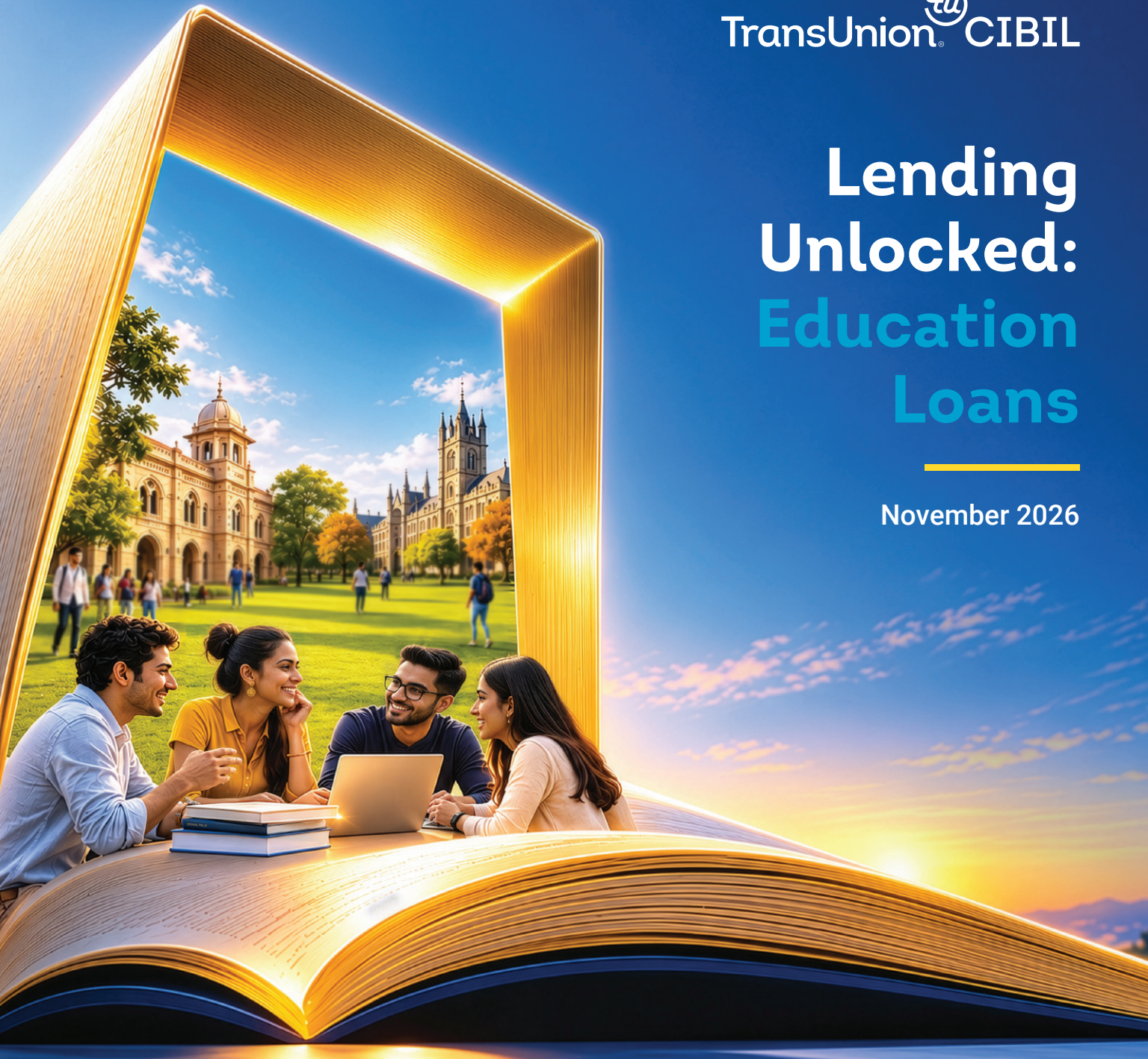
TransUnion CIBIL

Lending Unlocked: Education Loans

November 2026



Executive Summary

MARKET LANDSCAPE

Education loan balances have tripled since 2019, driven by both stronger loan origination volumes and a shift toward higher-ticket lending. While the number of live loans increased by 40%, outstanding balances grew 3.2x, reflecting rising education costs, greater uptake of overseas and professional education financing, and an increasing share of loans above ₹20 lakh. Despite this rapid growth, portfolio performance remains healthy, with balance-level 90+ DPD at just 0.53%. Over the last decade since 2016, 41 lakh consumers have originated Education Loans. 7.1 lakh of these consumers availed Education Loans of sanction amount under ₹1 lakh, especially in the recent past.

