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BUSINESS

Suryoday, Utkarsh enter banking fray



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Microlenders Suryoday and Utkarsh, which started small finance banks (SFBs) on Monday, are offering interest rates of more than 6% in a bid to compete with commercial lenders for savings bank deposits. Most commercial banks offer 4% on savings accounts, barring a few such as Kotak Mahindra Bank, YES Bank and IndusInd Bank.

Suryoday, based in Navi Mumbai, will offer 6.25% for deposits of up to ₹1 lakh and 7.25% for those between ₹1 lakh and ₹10 lakh. For deposits more than ₹10 lakh, it will pay 7%, R Baskar Babu, co-founder and chief executive officer of Suryoday Small Finance Bank, told The Hindu.

Varanasi-based Utkarsh Small Finance Bank will offer 6% for savings bank deposits across the board, said chief financial officer Abhishek Kumar.

“We did a soft launch by offering services to our employees,” Mr. Kumar said, adding the full-fledged unveiling will be in April. “We have started with 5 branches, 2 in Varanasi and one each in Delhi, Patna and Nagpur.”

Suryoday, which started with a branch in Belapur, will raise branch presence to four in the next 7-10 days. The lender plans to convert all its 220 microfinance branches by March 2018.