

TransUnion CIBIL Industry Insights Report

Quarterly overview of consumer credit trends
released by TransUnion CIBIL

FOURTH QUARTER 2018



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Executive Summary

For purposes of this report, retail lending includes the following products: auto loans, used car loans, home loans, loans against property, personal loans (unsecured installment loans), consumer durable loans, education loans, credit cards (bankcards), and two wheeler loans.

In consonance with global trends, the Indian economy has been in the midst of a slowdown in the past couple of quarters. According to data from Oxford Economics, year-over-year GDP growth for India slowed to 6.6% in Q4 2018, compared to 7.0% in the third quarter and levels above 7% in the first half of 2018.

The retail lending market is not immune to these trends and has started exhibiting deceleration. Aggregate retail lending growth in value terms (balance outstanding in INR) has declined from 27.4% in Q1 2018 to around 19.0% in Q4 2018. Similarly, the rate of growth in volume terms (number of accounts) has declined from 30.2% in Q1 2018 to 20.8% in Q4 2018.

In recent years, India has experienced a transformation of the consumer mindset from a savings-focused and debt-averse country to a more consumption-focused, leveraged economy. The rate of change has been, and still is, significant, and is due to multiple factors: changing demographics, urbanization, rising digitalization and the subsequent rise of e-commerce, improved access to retail lending, and increased exports.

This secular trend has engendered an industry scenario whereby consumption lending products (credit cards, personal loans and consumer durable loans) has shown robust growth. This is amply reflected from the fact that YOY growth in consumption lending has decelerated from very high levels of 42.9% in Q1 2018 to still-robust levels of 32.2% in Q4 2018.

In contrast, the asset lending products have borne the brunt of the ongoing slowdown as YOY growth for these products has decelerated from 25.3% in Q1 2018 to 16.8% in Q4 2018. We see similar dynamics when we look at the growth in volume terms as well.

The comparative high growth of consumption lending products and the consequent shift in composition towards these lower ticket size products has meant that average ticket size growth has exhibited stable to declining performance for most products in the past few years. Consumer durable loans and loans against properties stand out on account of the sustained high single-digit declines exhibited in the past few years.

The ongoing “consumerization” of the Indian society and economy has meant that consumer demand for retail credit products has maintained its buoyant stance in the past

few quarters. In contrast to aggregate origination trends as well as the economic growth trends, the growth rate of unique consumer enquiries for retail lending products has accelerated from 26.8% in Q2 2018 to 36.2% in Q3 2018 and further on 43.1%.

From a medium-term perspective, the growth rate of unique consumer enquiries for retail lending products has accelerated from 29.4% in 2016 to 38.1% in 2017 and then moderating slightly to 36.2% in 2018. However, supply has not kept pace with the burgeoning demand and approval rates have exhibited a sustained decline. Aggregate approval rates have come down from 43.0% in Q3 2016 to 40.3% in Q3 2017 and further on to 33.9% in Q3 2018.

From a geographic perspective, the retail lending industry continues to be driven primarily by the urban concentration prevalent in the country. This is amply clear when we measure the contribution of the eight biggest urban agglomerations in the country – Mumbai, National Capital Region (NCR), Chennai, Kolkata, Hyderabad, Bengaluru, Pune and Ahmedabad – collectively referred to as the Tier-1 cities, to the aggregate retail lending industry.

These Tier-1 cities had a share of 49.5% and 38.7% in aggregate origination balances and origination volumes respectively in Q3 2018. Analysis of the balance sheet from this perspective clearly reveals the overwhelming dominance of the Tier-1 cities. These eight cities together accounted for half of the aggregate retail financing balance sheet in Q4 2018, primarily due to significantly higher share in high value products like mortgages and loans against property (LAP).

Credit cards are the most concentrated product with the Tier-1 cities accounting for around three-fourths of the aggregate balance sheet. Two wheeler loans are probably the most mature product in terms of geographic diversification as the Tier-1 cities' share is less than one-fourth of the aggregate industry.

Delinquency rates for most major retail lending products declined or remained relatively stable over the year ended Q4 2018, indicating that consumers continue to do a good job of managing their credit obligations. The exception was loans against property, which saw a year-over-year increase of 53 bps.

In summary, the retail lending industry has continued to expand in a robust and sustainable manner. Account originations and balances have grown significantly over the past year, with particular growth in lower-ticket consumption lending products. More consumers have gained access to credit, while delinquency rates have generally remained flat or trended lower.

Bankcard Summary

Credit cards continued to exhibit the robust growth that began from the first quarter of 2017. The number of consumers with access to credit cards as well as aggregate balances reached all-time high levels. Origination activity has increased at the same time. Balance growth was largely led by consumers in the prime and near prime risk tiers, and delinquencies continued to remain stable.

BANKCARD METRICS	Q4 2018	Q-O-Q CHANGE	Y-O-Y CHANGE
Number of Accounts (Millions)	37.8	5.6%	28.6%
Outstanding Balance (INR Billions)	874	8.8%	31.4%
Average Balance per Consumer (INR '000)	36	4.4%	2.7%
Average Balance per Account (INR '000)	23	3.0%	2.2%
Number of Consumers Carrying a Balance (Millions)	23.8	5.9%	27.3%
Origination Volumes (Q3 2018) Millions	3.15	17.5%	22.1%
Account-Level Delinquency Rate (90+ DPD)	0.88%	2 bps	4 bps
Balance-Level Delinquency Rate (90+ DPD)	1.77%	-6 bps	5 bps

The number of consumers with access to a bankcard grew by 25.9% year-over-year, reaching an all-time high of 25.7 million consumers in Q4 2018. Origination activity has expanded at the same time, with the number of new accounts opened in Q3 2018—the most recent quarterly data available—expanding by around 22.1% compared to the Q3 2017.

After increasing at the rate of around 50% for the full year 2017, growth has finally started moderating on account of the high base effect. However, it is noteworthy that the rate of new cards originations is consistently running in excess of 2.5 million cards per quarter in the past five quarters and reaching an all-time high level of 3.1 million in Q3 2018.

Analysis of originations along the various sources reveals the broad-based nature of growth. Before we proceed, we would like to define the ways in which we classify the various origination sources:

- **New to Credit (NTC):** Consumers opening up a trade line and getting a bureau record for the first time
- **Known to Bank (KTB):** Consumers having a bureau record and a pre-existing lending relationship with the bank and opening a trade line with the same bank

- New to Bank (NTB): Consumers having a bureau record and opening a trade line with the bank for the first time
- Known to Product (KTP): Consumers opening a trade line for the product for the second or more time
- New to Product (NTP): Consumers opening a trade line for the product for the first time
- New to Product Excluding New to Credit (NTP ex NTC): Consumers opening a trade line for the product for the first time and having a bureau record

All the sourcing categories exhibited a healthy growth with KTB and KTP origination volumes increasing by a robust 29% and 22% respectively in Q3 2018. NTC and NTB originations increased at a healthy pace of around 20% and 19% respectively.

In terms of overall contribution to origination volumes, NTB sourcing provided close to 49% of all new cards issued with KTB providing 28% and NTC providing 23% in Q3 2018. Multi-carding (issuance of cards to consumers having one or more cards) continues to be a significant growth driver in the industry. This is amply clear from the fact that roughly 49% of originations were derived from this source in Q3 2018 – almost on par with the contribution observed in the past 6-8 quarters.

The rapid acceleration in originations growth momentum has been fueled by the increasing geographic diversification of the industry. The share of the Tier-1 cities in aggregate origination volumes has declined from 62% in Q3 2016 to around 58% in Q3 2017 and then to 52% in Q3 2018. However, the industry continues to remain concentrated and there is ample geographic whitespace for growth.

The significant rise in originations has been accompanied by robust balance expansion, albeit on a sustained deceleration trend on account of the high base effect. Annual bankcard balance growth decelerated from approximately 56% in the year ended Q4 2017 to 47% in Q2 2018 and then moderating further to 31% in Q4 2018.

The situation on the delinquency front has started improving as the percentage of seriously delinquent (90-179 days past due) balances declined in Q-O-Q terms by 6 bps to reach the level of 1.8% in Q4 2018. Account delinquency also remained largely stable at the 0.9% level in Q4 2018.

Unsecured Installment Loan Summary

Personal loan growth continued unabated as balance growth accelerated throughout 2017 and 2018. Recent origination trends portend solid future growth. The robust health of the market is indicated by the all-time high level of balances and stability at low levels for delinquencies. Growth is increasingly coming from the existing consumer base with consumers showing a strong preference for repeat purchase and loyalty. Clear size segmentation of the market for various player segments like PSU, PVT and NBFCs is also continuing apace.

UNSECURED INSTALLMENT LOAN METRICS	Q4 2018	Q-O-Q Change	Y-O-Y Change
Number of Accounts (Millions)	16.0	5.3%	29.3%
Outstanding Balance (INR Billions)	3,469	6.0%	32.3%
Average Balance per Consumer (INR '000)	258	1.1%	4.0%
Average Balance per Account (INR '000)	216	0.7%	2.3%
Number of Consumers Carrying a Balance (Millions)	15.8	5.7%	28.0%
Origination Volumes (Q3 2018) Millions	2.77	30.1%	71.6%
Average New Account Balance (Q2 2018) (INR '000)	224	-10.3%	-20.3%
Account-Level Delinquency Rate (90+ DPD)	1.10%	-13 bps	-12 bps
Balance-Level Delinquency Rate (90+ DPD)	0.58%	-5 bps	-7 bps

Personal loan is one of the fastest growing segments of the retail lending market. In consonance with aggregate market trends, growth accelerated considerably in the later part of 2017 with origination amount (new loan balances) Y-O-Y growth increasing at a robust 45% and 66% in Q3 2017 and Q4 2017 respectively. The trend continued in the first three quarters of 2018 with growth moderating to robust levels of around 31%-34%.

Growth has increasingly being driven by higher volumes of new loan accounts opened. Account origination growth rates accelerated throughout the year, with year-over-year growth rates increasing from 39% in Q3 2017 to 68% in Q4 2017 before moderating to extremely healthy growth of around 45%-50% in the first three quarters of 2018.

The continued strength in volumes driven by the comparatively higher growth in smaller loans has meant that the average ticket size of new loans has declined for the past four consecutive quarters.

Personal loan (along with consumer durable loan) is a product which is characterized by repeat purchase and high consumer loyalty. This is quite clear from the analysis of the behavior of the various origination sources.

The share of KTB sourcing in aggregate disbursements has remained at a steady level of 61%-64% in the last eight quarters ending Q3 2018. We noticed a similar pattern in terms of volume contribution as well.

Concurrently, the share of KTP sourcing i.e. contribution by consumers going in for the second or more trade has also increased to around 61% in amount terms and around 52% in volume terms in the past eight quarters.

The robust increase in the aggregate market has been accompanied by change in market share of the various market players as well as emerging segmentation of the market in terms ticket sizes. NBFCs have started focusing on the bottom end of the ticket size spectrum especially loans below INR 200K. As a result, the NBFC segment average ticket size has consistently declined from INR 183K in Q3 2016 to INR 154K in Q3 2017 and then to INR 103K in Q3 2018.

In contrast, the banks (both PSU and PVT) have shifted their focus to the mid to the large segments. The PVT Banks have been significantly active in the loans above INR 700K segment with a volume and value share of around 55-60% in the past few quarters. The continued focus on the high end of the market has meant that their average ticket size has consistently increased from INR 346K in Q3 2016 to INR 361K in Q3 2017 and further on to INR 383K in Q3 2018.

The PSU segment has behaved in a similar manner with average ticket size accelerating even faster from INR 256K in Q3 2016 to INR 319K in Q3 2017 and further on to INR 331K in Q3 2018. The PSU segment is focused on loans between INR 200-700K and have a share in excess of 50% in both value and volume terms in that segment.

As expected, the balance sheet has expanded in line with the trends observed with respect to originations. The vigorous growth rate of aggregate balances has resulted in stable delinquency rates. The percentage of seriously delinquent (90-179 days past due) accounts declined in Q-O-Q and Y-O-Y terms by 13 bps and 12 bps respectively to reach the level of 1.1% in Q4 2018. Similarly, the percentage of seriously delinquent (90-179 days past due) balances declined in Q-O-Q and Y-O-Y terms by 5 bps and 7 bps respectively to reach the level of 0.6% in Q4 2018.

Auto Loan Summary

Auto loan balances growth started moderating from the second quarter of 2018 in consonance with trends observed for underlying demand for autos. Aggregate balance growth has been driven by a combination of healthy increases in both accounts and average balances. In parallel, we have witnessed a significant improvement in delinquency metrics.

AUTO LOAN METRICS	Q4 2018	Q-O-Q Change	Y-O-Y Change
Number of Accounts (Millions)	11.1	1.7%	11.1%
Outstanding Balance (INR Billions)	4,078	5.7%	17.4%
Average Balance per Consumer (INR '000)	408	5.7%	8.1%
Average Balance per Account (INR '000)	368	3.9%	5.7%
Number of Consumers Carrying a Balance (Millions)	14.3	2.5%	14.5%
Origination Volumes (Q3 2018) Millions	0.88	2.5%	4.3%
Average New Account Balance (Q2 2018) (INR '000)	528	-0.7%	-5.0%
Account-Level Delinquency Rate (90+ DPD)	4.28%	-419 bps	-457 bps
Balance-Level Delinquency Rate (90+ DPD)	2.90%	-80 bps	-99 bps

For the purpose of analysis here, auto loans include both new car loans and used car loans. Aggregate balance sheet has expanded by a CAGR of 21% from around INR 2.7 trillion in Q4 2016 to INR 4.0 trillion in Q4 2018. Overall balance sheet growth in that time period has been driven by broad-based increase in both the number of consumers CAGR of 14% and per-consumer balance CAGR of 8%.

The fact that bulk of the growth comes from a widening pool of consumers (as opposed to increasing balance per consumer) augurs well for the future sustainability of the growth dynamics.

Auto loan originations growth has experienced a moderation following the strong growth observed in the second half of 2017 and first quarter of 2018. Year-over-year originations (new accounts opened) growth increased from 6.9% in Q4 2016 to 17.0% in Q4 2017. Growth moderated from those levels to 5.8% in Q2 2018 and 4.3% in Q3 2018.

Analysis of the origination from a sourcing perspective reveals broad stability. The share of the new-to-credit (NTC) segment in the aggregate origination volumes has declined modestly from 31% in Q3 2016 to 28% in Q3 2017 and then increasing to 30% in Q3 2018. The share of KTB in origination volumes has behaved in a similar manner with an increase from 37% in Q3 2017 to 40% in Q3 2018.

In contrast, NTB sourcing has witnessed a decline in share from 35% in Q3 2017 to 30% in Q3 2018. In terms of customer familiarity with the product, the market is dominated by first time borrowers, with a share of around two-thirds of total new account volumes. This ratio has remained broadly stable over the past few years.

Like personal loans, this industry is also witnessing increasing segmentation on the basis of ticket sizes. The PVT players have been the biggest beneficiary of the trend of high growth of loans with ticket size greater than INR 0.6 million.

The NBFC segment has managed to increase its overall share of disbursements from 28% in Q3 2017 to 36% in Q3 2018 by focusing largely on the auto loans having a ticket size less than INR 0.3 million.

The PSU segment has increased its focus on serving the middle of the ticket size range and tend to derive more than three-fourths of their business from loans with ticket size between INR 0.3 – 1.0 million.

From a geographic perspective, growth is increasingly being driven by geographic expansion with the origination volumes share of the Tier-1 cities falling from 29% in Q3 2016 to 28% in Q3 2017 and 26% in Q3 2018.

Robust total balance growth has been accompanied by stability in terms of share of the various risk tiers. Prime plus and prime consumers account for around two-thirds of the aggregate balances and their share has increased modestly in the past couple of years. Simultaneously, the share of near prime and subprime balances has trended down.

Modest increase in the share of high score tiers along with resumption of growth has translated into a significant decline in delinquency in both balance and account level terms. The percentage of accounts seriously delinquent (90+ days past due) declined significantly—457 bps YOY—to 4.3% in Q4 2018. In parallel, the balance-level delinquency (90+ DPD) declined by 99 bps on Y-o-Y basis to 2.9%.

Mortgage Summary

The mortgage market exhibited significant slowdown on account of the various structural issues plaguing the real estate industry. Originations growth continued to decelerate in Q3 2018 due to significant slowdown in refinancing volumes. In parallel, balances growth continued its moderation trend. Delinquencies continued to show a stable trend with an upward bias by posting moderate increase.

MORTGAGE LOAN METRICS	Q4 2018	Q-O-Q Change	Y-O-Y Change
Number of Accounts (Millions)	13.5	0.7%	10.5%
Outstanding Balance (INR Billions)	17,825	2.2%	17.1%
Average Balance per Consumer (INR '000)	1,689	2.3%	4.2%
Average Balance per Account (INR '000)	1,323	1.5%	5.9%
Number of Consumers Carrying a Balance (Millions)	18.3	0.4%	15.4%
Origination Volumes (Q3 2018) Millions	0.60	5.3%	2.0%
Average New Account Balance (Q2 2018) (INR '000)	2,273	1.6%	7.6%
Account-Level Delinquency Rate (90+ DPD)	3.29%	-2 bps	21 bps
Balance-Level Delinquency Rate (90+ DPD)	1.71%	0 bps	6 bps

The mortgage market exhibited resilience in face of the various structural issues plaguing the industry like the slowdown in house price inflation, continued high inventory levels, enhanced regulation in the form of RERA, and continued deterioration of the financial health of the real estate companies due to ongoing funding and liquidity issues. The industry has also been dealt a blow in terms of significant upward movement of interest rates that in turn has adversely impacted refinancing growth.

Thus, origination activity growth in both volume and value terms declined in Q3 2018. The Y-O-Y growth of origination amount has declined significantly from 27% in Q1 2018 to 11% in Q3 2018. In consonance, Y-O-Y growth in origination volumes 18% in Q1 2018 to 8% in Q2 2018 and further on to 2% in Q3 2018. Early indications point towards further deceleration in Q4 2018.

Growth is increasingly coming from first time mortgage customers and their share in overall origination volumes has increased from 70% in Q3 2017 to 71% in Q3 2018. In parallel, the share of this segment in origination amount has also increased from 60% in Q3 2017 to 62% in Q3 2018. The significant disparity in the volume and value share

provides an indication of the ticket size differential between the first time borrowers and repeat borrowers. Thus, their average ticket size of INR 1.9 million for first-time borrowers in Q3 2018 is significantly less than the INR 2.8 million ticket size for KTP customers.

In terms of various institutional segments, growth is increasingly being driven by the NBFCs especially the Housing Finance Companies (HFCs). The NBFC segment (includes HFCs) has managed to increase its market share of the aggregate disbursements from 43% in Q3 2016 to 44% in Q3 2017 and further on to 46% in Q3 2018. Bulk of the growth of this segment can be attributed to the loss of market share suffered by the PSU segment. We expect these trends to start reversing from Q4 2018 onwards as the NBFC segment is now grappling with the issues of liquidity and funding shortages.

In contrast to personal loans and auto loans, growth for the NBFC segment has been much broad-based in terms of ticket size. The average ticket size for the PSU, NBFC and the PVT segments in Q3 2018 came in at INR 1.9 million, INR 2.4 million and INR 3.3 million respectively. The difference in the average ticket size is a clear reflection of the market focus with the PVT players focusing on the top end and the PSU at the low end of the ticket spectrum.

In terms of geographical expansion, the market continues to be moderately diversified with the Tier-1 cities having a share of 33% in origination volumes and 55% in origination amount in Q3 2018.

The ongoing moderation in house prices has meant that the aggregate balance sheet expansion has been led increasingly by growth in the number of consumers. Balance sheet growth of 17% in Q4 2018 was driven by a 15% increase in consumers and 4% increase in average consumer balance.

From a risk perspective, the market remains overwhelmingly dominated by consumers in the prime plus and prime risk tier segments. Over the past several quarters, there has been a marginal decline in the share of balances held by consumers in prime plus category.

This trend towards lower risk borrowers has had some impact on delinquency rates. Account-level delinquency rates (90+ DPD) increased by 21 bps in Y-O-Y terms, to 3.3%, in Q4 2018, while balance-level delinquencies increased by 6 bps to 1.7%.

Loans Against Property Summary

Rapid growth in the past three years in the Loans Against Properties (LAP) segment has been driven principally by expansion of the addressable market through a reduction in average ticket sizes. Genuine buyer demand as well as healthy refinancing also provided a fillip to the growth. However, growth has finally started tapering down from Q2 2018 onwards due to higher interest rates led refinancing slowdown as well as increasing trend of delinquencies.

LOANS AGAINST PROPERTY METRICS	Q4 2018	Q-O-Q Change	Y-O-Y Change
Number of Accounts (Millions)	1.9	4.5%	30.4%
Outstanding Balance (INR Billions)	3,840	0.4%	21.8%
Average Balance per Consumer (INR '000)	3,234	-8.0%	-11.0%
Average Balance per Account (INR '000)	2,067	-3.9%	-6.5%
Number of Consumers Carrying a Balance (Millions)	2.9	2.2%	29.8%
Origination Volumes (Q3 2018) Millions	0.16	12.6%	12.1%
Average New Account Balance (Q2 2018) (INR '000)	2,625	-0.4%	-2.4%
Account-Level Delinquency Rate (90+ DPD)	3.50%	-1 bps	32 bps
Balance-Level Delinquency Rate (90+ DPD)	3.43%	25 bps	54 bps

Aggregate balance sheet for the LAP segment has expanded by a CAGR of 23% from around INR 2.6 trillion in Q4 2016 to INR 3.8 trillion in Q4 2018. Overall balance sheet growth in that time period has been driven completely by the 31% increase in number of consumers from around 1.7 million in Q4 2016 to 2.9 million in Q4 2018. During the same time period, per-consumer balances have declined at a CAGR of 8%.

However, growth has started moderating from Q2 2018 onwards due to multiple headwinds like hardening interest rates, increased risk aversion to increasing delinquencies as well as the funding / liquidity challenges being experienced by the NBFC segment.

Overall origination volumes YOY growth have continued to decline significantly from 48% in Q4 2017 to 32% in Q1 2018 and further on to 12% in Q3 2018. The deceleration in

terms of origination amount is even more severe as YOY growth declined from 54% in Q4 2017 to 23% in Q1 2018 and 11% in Q3 2018.

The declining trend of average ticket sizes continued in Q3 2018. ATS has compressed at a CAGR of 6% from INR 3.0 million in Q3 2015 to INR 2.5 million in Q3 2018.

Refinancing has been a key pillar supporting the robust growth of this segment in the past few years. The importance of this source of growth can be inferred by looking at the share of KTP volumes across the accounts and amount dimensions. KTP sourcing had a share of 52% in the aggregate amount origination in Q3 2018 – significantly higher than the 24% share of the same in the overall account volumes. The average ticket size of this segment at INR 7.5 million is higher than the average ticket size of other channels by a factor of two to three times.

The market continues to be heavily focused on the Tier-1 cities with slightly over half of the disbursements coming in these cities along with an account share of slightly over a third of the market in Q3 2018. The average ticket size in the Tier-1 cities is 1.5 times the average ticket size operating in the segment.

NBFCs (including HFCs) have continued to gain market share at the expense of the PVT and the PSU players. The NBFC market share in origination amount terms increased from 48% in Q3 2017 to 52% in Q3 2018. The increase in the share in volume terms was even more impressive as it increased from 66% in Q3 2017 to 71% in Q3 2018. We expect the trend to start reversing from Q4 2018 onwards as the NBFC segment is now grappling with the issues of liquidity and funding shortages.

As the originations data is reflected by a lag of a quarter, overall balance sheet continued to show robust growth. Aggregate balance sheet expanded by 22% in Q4 2018 to reach the level of INR 3.8 trillion. The balance sheet growth was driven by a 30% increase in number of consumers and 11% decline in average consumer balances.

The LAP segment has exhibited increasing stress and rise in delinquencies for the past few quarters and Q4 2018 was no exception to this trend. Account-level delinquency rates (90+ DPD) increased by 32 bps in Y-O-Y terms, to 3.5%, in Q4 2018, while balance-level delinquencies increased by 54 bps to 3.4%.

Report Overview and Definitions

The TransUnion CIBIL Industry Insights Report is a quarterly overview summarizing data and trends and providing insights on the Indian consumer lending industry.

All trends originate from TransUnion CIBIL's consumer credit database of more than 600 million files, which profiles nearly every credit-active consumer in India. The report analyzes all accounts reported to TransUnion CIBIL that have been verified in the past 10 years.

The report provides a full view of all data records (not a sample) over the nine most recent quarters.

Both account-level and consumer-level views of key metrics and trends are included in the report.

The report covers data and trends for the national population overall, as well as breakdowns within consumer credit-score risk tiers.

The report analyzes individual consumer loan product types—credit card i.e. bankcard, auto, mortgage, loans against property and personal loans i.e. unsecured personal installment loans—while looking at aggregate views of all important retail lending products.

Risk Tier Definitions

RISK TIER	BORROWER TRANSUNION CIBIL V1 SCORE RANGE
Prime plus	801–900
Prime	751–800
Near prime	651–750
Subprime	300–650
<p>Note: <i>Non-prime</i> refers to the 300 to 750 range, the union of near prime and subprime.</p>	

Product Definitions

PRODUCT CATEGORY	DEFINITION
Bankcard	Revolving account, open account or line of credit reported by a bank; loan types include credit card, business credit card, secured credit card and cards with no preset spending limit (flexible spending)
Auto	Loans reported as an auto loan or auto lease. Includes auto loans provided for financing of pre-owned cars
Mortgage	Mortgage loans and installment (non-revolving) loans with a loan type including home equity, home improvement, real estate junior lien or second mortgage
Unsecured installment loans	Installment (non-revolving) loans with a loan type including unsecured, note loan and consolidation
Loans Against Property	Installment (non-revolving) loans with a loan type including loans against property

Data Definitions

DATA CATEGORY	DEFINITION
Total account volumes	Total number of accounts that are open and have a reporting with the bureau in the last six months, at quarter end
Total account balances	Total Rupee amount of accounts that are open and have a reporting with the bureau in the last six months, at quarter end
Average account balance	Total account balances, divided by the total account volumes, at quarter end
Unit delinquency rates	Total number of delinquent open accounts at quarter end, divided by the total account volumes
Rupee delinquency rates	Total Rupee amount of delinquent open accounts at quarter end, divided by total account balances
Total new account volumes	Total number of new accounts reported opened during the calendar quarter
Total new account balances	Sanctioned Rupee amount of new accounts reported opened during the calendar quarter
Average new account balance	Total new account balances, divided by the number of new accounts reported opened during the calendar quarter
Number of consumers with access to an active trade	Total number of consumers with access to at least one open revolving-type account, including authorized account users, at quarter end
Number of consumers with a balance present	Total number of consumers with at least one open or closed account with a balance greater than zero, not including authorized users, at quarter end
Percentage of borrowers with a delinquent balance	Total number of consumers with at least one open account with a past-due balance greater than zero (90+ days past due), divided by the number of consumers with at least one open account, at quarter end
Average number of accounts per consumer	Total number of open accounts, divided by the total number of consumers with at least one open account, at quarter end

DATA CATEGORY	DEFINITION
Average total balance per consumer, of consumers with a balance	Total rupee balances of all open accounts, divided by the number of consumers with at least one open account with a balance, at quarter end

Report Generation Timing

Each quarter's data and calculations are generated from the data available on the last day of the quarter. There is typically a time lag between the date when a new account is opened and when lenders report new accounts to credit reporting companies. As a result of this time lag, a significant number of new accounts opened during a quarter may not yet be reported as of the quarter end date. To enable more accurate and complete reporting of new accounts, we measure all new account counts and balances in this report one quarter in arrears. With this approach, the quarter prior to the current report date reflects the most recent data.

ACCOUNT-LEVEL INSIGHTS

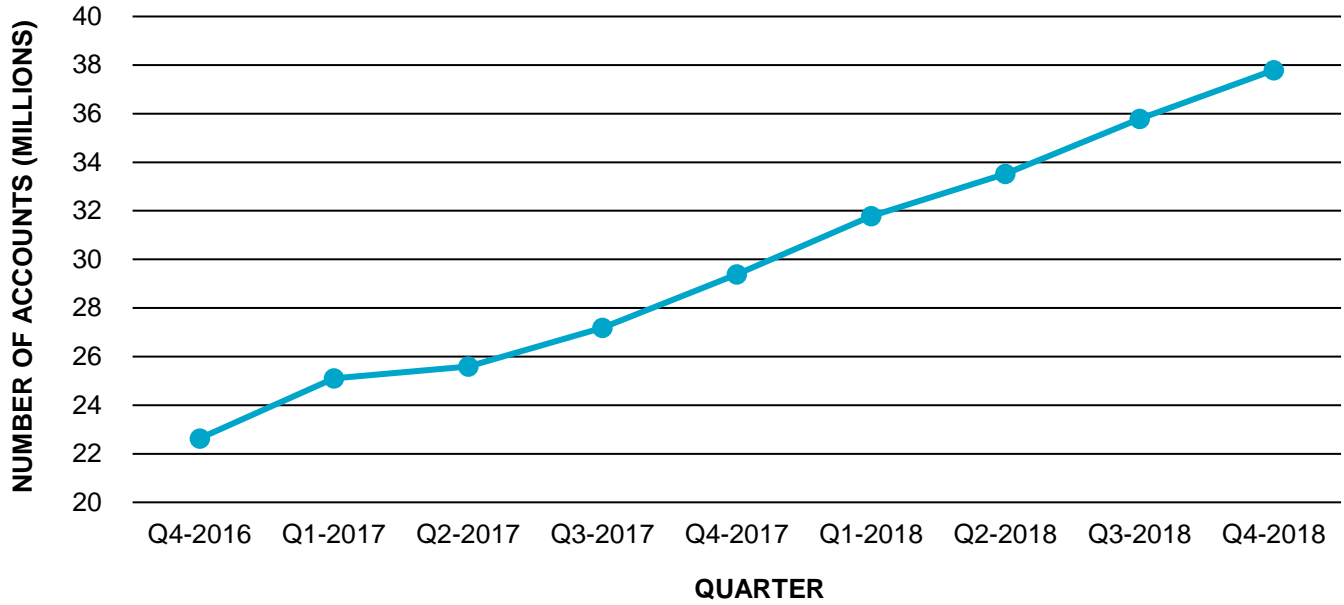
Bankcard

Total Account Volumes	21
Total Account Balances	22
Average Account Balance.....	23
Distribution of Unit Delinquency Rates	24
Distribution of Rupee Delinquency Rates	25
Total Reported New Account Originations	26

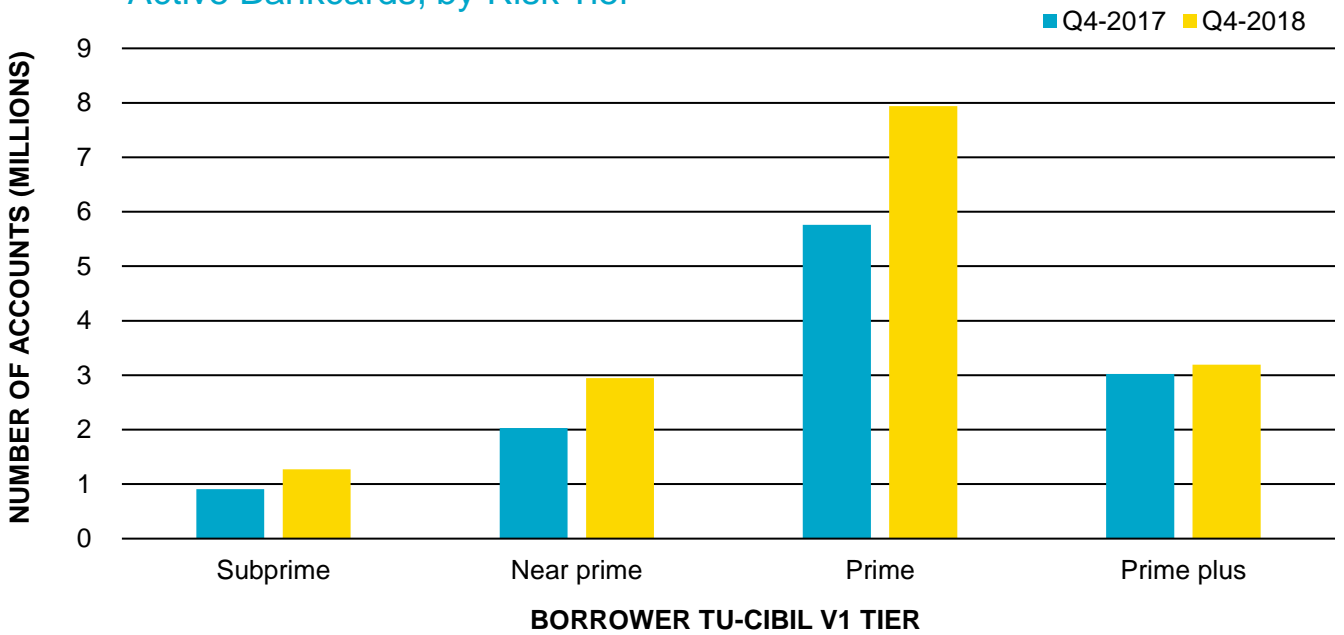
For a complete description of product definitions, data category definitions and calculations, risk tier definitions and the timing of report generation, please refer to the Report Overview and Definitions section.

