

## growth will pick up in second half: SBI chief

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Mumbai, July 10:

Expecting the bad loans situation to improve from the third quarter of this fiscal, Arundhati Bhattacharya, Chairman of State Bank of India, hoped the Seventh Pay Commission will improve the deposit situation, which is now at a low.

In an exclusive interview to *The Hindu*, the head of the country's top bank said that credit growth in public sector banks, which lagged private sector banks, "will pick up in the second half. The reason why loans for private sector banks grew, which is also applicable for us, is due to refinancing of completed projects. This is happening by cannibalising smaller banks.

"We are able to offer a rate which is lower than what the smaller banks charge. Loan growth was not because of new investment or new demand," Bhattacharya said.

She also pointed to the shift in focus "on retail these days... even public sector banks are getting into the act... But unless you offer a competitive rate, it is difficult to get new business."

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