

Consumer loans disbursement back to pre-Covid level: HDFC Bank

By: PTI

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HDFC said its consumer finance loans have got back to the pre-Covid levels of Rs 1,000 crore a month.

India's largest private sector lender **HDFC Bank** on Wednesday said its consumer finance loans are growing and the amount disbursed has got back to the pre-Covid levels of Rs 1,000 crore a month.

The city-headquartered lender's country head for consumer finance Parag Rao said changes in lifestyle due to aspects like lockdowns and work from home has created additional demand for items such as television sets, laptops, Wi-Fi routers and even vacuum cleaners, which the bank is funding at present.

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It can be noted that driving consumption demand in the economy has been one of the toughest challenges which policymakers are grappling with, and economists have expressed concerns about the same.

Acknowledging that a part of the traction being witnessed by the bank is pent-up demand, Rao said there is a "set of consumer appliances where demand is going up".

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Rao, who also heads the credit card and payments verticals, said traditional high ticket expenditures in categories like air tickets and hotel bookings is not present as the services continue to be shut and it will take time for the same to jump back to the old levels.

From an expenditure perspective, shares of small value transactions have gone up as a share of the overall pie, Rao said.

As against 8-9 per cent earlier, the small value spends of up to Rs 500 generally made for daily errands now account for nearly a fourth of the overall card spending on the reduced denominator, Rao said.

"People are pulling out their cards for more number of occasions and hence, activity on cards has gone up," he said.

The upcoming fintech players are competitors but not disruptors, he asserted, adding that emergence of newer players helps broaden the market opportunity.

“The yeoman’s job which this competition is doing is I think it is expanding the market,” he said.

He said HDFC Bank is a full service bank offering an entire suite of products, including payments and deemed to suggest sustainability is important for the lender.

“Sustainable market leadership is not just about throwing cashbacks or having the best customer experience. It involves all of it but also means that in your business model you value sustainability,” he said.



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