

DEPOSIT POLICY

PREAMBLE

One of the important functions of the Bank is to accept deposits from the public for the purpose of lending. In fact, depositors are the major stakeholders of the Banking System. The depositors and their interests form the key area of the regulatory framework for banking in India and this has been enshrined in the Banking Regulation Act, 1949. The Reserve Bank of India is empowered to issue directives / advices on interest rates on deposits and other aspects regarding conduct of deposit accounts from time to time. With liberalization in the financial system and deregulation of interest rates, banks are now free to formulate deposit products within the broad guidelines issued by RBI.

This policy document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and terms and conditions governing the conduct of the account. The document recognizes the rights of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposits accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers of their rights. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand.

This document is a broad framework under which the rights of common depositors are recognized. Detailed operational instructions on various deposit schemes and related services will be issued from time to time. While adopting this policy the Bank re-iterates its commitments to the individual customers as outlined in the Code of Bank's Commitment to Customers.

Types of Deposit Accounts

While various deposit products offered by the Bank are assigned different names, the deposit products can be categorized broadly into the following types. Definition of major deposits schemes are as under: -

- i) "Demand Deposits" means a deposit received by the Bank which is withdrawable on demand.
- ii) "Savings Account" means a form of Demand Deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period.
- iii) "Term Deposits" means a deposit received by the Bank for a fixed period and includes deposits such as Recurring / Double Benefit Deposits / Short Deposits / Fixed Deposits / Monthly Income Certificate / Quarterly Income Certificate etc.
- iv) Notice Deposit means term deposit for specific period but withdrawable on giving at least one complete banking days' notice.
- v) "Current Account" means a form of demand deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and will also include other deposit accounts which are neither Savings Deposit nor Term Deposit.

ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNTS

A) The Bank before opening any deposit account will carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI and or such other norms or procedures adopted by the Bank.

B) The account opening forms and other material would be provided to the prospective depositor by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and or for record, it is expected of the Bank official opening the account, to explain the procedural formalities and provide necessary clarifications sought by the prospective depositor when he approaches for opening a deposit account.

C) For deposit products like Savings Account and Current Account, the Bank will normally stipulate certain minimum/ average balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain stipulated minimum/ average balance in the account will attract levy of charges as specified by the Bank from time to time. For Saving Bank Account the Bank may also place restrictions on number of transactions, cash withdrawals, etc., for given period. Similarly, the Bank may specify charges for issue of additional cheque books, additional statement of accounts, duplicate pass book etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account.

D) Savings Bank Accounts can be opened for eligible person / persons and certain organizations / agencies (as advised by Reserve Bank of India (RBI) from time to time). These accounts are designed to help the individual (personal customers) to inculcate the habit of saving money and to meet their future requirement of money. The amounts can be deposited/withdrawn from these accounts by way of cheques/ATM/ Branches. It helps customers to keep minimum cash at home besides earning interest.

Current Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, etc. as advised by RBI from time to time.

Term Deposits Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, etc. Bank has tailored various deposit schemes to suit the needs and expectations of investing people in every walk of life.

E) The due diligence process, while opening an account will involve satisfying about the identity of the person and verification of address and obtaining declaration from customer regarding occupation and source of income.

F) In addition to the due diligence requirements, under KYC norms the Bank is required by law to obtain Permanent Account Number (PAN) or alternatively declaration in Form No. 60 as specified under the Income Tax Act / Rules.

G) Savings accounts can be opened by an individual in his own name (status: known as account in single name) or by more than one individual in their own names (status: known as Joint Account). It can also be opened by a minor jointly with natural guardian or with mother as the guardian (Status: known as Comprehensive Deposit Policy-Version- July 2019 3 Minor's Account). Minors above the age of 10 will also be allowed to open and operate saving bank account independently.

H) Operation of Joint Account - The Joint Account opened by more than one individual can be operated by single individual or by more than one individual as either or survivor, anyone or survivor or jointly. The mandate for operating the account can be modified with the consent of all account holders. The Savings Bank Account opened by minor jointly with natural guardian / guardian can be operated by natural guardian only.

