

The [retail](#) lending market rose significantly over the past year while [delinquency rates](#) declined, a CIBIL report said. This comes against the background of banks increasingly moving to retail, as corporate loan asset quality comes under pressure.

The aggregate balance of [retail](#) lending products increased 24.5 per cent to reach Rs 26.1 trillion in the first quarter of 2018-19, mainly due to a 31.3 per cent year-over-year rise in total account volumes, which was somewhat offset by a 5.9 per cent annual decline in average balance per account, according to the report.

[Retail](#) lending growth was due to a confluence of positive factors on both the demand and supply side. “Supply is driven by increased focus of banks on [retail lending](#) and increased capital availability and focus by non-banking and financial companies. Increasing economic growth and domestic demand is the prime growth driver on the demand side,” according to Yogendra Singh, vice-president of research and consulting, TransUnion CIBIL.

[Delinquency rates](#) and 90 or more days past due for major [retail lending](#) products saw a fall over the last year.

While [delinquency rates](#) for [credit cards](#) and [home loans](#) rose moderately by 9 basis points and 4 basis points, respectively, loans against property saw a steep rise of 33 basis points.

The number of accounts increased for all major retail products, including auto loans, consumer durable loans, credit cards, home loans, [personal loans](#) and loans against property over the past year, with consumer loans showing the strongest growth of 82.8 per cent.

As the average ticket size of retail loans saw a moderate growth, the rise in [retail lending](#) market was mainly driven by a high volume growth.

“The retail lending industry continued to expand in a robust and sustainable manner. Account originations and balances grew significantly over the past year. More consumers gained access to credit, while delinquency rates were at controlled levels and generally remained flat or trended lower,” CIBIL added.