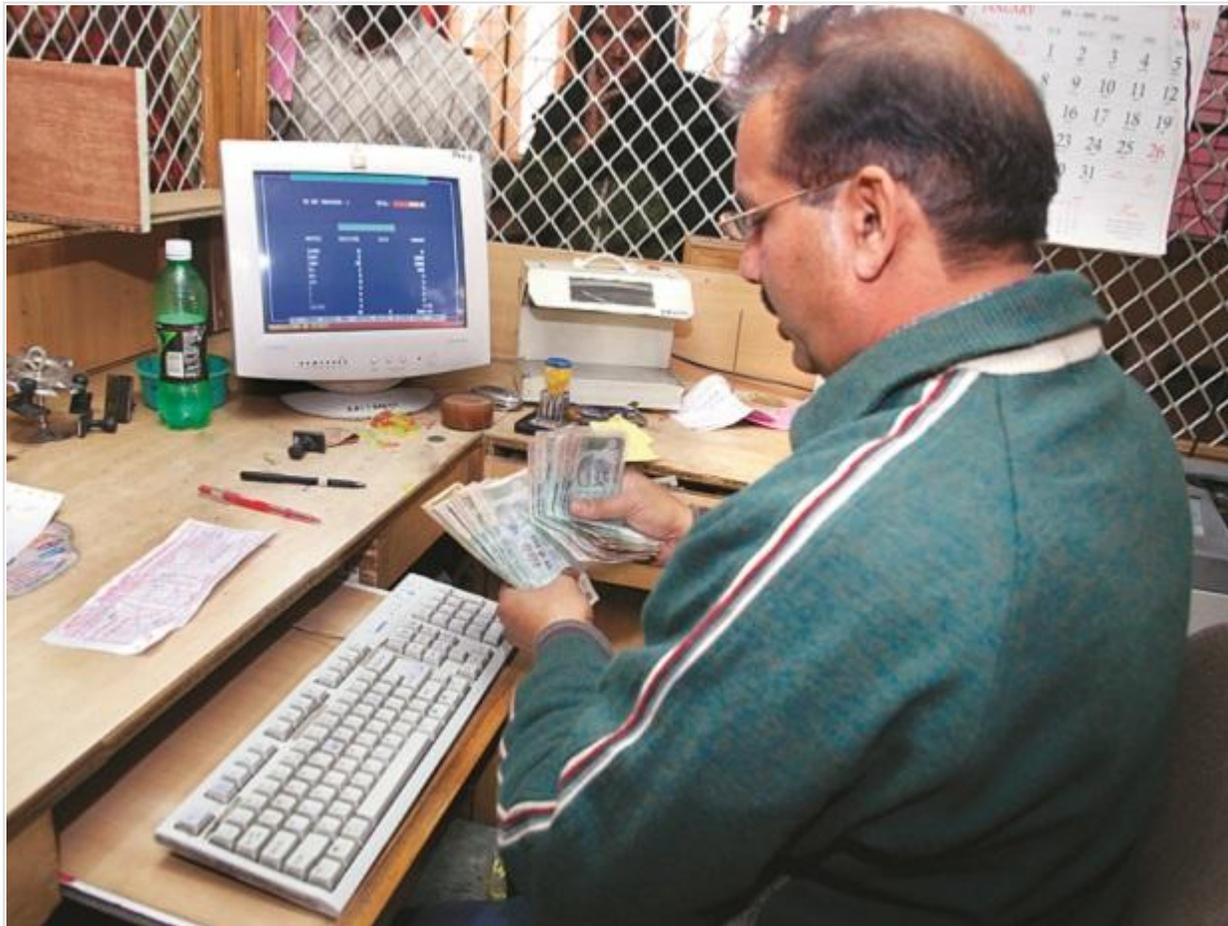


Public sector banks overtake private banks in fresh loan sanctions

Private sector lenders have been leading on this front for some time, mostly leveraging on retail credit.

