

Unsecured Business Loan Market Assessment, By Purpose [Working Capital, Expansion/Acquisition, Equipment Purchase, Debt Consolidation, Others], By Provider [Banks, Non-Banking Financial Company, Credit Unions], By Loan Amounts [Small Loans, Medium Loans, Large Loans], By Application [BFSI, Retail, IT, Healthcare, Energy and Utility, Others], By End-user [Small and Medium-Sized Enterprises, Large Enterprises], By Region, Opportunities and Forecast, 2018-2032F

Market Report | 2025-01-09 | 228 pages | Market Xcel - Markets and Data

AVAILABLE LICENSES:

- Single User License \$4500.00
- Multi-User/Corporate Licence \$5700.00
- Custom Research License \$8200.00

Report description:

Global Unsecured Business Loan market is projected to witness a CAGR of 10.25% during the forecast period 2025-2032, growing from USD 6.06 billion in 2024 to USD 13.23 billion in 2032.

Unsecured business loans do not require the use of collateral. However, lenders determine the possibility of lending to the borrower using the borrower's creditworthiness, income, and other financial information. These loans attract higher interest rates compared to secured loans due to high risks for the lenders. The growth of the unsecured business loan market is driven significantly by the increasing number of small and medium-sized enterprises (SMEs) globally, which face challenges in accessing traditional financing. As SMEs seek flexible funding options to manage daily operations and invest in growth opportunities, unsecured loans have become attractive due to their lack of collateral requirements and quick application processes. This has been attributed to the growth of digital lending platforms, which have made loan applications easier and possible with real-time credit assessment and rapid approval.

Support in the form of favorable policies from the government also enhances the market for unsecured business loans and provides a conducive SME-friendly environment. Economic and technological growth has increased the level of competition among lenders, which has also raised the quality of loan services available to borrowers. Therefore, with the market experiencing

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scott-international.com

www.scott-international.com

considerable growth, the future will be bright for the unsecured business loan industry, as it continues to adapt to the changing business requirements for accessible financing opportunities.

For instance, according to RBI's Financial Stability Report of June 2023, advances for unsecured retail loans rose to 25.2 percent in March 2023 from 22.9 percent in March 2021. In contrast, secured loans declined to 74.8 percent from 77.1 percent during the same period.

Rise of SMEs Leading to Market Growth

The global expansion of SMEs is expected to further expand the size of the business unsecured loans market. This growth is motivated by several reasons, such as economic growth, which promotes entrepreneurship and the formation of SMEs, fostering innovation, employment generation, and GDP enhancement. SMEs play an important role in employment, especially in developing economies; they can also deal with needs that larger corporations may ignore or overlook, thus strengthening local attachment. Support through grants, tax incentives, and easy regulations from the government further encourages the growth of SMEs. As the number of SMEs increases, their need for finances becomes diversified and complex, making unsecured business loans essential because they don't require collateral. These loans facilitate the ability of SMEs to invest in expansion and manage daily operations effectively and financial hurdles such as cash flow shortages. Demand for working capital among micro, small, and medium enterprises (MSMEs) has also increased because these enterprises need to have funds to meet day-to-day expenses and costs of growth. Working capital loans are especially useful in seasonal fluctuations in demand so that companies can keep operations running smoothly despite short-term cash flow issues.

For example, Oberlo, a global dropshipping company owned by Shopify, revealed that in 2023, the number of small businesses in the US reached 33.3 million, making up nearly all (99.9%) US businesses. The increase in the number of small businesses in the US in 2023 is representative of the sustained growth as it marks a 0.3% increase from the previous year and an overall growth of 12.5% from 2017. This leads to a rise in the requirement of unsecured business loans.

Digital Lending Platforms Driving Growth to Market

The increasing adoption of digital lending platforms is revolutionizing the unsecured business loan market by enhancing accessibility, efficiency, and cost-effectiveness for borrowers. These platforms use advanced technologies such as data science and machine learning to streamline the loan application and approval process, allowing real-time assessments of creditworthiness and rapid loan decisions in minutes. This shift from traditional methods that are paperwork-intensive to digital solutions reduces the burden of administrative tasks on SMEs to secure funding without collateral. Moreover, digital lending platforms offer excellent loan terms, low interest rates, and flexible repayment arrangements; these are of particular interest to SMEs in terms of cash flow management and investment in growth opportunities. The rise in popularity has increased market space for unsecured business loans while improving financial inclusion as it extends access to underserved sections of the business community. Further evolution in digital lending is going to continue to be promising for unsecured business finance, with innovation and growth in the industry to be further supported.

