



HOW INDIA LENDS

CREDIT LANDSCAPE IN INDIA

Q2 FY26

(Data as of September 2025)

CHAIRMAN'S FOREWORD

India's lending landscape continues to demonstrate remarkable resilience and dynamism, even as the macroeconomic environment presents both opportunities and challenges. This report reflects how diverse lending products - spanning home loans, personal credit, gold-backed loans, and business finance - have remained on strong growth trajectories, driven by structural demand, digital inclusion, and a maturing risk environment. Notably, PSU banks have expanded their market leadership in both value and reach, and regulatory discipline is encouraging more responsible and broad-based financial inclusion across geographies and population segments.

Underlying these achievements is the lending sector's commitment to innovation and partnership: lenders have leveraged technology, data, and customer-centric approaches to deepen credit access while maintaining stable asset quality. Despite tightening in unsecured segments, the industry has responded with agility, strengthening secured products and supporting sole proprietors and rural borrowers. As we move forward, sustained focus on quality, compliance, and inclusive growth will continue to underpin India's credit-led development and aspirations for a more financially empowered nation.

This edition of "How India Lends" is a testament to the collective determination of India's banking and financial community in nation-building - empowering individuals, safeguarding trust, and promoting a culture of responsible credit.



SACHIN SETH

Chairman - CRIF High Mark,
Regional Managing Director - CRIF India & South Asia

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DEFINITIONS

This version of How India Lends is based on data reported as of September'25

The following criteria and filters have been applied in this report:

Consumption Lending

Includes Home Loans, Personal Loans, Gold Loans, Auto Loans, Credit Cards, Education Loans, Two-Wheeler Loans, Tractor Loans, Used Car Loans and Consumer Durable Loans

Auto Loans

Only Auto Loans (Personal) are considered in this report

Gold Loans

Both Gold Loans & Priority Sector Gold Loans are considered in this report

Through out this report:

Portfolio Outstanding or Value

Refers to the current outstanding balance of the loan account

Active Loans or Volume

Refers to the number/count of active loans

Market Share by Value

Refers to the share of different lender types/financiers in the current outstanding balance

Market Share by Volume

Refers to the share of different lender types/financiers in the number of active loans

Originations Value

Refers to the total sanctioned amount, unless otherwise mentioned

Originations Volume

Refers to the number of loans sanctioned, unless otherwise mentioned

PAR

Or Portfolio at Risk refers to the proportion of delinquent portfolio

ATS

Or Average ticket Size refers to the average sanctioned amount



CONSUMPTION LENDING

SEPTEMBER'25 SNAPSHOT - RETAIL AND CONSUMPTION LOAN PRODUCTS

Product Category	Portfolio as of Sep-25 (₹ Lakh Cr)	YoY Growth %	QoQ Growth %	Active Loans (Lakh)	YoY Growth %	QoQ Growth %	PAR 31-180		
							Sep-24	Jun-25	Sep-25
Home Loan*	42.1	11.1%	2.1%	231.5	3.3%	0.9%	2.7%	2.6%	2.5% ▼
Personal Loan*	15.4	12.0%	2.9%	1234.2	8.3%	2.9%	3.0%	2.9%	2.6% ▼
Gold Loan*	14.5	35.8%	8.6%	897.4	10.7%	1.3%	2.5%	2.1%	2.0% ▼
Auto Loan*	8.6	16.3%	2.9%	166.3	12.2%	2.3%	2.8%	2.8%	3.1% ▲
Credit Card*	3.5	9.0%	3.6%	1085.1	5.8%	0.6%	4.5%	4.4%	4.1% ▼
Two-Wheeler Loan*	1.7	15.0%	2.2%	351.8	12.4%	1.6%	5.8%	5.8%	5.5% ▼
CD Loan*	0.9	10.8%	0.8%	955.7	-4.7%	-7.5%	2.7%	2.5%	2.2% ▼
Others#	22.5	14.7%	5.0%	1132.1	9.5%	2.8%	4.3%	4.6%	4.1% ▼
Total Consumption Loans	109.6	15.3%	3.8%	6059.2	6.4%	0.4%	3.3%	3.1%	3.0% ▼
Sole-proprietor Loans: CV, CEL, BL, LAP	46.7	24.6%	6.0%	642.0	13.4%	6.2%	4.3%	4.2%	4.0% ▼
Total Retail Loans	156.2	18.0%	4.5%	6701.2	7.1%	0.9%	3.7%	3.6%	3.4% ▼

- As of Sep'25, **retail loans** grew 18% YoY and 4.5% QoQ, led by gold loans (35.8% YoY, 8.6% QoQ).
- In the **secured segment**, AL topped growth (16.3% YoY, 2.9% QoQ), followed by 2W and HL. **Unsecured loans** also showed momentum with PL and CC growing 12% and 9% YoY, respectively.
- Recent QoQ growth was driven by **GL (8.6%)**, **CC (3.6%)**, **AL and PL (2.9%)**, reflecting seasonal spending trends.
- Loans to **sole proprietors rose 24.6% YoY** and 6% QoQ to ₹46.7 Lakh Cr, indicating sustained business momentum.
- While performance improved across most products, stress slightly increased in AL (NBFC-led), with delinquencies remaining elevated in 2W and CC segments.

*Loan types presented in detail in this report. #Others includes Education Loan, Tractor Loan, Used Car Loan, PSL Agri+KCC, Other Credit Cards, Loans Against Securities, and Miscellaneous.

▼ Refers to QoQ Improvement (PAR) ▲ Refers to QoQ Deteriorations (PAR)

Q2 FY26 ORIGINATIONS: RETAIL AND CONSUMPTION LOAN PRODUCTS

Product Category	Originations Value Q2 FY26 (₹ K Cr)	YoY Growth %	QoQ Growth %	Originations Volume (Lakh) Q2 FY26	YoY Growth %	QoQ Growth %
Gold Loan*	604.7	53.0%	1.2%	368.9	16.1%	-3.2%
Home Loan*	302.8	14.3%	25.0%	9.1	7.7%	18.0%
Personal Loan*	292.2	35.4%	32.0%	425.7	9.4%	12.5%
Auto Loan*	96.1	13.6%	15.9%	11.0	10.2%	17.7%
Consumer Durable Loan*	43.5	19.2%	-6.8%	212.7	19.7%	-5.0%
Two-Wheeler Loan*	25.6	6.0%	-4.9%	26.4	0.4%	-8.3%
Credit Card*	-	-	-	44.0	-28.1%	-3.5%
Others#	373.6	53.1%	22.9%	116.4	54.2%	16.1%
Total Consumption Loans	1762.7	35.6%	14.2%	1214.4	13.9%	3.3%
Sole-proprietor Loans: CV, CEL, BL, LAP	475.1	11.4%	15.9%	52.0	-8.7%	15.2%
Total Retail Loans	2237.8	29.6%	14.5%	1266.4	12.8%	3.7%

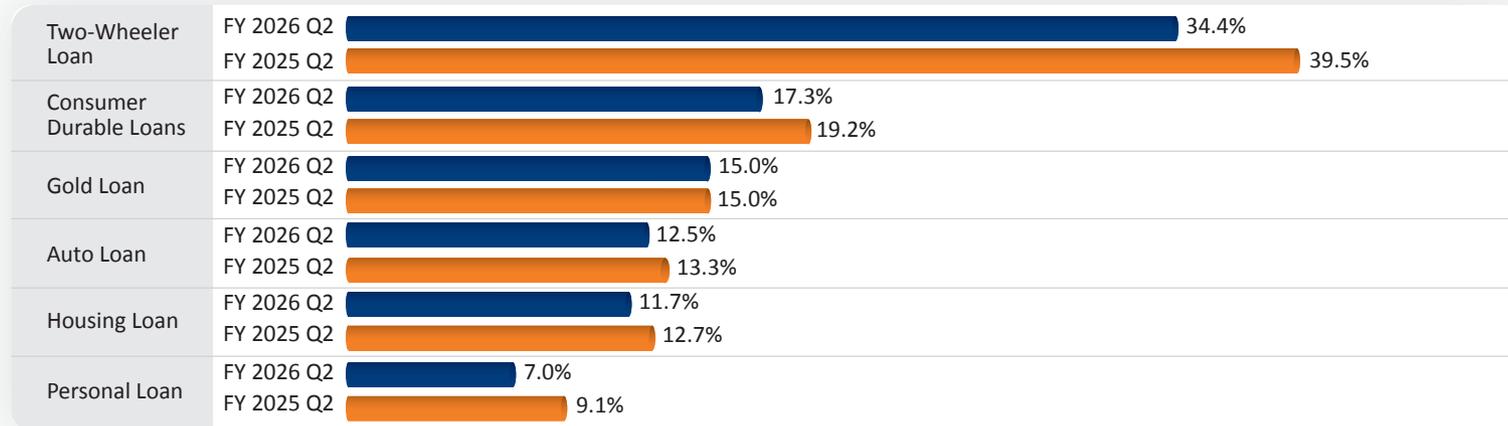
- **Gold loans** led YoY originations value growth, rising 53%.
- However, recent momentum (QoQ) in both value and volume has been driven by **both secured (home loans, auto loans) and unsecured (personal loans)**.
- Loans to sole proprietors/Individual MSME** also showed healthy traction - growing 11.4% YoY and 15.9% QoQ to ₹475.1K Cr - reflecting continued strength

*Loan types presented in detail in this report. #Others includes Education Loan, Tractor Loan, Used Car Loan, PSL Agri+KCC, Other Credit Cards, Loans Against Securities, and Miscellaneous.

**MSME (Micro, Small, Medium Exposure Businesses)

CONSUMPTION LOAN PRODUCTS – NTC SHARE

% NTC Share (Originations Value)



% NTC Share (New Cards Issued)



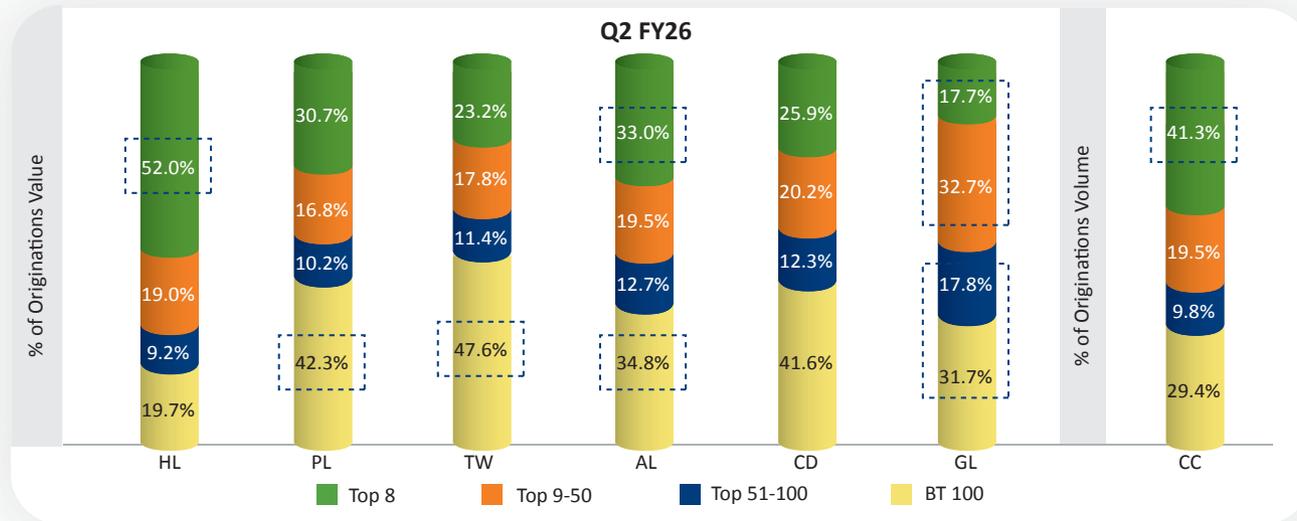
HIGHLIGHTS

- NTC share declined across all loan products in Q2 FY26 vs Q2 FY25.
- Two-Wheeler Loans lead with 34.4% NTC share, down from 39.5% with the biggest drop in NTC share.
- Consumer Durable (17.3%) and Gold Loans (15%) remain strong among NTC customers.
- Auto, Housing, and Personal Loans show moderate NTC penetration (7–13%).
- Credit Card NTC share stable at 9.3%, no significant change YoY.

*Note: Customers with insufficient credit history at the time of Originations are considered as NTC Customers

CONSUMPTION LOAN PRODUCTS – GEOGRAPHY WISE PENETRATION

% Originations Value Share Across City Classification



Urban stronghold for HL, CC; Rural domination for PL, CD, TW and AL across both.

HIGHLIGHTS

- **HL:** Remain metro-centric, with 52% of originations coming from the Top 8 cities-indicating strong urban dominance.
- **CC:** Continue to be metro-driven, with 41.3% of originations concentrated in the Top 8 cities.
- **TW:** Skew rural, with 48% of originations from BT 100 cities, reflecting robust demand in semi-urban and rural regions.
- **CD & PL:** Show deep penetration into smaller cities, with BT100 locations contributing 41.6% and 42.3% of originations value respectively.
- **GL:** Exhibit balanced geographic distribution, with originations split nearly equally between Top 9–50 cities and BT100 locations-each contributing around 32%.
- **AL:** Also show equal penetration across BT100 and Top 8 cities, indicating a well-distributed footprint.



EXECUTIVE SUMMARY

Retail loans grew 18% YoY and 4.5% QoQ in Q2 FY26, led by gold loans (35.8% YoY, 8.6% QoQ) and auto loans (16.3% YoY, 2.9% QoQ). Unsecured loans like personal loans and credit cards also showed strong growth, at 12% and 9% YoY respectively.

HOME LOANS

The home loan market registered steady credit growth, driven by affordable housing, government support, and urbanization. Portfolio outstanding rose 11.1% YoY and 2.1% QoQ to ₹42.1 lakh crore. Asset quality remained resilient, with PAR (31-180 days) improving across states. PSU banks expanded market share to 50% of total originations by value, overtaking private banks, while originations with ticket sizes over ₹75 lakh accounted for nearly 40%.

PERSONAL LOANS

Personal loans moved into a more mature phase, emphasizing sustainable, quality-driven growth. POS grew 12% YoY and 2.9% QoQ to ₹15.4 lakh crore, with asset quality remaining stable - PAR (31-180 days) declined, though stress was visible in overdue accounts (PAR >180 days). Origination value rebounded strongly, led by PSU banks, especially for loans above ₹10 lakh (37.4% of value). NBFCs continued to dominate volumes, reflecting their focus on small-ticket lending. Digital innovation, improved underwriting, and expanded reach in semi-urban and rural markets highlighted a more inclusive approach.

GOLD LOANS

Gold loans surged, with portfolio outstanding jumping 35.8% YoY and 8.6% QoQ to ₹14.5 lakh crore. This was propelled by stricter norms for unsecured credit and demand for quick, collateral-backed financing amid high gold prices. Origination value grew fastest among all products (53% YoY), with NBFCs leading the volume game and PSU banks leading value. Asset quality improved across lender types and states, while higher-ticket gold loans (>₹5 lakh) increased their share of portfolio value.

AUTO LOANS

The auto loan segment experienced recovery, aided by GST rate cuts, festive demand, and rising consumer confidence. Outstanding portfolio showed 16.3% YoY and 2.9% QoQ growth, with origination value and volume rebounding in the quarter. PSU banks continued to gain share, while NBFCs faced one-off stress spikes in delinquency. Asset quality showed improvement in most lender segments except NBFCs, which witnessed increased stress in PAR (31-90 days).

CREDIT CARDS

Credit card growth moderated but remained healthy at 9% YoY and 3.6% QoQ, with current balances at ₹3.5 lakh crore. New cards issued stayed metro-centric. Private banks consolidated their market share, focusing on higher-value customers, while asset quality challenges persisted (PAR 31-180 at 4.1%). NTC (new-to-credit) share held stable, underlining a mature customer base.

TWO-WHEELER LOANS

Two-wheeler loans continued growing, with outstanding portfolio up 15% YoY and 2.2% QoQ to ₹1.7 lakh crore. NBFCs retained dominance, contributing between 67% and 71% of origination volume. Asset quality improved in PAR (91-180 days), but remained stressed at early delinquency levels, especially in rural regions affected by monsoon and MFI customer repayment challenges. Average ticket size increased to ₹1 lakh+, reflecting higher vehicle costs and shifting consumer preferences.

CONSUMER DURABLE LOANS

CD loans saw slower growth this quarter due to subdued demand and seasonal factors, with outstanding portfolio rising 10.2% YoY but nearly flat QoQ; active loans contracted by 5% YoY and 7.6% QoQ. NBFCs remained both value and volume leaders, while Private banks gained value share. Performance metrics improved (PAR 31-180 down to 2.2%), supported by efforts in collections and risk management. Prospects for recovery are strong post-GST rate cuts at quarter-end, which may drive consumer demand in subsequent quarters.



HOME LOANS

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Real Estate Industry is expected to witness robust growth driven by continued government initiatives promoting affordable housing, coupled with increasing urbanization and a growing middle-class population. Low interest rates, product innovation and digitalization would further drive demand for home loans in the country. With 65% of the population below 35 years and rising trend of nuclearization, a home is a dream for every Indian. We remain firmly committed to Nation Building and '**Housing for All**'.

VINOD JAISWAL

Chief General Manager, State Bank of India





The Indian home loan market continues to demonstrate resilience and dynamism, driven by the aspirations of millions seeking the security and dignity of homeownership. Recent trends reaffirm that growth is broad-based across segments - affordable, mid-income, and premium - underscoring the structural strength of housing finance in India.