ORIGINATIONS VIEW

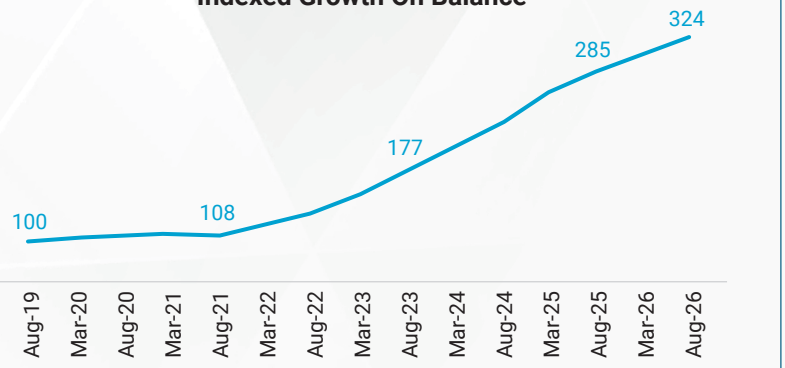
Education Loans have increased in both volume and value by almost 4.5 times since 2019. 2023 witnessed the highest growth, with tapering in both volume and value since then, likely due to impact of macro uncertainties. A significant focus on upskilling has likely contributed to a shift towards high volumes of originations in the ₹1 lakh or less ticket segment. Originations in this segment was 42% of originations in half yearly period ending June 2026 (H1 2026).

BORROWER ARCHETYPE

Borrower archetypes have evolved too. 41% of Education Loans originations in H1 2026, were backed by co-borrowers, underscoring the importance of family in education.

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OUTSTANDING BALANCES FOR EDUCATION LOAN HAS TRIPLED SINCE 2019, DRIVEN BY BOTH HIGH VALUE AND VOLUMES IN ORIGINATIONS



Aug 2019 indexed at 100

While loans up to ₹4 lakh remain largely unsecured, the increasing share of loans above ₹20 lakh suggests rising education costs, greater demand for premium domestic and overseas programs, and stronger lender confidence in underwriting larger exposures.

Balance-level delinquencies are measured as balances in 90 to 179 days past due as a percentage of overall balances up to 179 days past due.

₹2.5 Lakh Cr.
Outstanding Balances
3.2x since 2019

29.1 Lakh.
Count of Live Loan
1.4x since 2019

0.53%
Balance-level
90+ DPD

Ticket-Size Distribution by Active Loan Accounts

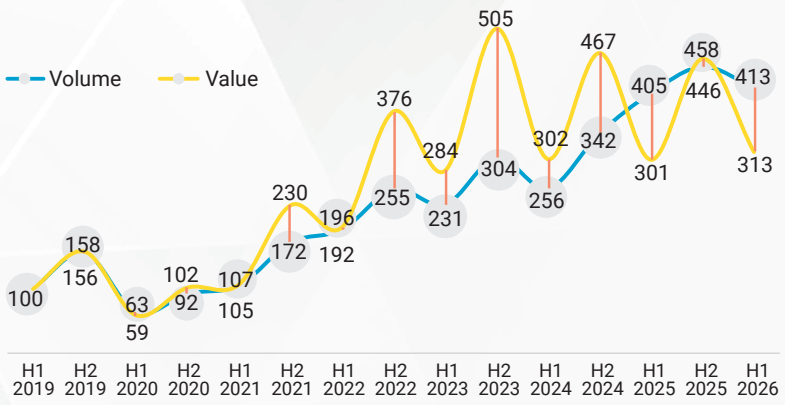
Sanction Amount (₹)	<1L	1L-4L	4L-7.5L	7.5L-20L	20L-50L	>50L
Live Loans Share	11%	36%	22%	11%	17%	3%
Change since 2019 (in ppt)	+1	-29	+12	+1	+12	+3

39% of active education loan borrowers monitored their credit with TransUnion CIBIL in last one year from Aug 2025 - Aug 2026.

Source: TransUnion CIBIL India

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EDUCATION LOAN ORIGINATIONS CONTINUE TO EXPAND AS LENDERS DEEPEN PENETRATION ACROSS MASS-MARKET BORROWERS



H1 2019 indexed at 100

The strongest momentum is emerging from the sub-₹25,000 segment, which grew 34% YoY by volume, indicating increasing adoption of loan towards upskilling and e-learning.

