

Emerging trends in retail credit caused by the **COVID-19 pandemic**



INDUSTRY INSIGHTS REPORT

December 2020

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EXECUTIVE SUMMARY



India has been experiencing a state of uncertainty due to the unprecedented impact of COVID-19. The impact of the pandemic became more pronounced after the country went into lockdown beginning March, which brought all economic activity to a standstill. The pandemic adversely impacted retail credit growth that was already moderating since last two years.

The Indian government has undertaken various support measures and stimulus schemes to revive the economy from the immediate and drastic shock caused by the pandemic and the associated lockdown. The government has resorted to a gradual reopening to avoid sharp spikes in infections that could potentially undo the progress made during the lockdowns.

Demand for retail credit products (inquiry volumes) has steadily increased in recent months as the Indian economy has started to recover. Although year-on-year (YoY) growth across key metrics is still to reach pre-pandemic levels, there has been positive movement in a number of these. In November 2020, retail credit demand was back to 93% of the levels observed in November 2019, and was significantly up from the low levels observed during the early months of the pandemic.

As with most major credit markets around the world, retail credit products have generally experienced an increase in serious delinquencies. In India, the delinquency picture is complicated and will take time to emerge due to the lagged effect of financial conditions, relief programs supported by lenders, and shifts in the payment priorities of consumers. Amongst major retail credit products, credit card and loan against property (LAP) recorded the largest increase in 90+ balance-level delinquency rates YoY in August 2020 - up 51 and 34 basis points (bps), respectively.

The impact of COVID-19 will continue to shift consumer behavior over time. The shape of recovery in retail credit markets will be very much influenced by the ability to contain the spread of the pandemic along with consumer and lender resiliency. The availability of retail credit will be an important resource for many Indian consumers as they start to recover from the initial impact of the virus. Lenders need to be able to assess consumer applications and overall portfolio risk with confidence. Measuring and monitoring risk, leveraging enhanced data, and applying advanced analytics techniques to develop business strategies are all critical considerations for lenders during these unprecedented times.

ECONOMIC PERSPECTIVE

The global economy has staged a robust comeback as lockdown restrictions eased in many countries. Q3 2020 GDP releases show that the post-lockdown surge in activity was stronger than expected. However, the recent surge in COVID-19 cases has prompted key European economies to re-impose national lockdowns. Consequently, the pace of growth is likely to slow from Q4 2020. As per Oxford Economics estimates, the world GDP is expected to contract by -4.2% in 2020, and grow by 4.9% in 2021.



In India, growth has rebounded from lockdown lows faster than expectations. Robust bottom-up data point toward a solid private sector rebound. Part of this can be attributed to festive demand. Signs that India is past the worst of the first COVID wave has also boosted sentiment and spurred spending. Success at containment has led to an improvement in mobility. As a result, the

growth pick-up, which was largely confined to rural demand initially, has broadened, with urban consumption and investment beginning to gain traction.

A number of key macroeconomic indicators have shown signs of improvement in recent months as Indian businesses and consumers learn to operate and work in a COVID-19 world.

Unemployment rate

According to data from CMIE, India's unemployment rate fell to 6.5% in November 2020 owing to an increase in economic activities during the festive season including opening of self-employment avenues. The unemployment rate had crossed 20% in April and May 2020 due to lockdown that had brought most economic activities to a halt. This improvement in unemployment rate is seen in both, rural as well as urban sector.

Purchasing Managers' Index (PMI)

Manufacturing PMI has been in expansion zone for the last four months. A reading above 50 indicates expansion while that below implies contraction. The ongoing relaxation of COVID-19 restrictions, better market conditions, improved demand and robust sales have helped this expansion. Manufacturing PMI slipped to 56.3 in November 2020 after touching a 12-year high of 58.9 in October 2020.

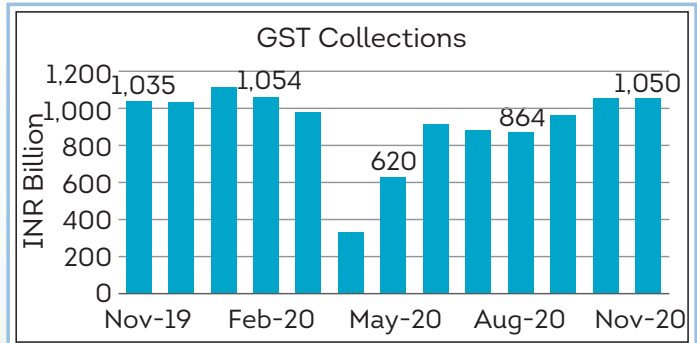
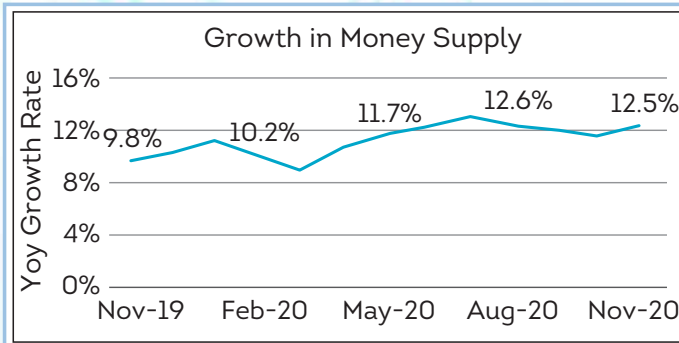
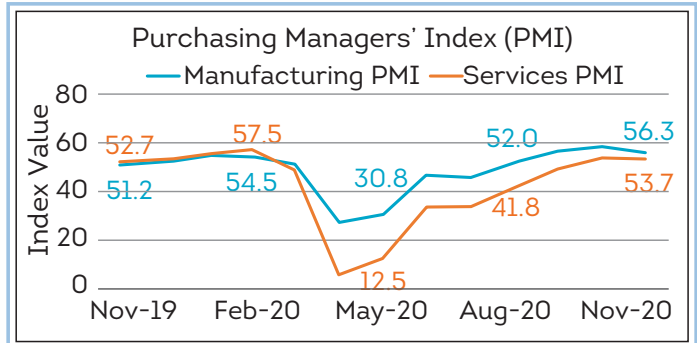
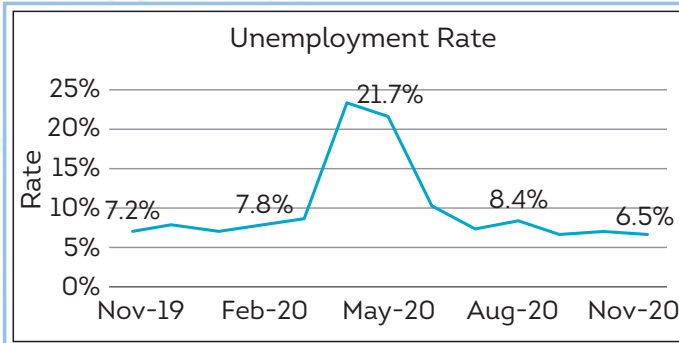
India's services sector has also recovered faster than expected. Services PMI expanded for the first time to 54.1 in October 2020 since February. This improvement was backed by domestic demand as the restriction on services was lifted gradually. The gap between manufacturing and services PMI is also narrowing which is expected to bring more balance to the economic recovery.

GST collections

GST (Goods and Service Tax) collections crossed INR 1 trillion for the second consecutive month in November 2020 on the backdrop of rising consumption and improvement in the movement of goods and services. This uptick in GST collections is likely to give some respite from the stress of the pandemic.

