TransUnion CIBIL

Gold Loan Landscape Report

A research initiative by TransUnion CIBIL

April 2026



FOREWORD

Gold has long held a unique place in India's financial and cultural landscape. For households and small businesses alike, it serves not only as a store of value but also as a dependable source of liquidity in times of need. Over the years, gold loans have evolved from an informal product into a structured form of secured credit. With more organised lenders offering gold loans, supported by digital technology, streamlined credit assessment frameworks and increase in the underlying asset valuation, growth in this segment has been particularly strong in recent years.

TransUnion CIBIL's first-ever Gold Loans Report examines the changing dynamics of this fast-growing product category. Our analysis shows that gold loans have expanded sharply, nearly 3.8X since March 2022, and their share in the retail credit portfolio is now second only to housing loans. This momentum reflects rising demand for secured credit and lenders' ability to provide quick, convenient financing against gold as collateral. What stands out is how rapidly borrower behaviour is shifting in response to broader expansion in how to avail credit.

A growing share of new gold loan originations now comes from borrowers with diverse credit profiles. This indicates that gold loans are no longer sought by customers who struggle to access other forms of formal credit due to past repayment challenges. Increasing demand is also visible among borrowers with higher existing outstanding balances, including those holding both secured and unsecured credit alongside their gold loans. In other words, gold loans are no longer used solely for short-term liquidity; they are increasingly part of a broader borrowing strategy. This makes it essential to assess borrowers' total indebtedness along with the collateral's value when evaluating repayment capacity.

Women borrowers have also emerged as a significant growth driver, with notable momentum across western and northern regions. This is similar to the supply trends seen at a national level.

The report also highlights a few stress signals. Recent delinquency behaviour and a high concentration of gold loans within a borrower's overall retail credit wallet are associated with elevated default incidence. These findings call for disciplined underwriting, sharper early-warning systems, and improved visibility into cross-lender exposures.

As the market continues to expand, the imperative is clear: balance growth with prudence. Strengthening borrower-level assessments, tracking leverage with rigour, and maintaining a holistic view of customer exposure will be key to ensuring sustainable, responsible progress in this important segment.

Bhavesh Jain

MD & CEO, TransUnion CIBIL

EXECUTIVE SUMMARY

1. Gold Loans are expanding rapidly and becoming a mainstream secured credit product as is evident from the 3.8x growth in the Gold Loan portfolio since March 2022. There is also an expansion in the profile of borrowers opting for Gold Loan with new growth regions emerging in recent originations.

2. Shift to higher exposure & multiple loans - Borrowers are taking bigger ticket Gold Loans and more concurrent loans, increasing leverage and risk, with the average outstanding per borrower increasing from ₹1.9 lakh to ₹3.1 lakh; even the Average Ticket Size has more than doubled from ~₹0.9 lakh to ~₹2 lakh.

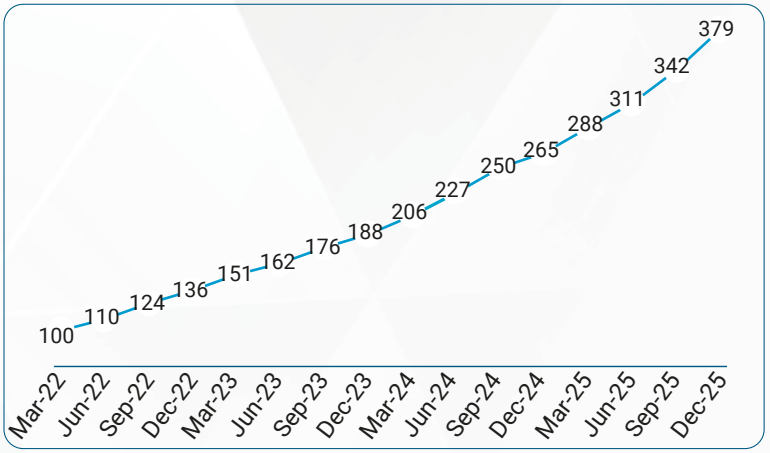
3. Stress signals are predictable - Wallet concentration, recent delinquency, unsecured exposure, and borrower-level exposure >₹2.5L are strong forward-risk indicators on the new Gold Loans.

4. Implication of stressed borrowers taking Gold Loans is clearly showing in the higher credit closure rate, indicating that for a section of stressed borrowers Gold Loan has become the product of last resort.

5. **Policy implications -**
   - Stricter borrower-level LTV checks
   - Risk-based pricing
   - Better cross-lender exposure visibility
   - Monitoring repeat GL dependency

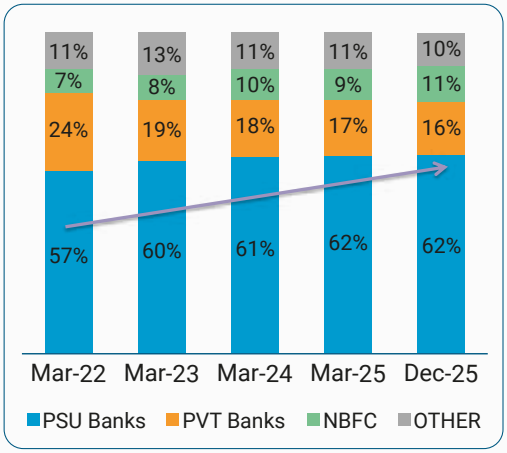
GOLD LOAN BALANCE NOW HOLDS 2ND HIGHEST SHARE IN THE OVERALL RETAIL PORTFOLIO FOR DEC 2025

Gold Loan Industry - Portfolio Growth (Indexed)



Mar'22 indexed at 100

Lender group composition change

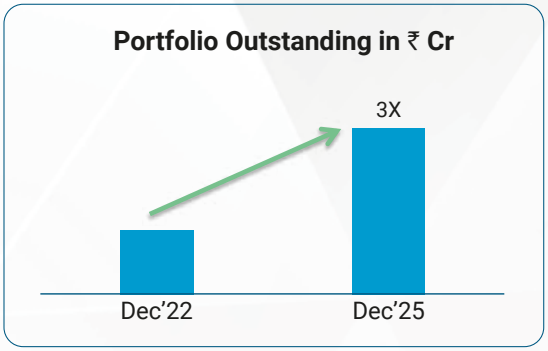


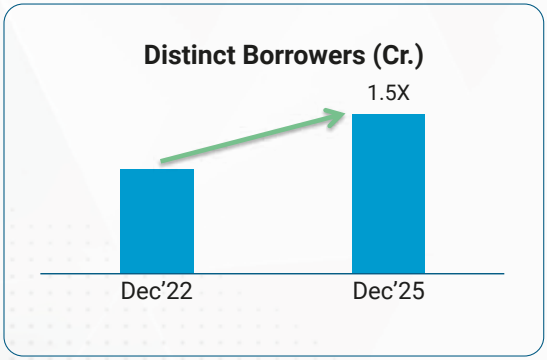
Highlights

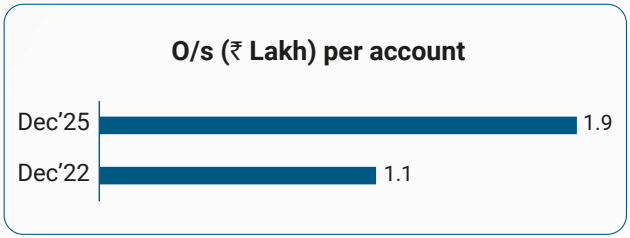
- Share of Gold Loan balances in the overall portfolio **has increased from 5.9% in Mar 2022 to 11.1% in Dec 2025** which is 2nd only to Housing Loan
- Share of Gold Loan for **NBFCs has increased from 4.3% in Mar 2022 to 12.6% in Dec 2025,** for PSUs from 8.8% to 17.4% & Pvt Banks from 4.1% to 5.3%
- Gold Loan portfolio balances have grown by 3.8x compared to Mar 2022
- **This growth is mainly driven by NBFCs (8.9x) and PSUs (3.8x)** while Pvt Banks have grown by 2.4x
- Average portfolio balance (gold loan) per trade has **gone up to 1.93 Lakh in Dec 2025 compared to 1.08 Lakh in Mar 2022**

