

# Customers of Vijaya Bank likely to get cheaper loans

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**Bengaluru:** The merger of Dena Bank and Vijaya Bank with Bank of Baroda, which comes into effect from Monday, will result in cheaper loans and slightly lower returns in some category of deposits for customers of the merging banks. All new loans from April 1 to customers of erstwhile Dena Bank and Vijaya Bank will be pegged to Bank of Baroda's MCLR (marginal cost of funds-based lending rate), said Vijaya Bank MD R A Sankara Narayanan.

While the merging banks will eventually lose their identity as a temporary measure, beneath all Vijaya Bank and Dena Bank signboards, a sticker will be added saying, 'Now - Bank of Baroda'. Within the next six months all branches will carry Bank of Baroda signage. Most retail loans are linked to the one-year MCLR, which for BoB is 8.65% as against 8.75% for Vijaya



TO BE PEGGED TO BOB'S MCLR

Bank. There is a similar difference for other tenures as well.

Bank of Baroda charges — with slight variations in rates for women, senior citizens, kisan account holders — 8.65% for home loans, 11.60-16.60% for personal loans, 8.90-10.65% for car loans, and 14.10-15.20% for business loans. Fixed deposit interest rates are between 4.50-7%, savings account interest rates between 3.50-4% and recurring interest rates between 5.75-6.85%.

For the time being no branches or ATMs will be shut in Karnataka. "Customers can be assured of the

same service standards from the merged bank," said Sankara Narayanan.

Minimum balance requirements will remain more or less the same, as both Vijaya Bank and Bank of Baroda require Rs 2,000 for urban centres, Rs 1,000 for rural locations for normal savings accounts, and Rs 500 for pensioners. Vijaya Bank had waived the minimum balance requirement for certain farmers' accounts and for BPL families. Bank of Baroda has similar equivalent accounts like the basic savings account, Baroda Bha- chat Mitra and salary advantage accounts, which do not require minimum balance. "The merged entity will ensure economically disadvantaged account holders get similar benefits," said sources.

For now Vijaya Bank customers will not be issued new debit/credit cards or passbooks. The merged bank will wait for the expiry of the cards, passbooks and issue new ones under Bank of Baroda's logo.