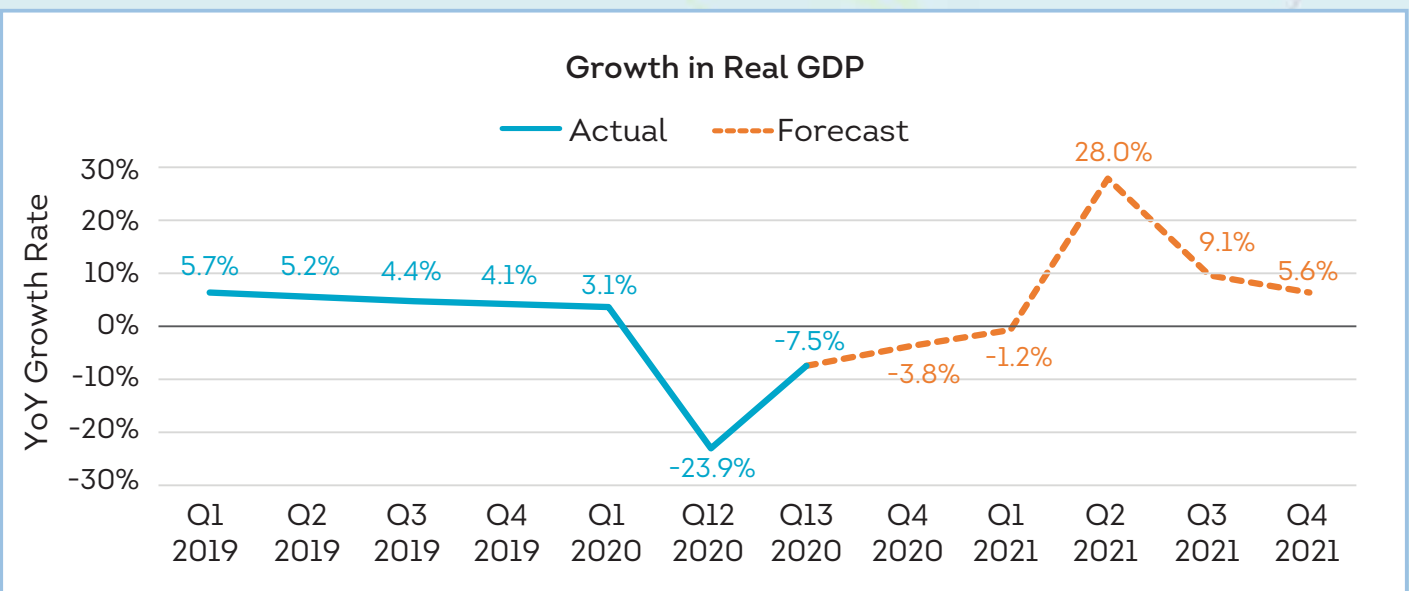
Money Supply

There is an increase seen in the YoY growth of money supply - up to 12.5% in November 2020 compared to 9.8% in November 2019 indicating a better liquidity position for many financial institutions, which in turn will have a positive impact on lenders' capacity to lend.



Source: CMIE

While economic activity has seen some improvement in the recent months, sustaining this momentum will be challenging. With coronavirus cases still rising and states and local authorities contemplating re-tightening restrictions, there are some concerns about recovery prospects. India's economy was slowing even prior to 2020 and businesses still have to deal with legacy issues, such as stressed balance sheets and a weak labor market. These are likely to have worsened by the pandemic. The pace of sequential recovery is expected to turn more gradual in Q4 2020 and over 2021. Oxford Economics estimates India's economy (YoY growth in Real GDP) to contract by -8.2% in 2020 with a strong rebound of 9.0% in 2021.