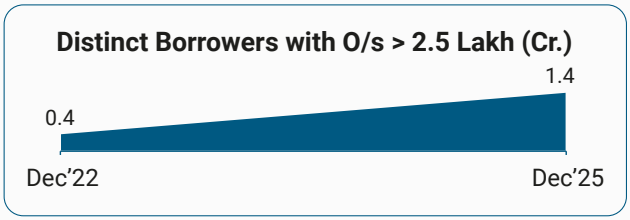
Source: TransUnion CIBIL India

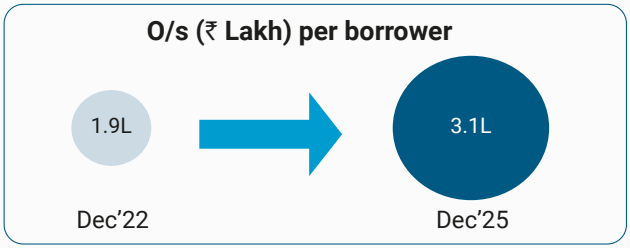
INCREASE IN O/S PER BORROWER IS HIGHER THAN INCREASE IN BORROWERS AND AT THE SAME TIME BORROWERS WITH MULTIPLE ACCOUNTS ARE INCREASING











Source: TransUnion CIBIL India

NBFCs & PSUs DRIVE THE ORIGINATION VALUE AND VOLUME GROWTH

Gold Loan Industry – Supply (Indexed)



Mar'22 indexed at 100

Highlights

- Gold Loan origination volumes have seen a growth of **2.3x whereas in value terms the growth has been 5.1x**
- PSUs along with NBFCs have been driving this growth. PSU volume growth is 2.1x and value growth is 4.1x, **for NBFCs volume has been 2.9x and value growth is 8.2x**
- The Average ticket size has **more than doubled from 90K (Q1 2022) to 196K (Q4 2025)**
- **Ticket size of NBFCs has grown by 2.8x,** for PSUs this is 2x and for Pvt Banks it is 2.6x
- **Share of ETA (existing to asset) borrowers has seen an increase in the recent quarters** with share of NTC borrowers declining

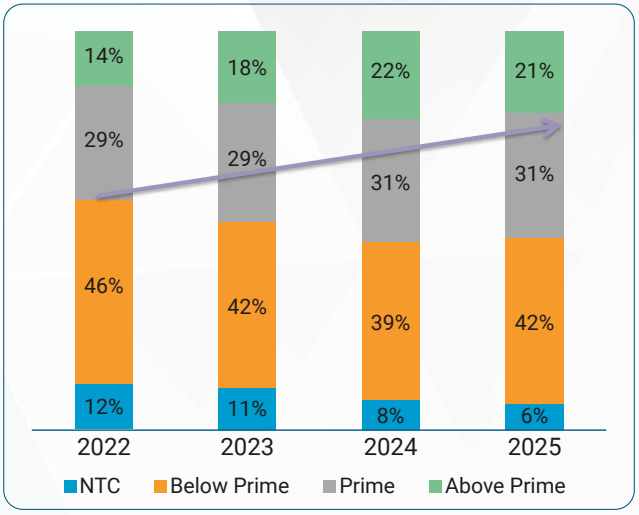
Source: TransUnion CIBIL India

Supply features on new Gold Loan originations

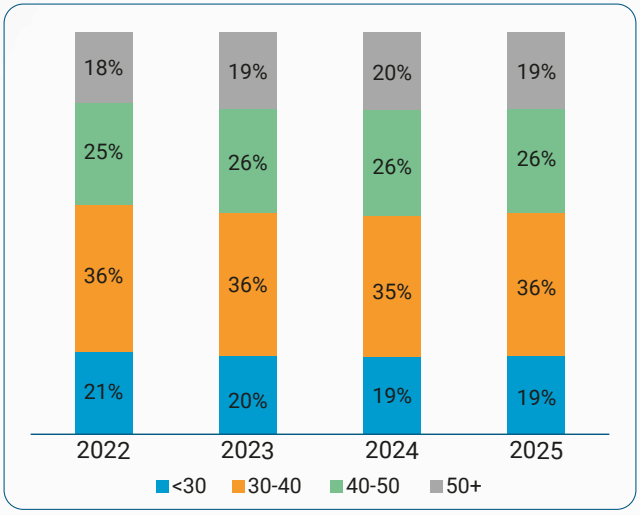


SHARE OF PRIME AND ABOVE BORROWERS IS INCREASING; STABLE SHARE OF ORIGINATIONS ACROSS AGE GROUPS WITH LESS THAN 30 YEARS AGE FORMING NEARLY ~20%

Gold Loan Origination – Score segments



Gold Loan Origination – Age Group



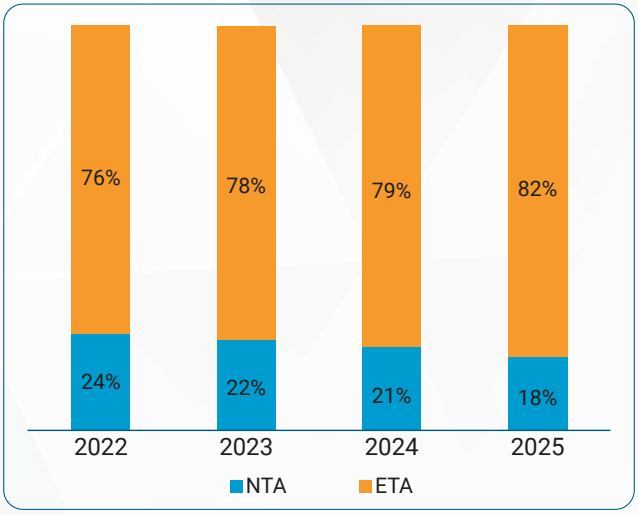
Below Prime – V3 score 300-730; Prime – 731-790; Above Prime – 791-900; NTC – New to credit

Source: TransUnion CIBIL India

- Gold Loan originations show a clear improvement in borrower credit quality over 2022–2025, with the Prime and Above Prime mix increasing from 43% to ~52%, led by a steady rise in the Above Prime segment.
- At the same time, New-to-Credit participation declined from 12% to 6%, indicating lower dependence on thin-file customers. While Below Prime share dropped in 2024, it increased in 2025, highlighting the need to track early delinquency and cohort performance for recent vintages.
- Importantly, the age profile remains stable, with customers under 30 years contributing ~one-fifth of originations and the 30–40 years cohort consistently forming the largest share, suggesting the credit-quality shift is driven more by sourcing/underwriting dynamics than demographic change.

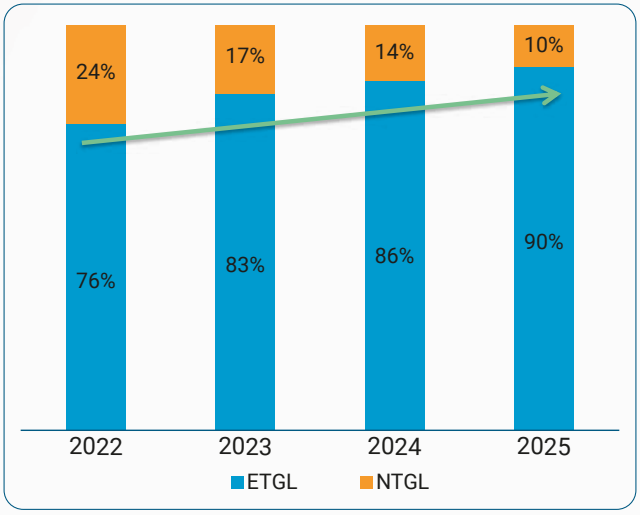
INCREASING TREND OF ETA BORROWERS WITH HIGHER FOCUS ON REPEAT GL WITH INCREASE IN PROPORTION OF ORIGINATIONS IN ETGL BORROWERS

Gold Loan Origination – Asset Relation with Lenders



NTA – New to asset in the last 24 months; ETA – Existing to asset in the last 24 months