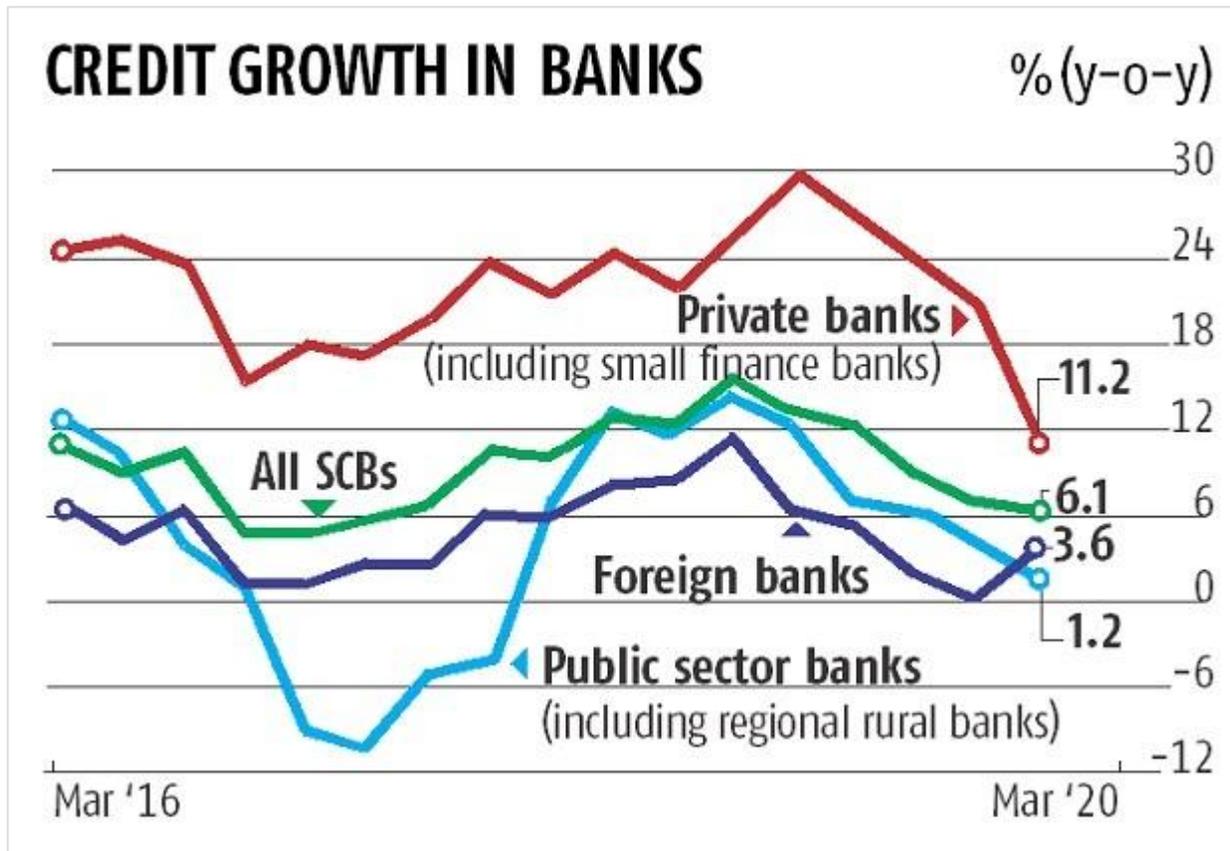
Anup Roy April 11, 2020 Last Updated at 00:28 IST



The overall credit growth remained muted with a dip in economic activities. The report said the slowdown in credit growth was spread across all bank groups, but was pronounced in private banks.

Public sector banks stepped up loan sanctions, shows data till February. Private sector lenders have been leading on this front for some time, mostly leveraging on retail credit.

Notwithstanding a higher share of NPAs and lower capital to risk-weighted assets ratio (CRAR), in February “the share of public sector banks in total fresh rupee loans sanctioned by scheduled commercial banks increased to 52.8 per cent from a low of 39.7 per cent in August 2019”, said the RBI’s monetary policy report, released on Thursday.

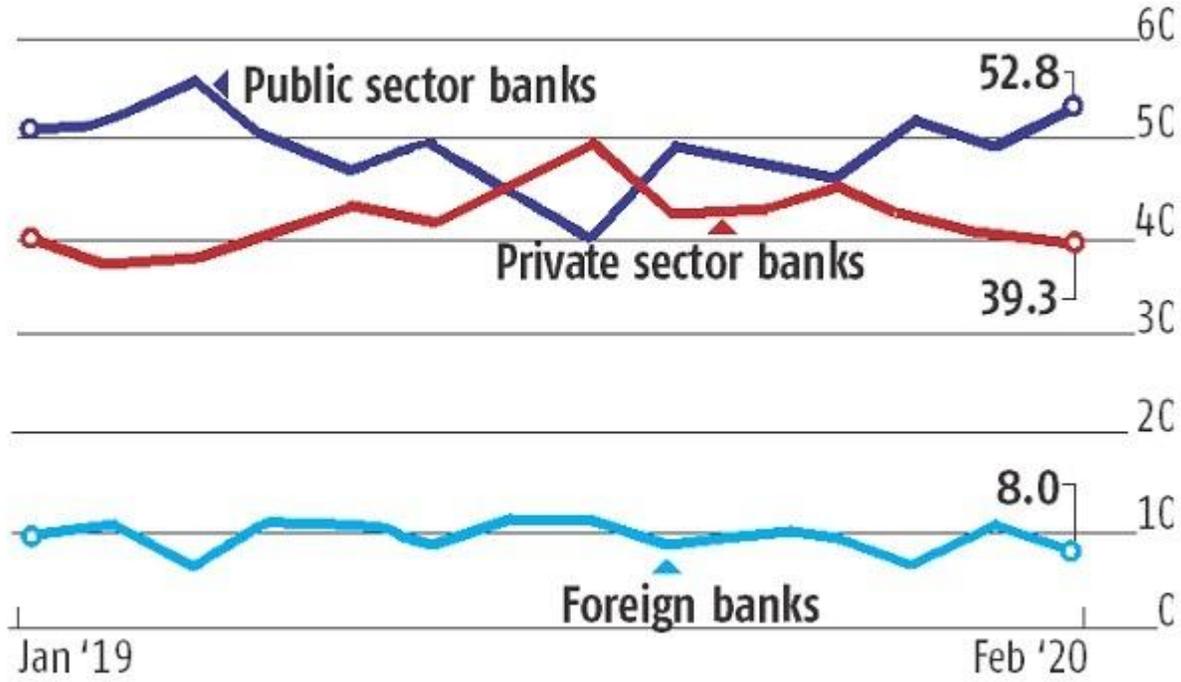


Credit offtake in the personal loan segment accounted for the largest share. Within the segment, credit offtake has been mainly concentrated in housing and credit card outstanding. The overall credit growth remained muted with a dip in economic activities. The report said the slowdown in credit growth was spread across all bank groups, but was pronounced in private banks.

“Credit growth of public sector and foreign banks remained modest, even as there has been some uptick in credit by public sector banks in the recent period,” the report said, analysing data up to March 13.

SHARE OF FRESH RUPEE LOANS

%



Source: RBI