



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

[www.rbi.org.in](http://www.rbi.org.in)

RBI/2011-12/ 281

UBD.BPD.(PCB)CIR No. 13 /13.01.000/2011-12

November 25, 2011

The Chief Executive Officers  
All Primary (Urban) Co-operative Banks

Dear Sir/Madam,

**Deregulation of Savings Bank Deposit Interest Rate**

Please refer to our [circular No.UBD.BPD.\(PCB\)CIR No.45/13.01.00/2010-11 dated May 3, 2011](#) enclosing a Directive [UBD.BPD.DIR. No.3/13.01.00/2010-11 dated May 3, 2011](#) on interest rates on deposits.

2. As indicated in the [Second Quarter Review of Monetary Policy announced on October 25, 2011](#), it has been decided to deregulate the savings bank deposit interest rate with immediate effect. Accordingly, banks are free to determine, with immediate effect, their savings bank deposit interest rate, subject to the following two conditions:

- First, each bank will have to offer a uniform interest rate on savings bank deposits up to ₹ 1 lakh, irrespective of the amount in the account within this limit.
- Second, for savings bank deposits over ₹ 1 lakh, a bank may provide differential rates of interest, if it so chooses, subject to the condition that banks will not discriminate in the matter of interest paid on such deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices.

3. The above revised instructions would be applicable to savings bank deposits of resident Indians only.

4. Interest rate on Non-Resident (External) Accounts Scheme and Ordinary Non-Resident Deposit under savings account, which has been prescribed at 4 per cent per annum at present, will continue to be regulated until further review.

5. An amending directive UBD.BPD.DIR. No. 4 /13.01.000/2011-12 dated November 25, 2011 is enclosed.

Yours faithfully

(A.Udgata)  
Chief General Manager-in-Charge

Encls: As above

शहरी बैंक विभाग, केंद्रीय कार्यालय, गारमेट हाऊस, पहली मंज़िल, डॉ ए बी रोड, वरली, मुंबई- 400018 भारत  
फोन: 022 - 2493 9930 - 49; फैक्स: 022 - 2497 4030 / 2492 0231; ई मेल: [rbiubdco@rbi.org.in](mailto:rbiubdco@rbi.org.in)

Urban Banks Department, Central Office, Garment House, 1 Floor, Dr.A.B.Road, Worli, Mumbai - 400018, India  
Phone: 022 - 2493 9930 - 49; Fax: 022 - 2497 4030 / 2492 0231; Email: [rbiubdco@rbi.org.in](mailto:rbiubdco@rbi.org.in)

बैंक हिन्दी में पत्राचार का स्वागत करता है —



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
[www.rbi.org.in](http://www.rbi.org.in)

UBD.BPD.DIR. No. 4 /13.01.000/2011-12

November 25, 2011

**Deregulation of Savings Bank Deposit Interest Rate**

In exercise of the powers conferred by Section 35A read with Section 56 of the Banking Regulation Act, 1949 and in partial modification of its directive [UBD.BPD.DIR. No.3/13.01.00/2010-11 dated May 3, 2011](#), the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, hereby directs that banks are free to determine their savings bank deposit interest rate for resident Indians only with immediate effect subject to the following two conditions:

- (1) each bank will have to offer a uniform interest rate on savings bank deposits up to ₹ 1 lakh, irrespective of the amount in the account within this limit.
- (2) for savings bank deposits over ₹ 1 lakh, a bank may provide differential rates of interest, if it so chooses, subject to the condition that banks will not discriminate in the matter of interest paid on such deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices.

**(S. Karuppasamy)**  
Executive Director

---

शहरी बैंक विभाग, केंद्रीय कार्यालय, गारमेट हाऊस, पहली मंज़िल, डॉ ए बी रोड, वरली, मुंबई- 400018 भारत  
फोन: 022 - 2493 9930 - 49; फैक्स: 022 - 2497 4030 / 2492 0231; ई मेल: [rbiubdco@rbi.org.in](mailto:rbiubdco@rbi.org.in)  
Urban Banks Department, Central Office, Garment House, 1 Floor, Dr.A.B.Road, Worli, Mumbai - 400018, India  
Phone: 022 - 2493 9930 - 49; Fax: 022 - 2497 4030 / 2492 0231; Email: [rbiubdco@rbi.org.in](mailto:rbiubdco@rbi.org.in)

बैंक हिन्दी में पत्राचार का स्वागत करता है —