I) The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:

i). Either or Survivor: If the account is held by two individuals say, A & B, the final balance along with interest, if applicable, will be paid to survivor on death of anyone of the account holders.

ii. Anyone or Survivor/s: If the account is held by more than two individuals say, A, B and C, the final balance along with interest, if applicable, will be paid to the survivor on death of any two account holders.

iii. Former or Survivor/s: If the account is in the name of two individuals say A & B the final balance along with interest, if applicable, will be paid to the former on date of maturity and to the survivor on death of anyone of the account holders.

iv. Later or Survivor: If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to the later on date of maturity and to the survivor on death of anyone of the account holders.

The above mandates will be applicable to or become operational only on or after the date of maturity of term deposits. This mandate can be modified at the consent of all the account holders.

In case of joint Fixed Deposits with a survivorship clause, the signatures of both the depositors will have to be obtained, in case the deposit is to be paid before maturity while no pre-payment of the fixed/ term deposit will be allowed without the concurrence of the legal heirs of the deceased joint holder in case of death of any depositor.

J) At the request of the depositor, the Bank will register mandate / power of attorney given by him authorizing another person to operate the account on his behalf.

K) The term deposit account holders at the time of placing their deposits can give instructions with regard to closure of deposit account or renewal of deposit for further period on the date of maturity. In absence of any written instructions about the disposal of the term deposit, the Bank reserves the right at its discretion to renew the deposit along with accrued interest thereon at prevailing rates of interest for a similar tenor of the deposit which has matured.

L) Passbook facility is available to all savings account holders free of cost. Statements will be provided to all Current Account Holders periodically as per terms and conditions of opening of the account.

M) Nomination Facility: Bank offers nomination facility in deposit accounts, safe deposit lockers, articles in safe custody etc. Nomination facility is available on all deposit accounts opened by the individuals. Nomination is also available to a sole proprietary concern account. Nomination can be made in favour of one individual only. Nomination so made can be cancelled or changed by the account holder/s any time. While making nomination, cancellation or change thereof, it is required to be witnessed by a third party. Nomination can be modified by the consent of account holder/s. Nomination can be made in favour of a minor also subject to other major individual being named appointee(s) during the minority period.

The Bank recommends that all depositors avail nomination facility. The nominee, in the event of death of all depositors, would receive the balance outstanding in the account as a trustee of legal heirs. The depositor will be informed of the advantages of the nomination facility while opening a deposit account.

N) The Current and Saving accounts may be transferred to any other branch of the Bank at the request of the depositor.

O) Bank may not accept any deposit for a period longer than 10 years, except in terms of order of the competent courts or in the case of minors where interests of minors are involved, provided bank is convinced that it is necessary to do so. Bank may decide in this matter based on Asset Liability Management policies being followed.

INTEREST PAYMENTS

- i) Interest shall be paid on saving account as per Reserve Bank of India directives issued from time to time.
- ii) The authority to decide the rate of interest from time to time has been delegated to ALCO by the board.
- iii) Term deposit interest rates are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time which includes additional interest rates for senior citizens and staff.
- iv) Bank has the discretion to pay additional interest not exceeding one percent on deposits of Bank's staff (including retired members of staff) held singly or jointly with their family members (subject to the declaration that monies deposited belong to the staff, spouse of a deceased member/ deceased retired member of staff, exclusive associations of members of staff and Chairman / Managing Director & Chief Executive Officer / Executive Directors.
- v) In terms of Reserve Bank of India directives, interest shall be calculated at quarterly intervals on term deposits and paid at the rate decided by the Bank depending upon the period of deposits. In case of monthly deposit scheme, the interest shall be calculated for the quarter and paid monthly at discounted value. The interest on term deposits is calculated by the Bank in accordance with the formula and conventions advised by Indian Banks' Association.
- vi) The rate of interest on deposits will be prominently displayed in the branch premises. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed on Bank's website.
- vii) The Bank computes interest based on the actual number of days in a year. In case, the Deposit is spread over a leap and a non-leap year, the interest is calculated based on the number of days i.e., 366 days in a leap year & 365 days in a non-leap year.
- viii) The Bank has statutory obligation to deduct tax at source if the total interest paid / payable on all term deposits held by a person exceeds the amount specified under the Income Tax Act. The Bank will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS can submit declaration in the prescribed format at the beginning of every financial year and when a new deposit is booked.