Gold Loan Origination composition



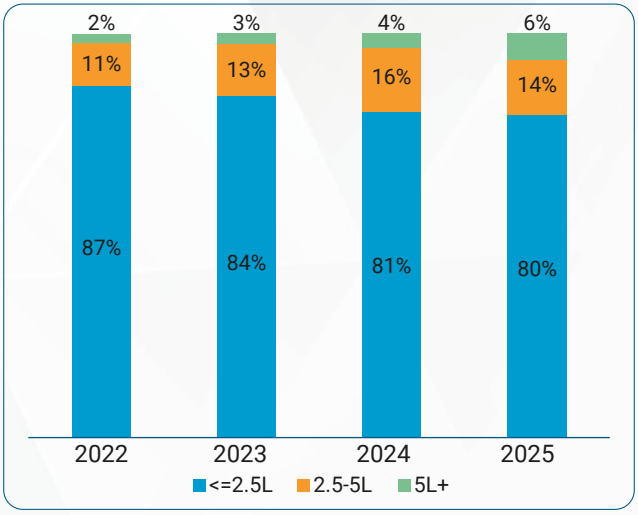
ETGL – Existing to Gold Loan; NTGL – New to Gold Loan

- Increase in Existing to Asset borrowers compared to 2022 shows higher focus on borrowers with existing asset relationship; this has happened on the back of significant increase in repeat Gold Loan borrower funding.
- Even though we have seen First time Gold Loans borrowers increase from 65 Lacs in 2022 to 78 Lacs in 2025, they have become repeat borrowers during the year.

Source: TransUnion CIBIL India

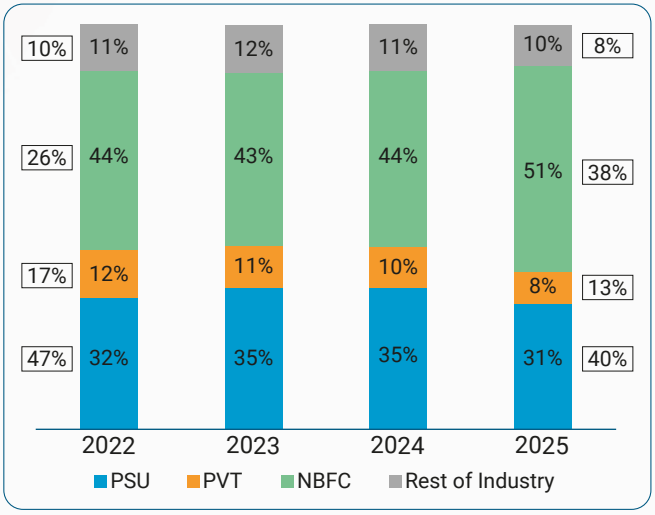
SHARE OF TICKET SIZE <=2.5L HAS BEEN DECLINING; SHARE OF NBFCs HAS BEEN INCREASING IN VOLUME AS WELL AS VALUE TERMS WHILE PSU & PVT HAS SEEN A DECLINE

Gold Loan Origination – Ticket Size



<=2.5L – Sanction amount less than equal 2.5 Lacs; 2.5-5L – sanction amount between 2,.5-5 Lacs; 5L+ - Sanction amount greater than 5 Lacs

Gold Loan Origination – Lender Group



Figures in boxes represents value composition

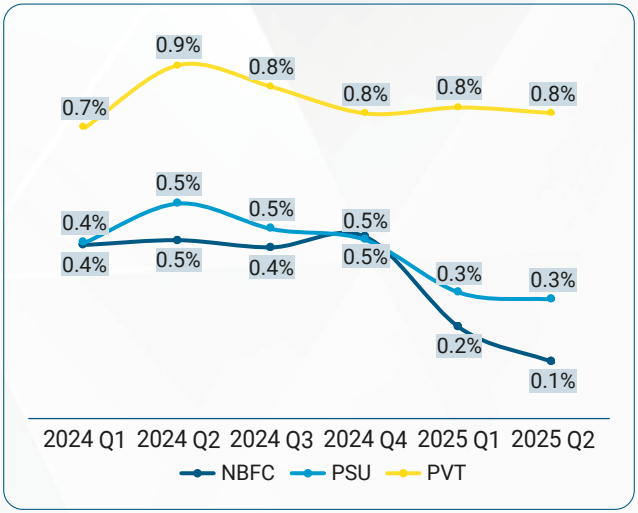
- With increase in the valuation of the underlying asset price, increase in >2.5 Lakh ticket segment has been noted with 20% of the sourcing in 2025 happening in this segment compared to 13% in 2022. Share of originations by the NBFCs has seen strong growth from 44% in 2022 to 51% on 2025, while the share of NBFCs in terms of value has increased from 26% to 38% between 2022 and 2025.

- Though PSUs continue to have higher share by value at 40% in 2025 with only 31% share in originations indicating highest ATS across lender segments.

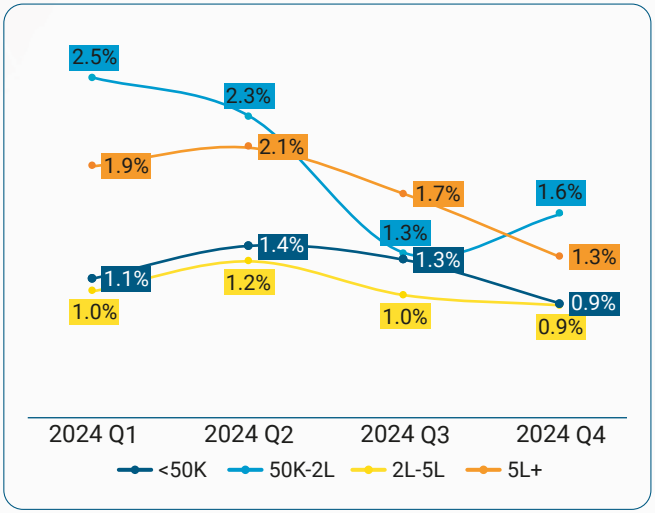
Source: TransUnion CIBIL India

VINTAGE DELINQUENCIES ARE REDUCING OVER TIME ACROSS LENDER GROUPS AND TICKET SEGMENTS WITH SLIGHT INCREASE NOTED IN 50K-2L SEGMENT

Ever 60+ in 12 MOB – Lender Group*



Ever 60+ in 12 MOB – Ticket Segment



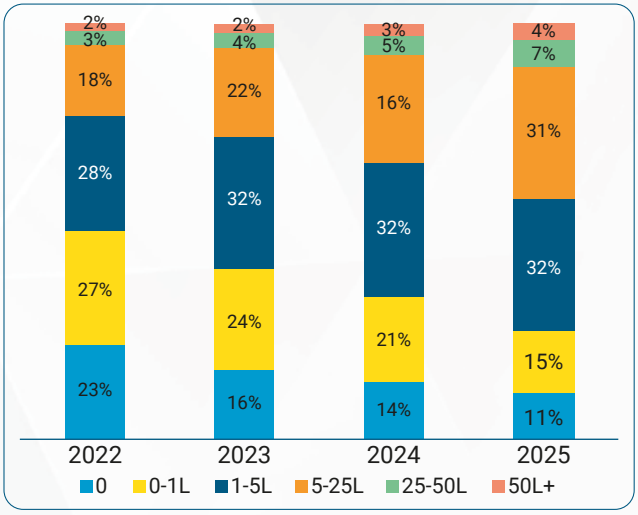
*Excluding Rest of Industry

- Vintage delinquencies when reviewed considering Ever 60+ DPD reported on the Gold Loan trade over the 12 months post funding has seen improvement in recent time across lender segments, though some increase in stress is noted for ₹ 50K to 2 Lakh ticket segment which contributes significantly to the sourcing in recent time.