Affordable housing remains the cornerstone of this growth story, reflecting deep-rooted demand among first-time homebuyers and families transitioning from informal to formal housing. This, in turn, mirrors the nation's rising aspirations and commitment to inclusive development.

Technology and data-driven insights are transforming the way housing finance operates, enabling smarter underwriting and risk management while enhancing customer experience. This evolution is setting the stage for sustainable and responsible growth across the sector.

We commend CRIF High Mark for providing actionable intelligence through reports like How India Lends. Such insights are invaluable for shaping strategies that foster inclusive growth and strengthen the housing finance ecosystem. **Capri Global is committed to leveraging these trends and continues to use latest Technology to advance financial inclusion and make homeownership more accessible for underserved communities.**

SHIVRAM JAGADESWARAN

Chief Risk Officer - Capri Global Housing Finance Ltd



Steadily growing home loan market with stable asset quality

Home Loans - Portfolio Snapshot

	Sep-24	Jun-25	Sep-25
Portfolio Outstanding (₹ L Cr)	37.8	41.2	42.1
YoY growth %			11.1%
QoQ growth %			2.1%
Active Loans (Lakh)	224.2	229.4	231.5
YoY growth %			3.3%
QoQ growth %			0.9%
PAR 31-90	2.4%	2.2%	2.2%
PAR 91-180	0.3%	0.3%	0.3%
PAR 180+	1.8%	1.8%	1.9%

- **Portfolio Outstanding:** POS grew 11.1% YoY and 2.1% QoQ, supported by strong originations. However, active loans grew at a slower pace, indicating an increase in average exposure per loan.
- **Performance metrics:** Performance Asset quality continues to remain strong, reflecting ongoing improvement in performance metrics.

■ Refers to stable QoQ (PAR)

▲ Refers to QoQ Improvement (PAR)

Home Loans - Geographic Distribution

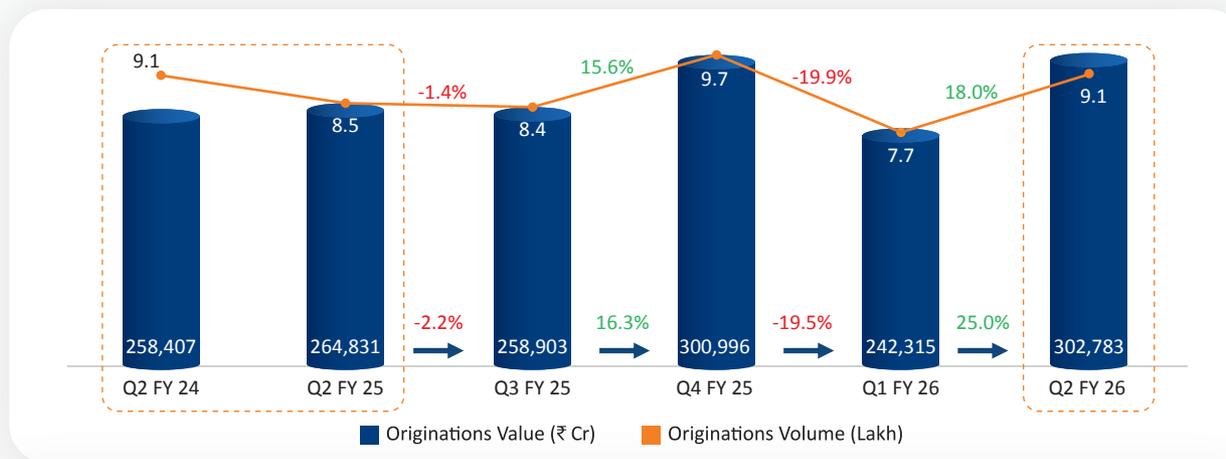
POS (₹ L Cr)	Sep-25	Growth		PAR 31-180		
		YoY%	QoQ%	Sep-24	Jun-25	Sep-25
MH	9.3	11.1%	2.1%	2.1%	2.0%	1.9%
KA	4.4	12.1%	3.0%	2.3%	2.3%	2.1%
TS	3.5	13.1%	2.8%	2.2%	2.3%	2.2%
TN	3.4	9.9%	2.1%	3.1%	2.8%	2.6%
GJ	3.4	10.2%	2.0%	2.3%	2.1%	2.1%
UP	2.6	11.9%	2.4%	2.9%	2.8%	2.7%
AP	2.0	11.9%	2.3%	3.8%	4.1%	4.0%
DL	1.9	9.2%	1.0%	1.6%	1.5%	1.4%
RJ	1.8	11.6%	2.2%	2.1%	2.1%	2.1%
KL	1.6	8.9%	1.6%	6.4%	5.9%	5.5%
Top 10	33.9	11.1%	2.2%	2.6%	2.5%	2.4%
Rest Of India	8.1	11.1%	2.2%	3.0%	2.9%	2.9%
Pan India	42.1	11.1%	2.1%	2.7%	2.6%	2.5%

- **State level trends:** This was mixed. States like KA and TS recorded growth above the pan-India average on both YoY and QoQ basis, along with improving PAR 31–180. In contrast, states such as TN, DL, and KL reported growth below the national average.
- **Performance:** Performance continues to improve across many states. KL, followed by AP, reported some of the highest PAR 31–180 levels, although both showed improvement on a QoQ basis.

▲ Refers to QoQ Deteriorations (PAR)

Originations value and volume rebounded in Q2 FY26, posting strong double-digit growth

Home Loans Originations Trends



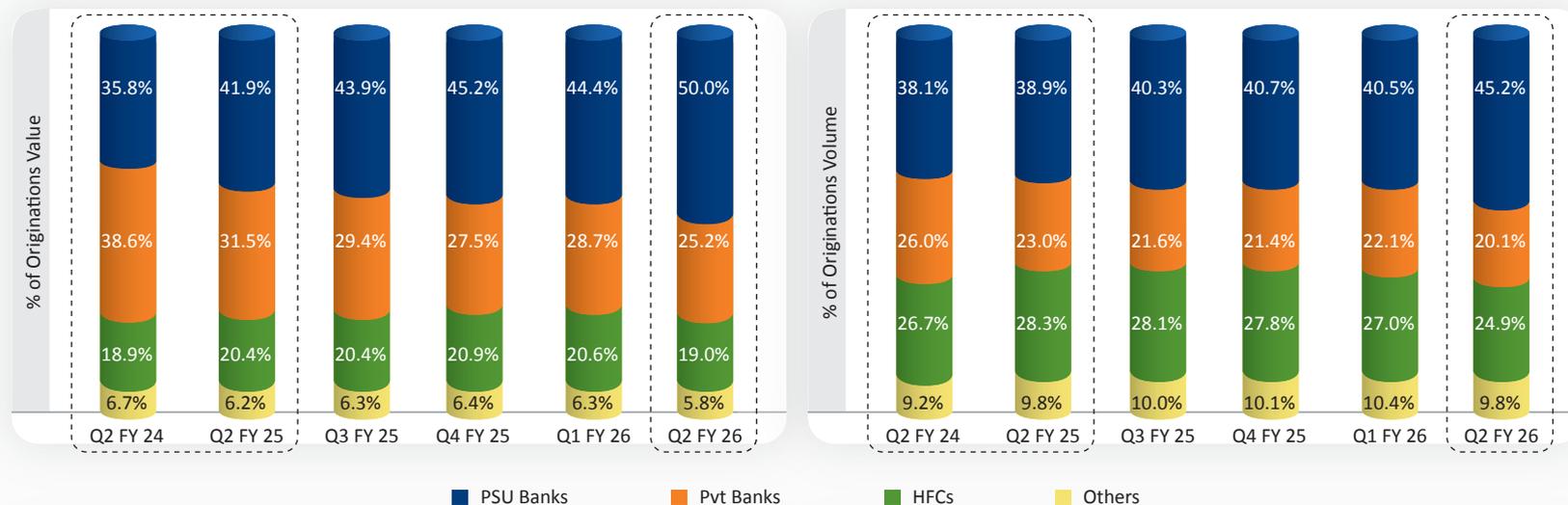
	Q2 FY24	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Average Ticket Size (₹ L)	28.4	31.3	31.0	31.2	31.4	33.2
Q-o-Q Growth %			-0.9%	0.6%	0.6%	5.9%

HIGHLIGHTS

- Originations/sanctioned amount rose 25% QoQ between Q1 FY26 and Q2 FY26 to ₹3.02L Cr, driven by strong loan volume growth of 18% QoQ to 9.1 lakh and a 5.9% increase in average ticket size to ₹33.2 lakh.
- On a YoY basis, Originations value grew 14.3% and volume 7.1%, also supported by a rise in higher-ticket size originations - where loans of ₹75+ lakh accounted for 39.4% in Q2 FY26, up from 35% in Q2 FY25.

PSU bank's originations share continues to grow, now accounting for exactly half of total originations value in Q2 FY26

Lender Wise Originations Trends



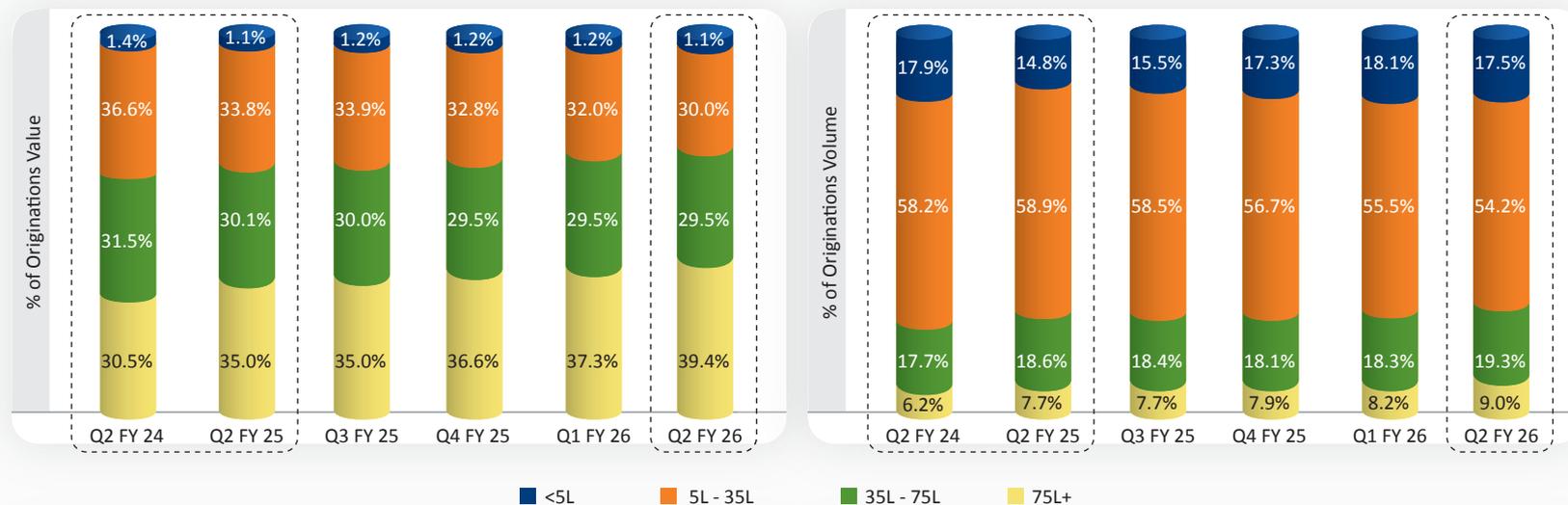
- **PSU banks dominance:** PSU banks continue to lead and expand their market share in both originations value and volume, with sharp growth between Q1 and Q2 FY26.
- In contrast, private banks saw a decline in their share across both metrics. HFCs maintained a stable, range-bound share, indicating consistent originations trends.

- **Target ticket sizes:** PSU banks primarily focus on ticket size 75L+, contributing 43% of its originations (value) in Q2 FY26. Private banks also target ticket size 75L+ (46% of its Q2 FY26 originations value share), while HFCs predominantly cater to ticket size 5L-35L, accounting for 47% of originations (value) in the same period.

Note: Others include NBFCs, SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

The ₹75L+ ticket size segment continues to grow, accounting for 40% of the originations value by Q2 FY26

Ticket Size Wise Originations Trends

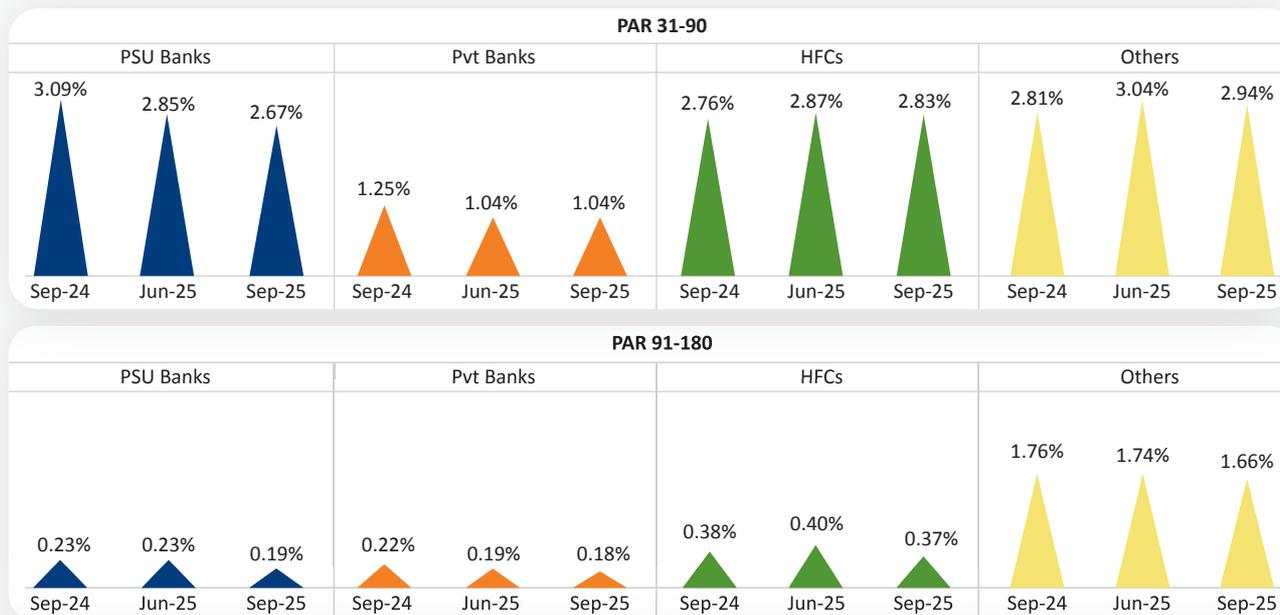


- **Dominant Value Segment:** The ₹75L+ ticket size segment has grown to account for 39.4% of originations value, reflecting continued growth over previous quarters. In contrast, the share of originations below ₹75L has declined, particularly in the sub-₹35L category.
- However, ₹75L+ loans represent only 9% of originations volume, indicating a concentration of value in fewer, higher-ticket loans.

- **Dominant Volume Segment:** The ₹5L - ₹35L ticket size range constitutes 54% of originations volume, highlighting that smaller and mid-sized loans continue to dominate disbursement counts.

PSU banks continue to report consistent improvements in PAR 31-180

Delinquency – Lender Type



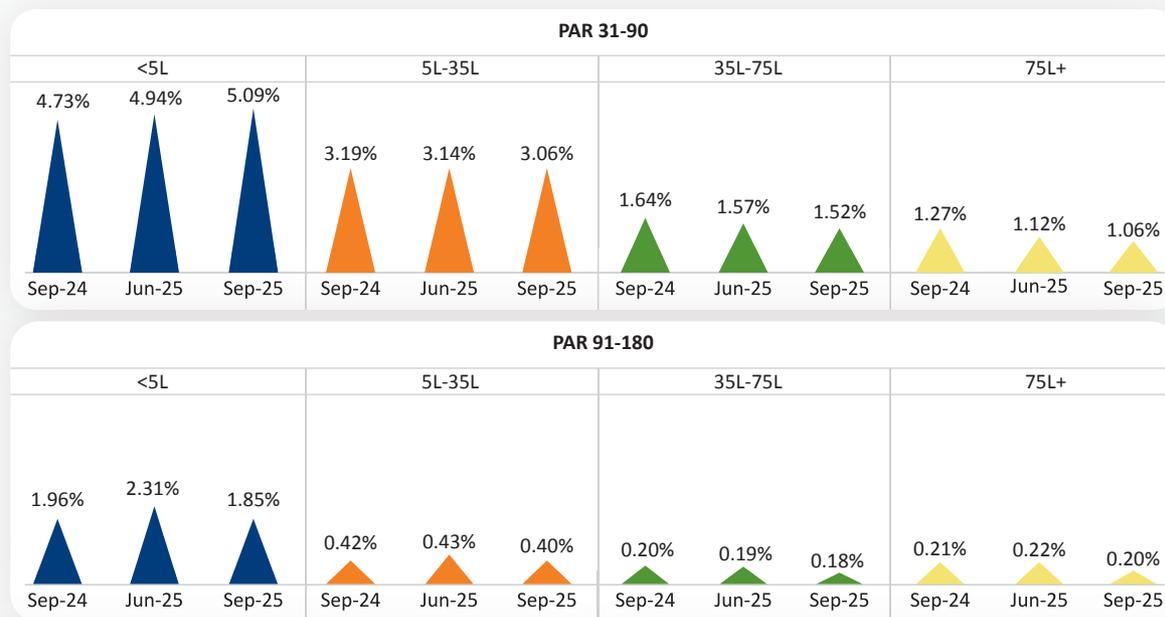
- **PAR 31-90:** PSU banks and HFCs continue to show improvement in PAR 31-90 over recent quarters. Private banks maintain one of the lowest and most stable PAR 31-90 levels, reflecting strong asset quality-likely driven by moderated originations compared to other lender types.

