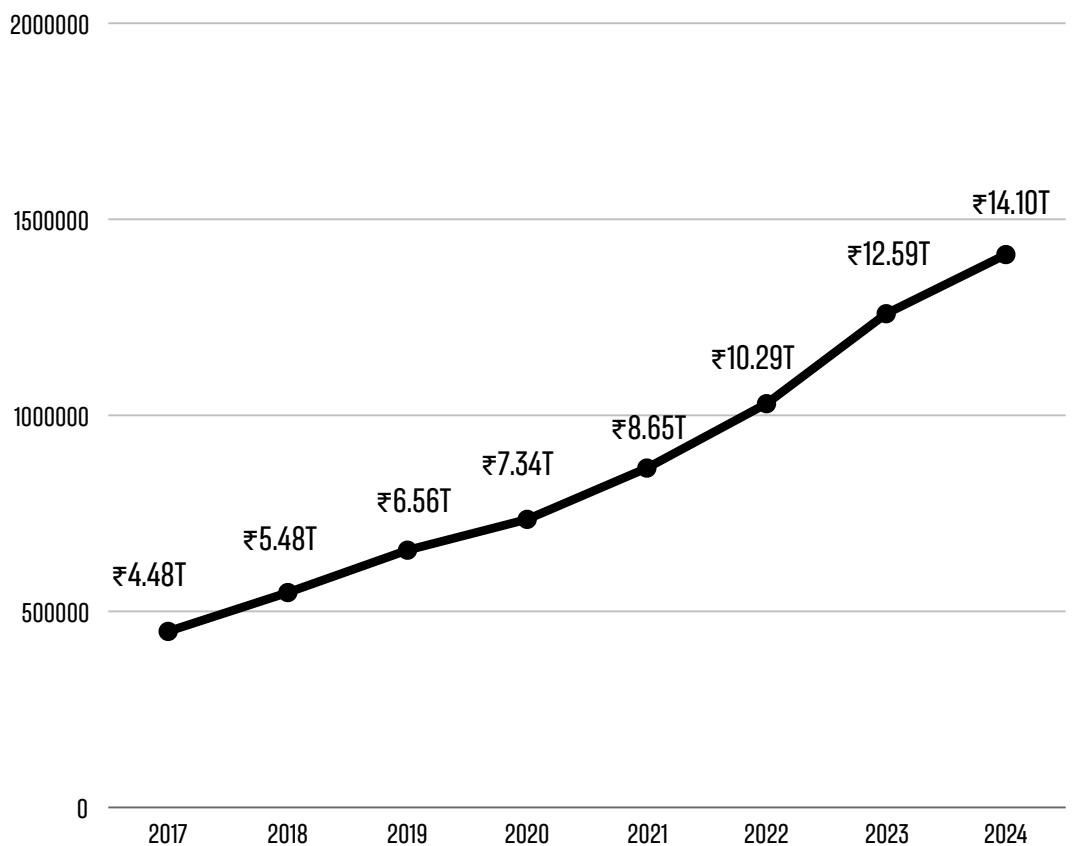
DATA: BANK CREDIT DEPLOYMENT, RBI

2024 Trends: Credit card spends had another big year with 17% growth, despite regulatory pressures. Fuelled by no-cost EMI, cashback offers, and festive shopping, monthly spends hit ₹2 trillion. RBI regulations on transparency in charges created awareness but reduced issuer profits. Late payments surged, raising concerns over credit card debt. Tier-2 cities witnessed increased adoption.

2025 Trends: Delinquencies notwithstanding, credit card usage is expected to keep growing at a double-digit rate as e-commerce and digital payments expand. Issuers will focus on customisation, offering tailored rewards for specific demographics. Penetration in Tier-3 cities will increase and smaller transactions, driven by fintech innovations.

PERSONAL LOANS ROBUST DESPITE SLOWDOWN

**PERSONAL
LOAN
MARKET**
OUTSTANDING LOANS
GREW 11% Y-O-Y TO
₹14.10 TRILLION BY
THE END OF 2024.
(RBI DATA.)



DATA: BANK CREDIT DEPLOYMENT, RBI

EYES ON POLICY MAKERS AS RATE CUTS LOOM

2024 Trends: Personal loan demand grew at a relatively sedate rate of 11% this year, driven by discretionary spending and medical emergencies. The festive season saw increased borrowing for travel and gifts. Digital lenders capitalised on quick approval processes, especially in Tier-1 and Tier-2 cities. However, stricter RBI norms curtailed riskier lending practices. Inflation pressures dampened small-ticket loan demand. Overall, while lending volumes grew, the pace of growth slowed due to cautious credit issuance and increased focus on borrower creditworthiness.

2025 Expectations: Despite policy tightening, demand for personal loans isn't expected to slow down. This is the second-largest loan category. If interest rates cool down, borrowing will become easier. BNPL and credit card EMIs will continue to challenge small-ticket loans. Delinquencies in 2024 will make banks cautious in extending unsecured loans. Digital lenders will enhance AI-based risk assessment, offering customised products. The shift toward financial literacy campaigns will encourage borrowers to consolidate debt. RBI's continued scrutiny will favour responsible lending.

THE FACES BEHIND THE DATA

Our study surveyed 1529 respondents from 6 metros and 18+ Tier 2 cities of India. This year's study covers working professionals aged between 22 and 45 years.



WHO ARE THEY?



SALARIED PROFESSIONALS AGED 22-45

This segment forms the core of the formal workforce in India and is the primary consumer of all financial products.



SALARY > 30K PER MONTH

Those who earn salaries in this range have the monetary bandwidth to opt for a variety of financial products including credit cards and loans.



DIGITALLY AWARE

They have shopped online or made a digital transaction in the recent past.

Authors

AR Hemant
DVP, Communications
arhemant@bankbazaar.com
Nanda Padmanabhan
AVP, Communications
nanda.padmanabhan@bankbazaar.com

Copy Editor

Malvika Singhal
Sr. Manager, Communications
malvika.singhal@bankbazaar.com

Research Partner

64Inspired Consulting

About Us

BankBazaar.com is a fintech co-branded credit card issuer and online platform for free credit score. It has a base of 60 million registered users who use the platform for free credit score tracking and in-depth personal finance content and comparison tools. Its range of co-branded credit cards with India's leading banks is driving the platform's rapid growth with more than half its customers now opting for BankBazaar's own co-branded products.

The company is on track to facilitate one million active BankBazaar co-branded credit cards in force. Supported by global investors such as Experian, Eight Roads, Peak XV Partners, WSV, and Amazon, BankBazaar has been at the forefront of democratising finance by providing Indians with frictionless access to credit. The company exited FY2024 with an audited revenue ₹215 crore, growing 36% year-on-year.

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Credit To You

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