Total Account Volumes

Total Volume of All Active Bankcards

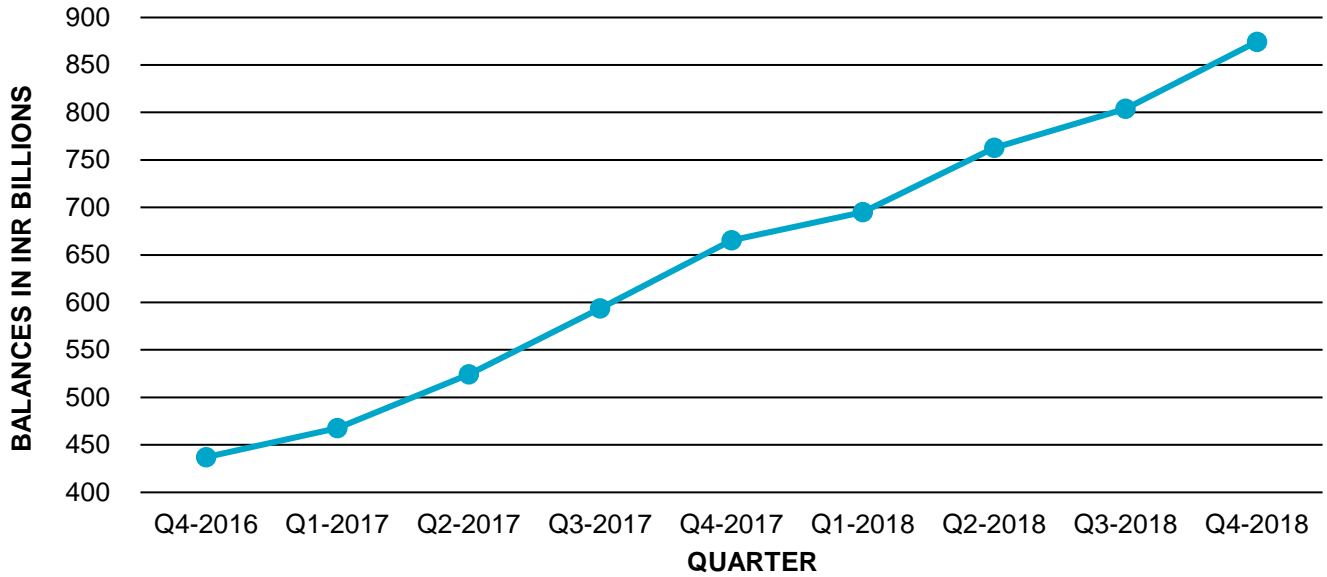


Active Bankcards, by Risk Tier

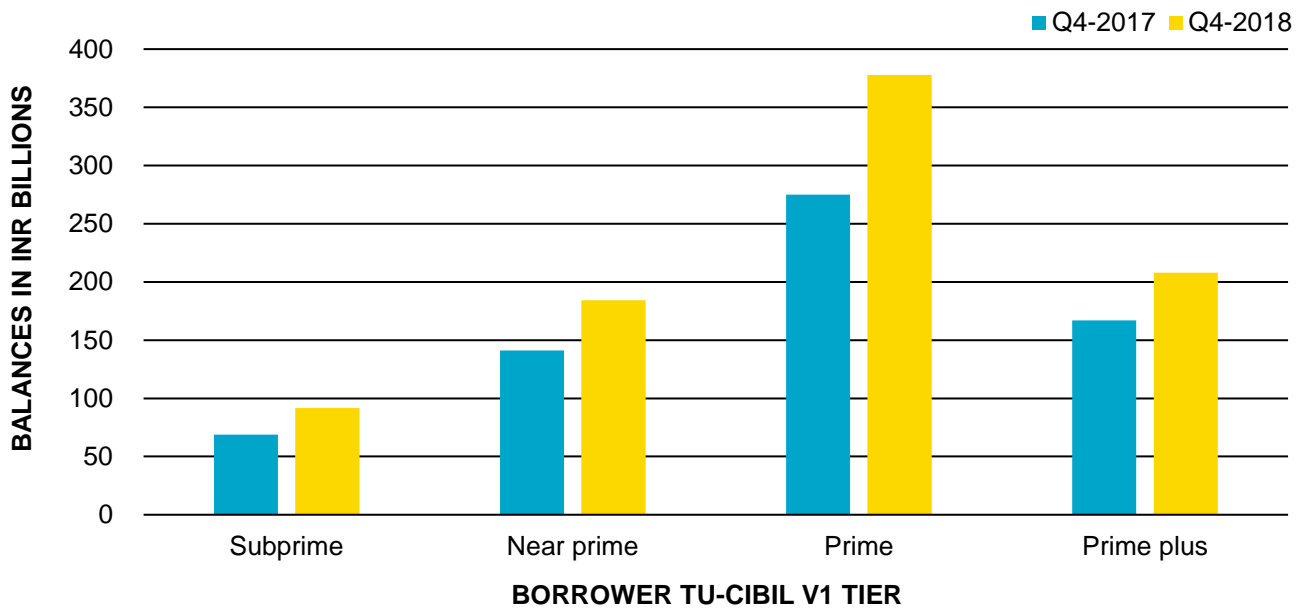


Total Account Balances

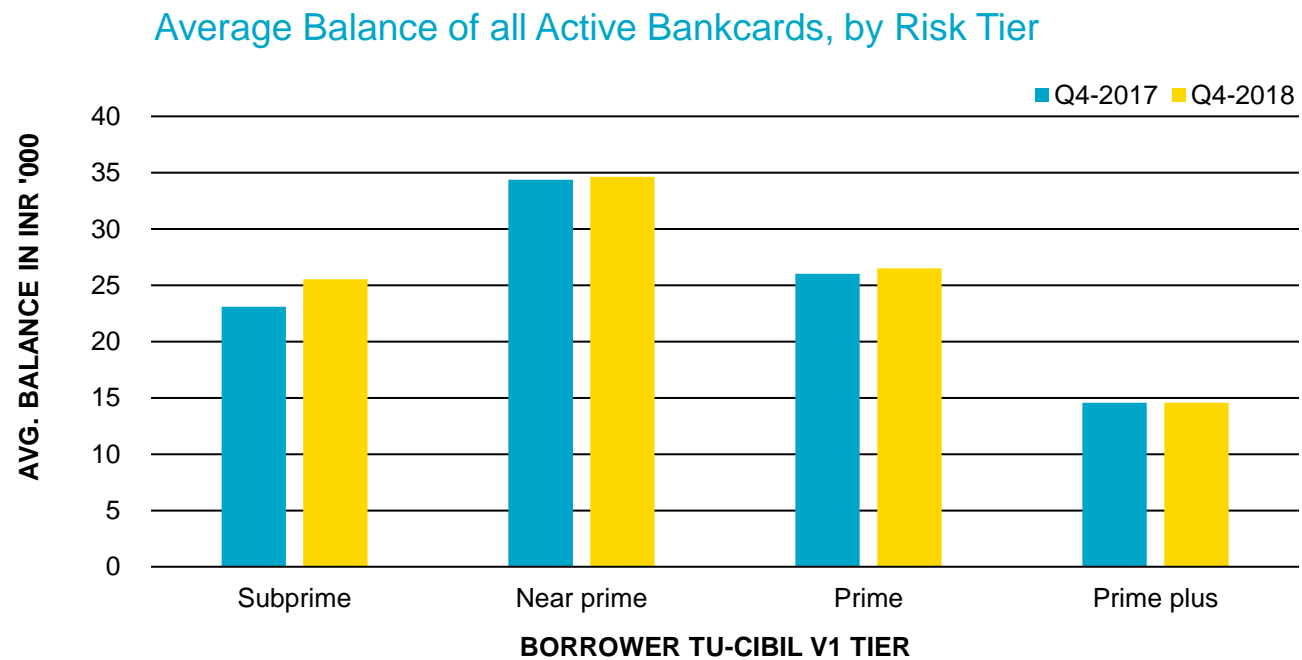
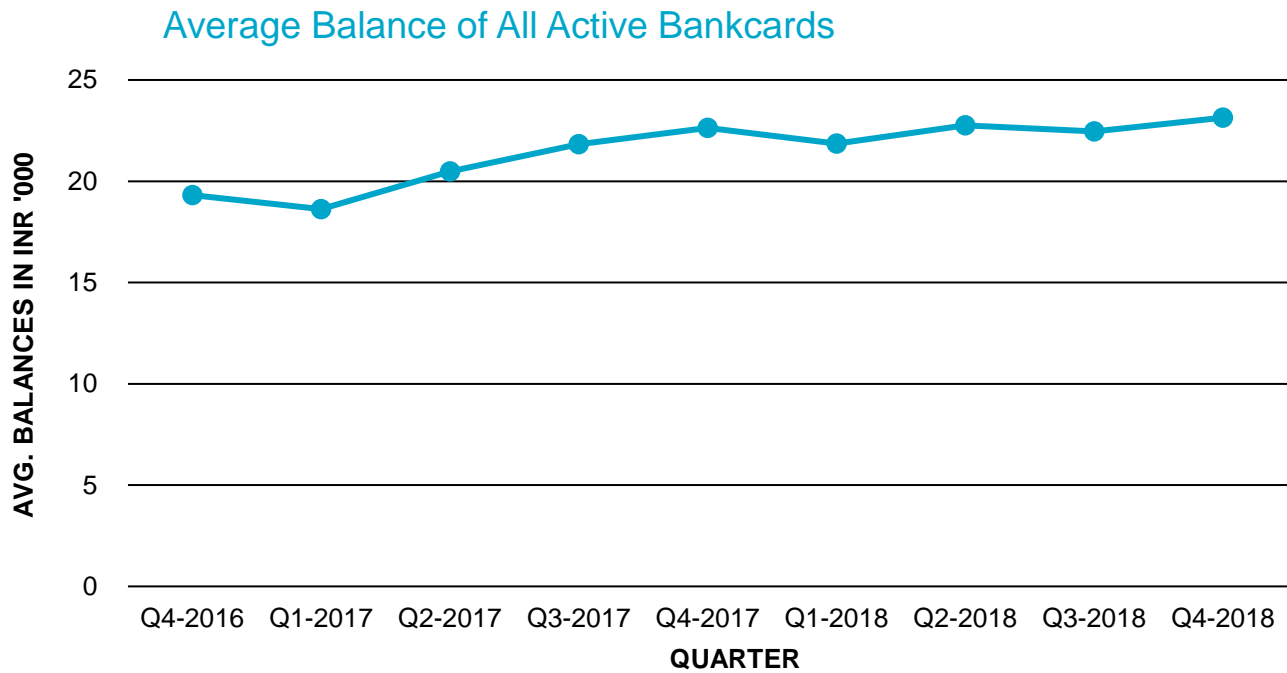
Total Balances of All Active Bankcards



Active Bankcard Balances, by Risk Tier

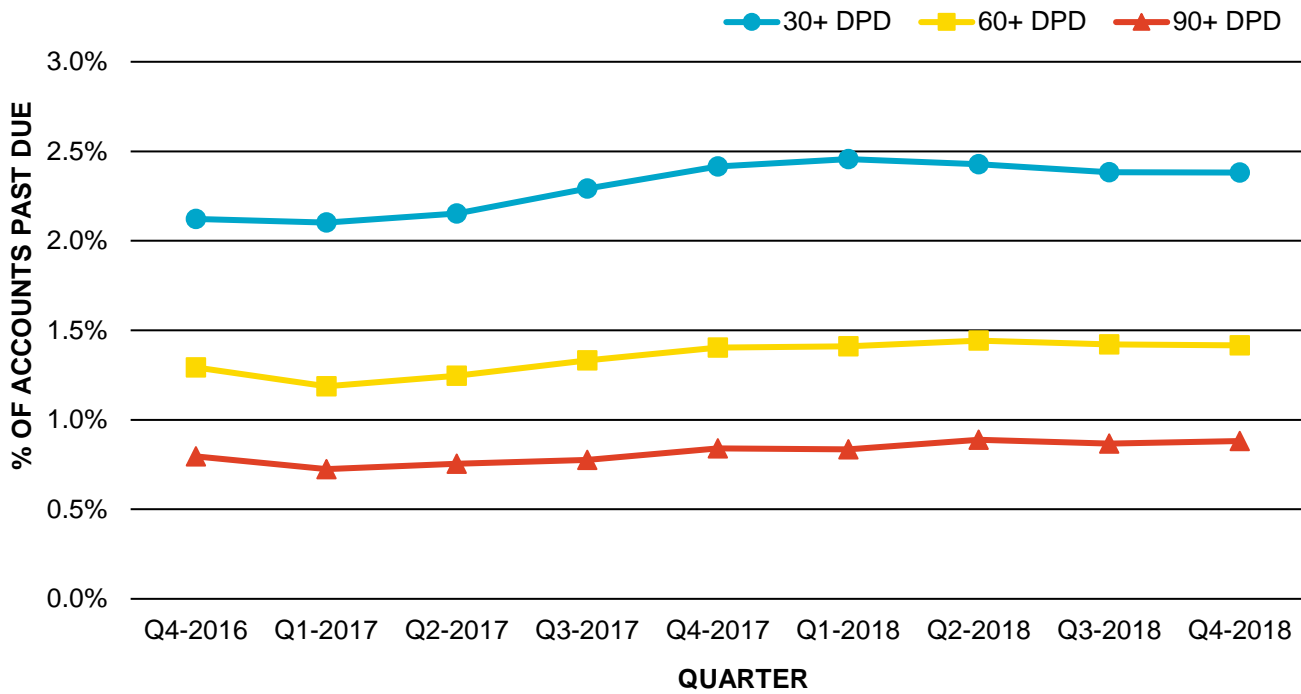


Average Account Balance



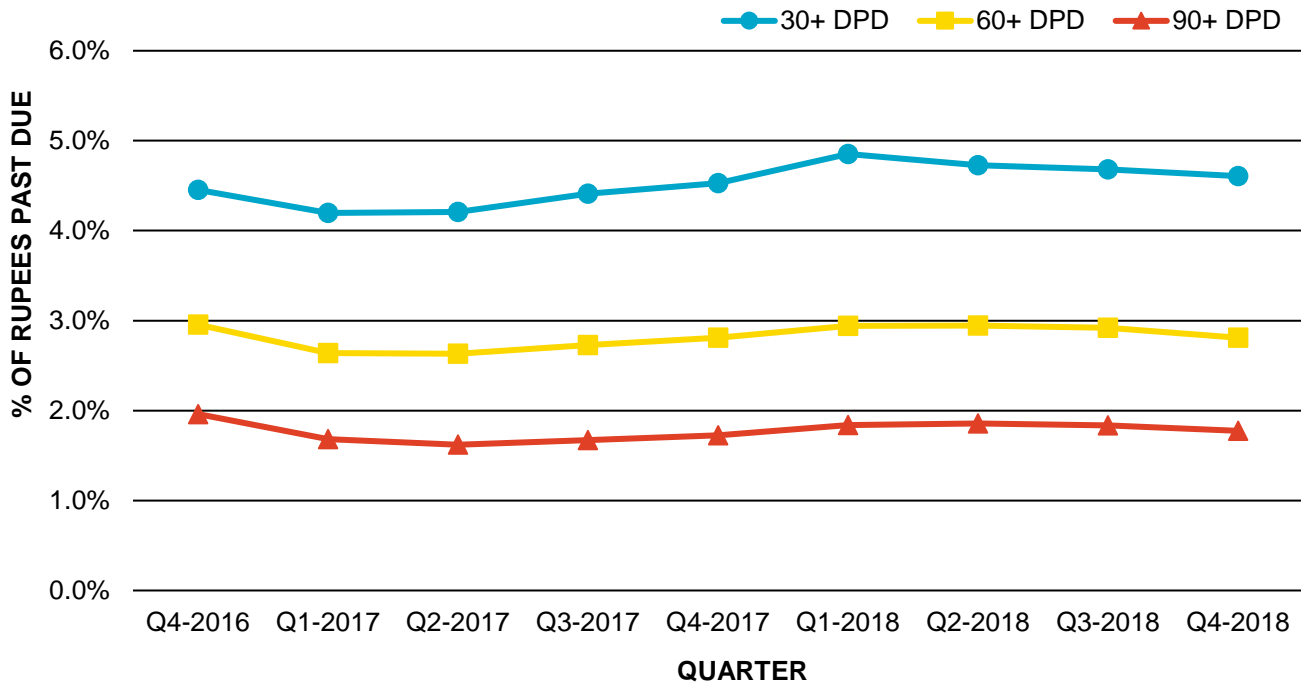
Distribution of Unit Delinquency Rates

Unit Delinquency Rates on All Bankcards

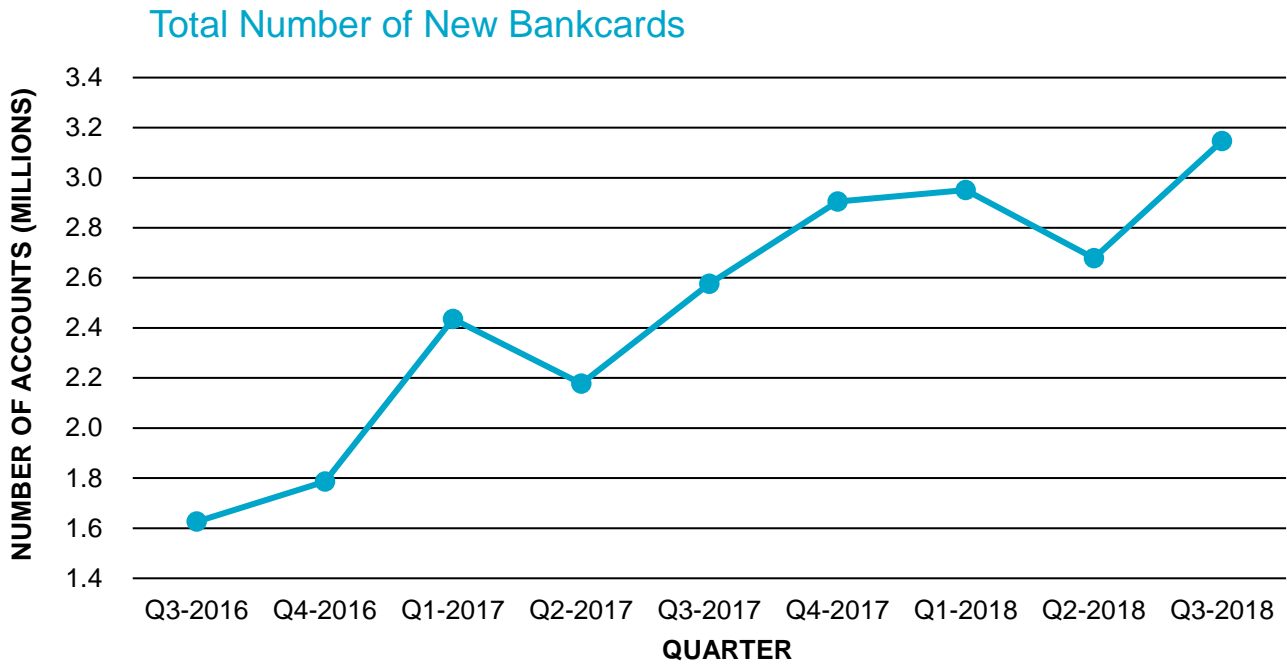


Distribution of Rupee Delinquency Rates

Rupee Delinquency Rates on All Bankcards



Total Reported New Account Originations



ACCOUNT-LEVEL INSIGHTS

Unsecured Installment Loans

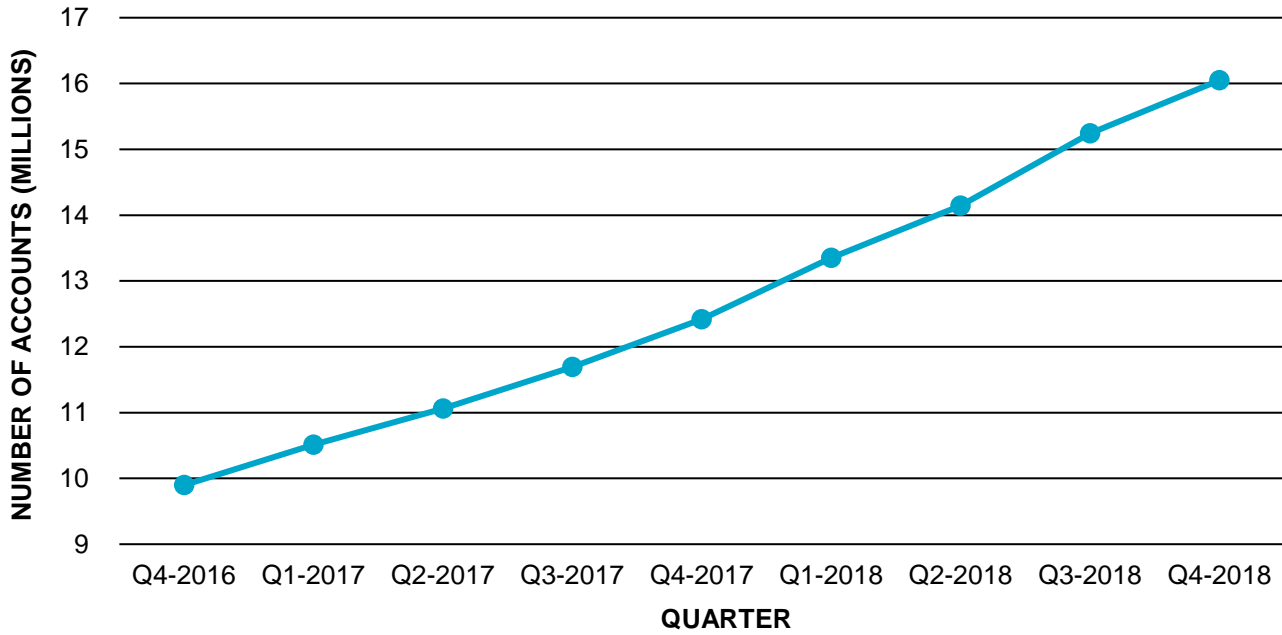
Total Account Volumes	28
Total Account Balances	29
Average Account Balance.....	30
Distribution of Unit Delinquency Rates	31
Distribution of Rupee Delinquency Rates	32
Total Reported New Account Originations	33
Total Reported New Account Balances.....	34
Average Reported New Account Balance	35

For a complete description of product definitions, data category definitions and calculations, risk tier definitions and the timing of report generation, please refer to the Report Overview and Definitions section.

ACCOUNT-LEVEL INSIGHTS—UNSECURED INSTALLMENT LOAN

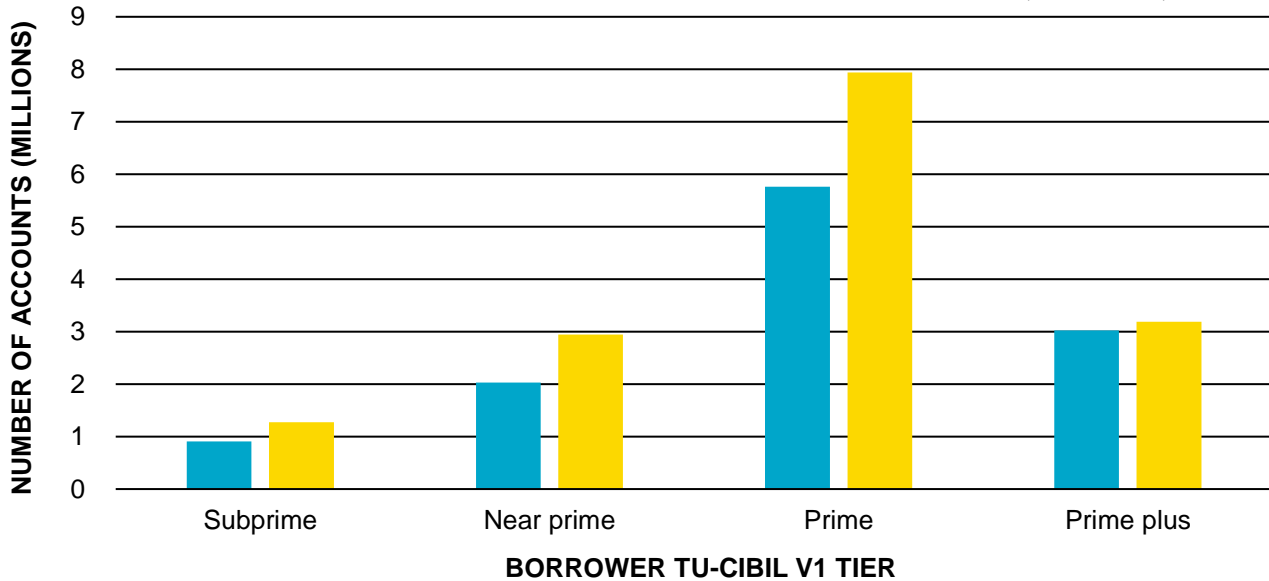
Total Account Volumes

Total Volume of All Active Unsecured Installment Loans



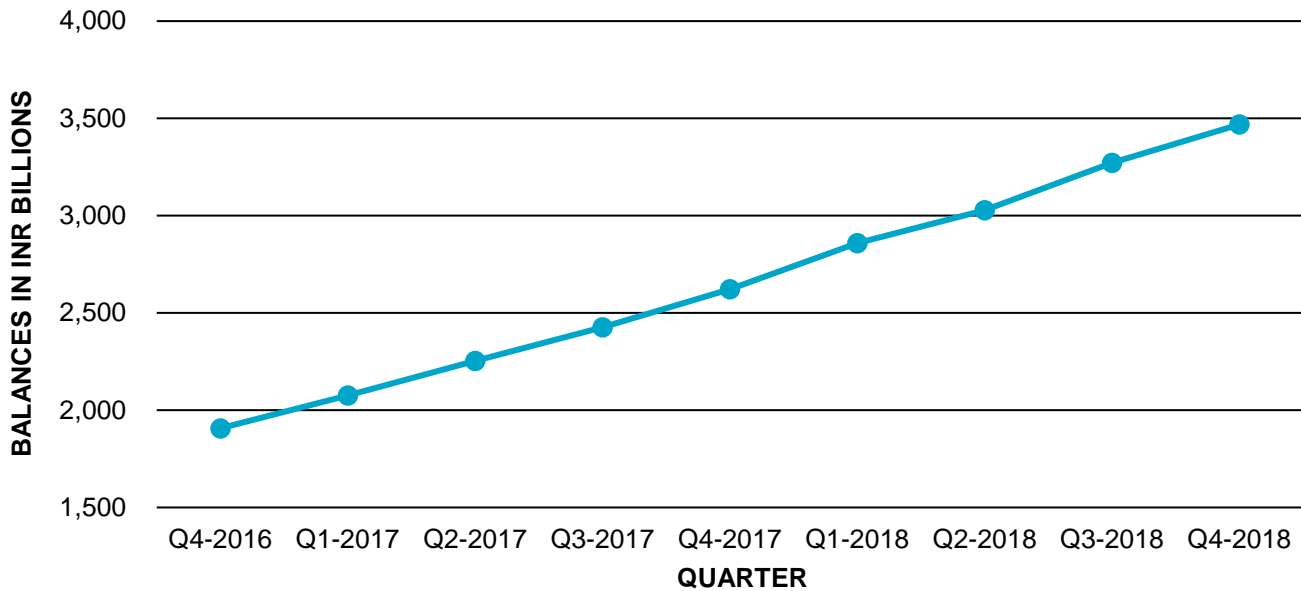
Active Unsecured Installment Loans, by Risk Tier