Source: TransUnion CIBIL India

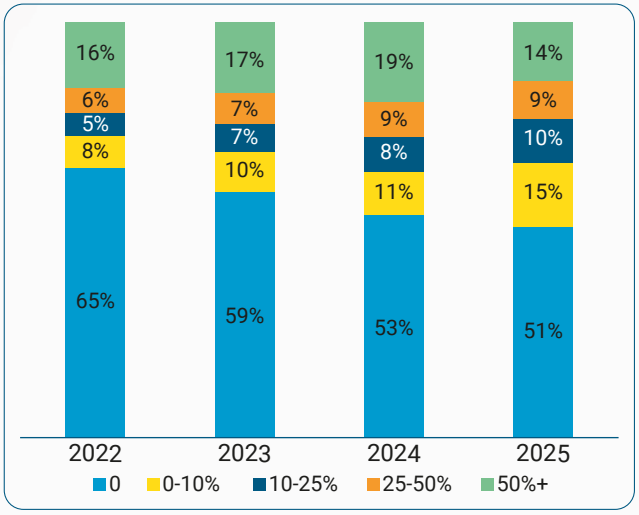
AT THE TIME OF NEW GL ORIGINATION - SHARE OF BORROWERS HAVING >1L O/S BALANCE HAS BEEN INCREASING; ALONG WITH AN INCREASE IN BORROWERS WITH HIGHER SHARE OF UNSECURED LOAN BALANCE

Gold Loan Origination – Basis Overall Balance Bins



Balance Bins – Total Balance of the borrower at the time of originations

Gold Loan Origination – Share of Unsecured Balance



Share of Unsecured Balance – Share of unsecured balance as % of total balance of the borrower at the time of origination

- Recently, a higher proportion of credit-tested borrowers have been taking new gold loans while already carrying larger outstanding balances. In 2025, 74% of gold loan originations had borrowers with more than ₹1 lakh outstanding at the time of origination, up from 50% in 2022

- The share of borrowers taking a new gold loan while holding higher levels of unsecured debt has increased. In 2025, 23% of borrowers had more than 25% unsecured outstanding in their credit wallets, up from 22% in 2022.

- Although this share has remained relatively stable, combining it with the rise in total outstanding debt at origination reveals that the absolute unsecured outstanding amount has grown. This makes both metrics critical indicators for more effective borrower underwriting

Source: TransUnion CIBIL India

AT THE TIME OF NEW GL ORIGINATION - SHARE OF BORROWERS HAVING >1L O/S BALANCE HAS BEEN INCREASING; ALONG-WITH THAT, BORROWERS WITH HIGHER SHARE OF UNSECURED LOAN BALANCE HAVE ALSO SEEN AN INCREASE

Gold Loan originations are increasingly coming from borrowers with larger outstanding balances at the time of new GL booking. The mix has shifted decisively away from low-balance customers: the share of borrowers with ≤₹1L total O/S declined from ~50% in 2022 to ~26% in 2025, while borrowers with >₹1L O/S increased from ~51% (2022) to ~74% (2025).

This rise is primarily driven by expansion in the ₹1.5–2.5L bucket (18% →31%) and steady strength in the ₹1–1.5L bucket (holding at ~32% since 2023), alongside a gradual increase in higher-balance segments (₹2.5–50L: 3% →7%; ₹50L+: 2% →4%).

In parallel, borrower leverage via unsecured credit is becoming more prevalent: the share with 0% unsecured balance reduced to ~51% in 2025 (from 65%–69% in 2022–2023), implying borrowers with any unsecured exposure increased to ~49%.

The shift is most visible in the low-to-mid unsecured share bands (0–10%: 8% →15%; 10%–25%: 5% →10%), while the 50%+ unsecured cohort peaked in 2024 (19%) and moderated in 2025 (14%).

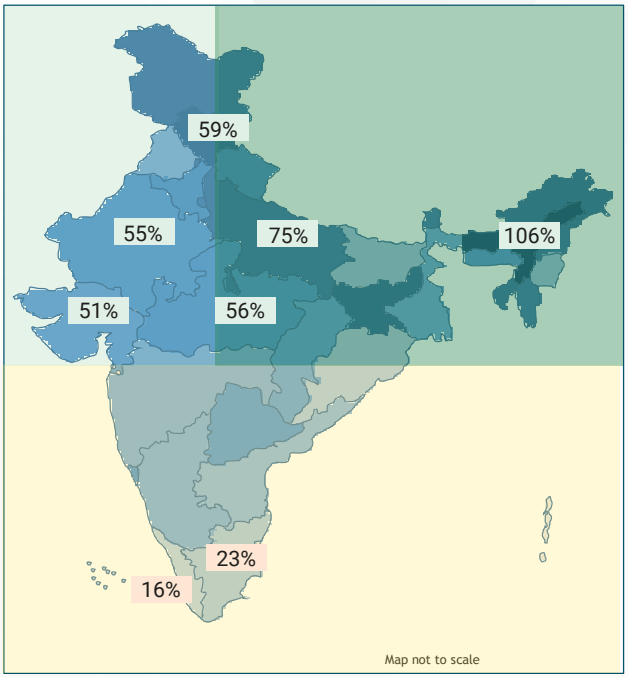
Risk management implication: This mix shift suggests rising indebtedness and share of unsecured O/S for the borrowers taking Gold Loans. As a result, underwriting and portfolio monitoring should account for overall borrower leverage and share of unsecured O/S, not only dependent upon gold collateral value. Focus should be on borrower FOIR* assessment and other credit behaviours.

*FOIR - Fixed obligation-to-income ratio

Source: TransUnion CIBIL India

UP, RAJASTHAN, MADHYA PRADESH AND GUJARAT HAVE A LOWER MARKET SHARE WITH VERY HIGH GROWTH RATE IN ORIGINATIONS; TELANGANA HAS A HIGHER MARKET SHARE WITH HIGHER GROWTH RATE

Gold Loan Origination (volume) – % Growth Rate



Gold Loan Origination – Market share and growth %

State	Market share (%)	% Origination Volume Growth (2025 Vs 2024)
TAMIL NADU	25.8%	23%
ANDHRA PRADESH	13.6%	34%
KARNATAKA	11.7%	41%
KERALA	9.0%	16%
TELANGANA	8.8%	55%
MAHARASHTRA	5.8%	40%
WEST BENGAL	3.6%	46%
GUJARAT	3.3%	51%
ODISHA	3.0%	21%
UTTAR PRADESH	2.7%	75%
RAJASTHAN	2.1%	55%
MADHYA PRADESH	2.1%	56%
DELHI	1.9%	70%
AVERAGE		

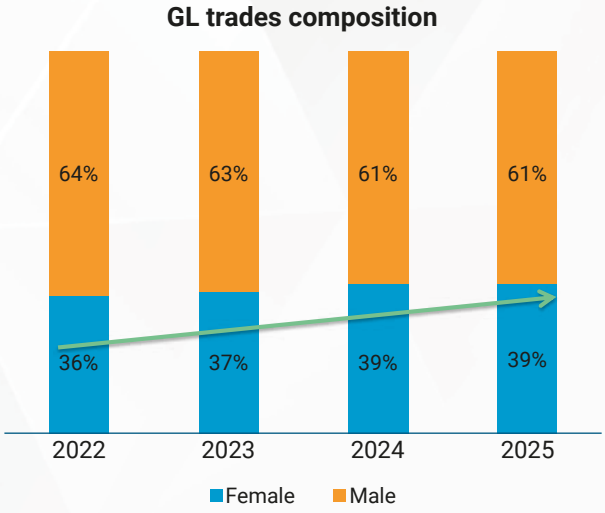
Source: TransUnion CIBIL India

Women borrower as significant force in Gold Loans!