For example, in October 2024, LendingClub Corporation received Best Online Bank and High interest Cash Deposits for 2024 according to GOBankingRates. This is granted because of additional advantages from lesser fees and more significant interest rates because online banks have fewer overhead costs.

Government Initiatives Driving Growth in the Unsecured Business Loan Market

Governments worldwide are driving the unsecured business loan market forward through small and medium-sized enterprises. Government-backed unsecured loans address the biggest challenge in accessing capital for SMEs, which usually cannot qualify for traditional bank financing because of the high requirements and lack of collateral. These programs usually offer better loan terms, including low interest rates and flexible repayment periods, which are more attractive to small businesses. Furthermore, government support promotes entrepreneurship through easy access to new venture establishments, thereby increasing demand for unsecured loans. In times of crisis, loans are considered by SMEs as the ultimate lifeline to get out of financial shock and get back afloat. However, governments are improving the finance landscape of SMEs unsecured business loan markets through various support mechanisms and policies.

For instance, in February 2024, the International Labor Organization launched a transformative partnership with the German Ministry for Economic Cooperation and Development through the German Development Bank (KfW) to empower small and medium-sized enterprises in Iraq. This is the new "Promotion of Small and Medium-Sized Enterprises (SMEs) in Iraq program" and

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

a partnership meant to unlock access to sustainable finance and to further promote youth and women entrepreneurs. In this manner, the project contributes to the development of decent work opportunities and lays down a prosperous future for the Iraqi economy. Germany's KfW also announced that it would offer a loan to a future Hydrogen network in Germany, as it is betting on hydrogen, which can be used in part to replace natural gas, as it seeks to decarbonize the economy and find ways to absorb intermittent renewable supplies into the power grid.

Dominance of BFSI in Unsecured Business Loans

The largest user of unsecured business loans is the BFSI sector because of its unique financial requirements. Unsecured loans provide essential working capital for day-to-day operations, such as salaries and technology upgrades, without collateral. These financial institutions use unsecured loans to finance growth initiatives, including opening new branches, launching products, and investing in technology and cybersecurity to remain competitive. Such loans also facilitate regulatory compliance costs and risk management related to financial volatilities in the markets. The BFSI sector can maintain operational efficiency, support innovation, and respond better to the changing demands of the industry by leveraging unsecured business loans.

For example, in August 2024, Gurugram-based retail lending platform Lendingkart tied up with Tata Group's financial services arm, Tata Capital Limited, to offer unsecured business loans to Micro, Small, and Medium Enterprises (MSMEs) across the country. The collaboration aims to enhance MSMEs' financial access by using Lendingkart's digital platform to make the lending process easier.

North America Dominates Unsecured Business Loan Market Share

The leading factors to which North America holds superiority in the unsecured business loan market include a robust economic condition, especially in the United States, creating favorable ground for SMEs for their development needs and financing. Its advanced financial infrastructure, comprising a diverse range of financial institutions, including banks and fintech companies, offers businesses various unsecured loan options tailored to their specific requirements. Furthermore, technological innovations have streamlined the loan application process, allowing for real-time credit assessments and faster approvals, making unsecured loans more accessible. Supportive government policies further enhance lending by creating favorable conditions for SMEs. This finally cements the region's dominance in the unsecured business loan market, as the demand for working capital among North American SMEs is extremely high, requiring quick and flexible financing solutions.

For instance, in June 2024, the Small Business Administration (SBA) the US government, which assists small businesses in the US in accessing funding by guiding loans and lowering the risk for lenders, reportedly plans on launching a working capital pilot program that will feature government-backed lines of credit of up to USD 5 million. It will be attractive to both lenders and borrowers and will provide small businesses with the working capital needed to pursue new contracts and expansion. The SBA's existing 7(a) loan program, which guarantees loans to lenders and incentivizes loans to small businesses, supported 57,000 loans worth USD 27.5 billion in 2023.