■ Q4-2017 ■ Q4-2018

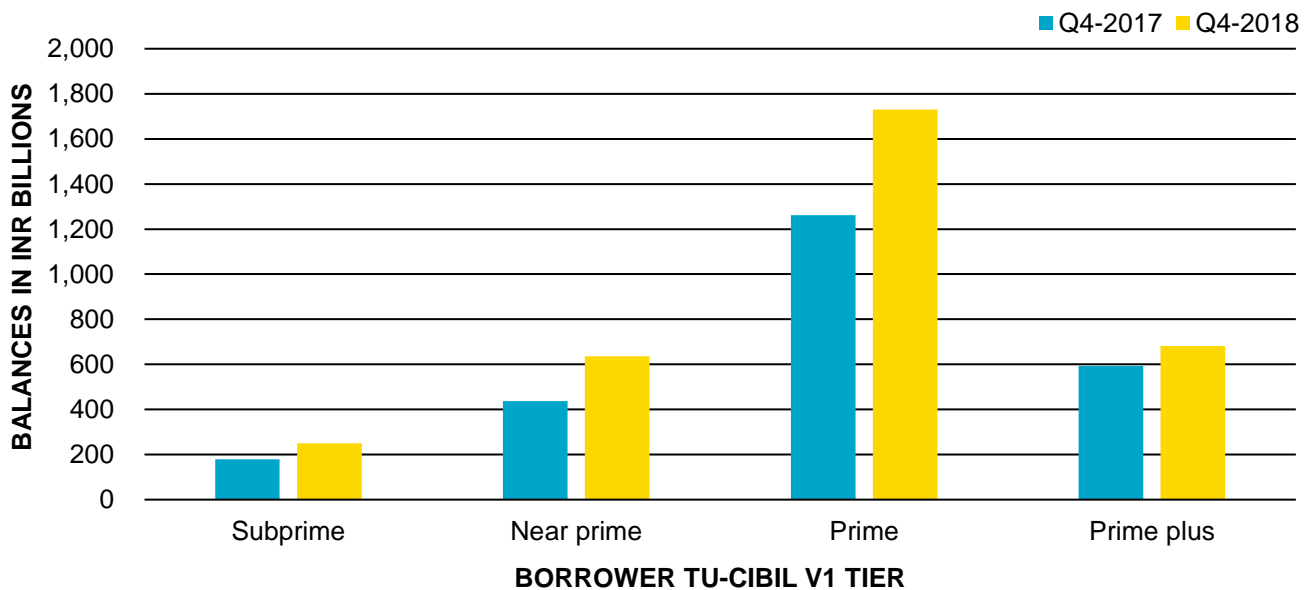


Total Account Balances

Total Balances of All Active Unsecured Installment Loans

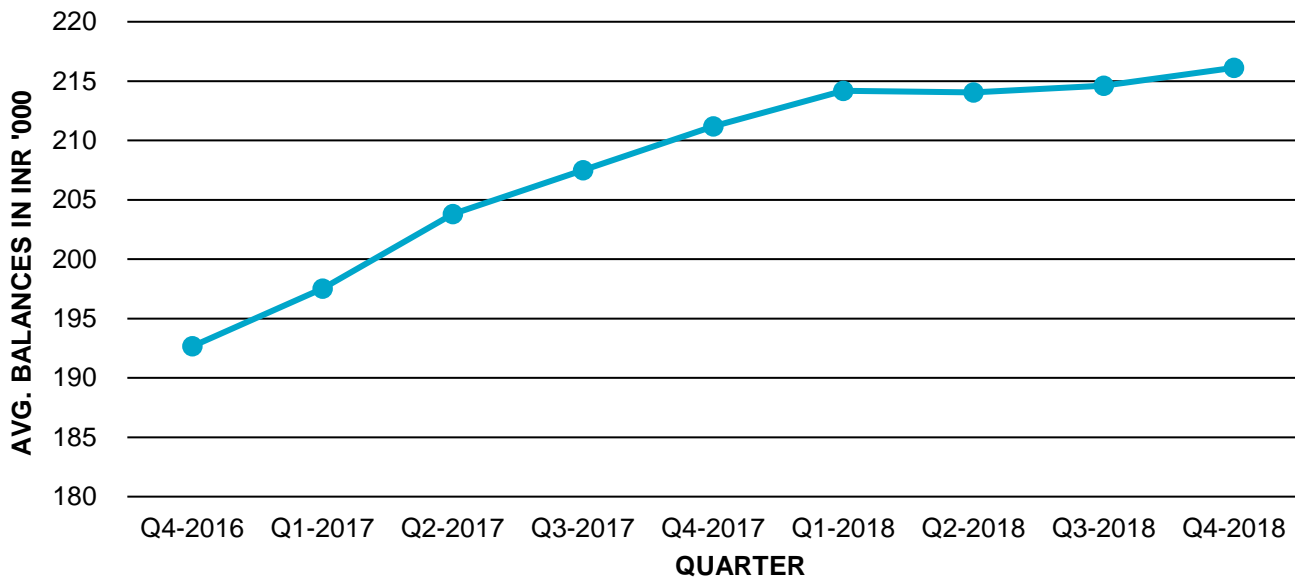


Active Unsecured Installment Loan Balances, by Risk Tier

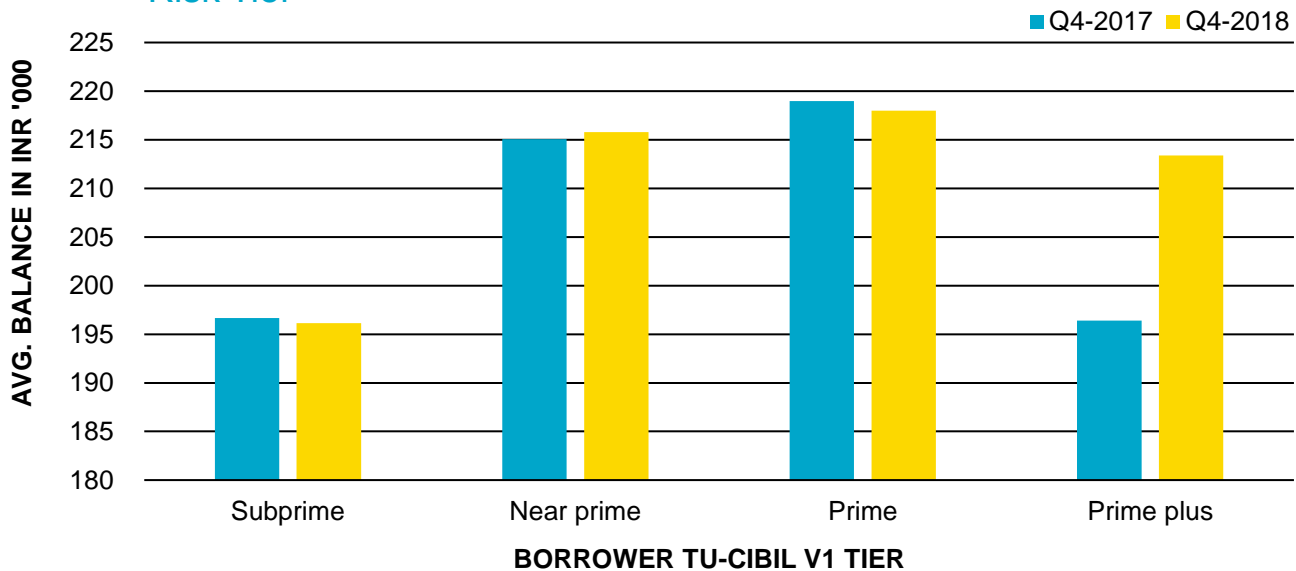


Average Account Balance

Average Balance of All Active Unsecured Installment Loans

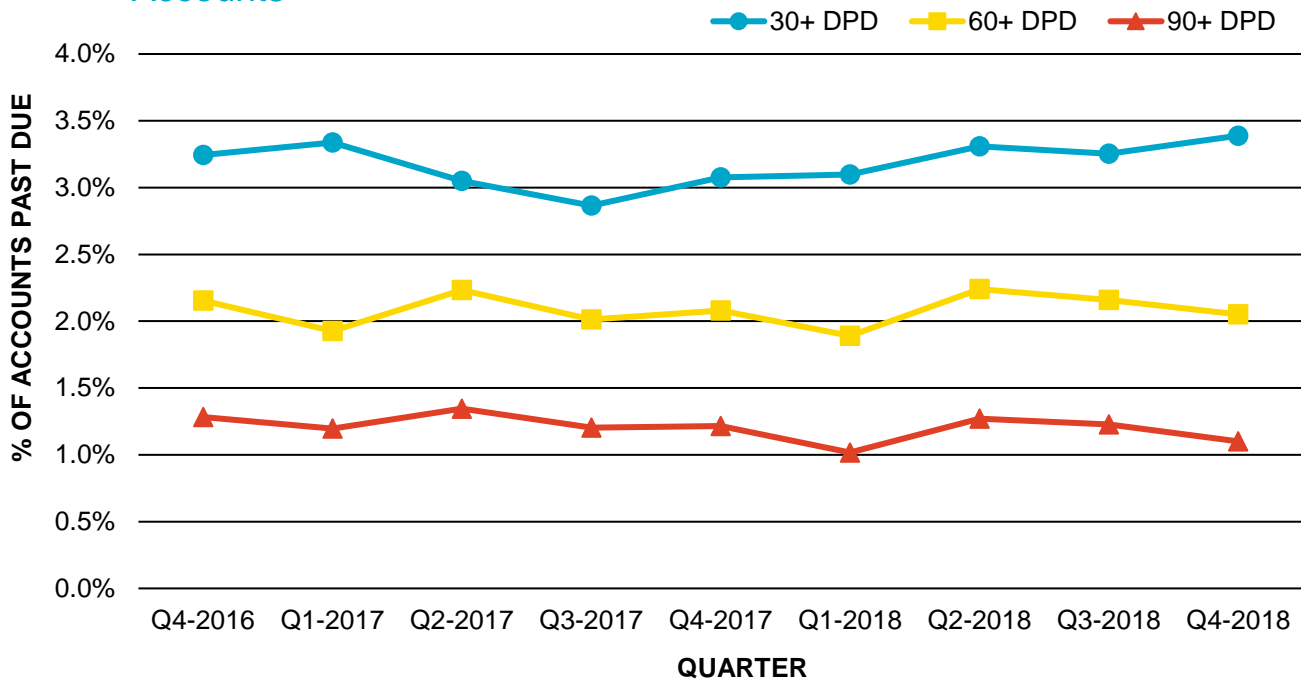


Average Balance of all Active Unsecured Installment Loans, by Risk Tier



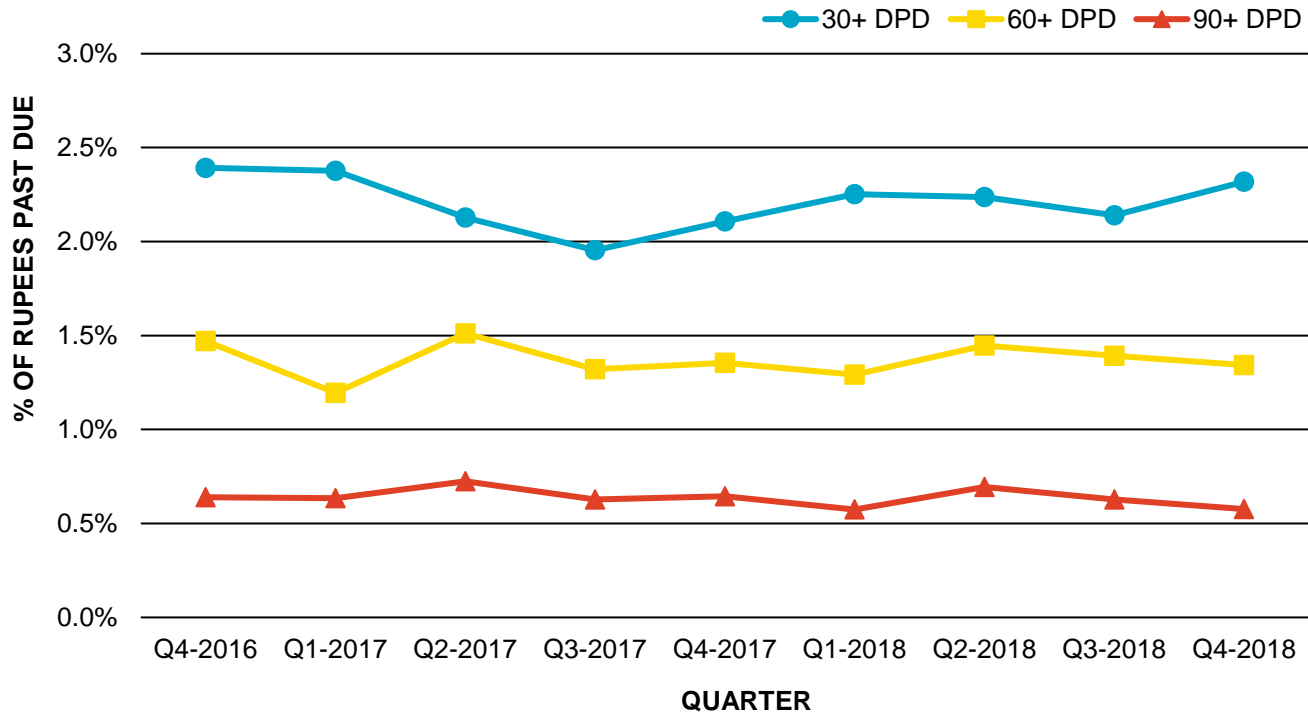
Distribution of Unit Delinquency Rates

Unit Delinquency Rates on All Unsecured Installment Loan Accounts



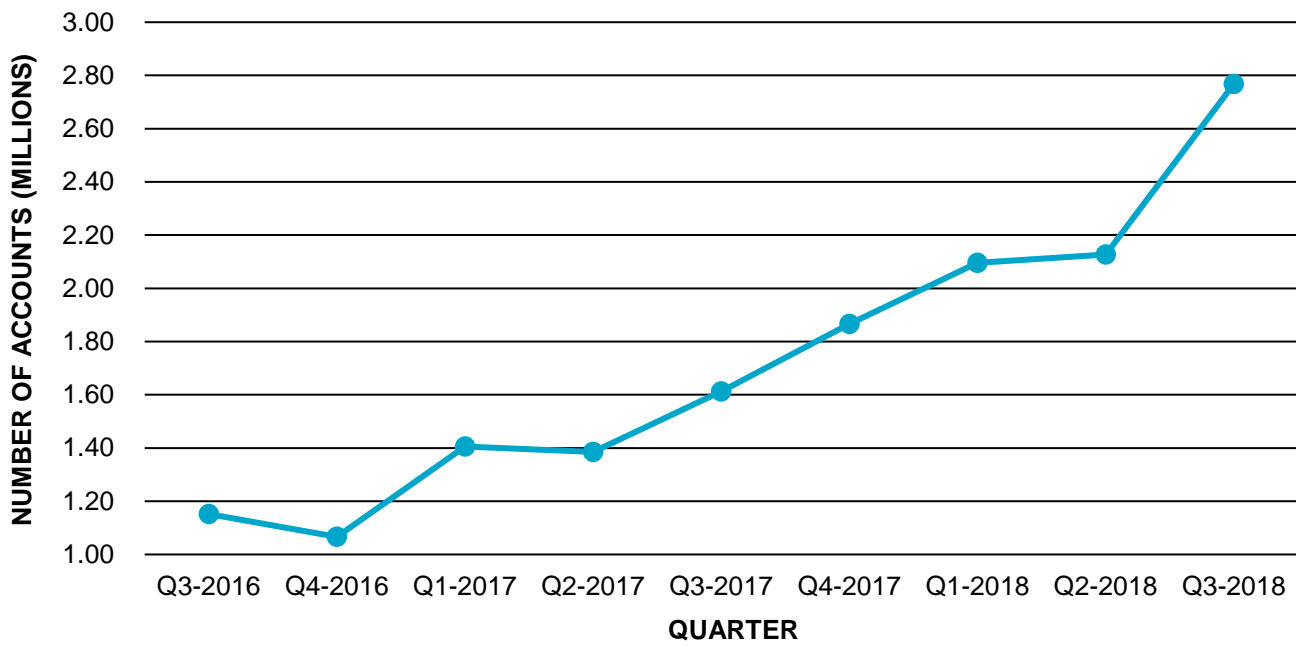
Distribution of Rupee Delinquency Rates

Rupee Delinquency Rates on All Unsecured Installment Loan Accounts



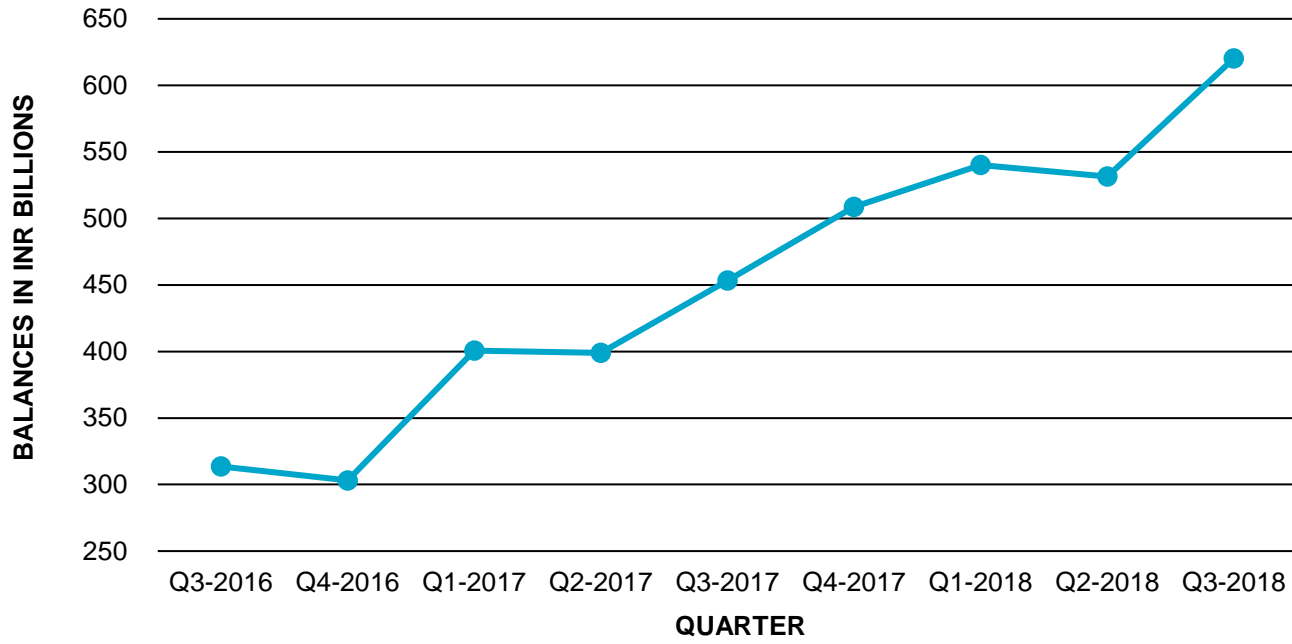
Total Reported New Account Originations

Total Number of New Unsecured Installment Loans

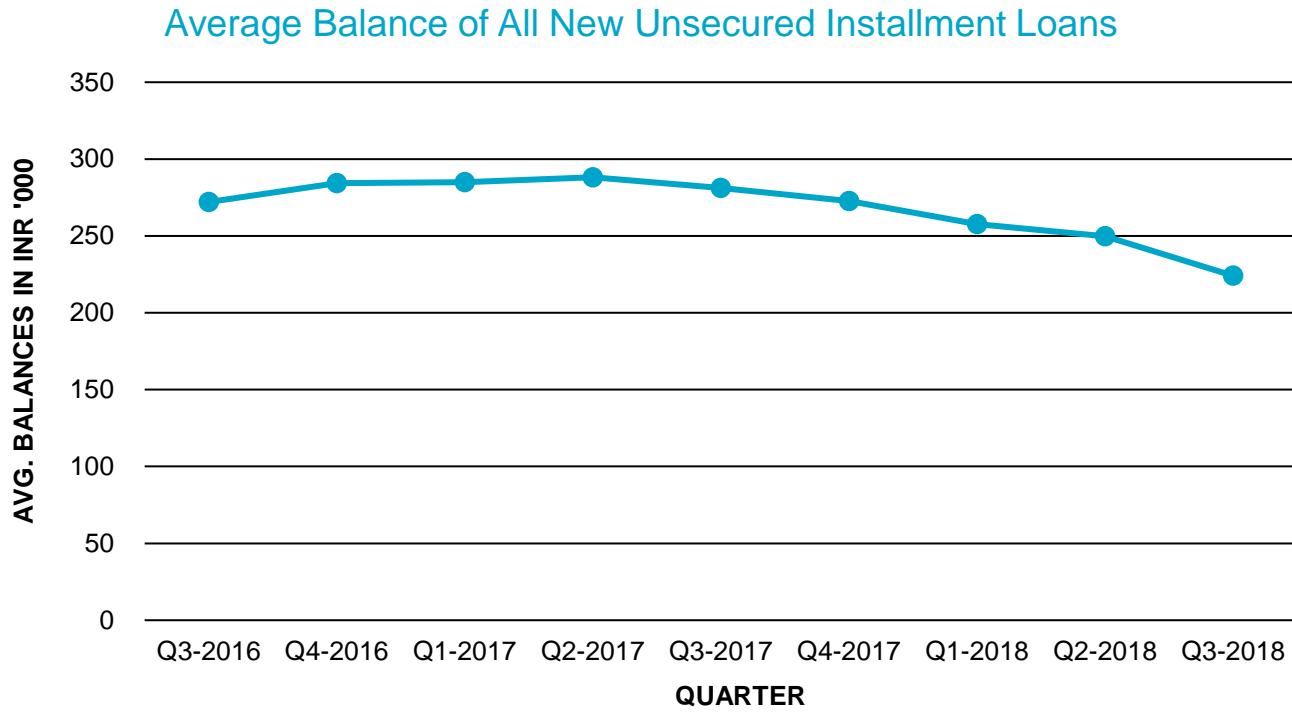


Total Reported New Account Balances

Total Balances of All New Unsecured Installment Loans



Average Reported New Account Balance



ACCOUNT-LEVEL INSIGHTS

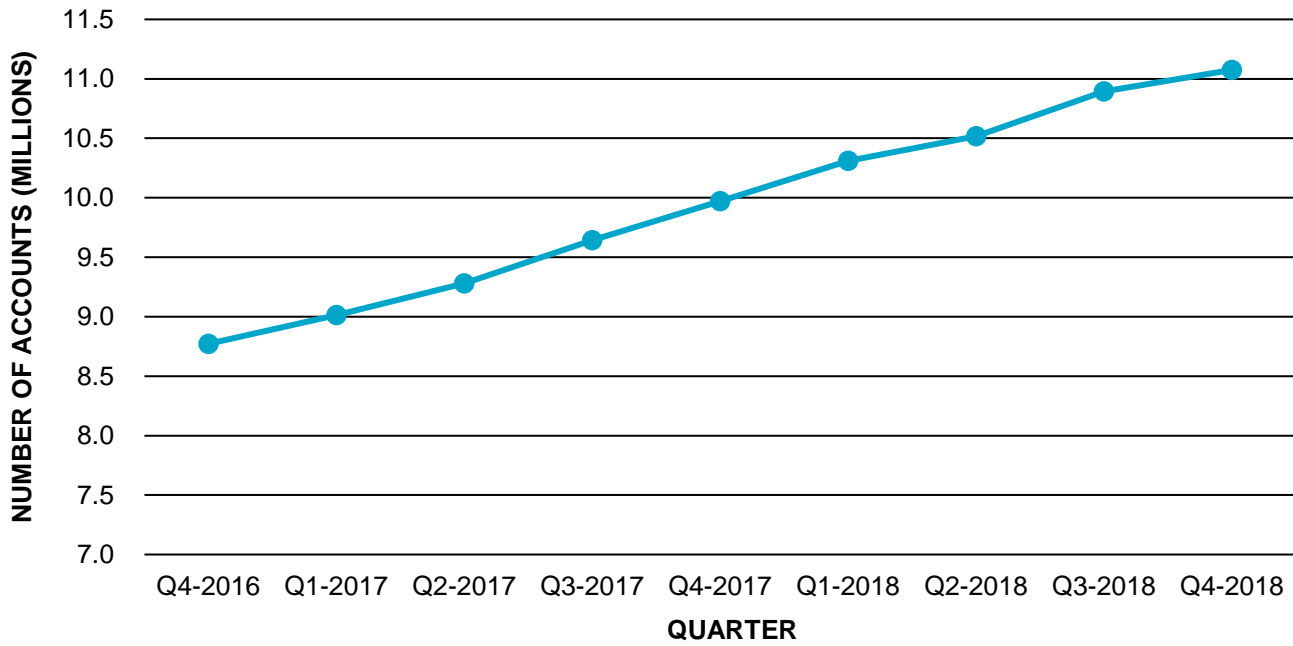
Auto Loan

Total Account Volumes	37
Total Account Balances	38
Average Account Balance.....	39
Distribution of Unit Delinquency Rates	40
Distribution of Rupee Delinquency Rates	41
Total Reported New Account Originations	42
Total Reported New Account Balances.....	43
Average Reported New Account Balance	44

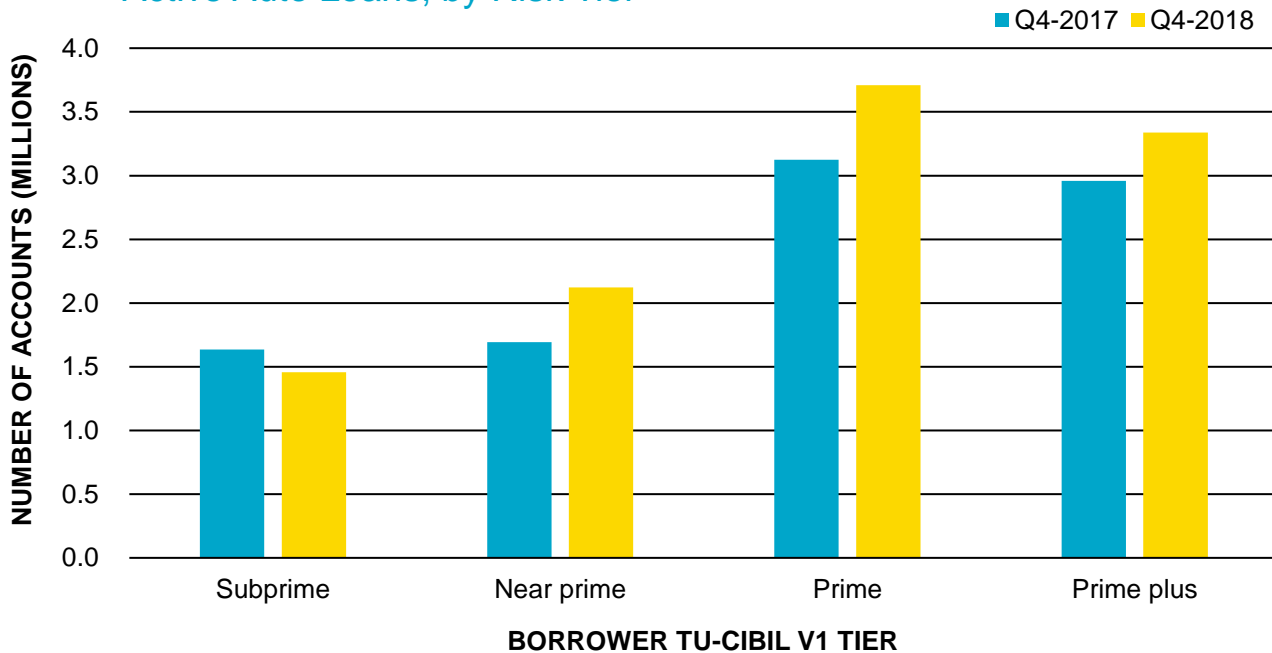
For a complete description of product definitions, data category definitions and calculations, risk tier definitions and the timing of report generation, please refer to the Report Overview and Definitions section.