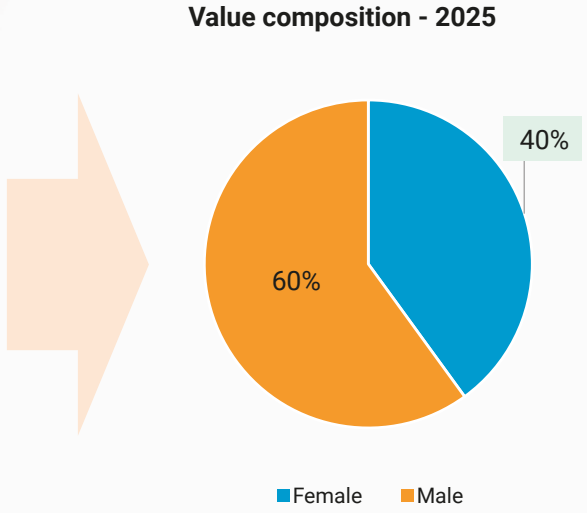


WOMEN BORROWERS FORM AN INTEGRAL PART OF THE GOLD LOAN SEGMENT AND HAVE CONTRIBUTED SIGNIFICANTLY TO GROWTH AS WELL OVER THE LAST COUPLE OF YEARS

Gold Loan Origination – Gender split



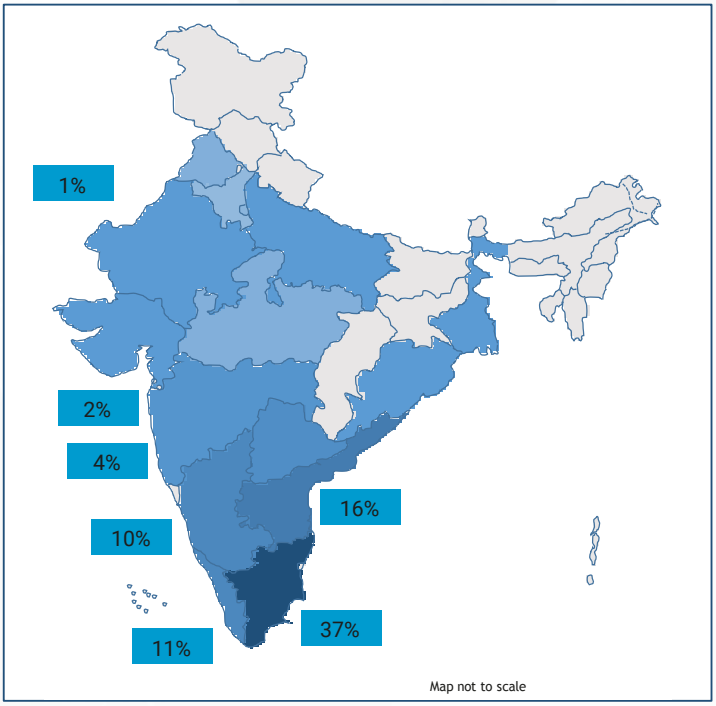
Gold Loan Origination – Gender split by value



Source: TransUnion CIBIL India

GOLD LOANS ORIGINATED BY WOMEN HAVE ALSO GROWN IN LINE WITH OVERALL GROWTH WITH HIGHER GROWTH FROM WEST AND NORTH

Composition of GL originations for women borrowers



Gold Loan growth by state

State	Region	Composition	Growth
TAMIL NADU	South	36.8%	181%
ANDHRA PRADESH	South	15.8%	265%
KERALA	South	11.2%	212%
KARNATAKA	South	9.5%	211%
TELANGANA	South	7.9%	293%
MAHARASHTRA	West	4.4%	251%
WEST BENGAL	East	1.8%	214%
ODISHA	East	1.8%	187%
GUJARAT	West	1.6%	282%
UTTAR PRADESH	North	1.4%	325%
RAJASTHAN	West	1.3%	306%
PUNJAB	North	0.9%	227%
MADHYA PRADESH	Mid	0.9%	285%
DELHI	North	0.9%	235%
HARYANA	North	0.8%	311%
PONDICHERRY	South	0.7%	261%

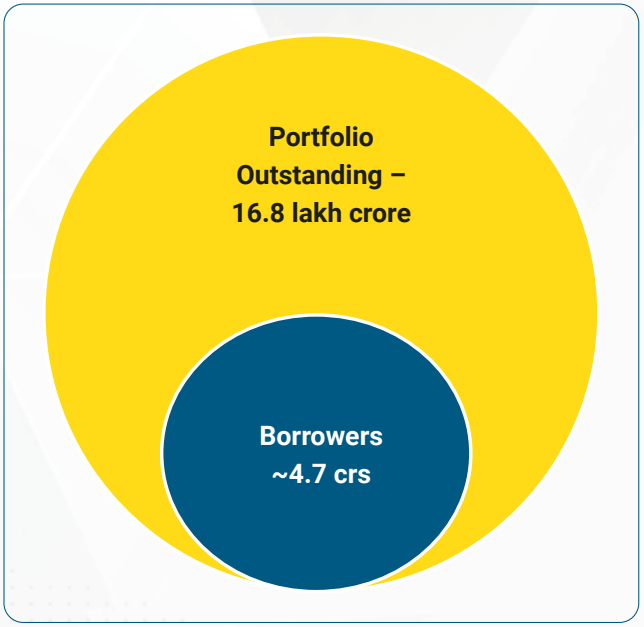
Source: TransUnion CIBIL India

Is Gold the new Personal Loan and how have wallet profiles evolved in Gold Loan?

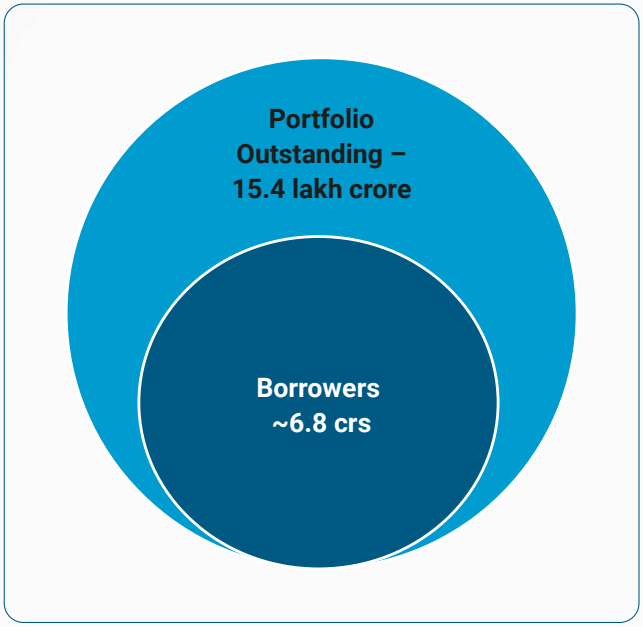


GOLD LOANS OUTSTANDING PER BORROWER IS HIGHER THAN PERSONAL LOANS AND THERE HAS BEEN AN INCREASING FOCUS TOWARDS REPEAT GOLD LOAN BORROWERS

Gold Loan portfolio as of Dec'25



Personal Loan portfolio as of Dec'25



Source: TransUnion CIBIL India

NEW RBI DIRECTIVE* BRIEF VIEW

1. **Tiered LTV limits –**
   - Small loans up to ₹2.5 lakh can have up to 85% LTV
   - Loans of ₹2.5–5 lakh up to 80%
   - Loans above ₹5 lakh are capped at 75%
   - In the case of bullet repayment loans, LTV ratio shall be computed by treating the total amount repayable by the borrower at maturity rather than the loan sanctioned at origination. The prescribed LTV ratio shall be maintained on an ongoing basis throughout the tenor of the loan
2. For gold loan renewals or top-ups, the lender will only consider your application if your current loan is classified as standard and still within the allowed LTV ratio. Moreover, you need to make a formal request, and the **lender must carry out a fresh credit check before approving anything new**
3. Bullet repayment (interest + principal at end) is allowed for up to 12 months. Top-ups on or renewals of bullet repayment loans may be extended only after the repayment of interest accrued. Bullet repayment loans by Cooperative banks and RRBs shall be subject to a maximum ceiling of ₹5 lakh per borrower

STUDY REVIEW AND REASONING

1. We looked at all Gold Loan originations from Jan to Nov 2025 and Gold Loan balance (borrower level) at the time of origination. The Gold Loan balances have been segregated into <=2.5L, >2.5L, No live Gold Loan and No live Loan (since we are expanding our assessment of gold loans beyond the trade level to include a detailed borrower-level view)
2. We then viewed the borrower level Gold Loan balance post 1 month of origination to see overall Gold Loan indebtedness
3. Post origination we have checked the count of live Gold Loan in the borrower wallet and their subsequent bad rates (Ever 60+ reported in next 6 months)