The Board of Directors have authorized ALCO as a decision making authority to take all decisions pertaining to Deposits (Domestic / NRE/ NRO / FCNR /RFC) including rates to be offered, tenor, pre-mature withdrawal penalty etc. The interest rates are framed basis the below guidelines:

-
- i) The rates are uniform across all branches and for all customers.
 - ii) There is no discrimination of interest paid on the deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices.
 - iii) Interest rate payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance except for bulk deposits. The banks shall maintain the deposit interest rate card in their Core banking system to ensure uniform rates are applied to all the deposits without any discrimination and modification is allowed only with the permission of authorized person.
 - iv) All transactions, involving payment of interest on deposits shall be rounded off to the nearest rupee for rupee deposits and to two decimal places for FCNR (B) deposits.

MINORS' ACCOUNTS

- i) The minor can open Savings Bank Account and the same can be operated by the natural guardian or by minor himself / herself, if he/she is above the age of 10 years. The account can also be opened jointly.
- ii) On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian / guardian, fresh specimen signature of erstwhile minor duly verified by the natural guardian would be obtained and kept on record for all operational purposes.

ACCOUNT OF ILLITERATE / BLIND PERSON

The Bank may at its discretion open deposit accounts of illiterate person. The account of such person may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank. No cheque book facility is provided to illiterate customers. At the time of withdrawal/ repayment of deposit amount and/or interest, the account holder should affix his / her thumb impression or mark in the presence of the authorized bank officer who should verify the identity of the person. The Bank will explain the need for proper care and safe keeping of the passbook etc. given to the account holder. In case of blind persons who are literate, ATM /Debit card, cheque book, etc. facilities will be given. The Bank official shall explain the terms and conditions governing the account.

ACCOUNT OF PERSONS WITH AUTISM, CEREBRAL PALSY, MENTAL RETARDATION & MULTIPLE DISABILITIES

Savings bank and term deposits can also be opened in the name of persons with autism, cerebral palsy, mental retardation and multiple disabilities by the legal guardian appointed by the District Court under Mental Health Act, 1987 or by the Local Level Committees set up under the National Trust for welfare of persons with autism, cerebral palsy, mental retardation and multiple disabilities under Disabilities Act, 1999.

ADDITION OR DELETION OF THE NAME/S OF JOINT ACCOUNT HOLDERS

The bank may at the request of all the joint account holders allow addition or deletion of name/s of joint account holder/s if the circumstances so warrant or allow an individual depositor to add the name of another person as a joint account holder. The first holder cannot be deleted from any account, except in case of Death of Holder.

CUSTOMER INFORMATION

The customer information collected from the customers shall not be used for cross selling of services or products by the Bank, their subsidiaries and affiliates. If the Bank proposes to use such information, it should be strictly with the consent of the accountholder.

SECRECY OF CUSTOMER'S ACCOUNTS

The Bank shall not disclose details / particulars of the customer's account to a third person or party without the expressed or implied consent from the customer. However, there are some exceptions, viz. disclosure of information under compulsion of law, where there is a duty to public to disclose and where interest of the Bank requires disclosure.

PREMATURE WITHDRAWAL OF TERM DEPOSITS

The Bank on request from a depositor, will allow withdrawal of term deposit before completion of the period of the deposit as per terms agreed upon at the time of placing the deposit.

The Interest rate applicable for premature closure will be lower of:

- The rate for the original /contracted tenure for which the deposit has been booked OR
- The base rate applicable for the tenure for which the deposit has been in force with the Bank.

For such premature withdrawals, including sweep-ins and partial withdrawals, the Bank may levy a penalty decided by the ALCO on the applicable rate, however penalty is not applicable if the deposit is booked for minimum tenor as prescribed by RBI from time to time.

NON RESIDENT DEPOSITS

Non Resident Rupee Deposit rates are aligned to Domestic Deposit rates.

No interest will be paid if the NRE / FCNR deposit is liquidated before completion of one year. No penalty shall be levied for premature withdrawal of NRE /FCNR term deposits.

The benefit of additional interest rate on deposits on account of being bank's staff or senior citizen shall not be applicable for NRI deposits. NRI customer can book Foreign Currency Non Resident Deposits for a minimum tenure of 1 year to maximum tenure of 5 years. On change of Resident Status from NRI to Resident the FCNR deposit will continue till maturity. Overdraft facility can be given against NRO Deposits in India. Overdraft facility can be given in India or Outside India against the NRE / FCNR deposits.

