TransUnion CIBIL

UNLOCKING ACCESS

JOURNEY OF CREDIT EXPANSION IN INDIA

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Over the past decade, India's credit ecosystem has undergone a remarkable transformation — expanding access to millions of borrowers while building deeper and more meaningful engagement with the borrowers.

This transformation has been powered by two distinct yet interconnected forces: divergence, which has brought new and underserved segments into the formal credit system, and deepening, which has strengthened engagement, trust, and financial participation among existing consumers.

As we enter the next phase of growth, the context is evolving. Growth is moderating, and the path forward demands a sharper focus—not just on expanding access, but on enabling responsible, sustainable, and inclusive credit participation. The increasing engagement of women, younger borrowers, and consumers from semi-urban and rural markets is reshaping the landscape, while improvements in credit awareness, digital access, and borrower maturity are strengthening the system from within.

Since 2017, India's credit-active consumer base has witnessed significant changes in their profile. Younger borrowers have emerged as an important driver of this transformation, with their share increasing from 33% in 2017 to 39% in 2026. Credit monitoring is also gaining momentum as consumer become more conscious of managing their financial profiles.

At the same time, the credit journey of existing borrowers has deepened. Credit-experienced consumers now account for 54% of credit-active consumers in 2026, compared to 38% in 2017. This is reflective of a maturing borrower base. Borrowers, today, are not only accessing credit but are also engaging with a wider range of products. This helps to create a more dynamic and evolving credit landscape.

At the same time, the increase in leveraged borrowers over the years highlights the importance of continued focus on informed decision-making and sustainable credit practices. As credit access grows, responsible lending and borrowing remain critical.

This report brings together these structural shifts to present a comprehensive view of India's credit journey since 2017. It highlights how the ecosystem is not only expanding but progressing—toward a future that is broader in reach, deeper in engagement, and stronger in resilience. At TransUnion CIBIL, we remain committed to enabling this transformation through data, insights, and trust.

BHAVESH JAIN

MD & CEO,
TransUnion CIBIL Ltd.

EXECUTIVE SUMMARY

India's credit ecosystem stands at an important inflection point. Since 2017 credit penetration has expanded significantly, reaching nearly 28% of the eligible population. However, the compounded annual growth rate of the credit-active consumer base moderated from 14% during the March 2017-March 2019 period to 9% during March 2024-March 2026 period, indicating a transition from a phase of rapid expansion to one that requires more deliberate and targeted strategies. This shift underscores the need to move beyond broad-based growth toward a model that is both inclusive and sustainable - where new borrower segments are brought into the ecosystem while existing consumers engage more deeply and responsibly with credit.

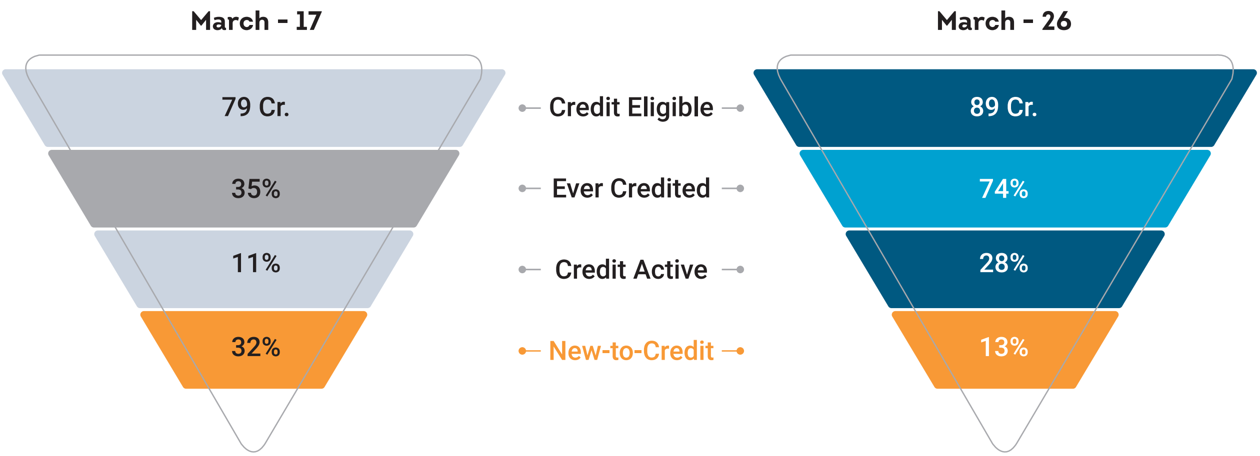
This evolving landscape is being shaped by the dual engines of divergence and deepening. Divergence is evident in the increasing participation of women, younger borrowers, and consumers from semi-urban and rural regions, as well as the geographic expansion of credit beyond its traditional strongholds of south India to newer geographies in the north. At the same time, deepening is reflected in rising credit maturity (5+ years of retail credit experience), increased borrower education and monitoring, and faster access to credit. Borrowers are not just entering the system—they are progressing within it, moving from microfinance to retail products and, in some cases, toward entrepreneurial and commercial credit.