Total Account Volumes

Total Volume of All Active Auto Loans

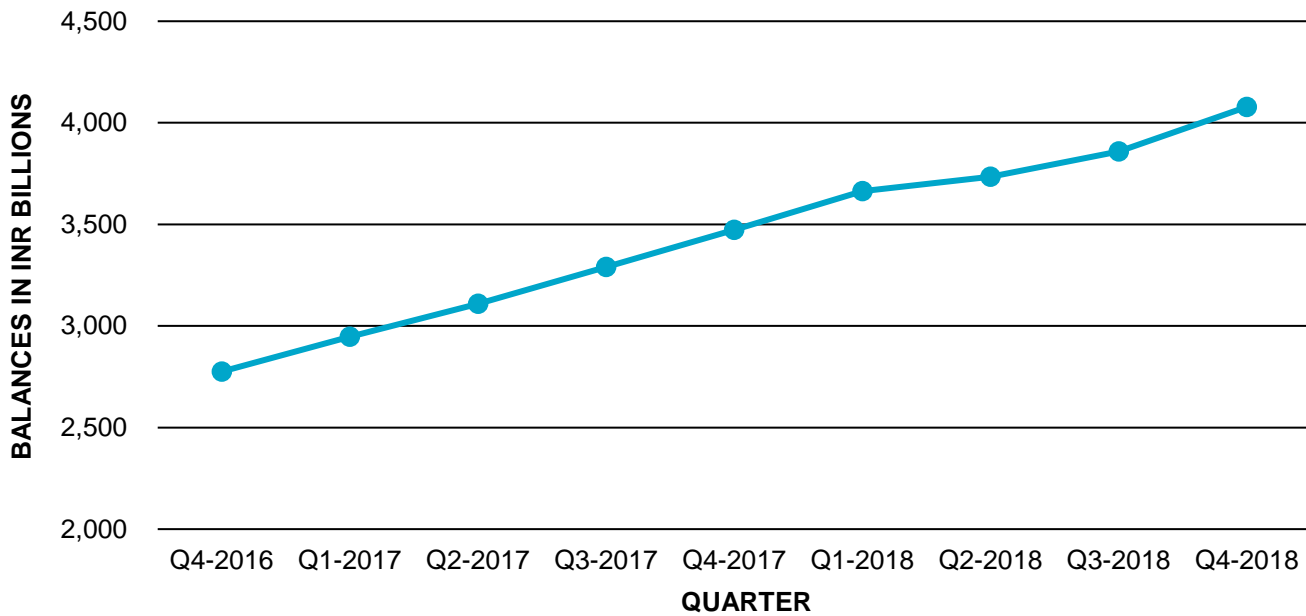


Active Auto Loans, by Risk Tier

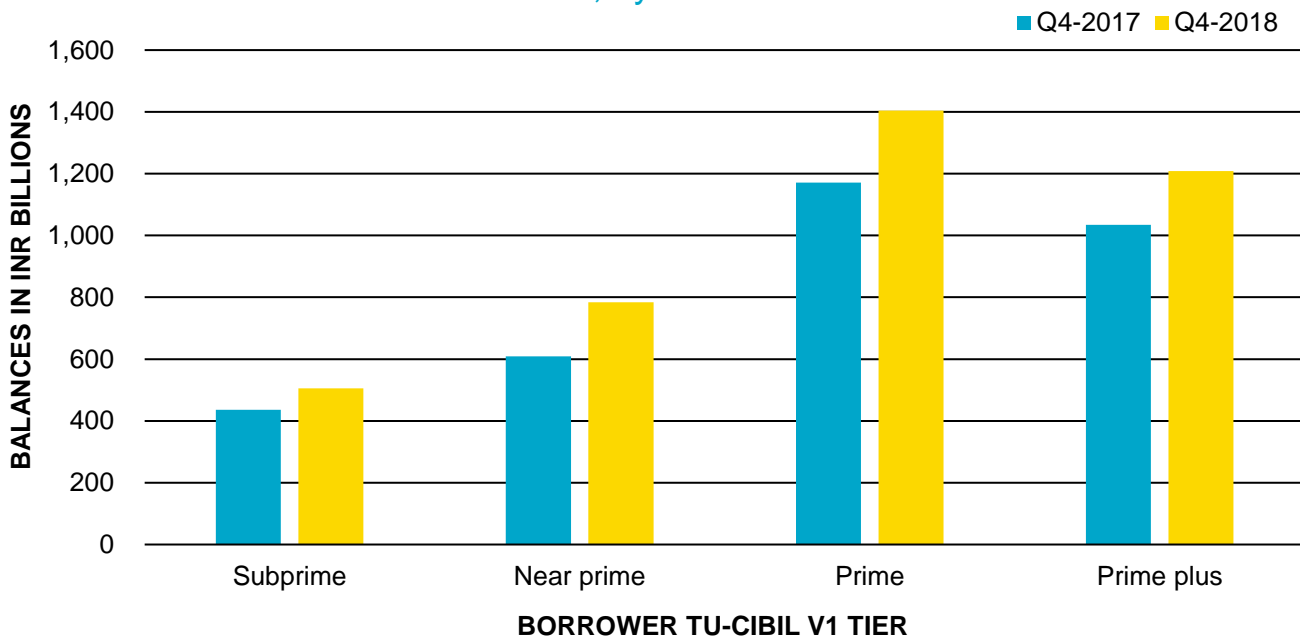


Total Account Balances

Total Balances of All Active Auto Loans

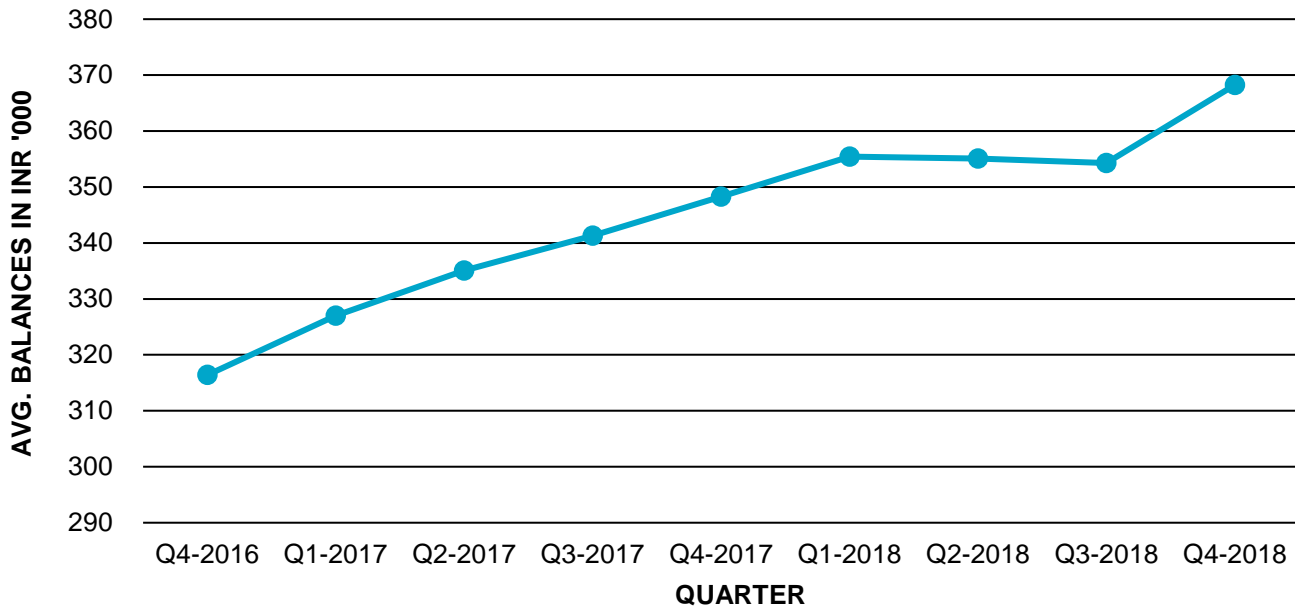


Active Auto Loan Balances, by Risk Tier

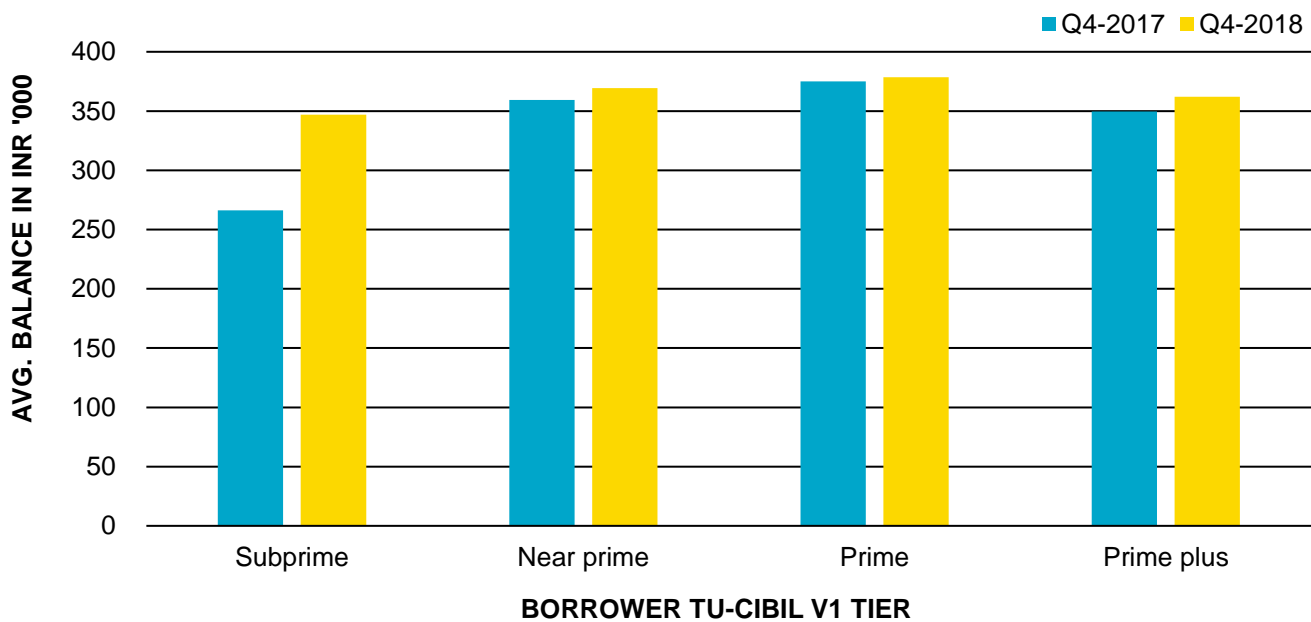


Average Account Balance

Average Balance of All Active Auto Loans

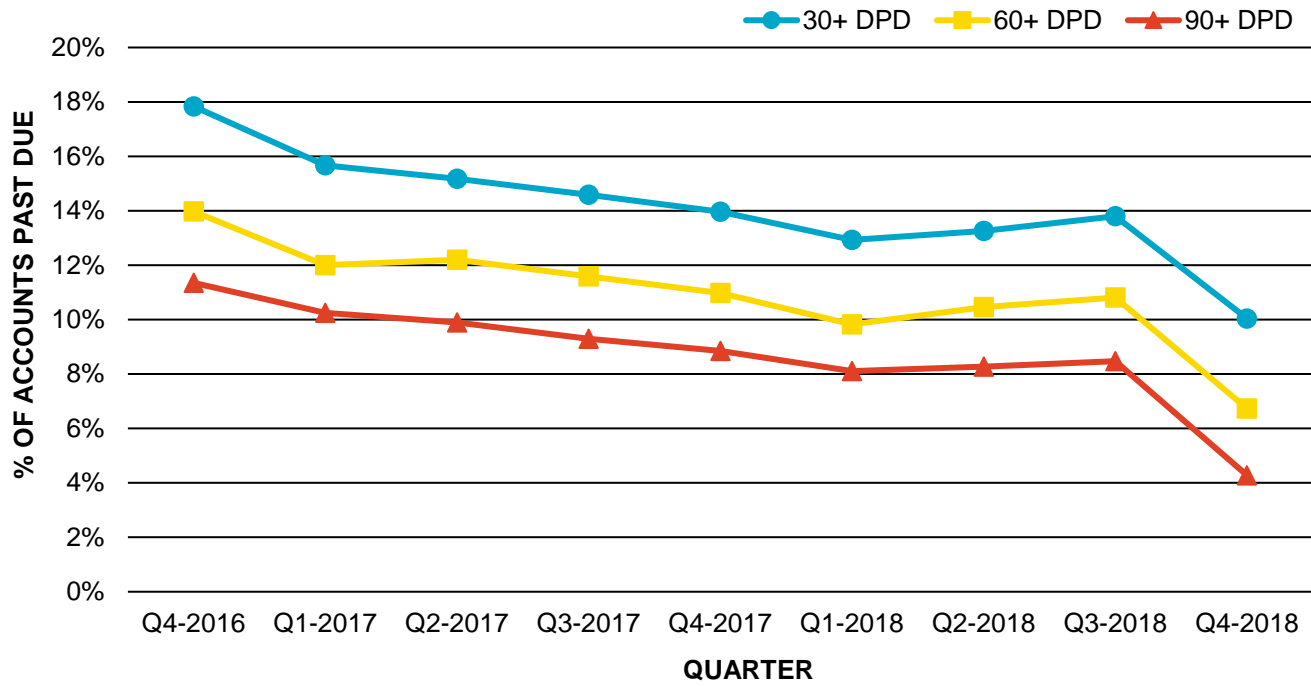


Average Balance of All Active Auto Loan Balances, by Risk Tier



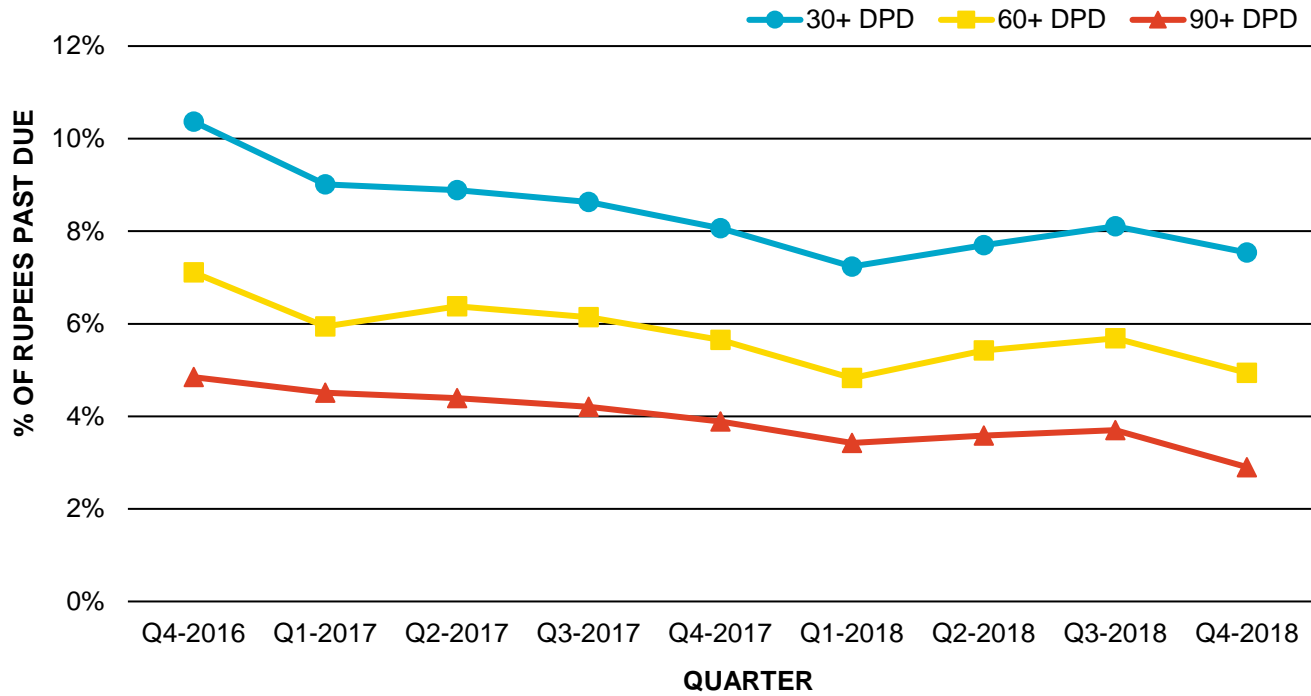
Distribution of Unit Delinquency Rates

Unit Delinquency Rates on All Auto Loan Accounts

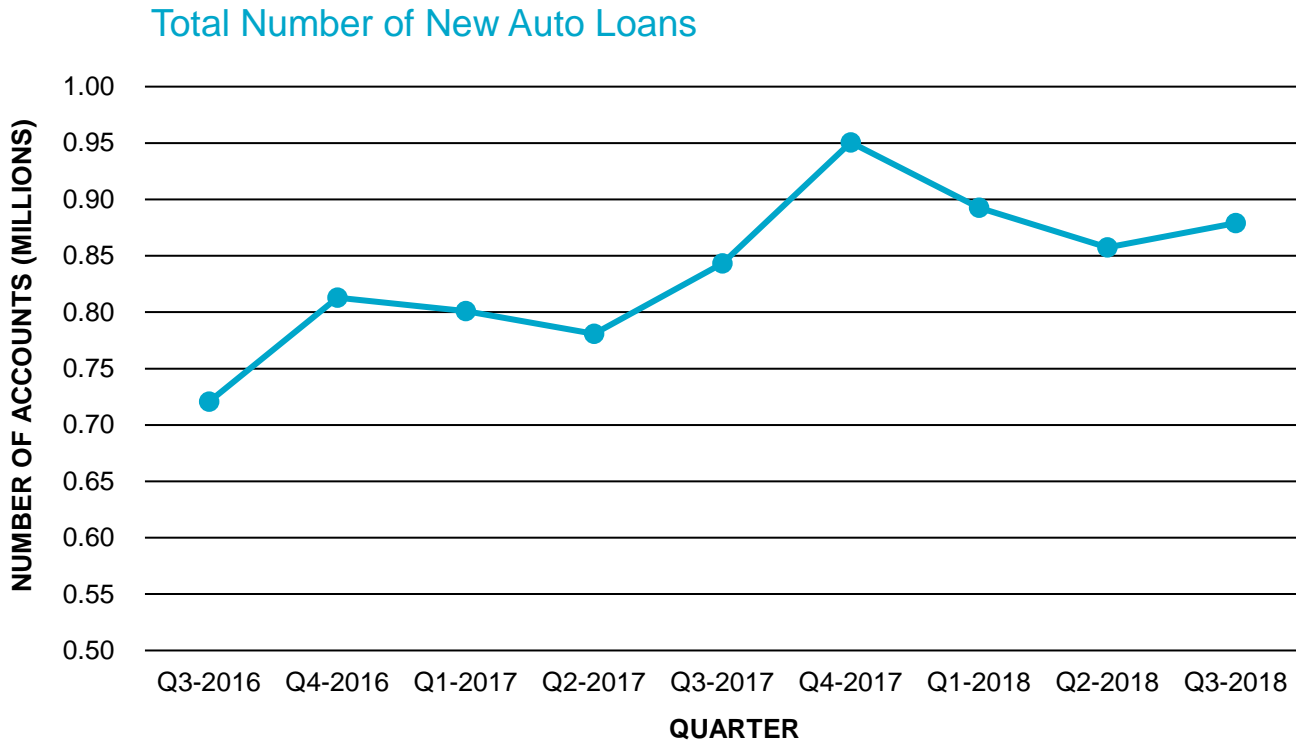


Distribution of Rupee Delinquency Rates

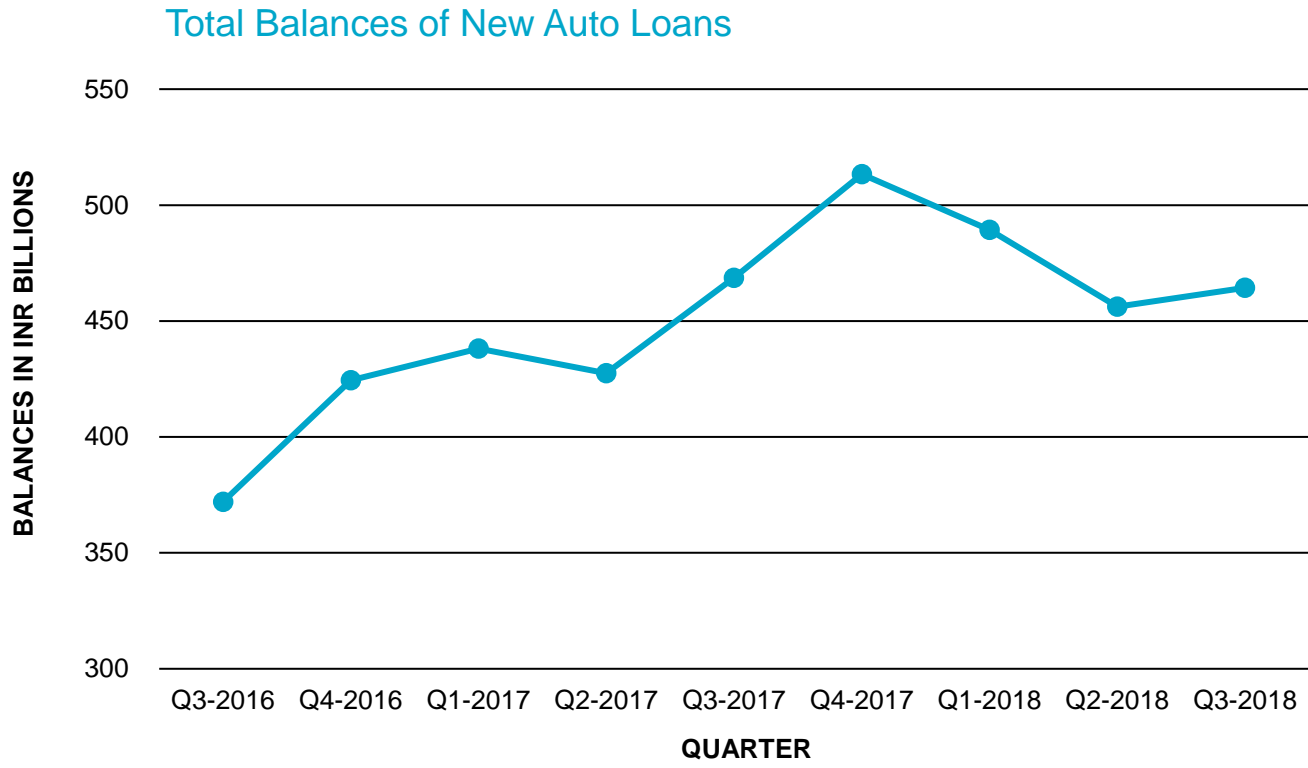
Rupee Delinquency Rates on All Auto Loan Accounts



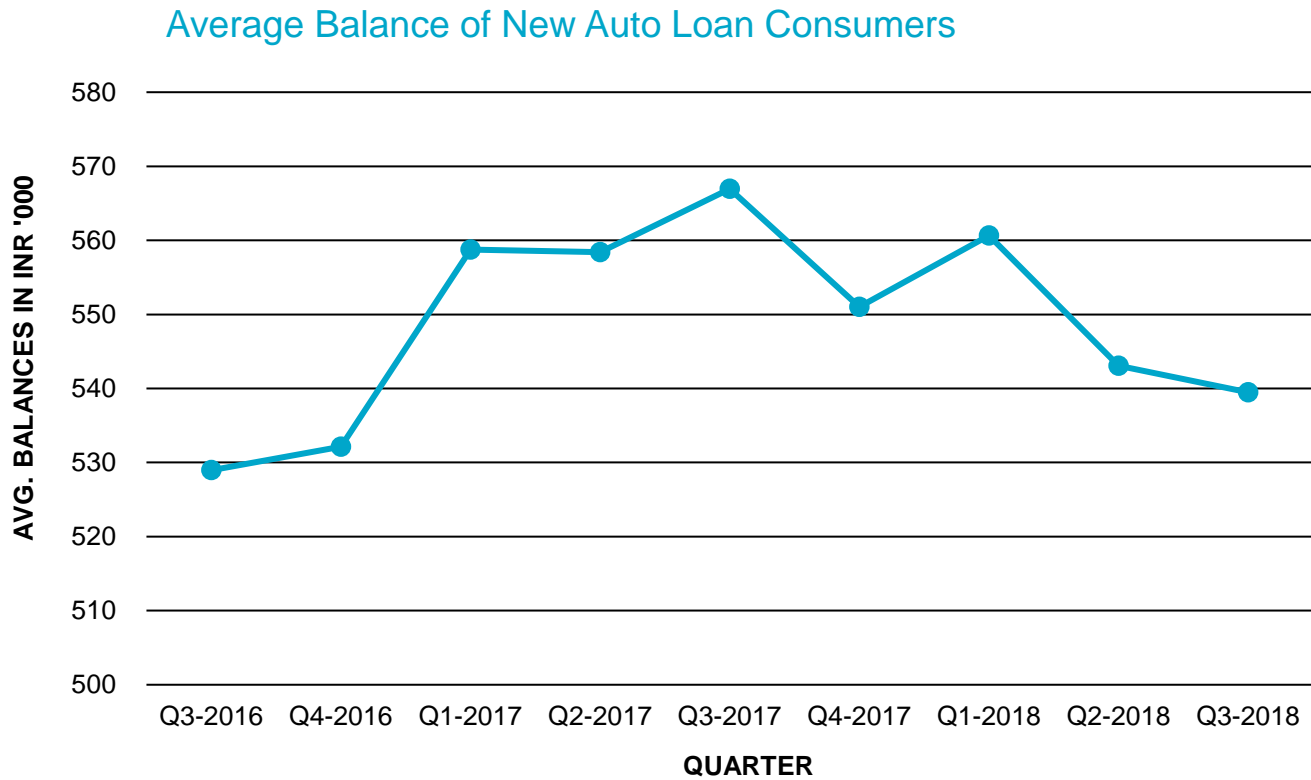
Total Reported New Account Originations



Total Reported New Account Balances



Average Reported New Account Balance



ACCOUNT-LEVEL INSIGHTS

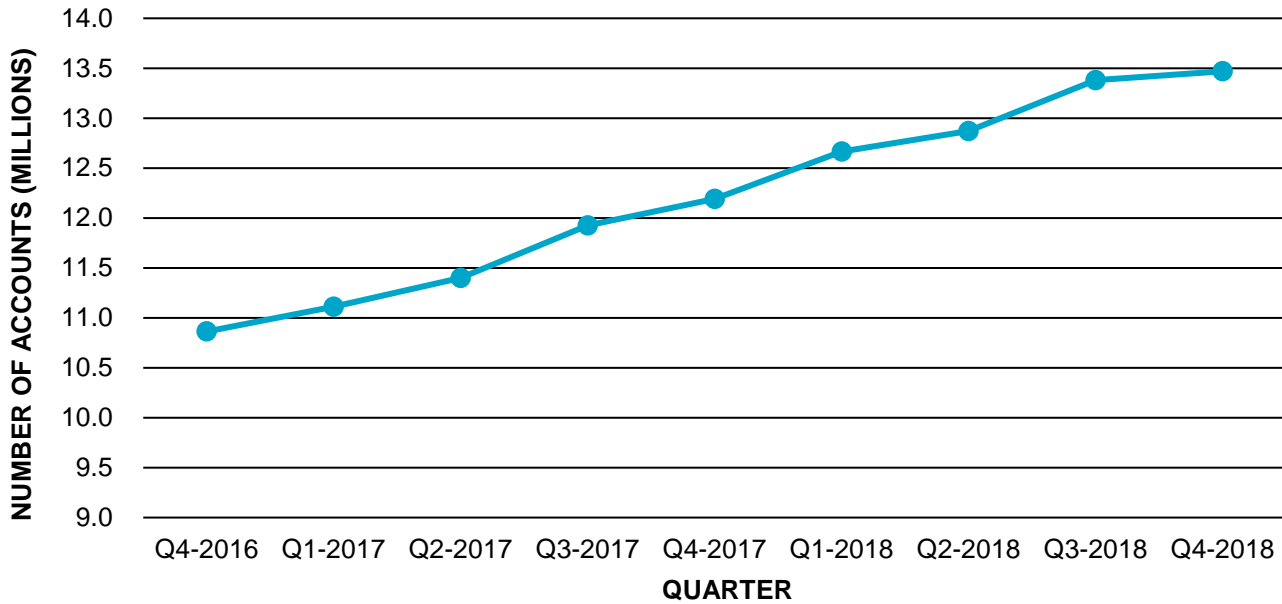
Mortgage

Total Account Volumes	46
Total Account Balances	47
Average Account Balance	48
Distribution of Unit Delinquency Rates	49
Distribution of Rupee Delinquency Rates	50
Total Reported New Account Originations	51
Total Reported New Account Balances	52
Average Reported New Account Balance	53

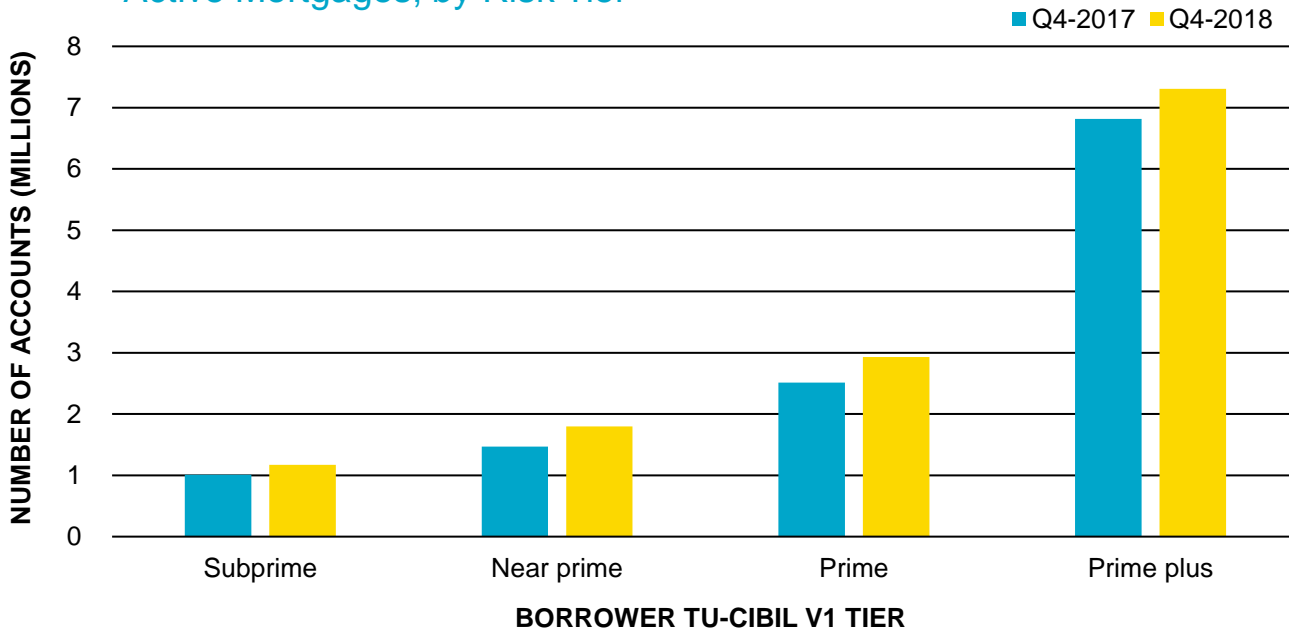
For a complete description of product definitions, data category definitions and calculations, risk tier definitions and the timing of report generation, please refer to the Report Overview and Definitions section.

Total Account Volumes

Total Volume of All Active Mortgages

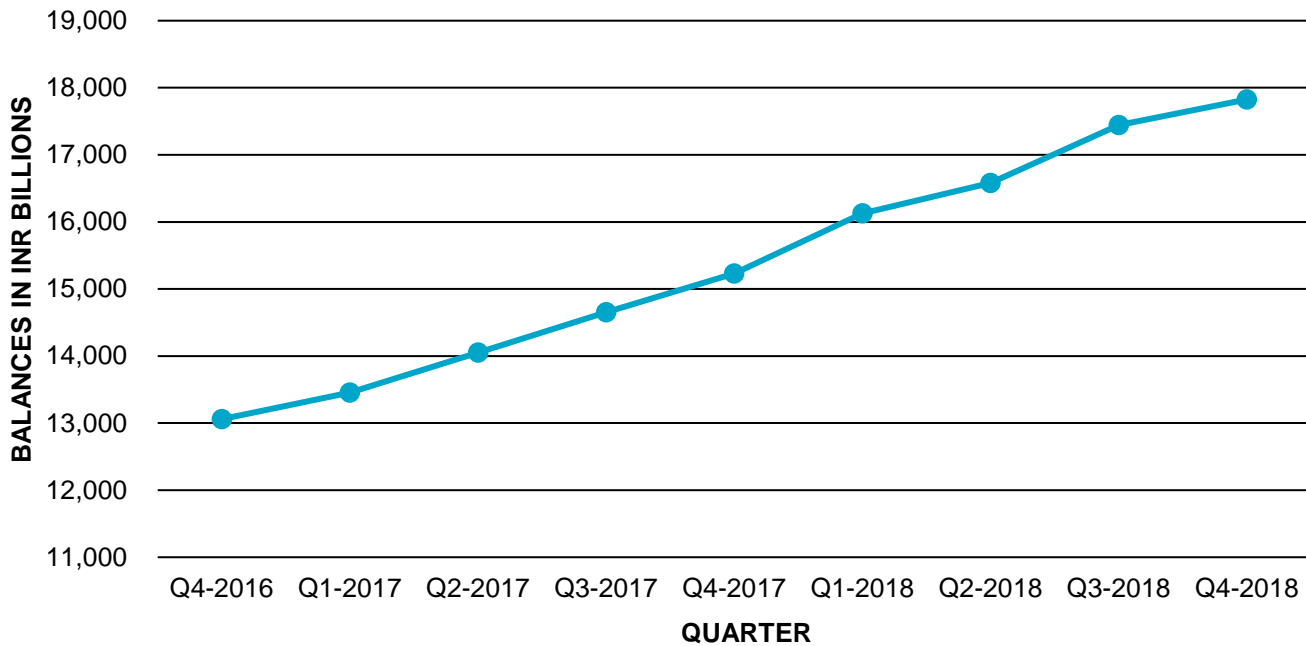


Active Mortgages, by Risk Tier



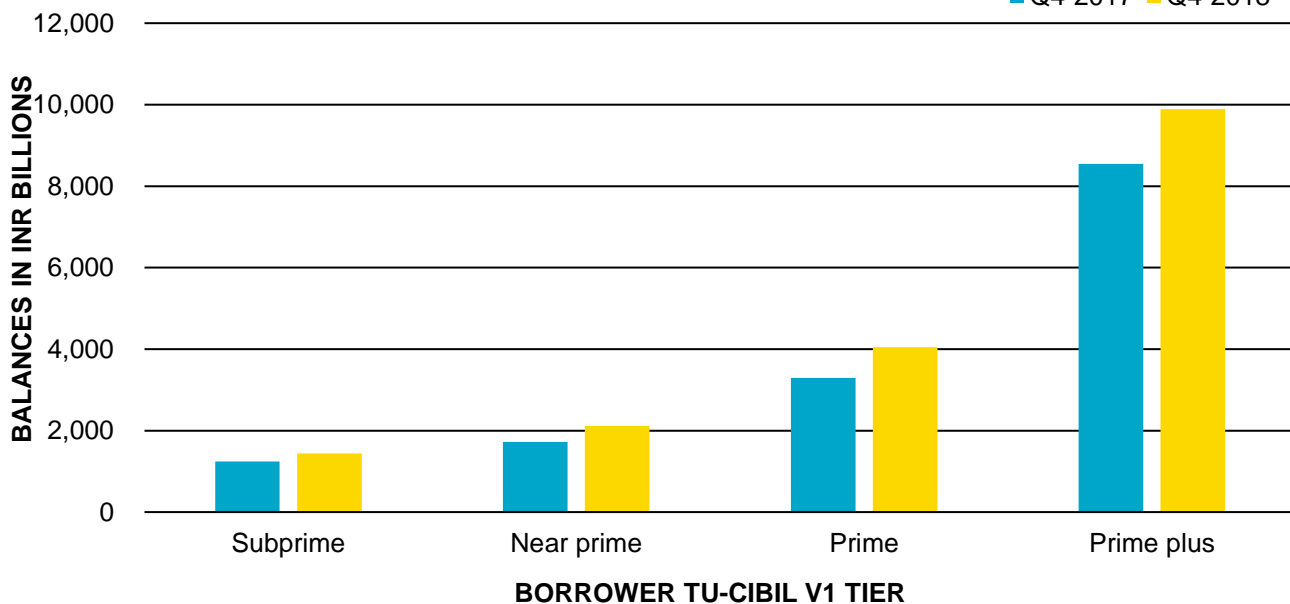
Total Account Balances

Total Balances of All Active Mortgages



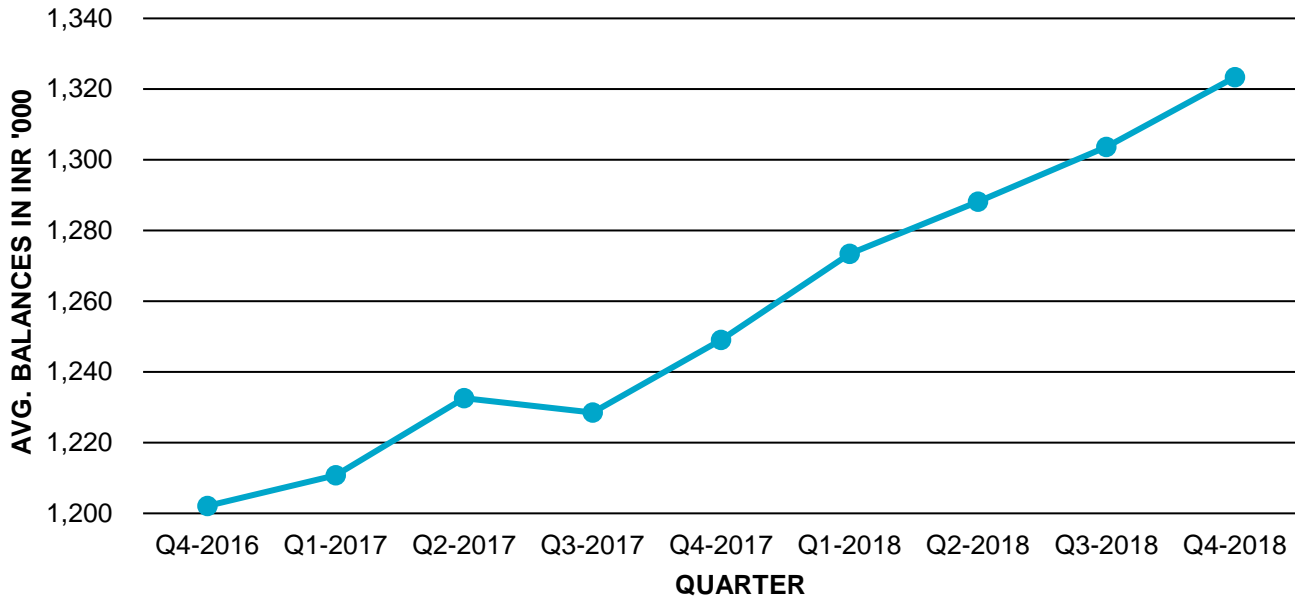
Active Mortgage Balances, by Risk Tier

■ Q4-2017 ■ Q4-2018

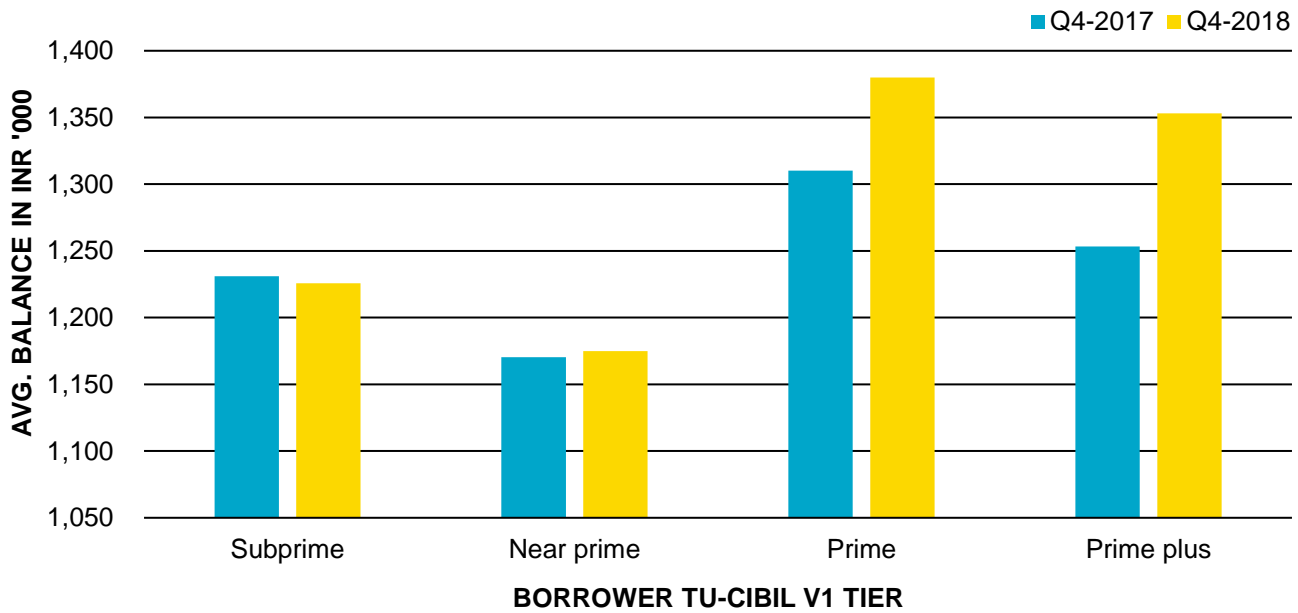


Average Account Balance

Average Balance of All Active Mortgages

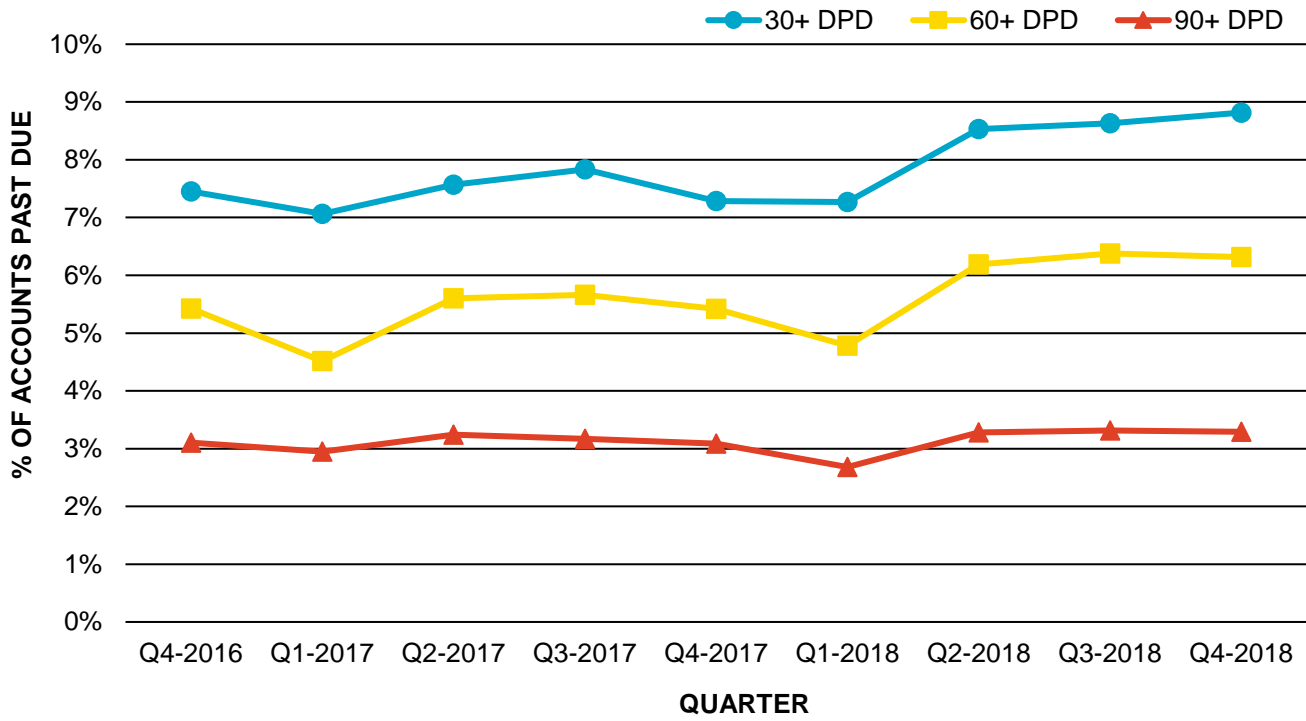


Average Balance of All Active Mortgages, by Risk Tier



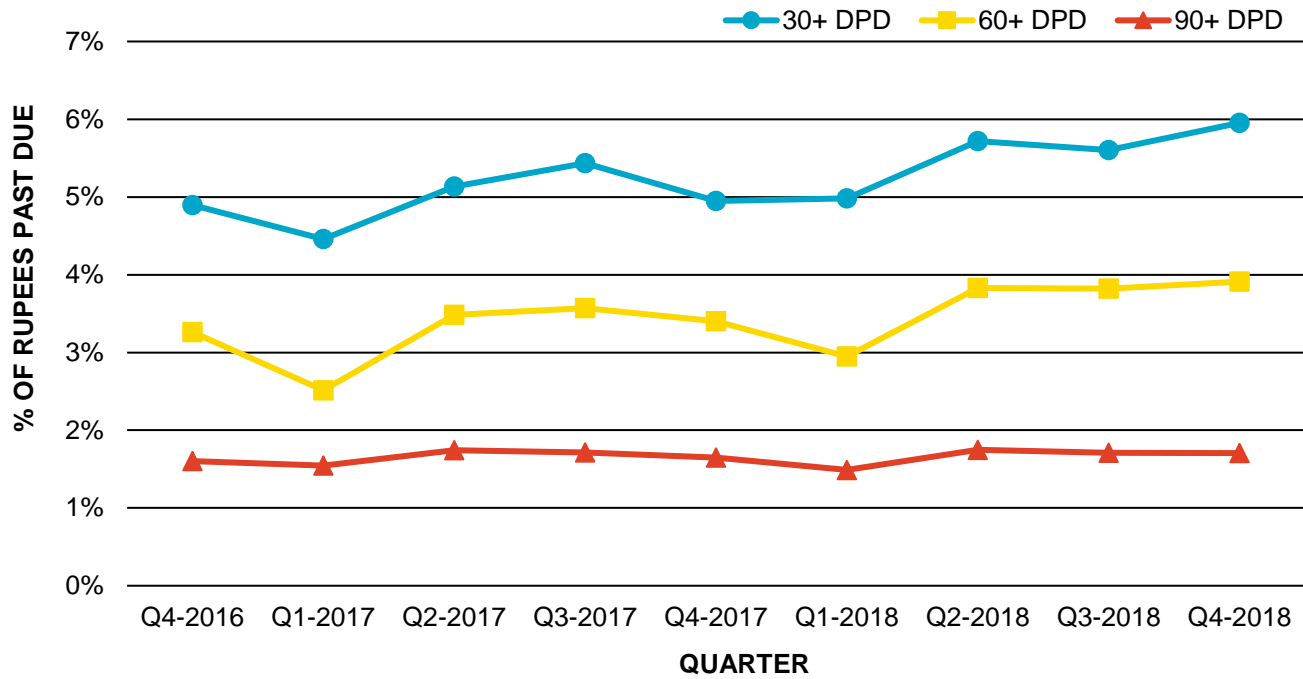
Distribution of Unit Delinquency Rates

Unit Delinquency Rates on All Mortgage Accounts

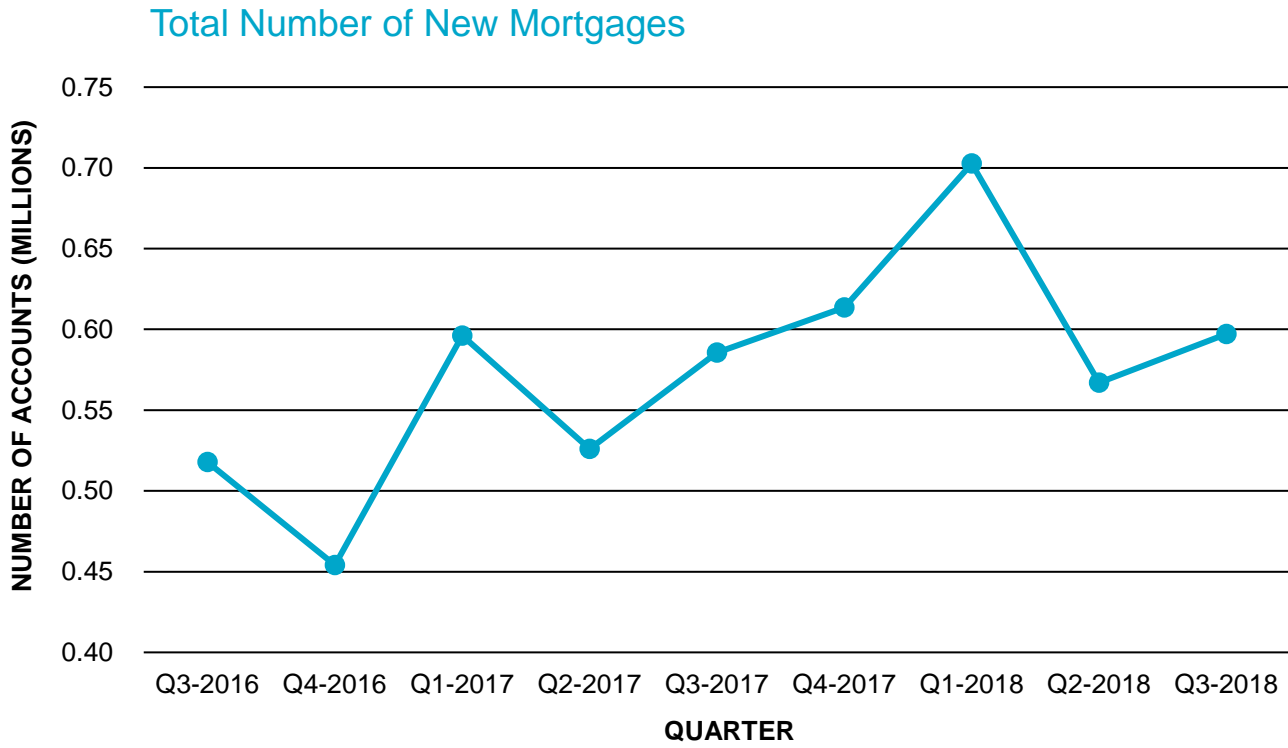


Distribution of Rupee Delinquency Rates

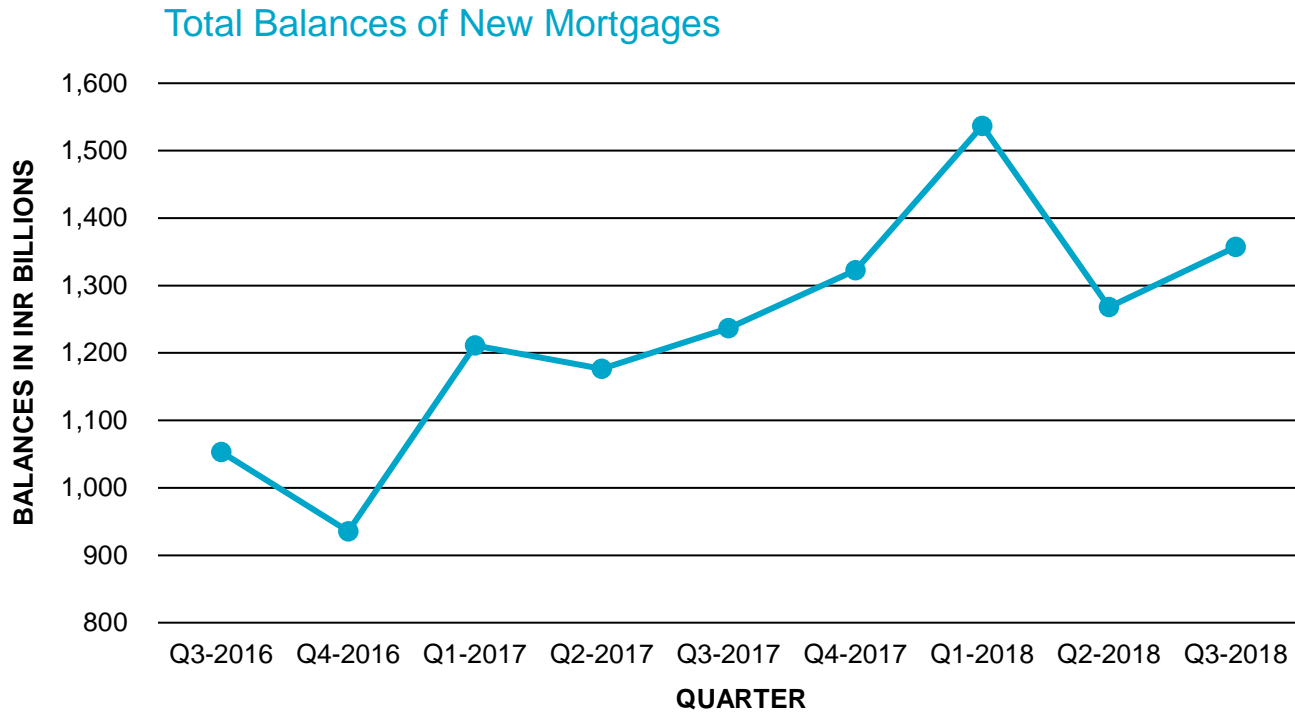
Rupee Delinquency Rates on All Mortgage Accounts



