



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2011-12/391

UBD.BPD.(PCB) CIR No. 18/13.01.000/2011-12

February 7 , 2012

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

Dear Sir/Madam,

Deregulation of Savings Bank Deposit Interest Rate – Clarification

Please refer to our [circular UBD.BPD.\(PCB\).CIR No.13/13.01.000/2011-12 dated November 25, 2011](#).

2. We clarify that the revised guidelines issued vide our circular referred to above would be applicable to domestic savings bank deposits held by residents in India. Further, the interest rates applicable on the domestic savings deposit will be determined on the basis of end-of-day balance in the account. Accordingly, while calculating interest on domestic savings bank deposits, banks are required to apply the uniform rate set by them on end-of-day balance up to Rs. 1 lakh and for any end-of-day balance exceeding Rs.1 lakh, banks may apply the differential rate(s) as fixed by them.

3. Banks may ensure that interest rate is applied, as stated above, on the end-of-day balances of all domestic savings deposits accounts and no discrimination is made at any of its offices. Prior approval of the Board/Asset Liability Management Committee (if powers are delegated by the Board) may be obtained by a bank while fixing interest rates on such deposits.

4. All other instructions in this regard, as amended from time to time, will remain unchanged.

Yours faithfully,

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