

# Business Standard

## Lending rates to soften only slowly: Banks

**SBI chairperson Arundhati Bhattacharya says banks are not in position to compress margins as they have to provide for credit costs**

Abhijit Lele | Mumbai August 23, 2016 Last Updated at 00:04 IST



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Bankers' message to Reserve Bank of India (RBI) governor-designate Urjit Patel on the first working day after the announcement of his selection for the top job might not be music to ears. The lending rates would come down only slowly and that too depending on signs of a credit pick-up and comfortable liquidity position. In the words of State Bank of India Chairman Arundhati Bhattacharya, lending rates will be a function of liquidity and pick up in credit demand. The SBI group, including associate banks, has a 22 per cent share in banking system's business. Banks are not in ...