

**CITY UNION BANK LIMITED, ADMINISTRATIVE
OFFICE
KUMBAKONAM**



POLICY ON BANK DEPOSITS

(June 2026)

INDEX

Para No.	Particulars	Page No.
1	Preamble	4
2	Types of Deposit Account	5
2.1	Demand Deposits	6
2.1.1	Savings Deposits	6
2.1.2	Current Account	6
2.2	Term Deposit	6
3	Account Opening and Operation of Deposit Accounts	6
3.1	Account Opening	6
3.2	Risk Categorisation	8
3.3	Operation of Deposit Account	9
3.4	Mandate	9
3.5	Nomination	11
3.6	Minimum Balance and Service Charges	12
3.7	Eligibility for Account Opening	12
3.8	Minors' Accounts	13
3.9	Account of Illiterate Persons	13
3.10	Account of Visually Challenged Persons	14
3.11	Account of Transgender persons	14
3.12	Joint accounts for queer relationship	14
3.13	Account of Persons with Autism, Cerebral Palsy, Mental Retardation & Multiple Disabilities	14
3.14	Extension of Alternate Delivery Channels to Savings Bank & Current deposit accountholders	15
4	Interest Payment	15
5	Premature Withdrawal when the Depositors are Alive	16
6	Premature Withdrawal of Term Deposit	17
7	Premature Renewal of Term Deposit	17
8	Renewal of Term Deposits	17
9	Advance against Deposits	18
10	Settlement of Dues in Deceased Deposit Account	19
11	Interest Payable on Term Deposit in Deceased Depositor's Account	19
12	Other Important Information	20
12.1	Customer Information	20
12.2	Secrecy of Customer's Account	20
12.3	Insurance Cover for Deposits	20
12.4	Stop Payment Facility	21
12.5	Dormant Accounts	21
12.6	Redressal of complaints and grievances	21

13	Non Residential Deposit Account		21
Part – II BSBD Account (Basics Savings Bank Account)			
1	Eligibility		25
2	Balance requirement		25
3	KYC requirement		25
4	Restrictions		25
5	Features / Facilities: The Bank shall offer the following basic minimum facilities in a BSBD Account, free of charge		26
Part III Interest Payment on Deposits			
1	Interest Rate Framework		28
2	Interest Payment		29
	2.1	Interest payment on Current Account	30
	2.2	Interest payment on Saving Account, Basic Savings Account / Small Account	30
	2.3	Interest Payment on Term Deposits	31
	2.3.1	Interest Payment on Deposits of Staff Members	32
	2.3.2	Interest Payment on Senior Citizen / Super senior citizen	34
	2.4	Interest payment on Non Residential Deposit	35
3	Payment of Interest on Frozen accounts		36
4	Payment of Interest on premature withdrawal of Term Deposit		37
5	Payment of Interest on premature renewal of Term Deposit		37
6	Payment of Interest on renewal of Matured / Overdue Term Deposits		37
7	Payment of Interest on deposit maturing on a holiday		37
8	Interest on deceased depositors' account		37
Part IV Unclaimed Deposits / Inoperative account in the Bank			39
Part V Special Deposit Products			
1	Green Deposit		47
2	Non-Callable Deposits		50
	2.1	Introduction	50
	2.2	Terms and condition for accepting non-callable deposit	50
	2.2.1	Nature of Deposit	50
	2.2.2	Tenor	50
	2.2.3	Quantum	50
	2.2.4	Rate of Interest	51
	2.2.5	Payment of Interest	51
	2.2.6	Mode of placing the Deposit	51
	2.2.7	Restrictions of Auto-Renewal	51
	2.3	Terms and Conditions for Pre-Closure of Non-Callable Deposit	51
	2.4	Other Terms and Conditions	52
	2.5	Review of the Policy	52

POLICY ON BANK DEPOSITS

1. 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. No Bank can act detrimental to the interest of depositors and this has been enshrined in the Banking Regulation Act, 1949. 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 behind formulation of various deposit products offered by the Bank and terms and conditions governing such products. 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 that they are rightfully entitled to receive, without demand.

While adopting this policy, the bank reiterates its commitments to individual customers outlined in the code of Banks Commitment to Customers adopted by the banks. 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 are being issued 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. In its circular dated November 28, 2025 (as updated

from time to time) Reserve Bank has advised banks to put in place a Board approved transparent policy, in order to address inadequate liquidity management and deficient pricing methodologies in banks.

In a deregulated environment pricing of liability as well as asset products is essential to ensure that the required spread is realized. In a highly competitive scenario, the interest rates on the Bank's various deposit products generally depends on market conditions, the Reserve Bank of India's policies, competitor bank's interest rates, and the Bank's need for mobilization of funds. Pricing of liability products, where the Bank has the option of pricing will be done based on the Bank's asset-liability mix, liquidity risk in the system and that of the Bank, cost of funds, the Bank's appetite for various risks and the opportunities available for the Bank to deploy funds with a positive spread and future interest rate outlook. The pricing model will also look into reducing the liquidity risk and interest rate risk.

Reserve Bank of India (RBI), has formalized a framework for acceptance of Green fixed deposits by Regulated Entities (RE) which includes all scheduled commercial banks (including small finance banks) and Non Banking Finance Companies (NBFC) taking deposits including Housing Finance companies, vide RBI Circular dated November 28, 2025 (as updated from time to time) DOR.SFG.REC.No.91/30.01.021/2025-26. "Reserve Bank of India (Commercial Banks-Climate Finance and Management of Climate Change Risks) Directions, 2025" which has been enclosed for your reference.

