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India’s largest lender SBI is gradually capturing the very lucrative unsecured personal loan(PL) market.

A thread ■



As per credit bureau CRIF Highmark Unsecured PL market has seen significant growth in recent years. This has been driven a lot by liquidity crunch due to lockdown and emergency medical needs.

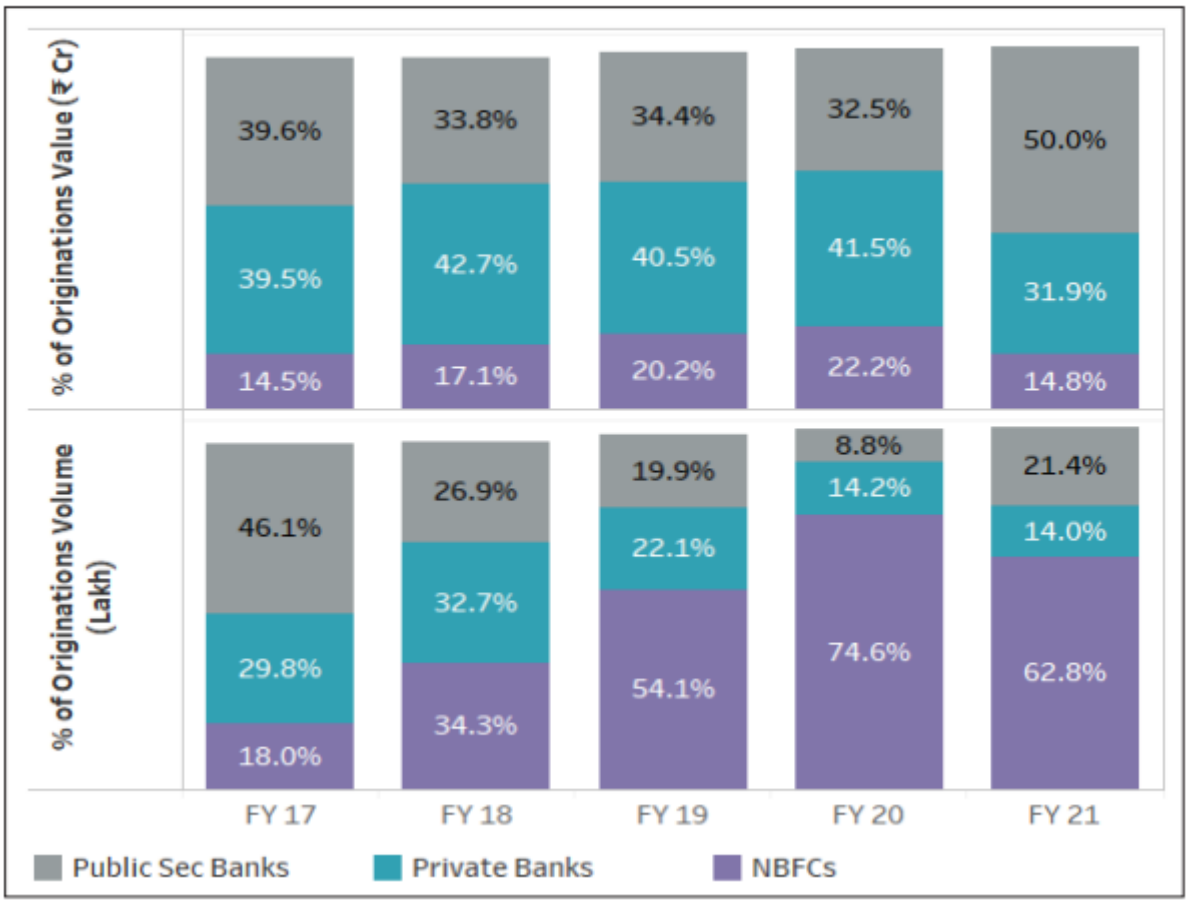
Total unsecured PL portfolio as per CRIF was estimated to be at 4.1 lakh crore as on March 19. This increased to 6.5 lakh crore by March 21.

Overall Personal Loans

	Mar-19	Mar-20	Mar-21
Portfolio Outstanding (₹ K Cr)	409.3	536.4	644.6
YoY Growth%		31.1%	20.2%
Active Loans (Lakh)	210.1	339.2	396.0
Y-o-Y Growth%		61.4%	16.7%
PAR 31-90%	1.5%	1.6%	2.2%
PAR 91-180%	0.5%	0.8%	1.3%
PAR 180+%	2.2%	2.4%	3.0%

Interestingly, in spite of fintech and NBFC penetration, public sector banks still had majority share – they originated 50% of incremental unsecured PL loans in FY 21 by value.

Originations (FY17 to FY21) - by Lender Type



SBI's PL portfolio during the period also increased from 1 lakh crore in March 19 to 2.4 lakh crore. This growth was driven by their Xpress credit product which uses credit bureau and other data to sanction loans within just eight minutes!

SBI also has 17 million plus corporate salary accounts. 90% of these are government employees which are considered very good credit customers due to their job stability.
This has helped bank in keeping the NPA numbers at just 0.71% compared to industry's PAR 180 of 3%.

A combination of high yield, granular customer base and low NPAs has made it a very high focus product for the bank. Bank is now targeting to take this portfolio to 3 lakh crores by December 2022 !