- **PAR 91-180:** PAR 91-180 remains low and is improving across all key lender categories, indicating stronger collection efficiency as delinquencies transition into this bucket.
- Others delinquency are mainly driven by Cooperative banks across both the buckets.

Note: Others include NBFCs, SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

Credit stress remains concentrated in <₹5L and ₹5L-₹35L loans

Delinquency – Ticket Size



- **Stress concentration:** Credit stress in PAR 31-90 is more concentrated in the <₹5L and ₹5L-₹35L segments. The ₹5L-₹35L segment shows notable stress compared to higher ticket sizes, though still lower than the <₹5L segment.

- **Resilient category:** Higher ticket size loans demonstrate stronger performance, with improved PAR levels-especially in PAR 91-180 -compared to lower ticket size segments.



PERSONAL LOANS

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The personal loan ecosystem is entering a new phase - one where growth and granular risk intelligence are both crucial. Digital platforms are now leveraging bureau data, behavioral analytics, and real-time monitoring to recalibrate lending strategies. This shift is critical as the fintech sector becomes mainstay and mature - today FinTech's have evolved into responsible stewards ensuring that customer centricity and innovation are matched by portfolio resilience.

BHARGAVI SRIDHARAN

Head, Aditya Birla Capital Digital Ltd.





India's personal loan market is entering a phase of measure; sustainable growth built on quality and inclusion. The industry is demonstrating greater maturity, supported by prudent regulatory oversight and a collective commitment to responsible lending.

We are witnessing strong momentum across customer segments and geographies. Originations from semi-urban and peripheral markets have increased from 41% to 47%, signaling expanding credit reach beyond metros. Participation from women borrowers has also strengthened significantly, rising from 15% to 21%.

At Piramal Finance, we remain focused on fostering sustainable expansion driven by data intelligence, digital innovation, and disciplined risk management. As the industry transitions from rapid growth to quality-led lending, we recognize that behind every loan lies an individual aspiration or a family milestone. This understanding anchors our empathetic approach to responsible credit, ensuring that we serve people and communities with care and integrity. The personal loan market today reflects resilience, inclusivity, and maturity qualities that will shape the next phase of India's retail credit story.

JAGDEEP MALLAREDDY

Chief Executive Officer of Retail Lending, Piramal Finance Limited





India's personal loan industry has shifted from high-velocity growth to disciplined, quality-first expansion. Originations have stabilized even as volumes stay strong, and AUM continues to rise on a more granular, diversified base. Delinquencies have improved as lenders strengthen underwriting and rebalance risk. At the same time, technology is transforming every part of the value chain—AI-driven scoring, richer data from bank statements and digital footprints, and fully digital journeys are enabling sharper pricing and faster decisions.

A major shift has also come in collections: digital outreach, self-service repayment tools and BOT-led collection models have significantly improved early-stage resolution and reduced roll-forwards. Together, these advances are helping build more resilient and efficient unsecured portfolios across the industry.

MANISH KUMAR GUPTA

Chief Executive - Urban Unsecured Assets, Payments & Partnerships, L&T Finance Ltd



Portfolio outstanding grew 12% YoY, while stress in personal loans eased across PAR 31-180 buckets

Personal Loans – Portfolio Snapshot

	Sep-24	Jun-24	Sep-25
Portfolio Outstanding (₹ L Cr)	13.7	14.9	15.4
YoY growth %			12.0%
QoQ growth %			2.9%
Active Loans (Lakh)	1,139.8	1,199.9	1,234.2
YoY growth %			8.3%
QoQ growth %			2.9%
PAR 31-90	1.8%	1.8%	1.6% ▼
PAR 91-180	1.2%	1.1%	1.1% ■
PAR 180+	4.0%	5.4%	5.6% ▲

- **Portfolio Outstanding:** POS grew by 12.0% YoY and 2.9% QoQ, driven by originations. Active loans rose 8.3% YoY, reflecting improved loan growth and portfolio expansion.
- **Performance metrics:** Asset quality remains stable overall. PAR 31-90 improved to 1.6%, while PAR 91-180 held steady at 1.1%. However, PAR 180+ increased to 5.6%, indicating some stress in the long-overdue bucket.

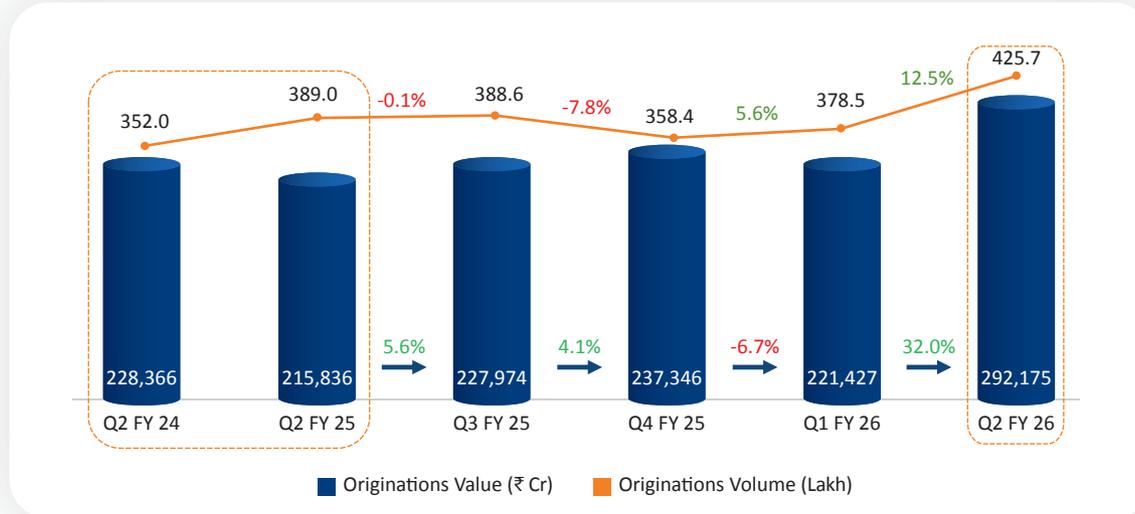
Personal Loans – Geographic Distribution

POS (₹ K Cr)	Sep-25	Growth		PAR 31-180		
		YoY%	QoQ%	Sep-24	Jun-25	Sep-25
MH	185.7	14.4%	2.5%	3.3%	3.0%	2.9% ■
TN	141.7	11.1%	3.6%	2.9%	2.9%	2.7%
KA	139.4	13.8%	2.9%	2.4%	2.6%	2.3%
UP	135.6	14.1%	4.0%	2.8%	2.7%	2.4% ▼
TS	111.5	9.0%	2.0%	3.1%	3.1%	2.8%
AP	95.8	11.4%	3.4%	3.1%	3.0%	2.8%
RJ	79.6	12.5%	3.4%	2.7%	2.4%	2.3% ■
BR	70.0	16.2%	3.0%	3.2%	3.6%	2.9%
WB	64.2	13.1%	3.6%	2.9%	3.0%	2.7%
GJ	55.9	8.5%	2.6%	3.7%	3.6%	3.3% ▼
Top 10	1,079.4	12.6%	3.1%	3.0%	2.9%	2.7%
Rest Of India	458.8	10.8%	2.6%	3.1%	2.9%	2.5%
Pan India	1,538.2	12.0%	2.9%	3.0%	2.9%	2.7%

- **State Trends:** MH, TN, and KA together account for nearly 30% of the overall POS. While BR, UP, and MH led YoY growth, more recent momentum (QoQ) has been driven by UP (4.0%), TN (3.6%), and WB (3.6%)
- **Performance:** PAR 31-180 bucket remained stable or improved across most of the top 10 states. However, several-including GJ, BR, MH, TS, and AP - continue to show delinquency levels above the national average.

Originations rebound in Q2 FY26

Personal Loans Originations Trends



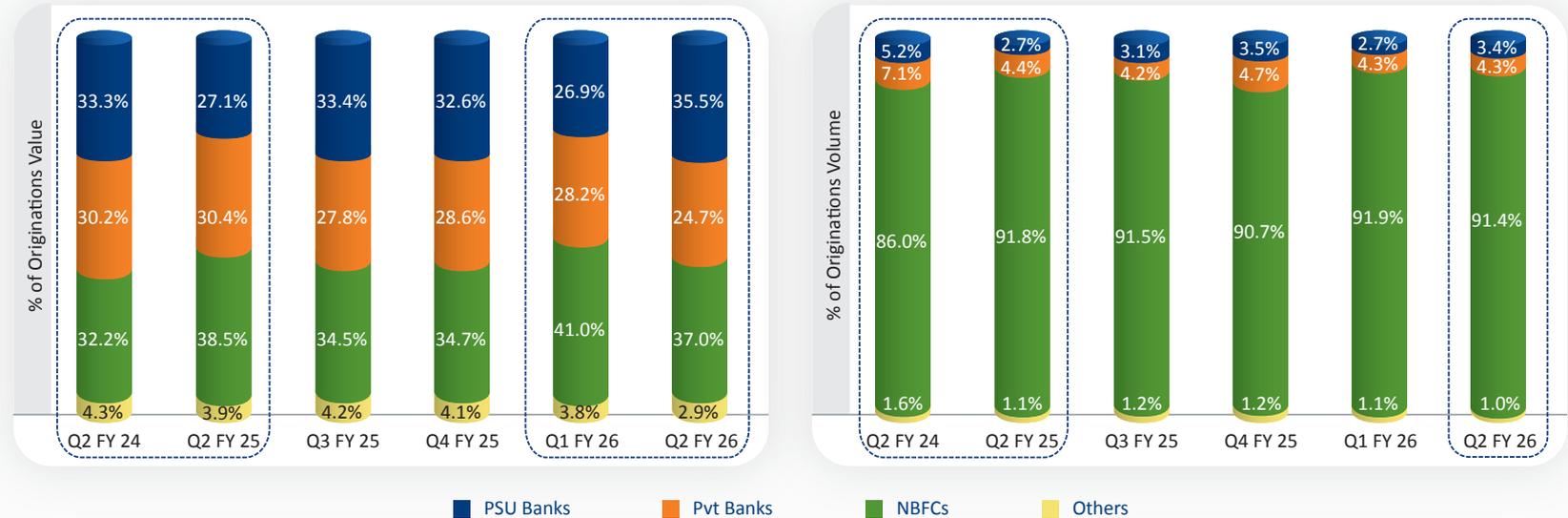
Strong Originations Growth

- Originations surged 32% QoQ in Q2 FY26 to ₹2.92L Cr, driven by a 12.5% increase in volumes and a sharp 17.3% rise in average ticket size to ₹68.6K.
- YoY Performance: Originations value grew 35% YoY, while volumes rose 9%, reflecting strong momentum.
- Key Growth Drivers:
 - Increased market share of personal loan (PL) lending by public sector banks. This was mainly in ₹10L+ ticket size.
 - Rise in higher ticket size loans (₹10L+), with their share expanding from 30.2% in Q1 FY26 to 37.4% in Q2 FY26

	Q2 FY24	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Average Ticket Size (₹ K)	64.9	55.5	58.7	66.2	58.5	68.6
Q-o-Q Growth %			5.8%	12.9%	-11.7%	17.3%

NBFCs maintain a strong foothold in personal loan volumes, underscoring the dominance of small-ticket lending

Lender Type Wise Originations Trends



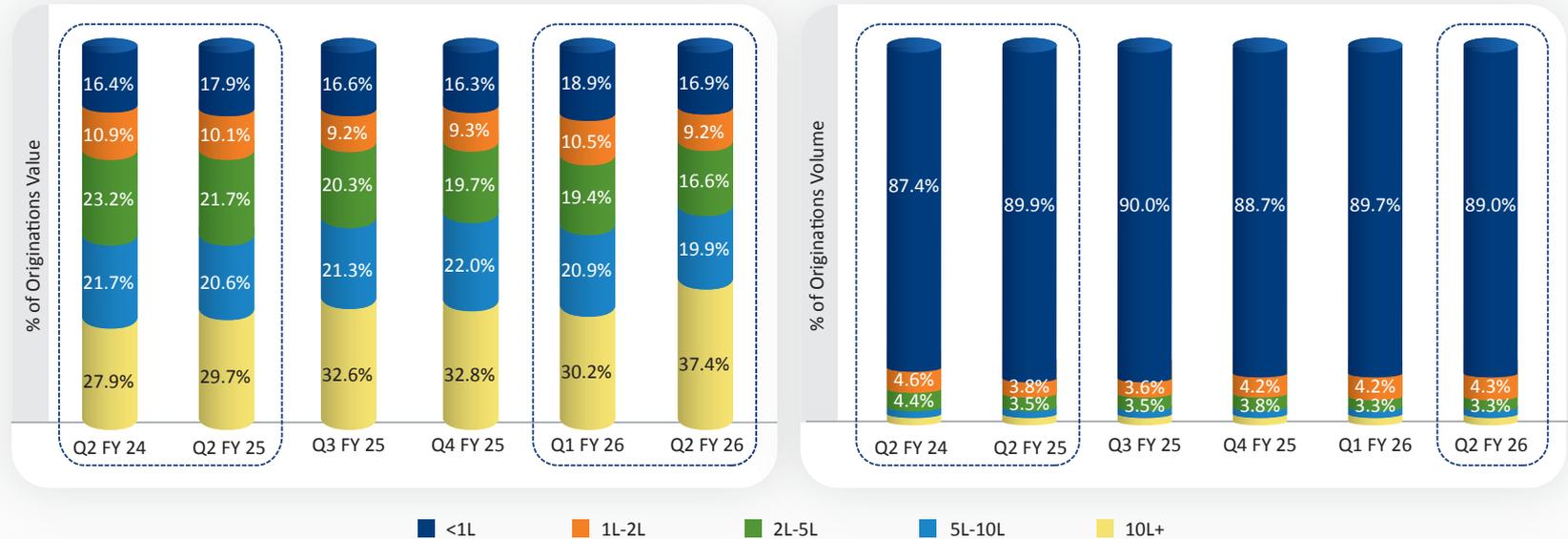
- Market Share Shifts:** PSUs significantly increased their market share from 26.9% in Q1 FY26 to 35.5% in Q2 FY26, likely driven by strong demand. Parallely private sector banks' share declined from 28.2% to 24.7%, and NBFCs also saw a drop from 41.0% to 37.0% over the same period.

- NBFC dominance:** NBFCs continue to dominate in terms of volume, accounting for over 90% of total originations volume - underscoring their strong presence in small-ticket lending. In contrast, public and private sector banks contribute around 60% of the originations value from a relatively small volume base (about 8% of originations volume as of Q2 FY26).

Note: Others include SFBs, Foreign Banks, HFCs, Cooperative Banks, RRBs, ARCs etc.

₹10L+ Loans Lead Originations Value Growth in Q2 FY26

Ticket Size Wise Originations Trends

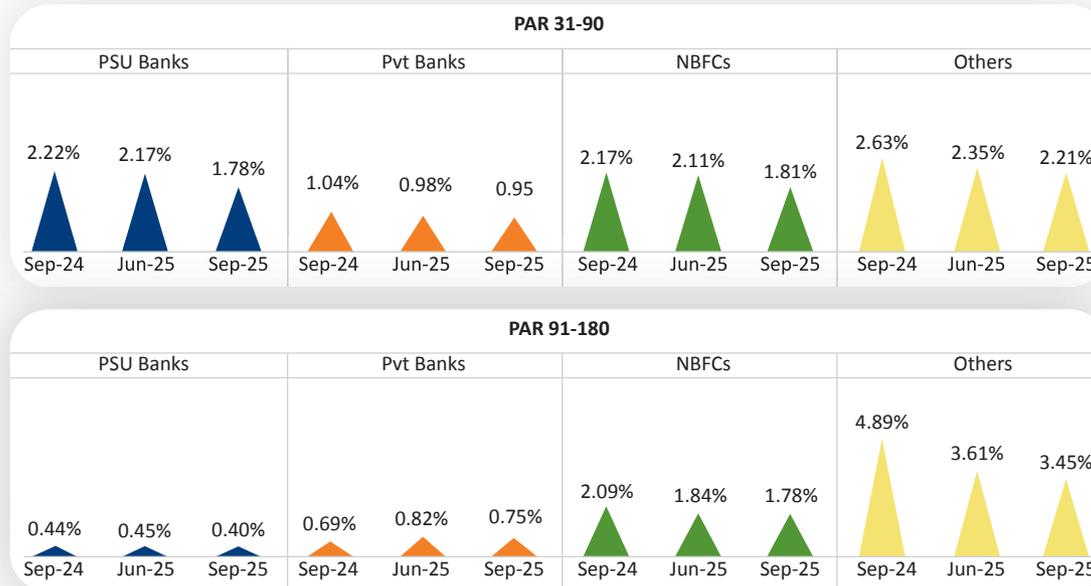


- Ticket Size Shifts:** Loans of ₹10L+ now account for 37.4% of originations value in Q2 FY26, up from 30.2% in Q1 - highlighting strong growth in the high-ticket segment. This expansion was primarily driven by PSU Banks. Meanwhile, most other ticket size segments saw a decline in share. The ₹10L+ category now represents the largest share of total originations by value.

- Sub-₹1L Loans:** Although loans under ₹1L contribute just 17% of originations value, they make up nearly 90% of originations volume - underscoring the dominance of NBFCs in small-ticket personal lending and the rising influence of fintechs in this space.