*RBI Notification - DOR.CRE.REC.26/21.01.023/2025-26

GOLD LOAN BALANCE (BORROWER LEVEL) AT THE TIME OF ORIGINATION FOR 2025 ORIGINATIONS



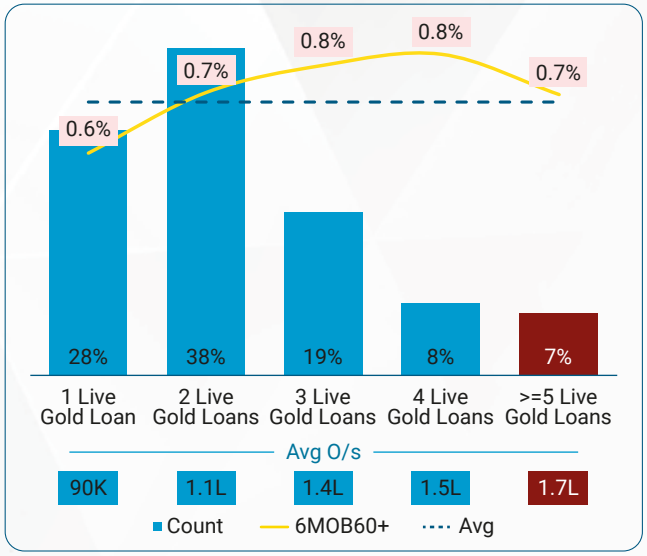
Total Gold Loan Originations

No Live Gold Loan at origination [9%]		No Live Loans at origination [11%]		Gold Loan Balance at origination <=2.5L [38%]		Gold Loan Balance at origination >2.5L [42%]	
<=2.5L post origination [6%]	>2.5L post origination [3%]	<=2.5L post origination [8%]	>2.5L post origination [3%]	<=2.5L post origination [30%]	>2.5L post origination [8%]	<=2.5L post origination [2%]	>2.5L post origination [40%]

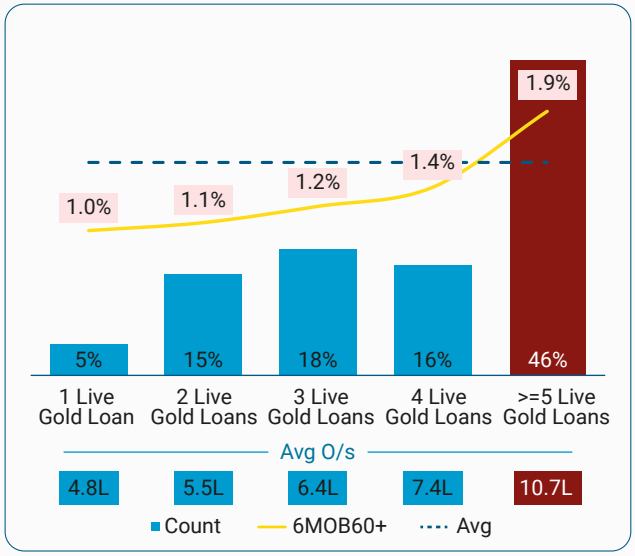
Source: TransUnion CIBIL India

BORROWERS WITH GOLD LOAN BALANCE >2.5L POST ORIGINATION HAVE A HIGH SHARE OF 5+ LIVE GOLD LOANS IN THEIR WALLET AND THE HIGHEST DELINQUENCY (JAN - JUN 2025 ORIGINATIONS)

Post origination borrower level Gold Loan Balance – <=2.5L 46% of originations



Post origination borrower level Gold Loan Balance – >2.5L 54% of originations



KEY HIGHLIGHTS OF THE STUDY

- **Mix shift toward higher exposure:** Nearly half of 2025 sourcing (~54%) comprises borrowers whose gold loan outstanding exceeds ₹2.5L after origination, indicating a growing tilt towards higher borrower leverage/exposure.
- **Performance differential:** Delinquency incidence among borrowers with post-origination gold loan outstanding > ₹2.5L is ~2.2x that of borrowers with ≤ ₹2.5L, suggesting higher credit risk at elevated exposure levels.
- **Policy/controls implication (RBI 2025):** The RBI's 2025 framework requires borrower-level LTV computation based on the aggregate loan requirement, not just the single facility. Therefore, even where ≤ ₹2.5L loans may qualify for 85% LTV, lenders must validate total gold loan exposure across institutions. The increase in average gold loan accounts per borrower (2.3 -> 2.9) reinforces the need for robust bureau/portfolio-level checks and clear rules for multi-lender exposure.

Source: TransUnion CIBIL India

BORROWERS WITH GOLD LOAN BALANCE >2.5L AND MORE THAN 3 GOLD LOANS ACTIVE IN PORTFOLIO HAVE INCREASED FROM 10.7% TO 14%

2023

		Gold Loan o/s per borrower			Total
		<=2.5L	2.5-5L	5L+	
Number of active Gold Loans	1	55.8%	5.8%	1.9%	63.6%
	2	13.6%	4.6%	2.2%	20.4%
	3	3.7%	2.7%	1.8%	8.1%
	4	1.1%	1.3%	1.3%	3.7%
	5	0.4%	0.6%	0.9%	1.9%
	5+	0.2%	0.5%	1.6%	2.4%
Total		74.8%	15.5%	9.6%	100.0%

2024

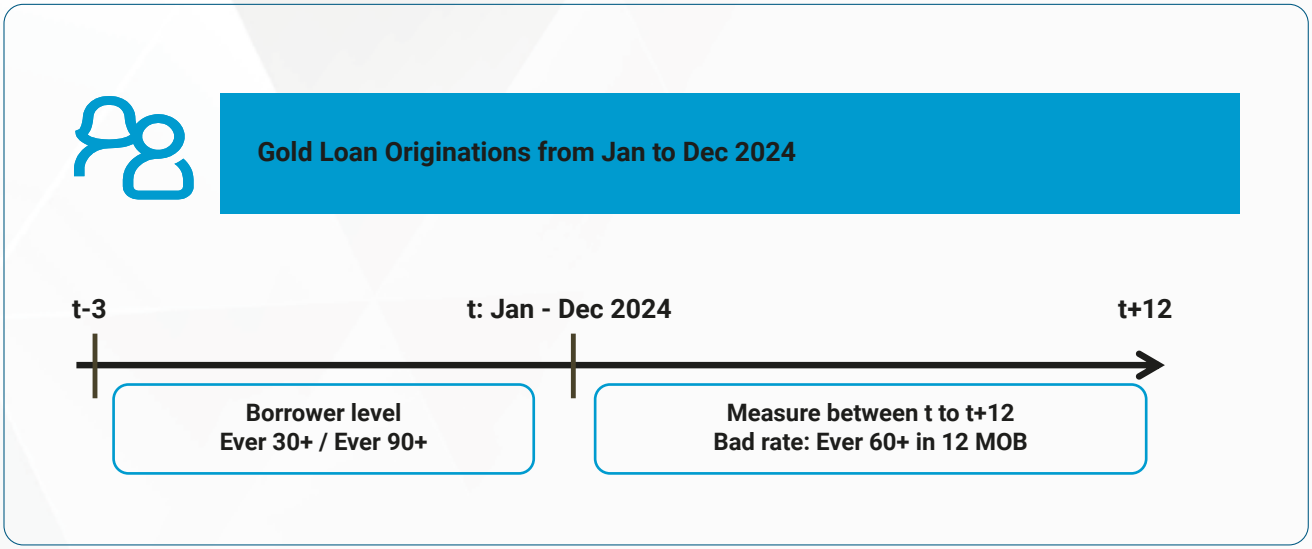
		Gold Loan o/s per borrower			Total
		<=2.5L	2.5-5L	5L+	
Number of active Gold Loans	1	51.9%	6.6%	2.6%	61.1%
	2	12.9%	5.3%	2.9%	21.1%
	3	3.4%	3.0%	2.3%	8.7%
	4	1.0%	1.4%	1.7%	4.2%
	5	0.3%	0.6%	1.2%	2.1%
	5+	0.2%	0.5%	2.1%	2.8%
Total		69.9%	17.4%	12.8%	100.0%

