Internet Appendix for

FinTech Lending and Cashless Payments

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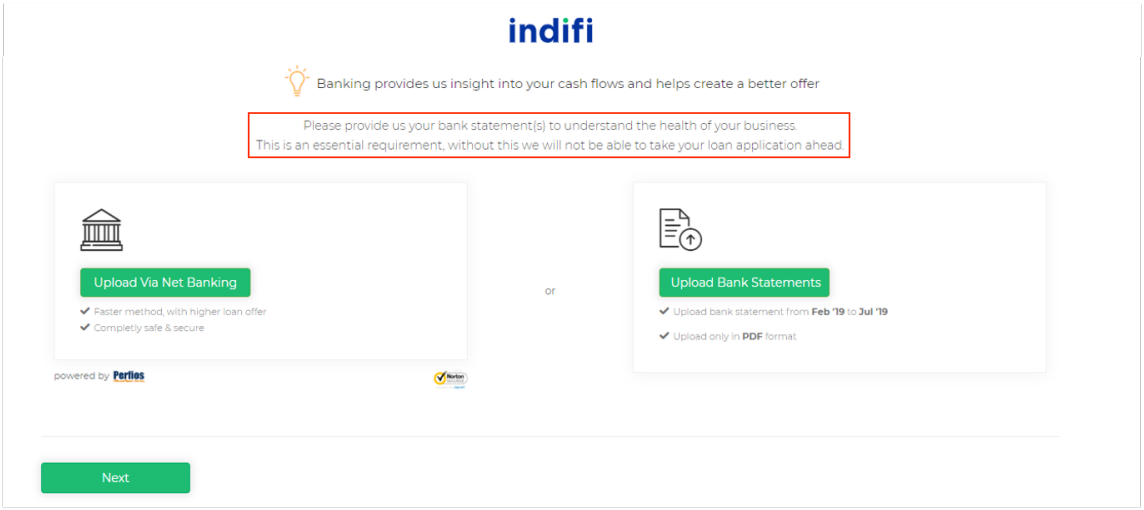
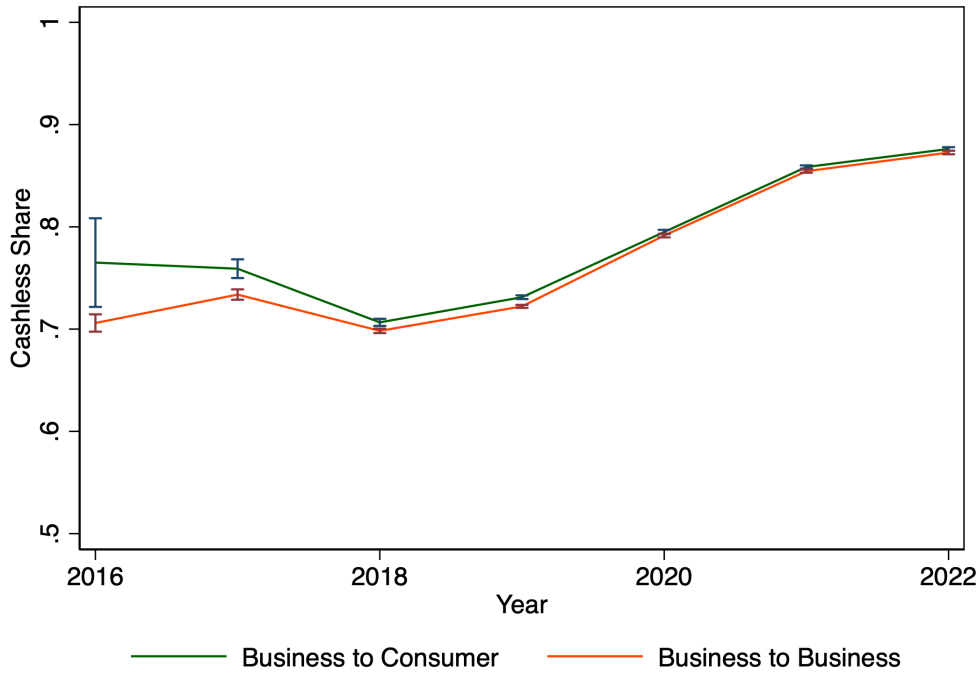
A Additional Figures and Tables

Figure A1: **Indifi: Application platform**



This figure shows the webpage that Indifi requires loan applicants to use to submit bank statements. Loan applicants can submit bank statements by either linking the bank account or by directly uploading bank statements in pdf forms.