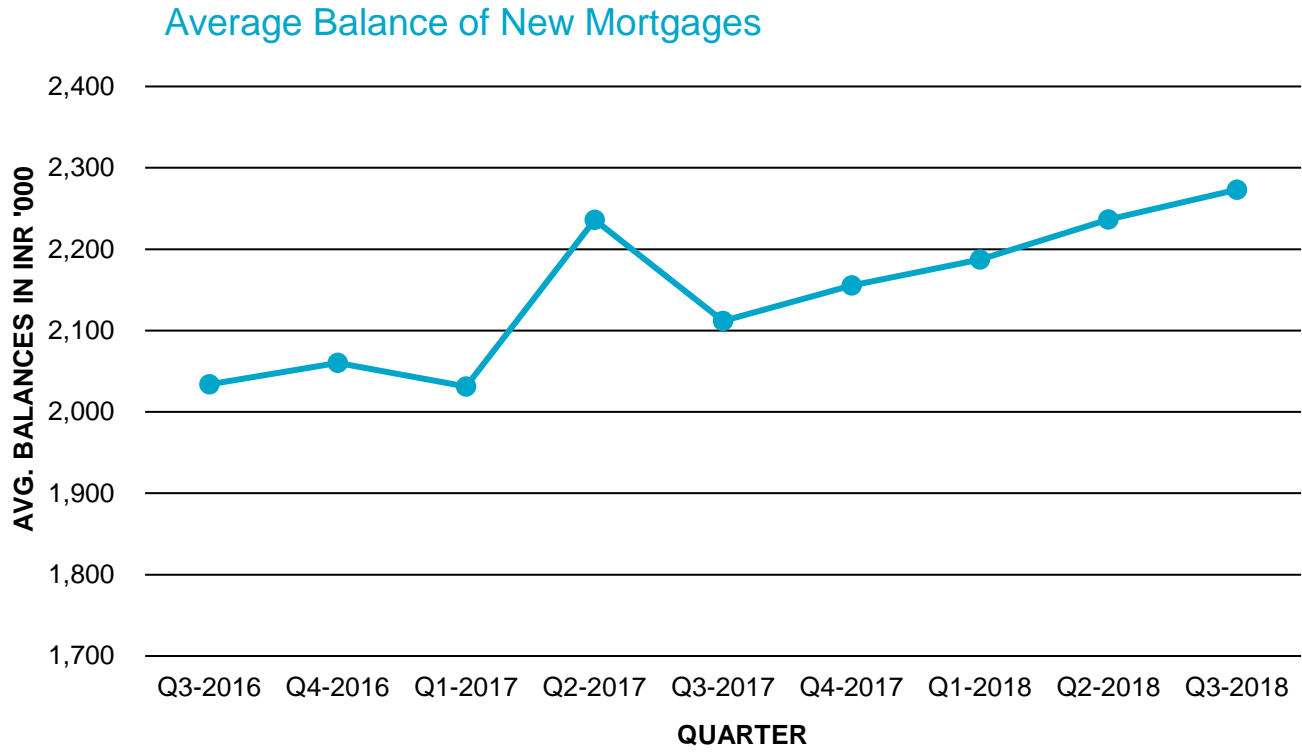
Total Reported New Account Originations



Total Reported New Account Balances



Average Reported New Account Balance



ACCOUNT-LEVEL INSIGHTS

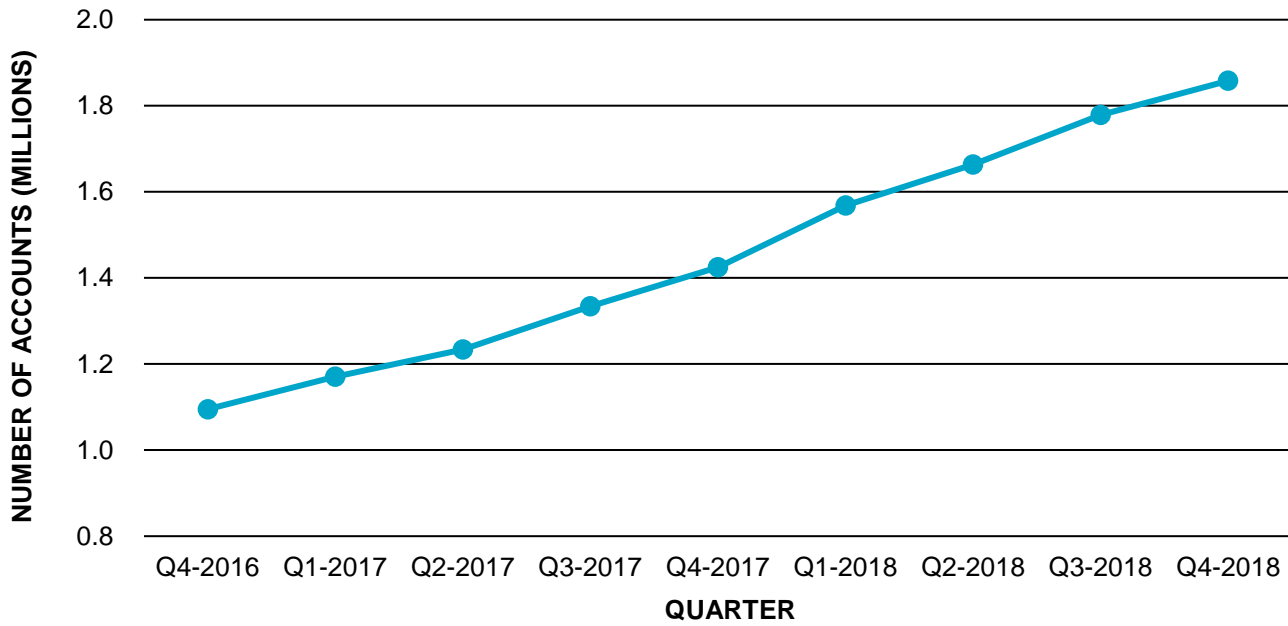
Loans Against Property

Total Account Volumes	55
Total Account Balances	56
Average Account Balance.....	57
Distribution of Unit Delinquency Rates	58
Distribution of Rupee Delinquency Rates	59
Total Reported New Account Originations	60
Total Reported New Account Balances.....	61
Average Reported New Account Balance	62

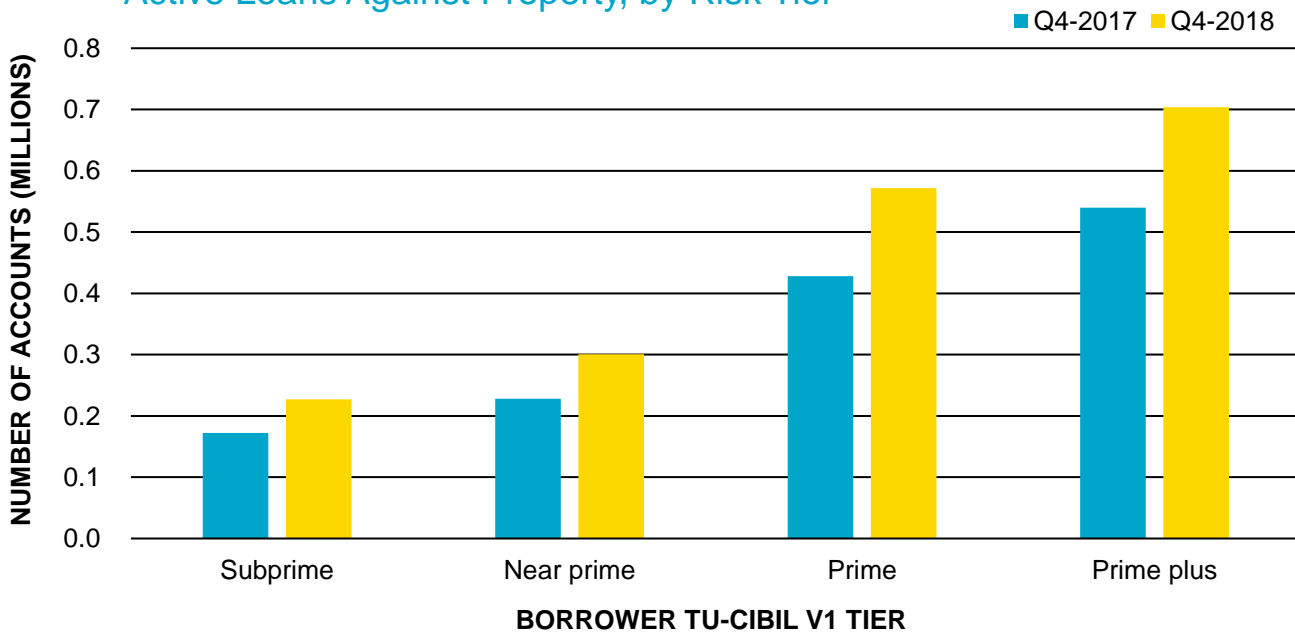
For a complete description of product definitions, data category definitions and calculations, risk tier definitions and the timing of report generation, please refer to the Report Overview and Definitions section.

Total Account Volumes

Total Volume of All Active Loans Against Property

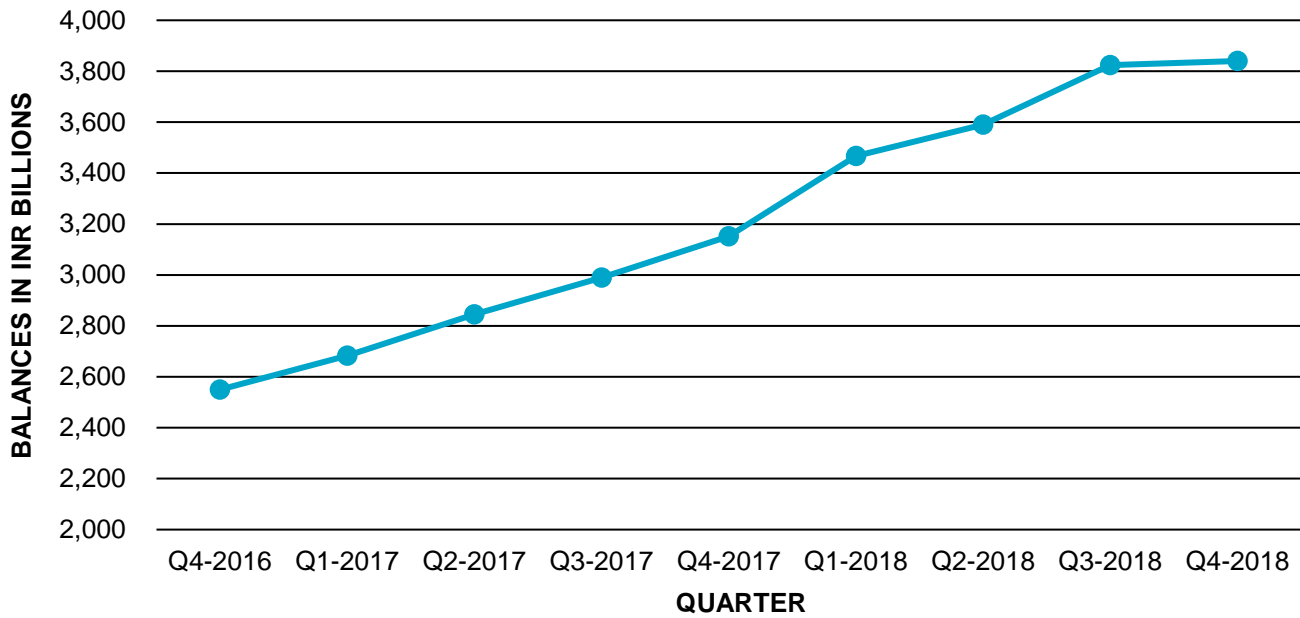


Active Loans Against Property, by Risk Tier

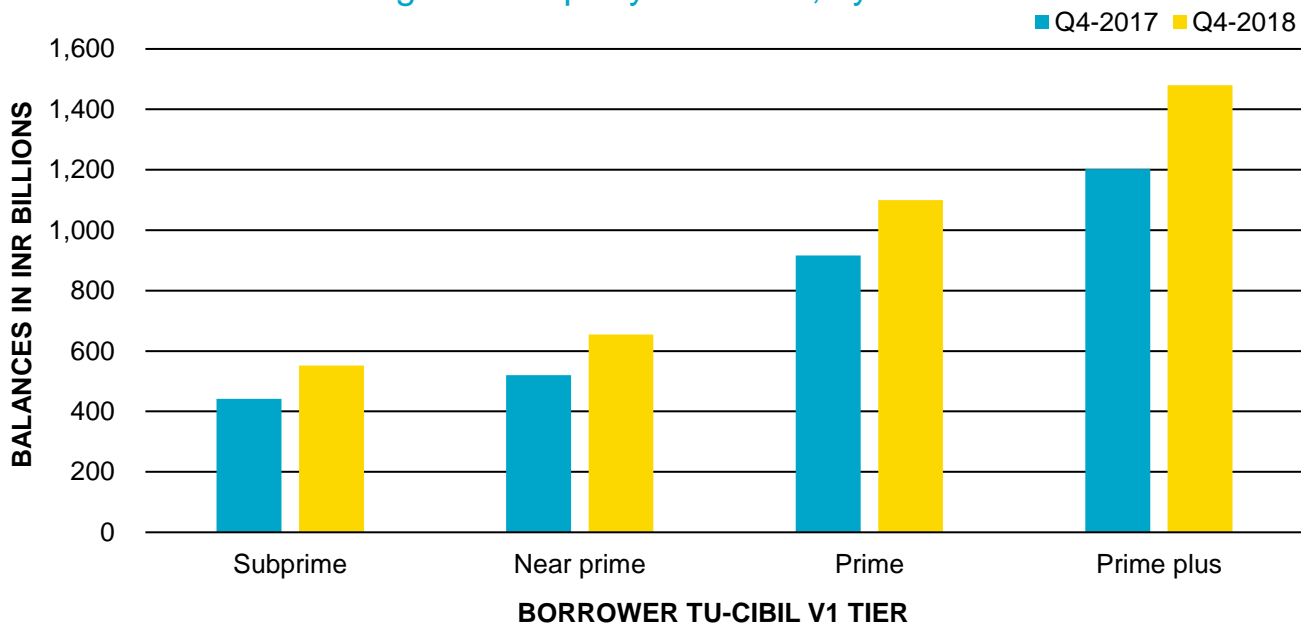


Total Account Balances

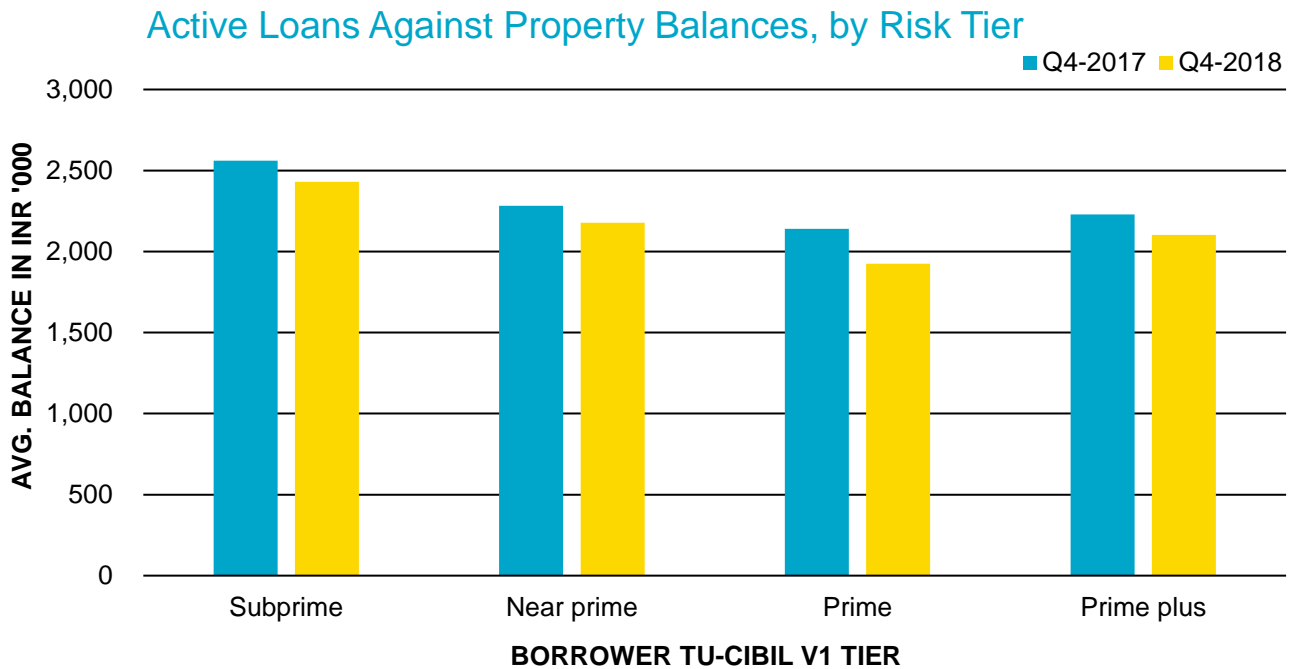
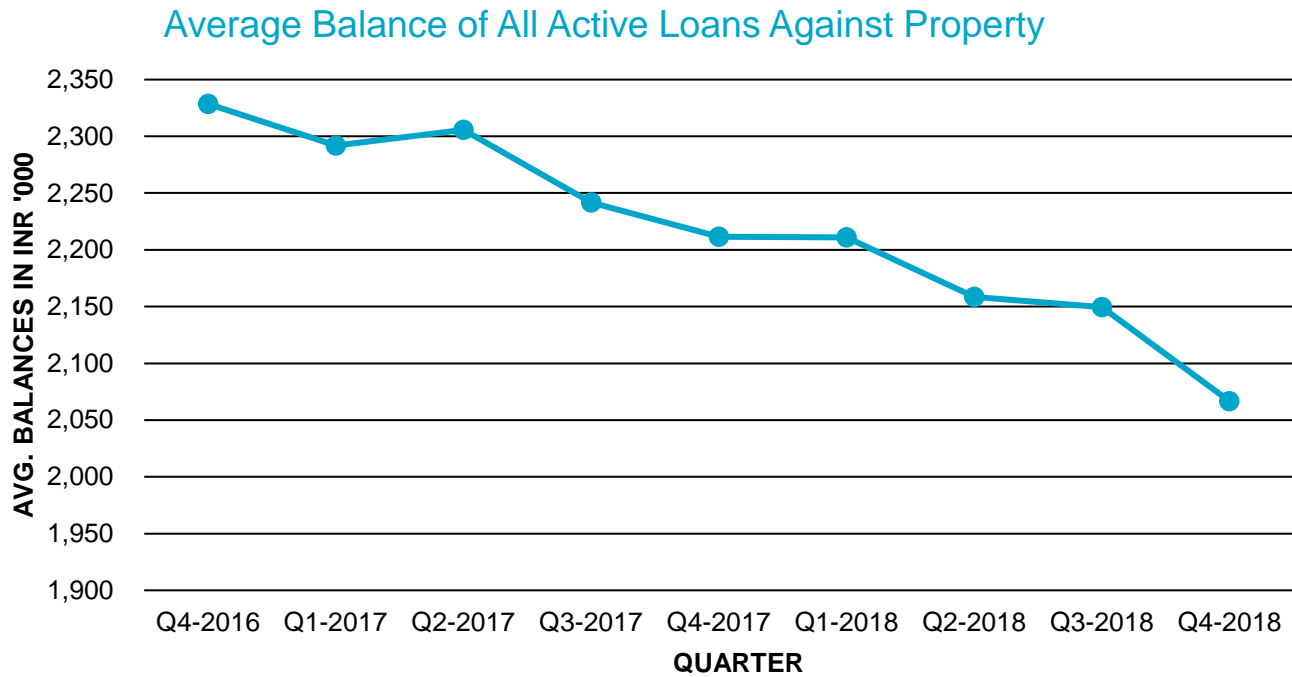
Total Balances of All Active Loans Against Property



Active Loans Against Property Balances, by Risk Tier

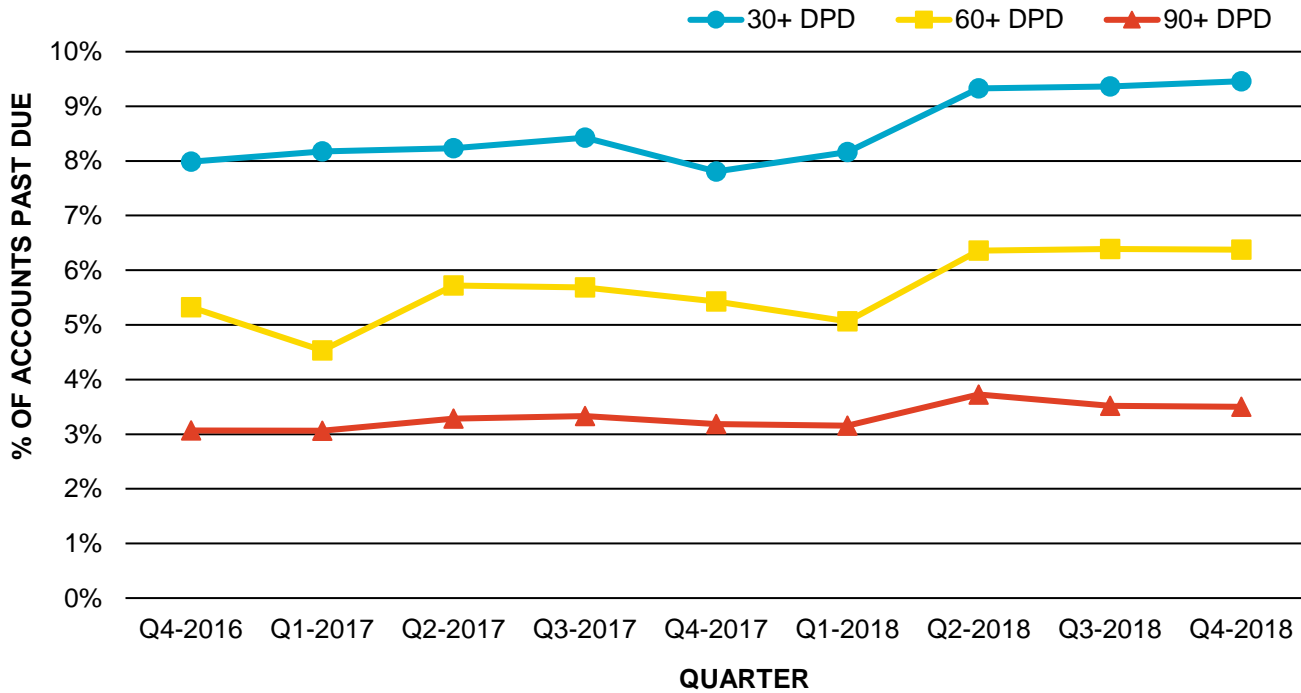


Average Account Balance



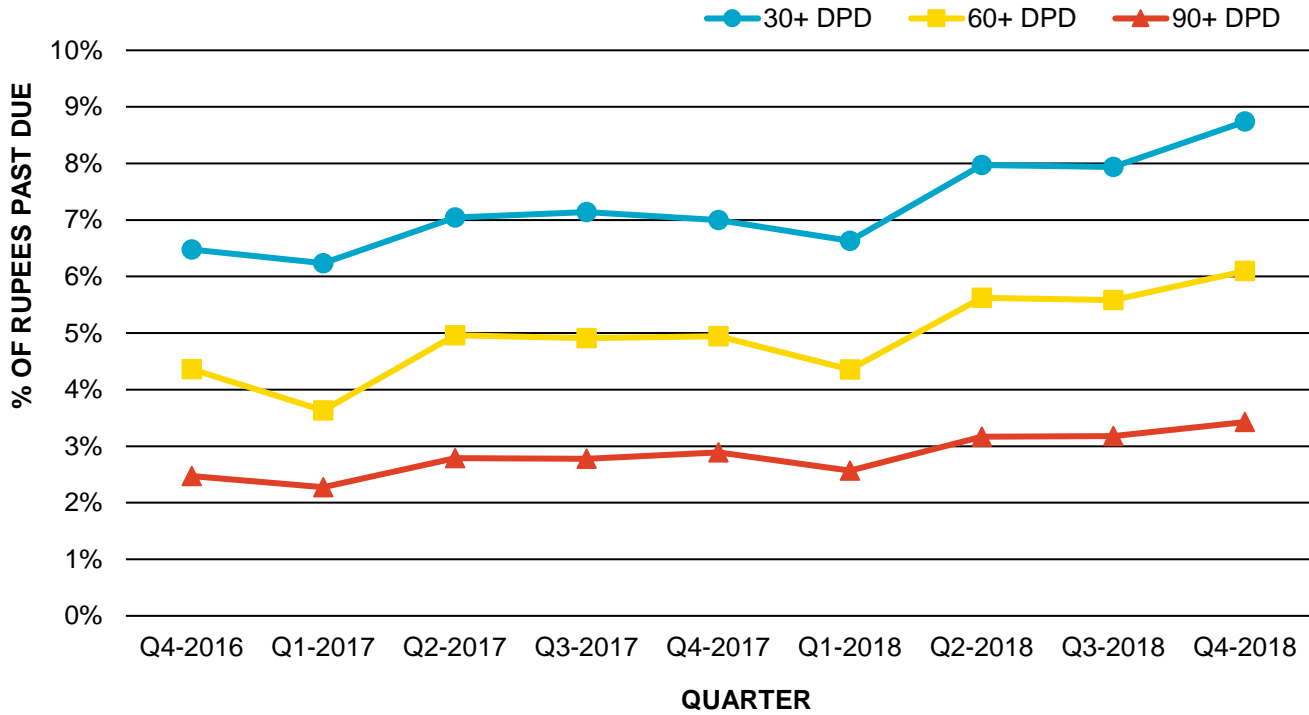
Distribution of Unit Delinquency Rates

Unit Delinquency Rates on All Loans Against Property Accounts



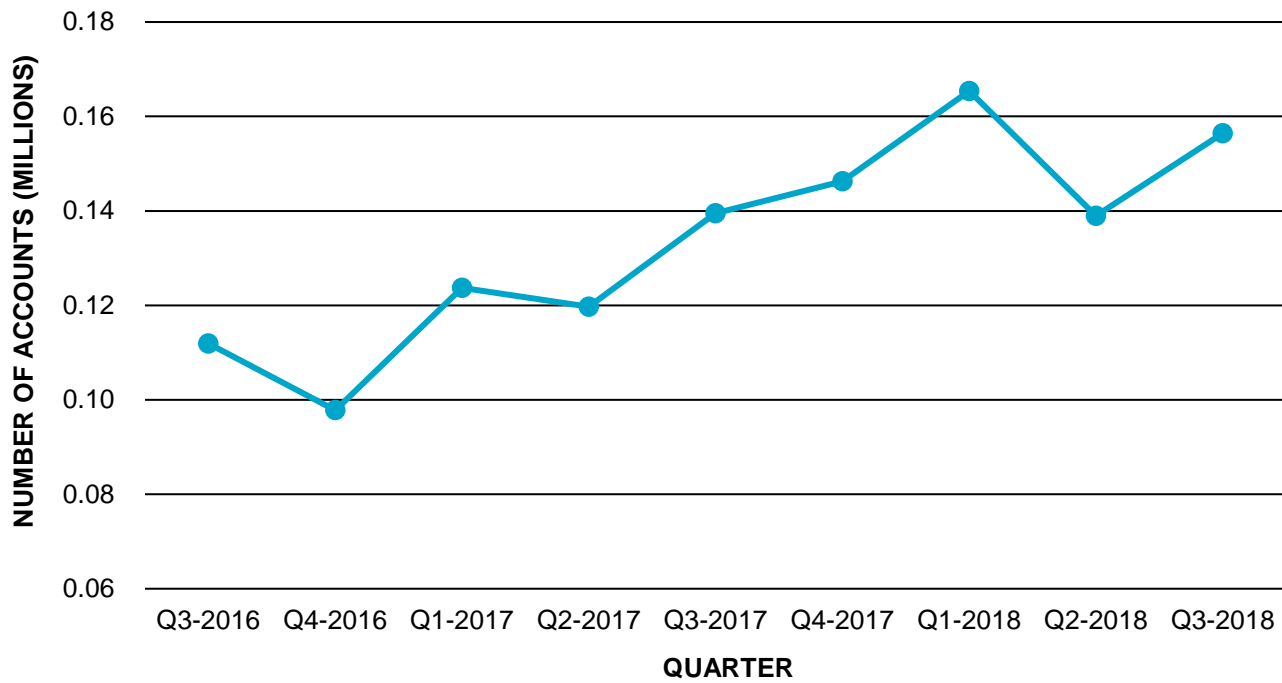
Distribution of Rupee Delinquency Rates

Rupee Delinquency Rates on All Loans Against Property Accounts

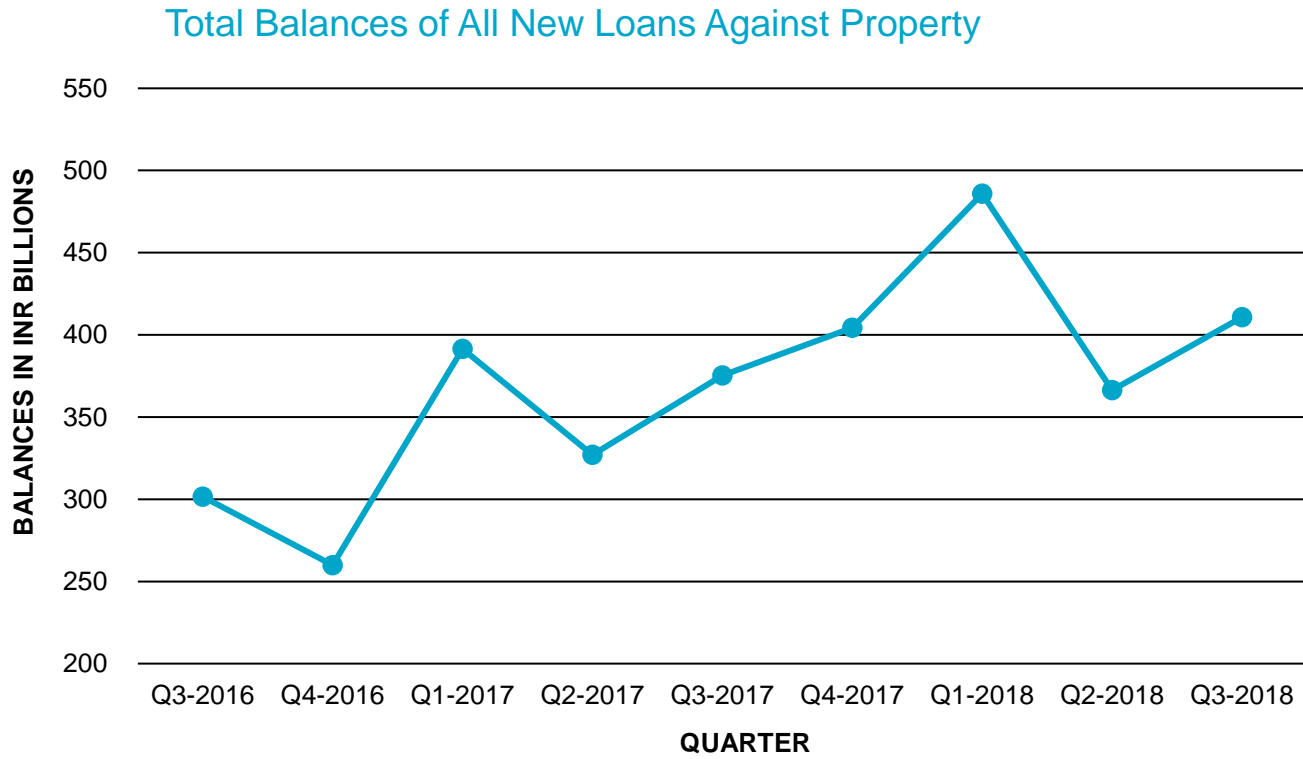


Total Reported New Account Originations

Total Number of New Loans Against Property

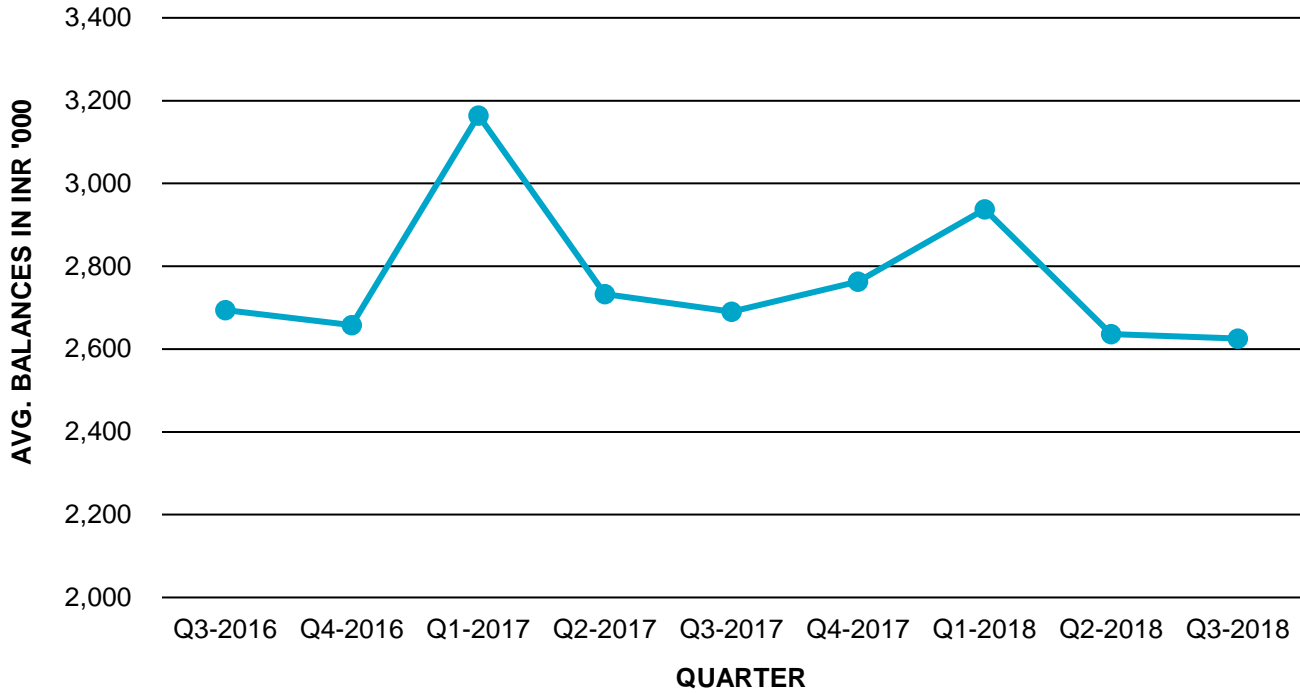


Total Reported New Account Balances



Average Reported New Account Balance

Average Balance of New Loans Against Property



CONSUMER-LEVEL INSIGHTS

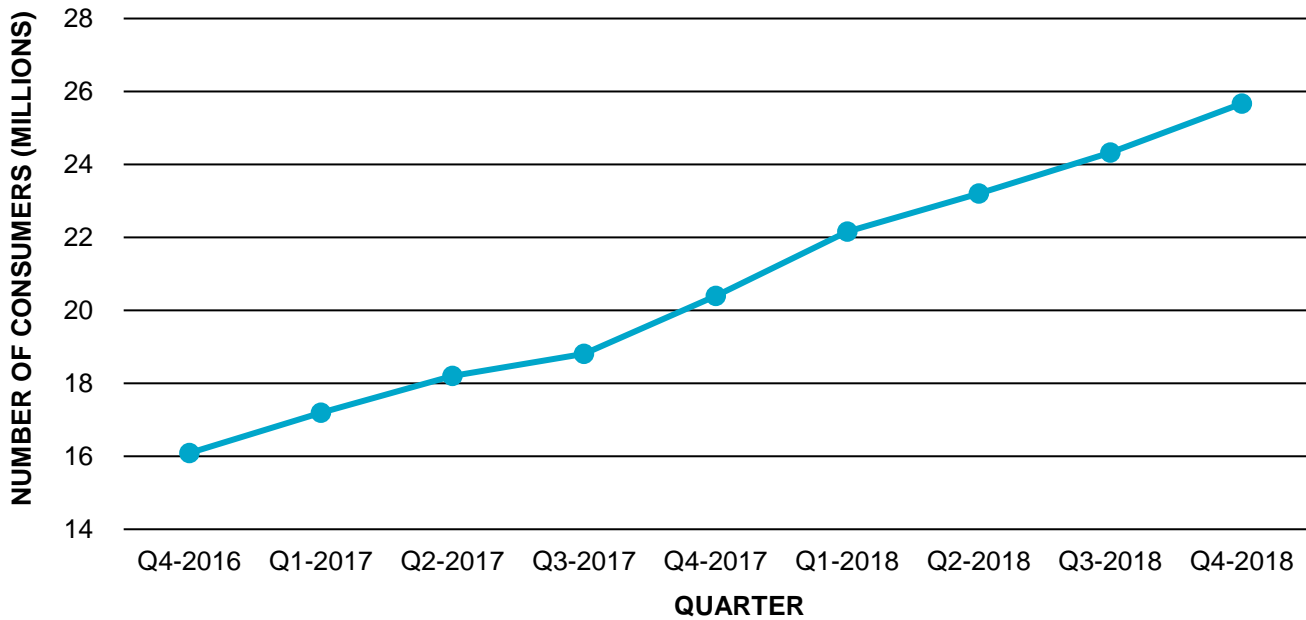
Bankcard

Total Number of Consumers with Access to an Active Trade	64
Total Number of Consumers with a Balance	65
Percentage of Borrowers with a Delinquent Balance....	66
Average Number of Accounts Per Consumer.....	67
Average Total Balance Per Consumer, of Consumers Carrying a Balance	68