Key lenders show improvement across PAR 31-90 and PAR 91-180

Delinquency - Lender Type



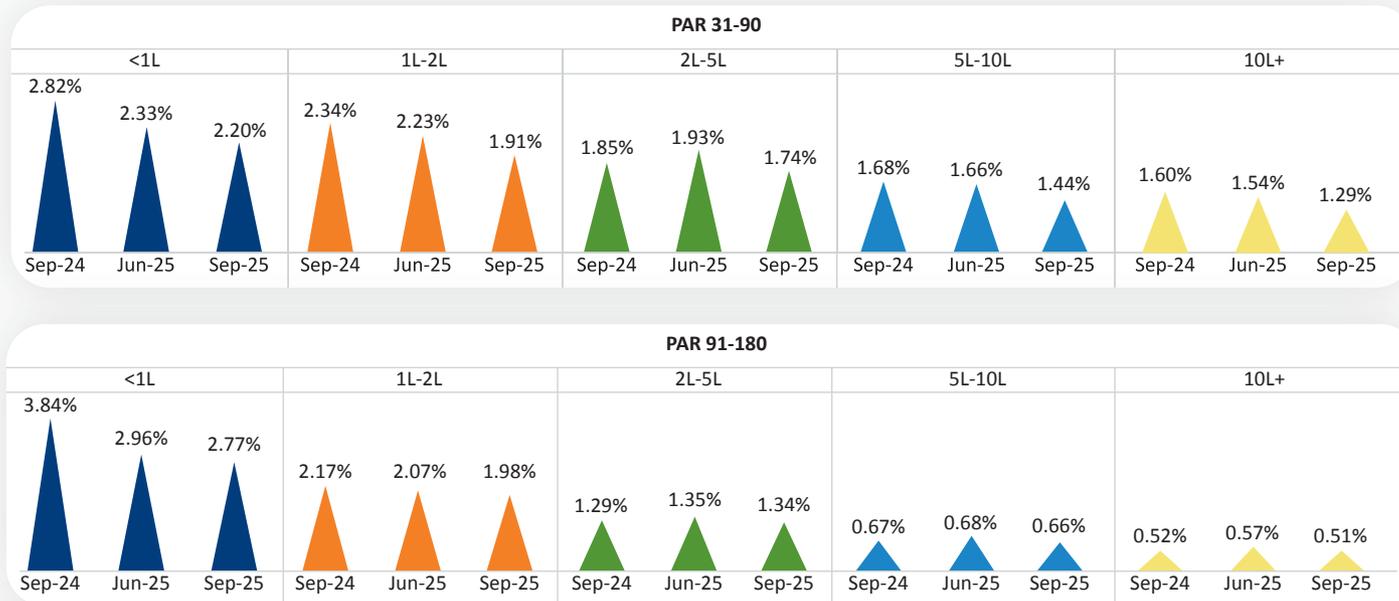
- PAR 31-90:** PSUs showed notable improvement, with delinquency rates declining from 2.22% in Sept'24 to 1.78% in Sept'25. NBFCs also improved, with PAR 31-90 reducing to 1.81%, reflecting better risk calibration and assessment practices. Private sector banks remained the most stable, maintaining the lowest delinquency rate at 0.95%.

- PAR 91-180:** Despite some improvement on both QoQ and YoY basis, NBFCs continue to report one of the highest delinquency rates in this bucket compared to PSU and private banks, indicating lingering stress in PAR 91-180.

Note: Others include SFBs, Foreign Banks, HFCs, Cooperative Banks, RRBs, ARCs etc.

Delinquency remains concentrated in sub-₹1L loans, with stress levels improving as ticket sizes increase

Delinquency - Ticket Size



• **Higher-Stress Segments by Ticket Size:** Loans below ₹1L and those between ₹1L-₹2L continue to exhibit elevated stress levels. While early-stage delinquencies (PAR 31-90) show gradual improvement across ticket sizes, delinquency rates in the PAR 91-180 bucket decline sharply for loans above ₹2L - indicating stronger borrower quality in higher ticket sizes.

• **Sub-₹1L Segment:** The <₹1L segment, which accounts for 90% of originations volume and 17% of originations value (Q1 FY26), has shown improvement in delinquency rates - from 3.8% in Sep'24 to 2.8% in Sep'25. However, stress levels remain relatively high compared to other ticket size segments.



GOLD LOANS



Gold loans are witnessing strong momentum, largely driven by limited credit availability in the market. With regulators and banks tightening norms on unsecured lending, especially in the personal and microfinance segments, many individuals and small businesses are turning to gold loans as a reliable and convenient financing option. These loans, given only against household ornaments and not bullion, provide a quick and transparent means to access funds. The rise in gold prices has further enhanced the visibility of this segment, and the earlier stigma associated with gold loans has largely faded as people now view their gold as a valuable asset that can be productively monetized when required.

Typically, the average tenure of a gold loan is about four months, even though the facility is available for up to a year, allowing borrowers to repay at any time and pay interest only for the actual period of use. This flexibility makes gold loans particularly attractive for individuals such as farmers, shopkeepers, and small business owners who need short-term liquidity support. With around 25,000 tones of gold lying in Indian households and only about 3,000 tones in the organized market, there remains significant untapped potential. As awareness grows across all income groups, gold is increasingly becoming a mainstream collateral for quick and secure financing.

GEORGE ALEXANDER MUTHOOT

Managing Director, Muthoot Finance Limited



Strong growth with stable PAR performance

Portfolio Snapshot (including Priority Sector Gold Loan)

	Sep-24	Jun-25	Sep-25
Portfolio Outstanding (₹ L Cr)	10.7	13.4	14.5
YoY growth %			35.8%
QoQ growth %			8.6%
Active Loans (Lakh)	810.7	885.4	897.4
YoY growth %			10.7%
QoQ growth %			1.3%
PAR 31-90	1.7%	1.5%	1.3% ▼
PAR 91-180	0.8%	0.6%	0.7% ■
PAR 180+	0.5%	0.4%	0.3% ▼

PSGL - Priority sector gold loans was ₹4.5L Cr as of Sept'25, ₹4.3 L Cr as of June'25 and ₹3.5L Cr as of Sept'24 - about 31% across the years

- **POS:** POS grew 35.5% YoY and 8.2% QoQ, driven by strong originations-primarily supported by robust asset valuations.
- **Performance:** While performance remains strong, it has further improved, supported by portfolio expansion and robust secured collateral.

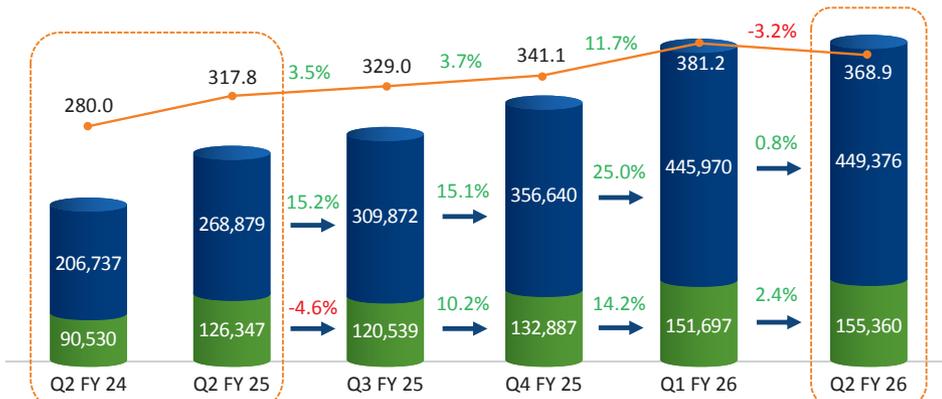
Market Share (including Priority Sector Gold Loan)

POS (₹ L Cr)	Sep-25	Growth		PAR 31-180		
		YoY%	QoQ%	Sep-24	Jun-25	Sep-25
TN	4.9	36.1%	8.4%	2.3%	2.2%	2.2%
AP	2.4	33.3%	6.9%	2.4%	2.0%	1.9%
KA	1.4	40.0%	9.7%	2.0%	2.1%	1.7%
TS	1.2	50.0%	11.1%	2.2%	1.6%	1.4%
KL	1.2	33.3%	8.4%	1.1%	0.9%	0.8%
MH	0.8	33.3%	10.1%	3.4%	2.8%	2.5%
GJ	0.4	33.3%	9.2%	3.2%	2.2%	2.0%
RJ	0.3	50.0%	9.8%	3.3%	2.4%	2.1%
UP	0.3	50.0%	14.3%	4.4%	3.4%	3.2%
OR	0.3	50.0%	9.3%	5.0%	2.5%	2.4%
Top 10	13.2	36.1%	8.8%	2.4%	2.0%	1.9%
Rest Of India	1.3	30.0%	6.6%	3.7%	2.6%	2.5%
Pan India	14.5	35.5%	8.6%	2.5%	2.1%	2.0%

- **Healthy Growth:** All states recorded strong double-digit YoY growth, with TN, RJ, UP, and OR growing at ~50%. On a QoQ basis, UP, TS, and MH led with double-digit growth, outperforming other states.
- **Performance:** Most states showed improvement in portfolio performance, with Kerala posting one of the lowest PAR levels and continued improvement in PAR 31-180.

Continued gold loan surge amid price surge and regulatory push

Gold Loans Originations Trends



■ Originations Volume (Lakh)
 ■ Originations Value (₹ Cr) - Gold Loans
 ■ Originations Value (₹ Cr) - Priority Sector Gold Loan

Highlights:

- Gold loan originations stood at ₹604.7K Cr, registering an increase of 1.1% QoQ and 53.0% YoY.
- The ATS rose to ₹1.64 L, up 31.8% YoY and 4.6% QoQ. However, volumes moderated to 368.9 lakh - a slight decline of 3.2% QoQ, though still reflecting a 16.1% increase YoY.

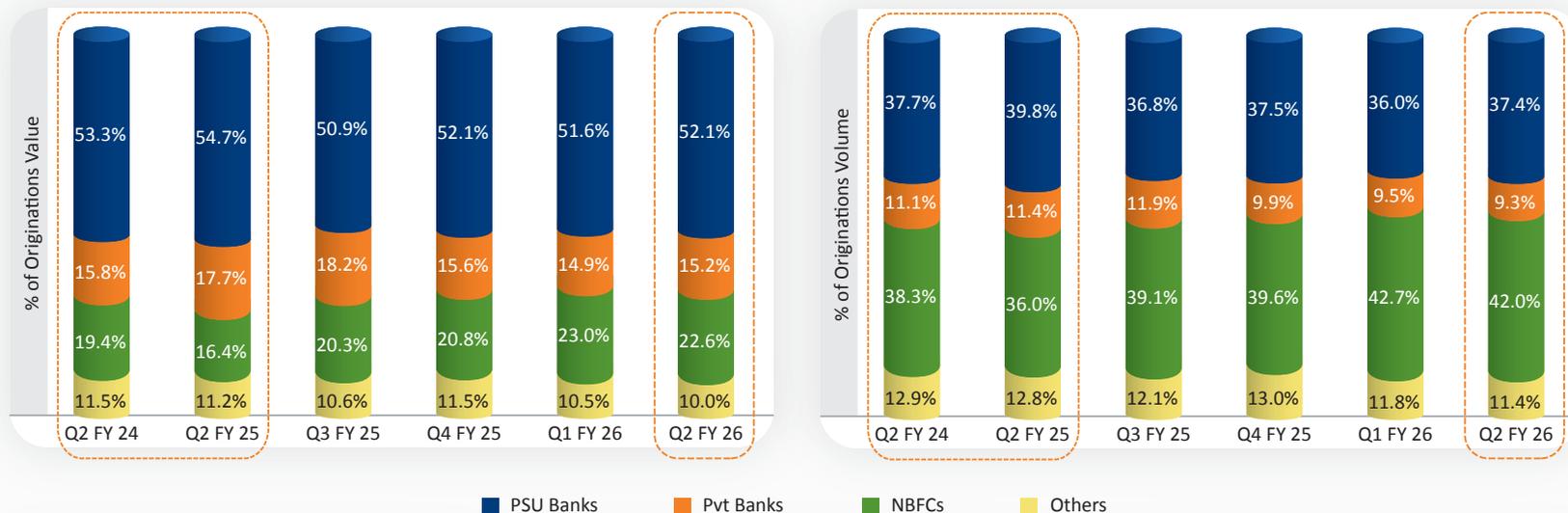
Key Drivers:

- Sustained uptrend in gold prices, enabling higher loan amounts for the same pledged quantity
- Borrower-friendly regulations (Increase in LTV ratio from 75% to 85% for loans up to ₹2.5 L, considering loans against voluntarily pledged gold up to ₹2 lakh under collateral-free lending guidelines)
- Shift in demand from unsecured products to asset-backed lending

	Q2 FY24	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Average Ticket Size (₹ L)	1.1	1.2	1.3	1.4	1.6	1.6
Q-o-Q Growth %			5.2%	9.7%	9.2%	4.6%

Public sector banks consistently lead in gold loan value, while NBFCs are steadily gaining share in volume

Lender Type Wise Originations Trends



- **Value Dominance:** PSU banks continue to lead in gold loan originations value, consistently accounting for over 50% share in recent quarters - driven by competitive interest rates.

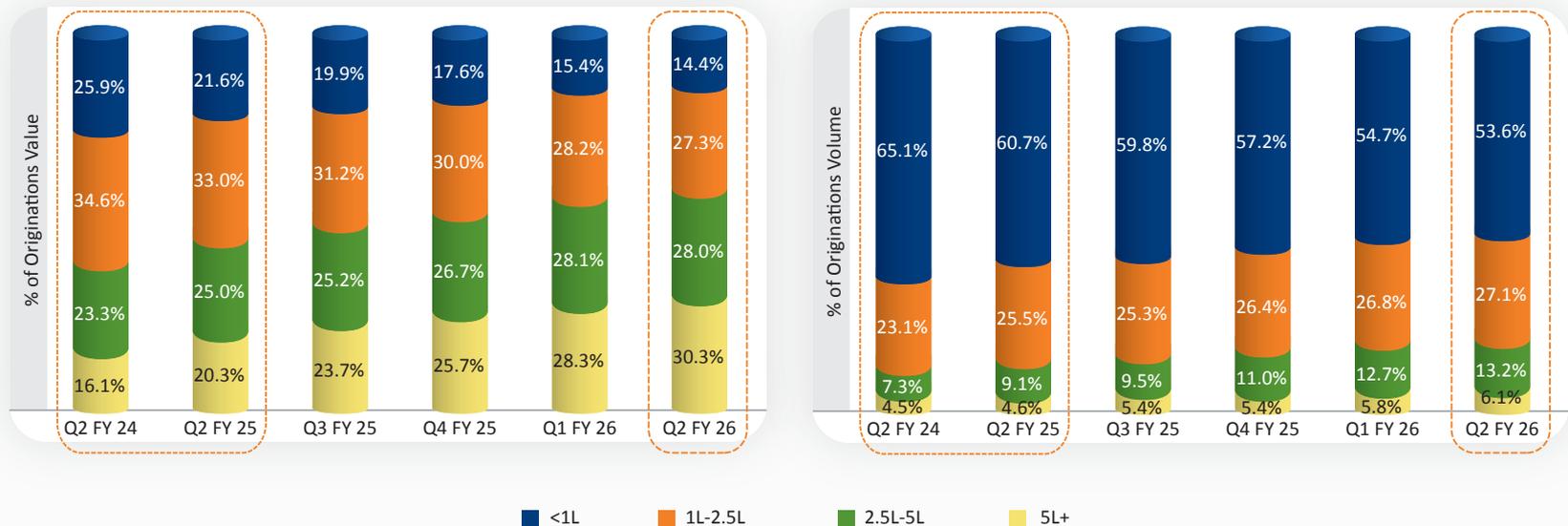
- **Volume Dominance:** NBFCs dominate in loan originations volumes, reflecting their strength in disbursing small-ticket loans. Their share rose from 38.3% in Q2 FY24 to 42% in Q2 FY26 (volumes), indicating deeper penetration among smaller borrowers. PSU banks' volume share remained steady at around 37% as of Q2 FY26.

- **Middle Ground:** Private banks maintain a balanced share in both value and volume, likely focusing on select borrower segments or geographies with less emphasis on mass retail expansion.

Note: Others include SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs.

> ₹2.5L loans continue to grow in originations value share

Ticket Size Wise Originations Trends

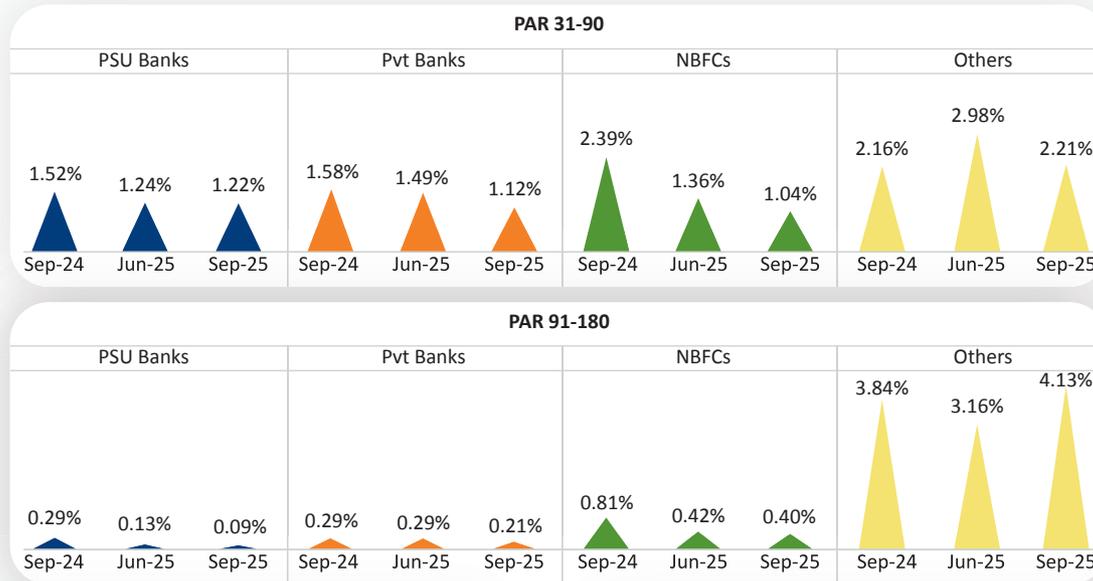


- Increasing share of large ticket gold loans:** The share of gold loan originations valued between ₹2.5 Lakh and ₹5 Lakh rose from 23.3% in Q2 FY24 to 28% in Q2 FY26. Simultaneously, loans below ₹1 Lakh declined from 25.9% to 14.4% over the same period. Notably, loans above ₹5 Lakh now account for 30.3% of total originations value, forming the largest segment as of Q2 FY26.