Together, these trends signal a structural transformation of India's credit ecosystem - from one defined primarily by access to one characterized by engagement, progression, and resilience. The opportunity ahead lies in sustaining this momentum by enabling responsible growth, fostering financial awareness, and leveraging innovation to create a seamless and inclusive credit experience. The next phase of India's credit journey will be defined not just by scale, but by the quality and depth of participation.

Source: TransUnion CIBIL

THE GROWTH IMPERATIVE

The journey of credit inclusion and expansion - but growth is no longer automatic

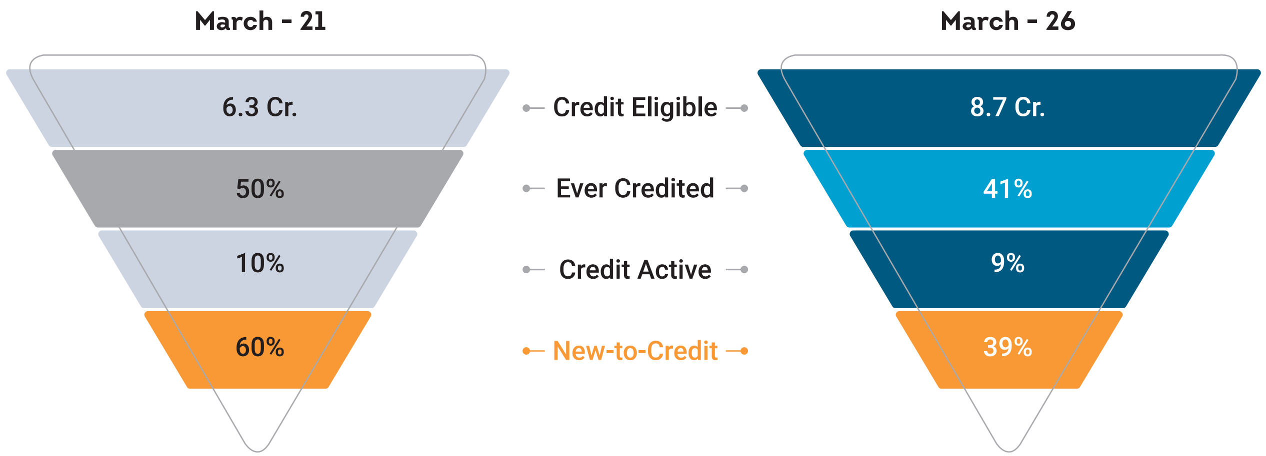


Nearly three-fourths of India's population has accessed credit at least once, with early growth primarily driven by expanding credit access. Despite this progress, credit penetration remains below 80%+ levels in developed markets such as the U.S. and Canada, indicating significant headroom for growth. Meanwhile, the decline in New-to-Credit (NTC) originations highlights a key opportunity to fuel the next phase of expansion.

Credit eligible is the total adult population aged between 18 to 60 as of period end based on population estimate from World Bank Database | Ever credited are consumers who have ever availed a retail loan as of period end; | Credit active consumers are those who have at least 1 retail loan with balance or limit reported on the portfolio date; | New-to-Credit are consumers who originated their first ever loan (reported on retail bureau) of the total consumer originations in the 3-month ending period.

