

# SBI earns Rs 1,772 cr in min balance penalty during April-Nov

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The bank had reintroduced the charges after a gap of six years in April 2017. Charges were reduced in October, following criticism from customers.

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Country's largest bank [SBI](#) BSE -0.02 % netted a windfall of Rs 1,771.67 crore, more than its second quarter

profit, from customers for non-maintenance of monthly average balance in savings accounts in eight months of 2017-18, finance ministry data showed.

State Bank of India has close to 40.5 crore savings account customers.

The SBI, after a gap of six years, had reintroduced the monthly average balance (MAB) charges from April 1, 2017.

After criticism by customers, it reduced those charges with effect from October 1.

"On an average balance of Rs 3,000 in metro, SBI earns Rs 6 only per month whereas for a minimum balance of Rs 1,000 in rural, bank earns Rs 2 per month which is meagre when compared to the services offered and corresponding costs incurred by the bank (free cheque book, 8 free ATM transactions, free branch transactions)," the state-owned lender said in a statement.

The finance ministry data showed the bank charged Rs 1,771.67 crore from customers on account of non-maintenance of minimum average balance between April and November 2017.



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Another large public sector bank, [Punjab National Bank](#) BSE 0.21 % collected only Rs 97.34 crore for non-maintenance of balance.

The other government banks which collected in excess of Rs 50 crore as penalty from customers were [Central Bank of India](#) BSE 1.27 %, [Canara Bank](#) BSE 0.28 %, IDBI Bank and [Indian Bank](#).

The charges collected by SBI for non-maintenance of minimum balance exceeds the bank's July-September quarter net profit of Rs 1,581.55 crore. The amount was also nearly half of the Rs 3,586 crore the bank earned as net profit from April to September.

"We would like to clarify that savings bank accounts such as Prime Minister's Jan Dhan Yojna (PMJDY), Small accounts and Basic Savings Bank Deposit (BSBD) accounts, Pensioners, minors and all social beneficiary accounts are exempted from MAB requirement and no charges ever have been recovered," SBI said.