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Online panel discussion on "COVID-19- The Changing landscape of India's Financial sector, what lies ahead " organized by The Bengal Chamber on 28th May.

Coronavirus Lockdown: Economy needs support from PSBs, says Union Bank chief Rajikiran Rai G

Press Trust of India May 29, 2020 14:36 PM IST

Kolkata: The country's economy, which has been hit by the COVID-19 outbreak, needs support from the public sector banks (PSBs) to boost credit growth, an official said on Friday. The number of PSBs has come down after amalgamation of several lenders, and their ability to lend has increased manifold, Union Bank of India MD and CEO Rajikiran Rai G said.

Recently, Oriental Bank of Commerce and United Bank of India were merged into Punjab National Bank, Syndicate Bank into Canara Bank, Allahabad Bank into Indian Bank and Andhra and Corporation banks into Union Bank of India.

He said the lenders will be able to meet the expectations of the business community.

Speaking at a webinar session organised by the BCCI, Rai said that there will be a shift of credit growth in favour of the PSBs, adding that depositors will expect an interest rate of 5.5 percent.

According to him, the issues of the depositors cannot be overlooked, and more stress will have to be given on the liability side to retain customers.

Kotak Mahindra Bank's whole-time director and president Gaurang Shah said the retail, a low-cost liability base, is the key sustenance factor of the banks.

Ajay Kanwal, MD and CEO of Jana Small Finance Bank said around 65 percent of micro-finance borrowers felt the COVID-19 impact to a large extent.

He said customers at the bottom of the pyramid are most vulnerable and the right kind of support should be extended to them.

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