- Decline in Small-Ticket Loan Volumes:** While sub-₹1 Lakh loans still represent the largest volume segment, their share has dropped from 65.1% in Q2 FY24 to 53.6% in Q2 FY26. This trend could suggest a shift in borrower profiles, with deeper market penetration among wealthier borrowers and increased use of higher-ticket loans for business purposes.

All lender types saw performance gains, driven by strong portfolio expansion

Delinquency - Lender Type



Among the 'Others' category, cooperative banks recorded the highest PAR.

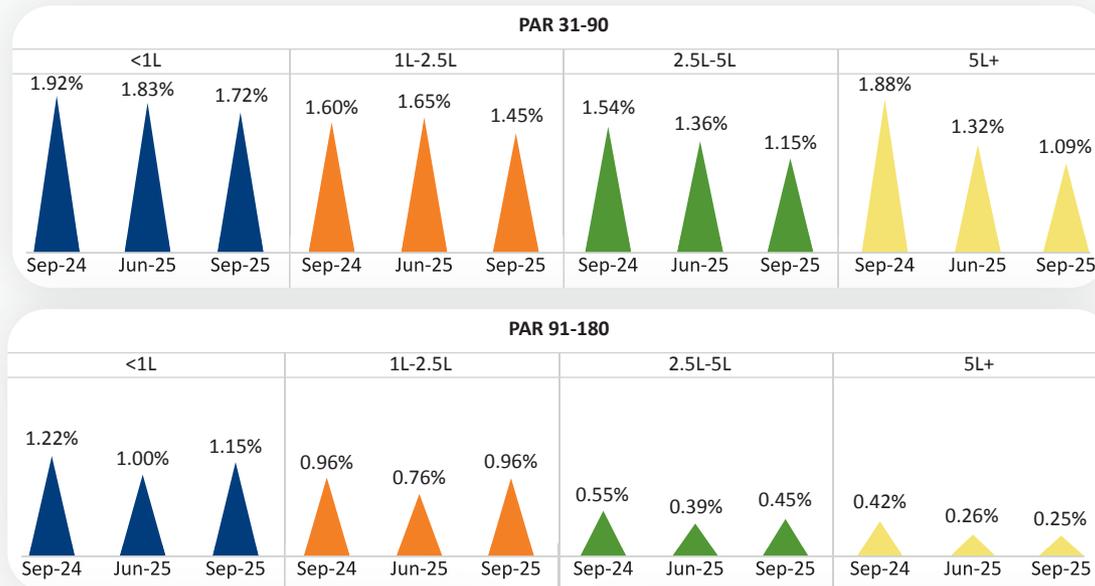
- Performance:** Both PSU and private banks reported steady reductions in PAR 31-90, improving to 1.22% for public sector banks and 1.12% for private banks as of Sep'25. NBFCs, which saw strong growth in originations value - from 19.4% in Q2 FY24 to 22% in Q2 FY26 - also recorded sharp declines in both PAR 31-90 and PAR 91-180.

- Drivers:** These trends reflect the sector's overall growth and the impact of tighter risk norms, following regulatory guidelines that enforce disciplined LTVs, structured repayment schedules (bullet repayment rules), and more rigorous asset valuations to enhance transparency.

Note: Others include SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs.

Early-Stage Delinquencies Improve Across Ticket Sizes; Later-Stage Stress Rises Except in ₹5L+ Loans

Delinquency - Ticket Size



Performance:

- PAR 31-90 improved across all ticket sizes.
- However, in the PAR 91-180 bucket, delinquencies increased across segments-except for the ₹5L+ ticket size, which remained stable. The increase may be partly due to delays in asset liquidation through auctions and other contributing factors.

Ticket size in focus:

- Delinquency levels in the <₹2.5L segment-considered for a proposed Loan-to-Value (LTV) increase from 75% to 85% under new regulatory guidelines-remain elevated compared to the >₹2.5L+ category.



AUTO LOANS



Auto lending witnessed a resurgence of growth in Q2 FY26. Both disbursal value and volumes surging by 16% and 17% QoQ respectively marked a point of inflection. This strong revival was driven by factors such as GST 2.0 that materially recalibrated vehicle affordability, favorable harvest post strong monsoon leading to pent up rural demand and lastly, reinforced demand due to early festive pull-through & positive sentiments. The pre-owned car lending business, however, did see some momentary slowdown in demand due to a reduction in new car prices. However, the same is expected to also start gaining momentum from Q3 FY26 onwards with the moderation of prices.

While the industry has witnessed a structured shift towards premiumization over the last a few years, with customers preference to mid segment SUVs and higher variants within models; the recent GST 2.0 changes backed by attractive lending options has brought in a renewed interest in entry level cars for first time owners.

Lenders have been harnessing the public digital infrastructure as well as advanced analytics driven underwriting techniques for faster decision making and disbursement to the dealers. With initiatives such as fortnightly bureau reporting by all lenders as well as the proposed weekly reporting, the quality and recency of data availability for better decision making is definitely a big leap forward for the lending ecosystem. With these fundamentals in place, it is expected that the auto loans segment will continue to grow well, supported by stable macro conditions and robust lending practices.

VIVEK CHOPRA

Chief Operating Officer - Retail, Tata Capital Ltd.



Growth remains healthy, although PAR 31-90 has weakened

Auto Loans - Portfolio Snapshot

	Sep-24	Jun-25	Sep-25
Portfolio Outstanding (₹ L Cr)	7.4	8.3	8.6
YoY growth %			16.3%
QoQ growth %			2.9%
Active Loans (Lakh)	148.2	162.6	166.3
YoY growth %			12.2%
QoQ growth %			2.3%
PAR 31-90	2.0%	1.9%	2.4% ▲
PAR 91-180	0.8%	0.9%	0.7% ▼
PAR 180+	3.1%	3.2%	2.0% ▼

- **POS:** Auto loans POS grew 16.3% YoY and 2.9% QoQ, driven by strong originations - mirrored by active loan growth.
- **Performance:** PAR 31-90 deteriorated QoQ due to increase in NBFCs delinquencies, pushing PAR 31-180 up from 2.8% in Jun'25 to 3.1% in Sep'25.

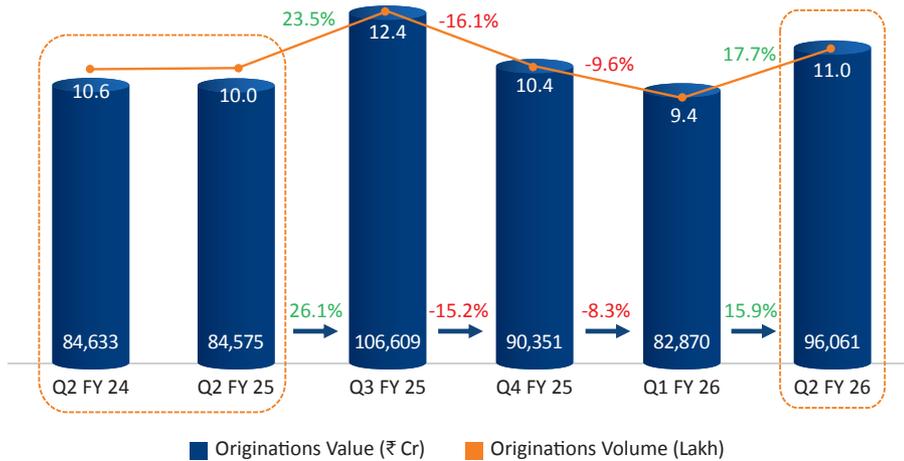
Auto Loans - Geographic Distribution

POS (₹ K Cr)	Growth			PAR 31-180		
	Sep-25	YoY%	QoQ%	Sep-24	Jun-25	Sep-25
MH	109.8	18.4%	4.3%	2.4%	2.3%	2.4%
UP	81.1	20.7%	3.3%	3.2%	3.3%	3.8%
GJ	70.0	15.5%	2.5%	2.2%	2.2%	2.4%
KA	66.3	14.3%	2.8%	2.7%	3.0%	3.1%
TN	56.1	12.9%	2.0%	2.7%	2.8%	3.0%
RJ	47.7	19.3%	3.0%	2.6%	2.5%	2.9%
KL	46.8	12.5%	3.5%	3.0%	2.9%	2.9%
DL	44.9	18.2%	2.7%	1.8%	1.8%	2.0%
TS	44.5	11.0%	0.9%	2.6%	2.8%	3.0%
HR	42.7	22.0%	3.4%	2.0%	1.9%	2.3%
Top 10	610.0	16.7%	3.0%	2.5%	2.6%	2.8%
Rest Of India	248.9	15.3%	2.6%	3.3%	3.5%	4.0%
Pan India	858.9	16.3%	2.9%	2.8%	2.8%	3.1%

- **Healthy Growth:** The top 10 states recorded strong growth, led by HR (22.0% YoY) and UP (20.7% YoY). MH led on a QoQ basis with 4.3%.
- **Performance:** However, most top states saw a rise in PAR 31-180 between Jun'25 and Sep'25-most notably UP, which increased from 3.3% to 3.8%.

Originations rebounds in Q2 FY26 after a notable slowdown in the previous quarter

Auto Loans Originations Trends



Cyclical behavior, marked by rapid upswings and slowdowns.

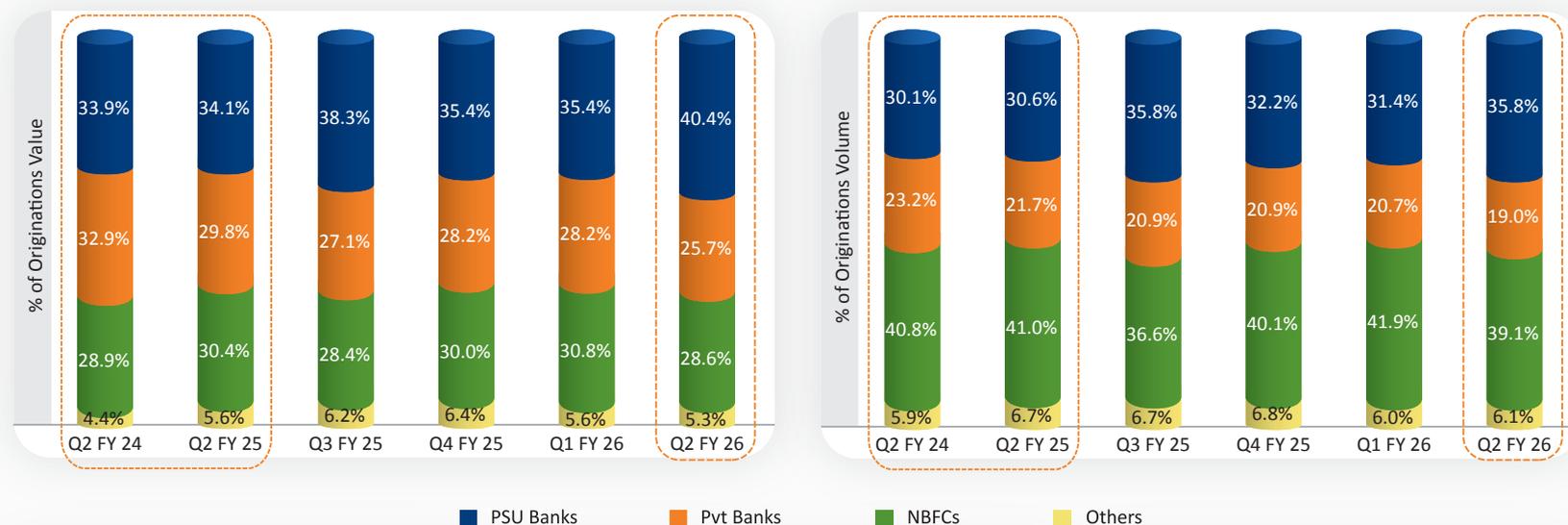
- In Q2 FY26, auto loans rebounded to ₹96.0K crore, up 15.9% QoQ growth and 13.6% YoY. Loan volumes also recovered, reaching 11 lakh disbursements-a 17.7% QoQ rise. This rebound is particularly notable following the slowdown in the last two quarters.
- According to SIAM*, passenger vehicles saw a strong recovery toward the end of the quarter, driven by GST reductions, improved consumer sentiment, and the onset of the festive season.
- The ATS rose gradually from ₹8.0 lakh to ₹8.7 lakh, indicating either an increase in loan value per borrower or a rise in vehicle prices.

	Q2 FY24	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Average Ticket Size (₹ L)	8.0	8.4	8.6	8.7	8.8	8.7
Q-o-Q Growth %			2.1%	1.0%	1.5%	-1.5%

*SIAM: Society of Automobile Manufacturers

PSU banks continues to gain originations value and volume share in Q2 FY26

Lender Type Wise Originations Trends



- Growing dominance:** PSU banks have steadily increased their market share in both originations value and volume. In terms of value, their share rose from 33.9% in Q2 FY24 to 40.4% in Q2 FY26.

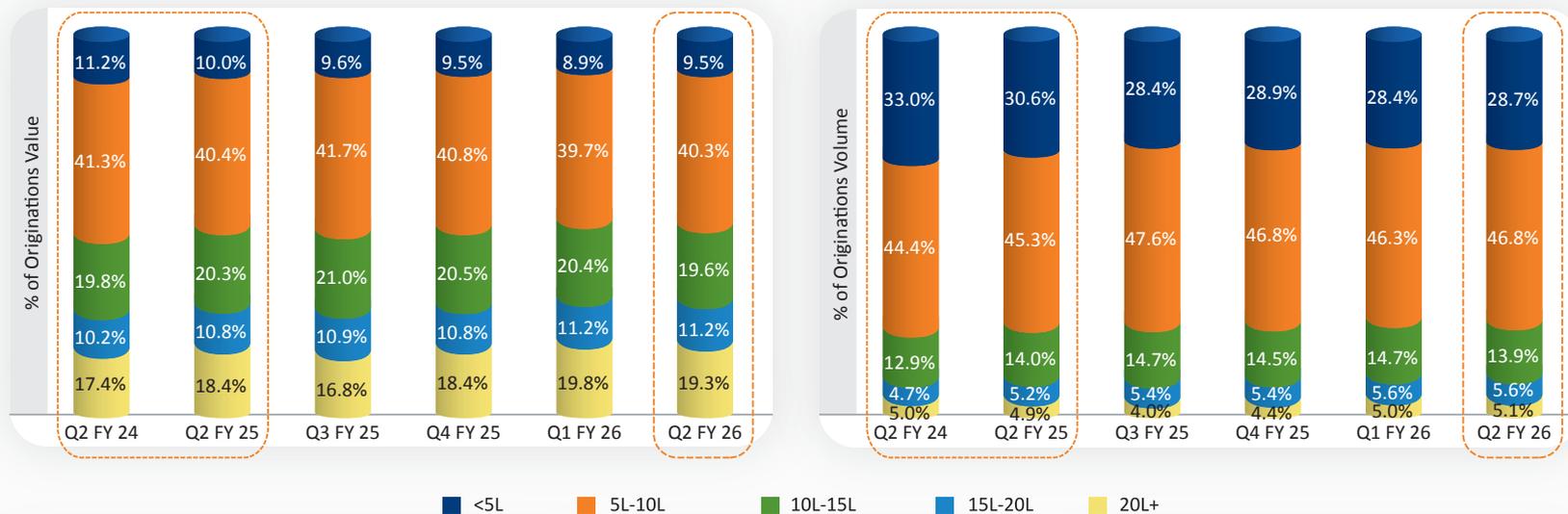
- NBFCs' Entrenched Role in Disbursals:** NBFCs have maintained a consistent share of around 28%-30% in value, while commanding about 40% of the volume share (except in Q3 FY25). This highlights their deep-rooted presence in small-ticket loan disbursals in auto loans.

- Overall Trend:** Value and volume trends largely mirror each other, with private banks gradually ceding market share.

Note: Others include SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs.

