

[Home](#) > [News & Events](#) > [Press Releases](#) > 2015

PBC Decides to Conduct Targeted Reserve Requirement Ratio Cuts and Lower Benchmark Loan and Deposit Interest Rates

The PBC has decided to provide targeted reserve requirement ratio (RRR) cuts for selected financial institutions as of June 28, 2015, in an effort to step up support for the development of the real economy and promote structural adjustment. First, the RRR will be lowered by 0.5 percentage points for city commercial banks and non-county-level rural commercial banks that have reached the targeted RRR reduction standard in terms of the share of loans to the agricultural sector, rural areas and farmers in total lending. Second, a reduction of 0.5 percentage points will be applied to the RRR of large state-owned commercial banks, joint-stock commercial banks and foreign-funded banks that have reached the targeted RRR reduction standards in lending to the agricultural sector, rural areas and farmers, or to micro and small enterprises. Third, the RRR will be reduced by 3 percentage points for finance companies to further motivate them to do their part in increasing the fund use efficiency of enterprises.

At the same time, to further reduce financing costs for enterprises, the PBC has decided to cut RMB benchmark loan and deposit interest rates for financial institutions as of June 28, 2015. The one-year benchmark loan interest rate and deposit interest rate will both be lowered by 0.25 percentage points, to 4.85 percent and 2 percent, respectively. Adjustments are made correspondingly to benchmark

interest rates on deposits and loans of other maturities, and to deposit and loan interest rates on personal housing provident fund.

Adjustments to RMB Benchmark Deposit and Loan Interest Rates

Interest rate (after adjustment,

Household and corporate deposits

Demand deposits 0.35

Time deposits of lump-sum deposit and withdrawal

3 months 1.60

6 months 1.80

1 year 2.00

2 years 2.60

3 years 3.25

Loans

1 year or less	4.85
Over 1 year and up to 5 years	5.25
Over 5 years	5.40

Personal housing provident fund loans

5 years or less	3.00
Over 5 years	3.50

Date of last update JUN. 29, 2015