

# Post-amalgamation, 1,500 branches of SBI, associates will be merged

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Will happen in the second half of next fiscal, says SBI MD



## Mumbai, March 1:

About 1,500 branches of State Bank of India and its five associate banks will be merged following amalgamation of the latter with their parent bank, said a top official.

According to government orders issued on February 22 under the State Bank of India Act, 1955, the entire undertaking of State Bank of Bikaner & Jaipur, State Bank of Mysore, State Bank of Travancore, State Bank of Patiala, and State Bank of Hyderabad will stand transferred to and vested in State Bank of India from April 1, 2017.

The branch rationalisation will happen in the second half of the next financial year, said Rajnish Kumar, Managing Director (National Banking Group), State Bank of India.

“Branch rationalisation will happen wherever the retail branches are in close proximity. For example, in Tirupati, in a single building we have State Bank of India on the first floor and State Bank of Hyderabad on the second floor. We don’t need two outfits in one building or in close proximity,” said Kumar.

## To expand network

But, at the same time, the bank, which is India’s largest, has plans to expand its network because the country’s population is increasing, newer localities are coming up, and newer demands arising, explained Kumar.

He elaborated: “So, what will happen is some of these branches will get merged and new branches will be opened. Post-merger, we will have 24,000 branches.

“And what I believe is that in the next two years, new branches will be opened and some of the existing branches will be merged. But the overall number of branches would remain around the current level.”

Emphasising that customer experience will be better and a lot of inefficiencies will be removed as a result of the amalgamation, Kumar said SBI’s retail book will go up to about Rs. 10 lakh crore (post-merger retail portfolio) from about Rs. 6.75 lakh crore (the bank’s standalone retail portfolio now).

On retail loan growth, the SBI MD said, “Retail loan growth has been good in February. I think, the retail growth story still remains intact; people are buying cars, there is activity in the housing loan market.”

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