

## Gold rush windfall: How smaller private and PSU banks are riding the bullion boom



Hemant Sagare, Director – Ratings at Brickwork Ratings, highlighted that the sharp, decade-long surge in gold prices has driven banks to expand gold-loan financing as a more secure lending avenue, easing pressure on capital adequacy and supporting portfolio stability. He also noted that several southern private and PSU banks have long experience in this segment, helping them manage operational risks, though a sharp fall in gold prices could still raise concerns around loan-to-value breaches, provisioning needs, and capital pressure.