Figure A2: **Cashless payment share evolution: B2C vs. B2B**



This figure plots the average share of cashless payments at a yearly frequency for applications from 2015-2022, splitting business-to-consumer (B2C) firms from business-to-business (B2B). Due to small sample size, the data from 2015 and 2016 are treated as a single year. B2C and B2B variables are manually coded from the industry description. The 95% confidence intervals are shown for each yearly average.

Table A1: **Cashless Payments Use by Industry**

	Obs	**Mean**	**p10**	**p25**	**p75**	**p90**
Information Technology	2341	0.930	0.800	0.904	0.999	1.000
Media & Advertising	1766	0.891	0.709	0.847	0.989	1.000
Transportation, Courier & Logistics	2911	0.889	0.714	0.845	0.981	0.998
Metals & Mining	2753	0.886	0.690	0.835	0.987	1.000
Machinery & Equipments	6662	0.879	0.688	0.827	0.980	0.999
Wood and Wood Products	825	0.875	0.692	0.828	0.973	0.998
Home furniture, Furnishings & Handicrafts	3983	0.874	0.688	0.811	0.979	1.000
Construction & Engineering	1728	0.873	0.690	0.823	0.977	0.999
Leather & Leather Products	1604	0.870	0.669	0.806	0.975	0.999
Automobile	3489	0.863	0.671	0.803	0.969	0.997
Consumer Durables, Electronics and Mobile	10412	0.862	0.668	0.792	0.975	0.999
Construction Materials	1846	0.860	0.657	0.788	0.970	0.996
Healthcare	3000	0.859	0.648	0.790	0.978	1.000
Textiles & Readymade Garment	21331	0.849	0.629	0.779	0.969	0.997
Salon & Parlour and Gym	660	0.835	0.583	0.781	0.970	1.000
Chemical and Chemical Products	1850	0.830	0.592	0.733	0.963	0.996
Travel Agency & Tour Operators	1486	0.830	0.615	0.745	0.953	0.992
Restaurant	56469	0.823	0.593	0.739	0.952	0.992
Gems & Jewellery	1847	0.823	0.573	0.728	0.966	0.999
Retail	4332	0.823	0.592	0.734	0.959	0.994
Services	11862	0.818	0.554	0.722	0.965	0.996
Hotels	1310	0.810	0.571	0.715	0.949	0.988
Agriculture & Food Products	3073	0.810	0.546	0.704	0.965	0.995
Pharmaceuticals	5263	0.797	0.543	0.702	0.945	0.989
E-Commerce	3360	0.796	0.536	0.695	0.952	0.994
ITES/ Call Centers	1374	0.790	0.514	0.682	0.955	0.996
Metal & Mining	2010	0.772	0.472	0.653	0.946	0.989

This table reports the share of cashless payments by the industry, as reported in the application process, sorted by decreasing mean. The selected industries represent the most frequent ones in our bank statement data, and they represent 90% of the observations excluding unclassified data (i.e., industries labeled as "NA" or "others").

Table A2: **Cashless Payments and Financing Outcomes: Sample Split on B2C vs. B2B**

Panel A: Business to Consumer

	(1) Approved Loan (1/0)	(2) Offered Interest Rate	(3) Amount (Log)	(4) Default
Share of cashless payments	0.018***	-0.436***	0.105***	-0.019***
	(0.001)	(0.031)	(0.007)	(0.004)
Borrower controls	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes
Application month FE	Yes	Yes	Yes	Yes
Cibil score group FE	Yes	Yes	Yes	Yes
3-digit zipcode FE	Yes	Yes	Yes	Yes
Revenue deciles FE	Yes	Yes	Yes	Yes
Observations	124,201	33,676	33,674	21,758
R^2	0.192	0.200	0.307	0.158

Panel B: Business to Business

	(1) Approved Loan (1/0)	(2) Offered Interest Rate	(3) Amount (Log)	(4) Default
Share of cashless payments	0.015***	-0.441***	0.159***	-0.025***
	(0.001)	(0.030)	(0.008)	(0.004)
Borrower controls	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes
Application month FE	Yes	Yes	Yes	Yes
Cibil score group FE	Yes	Yes	Yes	Yes
3-digit zipcode FE	Yes	Yes	Yes	Yes
Revenue deciles FE	Yes	Yes	Yes	Yes
Observations	187,717	32,224	32,223	19,400
R^2	0.236	0.378	0.403	0.162

