

NBFCs Q4 AUM likely to rise 2-4% q-o-q, say analysts

MANISH M SUVARNA
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THE ASSETS UNDER management (AUM) of non-banking finance companies (NBFC), including housing finance companies may rise 2-4% sequentially in the fourth quarter, and 6-9% in FY22, analysts said. This is expected on the back of the limited impact of the third wave of the Covid-19 pandemic, normalised conditions enabling salesperson to reach a broader section of customers, and rising digitisation.

"Within the NBFC retail segment, personal loans, housing and MFIs are expected to drive growth," said Sanjay Agarwal, senior director, CareEdge. "The NBFC retail segment, at the end of FY22, AUMs of MFIs are expected to witness a growth of 10%, CV Financing NBFCs at 5.7%, Housing Finance at 6.8%, Affordable Housing Finance at 13% and Gold Financing at 8.5%," Agarwal added.

Analysts expect the disbursements in the Q4FY22 to improve owing to the revival in economic conditions and demand. However, the growth in assets is likely to be slower compared to earlier years because of subdued demand caused by the pandemic in the first two-quarters of FY22. On the asset quality front, NBFCs' gross non-performing assets (GNPA) are likely to rise to be in Q4FY22 as against the corresponding period last year.

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