Source: TransUnion CIBIL

Enabling Growth by enabling commercial enterprises



With growth moderating and the borrower base expanding, NTC customers and MSMEs represent the next growth frontier

Credit eligible is the CII reported entity population as of period end; Ever credited are entities who have ever availed a commercial loan as of period end; Credit active entities are those who have at least 1 commercial loan with balance or limit reported on the portfolio date; New-to-Credit are entities who originated their first ever loan (reported on commercial bureau) of the total entity originations in the 3-month ending period; Commercial entities with exposure up to INR 100 crores have been considered as of period end.

Source: TransUnion CIBIL

DIVERGENCE:
EXPANDING THE BORROWER BASE

A deeper look into this transformation helps understand the nuances of this growth

SHARE OF CREDIT ACTIVE CONSUMERS

WOMEN

22% 30%

YOUNGER*

33% 39%

CREDIT EXPERIENCED#

38% 54%

CREDIT MONITORING##

1% 35%

SuRu

53% 63%

Mar-17 Mar-26

The next wave of growth is being driven by new and diverse borrower segments as the credit landscape is becoming for inclusive across demographics.

* Younger consumers are aged less than 35;
# Credit experienced are consumers who have been in the retail bureau for more than 5 years
Credit monitoring are consumers who monitored their credit with TransUnion CIBIL in last one year from period end.
Share is from Mar-18 to Mar-26

Source: TransUnion CIBIL

Women are emerging as a core engine of inclusive credit growth

SHARE OF CREDIT ACTIVE WOMEN CONSUMERS

CREDIT MONITORING##

0% 21%

CREDIT EXPERIENCED#

29% 43%

WOMEN

22% 30%

YOUNGER*

32% 35%

SuRu

57% 64%

Mar-17 Mar-26

They are a foundational pillar of inclusive growth becoming more digital and increasing rural penetration.

* Younger consumers are aged less than 35;
# Credit experienced are consumers who have been in the retail bureau for more than 5 years
Credit monitoring are consumers who monitored their credit with TransUnion CIBIL in last one year from period end. Share is from Mar-18 to Mar-26

Source: TransUnion CIBIL

Younger consumers are reshaping credit through early and active participation

SHARE OF CREDIT ACTIVE YOUNGER* CONSUMERS

CREDIT MONITORING##

1% | 52%

CREDIT EXPERIENCED#

22% | 33%

YOUNGER*

33% | 39%

BUSINESS ORIENTED

3% | 9%

SuRu

47% | 61%

Mar-17 | Mar-26

This segment is driving future credit behavior with high credit monitoring and shift towards consumption-led credit.

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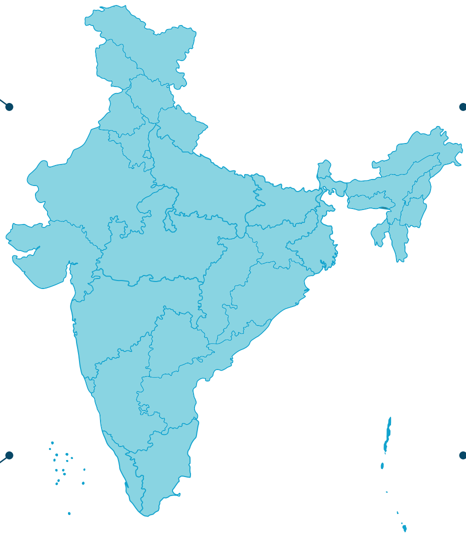
Credit monitoring are consumers who monitored their credit with TransUnion CIBIL in last one year from period end. Share is from Mar-18 to Mar-26

Source: TransUnion CIBIL

From Traditional Strongholds to National Diffusion – Rewriting of India’s Credit Inclusion Map

SHARE OF CREDIT ACTIVE CONSUMERS BY STATE



	March-17	March-26
Uttar Pradesh	8%	11%
Madhya Pradesh	4%	6%
Gujarat	5%	5%
Maharashtra	12%	10%
Karnataka	7%	7%
Bihar	3%	5%
West Bengal	4%	5%
Telengana	5%	5%
Andhra Pradesh	6%	6%
Tamil Nadu	11%	9%

March-17 March-26

India’s credit landscape has shifted from traditional, industrial and developed strongholds - like Tamil Nadu and Maharashtra to emerging growth centers such as Uttar Pradesh, India's most populous state, and other states like Bihar and Madhya Pradesh, reflecting broader financial inclusion and credit nurturing.