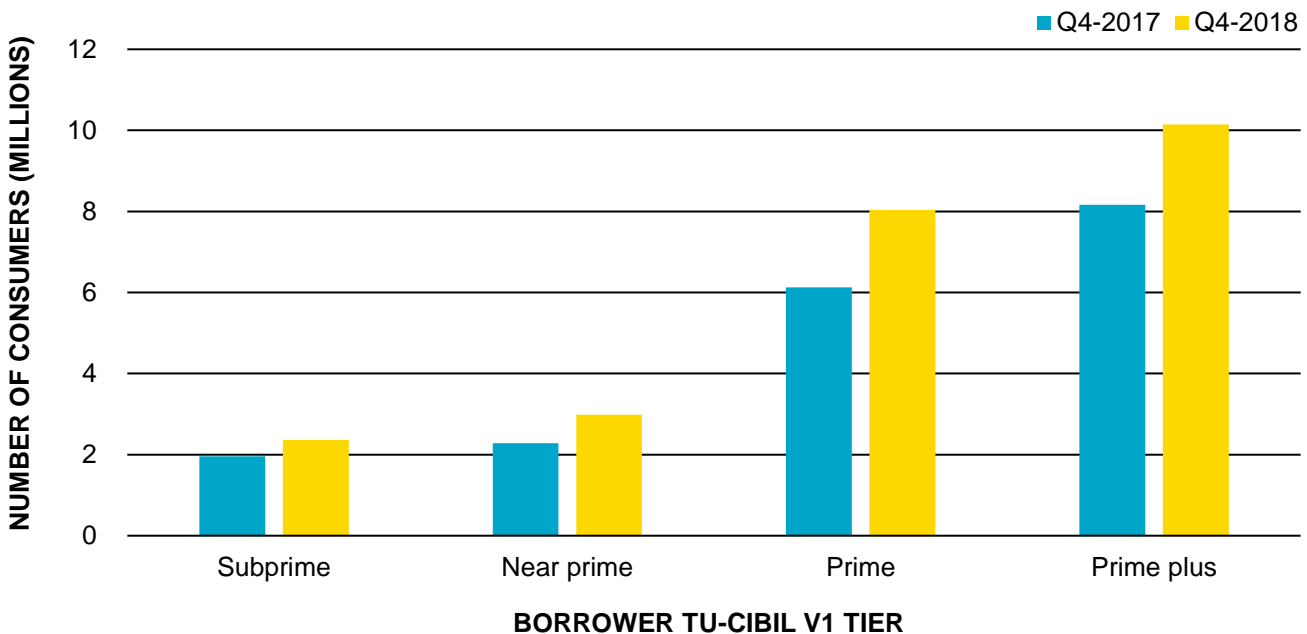
For a complete description of product definitions, data category definitions and calculations, risk tier definitions and the timing of report generation, please refer to the Report Overview and Definitions section.

Total Number of Consumers with Access to an Active Trade

Total Number of Consumers With an Active Bankcard

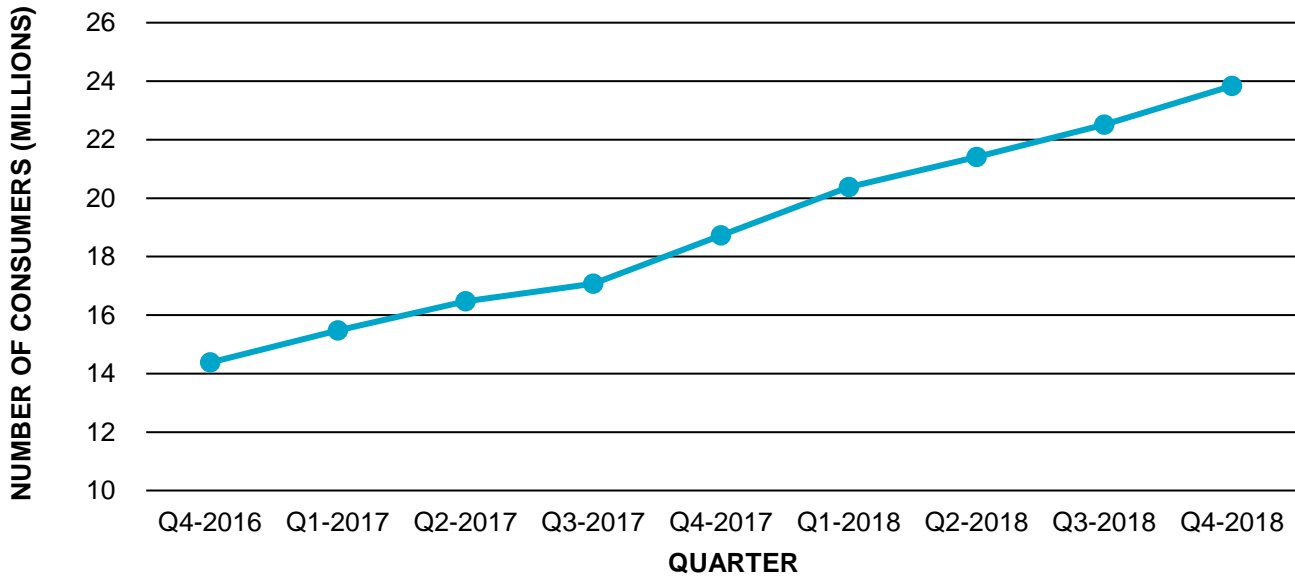


Total Number of Consumers with an active Bankcard, by Risk Tier

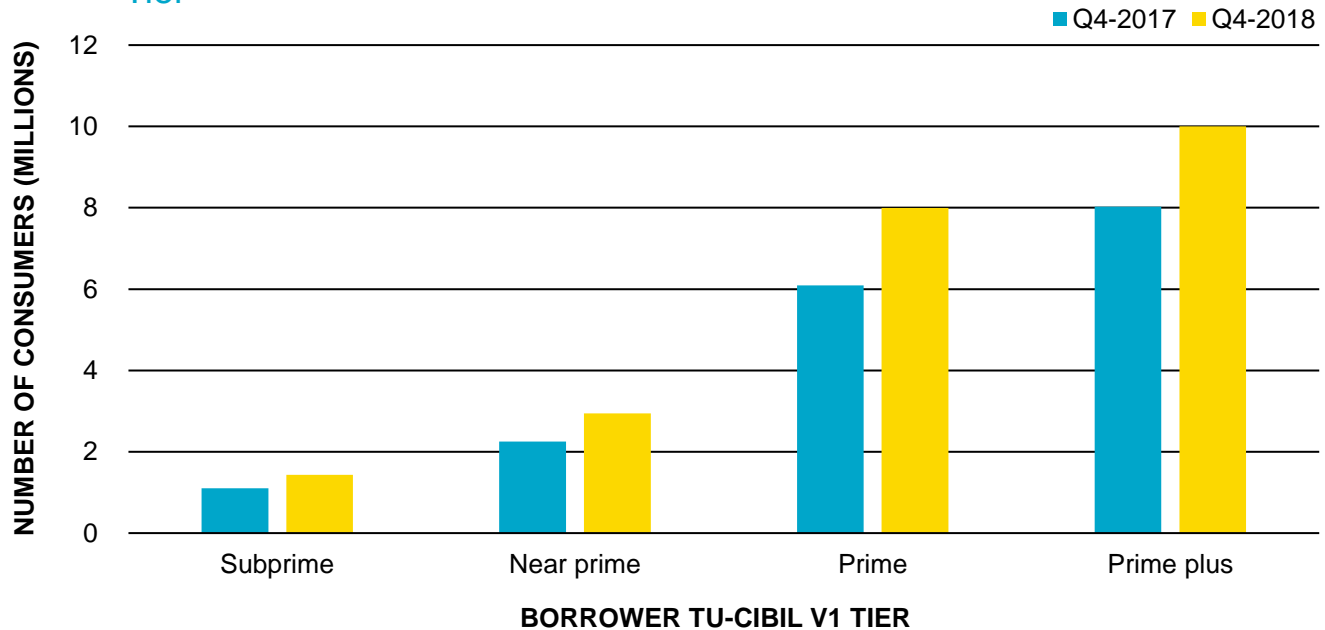


Total Number of Consumers with a Balance

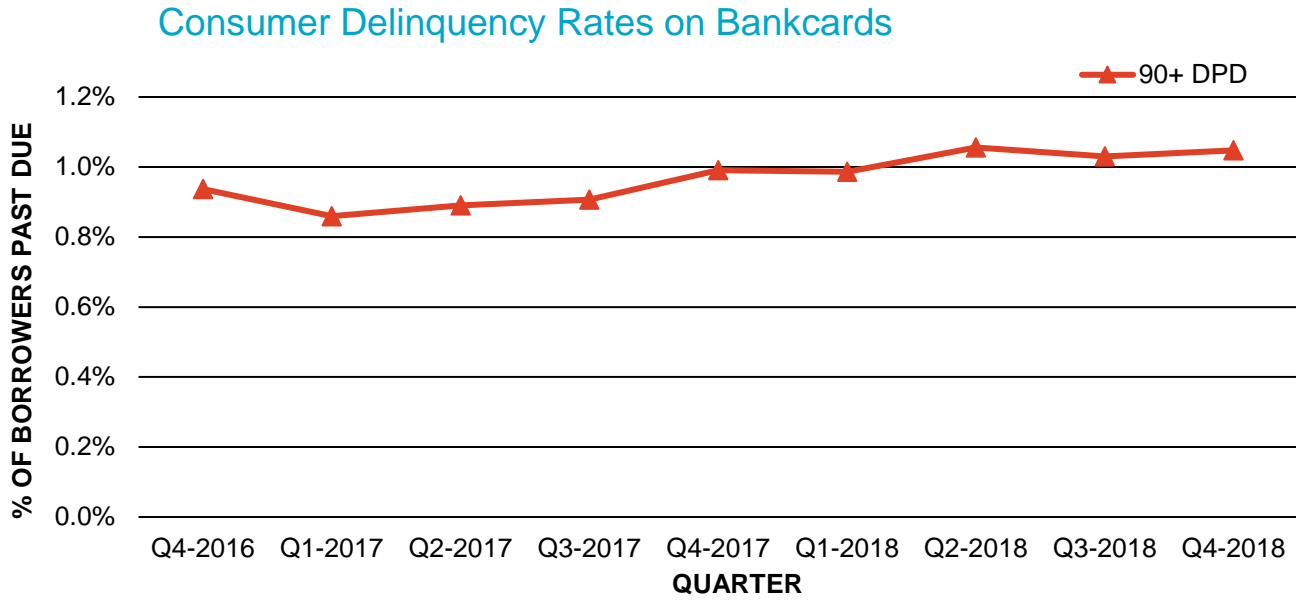
Total Number of Consumers With a Bankcard Balance



Total Number of Consumers with a Bankcard Balance, by Risk Tier

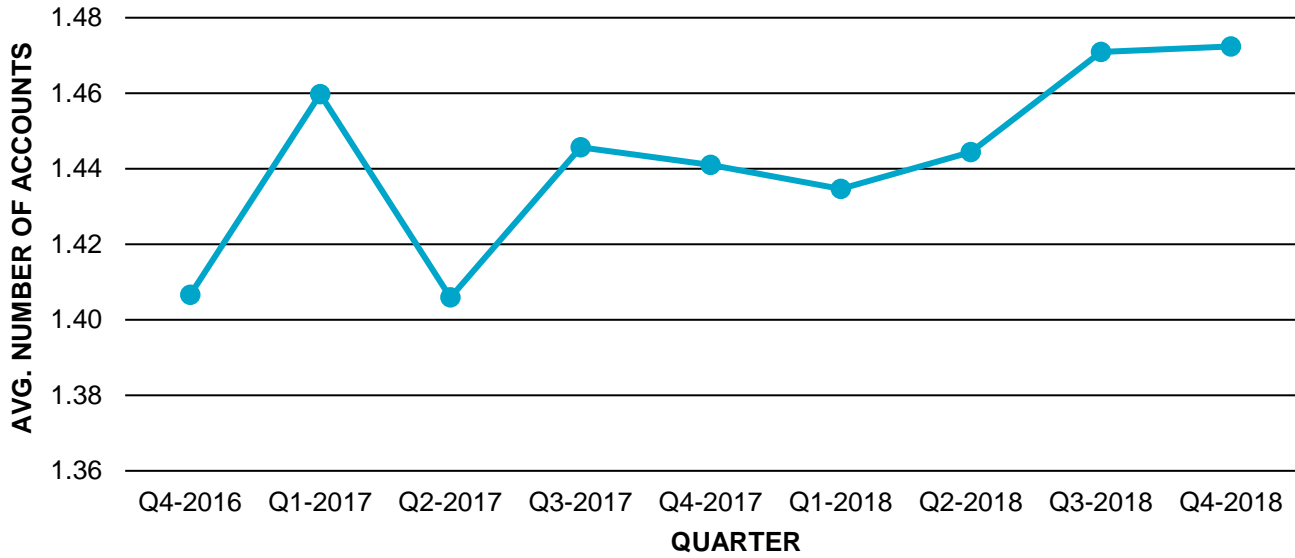


Percentage of Borrowers with a Delinquent Balance

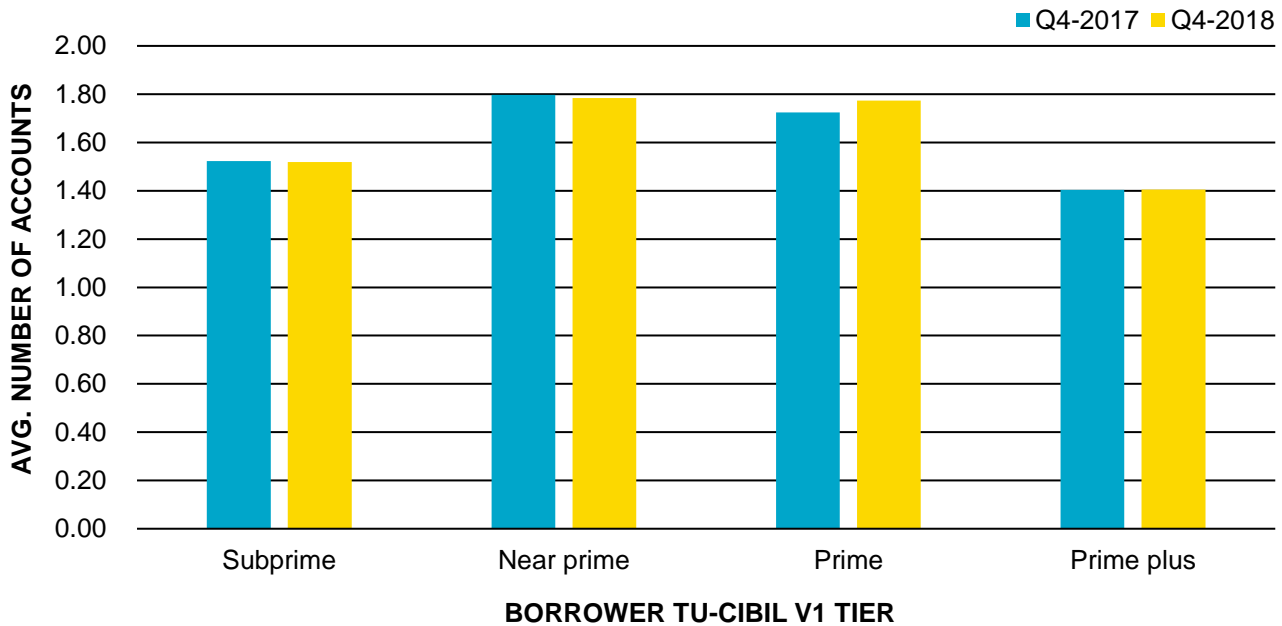


Average Number of Accounts Per Consumer

Average Number of Bankcards Per Consumer

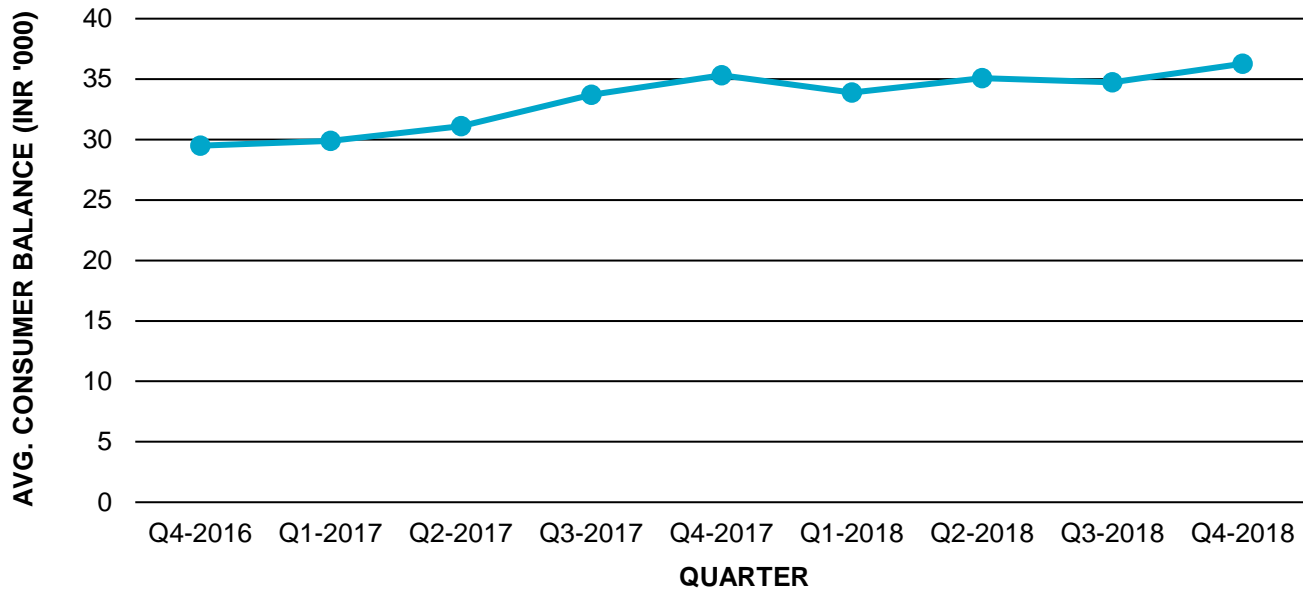


Average Number of Bankcards per Consumer, by Risk Tier

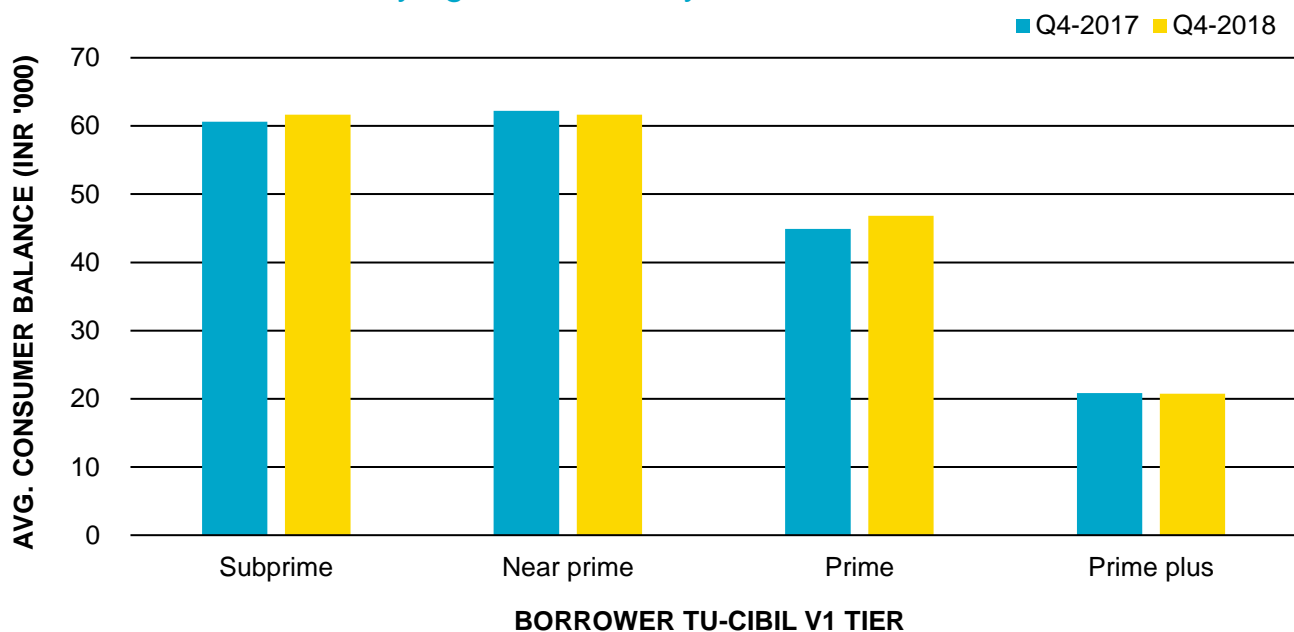


Average Total Balance Per Consumer, of Consumers Carrying a Balance

Average Total Bankcard Balance Per Consumer, of Consumers Carrying a Balance



Average Total Bankcard Loan Balance Per Consumer, of Consumers Carrying a Balance, by Risk Tier



CONSUMER-LEVEL INSIGHTS

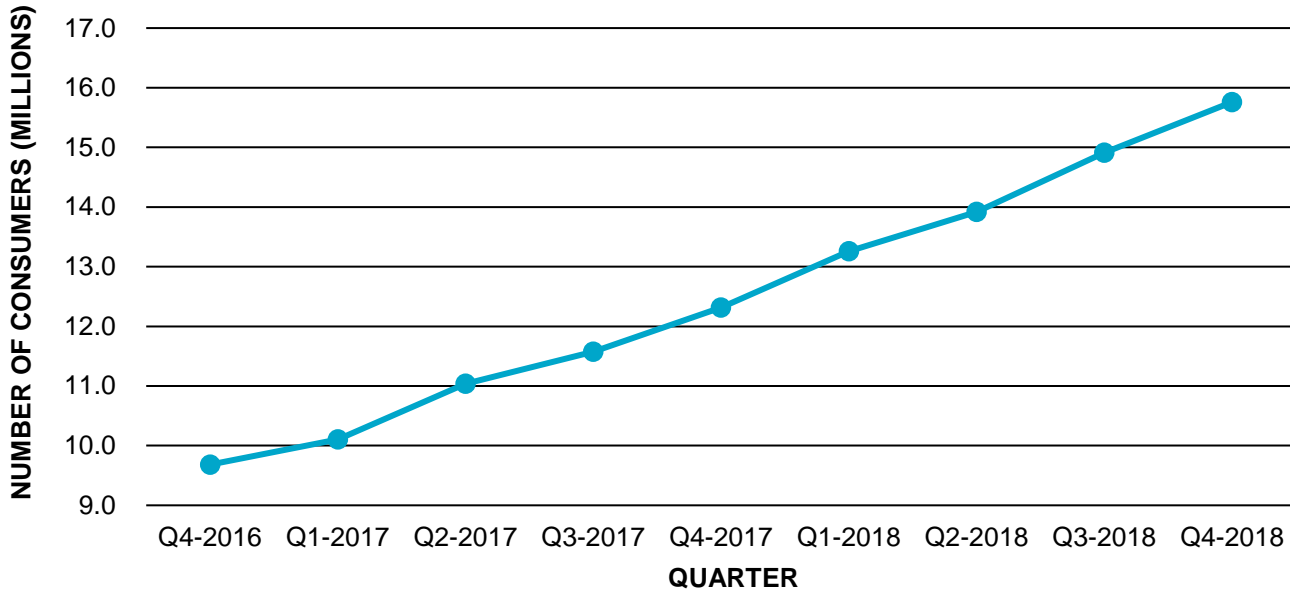
Unsecured Installment Loan

Total Number of Consumers with a Balance	70
Percentage of Borrowers with a Delinquent Balance....	71
Average Number of Accounts Per Consumer.....	72
Average Total Balance Per Consumer, of Consumers Carrying a Balance	73

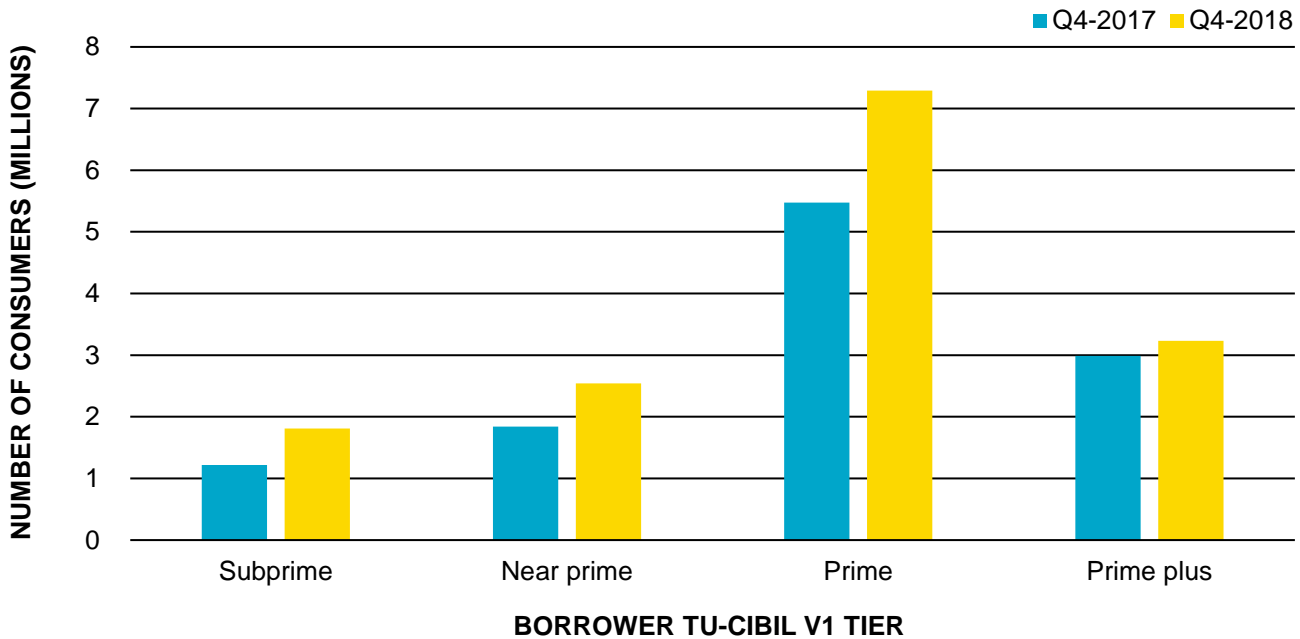
For a complete description of product definitions, data category definitions and calculations, risk tier definitions and the timing of report generation, please refer to the Report Overview and Definitions section.