Apart from that, Asia-Pacific is likely to witness substantial growth in the forecast period. The rise of digital lending platforms and fintech solutions has been a key driver. These platforms make it easier for businesses to access loans quickly and efficiently. Favorable economic conditions and the increasing number of SMEs in the region contribute to the market's growth. Indonesia, Japan, and Malaysia are the frontrunners in this market.

Future Market Scenario (2025 - 2032F)

□□The emergence of fintech companies and alternative lenders is changing the game. Through technology, they are offering faster loan approvals, a better customer experience, and innovative loan products that make unsecured business loans more accessible to small businesses.

□□The industry is going through a significant digital transformation. Online lending platforms, advanced data analytics, and blockchain technology are streamlining the loan application and approval processes, cutting costs, and enhancing security.

□□Governments and regulatory bodies increasingly support the unsecured business loans market by implementing favorable regulations. These regulations aim to promote financial inclusion and provide small businesses with easier access to credit.

□□The market is getting more and more competitive with traditional banks and new fintech entrants plus NBFCs competing for market shares. Competition leads to innovation, competitive loan terms, and better service for borrowers.

Key Players Landscape and Outlook

Interest rates, loan terms, approval speed, customer service, technological innovation, creditworthiness assessments, and

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

additional services define the competitive landscape in the unsecured business loan market. Lenders are keen to offer the lowest interest rates to attract creditworthy borrowers. Businesses usually have very little collateral and, therefore, are very sensitive to the cost of borrowing. The competitive factor here is flexibility in loan terms, including repayment schedules and loan amounts. Loan approval and disbursement speed is another key battleground. Superior customer service is another point of differentiation. Using high technology in the process of loan application, approval, and management sets competitive lenders apart.

Creditworthiness assessments that are both effective and efficient in minimizing default risks while extending credit to deserving businesses are important. Lenders invest in sophisticated algorithms and big data analytics to evaluate potential borrowers. Traditional banks rely on credit scores and historical financial performance, whereas fintech firms may include additional data points, such as social media activity and transaction patterns, to make more nuanced assessments.

In August 2024, FairPlay, the world's first Fairness-as-a-Service company, announced a customer relationship with LendingPoint LLC, an award-winning online loan and servicing originator. LendingPoint will use FairPlay solutions to enhance its algorithmic qualification and automated funding decisions.

In September 2024, Funding Circle, the UK's leading SME lending platform, launched its latest product, the Funding Circle Cashback Business Credit Card, to support small businesses with everyday business transactions as its next step in backing more SMEs with the finance they need. The Cashback card offers market-leading benefits with 2% cashback on all business spending for the first six months, earning up to USD 2,554, and 1% unlimited cashback afterward.

Table of Contents:

1. Project Scope and Definitions
2. Research Methodology
3. Executive Summary
4. Voice of Customer
 - 4.1. Product and Market Intelligence
 - 4.2. Mode of Brand Awareness
 - 4.3. Factors Considered in Purchase Decisions
 - 4.3.1. Features and Other Value-Added Service
 - 4.3.2. Repayment Terms and Flexibility
 - 4.3.3. Processing Time and Ease
 - 4.3.4. Customer Support
 - 4.4. Consideration of Privacy and Regulations
5. Global Unsecured Business Loan Market Outlook, 2018-2032F
 - 5.1. Market Size Analysis & Forecast
 - 5.1.1. By Value
 - 5.2. Market Share Analysis & Forecast
 - 5.2.1. By Purpose
 - 5.2.1.1. Working Capital
 - 5.2.1.2. Expansion/Acquisition
 - 5.2.1.3. Equipment Purchase
 - 5.2.1.4. Debt Consolidation
 - 5.2.1.5. Others
 - 5.2.2. By Provider
 - 5.2.2.1. Banks
 - 5.2.2.2. Non-Banking Financial Company (NBFCs)
 - 5.2.2.3. Credit Unions
 - 5.2.3. By Loan Amounts
 - 5.2.3.1. Small Loans (up to USD 250,000)
 - 5.2.3.2. Medium Loans (USD 250,000 - USD 500,000)