Guidelines of RBI / Government issued from time to time shall automatically form part of this Policy. MD & CEO shall be authorized to permit such modification in this Policy. However, other changes, which require approval of the Board shall be duly placed to the Board.

2. TYPES OF DEPOSIT ACCOUNT

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

2.1 “Demand deposits” means a deposit received by the Bank which is withdrawable on demand;

2.1.1 “Savings deposits” means a form of demand deposit which is subject to restrictions as to the number of withdrawals and also the amounts of withdrawals permitted by the Bank during any specified period;

2.1.2 “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;

2.2. “Term deposit” means a deposit received by the Bank for a fixed period withdrawable only after the expiry of the fixed period and includes deposits such as Recurring deposits / Fixed Deposits / Cumulative Deposits / Special Term Deposits etc.

With regard to payment of interest for Savings and term deposits (including for premature withdrawal, premature renewal, overdue term deposits and deceased depositor’s account) and insurance coverage for deposits, the bank will follow the guidelines as detailed in Part III of this policy .

3. ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNTS

3.1. Account Opening

3.1.1 The Bank before opening any deposit account will carry out due diligence as required under “Know Your Customer” (KYC) guidelines and all guidelines issued by RBI and Prevention of Money Laundering Act and / or such other norms or procedures as per the KYC policy of the bank. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to him and the final decision of the Bank will be conveyed at the earliest to him.

3.1.2 The bank is committed to provide basic banking services to disadvantaged sections of the society. Banking services will be offered to them through Basic Savings Bank Deposit (BSBD) accounts and Small Savings accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines.

3.1.3 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 clarification sought by the prospective depositor when he approaches for opening a deposit account.

3.1.4 The due diligence process, while opening a deposit account will involve satisfying about the identity of the person, verification of address, satisfying about his occupation and source of income. Obtaining introduction of the prospective depositor from a person acceptable to the Bank and obtaining recent photograph of the person/s opening / operating the account are part of due diligence process.

3.1.5 In addition to the due diligence requirements, under KYC norms the Bank is required by law to obtain AADHAAR Number, Permanent Account Number (PAN) or alternatively declaration in Form No. 60* (* – as applicable) as specified under the Income Tax Act / Rules and PMLA Rules amended vide notification dated 1st June 2017 and subsequent amendments (and thereafter subject to the final judgement of the Hon'ble Supreme Court).

3.1.6 Bank facilitates retail savings account opening process through various channels like eKYC (Branch), Tab banking (Through BCs / Branch) and CUB easy mobile app (from customer mobile) as part of Aadhaar based authentication. The accounts opened through the above will be converted to full KYC account, post submission of Aadhaar based authentication at branches or at customer's place.

3.1.7 The Bank offers Video based Customer Identification Process Commonly known as VKYC to identify and onboard customers. The account opened using VKYC is full KYC compliant and fully operational without any additional paperwork.

3.1.8 The customer's aggregate balance of all deposit accounts opened under SELFIE account shall not exceed Rs.1 lakh and the aggregate of credits in a financial year in all deposits put together shall not exceed Rs.2 lakhs till full KYC verification is done. In case the balances exceed the above-mentioned threshold limits, the account shall cease to be operational.

3.1.9 Customer also can avail other banking product services offered by bank from time to time like

- Debit card- Debit cards shall be issued by the bank to the Savings Bank and Current accountholders, whenever they opt for, as per the terms of the
- CUB Debit Card Policy. Bank levy charges on usage of debit card transactions as per the regulatory guidelines

Mobile and Internet banking- Mobile and Internet Banking services shall be provided to the customer after satisfying itself as to the eligibility. Bank provides registration process through ATM. Per day transaction limit is available for outward payments and all transactions are processed with second factor authentication only.

3.2.0 Inability of an existing customer to furnish details required by the bank to fulfill statutory obligations could also result in closure of the account after due notice(s) is provided to the customer.

3.2 RISK CATEGORISATION:

The regulatory guidelines require banks to categorize customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring. Inability or unwillingness of a prospective customer to

provide necessary information/details could result in the bank not opening an account.

3.3 OPERATIONS OF DEPOSIT ACCOUNTS:

Deposit accounts can be opened by an individual in his own name (known as account in single name) or by more than one individual in their own names known as Joint Account).

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 jointly or severally as per the mandate. 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 such guardian only until the minor attains majority and submit the request in writing for change of account into normal account with the necessary supporting documents as per the extant KYC norms.

3.4 MANDATE:

3.4.1. 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 either of accountholders i.e. A or B, on date of maturity or to the survivor on death of any one of the accountholders.
- ii. **Anyone or Survivor/s:** If the account is in the name of two or more individuals say A,B & C the final balance along with interest, if applicable, will be paid any of accountholders i.e. A or B or C on the date of maturity.

On the death of any one of account holder say A, the final balance along with interest if applicable, will be paid to any two of the surviving accountholders i.e. B or C. On the death of any two of

accountholder say A and B, the final balance along with interest if applicable will be paid to the surviving accountholder i.e. C.

iii. Former 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 former i.e. A on date of maturity and to the survivor on death of anyone of the accountholders.

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 i.e. B on date of maturity and to the survivor on death of anyone of the accountholders.

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 by the consent of all the account holders.

Now if any of the joint depositors prefer premature withdrawal of deposits in accordance with the mandate of “Either or Survivor, ‘Anyone or Survivor’ or ‘Former or Survivor’, bank may allow premature withdrawal of term deposits to the surviving depositor/s without seeking concurrence of legal heirs of the deceased deposit holder, provided all the depositors have given a specific joint mandate for the said purpose at the time of opening the account or any time subsequently during the tenure of the deposit.