This table regresses an indicator for having a loan application approved (column (1)), the loan interest rate offered (column (2)), the loan amount (column (3)), and default (column (4)) on the share of cashless payments. Panel A is restricted to Business to Consumer and Panel B is restricted to Business to Business. All variables, borrower controls, and fixed effects are constructed as specified in Table 2 and Table 3. Standard errors are clustered at the application-month level and displayed below the coefficient of interest. *, **, and *** represent statistical significance at the 10%, 5%, and 1% level, respectively.

Table A3: **Cashless Payments and Financing Outcomes: Industry-Year Fixed Effects**

	(1) Approved Loans	(2) Offered interest rates	(3) Amount (Log)	(4) Default
Share of cashless payments	0.015***	-0.417***	0.135***	-0.023***
	(0.002)	(0.026)	(0.008)	(0.003)
Borrower controls	Yes	Yes	Yes	Yes
Industry x Application Year FE	Yes	Yes	Yes	Yes
Cibil score group FE	Yes	Yes	Yes	Yes
3-digit zipcode FE	Yes	Yes	Yes	Yes
Revenue deciles FE	Yes	Yes	Yes	Yes
Observations	277,347	62,427	62,424	39,094
R^2	0.214	0.269	0.344	0.157

This table regresses an indicator for having a loan application approved (column (1)), the loan interest rate offered (column (2)), the loan amount (column (3)), and default (column (4)) on the share of cashless payments. Borrower controls and fixed effects are the same as in Table 2, with the additional introduction of industry-application year fixed effects. Standard errors are clustered at both the industry and application year level and displayed below the coefficient of interest. *, **, and *** represent statistical significance at the 10%, 5%, and 1% level, respectively.

Table A4: **Cashless Payments and Financing Outcomes: By Sub-Periods**

	(1) Approved Loan (1/0)	(2) Offered Interest Rate	(3) Amount (Log)	(4) Default
Panel A: 2015-2016				
Share of cashless payments	0.012	-0.463***	0.207***	-0.013
	(0.010)	(0.057)	(0.048)	(0.017)
Observations	1,699	1,044	1,044	668
R^2	0.322	0.475	0.434	0.275
Panel B: 2017-2018				
Share of cashless payments	0.011***	-0.402***	0.183***	-0.031***
	(0.002)	(0.038)	(0.012)	(0.007)
Observations	48,592	12,893	12,893	8,469
R^2	0.341	0.518	0.376	0.168
Panel C: 2019-2020				
Share of cashless payments	0.013***	-0.367***	0.107***	-0.026***
	(0.001)	(0.028)	(0.006)	(0.003)
Observations	157,576	29,589	29,589	17,972
R^2	0.236	0.261	0.276	0.101
Panel D: 2021-2022				
Share of cashless payments	0.022***	-0.633***	0.121***	0.002
	(0.002)	(0.039)	(0.008)	(0.002)
Observations	103,935	22,249	22,246	13,942
R^2	0.141	0.184	0.222	0.068
Borrower controls	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes
Application month FE	Yes	Yes	Yes	Yes
Cibil score group FE	Yes	Yes	Yes	Yes
3-digit zipcode FE	Yes	Yes	Yes	Yes
Revenue deciles FE	Yes	Yes	Yes	Yes

This table presents regressions similar to the main results seen in Table 2. However, each panel displays the regressions when restricted to a two-year period. Panel A displays regressions for the years 2015 to 2016, Panel for 2017 to 2018, Panel C for 2019 to 2020, and Panel D for 2021 to 2022. All variables, borrower controls, and fixed effects are constructed as specified in Table 2. Standard errors are clustered at both the industry and application year level and displayed below the coefficient of interest. *, **, and *** represent statistical significance at the 10%, 5%, and 1% level, respectively.