RESIDENT FOREIGN CURRENCY (RFC) DEPOSITS

NRI customers who have returned to India for good can book Resident Foreign Currency Deposits for a maximum tenure of 3 years. On conversion of NRE / FCNR deposit to RFC deposit interest will be paid as under:

- If the NRE / FCNR deposit has not run for a minimum period of one year, interest shall be paid at a rate not exceeding the rate payable on savings deposits held in RFC accounts.
- In all other cases, interest shall be paid at the contracted rate. The penalty on premature closure of Fixed Deposits is fixed at the rate of 1% provided RFC FD interest is equivalent to 1% or more. On change of Resident Status from Resident to NRI the RFC

deposit can be converted to FCNR/NRE deposit. Overdraft facility cannot be given against RFC deposits.

RENEWAL OF OVERDUE TERM DEPOSITS

When a term deposit is renewed on maturity, on renewed deposit interest rate for the period specified by the depositor as applicable on the date of maturity would be applied. In the absence of any maturity instructions or renewal instructions, all term deposits are automatically renewed for a period equal to that of the original deposit at the rates prevailing at the time of renewal.

ADVANCES AGAINST DEPOSITS

The Bank may consider request of the depositor/s for loan / overdraft facility against term deposits duly discharged by the depositor/s on execution of necessary security documents. The Bank may also consider loan against deposit standing in the name of minor, however, a suitable declaration stating that loan is for the benefit of the minor, is to be furnished by the depositor - applicant.

SETTLEMENT OF DUES IN DECEASED DEPOSIT ACCOUNT

- i) If the depositor has registered nomination with the Bank; - the balance outstanding in the account of the deceased depositor will be transferred to the account of / paid to the nominee after the Bank satisfies about the identity of the nominee, etc.
- ii) The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank.
- iii) In a joint deposit account, when one of the joint account holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the joint account holders had given mandate for disposal of the balance in the account in the forms such as "either or survivor, former / latter or survivor, anyone of survivors or survivor; etc., the payment will be made as per the mandate to avoid delays in production of legal papers by the heirs of the deceased.
- iv) In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the account of deceased person against joint application and indemnity by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents up to the limit approved by the bank's board. This is to ensure that the common depositors are not put hardship on account of delays in completing legal formalities.
- v) In case of death of the primary holder of the term deposit prior to the maturity date, premature termination of the deposit would be allowed as per the terms of contract subject to necessary verifications and submission of proof of death of the depositor. Such premature withdrawals will not attract any penal charge.

SETTLEMENT OF MISSING PERSONS CLAIMS

As per Indian Evidence Act, 1872 (section 107 and 108) presumption of death can be raised only after a lapse of seven years from the date of person reported as "missing".

As such, nominee / legal heirs have to raise an express presumption of death of the customer, under section 107 / 108 of the Indian Evidence Act before a competent court. If the court presumes that he / she is dead, then the claim in respect of a missing person can be settled with consultation of Legal department of Bank.

INTEREST PAYABLE ON TERM DEPOSIT IN DECEASED ACCOUNT

- i) In the event of death of the depositor before the date of maturity of deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank shall pay simple interest at the applicable rate obtaining on the date of maturity, for the period for which the deposit remained with the Bank beyond the date of maturity; as per the Bank's policy in this regard.
- ii) However, in the case of death of the depositor after the date of maturity of the deposit, the bank shall pay interest at savings deposit rate as (on the date of maturity) from the date of maturity till the date of payment.
- iii) In case the claimants of an NRE term deposit account of a deceased depositor are residents, the deposit on maturity shall be treated as a domestic rupee term deposit and interest shall be paid for the subsequent period at a rate applicable to a domestic term deposit of similar maturity.

INSURANCE COVER FOR DEPOSITS

All bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to certain limits and conditions. The details of the insurance cover in force, will be made available to the depositor.

INOPERATIVE ACCOUNTS

Savings/Current Account which are not operated for a continuous period of more than 2 years by customer (excludes system generated transactions like credit interest/debit interest) will be treated as an Inoperative Account in the interest of the depositor as well as the Bank. The depositor can request the bank to activate the account for operating it.