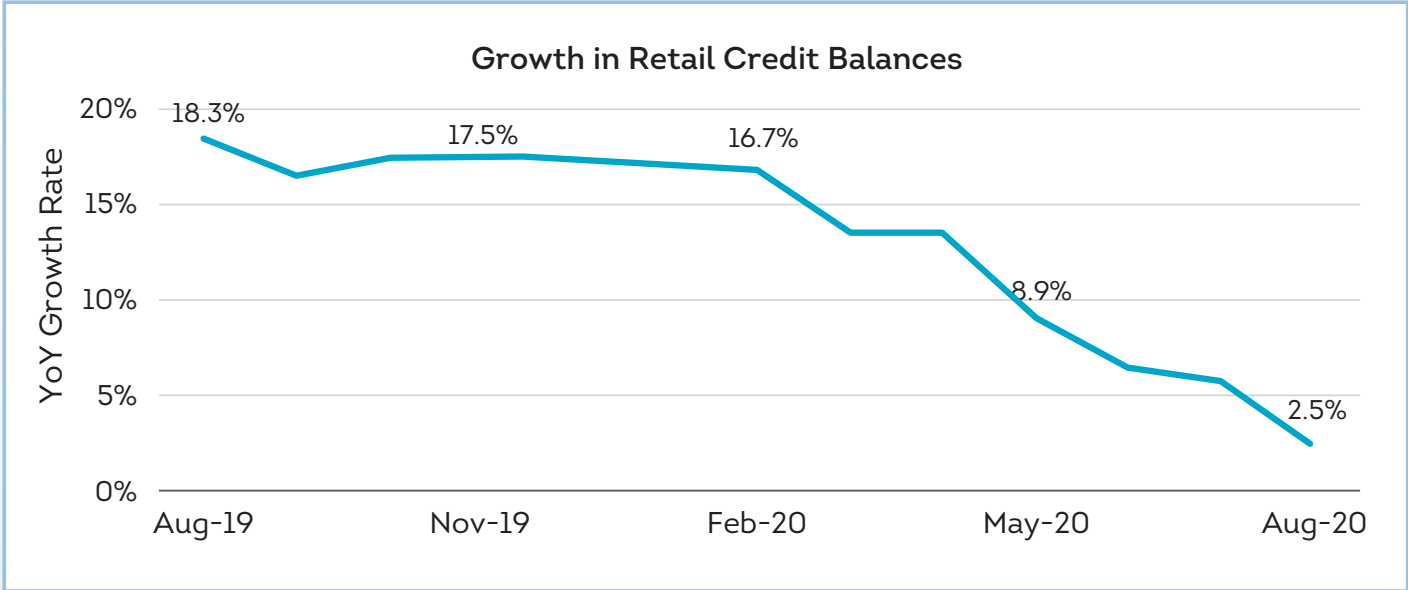
Source: Oxford Economics

CREDIT ACTIVITY

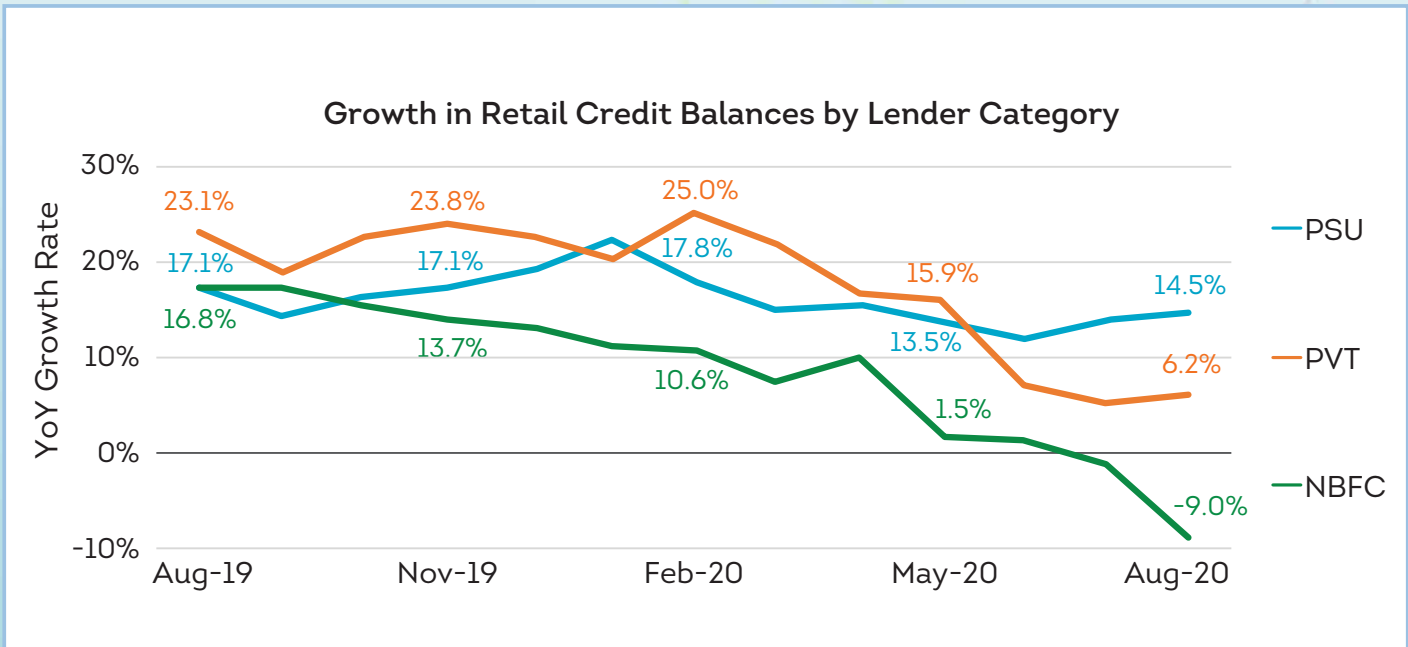
Balances and Access to Credit

Retail credit growth (YoY increase in balances) which had considerably weakened in 2019 slipped down further to 2.5% in August 2020 owing to limited credit activity in the initial months of lockdown.

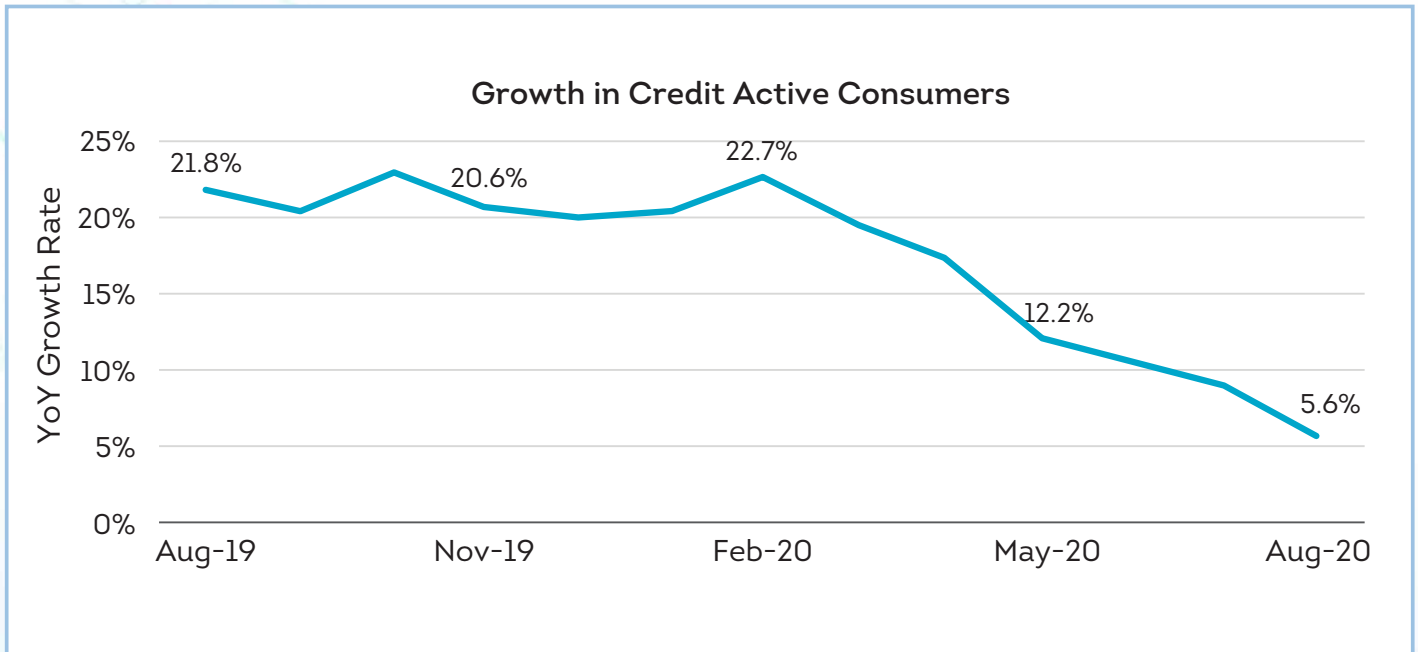
Retail credit primarily consists of term lending products that involve regular repayment of loan. Consequently, portfolio runoffs occur every month that need to be replenished by fresh loan originations. During the lockdown, while runoffs continued, new loan originations were minimum, resulting in a steep decline in credit growth.



The deceleration in balances growth is more pronounced for Private (PVT) banks and Non-Banking Financial Companies (NBFCs). Balances of PVT banks increased YoY by 6.2% in August 2020 and those for NBFCs declined YoY by -9.0%. Public sector (PSU) banks, who were amongst the first and earliest to see a resurgence in demand, saw their balances increasing by 14.5% YoY in August 2020.

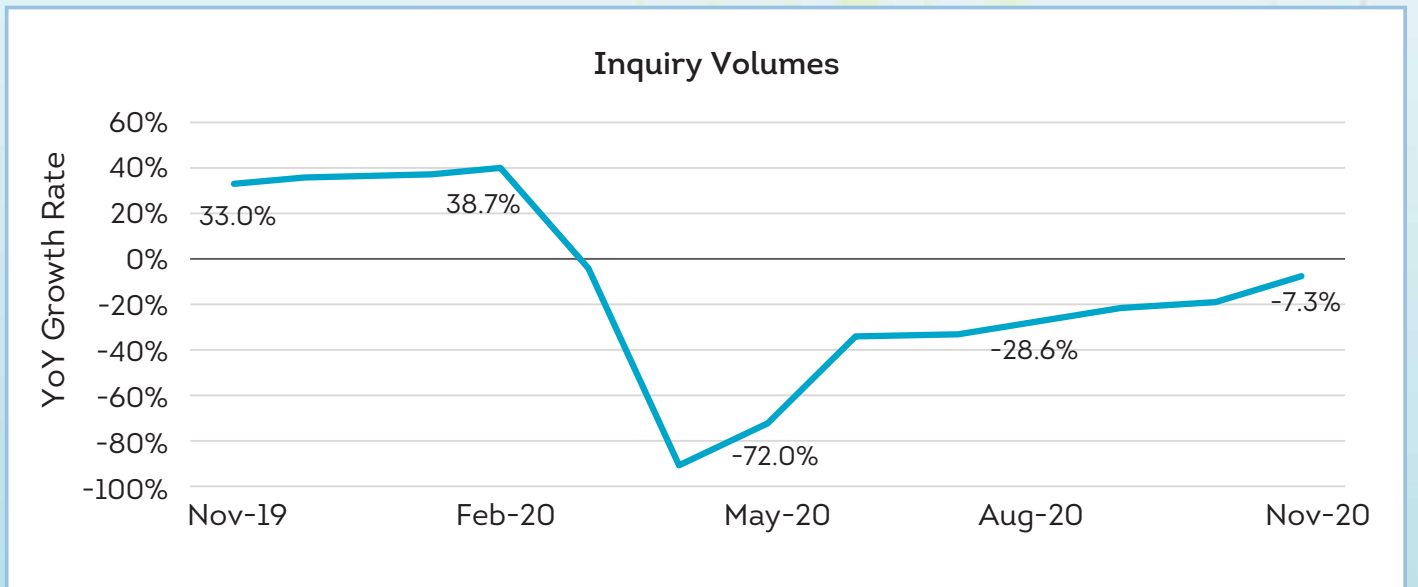


The number of consumers having access to credit (YoY increase in consumers having at least one active loan) has also fallen to 5.6% in August 2020 indicating an increased risk averseness by lenders in extending loans to new to credit (NTC) consumers.