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.

3.4.2. 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.

3.5 NOMINATION

Nomination facility is available on all deposit account opened by individuals. Nomination is also available to an account opened by a sole proprietor.. Nomination shall be made in favour of up to four individuals, either as successively or simultaneously.

Successive Nomination

In the case of Successive nomination, the depositor shall specify the order of priority among the nominees. Settlement of the deposit proceeds shall be made strictly in accordance with the specified order. Upon the death of the first nominee, the proceeds shall be considered for settlement in favour of the next nominee in the order of priority.

Simultaneous Nomination

In the case of simultaneous nomination, the depositor shall specify the percentage share payable to each nominee. Settlement shall be carried out strictly as per the specified share percentage. In the event of the death of any nominee, the share attributable to the deceased nominee shall be settled in accordance with the Bank's claim settlement procedures.

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 if the account holder is illiterate. Nomination can be modified by the consent of account holder/s. Nomination can be made in favour of a minor also. In such cases at the time of making nomination, depositor has to give a name of person (called appointee) who is a major and will receive the amount of deposit on behalf of the nominee in the event of death of the account holder during the minority of the nominee.

Bank recommends that all depositors to avail of the nomination facility. The nominee, in the event of death of the depositor/s, 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 deposit account.

3.6 MINIMUM BALANCE AND SERVICE CHARGES

For Deposit products like Savings Bank Account and Current Deposit Account, the bank will normally stipulate certain minimum monthly average balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain minimum 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 cheque books, additional statement of accounts, duplicate passbook, folio charges, etc. All such details, regarding terms and conditions for operation of the account and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account. In addition, the various service charges approved by the Board are displayed at the Branch and in the website for the information of the customers and such service charges are subject to revision from time to time.

3.7 ELIGIBILITY FOR ACCOUNT OPENING

a) Savings Bank Accounts can be opened for eligible person/persons and certain organizations/agencies (as approved by Reserve Bank of India from time to time), who fully satisfy the KYC norms framed by the Bank.

b) Current Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts / Departments of Authority created by Government (Central or State) / Limited Liability Partnership, etc., who fully satisfy the KYC norms framed by the Bank.

Branches shall open current accounts for borrowers who have availed credit facilities in the form of cash credit (CC)/ overdraft (OD) from the banking system as per the regulatory guidelines provided time to time.:

c) Term Deposits Accounts can be opened by individuals / Partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates /

Societies / Trusts, Departments of Authority created by Government (Central or State), Limited Liability Partnership, etc. subject to fulfilment of our KYC norms.

3.8 Minors' Accounts

The minor can open Savings Bank Account and the same can be operated by the natural guardian/ legal or by minor himself / herself, if he/she is above the age of 10 years. The account can also be opened jointly.

On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian / legal guardian, fresh specimen signature of erstwhile minor duly verified by the natural guardian / legal gaurdian would be obtained and kept on record for all operational purposes.

Minors above the age of 10 years – Bank may allow a literate minor above 10 years who can comprehend the nature of banking transactions and can sign uniformly to open and operate savings bank account independently on request. Bank may fix the age limit and transaction amount cap basis keeping in view their risk management system. Bank may allow offering additional banking services like internet banking, ATM/ Debit card and Cheque book facility subject to account will always remain in credit and will not be allowed to be overdrawn

3.9 Account of Illiterate Persons

The Bank may at its discretion open deposit accounts other than Current Accounts of an 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. Normally, no cheque book facility is provided for such Savings Bank Account. 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 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. The Bank

official shall explain the terms and conditions governing the account to the illiterate person.

3.10 Account of Visually Challenged Persons

Bank will facilitate opening of Savings Bank accounts as well Term Deposit accounts of persons with visual impairment. Such accounts will be operated by the accountholder personally. Cheque book facility will be made available. Such accountholders will have to be present before the branch official and affix thumb impression and they will be identified through their photograph to facilitate operations. Bank is also committed in introducing technology banking facilities progressively via ATM & Internet banking in keeping with the availability of supporting technology which will enable visually challenged persons to operate their own accounts.

3.11 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 Forms/ or other applicable forms as such.

All transgender customers shall be treated equally similar to male/ female customers without any discrimination.

3.12 Joint accounts for queer relationship

Partners in the Queer community are allowed to open a joint bank account and to nominate a person in queer relationship as a nominee to receive the balance in the account, in the event of death of the account holder.

3.13 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. Legal guardian, so appointed, will furnish an indemnity cum undertaking bond duly stamped as per the local law in force along with Guardianship Certificate.

3.14 Extension of Alternate Delivery Channels to Savings Bank & Current deposit accountholders

The bank offers choice of electronic channels to customers for conducting their banking transactions. The choice of electronic channels includes ATM, Internet banking, mobile banking including SMS banking facility and phone banking. Wherever such electronic facilities are offered as a part of the basic account/ product, bank will obtain specific consent of the customers after explaining the risks associated for availing the facility.