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

- 5.2.3.3. □ Large Loans (over USD 500,000)
- 5.2.4. □ By Application
 - 5.2.4.1. □ BFSI
 - 5.2.4.2. □ Retail
 - 5.2.4.3. □ IT
 - 5.2.4.4. □ Healthcare
 - 5.2.4.5. □ Energy and Utility
 - 5.2.4.6. □ Others
- 5.2.5. □ By End-user
 - 5.2.5.1. □ Small and Medium-Sized Enterprises
 - 5.2.5.2. □ Large Enterprises
- 5.2.6. □ By Region
 - 5.2.6.1. □ North America
 - 5.2.6.2. □ Europe
 - 5.2.6.3. □ Asia-Pacific
 - 5.2.6.4. □ South America
 - 5.2.6.5. □ Middle East and Africa
- 5.2.7. □ By Company Market Share Analysis (Top 5 Companies and Others - By Value, 2024)
- 5.3. □ Market Map Analysis, 2024
 - 5.3.1. □ By Purpose
 - 5.3.2. □ By Provider
 - 5.3.3. □ By Loan Amounts
 - 5.3.4. □ By Application
 - 5.3.5. □ By End-user
 - 5.3.6. □ By Region
- 6. □ North America Unsecured Business Loan Market Outlook, 2018-2032F*
 - 6.1. □ Market Size Analysis & Forecast
 - 6.1.1. □ By Value
 - 6.2. □ Market Share Analysis & Forecast
 - 6.2.1. □ By Purpose
 - 6.2.1.1. □ Working Capital
 - 6.2.1.2. □ Expansion/Acquisition
 - 6.2.1.3. □ Equipment Purchase
 - 6.2.1.4. □ Debt Consolidation
 - 6.2.1.5. □ Others
 - 6.2.2. □ By Provider
 - 6.2.2.1. □ Banks
 - 6.2.2.2. □ Non-Banking Financial Company (NBFCs)
 - 6.2.2.3. □ Credit Unions
 - 6.2.3. □ By Loan Amounts
 - 6.2.3.1. □ Small Loans (up to USD 250,000)
 - 6.2.3.2. □ Medium Loans (USD 250,000 - USD 500,000)
 - 6.2.3.3. □ Large Loans (over USD 500,000)
 - 6.2.4. □ By Application
 - 6.2.4.1. □ BFSI
 - 6.2.4.2. □ Retail
 - 6.2.4.3. □ IT

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

- 6.2.4.4. □Healthcare
 - 6.2.4.5. □Manufacturing
 - 6.2.4.6. □Energy and Utility
 - 6.2.4.7. □Others
 - 6.2.5. □By End-user
 - 6.2.5.1. □Small And Medium-Sized Enterprises
 - 6.2.5.2. □Large Enterprises
 - 6.2.6. □By Country Share
 - 6.2.6.1. □United States
 - 6.2.6.2. □Canada
 - 6.2.6.3. □Mexico
 - 6.3. □Country Market Assessment
 - 6.3.1. □United States Unsecured Business Loan Market Outlook, 2018-2032F*
 - 6.3.1.1. □Market Size Analysis & Forecast
 - 6.3.1.1.1. □By Value
 - 6.3.1.2. □Market Share Analysis & Forecast
 - 6.3.1.2.1. □By Purpose
 - 6.3.1.2.1.1. □Working Capital
 - 6.3.1.2.1.2. □Expansion/Acquisition
 - 6.3.1.2.1.3. □Equipment Purchase
 - 6.3.1.2.1.4. □Debt Consolidation
 - 6.3.1.2.1.5. □Others
 - 6.3.1.2.2. □By Provider
 - 6.3.1.2.2.1. □Banks
 - 6.3.1.2.2.2. □Non-Banking Financial Company (NBFCs)
 - 6.3.1.2.2.3. □Credit Unions
 - 6.3.1.2.3. □By Loan Amounts
 - 6.3.1.2.3.1. □Small Loans (up to USD 250,000)
 - 6.3.1.2.3.2. □Medium Loans (USD 250,000 - USD 500,000)
 - 6.3.1.2.3.3. □Large Loans (over USD 500,000)
 - 6.3.1.2.4. □By Application
 - 6.3.1.2.4.1. □BFSI
 - 6.3.1.2.4.2. □Retail
 - 6.3.1.2.4.3. □IT
 - 6.3.1.2.4.4. □Healthcare
 - 6.3.1.2.4.5. □Manufacturing
 - 6.3.1.2.4.6. □Energy and Utility
 - 6.3.1.2.4.7. □Others
 - 6.3.1.2.5. □By End-user
 - 6.3.1.2.5.1. □Small And Medium-Sized Enterprises
 - 6.3.1.2.5.2. □Large Enterprises
 - 6.3.2. □Canada
 - 6.3.3. □Mexico
- *All segments will be provided for all regions and countries covered
- 7. □Europe Unsecured Business Loan Market Outlook, 2018-2032F
 - 7.1. □Germany
 - 7.2. □France