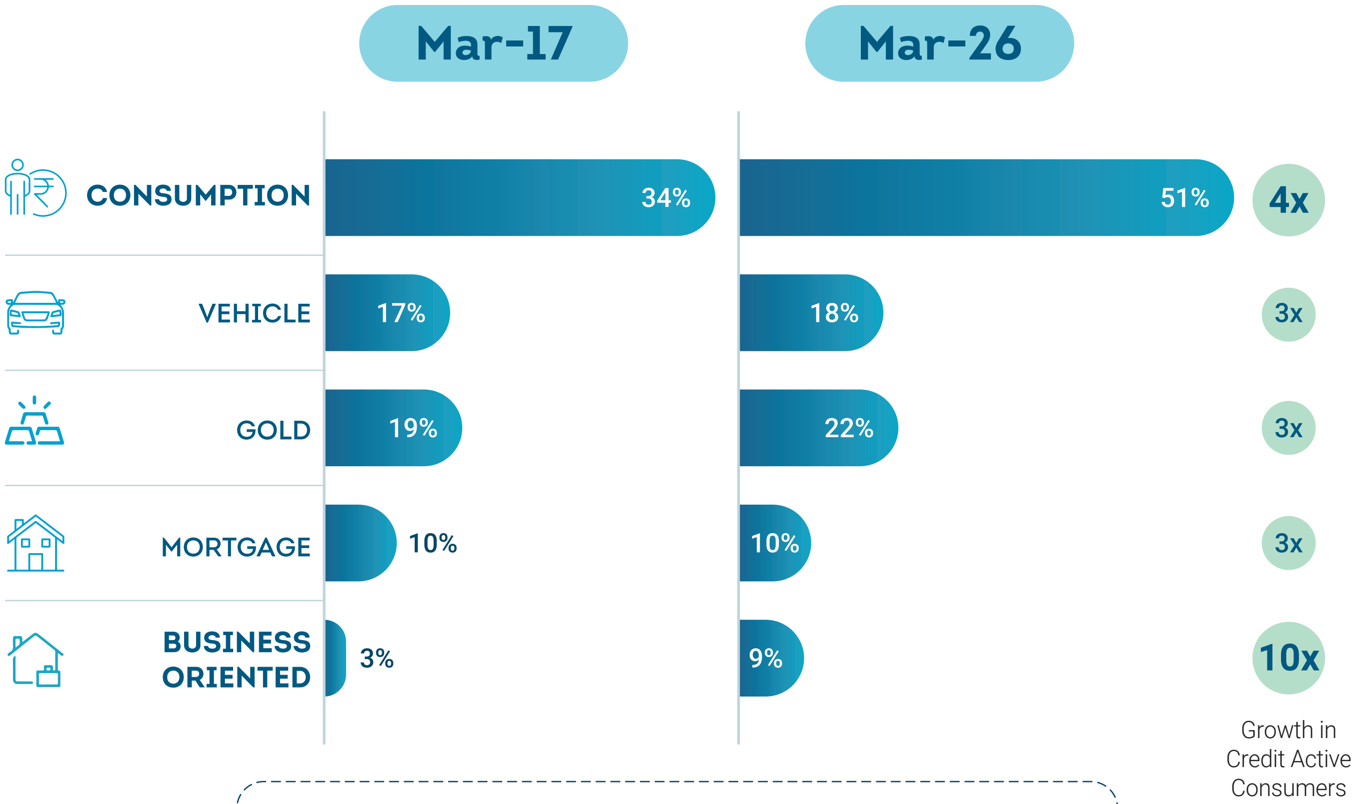
This map is a generalized approximate illustration only, and is not intended to be used for reference or quotation purposes.

