



ANALYSIS OF RETAIL LOANS AT THE SUCO BANK, BALLARI.

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Abstract:

Retail loans are a popular financing option provided by certified, to individuals who wish to purchase assets like property, electronics, vehicles, and other essentials. To be eligible for a retail loan, borrowers must possess a decent credit score and an impressive repayment history. When obtaining a retail loan, the borrower is required to return the loan's principal and interest over a set time, either monthly or annually. People who need immediate cash for a purchase but don't on hand to make it upfront frequently turn to retail loans. Studying retail loans in cooperative banks allows researchers to understand customer needs, assess loan portfolio quality, evaluate financial inclusion, and evaluate cooperative bank performance. This knowledge can help tailor loan products to meet the needs of their target market, leading to improved customer satisfaction and loyalty. Analysing loan portfolio quality helps identify potential risks, such as delinquencies or defaults, and allows banks to implement appropriate risk management strategies. Studying repayment patterns and default rates can refine lending practices and mitigate credit risks. Cooperative banks often serve underbanked or underserved communities, playing a crucial role in promoting financial inclusion. Studying retail loans in cooperative banks can provide insights into how they contribute to extending credit to individuals with less access to mainstream financial institutions. Analysing cooperative bank performance can gauge profitability, efficiency, and competitiveness, identifying areas for improvement and enhancing sustainability. Findings from a study on retail loans in cooperative banks can inform policymakers and regulators in designing frameworks that facilitate growth and stability while safeguarding borrowers' interests and ensuring financial stability. Index Terms – Retail Loans, Banking Process,

I. INTRODUCTION

Financial system is crucial to a country's economy. A financial framework is essential in today's society since it plays a key role in a nation's financial development and establishes the focal point of its currency market. Made two or three incredible advances over the past three decades, and is now stunning in its broad client base and is no longer restricted to India's cities or cosmopolitans. Indian banking has spread to the most rural nation and main goals for Indian development. Digital payments are becoming more prevalent, with banks providing advanced technology tools and infrastructure to support these transactions. Real-time currency translation at competitive rates also enhances the digital payment experience. Additionally, banks are using machine intelligence to automate repetitive tasks like anti-money laundering and fraud detection, allowing employees to focus on more critical tasks. This allows banks to provide personalized customer service by utilizing customer information for recommendations. Retail loans are a popular financing option for individuals purchasing essential items like property, electronics, and vehicles. Eligible borrowers must have a good credit score and a good repayment history. They are required to return the loan's principal and interest over a set time, either monthly or annually. Retail loans offer advantages such as reaching financial goals without making an upfront payment, being versatile and flexible, and being simple to obtain.

Literature survey

Irina Tretvakova (2016) Retail lending due to a number of reasons holds a special place in the general system of credit relations and plays an important role in modern free market economy. Being a dynamically developing segment of banking business, retail lending is considered as an effective part of the entire system of credit relations within the framework of the present study.

Richard Chamboko (2016) This study tackled the understudied problem of predicting the transition from delinquent to normal performance on retail consumer loans while at a same time taking into consideration time-dependent macroeconomic variables and the recurring nature of delinquency.

Katarzyna Bijak (2017) Loss Given Default (LGD) is the loss borne by the bank when a customer defaults on a loan. In the frequentist (non-Bayesian) two-step approach, two separate regression models are estimated independently, which can be considered potentially problematic when trying to combine them to make predictions about LGD. The result is a point estimate of LGD for each loan.

Juha Eskelinen (2019) The literature has proposed various statistical techniques when the value judgments do not guide the selection of the inputs/outputs. Two techniques, the variable reduction procedure of Jenkins and Anderson (2003) and the approach based upon the efficiency contribution measure of Pastor, Ruiz, and Sirvent (2002), were compared in an empirical retail bank context. The objective was to select a representative set of outputs from the services the bank provides.

Mark J. Holmes (2015) Using a sample of Colombian banks, we examine how retail interest rates vary in response to changes in wholesale interest rates. It is shown that there is a partial and variable interest rate pass-through from wholesale to retail rates among institutions.

III RESEARCH DESIGN AND METHADODOLOGY

Objective of the study:

To study and analyze the earlier researches carried on Retail Loans

To study the issues and challenges in retail loans at Suco bank

To study the recent trends in retail loans in Suco bank

Type of Research :Descriptive Research

Sampling Area: SUCO BANK

Sampling Type: Simple random sampling

Data sources:

Primary and secondary data sources-are used to obtain information.