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

- 7.3. Italy
- 7.4. United Kingdom
- 7.5. Russia
- 7.6. Netherlands
- 7.7. Spain
- 7.8. Turkey
- 7.9. Poland
- 8. Asia-Pacific Unsecured Business Loan Market Outlook, 2018-2032F
 - 8.1. India
 - 8.2. China
 - 8.3. Japan
 - 8.4. Australia
 - 8.5. Vietnam
 - 8.6. South Korea
 - 8.7. Indonesia
 - 8.8. Philippines
- 9. South America Unsecured Business Loan Market Outlook, 2018-2032F
 - 9.1. Brazil
 - 9.2. Argentina
- 10. Middle East and Africa Unsecured Business Loan Market Outlook, 2018-2032F
 - 10.1. Saudi Arabia
 - 10.2. UAE
 - 10.3. South Africa
- 11. Demand Supply Analysis
- 12. Value Chain Analysis
- 13. Porter's Five Forces Analysis
- 14. PESTLE Analysis
- 15. Interest Rate Analysis
- 16. Market Dynamics
 - 16.1. Market Drivers
 - 16.2. Market Challenges
- 17. Market Trends and Developments
- 18. Case Studies
- 19. Competitive Landscape
 - 19.1. Competition Matrix of Top 5 Market Leaders
 - 19.2. SWOT Analysis for Top 5 Players
 - 19.3. Key Players Landscape for Top 10 Market Players
 - 19.3.1. Wells Fargo & Company
 - 19.3.1.1. Company Details
 - 19.3.1.2. Key Management Personnel
 - 19.3.1.3. Products and Services
 - 19.3.1.4. Financials (As Reported)
 - 19.3.1.5. Key Market Focus and Geographical Presence
 - 19.3.1.6. Recent Developments/Collaborations/Partnerships/Mergers and Acquisition
 - 19.3.2. OnDeck Capital Inc
 - 19.3.3. Bajaj Finance Limited
 - 19.3.4. National Funding, Inc.

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

19.3.5. □ Deutsche Bank AG

19.3.6. □ Funding Circle Ltd

19.3.7. □ American Express Company

19.3.8. □ LendingPoint, LLC

19.3.9. □ LendingClub Corporation

19.3.10. □ Biz2Credit, Inc.

*Companies mentioned above DO NOT hold any order as per market share and can be changed as per information available during research work.

20. □ Strategic Recommendations

21. □ About Us and Disclaimer

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

Unsecured Business Loan Market Assessment, By Purpose [Working Capital, Expansion/Acquisition, Equipment Purchase, Debt Consolidation, Others], By Provider [Banks, Non-Banking Financial Company, Credit Unions], By Loan Amounts [Small Loans, Medium Loans, Large Loans], By Application [BFSI, Retail, IT, Healthcare, Energy and Utility, Others], By End-user [Small and Medium-Sized Enterprises, Large Enterprises], By Region, Opportunities and Forecast, 2018-2032F

Market Report | 2025-01-09 | 228 pages | Market Xcel - Markets and Data

To place an Order with Scotts International:

- Print this form
- Complete the relevant blank fields and sign
- Send as a scanned email to support@scotts-international.com

ORDER FORM:

Select license	License	Price
	Single User License	\$4500.00
	Muti-User/Corporate Licence	\$5700.00
	Custom Research License	\$8200.00
		VAT
		Total

*Please circle the relevant license option. For any questions please contact support@scotts-international.com or 0048 603 394 346.

** VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email*	<input type="text"/>	Phone*	<input type="text"/>
First Name*	<input type="text"/>	Last Name*	<input type="text"/>
Job title*	<input type="text"/>		

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

Company Name*	<input type="text"/>	EU Vat / Tax ID / NIP number*	<input type="text"/>
Address*	<input type="text"/>	City*	<input type="text"/>
Zip Code*	<input type="text"/>	Country*	<input type="text"/>
		Date	<input type="text" value="2026-03-04"/>
		Signature	<input type="text"/>