2025

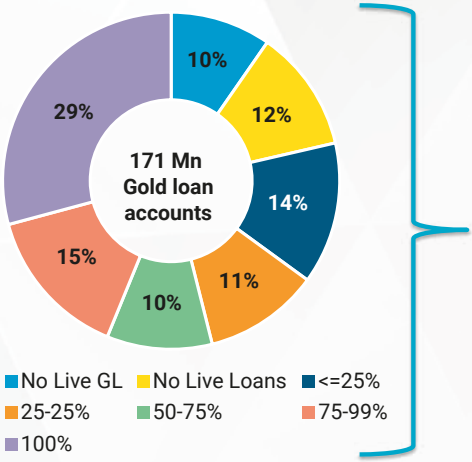
		Gold Loan o/s per borrower			Total
		<=2.5L	2.5-5L	5L+	
Number of active Gold Loans	1	48.0%	9.2%	4.4%	61.5%
	2	10.2%	6.1%	4.7%	21.0%
	3	2.4%	2.7%	3.6%	8.7%
	4	0.7%	1.1%	2.4%	4.2%
	5	0.2%	0.4%	1.5%	2.2%
	5+	0.1%	0.3%	2.0%	2.4%
Total		61.5%	19.8%	18.7%	100.0%

Source: TransUnion CIBIL India

NEW GL ORIGINATIONS AND IMPACT ON THEIR PERFORMANCE DUE TO BORROWER'S EXISTING GL SHARE OF WALLET, ALONG WITH ANY DEFAULT BEHAVIOUR IN LAST 3 MONTHS



78% OF GOLD LOAN CUSTOMERS HAVE ACTIVE GL BALANCE AT THE TIME OF NEW ORIGINATION; HIGHER PROPORTION OF GL WITH OTHER PRODUCT IN WALLET SHOWS HIGHER BORROWER LEVEL STRESS AT THE TIME OF GL ORIGINATIONS



Share of GL O/s as % of Total O/s	Ever 30+ in 3M prior to origination	Ever 90+ in 3M prior to origination
No Live GL	23%	15%
No Live Loans	1%	1%
<=25%	35%	20%
26-50%	35%	22%
50-75%	35%	24%
75-99%	38%	29%
100%	8%	4%
Overall	23%	14%

Source: TransUnion CIBIL India

FINER CONSUMER SEGMENTATION CAN HELP IN DIFFERENTIATING RISK BETTER

			Vintage Delinquency (Ever 60+ in 12MOB) by Gold Loan O/s at Origination					
Volumes in Mns	**No Live GL**	**No Live Loans**	**<=25%**	**25-50%**	**50-75%**	**75-99%**	**100%**	**Total**
Overall	17	20	23	19	17	25	50	171
30+ in Last 3M	4	0.2	8	7	6	10	4	39
90+ in Last 3M	3	0.1	5	4	4	7	2	25
12MOB60+ Jan to Dec '24	**No Live GL**	**No Live Loans**	**<=25%**	**25-50%**	**50-75%**	**75-99%**	**100%**	**Total**
Overall	2.4%	2.0%	2.2%	2.2%	2.2%	2.5%	2.3%	2.3%
30+ in Last 3M	4.1%	7.7%	4.2%	4.4%	4.6%	5.4%	12.5%	5.7%
90+ in Last 3M	4.0%	7.6%	4.4%	4.7%	4.8%	5.5%	18.8%	6.1%

CONSUMERS HOLDING DIFFERENT PRODUCTS HAVE SHOWN BETTER PERFORMANCE ON GOLD LOAN ORIGINATIONS FOR TICKET SIZE <=2.5L.

			Vintage Delinquency (Ever 60+ in 12MOB) by Gold Loan O/s at Origination - Ticket Size <=2.5L					
Volumes in Mns	**No Live GL**	**No Live Loans**	**<=25%**	**25-50%**	**50-75%**	**75-99%**	**100%**	**Total**
Overall	13	17	18	14	13	19	42	136
30+ in Last 3M	3	0.2	7	5	5	8	4	31
90+ in Last 3M	2	0.1	4	3	3	6	2	20
12MOB60+ Jan to Dec '24	**No Live GL**	**No Live Loans**	**<=25%**	**25-50%**	**50-75%**	**75-99%**	**100%**	**Total**
Overall	2.5%	2.0%	2.3%	2.3%	2.3%	**2.6%**	2.3%	2.3%
30+ in Last 3M	4.1%	7.7%	4.2%	4.5%	4.6%	**5.5%**	12.6%	5.8%
90+ in Last 3M	4.1%	7.6%	4.4%	4.8%	4.9%	**5.6%**	18.8%	6.2%

TICKET SIZE >2.5L ACCOUNTS TO 20% OF THE VOLUME AND HAS LOWER BAD RATES COMPARED TO <=2.5L TICKET SIZE STILL SHOWING RISK SEPARATION

			Vintage Delinquency (Ever 60+ in 12MOB) by Gold Loan O/s at Origination - Ticket Size >2.5L					
Volumes in Mns	**No Live GL**	**No Live Loans**	**<=25%**	**25-50%**	**50-75%**	**75-99%**	**100%**	**Total**
Overall	4	3	5	4	4	6	8	34
30+ in Last 3M	0.6	0.04	1.5	1.4	1.2	1.9	0.6	7
90+ in Last 3M	0.4	0.02	0.7	0.8	0.7	1.4	0.2	4
12MOB60+ Jan to Dec '24	**No Live GL**	**No Live Loans**	**<=25%**	**25-50%**	**50-75%**	**75-99%**	**100%**	**Total**
Overall	1.9%	1.8%	2.1%	1.9%	1.8%	2.0%	1.8%	1.9%
30+ in Last 3M	3.8%	7.5%	4.4%	4.2%	4.0%	4.4%	10.0%	4.8%
90+ in Last 3M	3.6%	7.8%	4.8%	4.4%	4.1%	4.3%	15.9%	5.0%

HIGHER GOLD CONCENTRATION IN WALLET AND RECENT DEFAULTS ARE KEY STRESS INDICATORS

Using 12MOB60+ (ever 60+ DPD in the past 12 months) as the default bad definition, two stress pockets that stands out where elevated incidence coincides with meaningful flow:

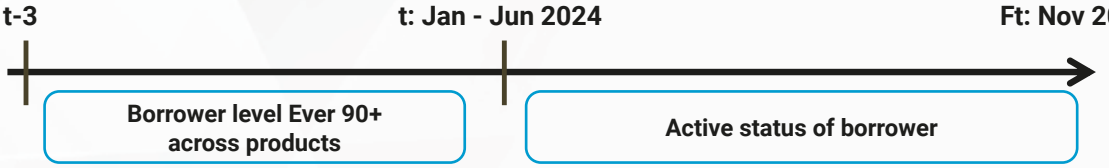
1. Borrowers with no live loans at the time of GL origination but with 90+ reported in last 3 months, show 3x higher bad rates on GL origination in future.

2. Borrowers with more than 75% of wallet balances in Gold Loans at the time of taking another gold loan and 30+ reported on any trade in last 3 months, show 2x higher bad rate on Gold Loans in future.

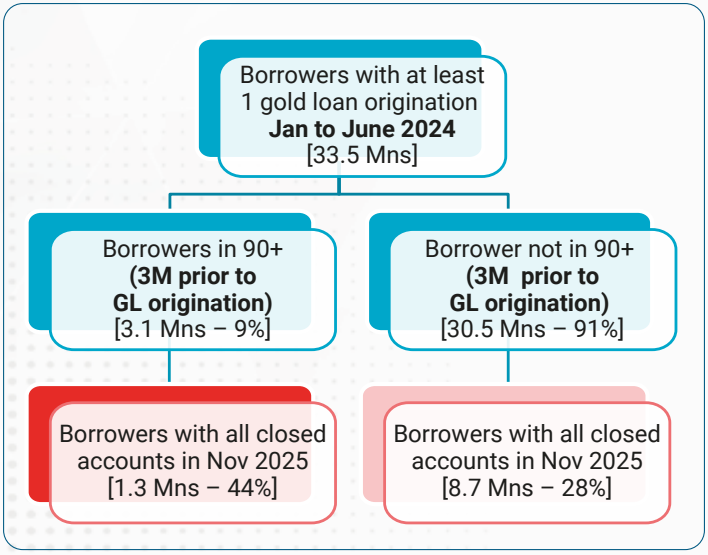
3. Most stressed segment is of those borrowers who have 100% of their outstanding in Gold Loans only at the time of taking new gold loans; here the risk differentiation increases to 9x with nearly 1% population noted for borrowers exhibiting this behaviour.