Total Number of Consumers with a Balance

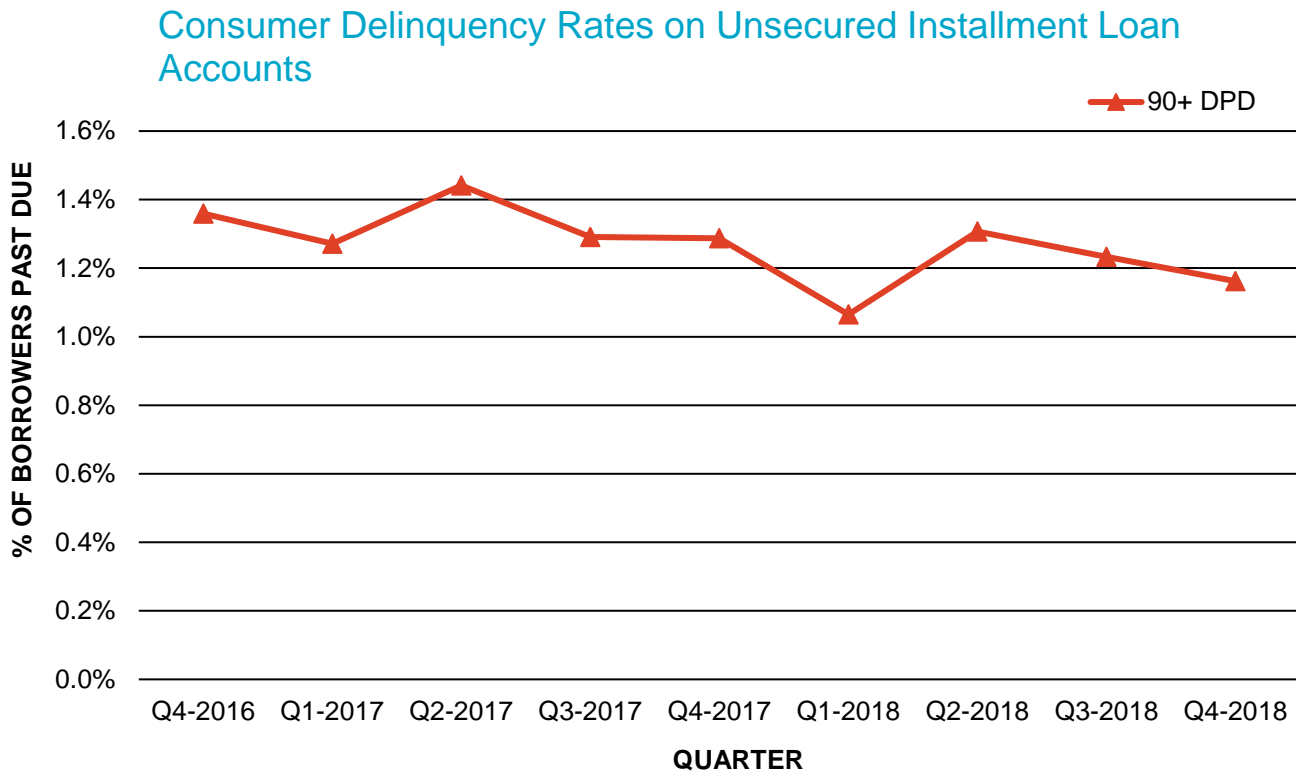
Total Number of Consumers With an Unsecured Installment Loan Balance



Total Number of Consumers with an Unsecured Installment Loan Balance, by Risk Tier

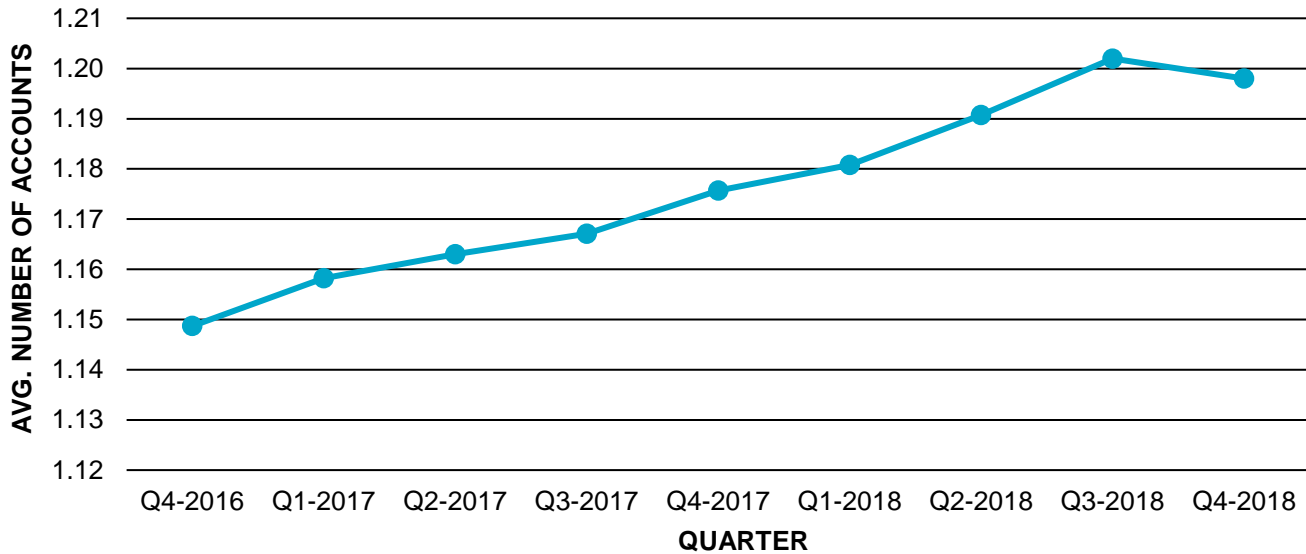


Percentage of Borrowers with a Delinquent Balance

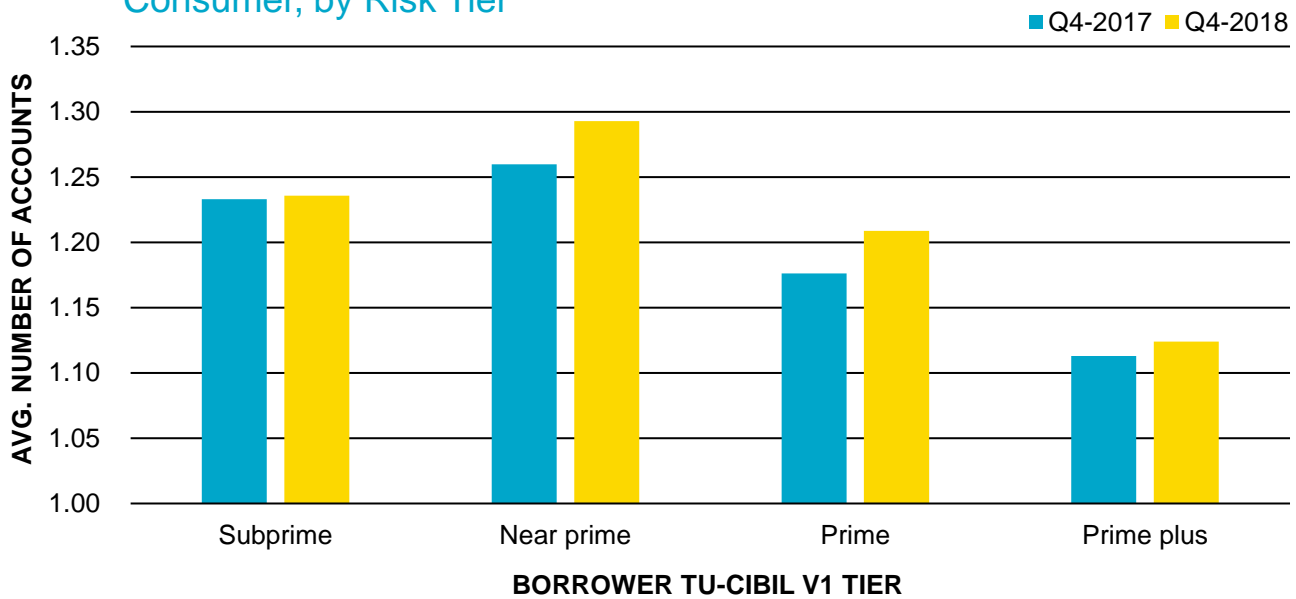


Average Number of Accounts Per Consumer

Average Number of Unsecured Installment Loan Accounts Per Consumer

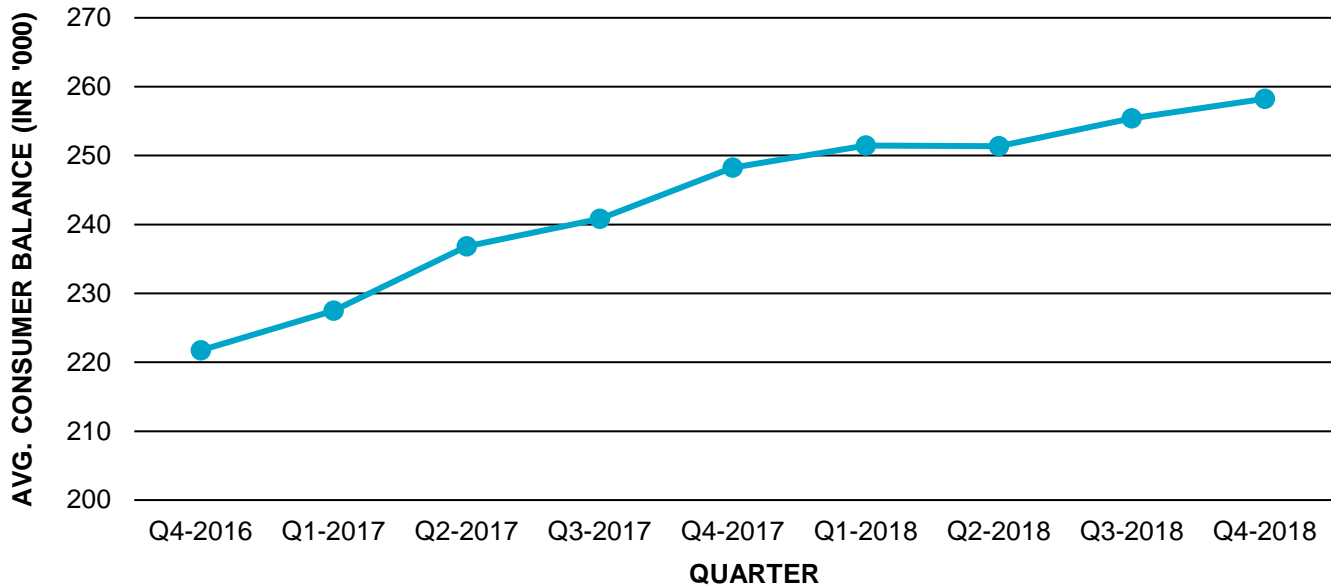


Average Number of Unsecured Installment Loan Accounts per Consumer, by Risk Tier

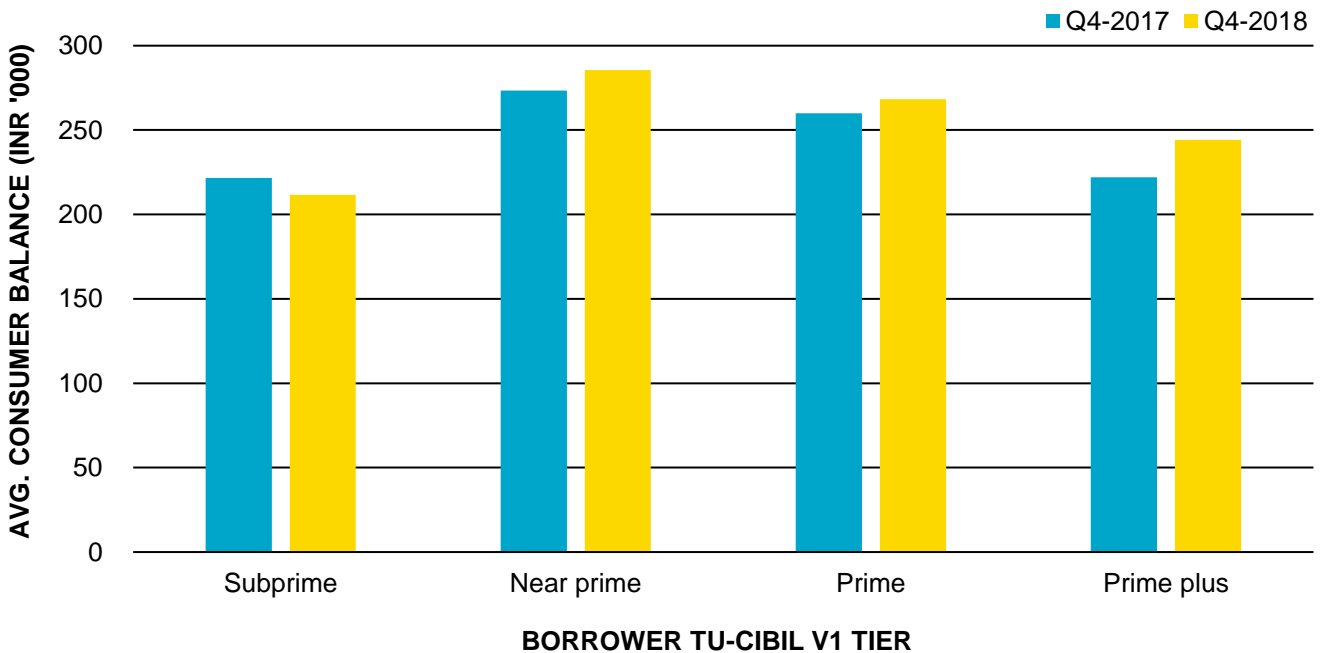


Average Total Balance Per Consumer, of Consumers Carrying a Balance

Average Total Unsecured Installment Loan Balance Per Consumer, of Consumers Carrying a Balance



Average Total Unsecured Installment Loan Balance Per Consumer, of Consumers Carrying a Balance, by Risk Tier



CONSUMER-LEVEL INSIGHTS

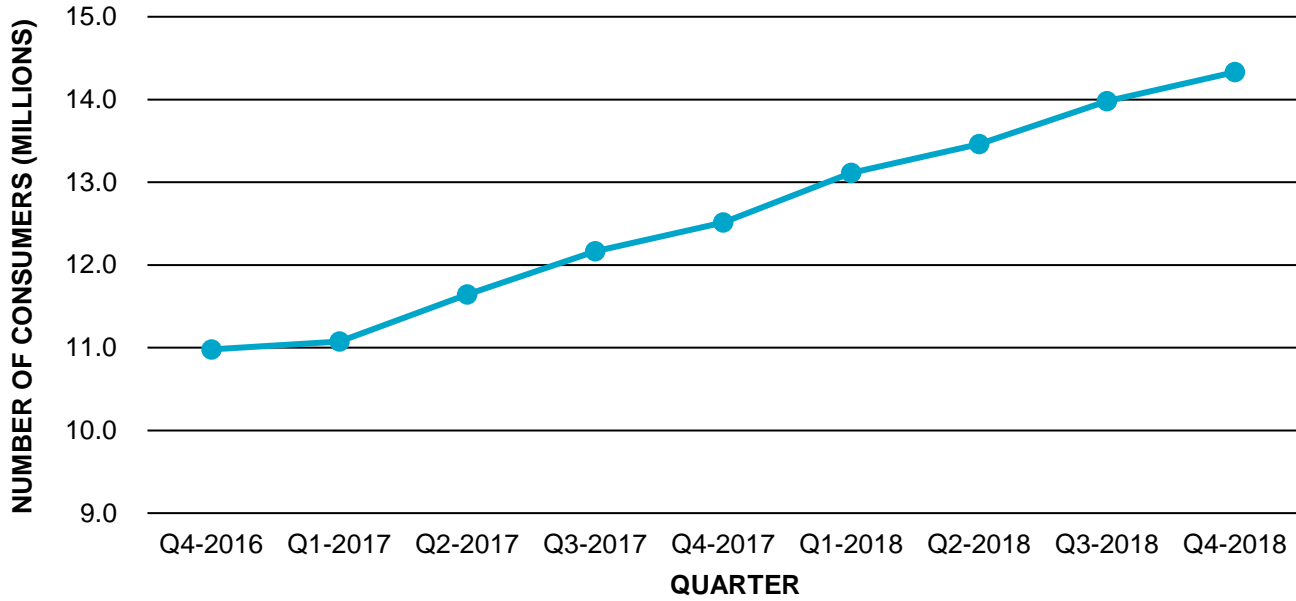
Auto Loan

Total Number of Consumers with a Balance	75
Percentage of Borrowers with a Delinquent Balance....	76
Average Number of Accounts Per Consumer.....	77
Average Total Balance Per Consumer, of Consumers Carrying a Balance	78

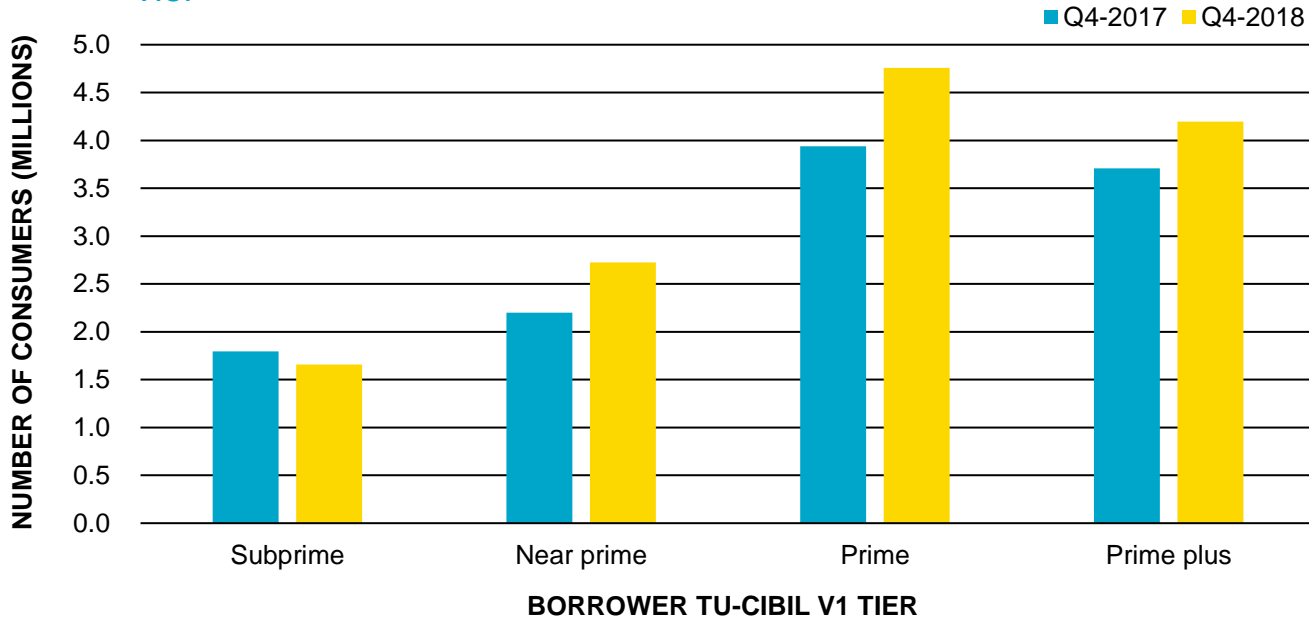
For a complete description of product definitions, data category definitions and calculations, risk tier definitions and the timing of report generation, please refer to the Report Overview and Definitions section.

Total Number of Consumers with a Balance

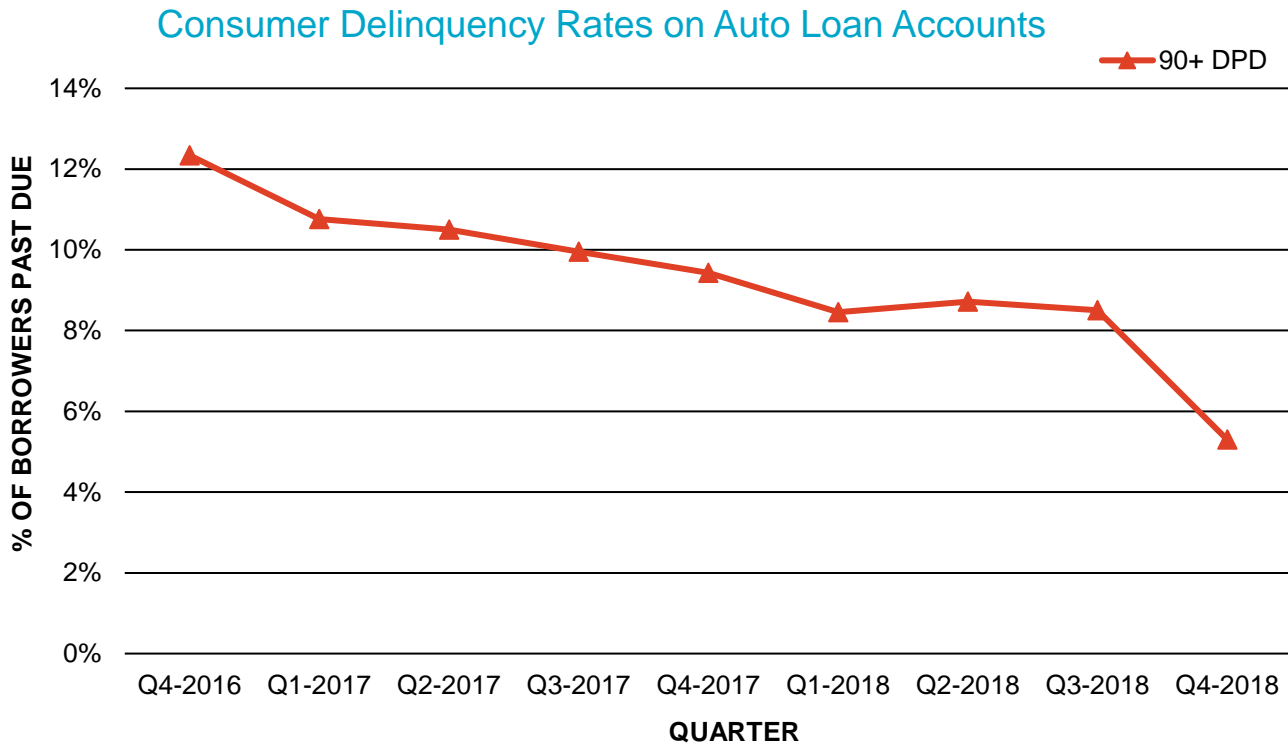
Total Number of Consumers With an Auto Loan Balance



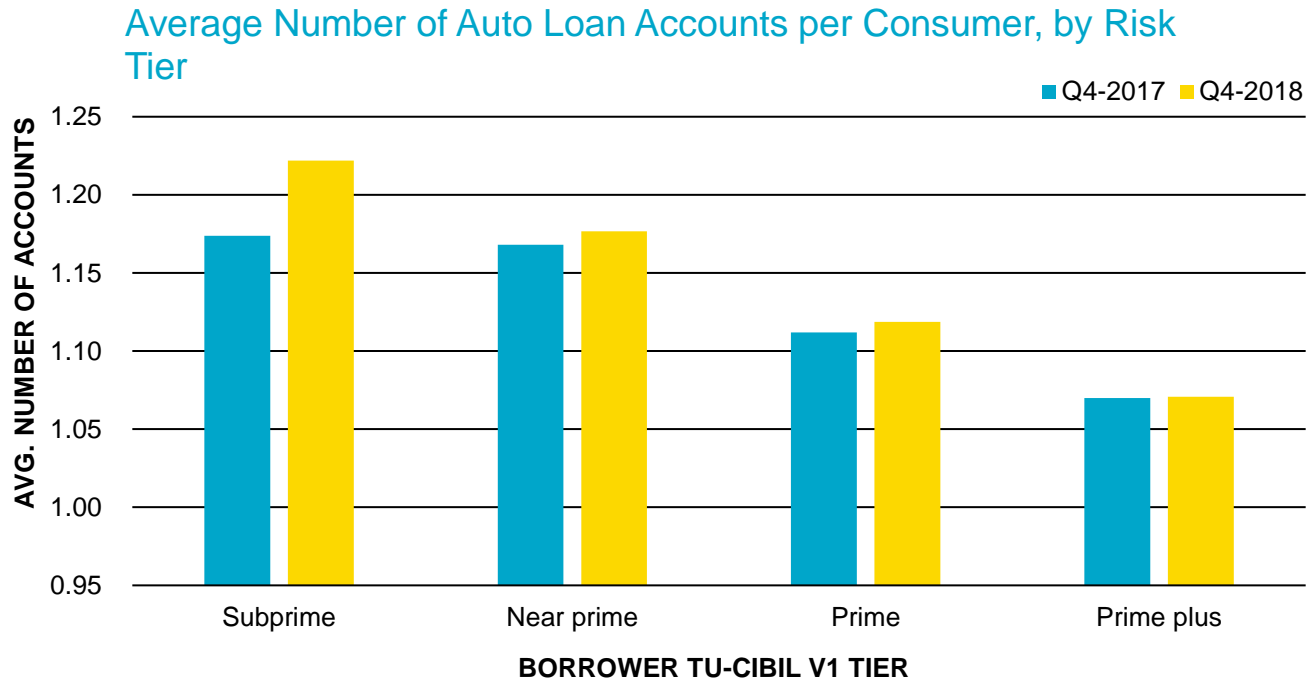
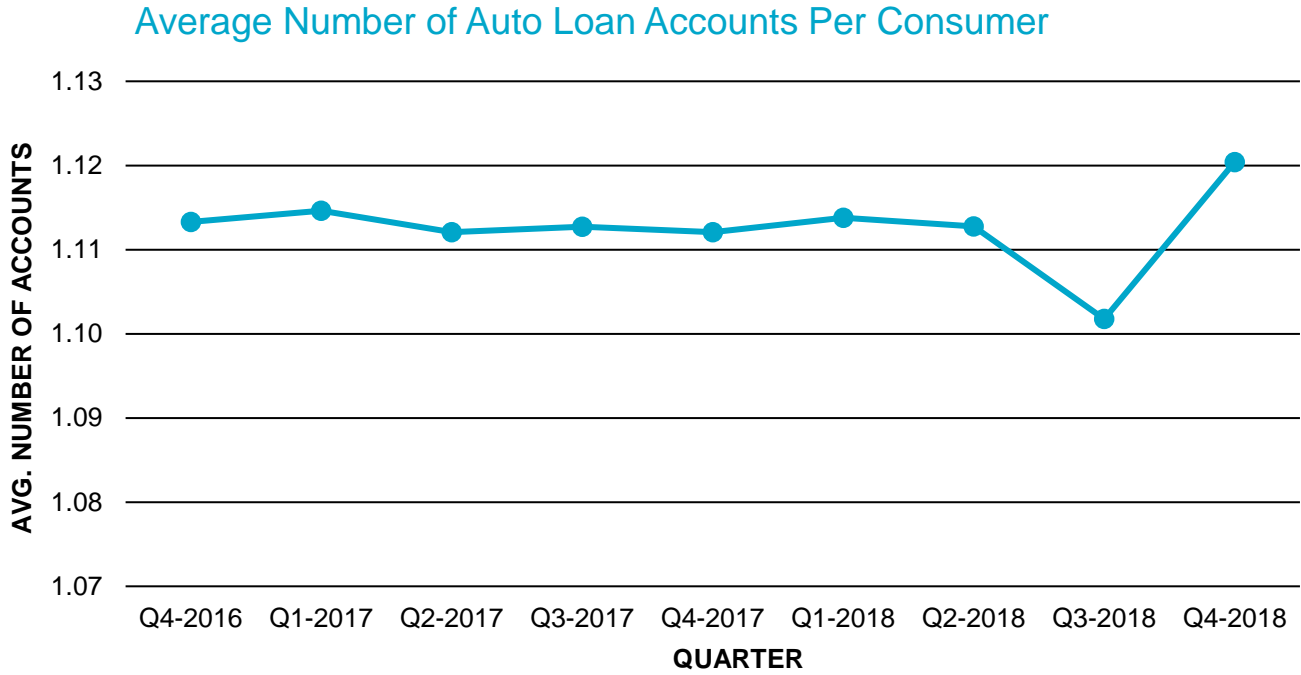
Total Number of Consumers with an Auto Loan Balance, by Risk Tier



Percentage of Borrowers with a Delinquent Balance

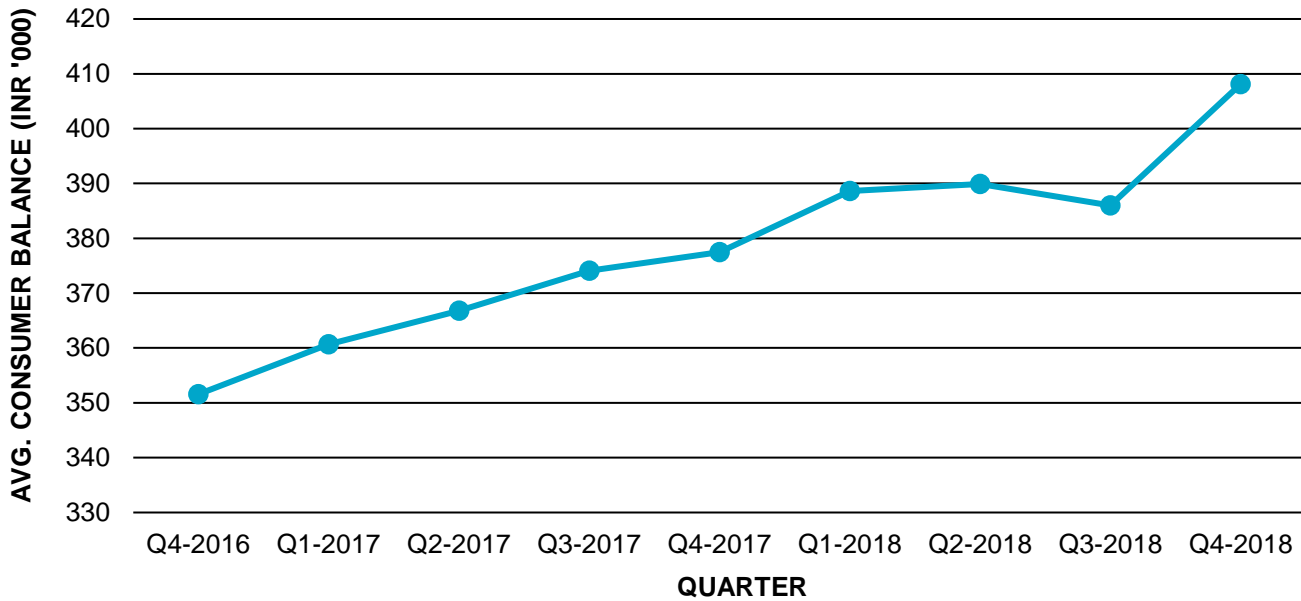


Average Number of Accounts Per Consumer

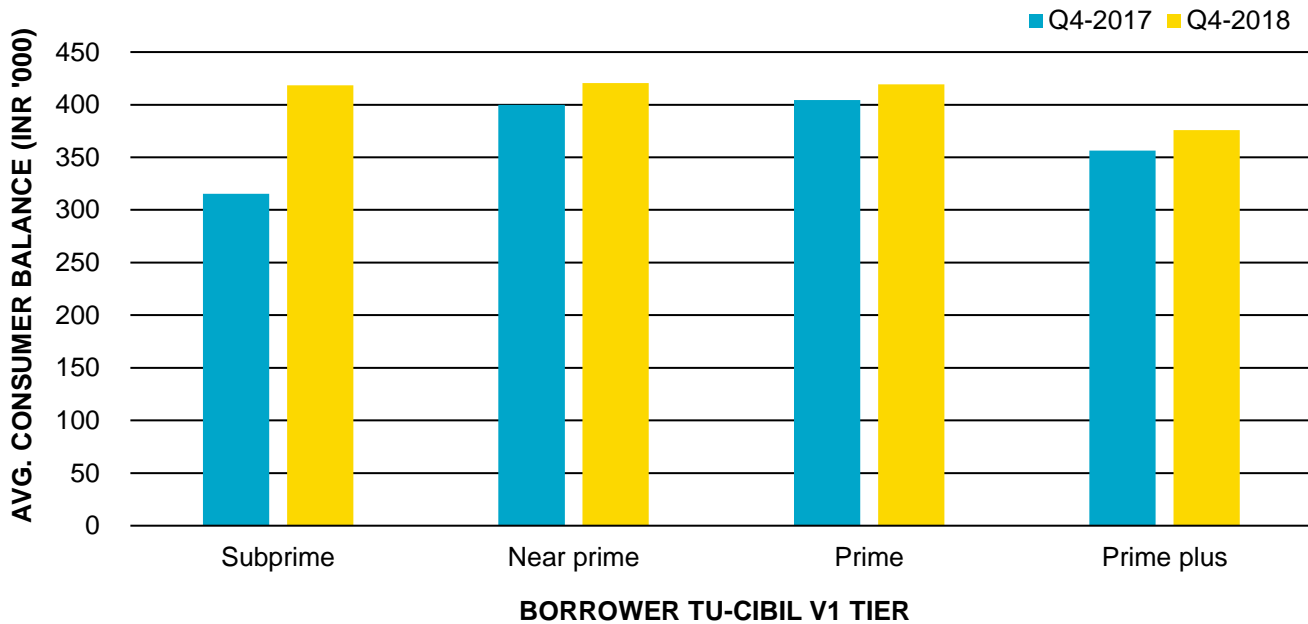


Average Total Balance Per Consumer, of Consumers Carrying a Balance

Average Total Auto Loan Balance Per Consumer, of Consumers Carrying a Balance



Average Total Auto Loan Balance Per Consumer, of Consumers Carrying a Balance, by Risk Tier



CONSUMER-LEVEL INSIGHTS

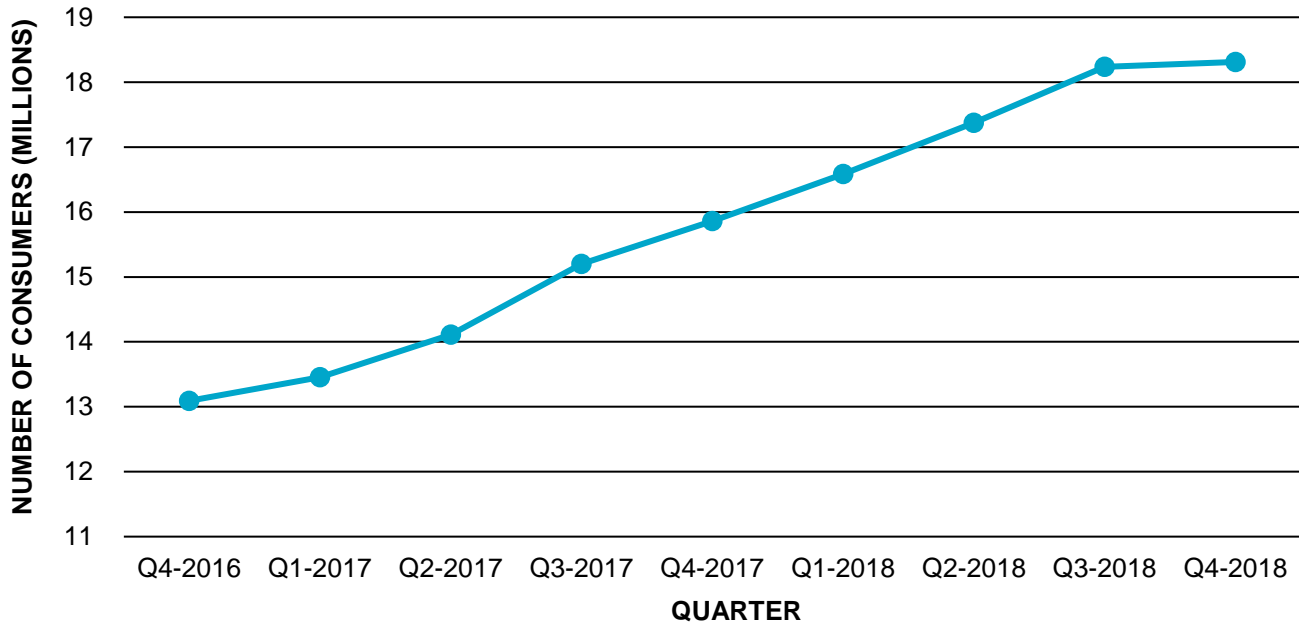
Mortgages

Total Number of Consumers with a Balance	80
Percentage of Borrowers with a Delinquent Balance....	81
Average Number of Accounts Per Consumer.....	82
Average Total Balance Per Consumer, of Consumers Carrying a Balance	83

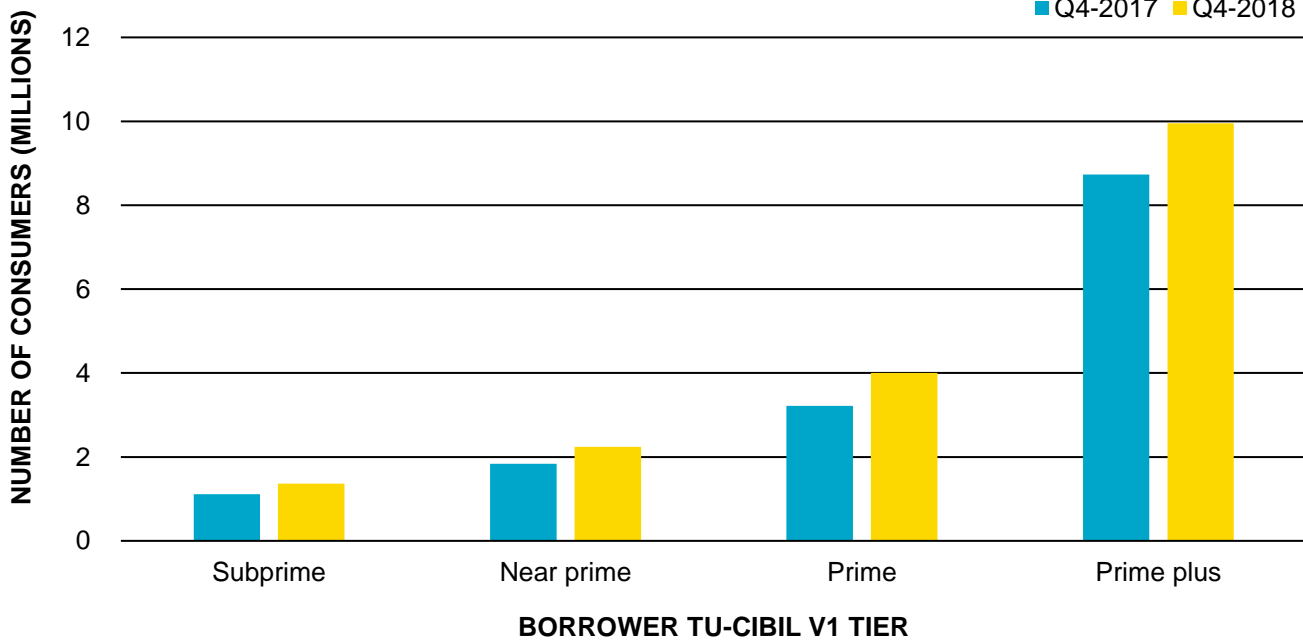
For a complete description of product definitions, data category definitions and calculations, risk tier definitions and the timing of report generation, please refer to the Report Overview and Definitions section.