Source: TransUnion CIBIL

STRUCTURAL EVOLUTION OF CREDIT

Product preferences have changed over time with consumption loans dominant in the wallet

SHARE OF CREDIT ACTIVE CONSUMERS BY PRODUCT IN WALLET



Gold loans have seen a resurgence in recent period while business loans have grown 10x since 2017.

Consumption refers to personal loan, credit card and consumer durable loan; Vehicle refers to passenger vehicle loans like auto loans and two-wheeler loans; Gold includes gold loans and PSL-gold loans; Mortgage includes housing loan and property loan; Business oriented refers to business loans, construction equipment loan and commercial vehicle loan availed by individuals

Source: TransUnion CIBIL

Faster and seamless access is becoming central to credit adoption

ORIGINATION SHARE OF CONSUMPTION LOANS | AVG TAT FROM INQUIRY TO ORIGINATION (IN DAYS)

TAT* REDUCTION BY CV SCORE RANGE#

	FY17	FY22	FY26
NTC##	29% | 9	18% | 8	11% | 7
ABOVE PRIME	20% | 11	18% | 10	20% | 8
PRIME	32% | 12	37% | 11	45% | 8
BELOW PRIME	19% | 12	27% | 12	24% | 9

TAT* REDUCTION BY TIER

	FY17	FY22	FY26
SuRu	27% | 10	42% | 10	53% | 8
MeUr	73% | 11	58% | 11	47% | 9

Faster turnaround from inquiry to origination - especially in Prime and above segments - is redefining credit access. Not only is credit expanding - but the way it is accessed is also evolving.

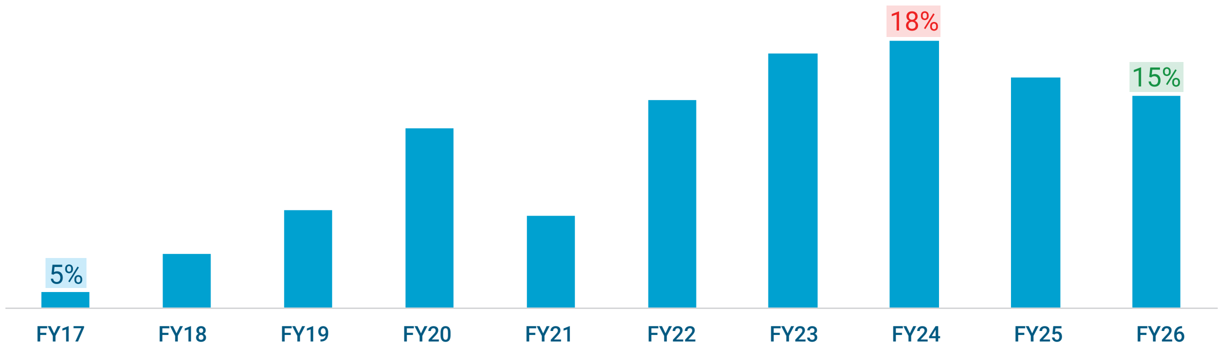
* TAT - Turnaround Time for loan origination by the lender post inquiry made by the lender with TransUnion CIBIL
# CV Score Range: Below Prime = 300-730; Prime = 731-770; Above Prime = 771-900
NTC (New-to-Credit) Consumers refers to those consumers who do not have a score as of beginning of the month of the loan origination for a given calendar month. An increase in NTC% indicates higher financial inclusion.