As a result, **average ticket size has declined from a peak of ₹14.3 lakh in 2023 to ₹7.5 lakh in H1-2026.**

4.4 Lakh
Loans Disbursed
+2% YoY

₹32.9K Cr.
Sanction Amount
+ 4% YoY

34% YoY Growth
Originations < ₹25K Volume

Ticket-Size Distributions by Origination Volumes

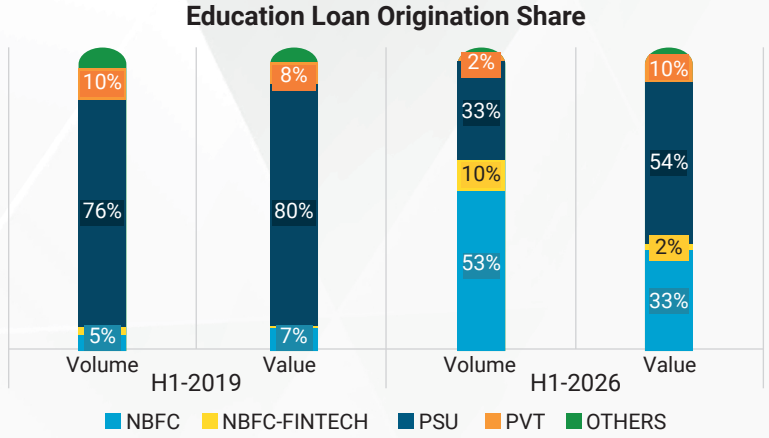
Sanction Amount (₹)	<1L	1L-4L	4L-7.5L	7.5L-20L	20L-50L	>50L
Share in H1 2026	42%	27%	14%	5%	10%	2%
Change since 2019 (in ppt)	+33	-14	-4	-13	-3	+1

All the above origination key metrics are based on originations during H1 2026.

Source: TransUnion CIBIL India

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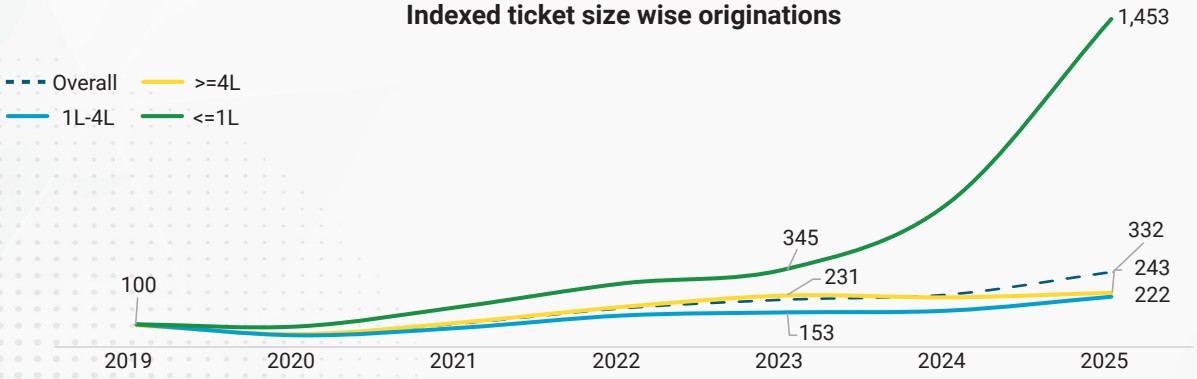
THERE IS A GRADUAL SHIFT IN LENDER MIX, WITH NBFC AND FINTECH GAINING SHARE IN ORIGINATION VOLUMES



Average Ticket Size In Lakh		
Lender	H1-2019	H1-2026
NBFC	₹ 14.8	₹ 4.6
FINTECH	₹ 1.6	₹ 1.3
PSU	₹ 10.4	₹ 12.3
PVT	₹ 7.9	₹ 29.6

Others, consisting of HFCs, RRBs, Co-ops, and others.

FOCUS ON SMALLER TICKET LOANS FOR SKILL BASED AND E-LEARNING PROGRAMS



Indexed to 100 in CY 2019

The education loan market is no longer PSU-led alone; growth is increasingly being driven by NBFCs expanding access to smaller-ticket loans, while private banks compete in the high-value segment.

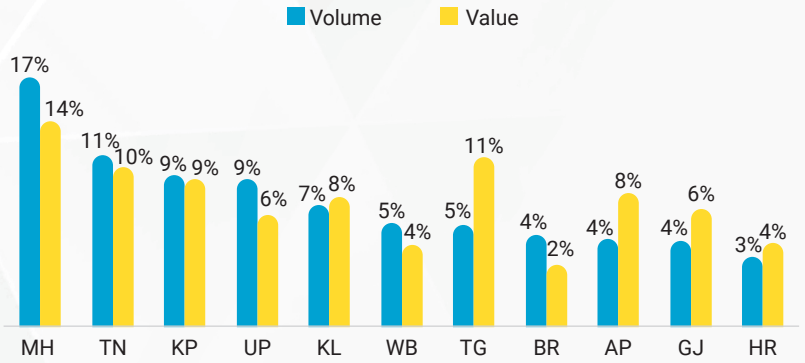
Source: TransUnion CIBIL India

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STATE-WISE ORIGINATIONS REVEAL DISTINCT VOLUME AND VALUE DRIVERS

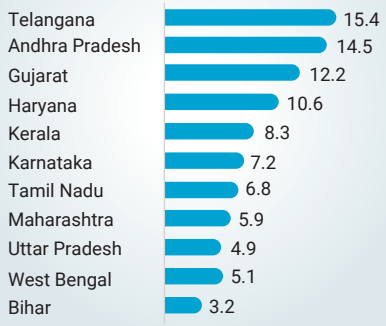
Maharashtra leads in volumes, while Telangana, Andhra Pradesh and Gujarat contribute disproportionately to value, driven by higher ticket size loans