REVIEW OF BORROWER CLOSURE RATE ON TAKING GOLD LOAN; IMPLICATION FOR STRESSED BORROWERS

Gold Loan Originations from Jan to Jun 2024; with serious stress (90+ at borrower level reviewed in t-3 months); to review implication of such on the borrower loan closure post taking GL



STRESSED BORROWERS HAVE HIGHER CLOSURE RATE BY ALMOST 1.6X POST TAKING A GOLD LOAN



Borrowers with a history of loan default who subsequently rely on gold loans face a significantly higher risk of long-term financial exclusion within the formal credit system. Analysis indicates that their active loan closure rate is approximately 1.6 times higher than that of non-defaulting borrowers, underscoring a concerning pattern of disengagement from mainstream credit channels.

Given that financial inclusion remains a cornerstone of India's credit architecture critical for promoting equitable growth and household financial resilience this elevated exclusion risk highlights the need for more supportive rehabilitation pathways for stressed borrowers.

Also, among the stressed borrowers who have not closed their loans, **more than one-third have only a GL active in their wallet.**

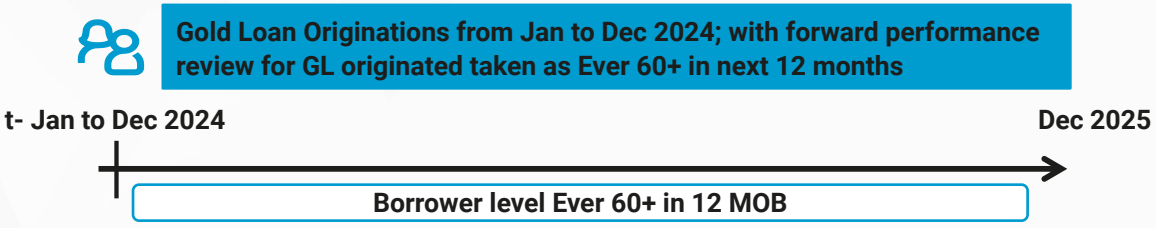
STUDY STRUCTURE

1. We reviewed the profile of GL borrowers to study how can we identify stress segments of Gold Loan borrowers itself and can borrower behaviours help in identifying forward looking stress on collateral product like Gold Loans as well in different ticket segments.

2. We have then reviewed how these behaviour compositions are important in identifying credit risk behaviour which can be used effectively for LTV management and risk-based pricing in new GL loans.

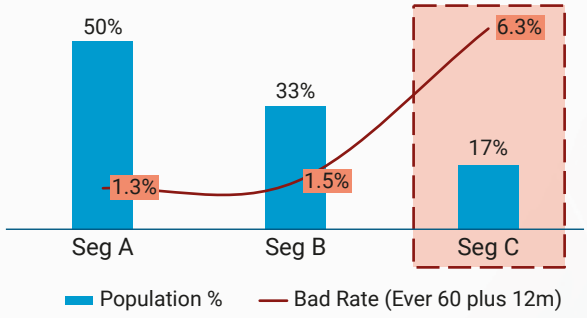
BORROWER BEHAVIOUR-BASED SEGMENTS TO IDENTIFY RISK-BASED PERFORMANCE AND LTV SEGMENTS

Gold Loan Originations from Jan to Dec 2024; with forward performance review for GL originated taken as Ever 60+ in next 12 months



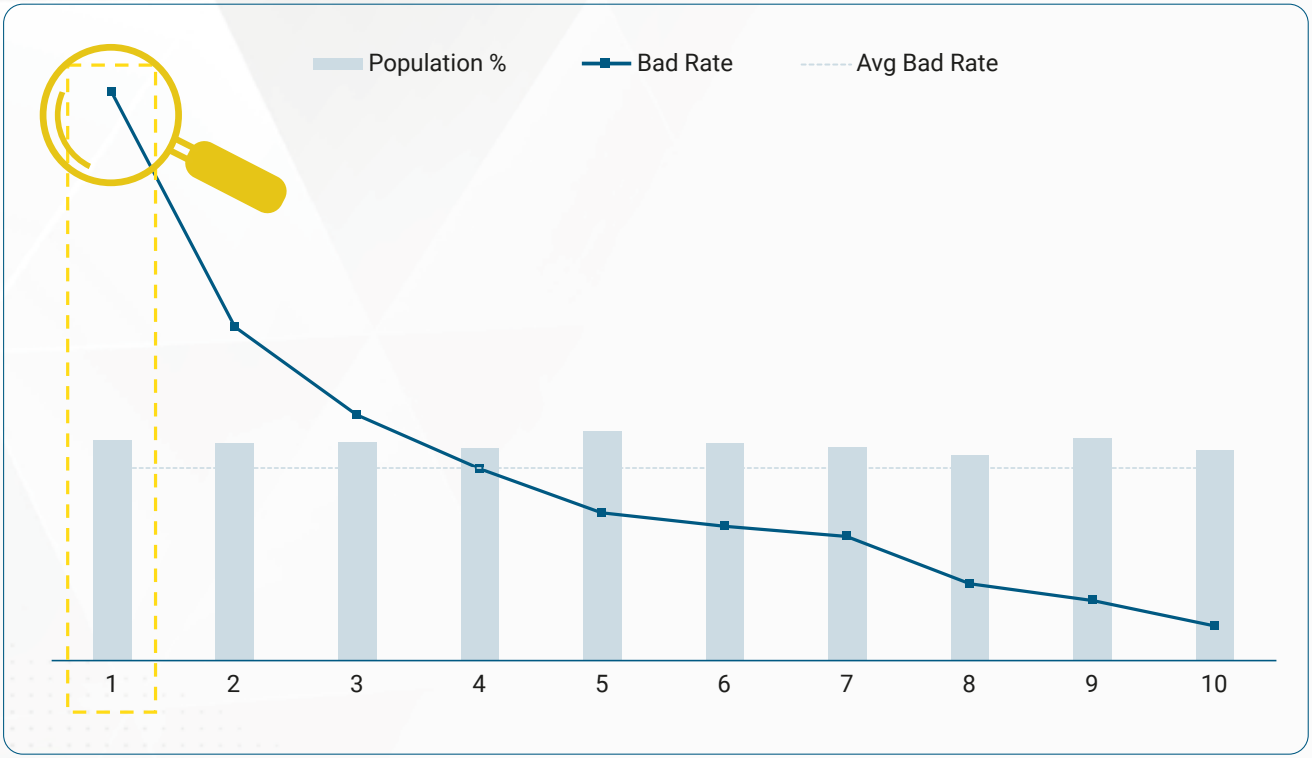
Segment	Population %	Bad Rate (Ever 60+ in 12 MOB)
Seg A	50%	1.30%
Seg B	33%	1.50%
Seg C	17%	6.26%
Overall	100%	2.20%

6x separation in Segment C for 17% population



Source: TransUnion CIBIL India

CAN WE IDENTIFY MORE SHARPER SEGMENTS WITH BEHAVIOURS?



Source: TransUnion CIBIL India

DISCLAIMER

This report is prepared by TransUnion CIBIL Limited (TU CIBIL). This report is based on collation of information, substantially, provided by credit institutions who are members with TU CIBIL. While TU CIBIL takes reasonable care in preparing the report, TU CIBIL shall not be responsible for errors and/or omissions caused by inaccurate or inadequate information submitted to it by credit institutions. Further, TU CIBIL does not guarantee the adequacy or completeness of the information in the report and/or its suitability for any specific purpose nor is TU CIBIL responsible for any access or reliance on the report and that TU CIBIL expressly disclaims all such liability. This report is not a recommendation for rejection / denial or acceptance of any application nor any recommendation by TU CIBIL to (i) lend or not to lend; (Ii) enter into or not to enter into any financial transaction with the concerned individual/entity. The user should carry out all the necessary analysis that is prudent in its opinion before making any decisions based on the Information contained in this report. The use of the report is governed by the provisions of the Credit Information Companies (Regulation) Act, 2005, the Credit Information Companies Regulations, 2006, Credit Information Companies Rules, 2006. No part of this report should be copied, circulated, published without prior approvals.



TRANSUNION CIBIL LIMITED

One World Center, Tower 2A - 2B, 19th Floor,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

© 2026 TransUnion CIBIL. All Rights Reserved.