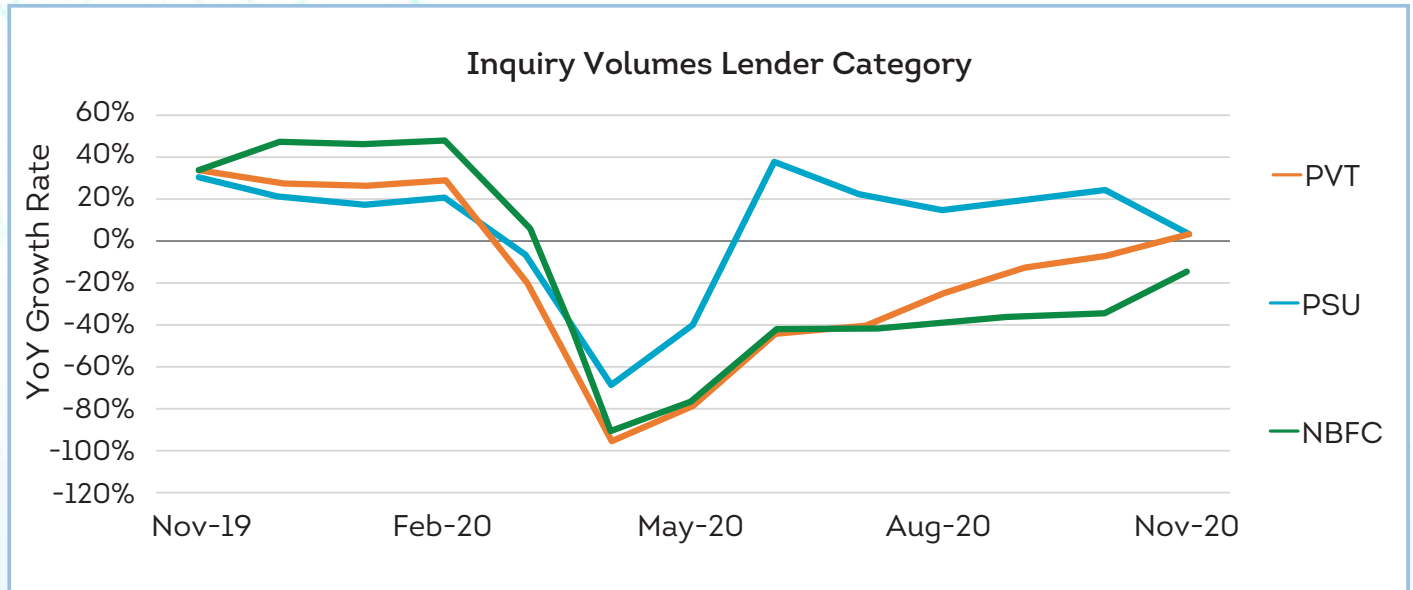


Credit Demand

Demand for retail credit products has steadily increased in recent months following the initial shock from the COVID-19 pandemic earlier this year. In November 2020, retail credit demand (as measured by inquiry volumes) was back to almost 93% of the levels observed in November 2019, and was significantly up from the low levels observed during the early months of the pandemic.

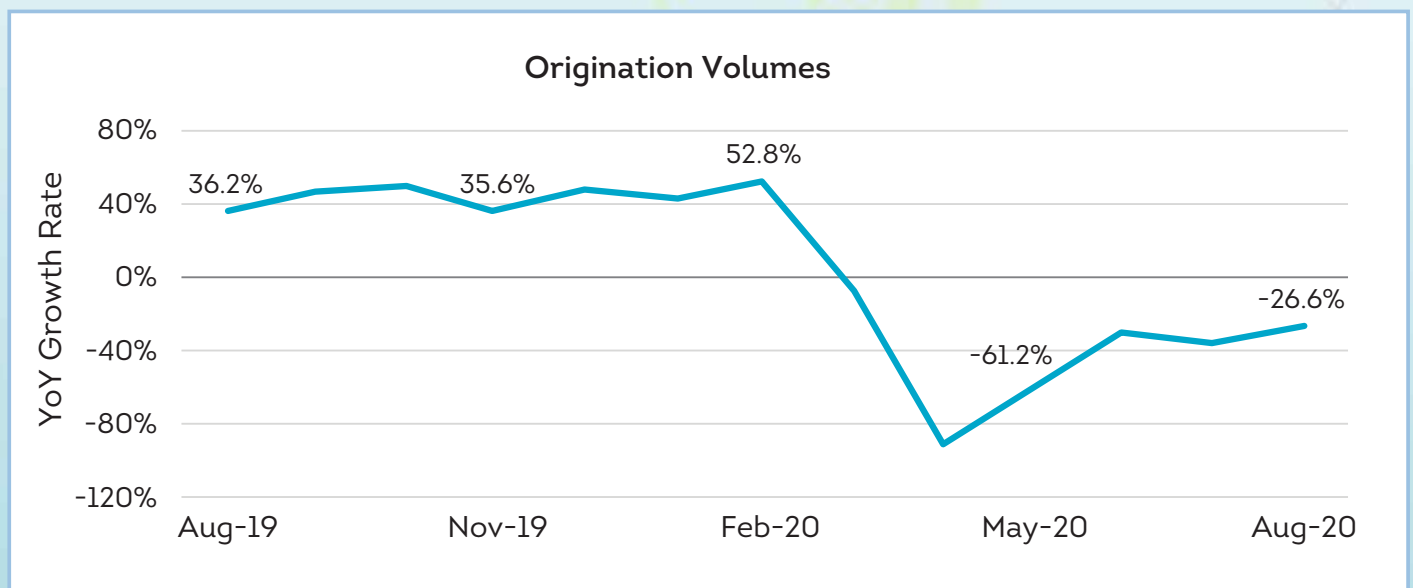


PSU banks saw the biggest rebound in inquiries in the unlock phase, as they were early in recommencing operations than their peers. PVT banks have witnessed a positive YoY growth in inquiry volumes for the first time in November 2020 since February. While inquiry volumes show an uptick in November 2020 for NBFCs, they still seem to be reeling under the impact of the pandemic and have seen the slowest resumption in inquiry volumes amongst all lender categories.