H1-2026 Education Loan Origination Share by State



Average Ticket Size (ATS) by State

H1-2026, in ₹ Lakh



Maharashtra drives the highest volumes

Contributes 17% of total originations, the highest among all states

Telangana is the most premium market

Accounts for 11% of value share from just 5% of volume share, with the highest ATS of ₹15. 4L

AP and Gujarat also show high value concentration

Contribute 8% and 6% of total value respectively, despite low volume shares (4% each), driven by higher ticket sizes

MH : Maharashtra, **TN** : Tamil Nadu, **KA** : Karnataka, **UP** : Uttar Pradesh, **KL** : Kerala, **WB** : West Bengal, **TG** : Telangana, **BR** : Bihar, **AP** : Andhra Pradesh, **GJ** : Gujarat, **HR** : Haryana.

Source: TransUnion CIBIL India

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EDUCATION LOANS ARE INCREASINGLY BEING ORIGINATED BY BORROWERS OF AGE GREATER THAN 30 YEARS, AND IN SMALLER TICKET-SIZE, LIKELY FOR SKILL DEVELOPMENT AND CAREER ADVANCEMENT

Traditional Student

22%

Education Loans in 2026 are to a solo borrower of age 30 years or below

▼ **- 2 ppt** vs. 2019

- **54%** of these loans are of sanction amount ₹1 lakh showing focus towards e-learning or skilling platforms while **12%** of these loans are of sanction amount above ₹20 lakh, likely funding education in premier institutes
- **14%** of these borrowers have taken education loans in past again showing focus towards skilling
- **21%** of borrowers have prior consumer durable loan experience

Career Upskiller

37%

Education Loans in 2026 are to a solo borrower of age greater than 30 years

▲ **+ 31 ppt** vs. 2019

- Borrowers in this segment have grown from 6K in 2019 to 1.5 lakh in 2026
- **64%** of these loans are of sanction amount ₹1 lakh or below showing higher focus towards skilling/ e-learning programs
- **46%** of these borrowers have prior credit card experience
- **30%** of these borrowers have prior home loan experience

Co-Borrower Supported

41%

Education Loans in 2026 were joint borrower or guarantor backed

▼ **- 29 ppt** vs. 2019

- This segment continues to account for the largest share of education loan originations, reflecting the **importance of family support in financing higher education (with nearly 97% of loans having atleast 1 borrower aged 30 years or less)**
- More than a quarter (27%) of loans exceed ₹20 lakh, highlighting its concentration in premium domestic and overseas education programs

All borrower metrics are for originations in the period Jan to Jun. Loans with more than 3 borrowers, comprising of 1% of loan originations in H1 2026 have been excluded from this analysis.

Source: TransUnion CIBIL India

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DEFINITIONS AND INTERPRETATIONS

1 Regulatory Context: Education Loan Security Framework

Loan Size	Security Requirement
Up to ₹4L	No collateral or third-party guarantee. The parents/guardians are only signed as joint borrowers.
₹4L-₹7.5L	No tangible collateral required; banks may seek a third-party guarantee. Eligible borrowers may also be covered under guarantee schemes such as CGFSEL.
Above ₹7.5L	Tangible collateral may be required, along with assignment of future income expectations.

Source: RBI FAQs on Educational Loans; operational practices may vary across lenders.

Regulatory thresholds do not always reflect market practice. Many lenders, particularly for students admitted to premier institutions in India and abroad, offer substantially higher collateral-free limits based on institutional reputation, expected employability, co-applicant strength, and internal risk assessment. As a result, loan amounts should not be interpreted as a direct proxy for collateralized borrowing.

2. Borrower Archetype:
Traditional Student: Solo Borrower, age <= 30 years taking Education loan by themselves.
Career Upskill: Solo Borrower, age >30 years taking Education Loan by themselves.
Co Borrower Supported: Joint Loan with at least one borrower having age > 30 years for support.

Please Note: Borrowers with joint loans <= 3 have been considered , if a loan had 4 or more borrowers such have been excluded from the Archetype Study considering reporting anomaly.

Source: TransUnion CIBIL India

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