4. INTEREST PAYMENTS

4.1 Interest shall be paid on Savings Bank accounts at the rate as decided by bank subject to the guidelines issued by the RBI directive from time to time. Further, in terms of RBI directives dated 03.03.2016 (as updated from time to time), the interest on domestic rupee savings deposit accounts shall be calculated on the daily product basis at quarterly or shorter intervals. (Exemption- for Mohammedan Customers, the Bank will convert their Savings account into Zero Interest earning account on written request of the customers. If at the time of opening of Savings accounts, the customer wants a Non-interest bearing account, the Bank will open Current Account, however, post opening and during the life time of the account, such requests will be acceptable only from the Mohammedan customers and based on their written requests)

4.2 However term deposit interest rates are decided by the bank subject to the guidelines issued by the Reserve bank of India from time to time. In terms of RBI directives, interest is calculated at quarterly intervals on term deposits and paid at the rate decided by the bank depending upon the period of deposits. Interest on deposits repayable for the completed quarter will be

$\text{Principal} \times \text{ROI} \% \times 3/12$ and for less than 3 months or where the terminal quarter is incomplete, interest shall be paid proportionately for the actual number of days reckoning the year at 365 days. In case a customer needs payment of interest on monthly basis the same shall be paid at discounted value. For cumulative deposit, interest is compounded quarterly on completion of exact quarters. For the broken period beyond completed quarter, simple interest is calculated on the cumulated deposit amount for the remaining number of days.

4.3 The rate of interest on deposits will be prominently displayed in the branch premises. Changes, if any, with regard to deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed.

4.4 The bank has statutory obligation to deduct tax at source if total interest paid/ payable on all term deposits held by a person exceed 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.

The detailed framework in respect of interest payments is enumerated under Part II of this policy and as such the above clause 4 “Interest Payments” should be read in conjunction with the same.

5. PREMATURE WITHDRAWAL WHEN THE DEPOSITORS ARE ALIVE

In case of term deposits with “Either or Survivor”, “Former or Survivor”, “Later or Survivor” and “Anyone or Survivors”, premature withdrawal would require the consent of the both parties, when both of them are alive

5.1 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.

5.2 In case of absence of any instructions deposits will be treated as an auto renewal deposit and would be renewed for a similar period as that of matured deposit. Deposit placed by customer above age of 90 years auto renewal will not be auto renewed

5.3 A statement of account will be provided by the Bank to Savings Bank as well as Current Deposit Account Holders periodically as per terms and conditions of opening of the account. Alternatively, the Bank may issue a Pass Book to Savings Bank account holders.

5.4 The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor.

6. PREMATURE WITHDRAWAL OF TERM DEPOSIT

The Bank, on a request from the depositor, at its discretion may allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit. The Bank shall make depositors aware of the applicable rate along with the deposit rate.

Whenever a domestic term deposit is requested to be closed before the completion of the period originally agreed, bank will pay 1% less than the rate of interest applicable for the period for which the deposit was kept. In case of reinvestment deposits, such interest may be compounded on a quarterly basis. However if the deposit is withdrawn before the expiry of minimum required period i.e. 7 days for term deposits interest will not be paid.

7. PREMATURE RENEWAL OF TERM DEPOSIT

In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, the bank will permit the renewal at the applicable rate on the date of renewal, provided, the deposit is renewed for a period longer than the balance period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest shall be paid on the deposit for the period it has remained with the bank as per the prevailing applicable slab rate on the date of opening the deposit and not at the contracted rate. Further the bank may levy penalty for pre-mature closure of an existing deposit at such rates as prescribed in the policy framed in this regards.

8. RENEWAL OF TERM DEPOSITS

Depositors can give instructions at the time of opening the account for payment of maturity proceeds to their accounts or by Demand draft or for renewal of the deposit for the period of their choice. In the absence of any instructions from customer, the bank will renew the deposit on due date for the same period for which the matured deposit was placed/last renewed. If request for renewal is received after date of maturity, such deposits will be renewed with effect from the date of maturity at interest rate applicable as on due date, provided such request is received within 30 days from the date of maturity. In respect of request received after 30 days from the date of maturity, applicable interest rate prevailing on the date of maturity, for the period run, will be paid and the deposit shall be renewed from the date of request.

In case of overdue deposits, interest shall be paid for the overdue period as per our Policy on Interest Payable on domestic overdue term deposits and deposits shall be renewed from the date of request.

9. ADVANCES AGAINST DEPOSITS

The Bank may consider request of the depositor/s for loan / overdraft facility against term deposits after execution of necessary security documents. The Bank will 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 – applicant

10. SETTLEMENT OF DUES IN DECEASED DEPOSIT ACCOUNT

10.1 The Bank will follow a simplified procedure for settlement of accounts of deceased account holders as enumerated in the Bank's policy on Settlement of Claims of Deceased Constituents & Return Of Articles In Safe Deposit Lockers / Safe Custody. The claim in respect of deceased depositors and release of payments to survivor (s)/ nominees will be made within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) to the bank's satisfaction.

10.2 If the depositor has registered a 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 itself about the identity of the nominee, etc.

10.3 The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank.

10.4 In a joint deposit account, when one of the joint account holders dies, the Bank is required to make payment jointly to the claimant (s) and the surviving depositor(s). The claimant(s) be nominated by submitting the consent letter by all the legal heirs of the deceased person. 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.

11. INTEREST PAYABLE ON TERM DEPOSIT IN DECEASED DEPOSITOR'S ACCOUNT

In the case of a term deposit standing in the name/s of a deceased individual depositor, the interest on such deposits shall be paid as follows:

11.1 At the contracted rate of the deposit if the deposit shall be paid on the maturity date.

11.2 In respect of the deposit of the deceased closed before maturity and paid to the legal heirs/ representatives of the deceased depositor, interest shall be payable at the rate applicable for the period for which the deposit actually remained with the bank without charging premature closure charges.