Table A5: **Cashless Payments and Financing Outcomes: Gradual Fixed Effects**

Panel A: Approved Loan (1/0)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Share of cashless payments	0.041***	0.011***	0.007***	0.020***	0.017***	0.015***	0.017***
	(0.002)	(0.002)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Borrower controls	No	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	No	No	Yes	Yes	Yes	Yes	Yes
Application month FE	No	No	No	Yes	Yes	Yes	Yes
Cibil score group FE	No	No	No	No	Yes	Yes	Yes
3-digit zipcode FE	No	No	No	No	No	Yes	Yes
Revenue deciles FE	No	No	No	No	No	No	Yes
Observations	316,407	314,537	314,537	314,537	314,536	311,941	311,941
R^2	0.010	0.100	0.142	0.168	0.205	0.212	0.218

Panel B: Interest Rate Offered

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Share of cashless payments	-0.469***	-0.350***	-0.422***	-0.493***	-0.465***	-0.436***	-0.441***
	(0.042)	(0.041)	(0.026)	(0.024)	(0.023)	(0.024)	(0.024)
Borrower controls	No	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	No	No	Yes	Yes	Yes	Yes	Yes
Application month FE	No	No	No	Yes	Yes	Yes	Yes
Cibil score group FE	No	No	No	No	Yes	Yes	Yes
3-digit zipcode FE	No	No	No	No	No	Yes	Yes
Revenue deciles FE	No	No	No	No	No	No	Yes
Observations	66,010	65,985	65,985	65,984	65,982	65,942	65,942
R^2	0.010	0.132	0.209	0.246	0.263	0.280	0.281

Panel C: Amount (Log)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Share of cashless payments	0.287***	0.244***	0.197***	0.143***	0.138***	0.136***	0.134***
	(0.016)	(0.015)	(0.008)	(0.006)	(0.006)	(0.006)	(0.006)
Borrower controls	No	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	No	No	Yes	Yes	Yes	Yes	Yes
Application month FE	No	No	No	Yes	Yes	Yes	Yes
Cibil score group FE	No	No	No	No	Yes	Yes	Yes
3-digit zipcode FE	No	No	No	No	No	Yes	Yes
Revenue deciles FE	No	No	No	No	No	No	Yes
Observations	66,006	65,981	65,981	65,980	65,978	65,938	65,938
R^2	0.070	0.191	0.268	0.322	0.335	0.345	0.349

Panel D: Default (1/0)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Share of cashless payments	-0.002**	-0.031***	-0.026***	-0.017***	-0.016***	-0.017***	-0.018***
	(0.001)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Borrower controls	No	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	No	No	Yes	Yes	Yes	Yes	Yes
Application month FE	No	No	No	Yes	Yes	Yes	Yes
Cibil score group FE	No	No	No	No	Yes	Yes	Yes
3-digit zipcode FE	No	No	No	No	No	Yes	Yes
Revenue deciles FE	No	No	No	No	No	No	Yes
Observations	316,407	65,981	65,981	65,980	65,978	65,938	65,938
R^2	0.000	0.026	0.042	0.073	0.077	0.083	0.090

This table presents regression coefficients similar to the ones in Table 2, but with gradual introduction of fixed effects. Panel A regresses on an indicator for having its loan application approved on the share of cashless payments with increasing levels of fixed effects. Panel B does the same with an indicator for the interest rate offered, Panel C for the log amount of the loan, and Panel D for an indicator for loan default. All variables, borrower controls, and fixed effects are constructed as specified in Table 2. Standard errors are clustered at both the industry and application year level and displayed below the coefficient of interest. *, **, and *** represent statistical significance at the 10%, 5%, and 1% level, respectively.

Table A6: **Cashless Payments and Financing Outcomes: Robustness to Standard Error Clustering**

Panel A: Approved Loans					
	(1)	(2)	(3)	(4)	(5)
Share of cashless payments	0.017***	0.017***	0.017***	0.017***	0.017***
	(0.001)	(0.003)	(0.002)	(0.003)	(0.003)
Application Month Cluster	Yes	No	No	Yes	Yes
Industry Cluster	No	Yes	No	Yes	Yes
3-Digit Zipcode Cluster	No	No	Yes	No	Yes
Borrower controls	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes	Yes
Application month FE	Yes	Yes	Yes	Yes	Yes
Cibil score group FE	Yes	Yes	Yes	Yes	Yes
3-digit Zipcode FE	Yes	Yes	Yes	Yes	Yes
Revenue deciles FE	Yes	Yes	Yes	Yes	Yes
Observations	311,941	311,941	311,941	311,941	311,941
R^2	0.218	0.218	0.218	0.218	0.218