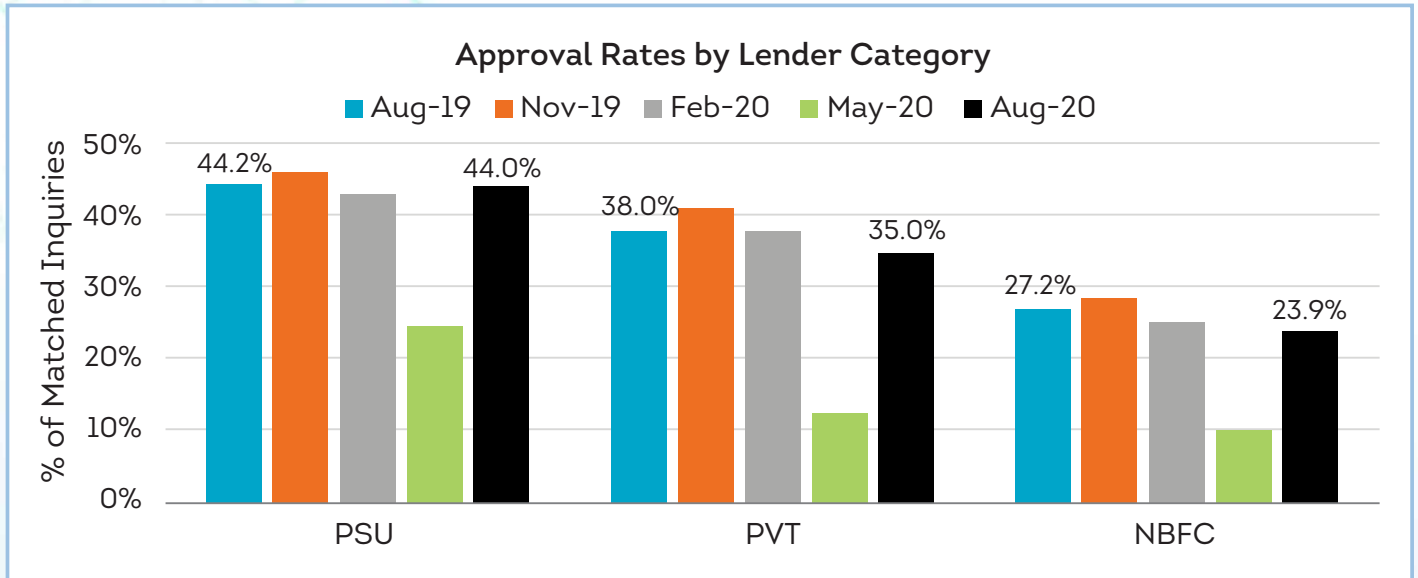


Originations

Supply of new credit has declined. Originations (as measured by new account openings), fell YoY by -26.6% in August 2020. When lockdown restrictions started to ease, there was a marked change in lender behavior, with some returning to the market far quicker than others. Equally, lender attitude to risk changed, with some providers moving away from the new lending market almost completely.



Originations are a function of both consumer demand and lenders' capacity and willingness to advance credit (supply). The latest statistics on money supply indicates that liquidity is not a challenge for most lenders. The significant fall in origination volumes across all major retail credit categories points to a decline in both consumer demand and lender risk appetite. Approval rates also support this conclusion, with a fall across all lender categories YoY in August 2020 except PSU banks.



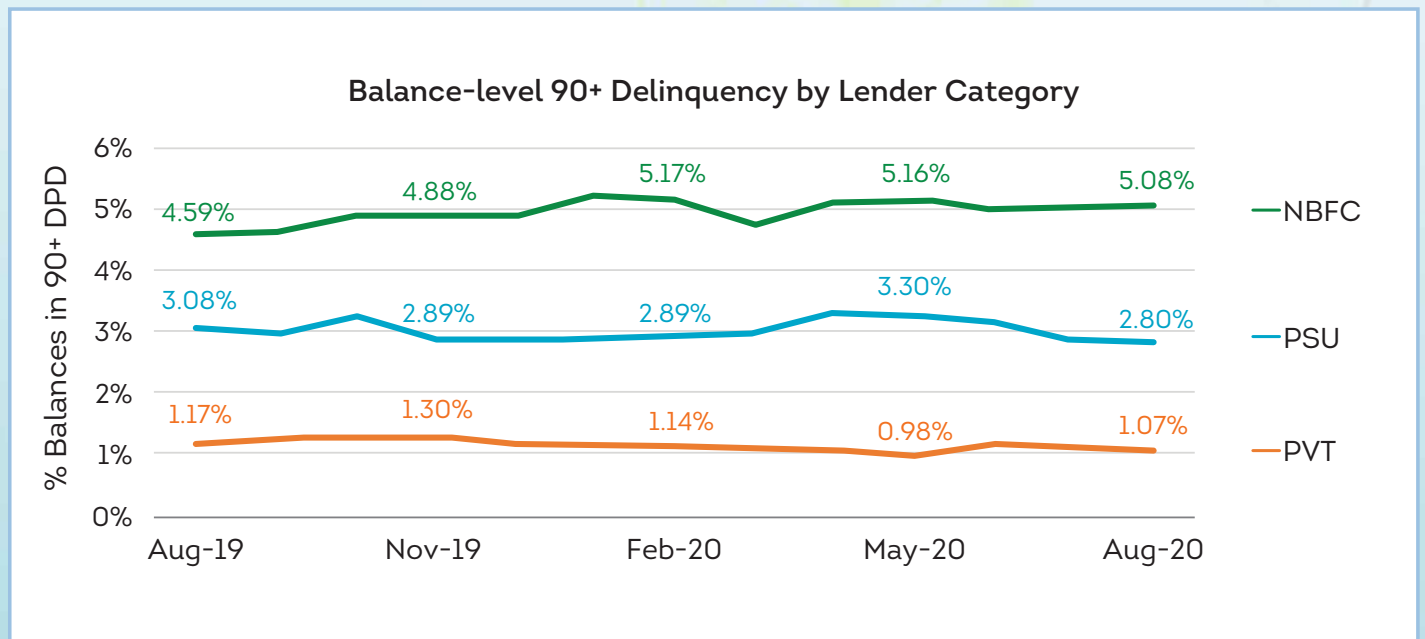


Delinquency

The delinquency picture is complicated and will take time to emerge due to the lagged effect of financial conditions, relief programs supported by lenders, and shifts in the payment priorities of consumers. Coming into the pandemic, delinquency rates had been relatively stable for a two-year period. The economic downturn caused by COVID-19 will likely have a lingering effect and influence delinquency rates for some time to come.

Delinquencies for NBFCs increased YoY by 49 bps in August 2020. NBFCs have historically onboarded relatively high risk consumers. These consumers are generally the first to get financially impacted in an economic downturn scenario.

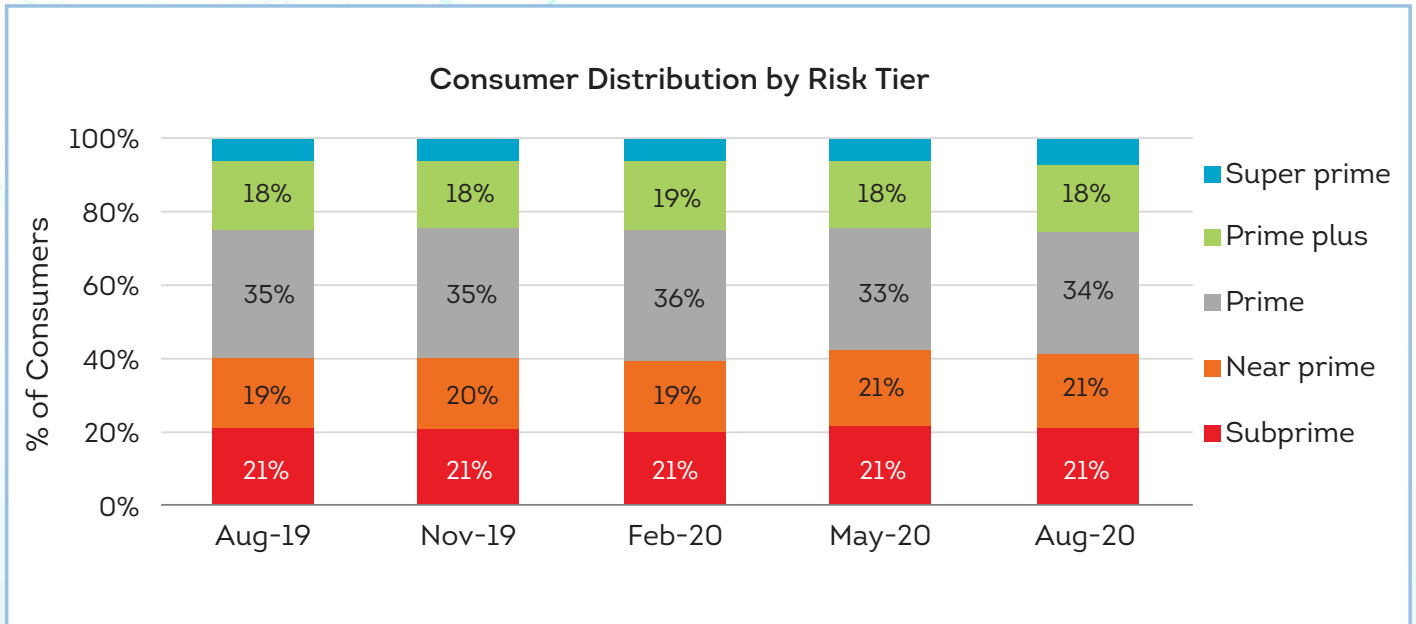
Delinquencies improved for PSU banks by 28 bps YoY, partly because of accelerated loan originations resulting into a better credit growth. PVT banks have adopted a more analytics driven approach towards risk and collection management. This has helped them in having a better control over their portfolio quality even in times of crisis. Delinquencies for PVT banks improved YoY by 10 bps.