Originations value has remained largely range-bound, with slight increases observed in the higher ticket-size segments

Ticket Size Wise Originations Trends



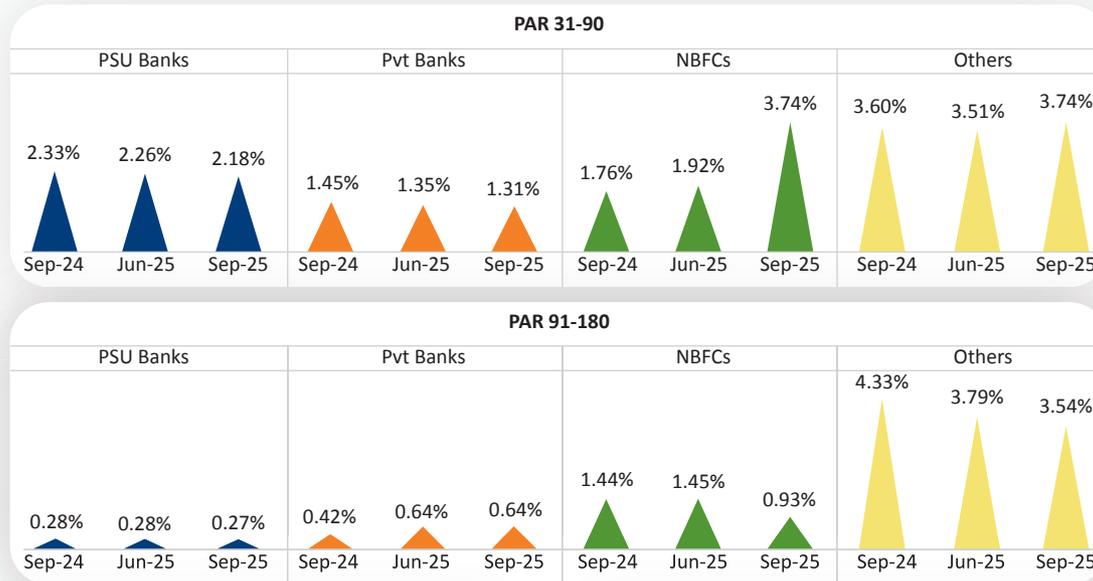
- Increase in ₹20L+ loans:** There has been a noticeable rise in the share of ₹20L+ loans - from 17.4% in Q2 FY24 to 19.3% in Q2 FY26 - alongside a slight increase in the ₹15L-₹20L segment. Concurrently, the share of smaller ticket-size loans (below ₹5L) has been declining in both value and volume.

- Range-bound ticket sizes:** The ticket size originations between ₹5L-₹10L and ₹10L-₹15L has remained range bound across the quarters without much change.

- Implications:** The auto loan market appears to be skewing toward higher ticket sizes, potentially driven by rising vehicle prices, growing customer preference for premium models, and lenders' strategic emphasis on higher-end segments.

NBFCs faced greater-than-usual one-off stress in Sep'25 when compared to the previous quarters

Delinquency - Lender Type



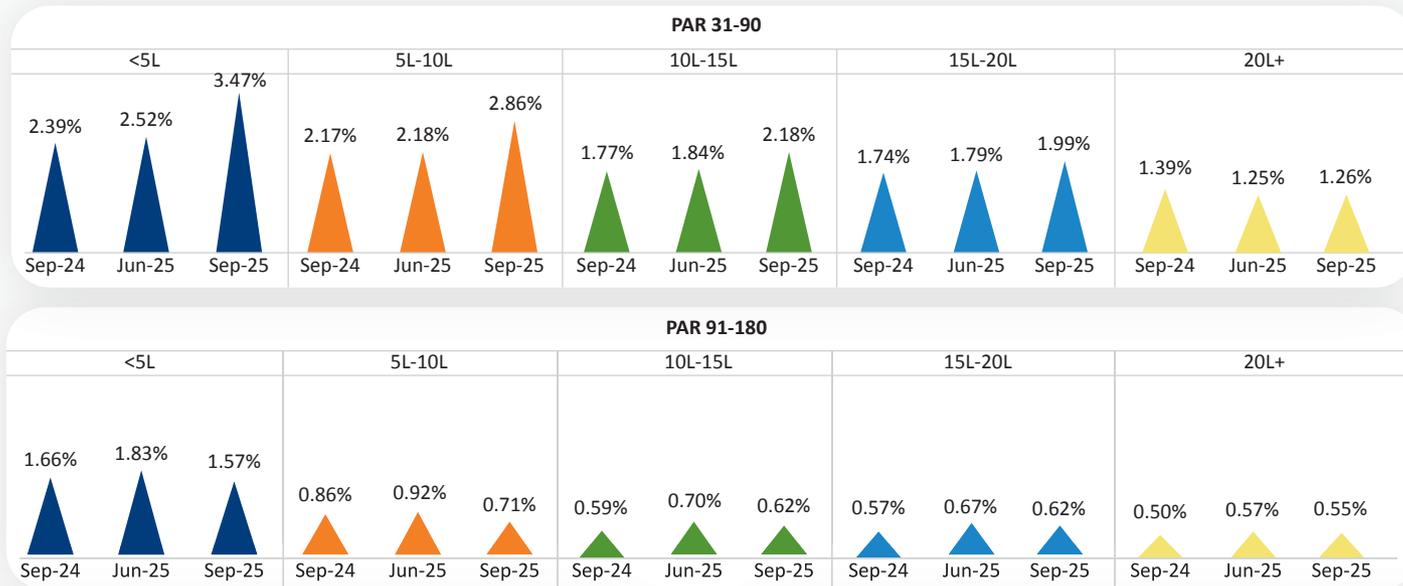
• **PAR 31-90:** NBFCs saw the sharpest rise in PAR 31-90, driving up overall auto loan delinquencies and signaling stress across many accounts, warranting greater caution. In contrast, PSU and private banks showed improvement.

• **PAR 91-180:** All key lender types showed similar improvement, with PAR 91-180 levels significantly lower than PAR 31-90, reflecting better collection efficiency. NBFCs also recorded notable gains in this bucket.

Note: Others include SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs.

Despite elevated stress in PAR 31–90, PAR 91–180 has shown strong improvement

Delinquency - Ticket Size



- PAR 31-90:** Larger ticket sizes generally show lower delinquency in the PAR 31-90 bucket compared to smaller loans. However, all segments - except the ₹20L+ category - saw an increase in PAR 31-90 levels, pointing to broad-based short-term stress, likely driven by borrower strain or macroeconomic factors.

- PAR 91-180:** Despite rising early delinquencies, PAR 91-180 has improved across ticket sizes, suggesting effective lender intervention - possibly through intensified collections or early restructuring to prevent deeper distress.



CREDIT CARDS

“

Over the past few years, we've seen a decisive shift in how consumers choose and use credit cards. Indian consumers today are far more discerning - they're not just seeking a payment instrument that extends spending power, but a product that delivers meaningful value aligned to their lifestyle and financial goals.

While the industry may witness short-term or cyclical fluctuations, the long-term opportunity for credit cards in India remains immense. Penetration is still significantly lower than in mature markets, and with accelerating digital adoption and rising aspirations, we expect more consumers to turn to credit cards as a primary spending and credit-building tool.

SANTOSH AGARWAL
CEO, Paisabazaar





India's credit card portfolio remains robust but nuanced, reflecting strong consumer demand, however some emerging stress pockets. Early vintage delinquencies do remain stable, reflecting cautious optimism for the near term.

Double-digit growth in card spends was observed driven by festive demand, GST cuts, and digital adoption signalling sustained consumption momentum. Revolver rates continue to decline as borrowers increasingly prefer transacting over revolving, aided by EMI conversion options and financial literacy. The Reserve Bank of India's new Payment Aggregator (PA) guidelines curtailed rent payments via credit cards on fintech platforms impacting certain high-volume transaction categories. Borrowers are increasingly becoming more digitally savvy and value-conscious, prioritizing convenience and transparency over mere credit access.

Credit card originations fell in FY25, following two years of high growth, as lenders are becoming ever more selective and tech-driven, balancing growth with risk prudence. Secured credit cards (FD-backed) and UPI-linked credit cards are emerging as strong acquisition levers.

ANIL RAWAT

Risk Head - Consumer Durables, Credit Cards and Personal Loans
IDFC FIRST Bank



Credit card outstandings grew 9.0% YoY, accompanied by improvements across PAR 31–180 delinquency buckets

Credit Cards - Portfolio Snapshot

	Sep-24	Jun-25	Sep-25
Current Balance (₹ L Cr)	3.2	3.4	3.5
YoY growth %			9.0%
QoQ growth %			3.6%
Cards In Circulations (Lakh)	1,026.0	1,079.1	1,085.1
YoY growth %			5.8%
QoQ growth %			0.6%
PAR 1-30	3.7%	2.7%	2.3% ▼
PAR 31-90	2.5%	2.3%	2.3% ▬
PAR 91-180	2.0%	2.1%	1.8% ▼
PAR 180+	5.9%	6.8%	7.1% ▲

All of the above metrics are without ARCs

- **Portfolio:** Credit card outstanding reached ₹3.5 Lakh Cr up 9.0% YoY, 3.6% QoQ reflecting increased spending with the onset of the festive season and consumption momentum. Cards in circulation remained stable QoQ with the new cards in circulation yet to pick up momentum.
- **Performance:** PAR 1-180 buckets remained stable or showed improvement.

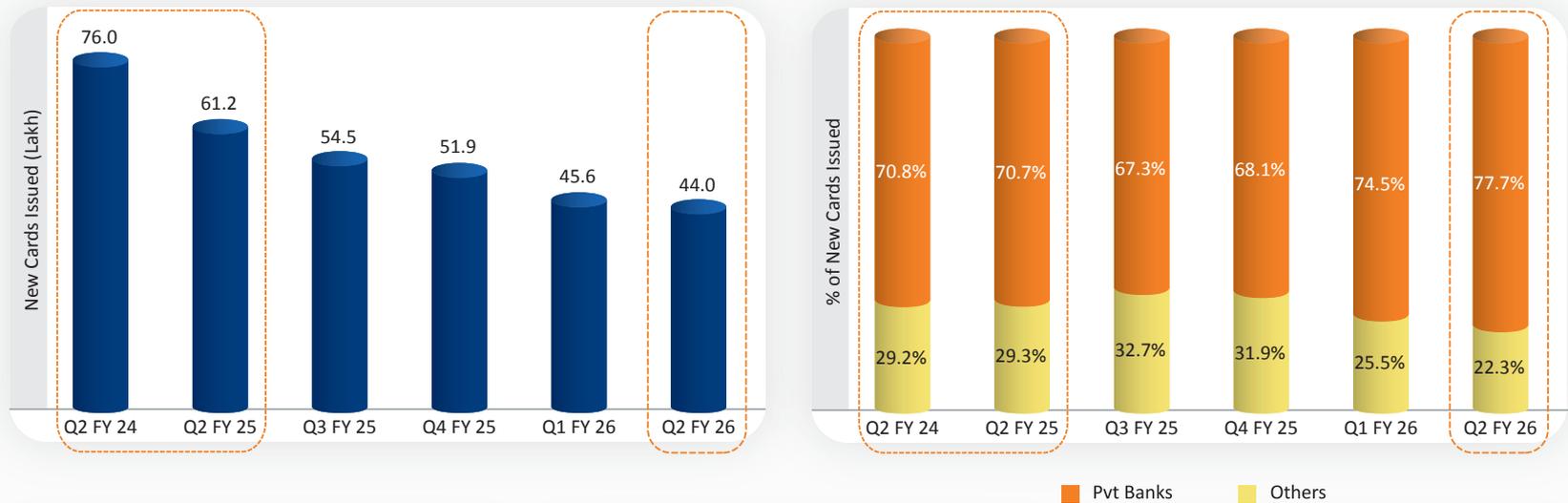
Credit Cards - Geographic Diversification

POS (₹ K Cr)	Sep-25	Growth		PAR 31-180			
		YoY%	QoQ%	Sep-24	Jun-25	Sep-25	
MH	51.3	9.4%	2.2%	2.3%	2.1%	2.1%	▬
TS	36.2	6.8%	2.2%	2.5%	2.4%	2.4%	▬
KA	31.4	11.6%	5.5%	1.9%	1.8%	1.6%	▼
TN	28.5	6.0%	0.9%	1.9%	1.9%	1.9%	▬
DL	26.8	7.7%	1.1%	2.5%	2.3%	2.5%	▲
UP	26.6	13.5%	5.0%	2.8%	2.4%	2.5%	▬
GJ	24.8	6.5%	3.0%	2.7%	2.7%	2.6%	▬
AP	20.2	9.6%	3.6%	2.8%	2.6%	2.6%	▬
WB	15.1	16.0%	6.5%	2.5%	2.4%	2.4%	▬
HR	15.0	9.2%	5.1%	2.5%	2.2%	2.2%	▬
Top 10	275.9	9.2%	3.1%	2.4%	2.3%	2.2%	
Rest Of India	74.9	7.9%	5.1%	2.7%	2.5%	2.4%	
Pan India	350.8	9.0%	3.6%	2.5%	2.3%	2.3%	

- **Geographic Trends:** Recent POS growth has been led by WB, HR, KA and UP. Most of these states also recorded strong YoY growth, indicating momentum in these regions.
- **Performance:** Most states have shown stable performance. However, a couple of states - AP, GJ, DL, UP continue to report marginally higher delinquency levels compared to the national average.

Credit Card acquisition drops; Market Share concentrates

Credit Cards Originations Trends



- **Originations Volume Slowdown Continues:**

New credit card originations declined 42% over eight quarters (presented here) - from 76 lakh in Q2 FY24 to 44 lakh in Q2 FY26 - indicating a calibrated slowdown in acquisition momentum.

- **Private Banks Consolidate Market Share:**

Despite the drop in volumes, private banks expanded their market share from 70.8% to 77.7%, while others declined from 29.2% to 22.3%, reflecting tighter risk filters and the growing dominance of top issuers.

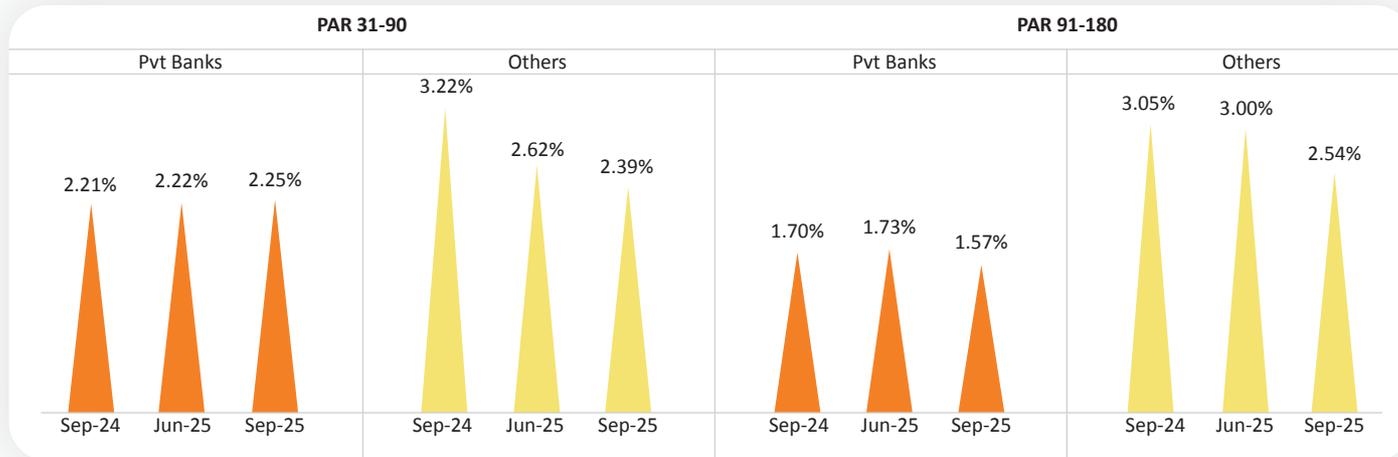
- **Risk Recalibration:**

The overall trends to a strategic shift toward boosting spend among existing customers and pursuing controlled growth amid elevated delinquency concerns.

Note: Others include PSU Banks, NBFCs, SFBs, Foreign Banks, Cooperative Banks, RRBs.

Delinquencies improve in private banks

Delinquency - Lender Type



- Early Delinquency Stability (PAR 31-90):** Private Banks have maintained a highly stable trend in the 31-90 DPD bucket, moving only marginally from 2.21% (Sept-24) to 2.25% (Sept-25). This indicates consistent performance in managing short-term overdue accounts.

- Improvement in Severe Delinquency (PAR 91-180):** There is a clear positive trend in reducing deeper delinquency, with rates improving from 1.70% (Sept-24) to 1.57% (Sept-25) suggesting improving portfolio quality.

Note: Others include PSU Banks, NBFCs, SFBS, Foreign Banks, Cooperative Banks, RRBs.



TWO-WHEELER LOANS



The second quarter of FY2026 reflected steady resilience within India's two-wheeler industry. Overall volumes remained largely flat year-on-year, weighed down by heavy monsoons and extensive flooding across several regions. Despite these temporary setbacks, underlying consumer sentiment and structural demand drivers remain intact. The outlook for the third quarter is notably more encouraging. Recent GST rate reductions and income tax rebates have enhanced disposable income levels, while the ongoing festive season is expected to stimulate retail demand further. We anticipate a meaningful pickup in volumes, particularly in the entry-level and commuter segments, where affordability continues to be a key growth enabler.

At Muthoot Capital, we remain firmly focused on strengthening our competitive position through sustained investments in digitization, customer experience, and partner enablement. These initiatives are enabling us to serve our customers with greater speed, efficiency, and transparency. We are optimistic about the industry's near-term revival and remain confident in the long-term growth potential of India's two-wheeler market.

MATHEWS MARKOSE

Chief Executive Officer, Muthoot Capital Services Ltd.



