

# Here Are SBI's New Charges For Keeping Insufficient Balance In Savings Account

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SBI currently charges a penalty for non-compliance with its average monthly balance rules.

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SBI had last month cut its penalty charges for insufficient average minimum balance in savings accounts

New minimum balance rules announced recently by SBI or State Bank of India came into effect on April 1, 2018. SBI, which had last month reduced by up to 75 per cent its penalty charges for keeping insufficient average minimum balance in savings bank accounts, currently charges a penalty for non-compliance with its average monthly balance rules. This penalty levied by SBI, India's largest bank, depends upon the type of branch and degree of shortfall. SBI has said that the move will benefit 25 crore of its customers.

**Here are 10 things to know:**

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From April 1, the charges for non-maintenance of minimum balance in metro and urban bank branches have been reduced from a maximum of R 50 per month plus goods and services tax (GST) to R 15 per month plus GST, according to SBI.

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SBI has lowered the charges on minimum account balance to R 15 plus GST for metro and urban customers.

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For semi-urban and rural centres, the charges have been reduced from R 40 per month plus GST to R 12 per month and R 10 per month plus GST respectively, according to SBI's press release dated March 13.

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The move is largely expected to eat into the fee income of SBI, which had in February reported its first quarterly loss in 20 years on provisions for bad loans.

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SBI has, however, has not lowered the required monthly average balance in savings bank accounts.

SBI savings bank account holders are required to maintain R 3,000 as average monthly balance in metro branches, at R 2,000 in semi-urban branches and R1,000 in rural branches.

The new charges for non-maintenance of required average monthly balance in savings bank accounts were "keeping in view the feedback from various stakeholders", according to SBI.

The customer has the option of converting a regular savings bank account to a basic savings bank account free of charge, in case he or she desires to avail basic savings bank facilities without being subject to maintenance of average monthly balance rules, SBI had said in its press release.

Metro & Urban (average monthly balance R 3,000)	Existing Charges per month	Proposed Charges per month
Shortfall up to 50%	R 30 plus GST	R 10 plus GST
Shortfall of more than 50 per cent up to 75 per cent	R 40 plus GST	R 12 plus GST
Shortfall of more than 75 per cent	R 50 plus GST	R 15 plus GST
Semi-Urban (average monthly balance R 2,000)		
Shortfall of less than 50 per cent	R 20 plus GST	R 7.50 plus GST
Shortfall of more than 50 per cent up to 75 per cent	R 30 plus GST	R 10.00 plus GST
Shortfall of more than 75 per cent	R 40 plus GST	R12.00 plus GST
Rural (average monthly balance R 1,000)		
Shortfall up to 50 per cent	R 20 plus GST	R 5.00 plus GST
Shortfall of more than 50 per cent up to 75 per cent	R 30 plus GST	R 7.50 plus GST
Shortfall of more than 75	R 40 plus GST	R 10.00 plus GST

per cent

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SBI had in April 2017 reintroduced the penal charges on non-maintenance of average monthly balance, after a gap of five years. Later in October, the bank had revised down the charges to some extent.

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SBI or State Bank of India is the country's largest commercial bank in terms of assets, deposits, profits, branches, customers and employees. SBI has a network of 22,900 branches and 58,916 ATMs across the country.