Consumer Credit Scores

In order to ascertain the impact of the current situation on the credit behavior of consumers, we analyzed the shifts in consumer credit scores and looked at the migration matrix across various risk tiers.

Score distribution highlights a marginal shift towards high risk segments. The share of consumers in below prime segment (subprime and near prime) has increased to 42% in August 2020 from 40% in August 2019.

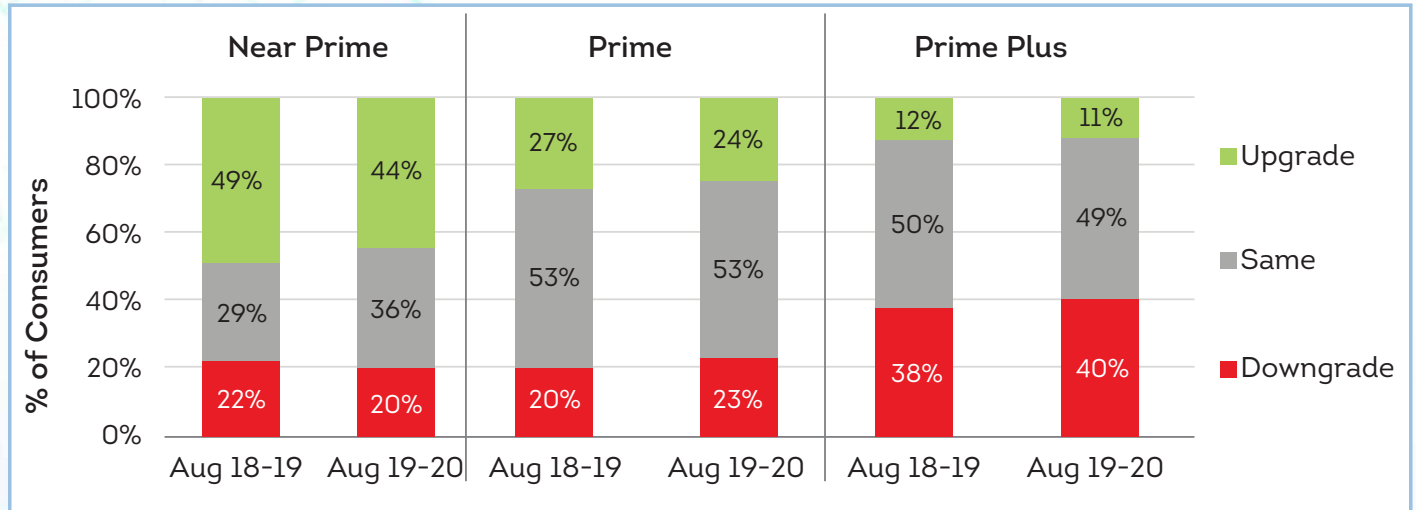


Consumer risk tier migration matrix looks at movement of consumers between risk tiers across a one year period. The table below that compares score movement between August 2019 and August 2020, indicates that near prime consumers who generally are on the edge of their credit behavior have the least stability. The mid layer prime consumers have an equal probability to upgrade or downgrade.

		Risk Tier Aug-20						
		Subprime	Near prime	Prime	Prime plus	Super prime	Score tier downgrade	Score tier upgrade
Risk tier Aug-19	Subprime	68.8%	22.3%	7.9%	0.9%	0.1%		31.2%
	Near prime	19.7%	36.2%	36.4%	7.0%	0.8%	19.7%	44.1%
	Prime	7.2%	15.6%	53.1%	20.5%	3.6%	22.8%	24.1%
	Prime plus	2.7%	6.4%	30.9%	48.5%	11.5%	40.0%	11.5%
	Super prime	1.2%	3.5%	11.3%	21.5%	62.6%	37.4%	

We compared one year risk tier movements for August 2019-2020 with August 2018-2019. In an economic downturn scenario, where consumers face financial hardship, the upgrades from near prime segment are likely to fall. Similarly, downgrades for prime and prime plus segment are likely to increase. We observed this shift for the period under consideration.

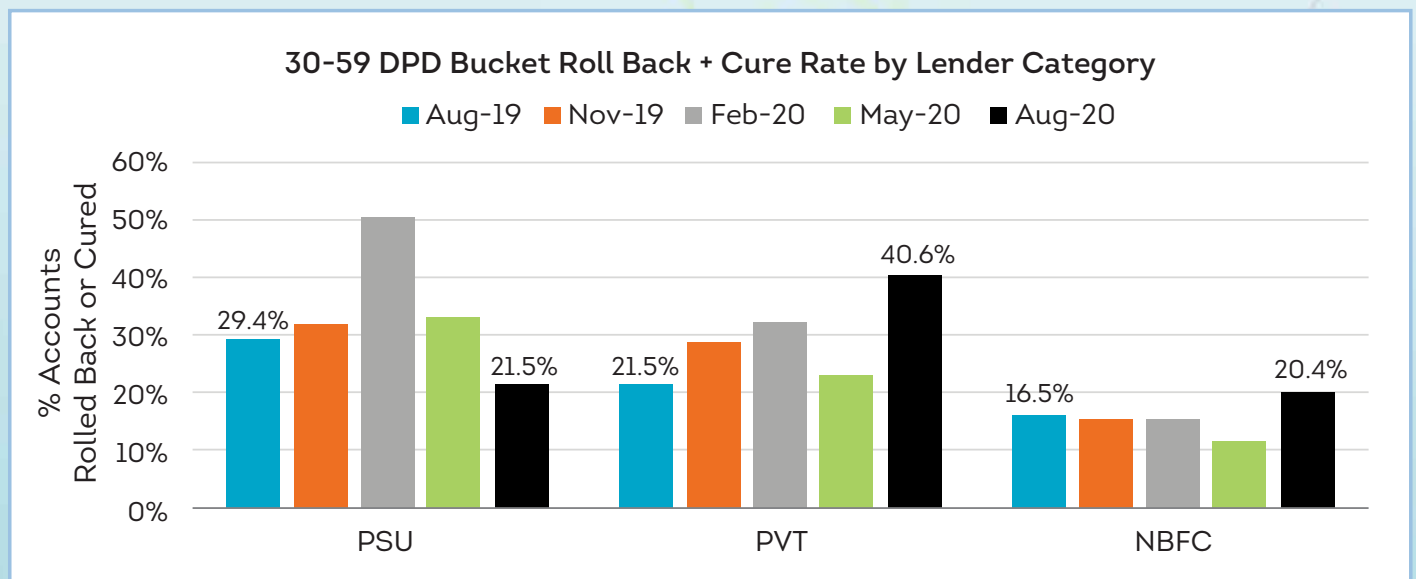
Upgrades from near prime segment have reduced to 44% in August 2019-2020 compared to 49% in August 2018-2019. Downgrades from prime and prime plus segment have increased by 3% and 2% respectively during the same time period.



Collection Efficiency

Collection management has become an important consideration for lenders with changing economic conditions and increasing number of borrowers facing financial hardship. Now that the moratorium period has ended, it is likely that an increased number of consumers will enter delinquency buckets making the collection process even more challenging.

Most lenders seem to have increased their focus on collections to ensure that their cash flows are not impacted. Our analysis reveals that 30-59 DPD bucket roll back and cure rates have improved YoY by 89% and 24% for PVT banks and NBFCs respectively.