11.3 In the case of death of depositor before maturity date and amount is claimed after the date of maturity, interest shall be paid at contracted rate till the date of maturity and from the date of maturity to the date of payment, simple interest shall be paid at the applicable rate operative on the date of maturity, for the period the deposit remained with the bank beyond the date of maturity.

11.4 In the case of death of the depositor after the date of maturity of the deposit, interest shall be paid at Savings Bank rate operative on the date of maturity from the date of maturity till date of payment.

11.5 No interest shall be paid on deposits held in current accounts. However in case of death of the Current account holder, individual depositor or sole proprietorship concern, for the balance lying in his current account interest from the date of death of the depositor till the date of repayment to the claimant/s at the rate of interest applicable to saving deposit as on the date of payment, shall be paid.

11.6 In case of term deposits with “Either or Survivor” / “Former or Survivor” mandate or where nomination facility had been utilized by the depositor, premature withdrawal will be allowed to the survivor/ nominee at the rate of interest applicable on the date of deposit for the period the deposit remained with the bank and without penalty (similar to that of 11.2).

This clause is also applicable for Tax Saver deposits.

12. OTHER IMPORTANT INFORMATION

12.1 Customer information

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

12.2 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.

12.3 Insurance Cover for Deposits

All bank deposits are covered under the Insurance scheme offered by the Deposit Insurance and Credit Guarantee Corporation of India (DICGC). The details of the Insurance cover in force available to the depositor is disclosed in our Bank's website for customer notice and also in the net banking platform.

Bank while offering deposit products linked to insurance benefits will give choice to the customer for availing the insurance benefit and will explicitly specify the insurance cost if the depositor opts for insurance cover.

All bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to the limits and conditions prescribed by DICGCI. (With effect from 04.02.2020, the limit of insurance cover for deposit has been enhanced to Rs.5.00 lakhs). The premium for such insurance cover will be borne by the Bank.

12.4 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.

12.5 Dormant Accounts

Accounts which are not operated for a period of two years will be classified as dormant / inoperative accounts in the interest of the depositor as well as the bank. The depositor will be informed of charges, if any, which the bank will levy on dormant/ inoperative accounts. The depositor can request the

bank to activate the account for operating it after complying with the conditions as per KYC norms.

12.6 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 30 days 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.

13) Non Residential Deposit Account

I. Non-Resident External (NRE) – All aspects regarding interest payable on overdue NRE deposits and Premature withdrawal of NRE deposits shall be as per policy applicable for domestic rupee deposit **subject to the minimum period of deposit as per RBI guidelines in force from time to time.**

II. Policy for Foreign Currency Deposits:

A. Interest Payable on Overdue FCNR (B) / RFC Deposits

As per existing RBI guidelines which is reproduced below.

If the period from the date of maturity till the date of renewal (both days inclusive) does not exceed 14 days, the rate of interest payable on the amount of deposit so renewed shall be the appropriate rate of interest for the period of renewal as prevailing on the date of maturity or on the date when the depositor seeks renewal, whichever is lower.

In all other cases of renewal, interest rate for overdue period on the renewed amount shall be determined by treating it as a fresh term deposit.

B. Interest Payable on premature withdrawal of FCNR/RFC deposits

1. Premature withdrawal within the minimum stipulated period (currently one year)

In case of pre closure within the minimum stipulated period (currently one year), no interest will be paid and one-year SWAP cost, if any, prevailing on the date of deposit will also be recovered.

2. Premature withdrawal after the minimum stipulated period (currently one year) but before maturity of the deposit.

1% penalty will be charged on the applicable rate of interest for the period from the date of deposit till the date of pre-closure **(Or)**

1% penalty will be charged on the original contracted rate

Lower ROI after penalty stated above will be paid.

If the rate of interest after applying penalty is negative, rate of interest will be treated as "Zero" i.e. no interest will be paid. In addition to penalty, swap cost, if any, will also be recovered.

C. Preclosure of deposits for the purpose of availing the benefit of hike in interest rates.

1% penalty will be charged on the applicable rate of interest for the period from the date of deposit till the date of pre-closure **(Or)**

1% penalty will be charged on the original contracted rate

Lower ROI after penalty stated above will be paid.

If the rate of interest after applying penalty is negative, rate of interest will be treated as "Zero" i.e. no interest will be paid. If deposit is preclosed before the minimum stipulated period (currently one year), no interest will be paid for the period run. In addition to penalty, swap cost, if any, will also be recovered.

D. Existing Policy Guidelines – Conversion of NRE to FCNR and vice versa

Conversion of FCNR(B) deposits into NRE deposits or vice versa before maturity should be subjected to the penal provision relating to the premature withdrawal.

E. Interest payable on the deposit of a deceased FCNR (B) Depositor.

Bank shall pay interest on the term deposits standing in the name(s) of a deceased FCNR(B) individual depositor or two or more joint depositors where one of the depositors has died, as under :

(a) If paid on the maturity of the deposit, interest shall be paid at the contracted rate;

(b) If the deposit is claimed before the maturity date, interest shall be paid not at the contracted rate but at the rate applicable to the period for which the deposit remained with the co-operative bank and without charging penalty for pre-payment;

(c) In case the depositor dies before the date of maturity of the deposit but the amount of the deposit is claimed after the date of maturity, interest shall be paid at the contracted rate till the date of maturity and simple interest at the applicable rate operative on the date of maturity for the period for which the deposit remained with the bank beyond the date of maturity.