SAFE DEPOSIT LOCKERS

This facility is not offered through all bank branches and wherever the facility is offered, allotment of safe deposit vault will be subject to availability and compliance with other terms and conditions attached to the service. Safe deposit lockers may be hired by an individual (being not a minor) singly or jointly with another individual(s), HUFs, firms, limited companies, associates, societies, trusts etc. Nomination facility is available to individual(s) holding the lockers singly or jointly. In respect of lockers held in joint names, up to two nominees can be appointed. Joint locker holders can give mandate for access to the lockers in the event of death of one of the holders on the lines similar to those for deposit accounts. In the absence of nomination or mandate for disposal of contents of lockers, with a view to avoid hardship to common persons, the bank will release the contents of locker to the legal heirs against indemnity on the lines as applicable to deposit accounts.

REDRESSAL OF COMPLAINTS AND GRIEVANCES

Depositors having any complaint / grievance with regard to services rendered by the Bank has a right to approach authority(ies) designated by the Bank for handling customer complaint / grievances. The details of the internal set up for redressal of complaints / grievances will be displayed in the branch premises. The branch officials shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get response from the Bank within one month from date of complaint or he is not satisfied with the response

received from the Bank, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India.

STANDING INSTRUCTIONS

Standing instructions can be given to the Bank for transfer/remittance of funds from one account to other account(s) maintained in the same branch, any other branch of the bank.

DIRECT DEBIT

The Bank offers Electronic Clearing Service (ECS) / Automated Clearing House (ACH) facility for effecting periodic payments by "direct debit" to the customer's account. This facility is mainly used for payment of utility bills/EMI of Loans/Insurance Premium/Investment in Mutual Funds, etc. Details of ECS/ACH facility are available at all the branches.

STOP PAYMENT FACILITY

The Bank will accept stop payment instruction from the depositors in respect of cheques issued by them. Charges, as specified, will be recovered.

SERVICE CHARGES

All new accounts opened would contain a leaflet detailing various types of Services & Charges being levied by the bank for any of the services availed. Updated service & fees leaflet is also made available to all customers at the branch for reference at any point of time. Any change in service & fees will be communicated one month in advance to all customers before effecting the change.

On Monthly Average Balance (MAB) requirement, every customer is communicated up-front at the time of opening account with the bank. If the customer fails to maintain required minimum balance in his/her account, bank notifies the same to customer. The communication states that in the event of the minimum balance not being restored in the account within next one month from the date of notice, penal charges will be levied. In case the balance is restored within given notice period, no charges are levied; else bank debits the applicable charges from the customer's account. AMB charges defined by the bank are directly proportionate to the extent of shortfall in the account. Bank also ensures, that the account balance is not turned into negative due to levy of MAB balance charges.

EXCHANGE OF SOILED / MUTILATED NOTES

The bank accepts mutilated / soiled notes from customers / non-customers for exchange. Process of acceptance of such notes has been defined as per RBI's note refund rules and circulated to all the branches for adherence. All branches of the Bank offer the facility of exchange of soiled notes, coins, exchange of mutilated and cut notes. The process of exchange would be as per RBI's Note Refund Rules.

ATM CARD / DEBIT CARD HOT LISTING

The bank will accept ATM card / Debit card hotlisting instructions from customers through PhoneBanking channel - 24 hours a day and from branch channel during customer hours. PhoneBanking numbers are made available to customers whenever a Card is issued and all branches contain a detailed leaflet with the numbers.

PENSION ACCOUNTS

The bank offers a special product for pensioners with certain benefits. Details about the product offering is available with all the branches.

BASIC SAVINGS BANK DEPOSIT ACCOUNT

The Bank offers a BSBDA Account with all the basic banking facilities with Zero Initial Pay-In and Zero balance account. Details about the product offering are available with all the branches.

FOREIGN EXCHANGE SERVICES

The Bank offers a wide range of Foreign Exchange Products and Services to all customers, through its select branches. All Foreign Exchange transactions are conducted subject to Rules and Regulations under the Foreign Exchange Management Act, 1999 (FEMA).

ACCOUNTS OF TRANSGENDER PERSONS

In case of a person claiming to be transgender and needs to open account or to do any banking transaction, the person will be recognized as “Third Gender “and the details shall be accepted in the account opening form or other applicable forms. All transgender customers shall be treated equally to other male/female customers without any discrimination.