Two-wheeler POS grew moderately due to slower originations; PAR 31-90 remained high

Two Wheeler Loans - Portfolio Snapshot

	Sep-24	Jun-25	Sep-25
Portfolio Outstanding (₹ K Cr)	149.8	168.5	172.2
YoY growth %			14.9%
QoQ growth %			2.2%
Active Loans (Lakh)	313.3	346.3	351.8
YoY growth %			12.3%
QoQ growth %			1.6%
PAR 31-90	4.0%	3.7%	3.6% ■
PAR 91-180	1.8%	2.1%	1.9% ▼
PAR 181-360	1.4%	1.7%	1.8% ■
PAR 360+	5.5%	5.8%	5.9% ■

- **Moderate portfolio growth** observed, with POS rising 2.2% QoQ to ₹172.2K Cr and ~15% YoY.
- **Active loans** grew 1.6% QoQ to 351.8 lakh, reflecting the ongoing slowdown in originations.
- **PAR 31-90 remained high** as compared to PAR 91-180 and PAR 181-360 indicating risks in early buckets.

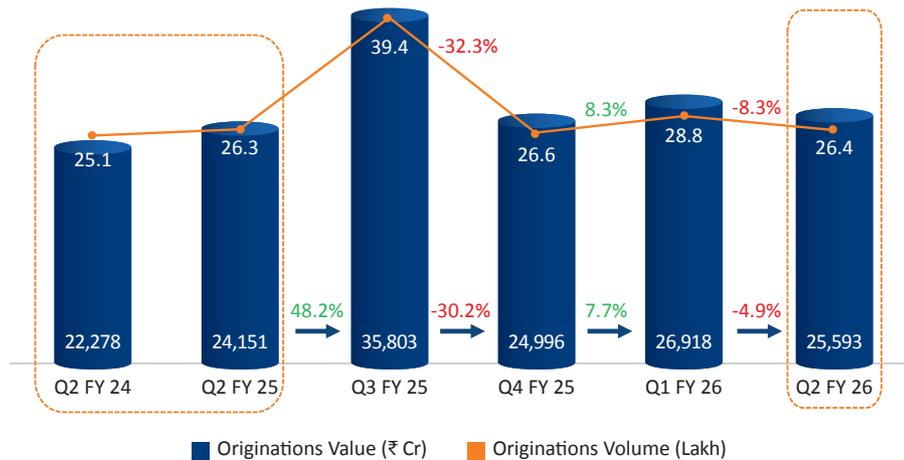
Two Wheeler Loans - Geographic Diversification

POS (₹ K Cr)	Sep-25	Growth		PAR 31-180		
		YoY%	QoQ%	Sep-24	Jun-25	Sep-25
UP	19.6	20.4%	-1.0%	5.4%	5.1%	4.9%
MH	19.4	16.7%	1.3%	5.5%	5.2%	4.9%
TN	15.1	21.1%	12.2%	4.9%	5.2%	4.4% ▼
BR	10.9	14.4%	-0.2%	7.3%	7.1%	6.5%
KA	10.8	8.7%	2.0%	5.3%	6.8%	6.2%
MP	10.4	15.9%	-0.8%	8.3%	7.7%	7.7% ■
WB	10.3	15.4%	2.5%	3.2%	4.0%	3.6%
GJ	9.7	15.4%	3.0%	5.4%	5.5%	5.0%
RJ	8.5	8.5%	0.3%	9.0%	8.0%	7.8% ▼
KL	7.2	12.0%	5.1%	5.9%	5.6%	5.0%
Top 10	121.9	15.6%	2.3%	5.9%	5.9%	5.4%
Rest Of India	50.3	13.2%	2.0%	5.7%	5.7%	5.6% ■
Pan India	172.2	14.9%	2.2%	5.8%	5.8%	5.5% ▼

- **Most states witnessed improvements:** In PAR 31-180 between Jun'25 and Sep'25, with TN showing the highest improvement at 0.8%, reflecting effective risk containment at the state level.
- Among the top states, **TN** also recorded the **highest portfolio growth** at 12.2% QoQ, followed by KL at 5.1% QoQ - outperforming other states as of Sep'25.

Originations value saw a slight QoQ decline ahead of the festive season

Two Wheeler Loans Originations Trends



Q2 FY26 Performance Overview:

Originations value saw a moderate decline to ₹25.6K Cr, down 4.9% QoQ. Originations volume also dropped 8.3% QoQ to 26.4 lakh. However, on a YoY basis, originations value increased by 6.0%, although value remained the same at about 26 lakhs.

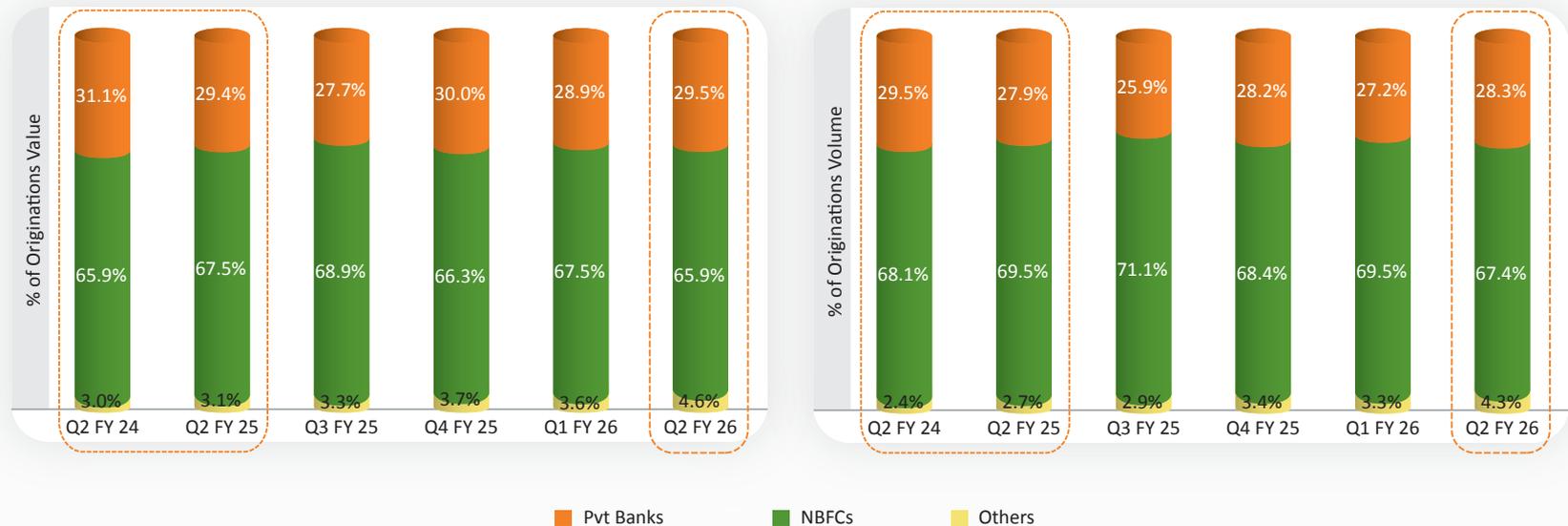
Possible Drivers: The decline may be attributed to an extended monsoon, cultural factors affecting purchase timing in several regions, and lender caution ahead of GST announcements. However, the GST rate cut implemented in late September 2025 has begun to positively impact two-wheeler sales, as noted by SIAM.

Pricing Trends: Average vehicle prices continued to rise, reaching ₹96.8K in Q2 FY26 - reflecting both higher input costs and a shift in product mix toward higher-end models.

	Q2 FY24	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Average Ticket Size (₹ K)	88.7	91.7	91.0	93.9	93.3	96.8
Q-o-Q Growth %			-0.9%	3.2%	-0.6%	3.7%

The lending landscape remains duopolistic, with private banks and NBFCs as the primary players

Lender Type Wise Originations Trends



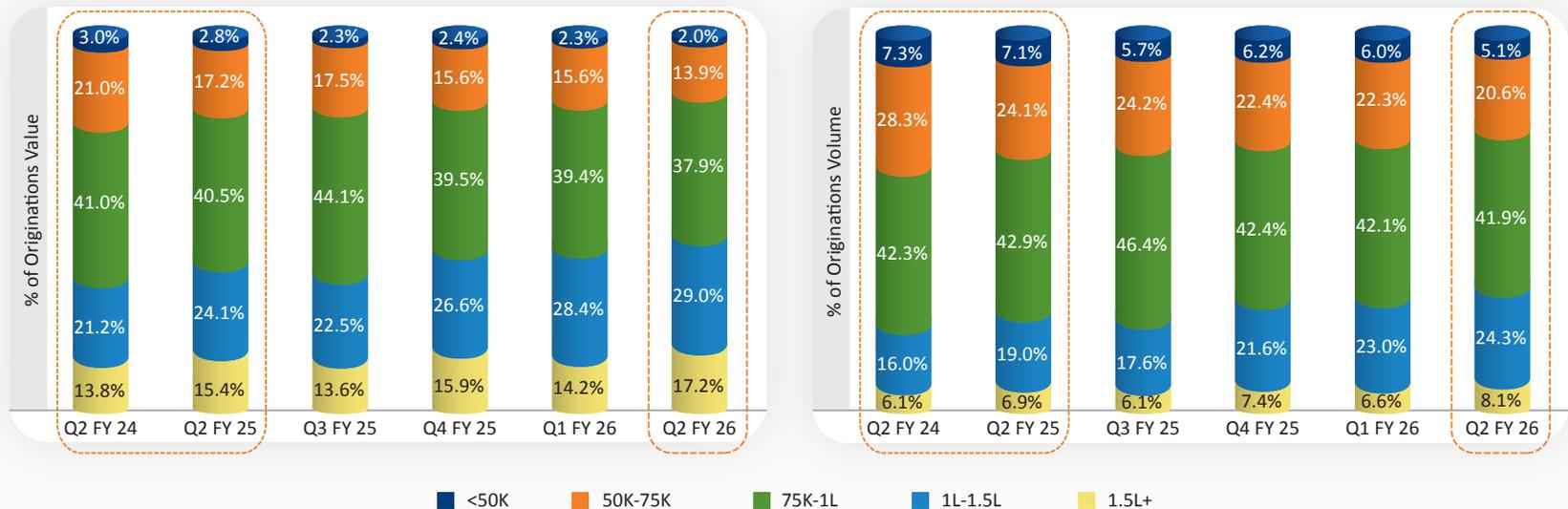
- NBFCs Maintain Dominance:** NBFCs continue to lead two-wheeler originations, consistently holding between 65% and 71% of both origination value and volume across all featured quarters.

- Private banks Show Slight Volatility:** Pvt banks share of originations value has fluctuated between 27% and just over 31% across quarters, with a modest recovery in the most recent period. Originations value rose from 28.9% in Q1 FY26 to 29.5% in the current quarter (Q2 FY26), while volume increased from 27.2% to 28.3% between the same period.

Note: Others include PSU Banks, SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs.

Shift in Originations to ₹1 L+ ticket size loans

Ticket Size Wise Originations Trends

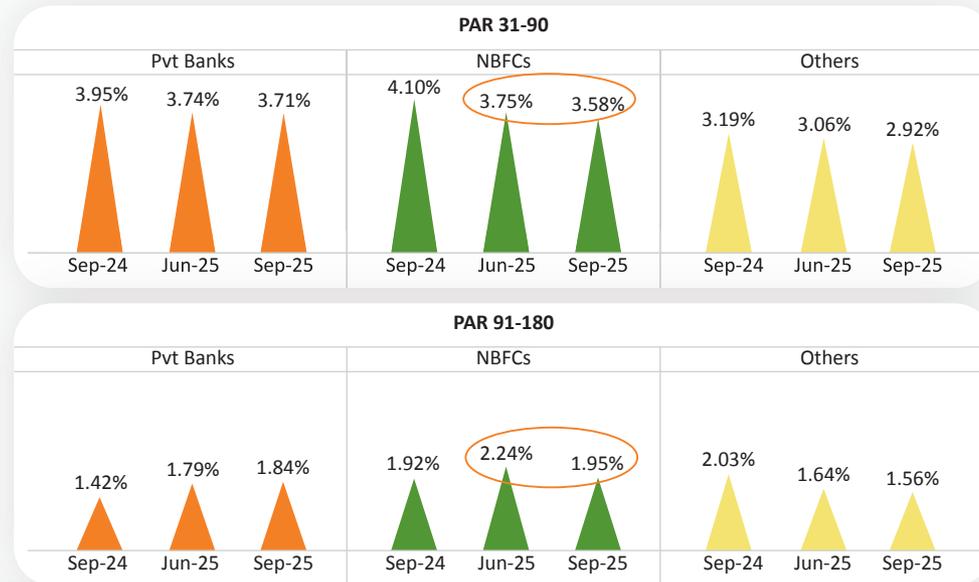


• **Dominant category:** Loans in the ₹75K-₹1L category continued to dominate the two-wheeler loan market, accounting for 37.9% of originations value and 41.9% of originations volume as of Q2 FY26, although its share reduced from 41.0% in Q2 FY24.

• **Shift to ₹1L+ ticket sizes:** The share of loans in the ₹1L-₹1.5L segment rose from 21.2% in Q2 FY24 to 29% in Q2 FY26. Similarly, loans above ₹1.5L increased from 13.8% to 17.2% during the same period. This upward shift was accompanied by a corresponding rise in volumes, reflecting higher vehicle costs and a growing consumer preference for premium models.

NBFCs have shown better control over PAR 31-180 compared to private banks as of Sep-25

Delinquency - Lender Type



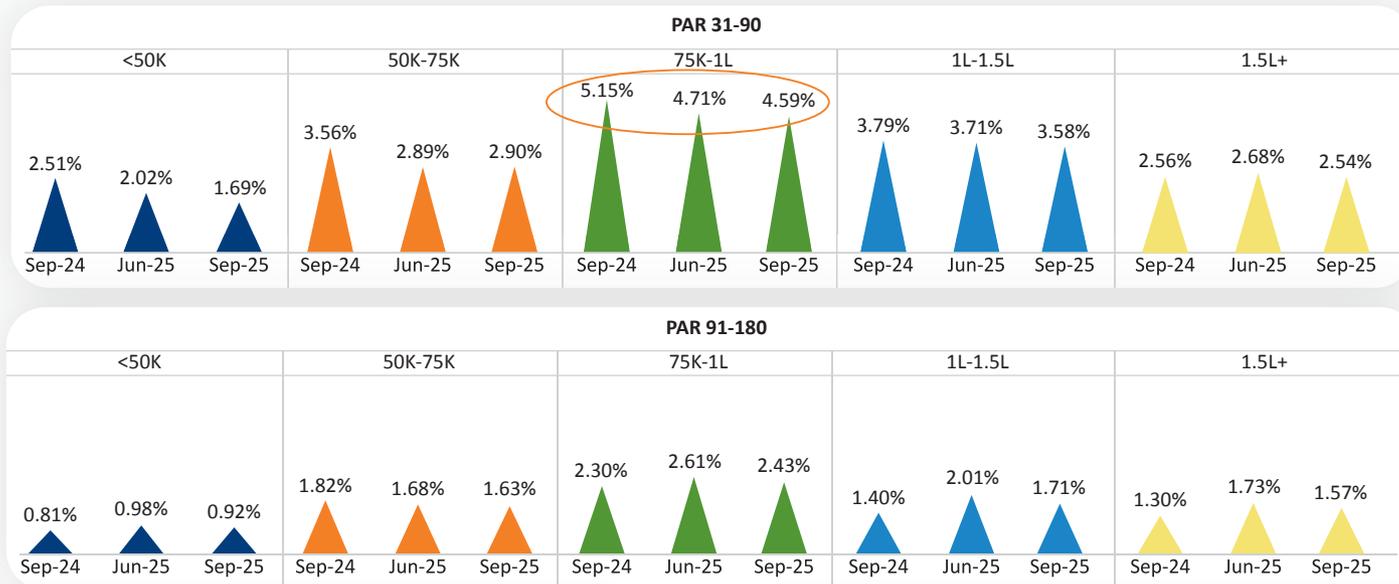
- **Higher Delinquency Trends:** As of Sep-25, private banks reported a higher PAR 31-90 at 3.71% compared to NBFCs, while NBFCs had a higher share in the PAR 91-180 bucket at 1.95%. However, NBFCs demonstrated greater improvement in both PAR 31-90 and PAR 91-180 segments relative to private banks during the same period.

- **Drivers of Elevated Delinquency:** Persistent stress in rural areas, challenges faced by MFI customers, and the impact of an extended monsoon season have contributed to continued pressure on two-wheeler loan performance, limiting any substantial improvement in delinquency levels.

Note: Others include PSU Banks, SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs.

₹75K-₹1L band shows among the highest delinquency levels

Delinquency - Ticket Size



- **High Delinquency in Key Ticket Size:** The ₹75K-₹1L ticket size, which accounts for ~40% of originations, continues to show one of the highest delinquency levels, indicating stress in this segment.

- **Lender caution:** However, there has been improvement across ticket sizes and delinquency buckets, reflecting increased lender caution with better recovery in the higher ticket sizes (in the PAR 91-180 bucket).



CONSUMER DURABLE LOANS



Consumer credit - particularly personal loans and financing for consumer durables - continues to be a key driver of India's economic momentum. However, loan ticket sizes have moderated as lenders increasingly shift focus toward smaller, lower-risk segments. On the consumer durables front, financing for appliances and electronics has seen modest growth in early 2025, reflecting cautious consumer sentiment and tighter lending norms. OEMs in categories such as refrigerators, air conditioners, and smartphones are observing these trends closely, as the availability of financing directly affects sales, which have also shown some softening this year.

In this environment, accurate and timely credit bureau data has become more critical than ever. It supports responsible lending, helps prevent overextension of credit, reduces delinquencies, and strengthens consumer trust. Strong credit discipline, backed by comprehensive data reporting, not only sustains healthy demand but also fuels retail and SME growth. Ultimately, this reinforces India's long-term GDP trajectory. Credit bureaus, therefore, remain integral to the lending ecosystem, enabling prudent risk assessment, protecting borrower interests, and supporting the overall resilience of India's economy.