(d) In case of death of the depositor after the date of maturity of the deposit, the interest rate operative on the date of maturity in respect of savings deposits held under Resident Foreign Currency (RFC) Account Scheme shall be paid from the date of maturity till the date of payment.

(e) In case the claimants are residents, the maturity proceeds shall be converted into Indian Rupees on the date of maturity and interest shall be paid for the subsequent period at the rate applicable to a domestic term deposit of similar maturity.

F. Payment of interest on FCNR (B) deposits of NRIs on return to India.

Bank may, at their discretion, on receipt of the request from the depositor, allow FCNR(B) deposits of persons of Indian nationality / origin who return

to India for permanent settlement to continue till maturity at the contracted rate of interest subject to the conditions that :

(a) The rate of interest as applicable to FCNR(B) deposits shall continue.

(b) Such deposits shall be treated as resident deposits from the date of return of the account holder to India.

(c) The FCNR(B) deposits on maturity shall be converted into Resident Rupee Deposit Account or RFC Account (if eligible) at the option of the account holder.

(d) The rate of interest on the new deposit (Rupee account or RFC Account) shall be the relevant rate applicable for such deposit account.

Waiver of Penalty on pre-closure of FCNR(B)/RFC Deposit

Head of Treasury shall be vested with powers to waive pre-closure penalty on FCNR(B) Deposits subject to recommendation by Head of NRI business vertical.

With regard to Crystallization of inoperative Foreign Currency Deposits, guidelines specified in RBI Master Direction - Miscellaneous shall be referred.

Part - II

BSBD Account (Basics Savings Bank Account)

Eligibility:

Open to all Individuals, particularly for Low Income Group

1. Balance requirement

No requirement to maintain Minimum Balance

2. KYC requirement

Opening and operation of BSBD Account shall be subject to the instructions on KYC / AML issued by the Reserve Bank of India (Commercial Banks - Know Your Customer) Directions, 2025 as amended from time to time

3. Restrictions

- (i) The Holder of a BSBD account shall not be eligible for opening another BSBD account in the same Bank or any other Bank. Accordingly, before opening a BSBD account, the bank shall take a declaration from the customer that he / she does not have a BSBD Account in any Bank
- (ii) The holder of the BSBD account shall not be eligible for opening any other Savings Bank Deposit account in that Bank. However, he/she can open term deposit accounts.
- (iii) If a customer has any other Savings Bank Deposit Account in the Bank, and undertaking shall be obtained from the customer that he/she shall close the same within 30 days from the date of opening of BSBD Account
- (iv) If the customer has not submitted an account closure request to close other Savings accounts than BSBD, the Bank shall serve a notice to the customer and provide him/her a period of another 30 days before closing the Savings Bank account of the customers
- (v) An existing customer can convert an existing Savings Bank Deposit account to a BSBD Account. The Bank shall convert the existing

Savings Bank account to BSBD Account within Seven days of receipt of request in writing from the customer for such conversion. Such an option shall also be provided to customers through Internet Banking / Mobile Banking

4. Features / Facilities: The Bank shall offer the following basic minimum facilities in a BSBD Account, free of charge:

- (i) Deposit of cash at Bank Branch as well as ATMs / CDMs
- (ii) Receipt of Money through any electronic channel or deposit / collection of cheques
- (iii) No limit on number and value of deposits that can be made in a month
- (iv) ATM Card or ATM-Cum-Debit shall be issued without annual fee, either at the time of issuance or renewal
- (v) Cheque Book with minimum 25 leaves per year
- (vi) Internet and Mobile Banking Facility
- (vii) Passbook or monthly statement of account in lieu of passbook, either in print or by email, as per the request of the account holder. Further, issuance of a continuation of Passbook, on exhaustion of the pages in the previous passbook, shall not attract any charge
- (viii) Minimum of FOUR withdrawals including transfers and ATM transactions in a month. However Digital Payment transactions / Electronic Fund Transfers excluding ATM transactions i.e. Point of Sale transfers, NEFT, RTGS, UPI, IMPS etc. shall not be counted as withdrawals for this purpose
- (ix) The charges on digital payment transactions / Electronic Fund Transfers, shall be in accordance with guidelines issued by Department of Payment and Settlement Systems, Reserve Bank of India / National Payments Corporation of India / Government of India, as applicable
- (x) The facilities of ATM/ATM-cum-Debit Card or Internet / Mobile Banking or cheque book shall be offered to the customer at the time of opening the BSBD account, provided the customer requests for the same. The Bank shall not insist that a customer necessarily avails these facilities while opening and/or operating the BSBD account

- (xi) The Bank may provide additional services beyond the above minimum facilities in a BSBD Account, with or without charges, in a non-discretionary and non-discriminatory manner with transparent disclosure to the customer. However, while doing do, the bank shall not require the customer to maintain a minimum balance in the BSBD account. The availment of such additional service shall be at the option of the customer.

PART – III

INTEREST PAYMENT ON DEPOSITS

1. Interest Rate Framework

The Bank shall pay interest on deposits of money (other than current account deposits) accepted or renewed by the bank under various categories such as Domestic, Ordinary Non-Resident (NRO), Non-Resident (External) Accounts (NRE) and Foreign Currency (Non-resident) Accounts (Banks) Scheme {FCNR(B)} deposit account on the terms and conditions specified under :

(a) The interest rates on deposits shall be determined by the ALCO except for the Bulk Deposits. The Executive Committee for fixing the ROI on Bulk Deposits shall determine the rate in case of Bulk Deposits. The rates shall be notified by the committees (supra) from time to time.