Source: TransUnion CIBIL

CHANGES IN UNDERLYING BORROWER BEHAVIOURS

Leverage increased during expansion but is now stabilizing

SHARE OF LEVERAGE CONSUMER* ORIGINATIONS



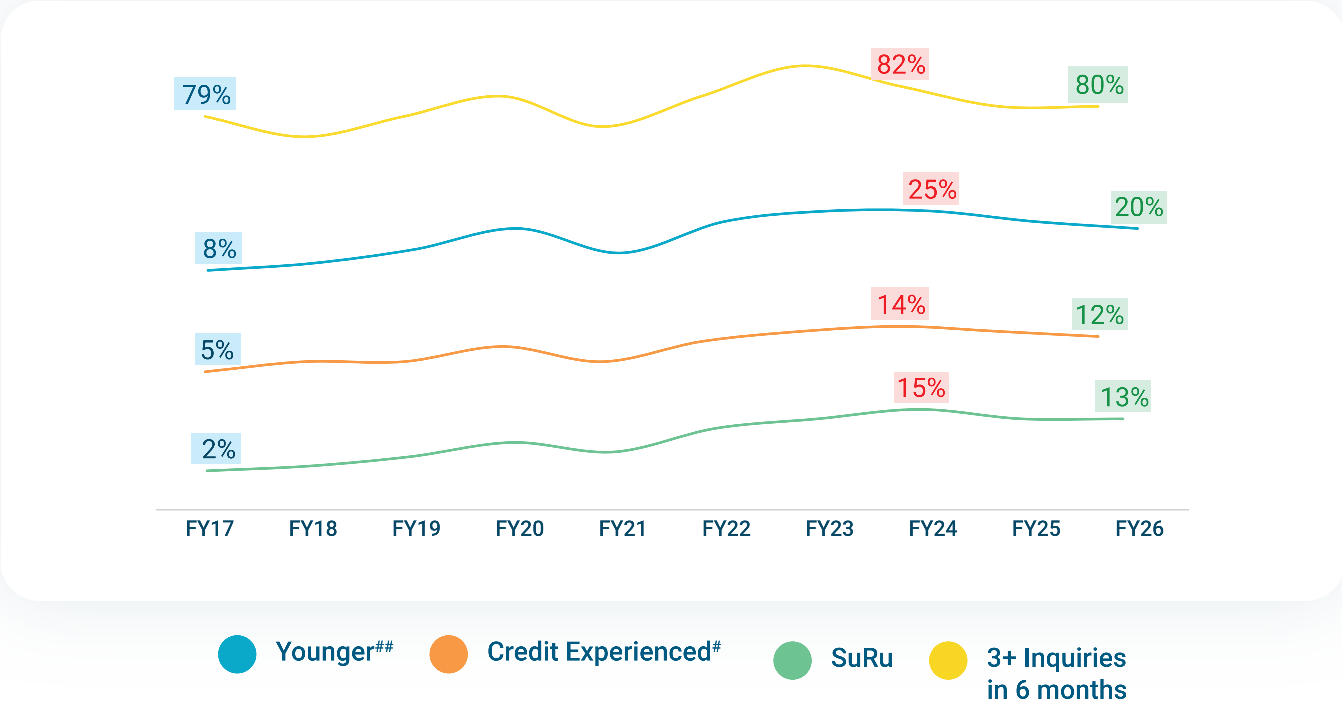
Leveraged consumers increased over time,
though industry took action to stem this in last 2 years.

*Leverage consumers are those classified under segment 4 and 5 based on proprietary leverage segments developed by TransUnion CIBIL

Source: TransUnion CIBIL

Higher leverage is concentrated in younger, and multiple inquiry segments

SHARE OF LEVERAGE CONSUMER* ORIGINATIONS



The ecosystem is becoming more disciplined and self- aware; even as growth expands, there are signs of maturity and control.

* Leverage consumers are those classified under segment 4 and 5 based on proprietary leverage segments developed by TransUnion CIBIL;
# Credit experienced are consumers who have been in the retail bureau for more than 5 years
Younger consumers are aged less than 35.

Source: TransUnion CIBIL

Credit Awareness - Credit Monitoring Improves Outcomes

PRODUCT-LEVEL CURE RATE FOR CREDIT MONITORING IMPROVERS VS NON- MONITORING IMPROVERS CONSUMERS

	CREDIT MONITORING	NON-MONITORING
OVERALL	46%	38%
YOUNGER	50%	42%
WOMEN	47%	39%
CONSUMPTION LOAN	50%	46%

Improved credit awareness is expanding engagement across segments while contributing to stronger repayment performance