PRODUCT SPECIFIC INSIGHTS



Home Loans

Parameter	Measure	Period				
		Nov-19	Feb-20	May-20	Aug-20	Nov-20
Inquiry Volumes	YoY Growth Rate	29.5%	22.9%	-61.1%	14.7%	9.1%
		Aug-19	Nov-19	Feb-20	May-20	Aug-20
Origination Volumes	YoY Growth Rate	-13.6%	23.2%	8.1%	-58.9%	-16.1%
Approval Rate	% of Inquiries	26.6%	26.2%	25.6%	6.8%	17.5%
Originations from New to Credit Consumers	% of Consumers	26.1%	23.4%	25.3%	11.1%	21.4%
Outstanding Balances	YoY Growth Rate	13.9%	11.9%	12.9%	7.7%	0.3%
Balance level 30+ DPD	% Balance in 30+ DPD	5.53%	5.76%	5.14%	4.91%	3.86%
Balance level 90+ DPD	% Balance in 90+ DPD	1.90%	1.96%	1.93%	2.17%	1.99%
Roll Back + Cure Rate 30-59 DPD	% of Accounts rolled back or cured	27.3%	27.4%	37.3%	24.4%	26.5%

Home loan inquiries increased by 9.1% YoY in November 2020. This increase in inquiries is driven by pent-up demand, reduced interest rates and attractive payment schemes and discounts offered by developers. Home loan interest rates are at a decade low. Many borrowers are taking advantage of this and opting for transferring their home loan balances to a low interest rate regime.

At the same time, there has been an increasing focus on home ownership by individuals. The bargaining power of home buyers has increased post COVID-19 and homes are now available at attractive prices. Consumers who otherwise wanted to buy a home and whose financial situation has not deteriorated are seeking this opportunity to buy homes. Reverse migration has also supported increase in housing demand in urban and semi-urban locations.

Origination volumes declined by -16.1% YoY in August 2020 compared to a steep decline seen during the initial months of the pandemic. Lenders seem to have become conservative in customer selection. Share of new to credit consumers (NTC) dropped to 21.4% in August 2020 from 26.1% in August 2019. Similarly approval rates also dropped by -9.1% YoY in August 2020.

Home loan balance level 90+ DPD rates increased marginally by 9 bps YoY to 1.99% in August 2020. Delinquency rates deteriorated the most for HFCs increasing by 37 bps YoY to 2.49% in August 2020.

Loans against Property (LAP)

Parameter	Measure	Period				
		Nov-19	Feb-20	May-20	Aug-20	Nov-20
Inquiry Volumes	YoY Growth Rate	39.5%	32.5%	-69.9%	-5.8%	-7.6%
		Aug-19	Nov-19	Feb-20	May-20	Aug-20
Origination Volumes	YoY Growth Rate	-1.2%	27.9%	15.0%	-79.9%	-30.4%
Approval Rate	% of Inquiries	24.7%	25.3%	26.9%	6.0%	21.1%
Originations from New to Credit Consumers	% of Consumers	19.6%	19.4%	22.6%	9.4%	16.9%
Outstanding Balances	YoY Growth Rate	15.8%	15.6%	9.7%	5.1%	-8.8%
Balance level 30+ DPD	% Balance in 30+ DPD	8.46%	8.49%	8.41%	7.67%	6.78%
Balance level 90+ DPD	% Balance in 90+ DPD	3.62%	3.82%	3.80%	4.03%	3.96%
Roll Back + Cure Rate 30-59 DPD	% of Accounts rolled back or cured	26.7%	22.8%	27.5%	26.7%	35.2%

LAP inquiries declined YoY by -7.6% in November 2020. PVT banks were the only lender category where inquiry volumes increased by 5.7% YoY in November 2020, indicating continued focus on this product even after the pandemic. This increase in inquiry volumes is driven by consumers seeking additional liquidity and also opting to transfer existing loans to lenders offering lower interest rates.

LAP origination volumes declined by -30.4% YoY in August 2020. Given the inherent risk that the product carries, lenders seem to have tightened their credit policy norms. Approval rates for LAP declined to 21.1% in August 2020 from 24.7% in August 2019. These decline in approval rates are observed only for PSU banks and NBFCs. It is encouraging to see that PVT banks continue to underwrite LAP with confidence, even in these uncertain times.

LAP 90+ balance-level delinquency increased by 34 bps YoY. LAP, which had already seen increasing delinquency rates prior to COVID-19, is a product generally used by small businesses as working capital finance. The pandemic and resultant lockdown has impacted the cash flows of small businesses further and consequently their ability to service debts has been diminished.

PSU and NBFC LAP August 2020 delinquency rates increased YoY by 83 bps and 92 bps to 7.23% and 4.56% respectively. PVT banks saw their delinquency rates improving by 43 bps to 1.28% during the same time period.

Auto Loans

Parameter	Measure	Period				
		Nov-19	Feb-20	May-20	Aug-20	Nov-20
Inquiry Volumes	YoY Growth Rate	7.6%	10.3%	-64.6%	-12.5%	5.2%
		Aug-19	Nov-19	Feb-20	May-20	Aug-20
Origination Volumes	YoY Growth Rate	-7.7%	0.1%	-3.1%	-83.5%	-24.0%
Approval Rate	% of Inquiries	42.6%	47.4%	42.0%	54.3%	40.8%
Originations from New to Credit Consumers	% of Consumers	21.6%	26.9%	21.9%	24.0%	20.9%
Outstanding Balances	YoY Growth Rate	12.8%	14.6%	10.9%	3.4%	3.1%
Balance level 30+ DPD	% Balance in 30+ DPD	7.97%	8.09%	7.47%	6.68%	5.83%
Balance level 90+ DPD	% Balance in 90+ DPD	3.13%	3.22%	3.15%	3.11%	2.91%
Roll Back + Cure Rate 30-59 DPD	% of Accounts rolled back or cured	21.0%	24.1%	26.8%	14.8%	28.4%

Auto loan inquiry volumes increased by 5.2% YoY in November 2020. Automobile sector was going through a difficult year even before the COVID-19 pandemic. Auto sales had been tepid for 12 to 15 months when the COVID-19 outbreak stalled production and overall economic activity.

The pandemic has brought about marked changes in consumer habits and behavior. Consumers have shifted away from shared mobility options as they prioritize social distancing and personal hygiene. This has led to better resumption in auto loan inquiry volumes. Further, festive season offers and the excitement created by new launches have contributed to the accelerated revival of auto loan market. Resumption in auto loan inquiries has been better in metro locations compared to non-metro locations where public transport facilities have not been completely opened for everyone.

Auto loan originations declined by -24.0% YoY in August 2020. Auto loan originations for PSU banks increased by 5.9% YoY in August 2020 while those for PVT banks and NBFCs declined YoY by -10.4% and -43.3% respectively. Originations from ultra large segment (loan size above INR 1 million) increased by 5.6% YoY, while all other segments witnessed a decline indicating that affluent consumers whose financial situation has not changed post COVID-19 are capitalizing on the opportunity to buy high end cars.

Balance-level 90+ delinquencies have improved by 22 bps YoY in August 2020. Our analysis on payment hierarchy reveals that consumers prefer to prioritize auto loan payments over other credit products. Data also show that collection efficiency has improved for auto loans in the early collection bucket. Auto loan delinquencies improved YoY by 4 bps and 98 bps for PSU banks and NBFCs respectively while increased YoY by 28 bps for PVT banks in August 2020. These improvement in delinquency levels for PSU and NBFCs are seen in non-metro locations.