Panel B: Interest Rate Offered					
	(1)	(2)	(3)	(4)	(5)
Share of cashless payments	-0.441***	-0.441***	-0.441***	-0.441***	-0.441***
	(0.024)	(0.030)	(0.030)	(0.034)	(0.040)
Application Month Cluster	Yes	No	No	Yes	Yes
Industry Cluster	No	Yes	No	Yes	Yes
3-Digit Zipcode Cluster	No	No	Yes	No	Yes
Borrower controls	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes	Yes
Application month FE	Yes	Yes	Yes	Yes	Yes
Cibil score group FE	Yes	Yes	Yes	Yes	Yes
3-digit Zipcode FE	Yes	Yes	Yes	Yes	Yes
Revenue deciles FE	Yes	Yes	Yes	Yes	Yes
Observations	65,942	65,942	65,942	65,942	65,942
R^2	0.281	0.281	0.281	0.281	0.281

Panel C: Amount (Log)					
	(1)	(2)	(3)	(4)	(5)
Share of cashless payments	0.134***	0.134***	0.134***	0.134***	0.134***
	(0.006)	(0.014)	(0.010)	(0.015)	(0.017)
Application Month Cluster	Yes	No	No	Yes	Yes
Industry Cluster	No	Yes	No	Yes	Yes
3-Digit Zipcode Cluster	No	No	Yes	No	Yes
Borrower controls	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes	Yes
Application month FE	Yes	Yes	Yes	Yes	Yes
Cibil score group FE	Yes	Yes	Yes	Yes	Yes
3-digit Zipcode FE	Yes	Yes	Yes	Yes	Yes
Revenue deciles FE	Yes	Yes	Yes	Yes	Yes
Observations	65,938	65,938	65,938	65,938	65,938
R^2	0.349	0.349	0.349	0.349	0.349

Panel D: Defaults					
	(1)	(2)	(3)	(4)	(5)
Share of cashless payments	-0.018***	-0.018***	-0.018***	-0.018***	-0.018***
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Application Month Cluster	Yes	No	No	Yes	Yes
Industry Cluster	No	Yes	No	Yes	Yes
3-Digit Zipcode Cluster	No	No	Yes	No	Yes
Borrower controls	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes	Yes
Application month FE	Yes	Yes	Yes	Yes	Yes
Cibil score group FE	Yes	Yes	Yes	Yes	Yes
3-digit Zipcode FE	Yes	Yes	Yes	Yes	Yes
Revenue deciles FE	Yes	Yes	Yes	Yes	Yes
Observations	65,938	65,938	65,938	65,938	65,938
R^2	0.090	0.090	0.090	0.090	0.090

This table presents regression coefficients similar to the main results seen in Table 2, but with different levels of clustering. Panel A regresses on an indicator for having its loan application approved on share of cashless payments, Panel B does the same with an indicator for interest rate offered, Panel C for the log amount of the loan, and Panel D for an indicator of loan defaults. All variables, borrower controls, and fixed effects are constructed as specified in Table 2. Standard errors are displayed below the coefficient of interest. *, **, and *** represent statistical significance at the 10%, 5%, and 1% level, respectively.

Table A7: **Cashless Payments and Financing Outcomes: Sample Split on Having a Credit Score**

Panel A: No Cibil Score				
	(1) Approved Loan (1/0)	(2) Offered Interest Rate	(3) Amount (Log)	(4) Default
Share of cashless payments	0.008***	-0.478***	0.140***	-0.023**
	(0.002)	(0.077)	(0.017)	(0.011)
Borrower controls	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes
Application month FE	Yes	Yes	Yes	Yes
Cibil score group FE	Yes	Yes	Yes	Yes
3-digit zipcode FE	Yes	Yes	Yes	Yes
Revenue deciles FE	Yes	Yes	Yes	Yes
Observations	34,545	3,395	3,395	1,998
R^2	0.224	0.495	0.456	0.265

Panel B: Has Cibil Score				
	(1) Approved Loan (1/0)	(2) Offered Interest Rate	(3) Amount (Log)	(4) Default
Share of cashless payments	0.018***	-0.437***	0.133***	-0.022***
	(0.001)	(0.024)	(0.006)	(0.003)
Borrower controls	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes
Application month FE	Yes	Yes	Yes	Yes
Cibil score group FE	Yes	Yes	Yes	Yes
3-digit zipcode FE	Yes	Yes	Yes	Yes
Revenue deciles FE	Yes	Yes	Yes	Yes
Observations	277,369	62,464	62,461	39,138
R^2	0.216	0.270	0.344	0.152