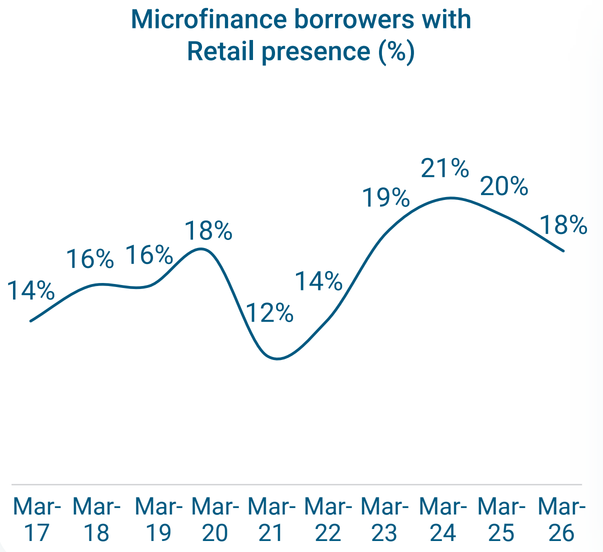
Credit monitoring improvers are those consumers who enrolled for TransUnion CIBIL provided credit monitoring services for the first time between Apr-24 through Mar-25 and had a subprime (300-690) score a month prior to enrollment. Cure rate is calculated as of all accounts which were delinquent (DPD 30+) a month prior to enrollment and DPD = 0 at 12 months after enrollment. Non-Monitoring refers to likewise risk and age-controlled credit active population who never monitored ever; Younger consumers are aged less than 35; Consumption refers to personal loan, credit card and consumer durable loan.

Source: TransUnion CIBIL

DEEPENING OF THE CREDIT ECOSYSTEM

Growth is no longer just about access - it is about progression within the system

Borrowers are progressing from microfinance to participation in retail consumption and business credit

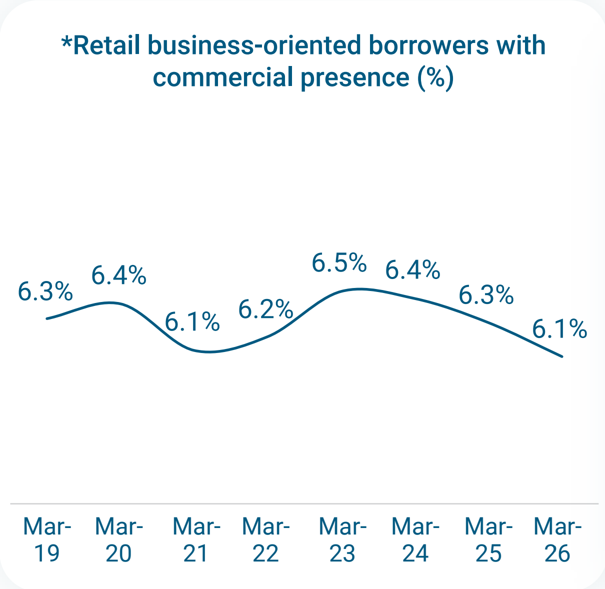


	Retail Live Products of Active Microfinance Borrowers		
Product	March 2017	March 2026	Share Change
Gold Loan	22%	20%	0.9x
Personal Loan	3%	12%	3.9x
Consumer Loan	6%	11%	1.8x
Business Loan - Unsecured	2%	9%	4.5x
Two-wheeler Loan	7%	6%	0.8x
Kisan Credit Card	5%	4%	0.8x
Agri	22%	3%	0.1x
Housing Loan	2%	1%	0.6x

One in five microfinance borrowers now has retail presence, showing a clear shift to retail—led by strong growth in personal loans and unsecured business loans.

