PERSONAL FINANCE

SBI cuts FD rates by 25 basis points after RBI's big rate cut. Should you lock in now?

India's largest bank lowered deposit rates from 15 June, following the RBI's 50 basis point repo cut. More banks are likely to follow.

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Banks trim fixed deposit rates. Should you lock in now?

In 60 seconds

1. SBI cut fixed deposit rates by 25 basis points across tenures, effective 15 June 2025.
2. FD rates for general customers now range from 3.05% to 6.45%; seniors get up to 7.05%.
3. The 444-day Amrit Vrishti scheme rate fell to 6.60% from 6.85%.
4. The cut follows the RBI's 50 basis point repo rate reduction on 6 June.

State Bank of India, the country's largest lender, has cut interest rates on fixed deposits by 25 basis points (0.25 percentage points) across tenures, with the new rates effective from 15 June 2025.

The new rates

After the change, SBI's FD rates for general customers range from 3.05% to 6.45%, while senior citizens can earn between 3.55% and 7.05%. The rate on its popular 444-day Amrit Vrishti deposit scheme fell to 6.60% from 6.85%. The bank also cut its savings account rate to 2.5%.

Why rates are falling

The cut follows the Reserve Bank of India's decision on 6 June to lower its repo rate by a larger-than-expected 50 basis points, to 5.5%. When the RBI cuts rates, banks lower both lending and deposit rates. SBI also reduced its lending rates, which will make loans cheaper for borrowers.

> *When interest rates are falling, the best FD rate is usually the one you lock in early.*

Should you lock in now?

With more rate cuts possible, deposit rates are likely to keep easing. Savers who rely on FD income may want to consider:

- Locking in longer tenures now, to keep today's higher rates for more years.
- Laddering: splitting money across deposits that mature at different times, so you are not stuck if rates change direction.
- Comparing banks: some private and small finance banks still offer higher rates, though you should check their safety. Deposits of up to ₹5 lakh per bank are insured by DICGC.