This table regresses an indicator for having a loan application approved (column (1)), the loan interest rate offered (column (2)), the loan amount (column (3)), and default (column (4)) on the share of cashless payments. Panel A is restricted to applicants that have no Cibil score, the Indian credit score. Panel B is restricted to applicants that have a Cibil score. All variables, borrower controls, and fixed effects are constructed as specified in Table 2 and Table 3. Standard errors are clustered at both the industry and application year level and displayed below the coefficient of interest. *, **, and *** represent statistical significance at the 10%, 5%, and 1% level, respectively.

Table A8: **Cashless Payments and Financing Outcomes: Dropping Large Firms**

	(1) Approved Loans	(2) Offered interest rates	(3) Amount (Log)	(4) Default
Share of cashless payments	0.017***	-0.403***	0.118***	-0.023***
	(0.001)	(0.024)	(0.005)	(0.003)
Borrower controls	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes
Application month FE	Yes	Yes	Yes	Yes
Cibil score group FE	Yes	Yes	Yes	Yes
3-digit zipcode FE	Yes	Yes	Yes	Yes
Revenue deciles FE	Yes	Yes	Yes	Yes
Observations	279,788	57,067	57,064	34,909
R^2	0.221	0.283	0.332	0.154

This table presents regression coefficients similar to the main results seen in Table 2, but with firms from the top decile of revenues removed from the sample. All variables, borrower controls, and fixed effects are constructed as specified in Table 2. Standard errors are clustered at both the industry and application year level and displayed below the coefficient of interest. *, **, and *** represent statistical significance at the 10%, 5%, and 1% level, respectively.

Table A9: **Cashless payments and Take Up**

	Take Up	
	(1)	(2)
Share of cashless payments	-0.019***	-0.019***
	(0.003)	(0.003)
Borrower controls	Yes	Yes
Industry FE	Yes	Yes
Application month FE	Yes	Yes
Cibil score group FE	No	Yes
3-digit zipcode FE	No	Yes
Revenue deciles FE	No	Yes
Observations	65,983	65,941
R^2	0.065	0.078

This table presents regression coefficients that regress an indicator for the loan offer being taken up on the share of cashless payments. All variables, borrower controls, and fixed effects are constructed as specified in previous tables. Standard errors are clustered at both the industry and application year level and displayed below the coefficient of interest. *, **, and *** represent statistical significance at the 10%, 5%, and 1% level, respectively.

Table A10: **Complementarity With Other Signals: Inflow Volatility**

	Approved loan (1/0) (1)	Offered interest rate (2)	log (Amount) (3)	Default (4)
Share of cashless payments	0.018***	-0.401***	0.126***	-0.001***
	(0.001)	(0.023)	(0.006)	(0.000)
Weekly inflow volatility	-0.014***	0.194***	-0.104***	0.000
	(0.003)	(0.044)	(0.010)	(0.000)
Share of cashless payments × Weekly inflow volatility	-0.003***	0.207***	-0.038***	0.002***
	(0.001)	(0.023)	(0.005)	(0.000)
Borrower controls	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes
Application month FE	Yes	Yes	Yes	Yes
Cibil score group FE	Yes	Yes	Yes	Yes
3-digit zipcode FE	Yes	Yes	Yes	Yes
Revenue deciles FE	Yes	Yes	Yes	Yes
Observations	311,938	65,942	65,938	311,938
R^2	0.218	0.282	0.351	0.035

This table presents regression coefficients similar to Panel B from Table 7, but using weekly inflow volatility instead of weekly outflow. Weekly inflow volatility is defined as weekly revenue over monthly spending. This term is both standardized and winsorized. All variables, borrower controls, and fixed effects are constructed as specified in Table 7. Standard errors are clustered at both the industry and application year level and displayed below the coefficient of interest. *, **, and *** represent statistical significance at the 10%, 5%, and 1% level, respectively.