Personal Loans

Parameter	Measure	Period				
		Nov-19	Feb-20	May-20	Aug-20	Nov-20
Inquiry Volumes	YoY Growth Rate	93.9%	50.6%	-77.5%	-56.3%	-43.1%
		Aug-19	Nov-19	Feb-20	May-20	Aug-20
Origination Volumes	YoY Growth Rate	158.4%	188.3%	166.2%	-70.0%	-42.2%
Approval Rate	% of Inquiries	29.0%	25.9%	26.3%	13.2%	31.6%
Originations from New to Credit Consumers	% of Consumers	14.8%	13.1%	11.9%	4.0%	8.5%
Outstanding Balances	YoY Growth Rate	37.4%	35.1%	36.9%	20.6%	15.3%
Balance level 30+ DPD	% Balance in 30+ DPD	2.28%	2.35%	2.13%	1.98%	1.98%
Balance level 90+ DPD	% Balance in 90+ DPD	0.66%	0.65%	0.74%	0.74%	0.65%
Roll Back + Cure Rate 30-59 DPD	% of Accounts rolled back or cured	17.7%	15.2%	20.8%	4.7%	18.1%

Personal loan inquiry volumes fell by -43.1% YoY in November 2020 as lender dynamics changed. Whereas in pre-COVID times FinTechs and non-banking financial companies (NBFCs) had driven much of the growth in this category, NBFCs saw a decline of -69.7% YoY in November 2020 as they pulled back from making personal loans available to high risk borrowers. Inquiry volumes for FinTechs also declined by -10.2% YoY during the same time period.

Overall personal loan origination volumes declined by -42.2% YoY in August 2020. However, origination volumes for PSU banks increased YoY by 66.5% during the same time. PSU banks are offering personal loans at attractive rates than their peers. Consumers who are facing financial hardship and are in immediate need of cash are preferring to avail personal loans from PSU banks. Consequently, share of PSU banks in personal loan origination volumes has increased to 26.8% in August 2020 from 9.6% in August 2019. NBFCs are losing market share in loan originations and their share dropped to 16.8% from 39.5% during the same time period.

August 2020 data shows that personal loan approval rates for both PSU and PVT banks have remained rather unchanged over the last one year. NBFCs and FinTechs on the other hand seem to have become conservative and their approval rates have dropped by -3.5% and -7.5% respectively between August 2019 and August 2020.

Personal loan 90+ balance-level delinquencies remained unchanged YoY at 0.65% in August 2020. FinTechs who historically have on boarded high risk consumers saw their delinquency rate rising to 5.99% in August 2020 from 2.50% in August 2019.

Credit Cards

Parameter	Measure	Period				
		Nov-19	Feb-20	May-20	Aug-20	Nov-20
Inquiry Volumes	YoY Growth Rate	45.6%	38.3%	-76.2%	-19.3%	-8.5%
		Aug-19	Nov-19	Feb-20	May-20	Aug-20
Origination Volumes	YoY Growth Rate	13.3%	37.4%	7.2%	-87.2%	-49.0%
Approval Rate	% of Inquiries	29.7%	30.1%	31.6%	12.3%	20.9%
Originations from New to Credit Consumers	% of Consumers	16.9%	18.4%	19.8%	18.9%	17.7%
Outstanding Balances	YoY Growth Rate	37.0%	48.3%	68.7%	33.1%	29.9%
Balance level 30+ DPD	% Balance in 30+ DPD	4.90%	4.69%	3.96%	3.77%	7.56%
Balance level 90+ DPD	% Balance in 90+ DPD	1.81%	1.89%	1.50%	1.51%	2.32%
Roll Back + Cure Rate 30-59 DPD	% of Accounts rolled back or cured	34.9%	37.5%	36.5%	24.1%	30.3%

Credit card inquiry volumes have seen a better resumption from the trough seen in April 2020, and in November 2020 were at 91.5% of November 2019 levels, suggesting that consumer economic activity has materially improved since the easing of COVID-19 lockdown measures.

Data show that credit card popularity in traditionally cash driven, non-metro locations has risen with more consumers seeking this product. November 2020 inquiry volumes in non-metro locations increased by 3.0% YoY compared to a decline of -19.1% YoY for metro locations.

Credit card origination volumes have also started picking up gradually as demand has resumed. Credit card origination volumes for August 2020 were at 51.0% of August 2019 levels. This decline is not as sharp as the one seen in the lockdown period of April 2020, where origination volumes slipped to 9.7% of April 2019 levels.

Social distancing rules and lockdowns have forced consumers to rethink how they spend, with digital payments becoming an increasingly attractive, or even necessary, option in order to transact and make purchases in a virtual environment. In this respect, credit cards provide a significant functional advantage over cash. This shift in consumer mindset is reflected in the growth observed in outstanding balances. Credit card outstanding balances increased by 29.9% YoY in August 2020.

Credit card 90+ balance level delinquency rates increased sharply by 51 bps YoY in August 2020. Credit cards delinquency rates reflected the wider economic slowdown, salary cuts and job losses caused by the pandemic. Further, credit cards often have a lower payment priority, with consumers choosing to pay other credit accounts first.





Lenders are currently faced with multiple challenges. These challenges include, re-aligning the distribution network to support social distancing, managing consumer demand, rebalancing operational workload, actively monitoring the portfolio, and ensuring health and safety of employees.

Lenders must proactively anticipate and be ready to respond to the changing market conditions and evolving consumer needs that will develop as the crisis progresses. The COVID-19 crisis is expected to impact some retail product categories more than others. Only by truly understanding consumer needs lenders can actively manage risk and provide the support their customers need.

To mitigate the impact on asset quality caused by this crisis, lenders need to devise data driven risk and collection management strategies. Lenders also need to invest in building analytic capabilities and make use of the best available information and solutions to help them do this.

Lastly, every crisis also presents an opportunity. This pandemic is expected to alter the dynamics of India's retail credit market, and the players ready to seize the opportunities of today would be leaders of the new retail credit industry that emerges post the crisis. While nobody can predict with certainty when this crisis will end and its material effect on retail credit market, what one can surely do is adapt quickly to these emerging challenges.

DEFINITIONS AND NOTES



- All credit related data is sourced from TransUnion CIBIL consumer database.
- Retail credit includes the following products: home loan, loan against property, auto loan, two-wheeler loan, commercial vehicle loan, construction equipment loan, personal loan, credit card, business loan, consumer durable loan, education loan and gold loan.
- NBFCs include Housing Finance Companies and FinTechs wherever not mentioned separately.
- CreditVision (CV) score ranges are: Subprime = 300-680; Near prime = 681 - 730 Prime = 731-770; Prime plus = 771-790; Super prime = 791-900. Grouped together, below prime consumers constitute a CV score of ≤ 730 and prime or above a CV score of ≥ 731 .
- Delinquency is calculated as accounts / balances in 30, 90 to 900 days past due respectively for home loan, LAP, auto loan, commercial vehicle, construction equipment and gold loan and as 30, 90 to 179 days past due respectively for two-wheeler loan, personal loan, credit card, consumer durable loan, business loan and education loan.
- Approval rate is calculated as the percentage of accounts which were opened within the next 30 days of the inquiry
- Roll Back + Cure rate is the proportion of accounts moving to 0-29 DPD in the subsequent month from the total pool of accounts in 30-59 DPD in the previous month



About TransUnion CIBIL Industry Insights Report

TransUnion CIBIL's Industry Insights Report is an in-depth, full-population solution that provides statistical information from TransUnion CIBIL's consumer bureau database, aggregated across virtually every live credit file on record. Each file contains hundreds of credit variables that illustrate retail credit usage and performance. By leveraging the Industry Insights Report, institutions across a variety of industries can analyze market dynamics over an entire business cycle, helping to understand consumer behavior over time and across different geographic locations throughout India. Businesses can access more details about and subscribe to the Industry Insights Report at:

<https://www.transunioncibil.com/insights-events>

About TransUnion CIBIL

India's pioneer information and insights company, TransUnion CIBIL makes trust possible in the modern economy. We do this by providing a comprehensive picture of each person so they can be reliably and safely represented in the marketplace. As a result, businesses and consumers can transact with confidence and achieve great things. We call this Information for Good.® TransUnion CIBIL provides solutions that help create economic opportunity, great experiences and personal empowerment for millions of people in India. We serve the financial sector as well as MSMEs, corporate and individual consumers. Our customers in India include banks, financial institutions, NBFCs, housing finance companies, microfinance companies and insurance firms.

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