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Lending rates on fresh loans rise 10 bps month-on-month in January

At 12 bps, the WALR hike was most pronounced at private banks, while public sector banks' (PSBs) WALR on fresh loans rose 8 bps.

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"Rates on existing loans cannot increase suddenly because they are linked to the repo, unless the credit ratings change. So higher rates are being seen on new loans where there is more room for better pricing," he said.

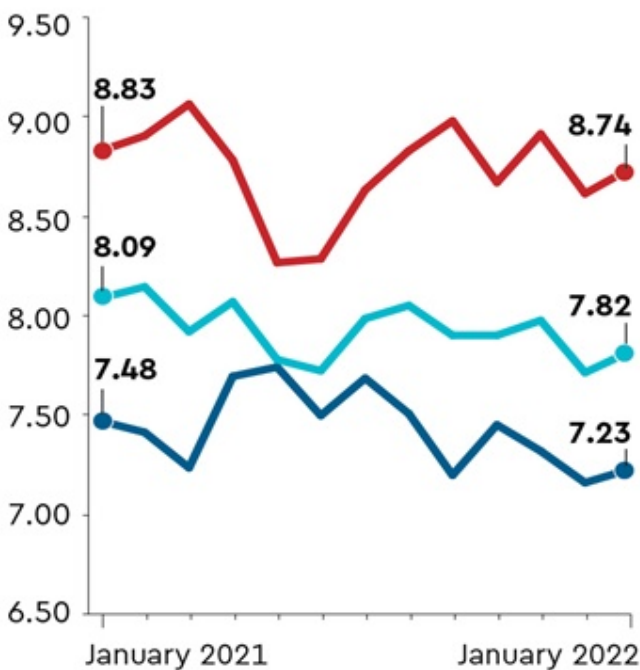
money market rates and an improvement in credit offtake.

As banks roll back their special festive season pricing offers and the recovery in credit growth becomes more entrenched, analysts and sector experts are taking the view that lending rates may be bottoming out. At 12 bps, the WALR hike was most pronounced at private banks, while public sector banks' (PSBs) WALR on fresh loans rose 8 bps.



Weighted average lending rates on fresh rupee loans

(in %) — Public Sector Banks — Pvt sector Banks — Scheduled Commercial Banks



Source: RBI