Source: TransUnion CIBIL

Consumers are increasingly leveraging credit for entrepreneurial growth

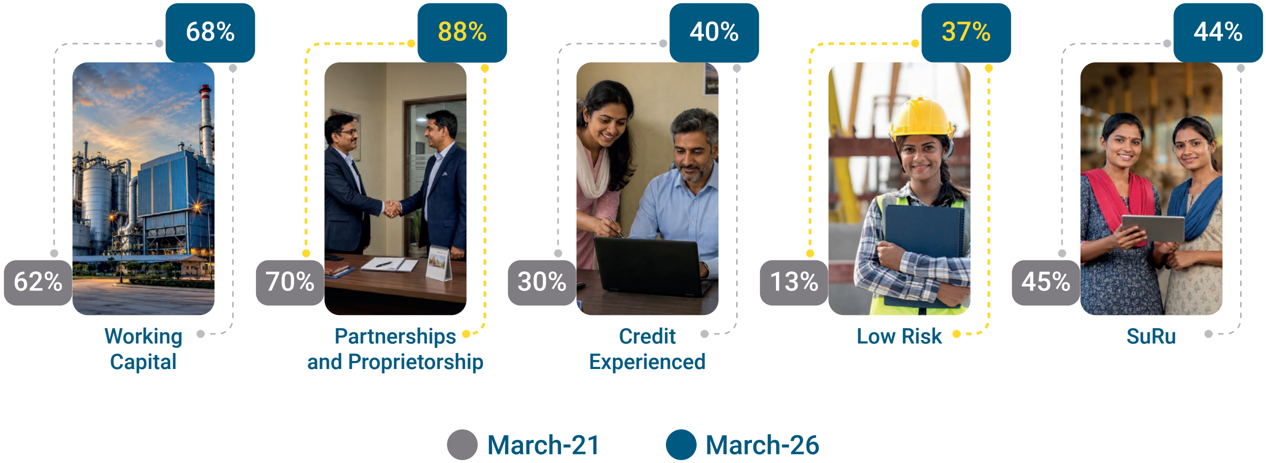


	Commercial Live Products of Active Retail Business-Oriented Borrowers		
Product	March 2019	March 2026	Share Change
CC/OD	49%	48%	1.0x
Term Loan	35%	20%	0.6x
Property Loan	2%	7%	3.1x
Unsecured Business Loan	4%	21%	5.5x
Others	20%	20%	1.0x

Strong growth in unsecured business and property-backed lending, alongside continued dominance of cashflow based lending, highlights a shift toward entrepreneurial credit usage and evolving borrowing patterns.

Source: TransUnion CIBIL

Diversified commercial growth with enhanced access and improved quality



Commercial lending growth was driven by low-risk borrowers, with Partnership and Proprietorship segments emerging driven by enhanced access

Credit Experienced are entities who have been in the commercial bureau for more than 4 years; Low Risk - CIBIL Commercial Rank (1-3); SuRu refers to semi-urban and rural regions.

Source: TransUnion CIBIL

THE ROAD AHEAD

Sustainable growth will be driven by divergence and deepening together

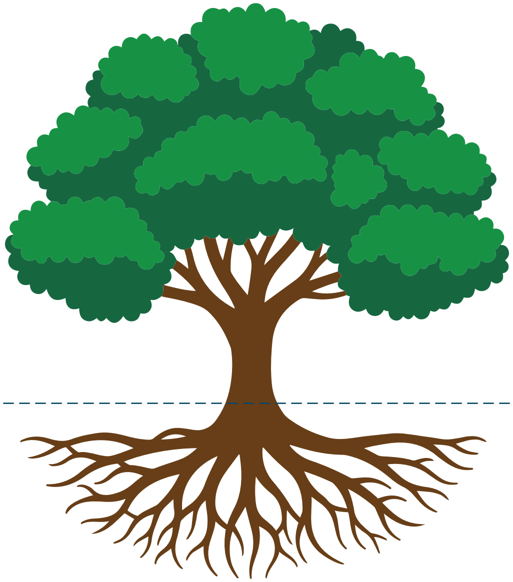
DIVERGE

NEW-TO-CREDIT borrowers across Retail, Commercial and Microfinance

DEMOGRAPHIC DIVIDEND with increasing credit eligible population

Continued impetus in **SEMI-URBAN AND RURAL LOCATIONS**

Large potential to expand commercial credit to **MICRO ENTREPRENEURS**



Identify **NEXT CYCLE** microfinance borrowers better

CROSS-SELL to increase per customer profitability

NURTURE COMMERCIAL ENITITES for portfolio growth

PROACTIVE AND SHARPER risk insights

DEEPEN

The Indian credit ecosystem has both diverged and deepened - and the journey is only beginning. The opportunity ahead lies not just in expanding access, but in shaping how India engages with credit - more confidently, more responsibly, and more inclusively.

Source: TransUnion CIBIL

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Source: TransUnion CIBIL

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