Primary data: are new data acquired from employees ,customers, via survey using the questionnaire. The questionnaire assists in identifying the retail loans and its process.

Secondary Data: Secondary data gathered from historical records, books, and numerous newspapers, magazines, and so on..

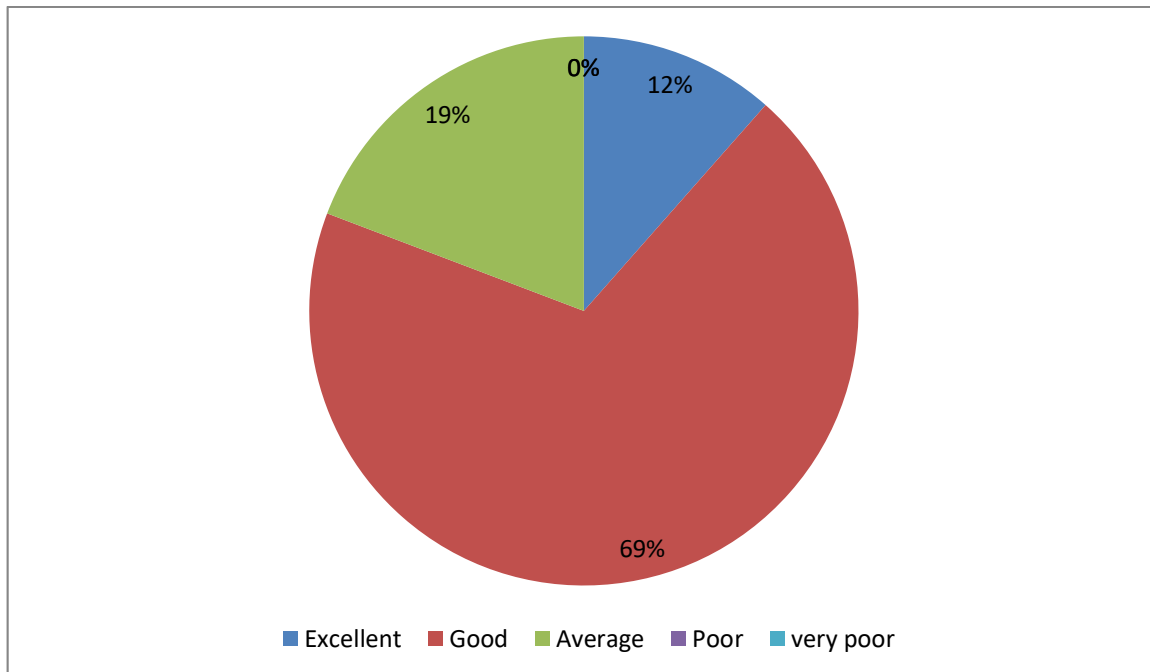
Sample Size : 100 sample

ANALYSIS AND INTERPRETATION

The data collected is assorted based on the parameters inculcated in the questioner and the data is interpreted using graphical interpretation a sample of the data interpretation is shown in the below figure representing the respondents eagerness with retail loans.

Interpretation of data collected on how convinced were the respondents with the retail loan or advance of approval process ?

Sl no	Particulars	Respondents	%
1	Good	69	69%
2	Excellent	12	12%
3	Average	19	19%
		100	100



IV Results and Discussions

- This investigation revealed that the Suco Bank advance product ranked first in Ballari's market.
- By meeting customer needs with Suco Bank's advance product, tremendous possibility to compete with ICICI Bank and keep its customers.
- In Ballari, it has been noted 82% correspondents use Suco Bank's advance products, while 18% do not use any Suco Bank advance products at all.
- All of Suco Bank's clients are pleased with the services the bank offers.
- Many of these clients were pleased with the advance product's low interest rate and extended payback time.
- The majority of Ballari's clients like borrowing money from Suco Bank.
- Nearly 40% of those who have used advance products felt Suco Bank's service is good.
- Customer service provided a very concise and helpful response.

V Conclusion

Suco Bank's expanding product offerings are favorably received by its clients. Suco Bank is fulfilling its primary responsibility by servicing a broad variety of clients and offering them the right services. The bank has a significant clientele; thus the financial institution has to concentrate on this to maintain those customers.

In a gift situation, Suco Bank is the largest issuer of advance products in India. A typical bank could not have predicted the kind of success that Suco Bank has had in such a short period of time, but Suco Bank is carrying it out. It takes place as a consequence of brand perception, staff loyalty to the organization, and India's fastest-growing economy.

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