(b) The rates shall be uniform across all branches and for all customers and there shall be no discrimination in the matter of interest paid on the deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices.

(c) Interest rates payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance. The banks shall maintain the bulk deposit interest rate card in their Core banking system to facilitate supervisory review.

(d) The rates shall not be subject to negotiation between the depositors and the bank.

(e) The interest rates offered shall be reasonable, consistent, transparent and available for supervisory review / scrutiny as and when required.

(f) 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.

(g) Deposits maturing on non-business working day

(i) If a term deposit is maturing for payment on a non-business working day, Scheduled Commercial Banks shall pay interest at the originally contracted rate on the original principal deposit amount for the non-business working day, intervening

between the date of the maturity of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.

(ii) In case of reinvestment deposits and recurring deposits, Scheduled Commercial Banks shall pay interest for the intervening non-business working day on the maturity value.

(h) Interest rates on deposits shall be fixed by ALCO based on the inputs such as the

- i) residual pattern of deposits.
- ii) interest range wise distribution of deposits.
- iii) rolling over/ rolling in portion of term deposits.
- iv) composition of CASA.
- v) the overall market liquidity position of the financial system.
- vi) interest rate scenario of the system.
- vii) the objective/ directions of the Government and Monetary authorities/ supervisors.
- viii) the corporate goal of the Bank.
- ix) addressing liquidity mismatches and interest rate risks.
- x) to improve the Net Interest Margin of the Bank

2. Interest Payments:

Interest shall be paid on saving account / term deposit at the rates of interest as decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time.

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 depositors requiring interest payments monthly, 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 formulae and conventions advised by Indian Banks' Association, Mumbai.

The rate of interest on deposits shall be prominently displayed in the branch premises and website of the Bank. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed. The Bank shall also publish the same in the Banks' website for the information of the general public and customers.

The Bank has statutory obligation to deduct tax at source if the total interest paid / payable on all deposits (where ever TDS is applicable) held by a depositor exceeds the amount specified under the Income Tax Act. The Bank shall issue a tax deduction certificate (TDS Certificate) for the amount of tax so deducted. The depositor, if entitled to exemption from TDS can submit declaration in the prescribed format at the beginning of every financial year.

For the present, the Bank shall have term deposit schemes with fixed interest rate products. However, the Bank may opt for offering floating interest rate term deposit products, if the same is required in future, with the approval of ALCO and Board.

2.1 Interest Payment on Current Account

No Interest shall be paid on deposits held in current accounts. However interest shall be paid on the balances lying in current account standing in the name of a deceased individual depositor or sole proprietorship concern from the date of death of the depositor till the date of repayment to the claimant's at the rate of interest applicable to savings deposit as on the date of payment.

2.2 Interest payment on Savings Account, Basic Savings Bank Account / Small Account

Bank shall pay SB interest on daily balances held in both operative and inoperative SB accounts – Domestic, NRO and NRE including those frozen by the enforcement authorities. Staff members, ex-employees shall be offered an additional one percent. The interest rate offered on SB accounts is subject to change at the discretions of the bank in line with the market scenario based on the directive of the ALCO (Asset Liability Management Committee) as under:

- (i) A uniform interest rate shall be set on balance up to Rupees one Lakh, irrespective of the amount in the account within this limit.
- (ii) Differential rates of interest may be provided for any end-of –day savings bank balance exceeding Rupees one Lakh. Accordingly, while calculating interest on domestic savings bank deposits, bank will apply the uniform rate on end-of-day balance up to Rs.1.00 lakh and for any end-of-day balance exceeding Rs.1.00 lakh, bank may offer the differential rate(s) as fixed by the Bank if any, from time to time.

The interest on Savings Deposit is calculated on daily product basis and credited to the customers' account on quarterly intervals i.e., 30th June, 30th September, 31st December and 31st March every year.

Interest payment on Basic Account shall be applicable as Savings account.

2.3 Interest Payment on Term Deposits:

Term Deposits (other than RD) shall have two dimensional pricing i.e. 1) according to maturity and 2) according to the amount of deposit. The card rates of Interest as published from time to time are applicable for the period of deposit and amount of deposit.

The Bank may at its discretion to offer differential rate of interest on deposits based on the amount of deposit classified as Bulk Deposits (i.e. Single Rupee term deposits of Rupees three crore and above) as decided by the Committee at Treasury department formed for this purpose and the same will be published in the Bank's website. For accepting bulk deposits, prior permission from Treasury Department should be obtained and rate of interest shall be specified by the Committee formed for this purpose. Bulk Deposits shall not be accepted under "Flexi Fix Deposit scheme".

The quantum of individual deposit limits under the above Bulk deposits (i.e. presently Rs.3.00 crore & above) shall be reviewed by the Bank based on the directives of the RBI, as and when the same gets revised by RBI.

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 depositors requiring interest

payments monthly, 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 formulae and conventions advised by Indian Banks' Association, Mumbai.

2.3.1 Interest Payment on Deposits of Staff Members:

Deposits made by our Bank's staff/retired staff members (on superannuation otherwise as per Bank's Rules, but excluding employees retired compulsorily or in consequence of disciplinary actions or resigned employees), are eligible for 1% p.a. additional interest over and above the card rate is being paid in respect of Savings Bank or a term deposit account. This will be governed by separate rules framed by the Bank for extending additional interest over and above the card rate for the public.

