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A STUDY ON LOAN DISTRIBUTION STRATEGIES IN BANKING SECTORS AT CITY UNION BANK THUTTIPATTU

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Abstract

The study also undertakes a comparative study of the methods of loan distribution between public and private sector banks: Comparing segmentation, underwriting practice, delivery channel and loan portfolio. The study is based on both primary and secondary data of bank customers and officials with references to secondary sources like there ports presenting by the RBI and the published researches and uses parameter so the loan processing time, interest rates, documents required, and customer satisfaction. The results indicate that the presence of the public sector banks is more concerned with the affordability and accessibility, which are achieved by reducing the interest rates and accommodating even more areas in the priorities, yet are deficient in the velocity and effectiveness of the services .Instead, the banks in the private sector want to take advantage of technology and efficient systems in order to provide quicker disbursals, variety on products, and customer satisfaction, with an increment in interest rates by small amount. The paper finds that the two sectors have complementary contributions in serving diverse needs of borrowers, as well as in promoting improved practices between the two sectors to strike an equilibrium of efficiency, affordability and inclusiveness.

Keywords

Comparative study [1], public and private sector banks [2] , customer satisfaction [3],equilibrium of efficiency.[4]