

# Banks free to decide on min balance: RBI Gov

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Reserve Bank of India Governor Sanjay Malhotra on Monday said banks are free to decide the minimum balance for savings accounts and that it does not fall under the regulatory domain of the RBI.

He was speaking to reporters on the sidelines of a function on 'Financial Inclusion Saturation Drive' organised at Gozaria village panchayat in Gujarat's Mehsana district.

Asked about a private bank increasing the minimum balance

required for savings accounts, Malhotra said, "The RBI has left it to individual banks to decide on what minimum balance they want to set.

Some banks have kept it at ₹10,000, some have kept ₹2,000 and some have exempted (customers). It is not in the regulatory domain (of RBI)." In a recent decision, private lender ICICI Bank increased the minimum balance requirement for those opening new savings accounts from August

1. The minimum average monthly balance (MAB) has been increased by five times to ₹50,000 from ₹10,000 on savings bank account, as per the lender's website.



Similarly, MAB for semi-urban locations and rural locations have been increased five times to ₹25,000 and ₹10,000, respectively.

Incidentally, the State Bank of India has decided not to penalise savings account holders if they do not keep minimum balance.

Traditionally, public sector banks have lower balance requirements compared to private lenders with the requirement waived for Jan Dhan accounts.

Several public sector banks have done away with the requirement, and customers who fail to maintain the minimum prescribed balance do not need to pay a penalty. Speaking at the event, Malhotra said digital literacy was very important to succeed in the new age.

## Re-KYC done for 3.5 mn accounts

The Reserve Bank of India on Monday said banks have completed re-Know Your Customer (KYC) in over 3.5 million accounts, and that the process is being closely monitored by both the government and the central bank.

Banks are currently engaged in a country-wide campaign, being conducted at the gram panchayat-level from July 1, 2025, to September 30, 2025, for saturation of Financial Inclusion (FI) schemes, as part of which, re-KYC of bank accounts is also being done, RBI said in a statement. Banks are required to update customers' KYC records periodically to ensure the information is up to date and relevant. Re-KYC is carried out at least once in every two years for high-risk, eight years for medium risk and ten years for low-risk customers. With a view to provide further impetus to the ongoing campaigns, RBI Governor Sanjay Malhotra visited a camp at Gozaria gram panchayat in Gujarat's Mehsana on Monday, RBI said. The Governor interacted with bank customers, business correspondents, self-help groups and representatives of various banks that participated in the camp.

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