Total Number of Consumers with a Balance

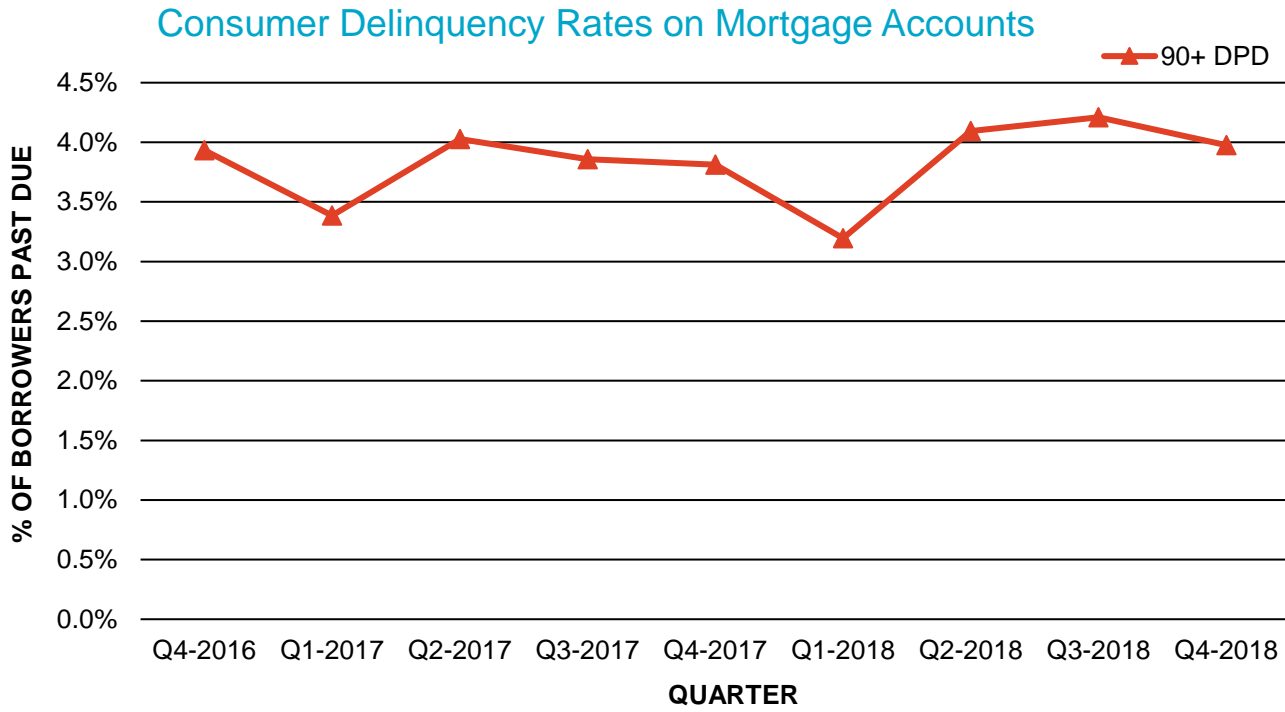
Total Number of Consumers With a Mortgage Balance



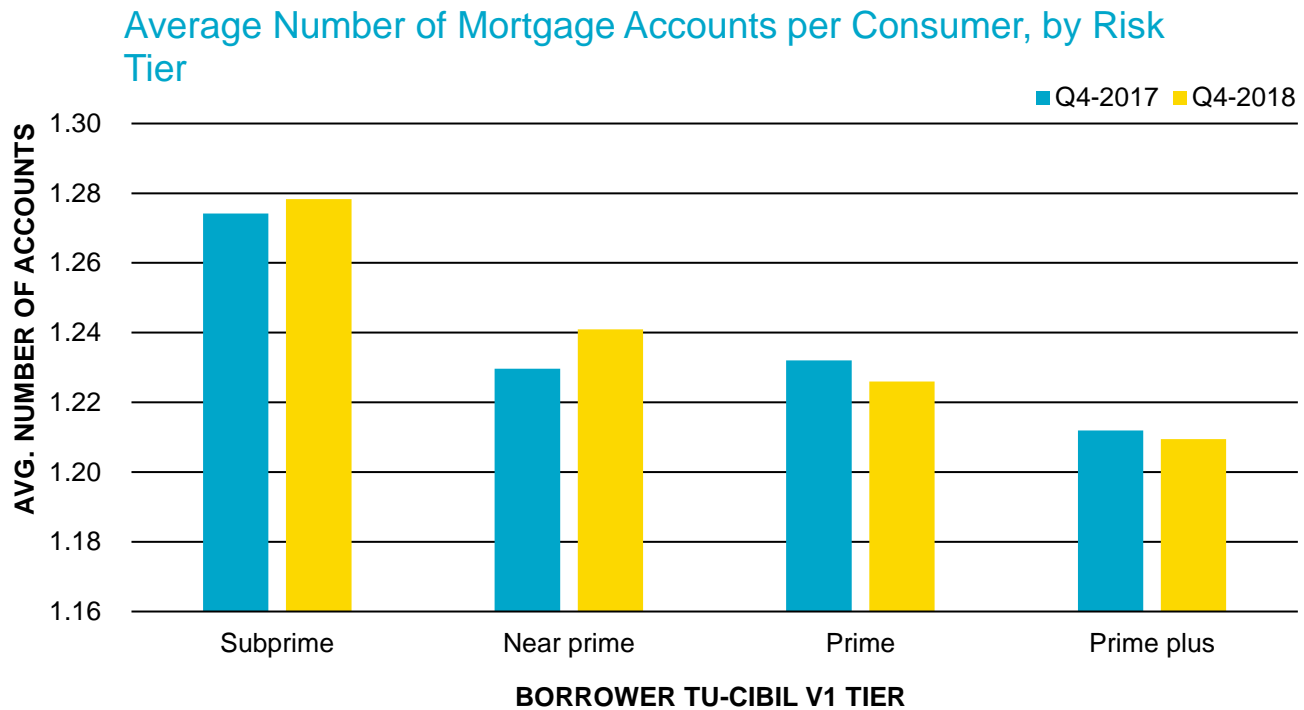
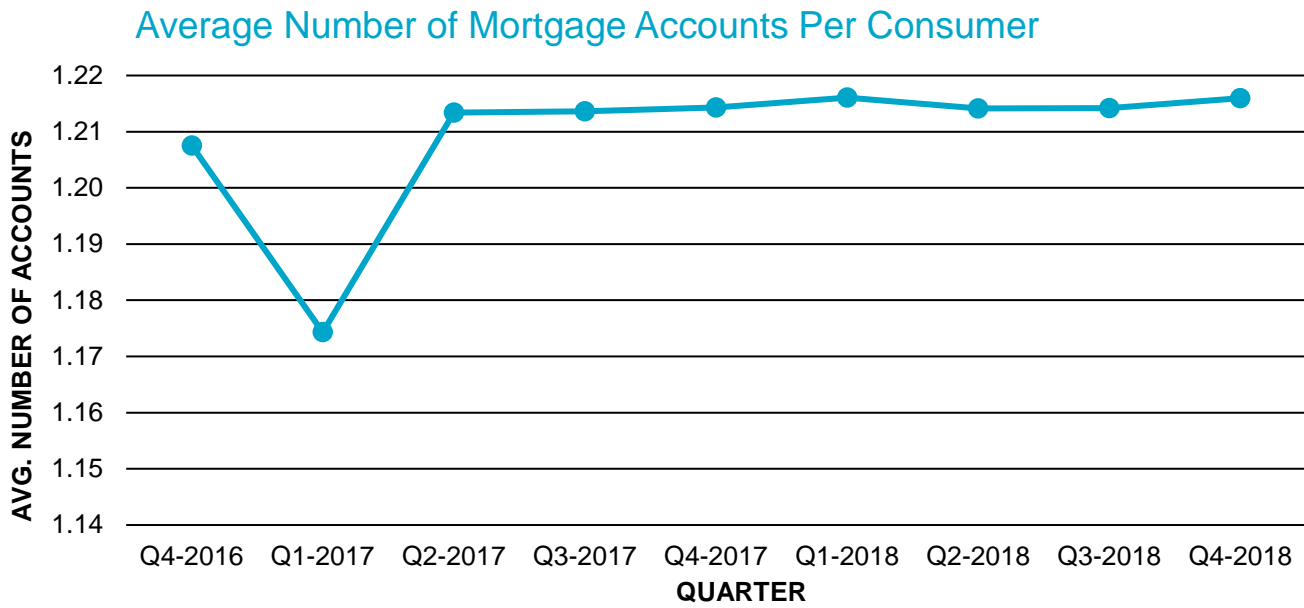
Total Number of Consumers with a Mortgage Balance, by Risk Tier



Percentage of Borrowers with a Delinquent Balance

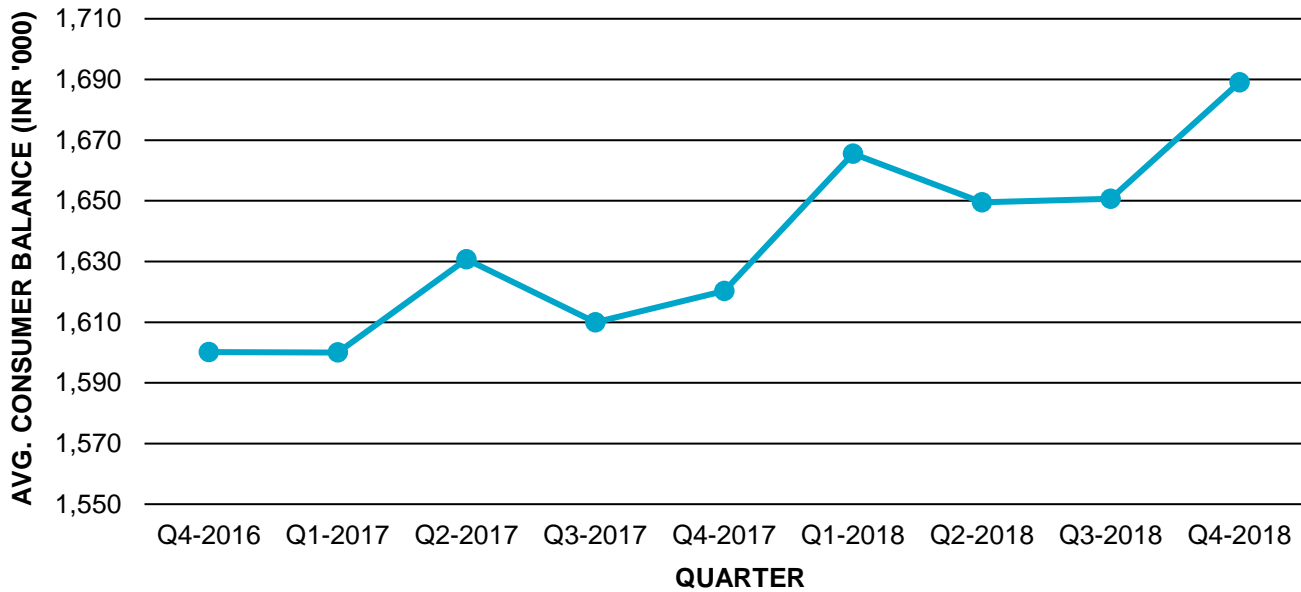


Average Number of Accounts Per Consumer

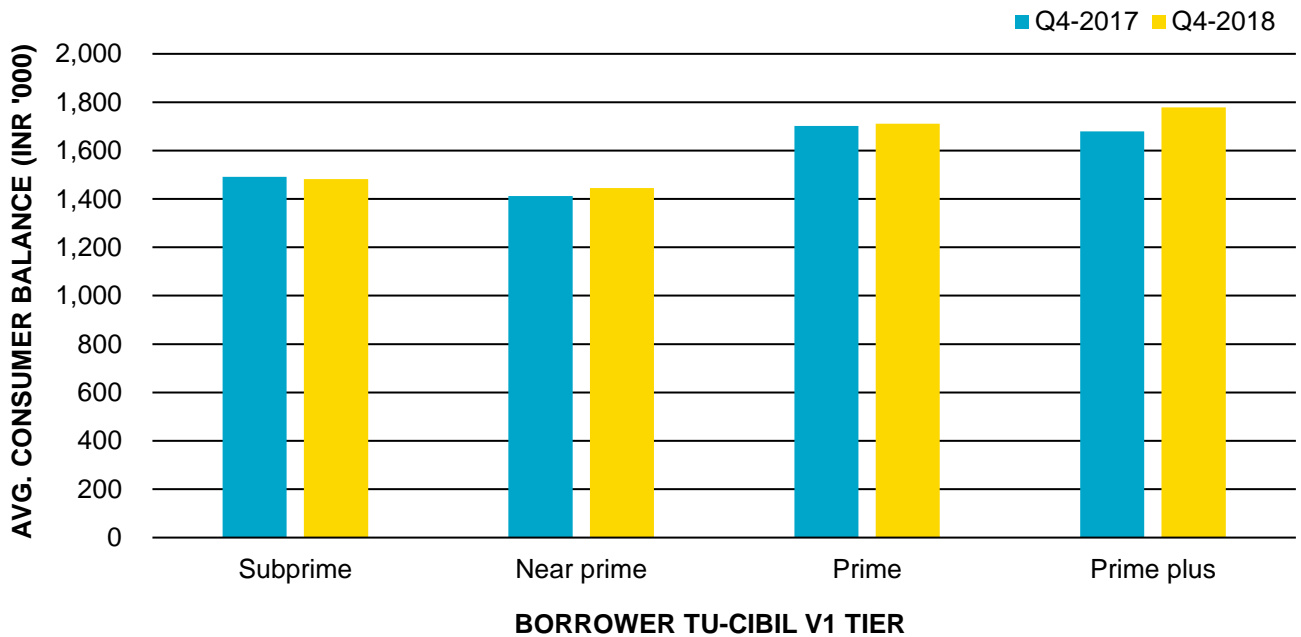


Average Total Balance Per Consumer, of Consumers Carrying a Balance

Average Total Mortgage Balance Per Consumer, of Consumers Carrying a Balance



Average Total Mortgage Balance Per Consumer, of Consumers Carrying a Balance, by Risk Tier



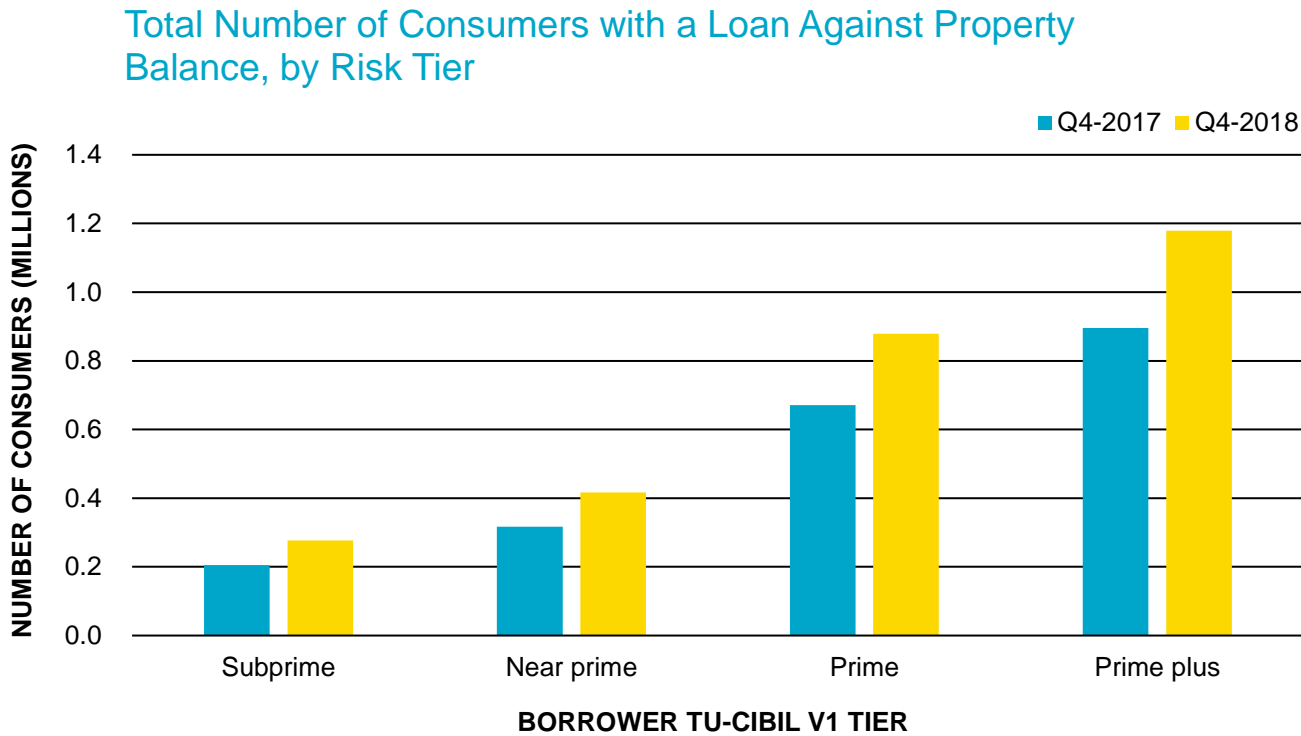
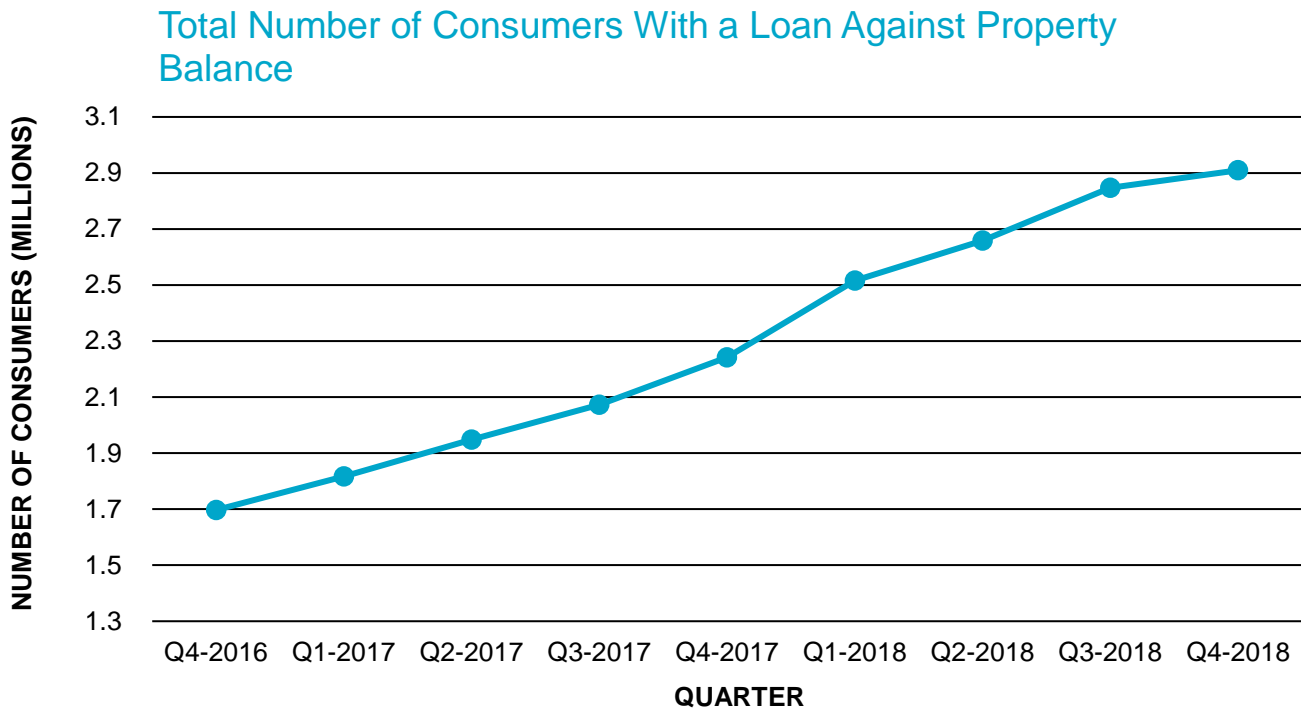
CONSUMER-LEVEL INSIGHTS

Loans Against Property

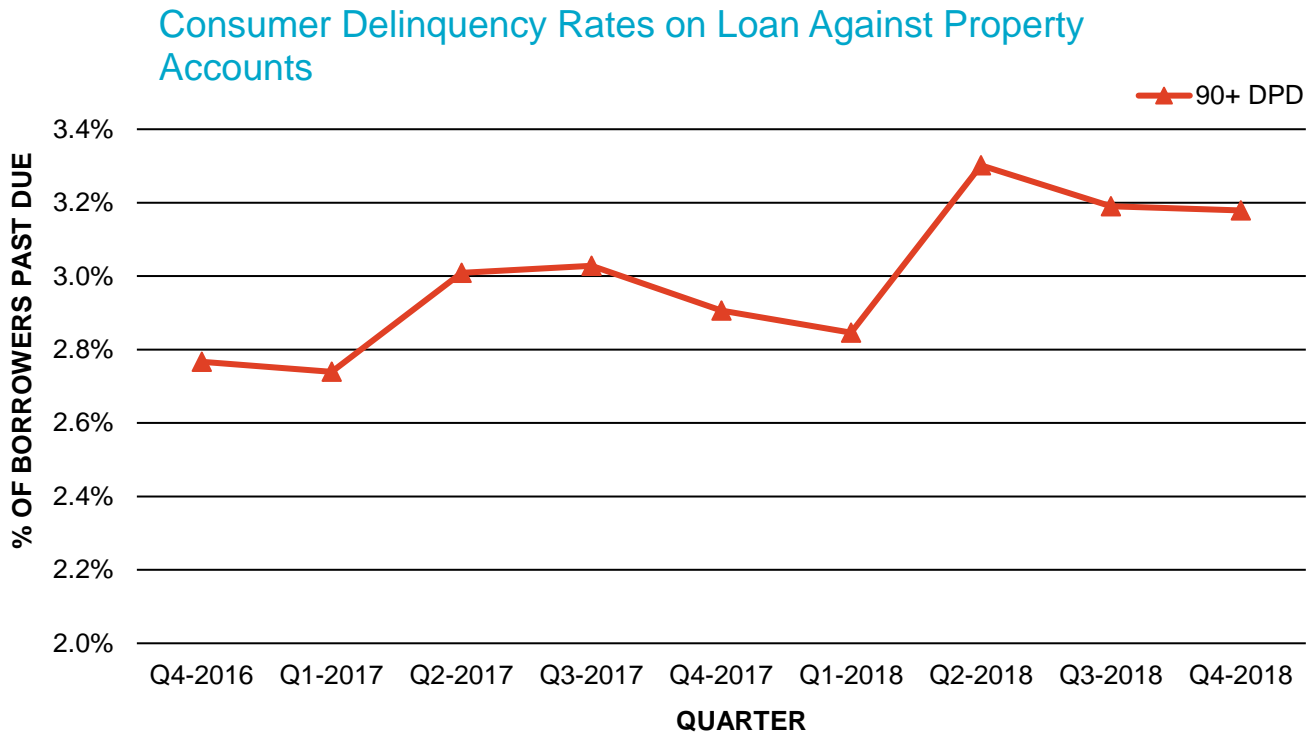
Total Number of Consumers with a Balance	85
Percentage of Borrowers with a Delinquent Balance....	86
Average Number of Accounts Per Consumer.....	87
Average Total Balance Per Consumer, of Consumers Carrying a Balance	88

For a complete description of product definitions, data category definitions and calculations, risk tier definitions and the timing of report generation, please refer to the Report Overview and Definitions section.

Total Number of Consumers with a Balance

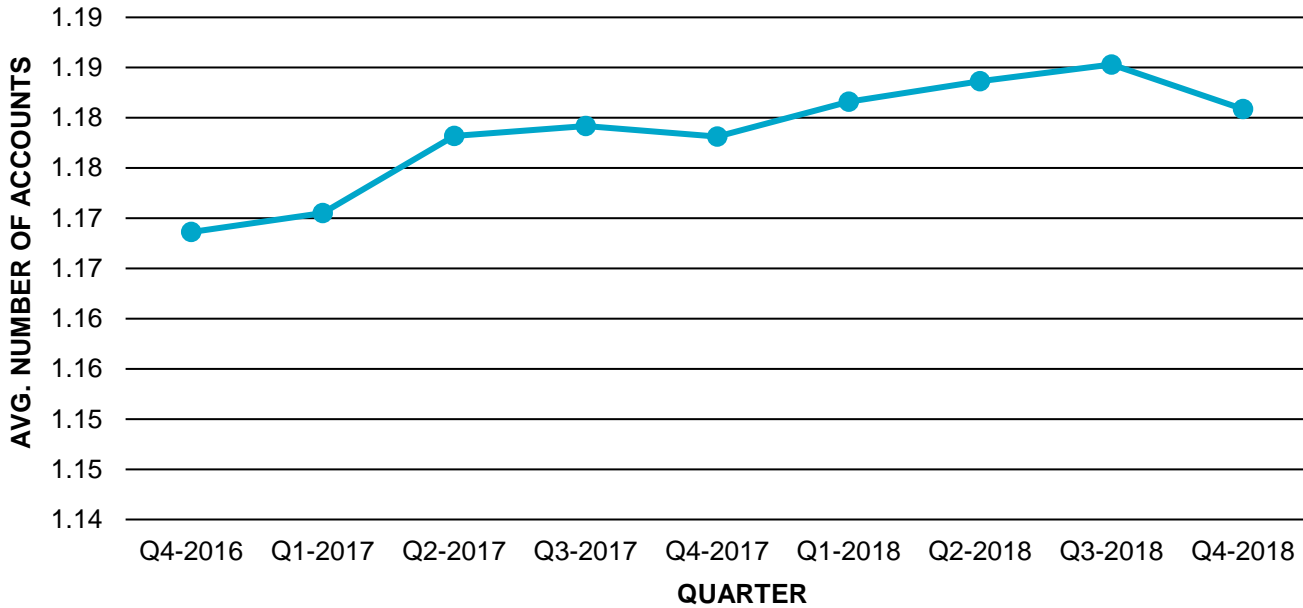


Percentage of Borrowers with a Delinquent Balance

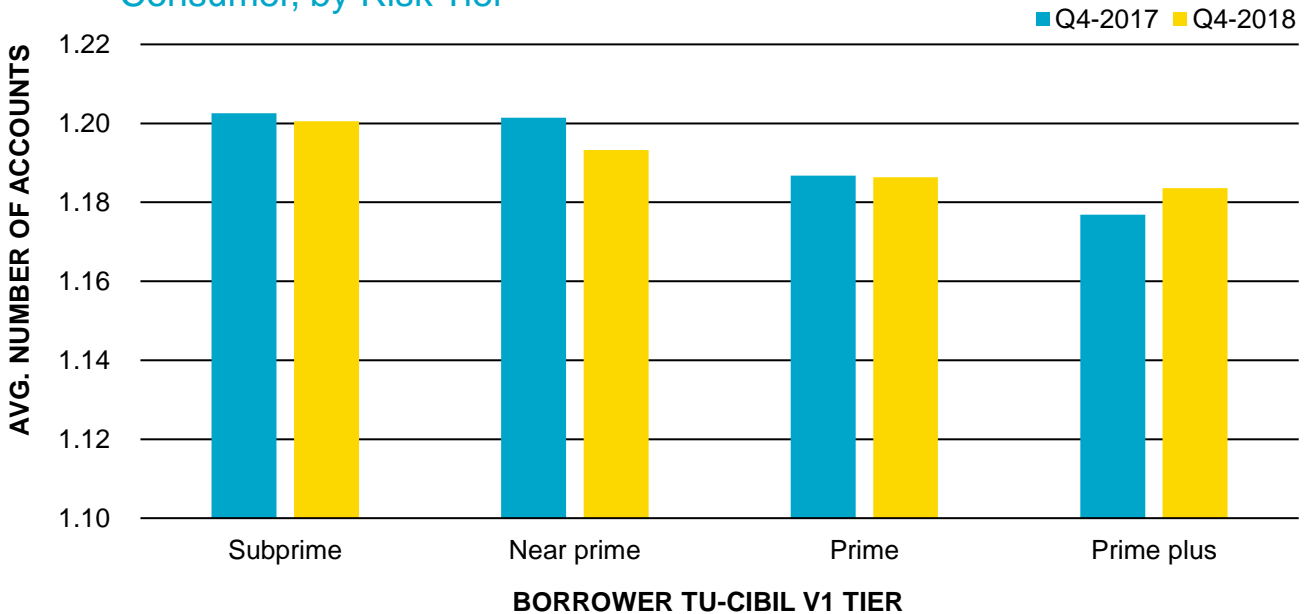


Average Number of Accounts Per Consumer

Average Number of Loan Against Property Accounts Per Consumer

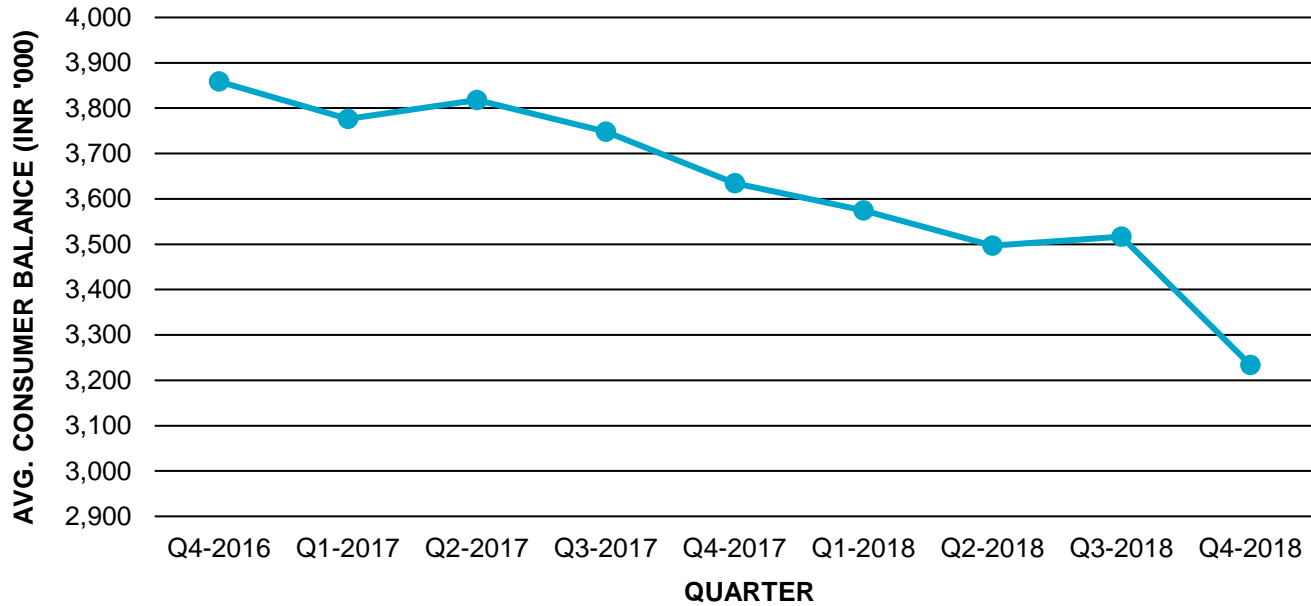


Average Number of Loan Against Property Accounts per Consumer, by Risk Tier

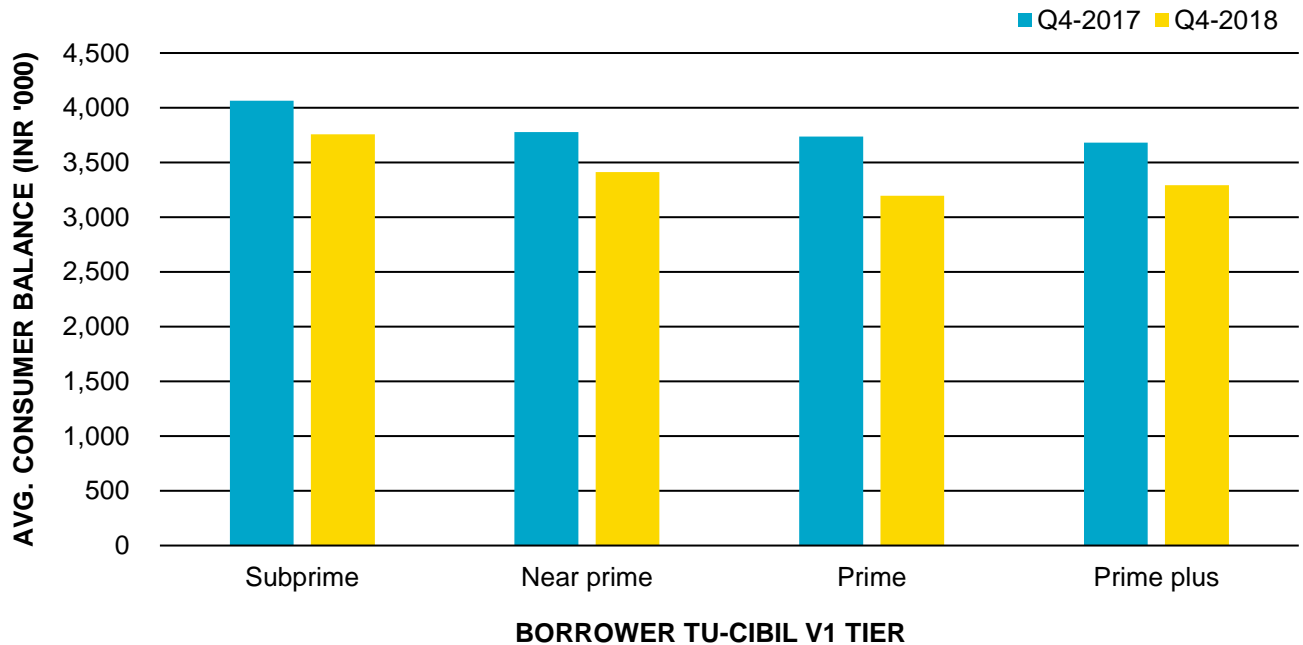


Average Total Balance Per Consumer, of Consumers Carrying a Balance

Average Total Loan Against Property Balance Per Consumer, of Consumers Carrying a Balance



Average Total Loan Against Property Balance Per Consumer, of Consumers Carrying a Balance, by Risk Tier



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