

Private banks beat PSU banks; now, have more number of borrowers than govt lenders

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Published: May 22, 2020 12:26:37 PM

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Private sector banks have overtaken public sector banks (PSU banks) in the country with outstanding loans to more number of borrowers. The private lenders have reported a major expansion in their borrower base. From 8.68 crore borrowers a year ago, private lenders have reported the same at 12.60 crore in December 2019. While the number of borrowers of PSBs have also increased, it is not as stellar as the rate of private lenders, according to an [RBI](#) report, The Indian Express reported. The state-owned banks on the other hand, reported credit outstanding of Rs 58,49,986 crore, a marginal rise of merely 1% as compared to Rs 57,91,822 crore a year ago. The state-owned banks have managed to increase their borrowers base to 9.32 crore during the year from 9.17 crore a year ago, according to the RBI's 'Quarterly BSR-1: Outstanding Credit of Scheduled Commercial Banks for December 2019' report.

Private banks have also expanded their share in loan outstandings in the calendar year 2019, In December 2019, private sector banks had a share of 35.7% in the total credit while the same stood at 32.2% a year ago and 30% two years ago. On the other hand, the same for public sector banks has fallen from 70% to 65% now. According to RBI, total credit outstanding of private banks stood at Rs 35,34,855 crore as of December 2019. In December 2018, the same stood at Rs 29,67,516 crore. This marks a rise of 19.11%.

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Private sector banks have also witnessed a surge in their retail borrower base significantly last year. "Private banks have been focusing on the wholesale and retail customers — especially in the personal loan segment which includes auto and home loans. PSU banks started looking at the retail segment only recently," The Indian Express reported citing unidentified sources. Last year was tough for the banking sector as the financial sector has been reeling under woes and credit growth has been sluggish too.



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