

# SBI FD vs Post Office FD: Which one gives better Fixed Deposit returns? What are their interest rates?

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SBI FD vs Post office FD: Which one helps you get better returns?

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**SBI FD vs Post Office FD:** Both Fixed deposit (FDs) accounts of banks and post offices are feasible investment options for investors who don't want to take the risk of losing money. FD accounts offer guaranteed returns to the investors. Along with it, contributors also have the option the option of investing in the tax-saving fixed deposits (FDs) where income earned is allowed

to be exempted under section 80 (C) of the Income Tax (I-T) Act, however, the amount will be locked up for five years. It means that investors cannot access their money before five years.

Interestingly, in the regular fixed deposits which are offered by banks and post offices, subscribers can prematurely withdraw funds however, tax is applied on premature withdrawal.

Here is the comparison between SBI fixed deposit interest rates and Post office term deposit interest rates:

### **SBI fixed deposit interest rates:**

SBI had revised its interest rates on FDs in March 2018. The largest lender in India, on deposits of less than Rs 1 crore, offers interest rates which range from 5.75 percent to 6.75 percent on fixed deposits of upto 10 years. As for interest rates for senior citizens are marginally higher by 20-50 basis points.

The accounts can be maintained with a minimum balance of Rs 1000. Interestingly, there is no maximum cap on the amount that can be invested in fixed deposits of SBI.

Tenors	Existing for Public w.e.f. 28.02.2018	Revised For Public w.e.f. 28.03.2018	Existing for Senior Citizens w.e.f. 28.02.2018	Revised for Senior Citizens w.e.f. 28.03.2018
7 days to 45 days	5.75	5.75	6.25	6.25
46 days to 179 days	6.25	6.25	6.75	6.75

180 days to 210 days	6.35	6.35	6.85	6.85
211 days to less than 1 year	6.4	6.4	6.9	6.9
1 year to less than 2 year	6.4	6.4	6.9	6.9
2 years to less than 3 years	6.5	6.6	7	7.1
3 years to less than 5 years	6.5	6.7	7	7.2
5 years and up to 10 years	6.5	6.75	7	7.25

**Post office term deposits interest rates:-**

Subscribers can deposit their money in fixed deposit accounts of India Post. Customers can open individual as well as joint fixed deposit accounts via cash or cheque. For more information, investors can visit [indiapost.gov.in](http://indiapost.gov.in).

Period	Rate
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1yr.A/c	6.60%
2yr.A/c	6.7%
3yr.A/c	6.90%
5yr.A/c	7.40%

The minimum balance for fixed deposit account is Rs 200 however, there is no maximum amount cap for customers.

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