Table A11: **Balance of Applicant Characteristics: Banking at a Currency Chest (0/1)**

	Without currency chest branch			With currency chest branch		
	Obs	**Mean**	**SD**	**Obs**	**Mean**	**SD**
			Panel A. Loan Applicant Characteristics			
Year of Application	305,189	2020	1.4	11,530	2020	1.4
Applicant Age	303,469	36.6	9.3	11,421	36.4	9.5
Business Age	305,189	4.3	4.5	11,530	4.8	5.3
Cibil Score	305,189	613	247.4	11,530	592	266.7
Credit History Length (in Years)	271,896	7.8	5.8	10,070	7.5	5.7
			Panel B. Banking Statement Data			
Share of Cashless Payments	304,892	0.780	0.2	11,515	0.747	0.2
of which: Information-intensive Payments	304,892	0.528	0.3	11,515	0.525	0.3
Share of Cash Payments	304,892	0.220	0.2	11,515	0.253	0.2
Avg. Monthly Revenue (INR in thousand)	305,189	1384	9092.0	11,530	1243	7212.6
Avg. # of Transactions	305,189	740	1474.1	11,530	687	1320.7

This table reports the characteristics for applicant firms that bank at currency chest branches versus those that bank at other branches. Panel A compares applicants' characteristics by application year, age, credit score, and credit history. Panel B compares banking statements of applicants by payment technology, bank type, and monthly average revenue.

Table A12: **IV: Sample Split on B2C vs. B2B**

Panel A: Business to Consumer (B2C)

	Share of cashless payments		Approved Loan (1/0)		
	(1)	(2)	(3)	(4)	(5)
Share of $\widehat{\text{cashless}}$ payments			0.245	0.206	0.361
			(0.155)	(0.250)	(0.303)
Share of $\widehat{\text{cashless}}$ payments × Cibil Score					0.192
					(0.172)
Chest in 2018 or 2019	-0.092***	-0.059**			
	(0.031)	(0.029)			
Borrower banks at Chest Bank (1/0)	-0.035**	0.021	-0.024*	-0.017**	-0.016*
	(0.015)	(0.016)	(0.014)	(0.007)	(0.009)
Year FE	Yes	Yes	Yes	Yes	Yes
Borrower controls	No	Yes	No	Yes	Yes
Industry FE	No	Yes	No	Yes	Yes
Application month FE	No	Yes	No	Yes	Yes
Cibil score group FE	No	Yes	No	Yes	Yes
3-digit zipcode FE	No	Yes	No	Yes	Yes
Revenue deciles FE	No	Yes	No	Yes	Yes
Observations	125,109	124,201	125,109	124,201	111,647
F-statistic	8.75	3.36	-	-	-

Panel B: Business to Business (B2B)

	Share of cashless payments		Approved Loan (1/0)		
	(1)	(2)	(3)	(4)	(5)
Share of cashless payments			0.105*	0.116*	0.110*
			(0.063)	(0.062)	(0.061)
Share of cashless payments × Cibil Score					0.032***
					(0.009)
Chest in 2018 or 2019	-0.135***	-0.128***			
	(0.025)	(0.026)			
Borrower banks at Chest Bank (1/0)	-0.050***	0.009	-0.010	-0.002	-0.000
	(0.017)	(0.019)	(0.009)	(0.006)	(0.006)
Year FE	Yes	Yes	Yes	Yes	Yes
Borrower controls	No	Yes	No	Yes	Yes
Industry FE	No	Yes	No	Yes	Yes
Application month FE	No	Yes	No	Yes	Yes
Cibil score group FE	No	Yes	No	Yes	Yes
3-digit zipcode FE	No	Yes	No	Yes	Yes
Revenue deciles FE	No	Yes	No	Yes	Yes
Observations	191,298	187,717	191,298	187,717	164,214
F-statistic	33.09	23.41	-	-	-

This table presents regression coefficients for a 2SLS specification similar to Table 8. Panel A is restricted to Business to Consumer and Panel B is restricted to Business to Business. All variables, borrower controls, and fixed effects are constructed as specified in Table 8. The reported F-statistic is the 'Effective F-Stat' as described in Montiel Olea and Pflueger (2013). Standard errors are clustered at both the industry and application year level and displayed below the coefficient of interest. *, **, and *** represent statistical significance at the 10%, 5%, and 1% level, respectively.

