

A COMPARATIVE STUDY OF RETAIL LENDING PRACTICES IN PUBLIC SECTOR AND PRIVATE SECTOR BANKS

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ABSTRACT

Economic reforms in a country like India have generated new and powerful customers over the period of time; Demographic shifts and technology have brought new expectations of the customers. Hence, there is an urgent need to introduce new products or Existing products need to be delivered in an innovative and cost-effective way by taking full advantage of emerging technologies. Retail has become focus area particularly in respect of financing consumer durables these days. This paper exhibits a comparative study of retail lending among public sector banks and private sector banks and its overall impact on their performances considering time period from 2010 to 2013. For the purpose of this study, secondary data have been collected from the reports and publications of Reserve Bank of India. It has been observed that private sector banks have an edge over retail lending over public sector banks, as they focus more on low-risk retail loans as compare to wholesale loans.

KEY-WORDS: Public sector banks, Private sector banks, consumers, expectations, retail lending, emerging technologies.

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