

September 27, 2013

SBP LINKS MINIMUM RATE OF RETURN ON SAVING DEPOSITS WITH REPO RATE

SBP has issued instructions to all commercial banks that the Minimum Profit Rate to be paid on all Pak Rupee Saving Deposits will be 50 basis points below the prevailing SBP Repo Rate (Interest Rate Corridor - Floor).

SBP has announced the increase in minimum rate of return on all existing and new saving deposits including term deposits of commercial banks effective from October 1, 2013.

The circular requires the commercial banks to pay the above minimum rate of profit on all Pak Rupee saving deposits on average monthly balances.

Previously the commercial banks were required to pay minimum rate of profit of 6.0% p.a. on all Pak Rupee saving deposits on average monthly balances; with today's announcement this will increase to 6.5%. The minimum rate will be changed as and when the changes are announced by the SBP Repo Rate and floor rate of the interest rate corridor.