Table A13: **IV: Cashless Payment Use and Loan Approval without Time Interaction**

	(1) Share of cashless payments	(2) Share of cashless payments	(3) Approved Loan (1/0)	(4) Approved Loan (1/0)	(5) Approved Loan (1/0)
Share of $\widehat{\text{cashless}}$ payments			0.286***	0.311***	0.279***
			(0.042)	(0.105)	(0.102)
Share of $\widehat{\text{cashless}}$ payments × Cibil Score					0.063***
					(0.012)
Borrower banks at Chest Bank (1/0)	-0.110***	-0.044***			
	(0.014)	(0.012)			
Year FE	Yes	Yes	Yes	Yes	Yes
Borrower controls	No	Yes	No	Yes	Yes
Industry FE	No	Yes	No	Yes	Yes
Application month FE	No	Yes	No	Yes	Yes
Cibil score group FE	No	Yes	No	Yes	Yes
3-digit zipcode FE	No	Yes	No	Yes	Yes
Revenue deciles FE	No	Yes	No	Yes	Yes
Observations	314,756	310,425	314,756	310,425	276,117
F-statistic	65.91	11.87	-	-	-

This table presents regression coefficients for a 2SLS specification for the time period after Demonetization. We present the first-stage coefficients in columns (1) and (2), where we regress the share of cashless payments on the instrument defined as the interaction between an indicator variable for banking at a currency chest branch. Column (1) only controls for an indicator variable for banking at a currency chest branch, as well as yearly fixed effects. Column (2) runs the same analysis with additional fixed effects. The second stage of our analysis is presented in columns (3) to (5), where we regress an indicator variable for the application being approved on the instrumented share of cashless payments. Column (3) controls for for an indicator variable for banking at a currency chest branch, as well as yearly fixed effects. Column (4)runs the same analysis with additional fixed effects. Column (5) additionally interacts the instrumented share of cashless payments with the applicant's Cibil score, keeping the same comprehensive fixed effects. The share of cashless payments is calculated as per Section 2.2 and is then standardized. The set of borrower controls includes the log number of payment records, credit history length, business vintage, the log of owner's age, missing credit score indicator, and top-up loan indicator. There are 67 industries. Cibil score groups represent 10-point bands of the Cibil score, the Indian equivalent of the FICO score. Revenues are calculated as the sum of inflows on the bank account over the six months before the application. The reported F-statistic is the 'Effective F-Stat' as described in Montiel Olea and Pflueger (2013). Standard errors are clustered at both the industry and application year level and displayed below the coefficient of interest. *, **, and *** represent statistical significance at the 10%, 5%, and 1% level, respectively.

Table A14: **IV: 3-digit Zipcode-Year Standard Error Clustering**

	Share of cashless payments		Approved Loan (1/0)		
	(1)	(2)	(3)	(4)	(5)
Share of $\widehat{\text{cashless}}$ payments			0.190**	0.117*	0.125*
			(0.077)	(0.070)	(0.073)
Share of $\widehat{\text{cashless}}$ payments × Cibil Score					0.056***
					(0.015)
Chest in 2018 or 2019	-0.128***	-0.108***			
	(0.032)	(0.024)			
Borrower banks at Chest Bank (1/0)	-0.047**	0.013	-0.005	-0.009*	-0.007
	(0.019)	(0.015)	(0.009)	(0.005)	(0.006)
Year FE	Yes	Yes	Yes	Yes	Yes
Borrower controls	No	Yes	No	Yes	Yes
Industry FE	No	Yes	No	Yes	Yes
Application month FE	No	Yes	No	Yes	Yes
Cibil score group FE	No	Yes	No	Yes	Yes
3-digit zipcode FE	No	Yes	No	Yes	Yes
Revenue deciles FE	No	Yes	No	Yes	Yes
Observations	313,486	311,941	313,486	311,941	275,889
F-statistic	16.01	20.02	-	-	-

This table presents regression coefficients for a 2SLS specification similar to Table 8, but clustered by zipcode-year as well as application month. Zipcode-year is constructed from the unique observations of the first three digits of the Indian Pincode and the loan application year. All variables, borrower controls, and fixed effects are constructed as specified in Table 8. The reported F-statistic is the 'Effective F-Stat' as described in Montiel Olea and Pflueger (2013). Standard errors are displayed below the coefficient of interest. *, **, and *** represent statistical significance at the 10%, 5%, and 1% level, respectively.