AYAN DUTTA

Head of Consumer Credit, Collections and Fraud Control - DMI Finance



Growth slows down for consumer durables loans due to seasonal factors

Consumer Durable Loans – Portfolio Snapshot

	Sep-24	Jun-25	Sep-25
Portfolio Outstanding (₹ K Cr)	81.4	89.3	89.8
YoY growth %			10.2%
QoQ growth %			0.6%
Active Loans (Lakh)	1,005.9	1,034.0	955.7
YoY growth %			-5.0%
QoQ growth %			-7.6%
PAR 31-90	1.3%	1.3%	1.1% ▼
PAR 91-180	1.4%	1.2%	1.1% ■
PAR 181-360	0.6%	0.4%	0.5% ■
PAR 360+	5.2%	5.3%	5.5% ▲

- **POS:** The portfolio outstanding for CD grew 10.2% YoY but remained largely flat on a QoQ basis due to lower originations. Active loan volumes declined on both YoY and QoQ metrics (down 5% and 7.6% respectively).
- **Performance:** PAR 31–180 metrics showed improvement or remained the same likely reflecting lender caution and ongoing recovery efforts.

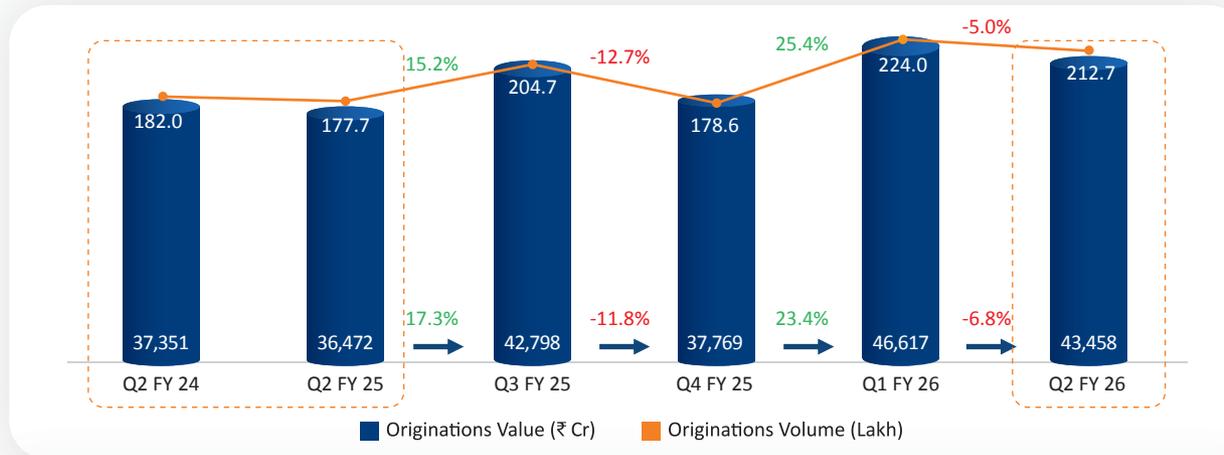
Consumer Durable Loans - Geographic Distribution

POS (₹ K Cr)	Sep-25	Growth		PAR 31-180		
		YoY%	QoQ%	Sep-24	Jun-25	Sep-25
MH	12.9	8.4%	0.8%	3.1%	3.0%	2.7% ▼
UP	7.6	18.8%	0.0%	3.5%	2.7%	2.6% ■
TN	6.8	6.3%	0.0%	1.7%	1.9%	1.6%
KL	6.7	17.5%	9.8%	4.2%	3.3%	2.6%
KA	6.4	4.9%	0.0%	2.2%	2.9%	2.4%
WB	6.1	13.0%	5.2%	1.5%	1.4%	1.2%
GJ	5.3	-1.9%	-1.9%	3.1%	3.1%	2.7%
AP	4.6	15.0%	2.2%	2.4%	2.2%	2.0% ▼
TS	4.6	2.2%	0.0%	2.8%	2.9%	2.4%
BR	3.9	21.9%	2.6%	2.1%	1.9%	1.6%
Top 10	64.9	10.0%	1.6%	2.7%	2.6%	2.3%
Rest Of India	24.8	10.7%	-2.0%	2.6%	2.2%	2.0%
Pan India	89.8	10.3%	0.6%	2.7%	2.5%	2.2%

- **Geographic insights:** States like UP, KL, and BR (from a smaller base) recorded strong YoY growth. However, recent growth has been concentrated in a few states - primarily KL and WB.
- **Performance:** PAR 31-180 improved across most states on a QoQ basis. However, it remained elevated in certain states such as MH, UP, GJ and KL, indicating localized stress pockets.

Originations slowdown in Q2 FY26 due to seasonal factors

Consumer Durable Loans Originations Trends



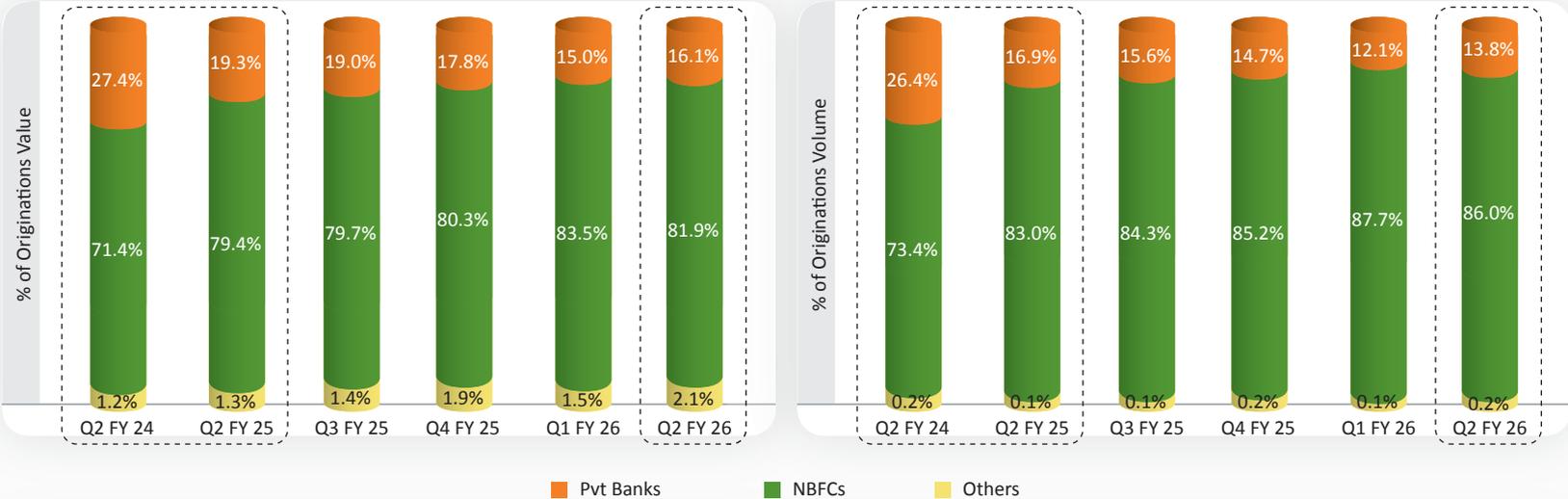
	Q2 FY24	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Average Ticket Size (₹ K)	20.5	20.5	20.9	21.1	20.8	20.4
Q-o-Q Growth %			1.9%	1.1%	-1.6%	-1.8%

SLOWDOWN

- CD originations slowed to ₹43.5K Cr, marking a 6.8% QoQ decline. Active loans mirrored this trend, falling 5.0% QoQ to 212.7 lakh. However, YoY performance showed improvement (value: 19.2% YoY; volume: 19.7% YoY).
- This reflects subdued consumer spending, lender caution and seasonal factors impacting demand.
- That said, the recent GST cut could pave the way for a strong recovery, potentially stimulating consumption and demand in the latter part of the year.

NBFCs maintain their lead and continue to capture market share from private banks

Lender Type Wise Originations Trends



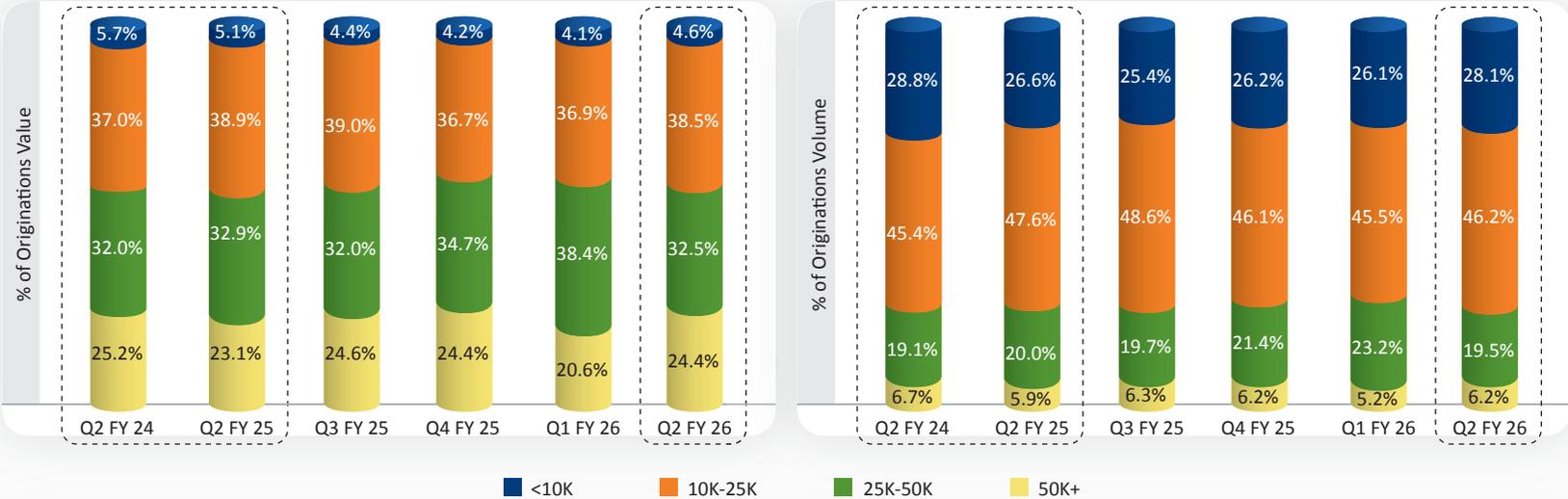
- Dominance of NBFCs:** The market continues to be led by NBFCs, with growth evident in both originations value and volume. This expansion is also driven by product type innovations by NBFCs - embedded finance solutions, BNPL offerings, strategic partnerships with dealers, and flexible loan products tailored to consumer needs.

- Share shift:** Private banks are witnessing a steady decline in market share across both originations value and volume, suggesting a notable shift in the lending landscape.

Note: Others include PSU Banks, SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

Originations volume dominated by small-ticket loans driving the number of originations

Ticket Size Wise Originations Trends

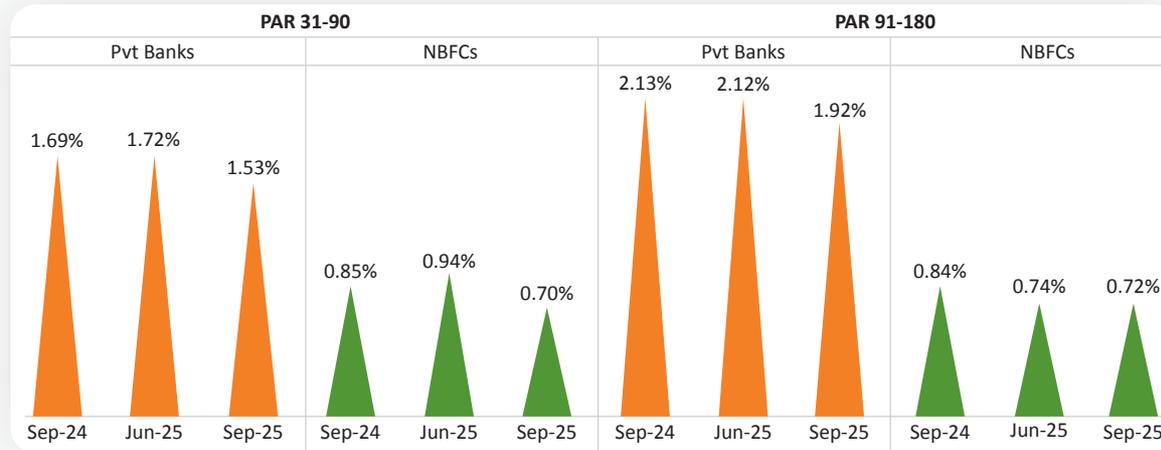


• **>₹25K Loans Dominate in Value:** As of Q2 FY26, loans with ticket sizes above ₹25K accounted for 57% of total originations value. This share has remained largely stable compared to Q2 FY25 and Q2 FY24.

• **<₹25K Loans Dominate in Volume:** In terms of volume, loans below ₹25K continue to lead, comprising approximately 75% of total originations. This range-bound trend underscores the sustained dominance of small-ticket loans.

NBFCs continue to outperform in PAR 31-180 overall

Delinquency – Lender Type

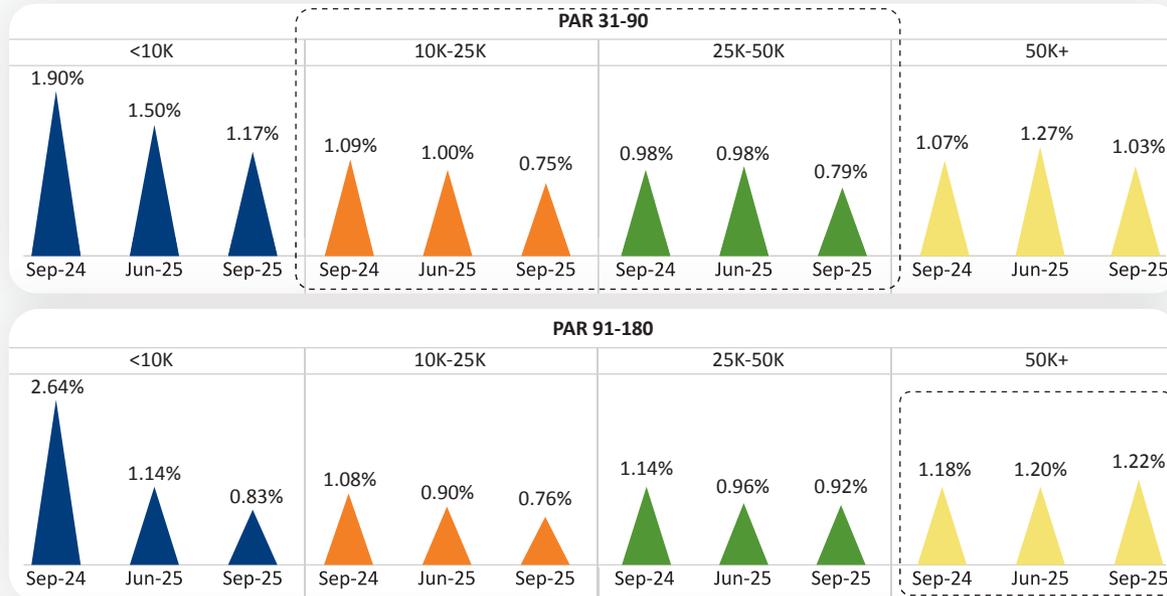


- Improving Asset Quality:** NBFCs, the market leaders in CD lending, continue to perform well, contributing significantly to the overall improvement in asset quality - particularly in PAR 31-90 and PAR 91-180 buckets. This reflects effective recovery mechanisms and robust portfolio quality controls.

- Private banks:** These players have also shown improvement in asset quality; however, their delinquency levels remain higher than those of NBFCs, despite having a comparatively smaller loan book.

>₹50K+ Segment Shows Early Signs of Stress in PAR 91-180

Delinquency – Ticket Size



• **Ticket Sizes with Better Delinquency Trends:** Loans in the ₹10K-₹25K and ₹25K-₹50K segments, which together account for nearly 70% of the portfolio, continue to exhibit stable and improving delinquency levels.

• **Early Signs of Stress in Larger Ticket Sizes:** Loans above ₹50K show higher delinquency rates compared to the ₹25K-₹50K segment, indicating emerging repayment stress in larger ticket sizes. While there has been some improvement in early delinquency (PAR 31-90), stress remains more pronounced in the PAR 91-180 bucket for ₹50K ticket size.

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'How India Lends' is CRIF High Mark's flagship publication that offers a data-driven, comprehensive view of India's lending ecosystem. The report presents in-depth insights into key credit trends. Given its strong industry reception and growing relevance, the report has evolved from an annual publication into a quarterly edition. This shift enables more timely tracking of emerging trends and sharper visibility into the evolving credit landscape - especially during dynamic periods such as quarter-ends.

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- Commercial CIR includes CRIF India Business Rank (CIBR), which is a 13-Rank Assessment model to gauge a Business entity's Credit repayment ability based on its credit profile, credit history and other factors.



B2B2C Consumer CIR

- The reports are fetched by individuals who approach Agents/Online Fintech Platform to avail personal credit for personal usage/pre-qualified offers.



B2C Consumer/Commercial CIR

- Individuals/Entities looking for their personal/entity's credit report fetch this CIR through CRIF's portal.



Commercial Lite CIR

- Synopsis of credit facilities with respect to Member and Off-member exposures, exposures on CC/OD facilities, Total Banking Exposure.



Portfolio review

- The data output represents Offline bulk credit information of their customer base with Lending Institutions.



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