

HDFC Bank's fixed deposit rates now less than those of SBI

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Last week, HDFC Bank had slashed rates on deposits of more than Rs 5 crore with maturities of one year and more by 125 bps to 5%. (Reuters)

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HDFC Bank has reduced interest rates on term deposits below Rs 5 crore with maturities of two years and higher by 25 basis points (bps) to 6%.

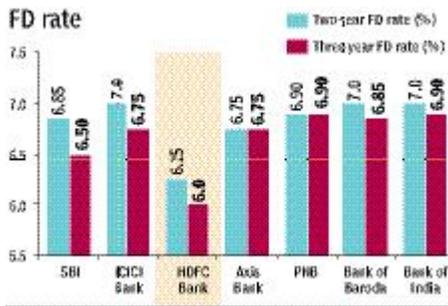
This is lower than rates paid by the country's largest lender, State Bank of India (SBI), on deposits of less than Rs 1 crore with comparable maturities. SBI's interest rates on two-year and three-year retail deposits stand at 6.85% and 6.7%, respectively, while larger deposits with the same maturities earn 4.25%.

ICICI Bank, IDBI Bank and Kotak [Mahindra](#) Bank were the other banks which reduced their bulk deposit rates

this week.

ICICI reduced the rate on deposits of between Rs 1 crore and Rs 25 crore with maturities between one and two years to 6.10% from 6.25%.

IDBI Bank brought down rates on deposits of more than Rs 1 crore to 6.1% from 6.5% for one-year deposits, to 6.15% from 6.25% for two-year deposits, and to 6.25% from 6.50% for three-year deposits.



Kotak Mahindra now pays 6.25% on one-year deposits of between Rs 1 crore and Rs 10 crore, against 6.35% earlier.

Last week, HDFC Bank had slashed rates on deposits of more than Rs 5 crore with maturities of one year and more by 125 bps to 5%. With that cut, the differential between the bank's bulk deposit rate on one-year money and that of SBI had narrowed to 75 bps from 200 bps.

Amid a surge in deposits resulting from withdrawal of Rs 500 and Rs 1,000 currency notes, a number of banks reduced rates on term deposits.