A member of our Bank's staff shall be paid additional interest (Presently 0.50% in respect of savings bank accounts and 1% in respect of term deposits) in respect of a savings or a term deposit account opened in the name of

- a) a member or a retired member of our Bank's staff either singly or jointly with any member of his family.
- b) a member of the bank's staff" means a person employed on a regular basis, whether full-time or part-time, and includes a person recruited on probation or employed on a contract of a specified duration but does not include a person employed on casual basis.
- c) a retired member of the bank's staff" means an employee retiring whether on superannuation or otherwise as provided in the bank's Service/Staff Regulations, but does not include an employee retired compulsorily or in consequence of disciplinary action;
- d) 'Family' means and includes the spouse of the member/retired member of the bank's staff and the children, parents, brothers and sisters of the member/retired member of the bank's staff, who are dependent on such member/retired member, but does not include legally

separated spouse; Grand Children and any blood relation may be included only for survivor purpose.

e) If the account is jointly maintained with the spouse as the first name, the second name should be Bank's staff or retired employee and no other member of the family can be included.

f) If the account is jointly maintained with any member of the family as stated above other than the spouse, the first name should always be in the name of the Staff Member/Retired Employee.

g) Retired Employees (Retired employee means an employee of CUB who have put in a minimum of 25 years of service in the bank and retired at the age of 58 in the normal course and members of staff who have resigned on medical grounds and if the 'Genuineness' has been accepted by the Management and if they have not taken any employment elsewhere/ or not pursuing any profession/ carrying on any business) who are senior citizens (Senior citizen means one who has attained the age of 60 years) may open domestic deposit accounts singly or jointly with the spouse and either of their names may be mentioned as the first name provided the spouse is also a senior citizen and they will be paid higher interest rates as admissible to senior citizens over and above the additional interest of not exceeding one percent. payable to them by virtue of their being retired members of the Bank's staff.

h) If a retired senior citizen employee opens account jointly with any other member of the family including the spouse who is not a senior citizen, the first name should always be in the name of the Retired senior citizen Employee.

i) Under the combined rate, a retired employee, who is a senior citizen, can get 1% above the rate applicable for senior citizen, prevailing at the time of placing the deposit, with maturity of one year and above.

j) Such of those employees who have joined in regular service of the bank under lateral recruitment process, but having not put in minimum of 25 years of service in our bank the eligibility to grant additional 1% interest will be decided by the MD & CEO at the time of granting gratuity on case to case basis.

k) Tax shall be deducted under the PAN Number of the person whose name is mentioned as first name.

l) After the death of the retired senior citizen employee, the spouse can be permitted to avail the benefit of this combined rate of interest.

m) A declaration should be obtained from the depositor concerned, that the monies deposited or which may, from time to time, be deposited into such account are belonging to the depositor concerned.

n) The benefit of additional interest rate should not be extended to any type of deposits of Staff/ Retired Employee who are not residing in India. For who have become non-residents of India subsequently.

o) The additional interest is payable only so long as the person continues to be in the employment of the bank and in case of his resignation, the additional rate shall be paid till the maturity of a term deposit account; and it will not be extended on renewal.

2.3.2 Interest Payment on Senior Citizen / Super Senior Citizen:

a) The applicable additional interest offered to senior citizens shall not be offered, if the depositor becoming a senior citizen during the contractual period of the deposit and the additional interest would be applicable only for renewals/ fresh deposits after attaining the age of 60 years / 80 years for senior citizen / Super Senior Citizen respectively.

- b) Bank may at its discretion offer Fixed deposit schemes specifically for resident Indian senior citizens and super senior citizens, offering higher and fixed rates of interest as compared to normal deposits of any size.
- c) The additional interest clause stated above also applies to a staff member, who is a senior citizen / super senior citizen.
- d) The additional interest rate so offered to resident Indian senior citizens is in his/her individual capacity and not as HUF/Karta. In the case of a term deposit which is standing in the name of an HUF, the Karta of the HUF shall not be offered higher rate of interest, even if he is a resident Indian senior citizen, as the beneficial owner of the deposit is the HUF and not the Karta in his individual capacity.
- e) Bank at its discretion may define the ceiling on the deposit amount and the period to offer additional rate of interest on different maturity.

2.4 Interest Payment on Non Residential Deposits

Interest rates offered by the Bank on NRE and NRO Term deposits cannot be higher than those offered on domestic rupee deposits of comparative maturity period.

The interest rates on NRE/NRO savings deposits should be the same as applicable to domestic savings deposits.

- a) Bank will pay interest on NRE savings deposits and NRE term deposits, at the rates specified.
- b) The Bank will calculate interest on NRO/NRE-Savings Bank accounts on a daily product basis.
- c) Consequent to the deregulation of interest rates of Domestic, NRO and NRE savings deposits accounts, the Bank may at its discretion determine its savings bank deposit interest rate, subject to the regulatory norms.

d) In respect of FCNR deposits, IBD Chennai has been empowered to fix interest rates every month based on ARR rates declared by FEDAI or any other alternative rate prescribed by RBI/FEDAI from time to time, subject to post facto approval by ALCO/ Board.

No interest will be paid on NRE Term deposits, originally accepted for a period of more than one year, but prematurely closed before completion of one year from the date of deposit.

3. Payment of interest on Frozen accounts:

In the case of Term Deposit Accounts of customers frozen by the orders of the enforcement authorities, the following procedure is followed in payment of Interest.

a. A request letter shall be obtained from the customer on maturity for renewal of the deposit for further term for which the deposit has to be renewed. In case the depositor does not exercise his option of choosing the term for renewal, bank may renew the same for a term equal to the original term.

b. No new receipt shall be issued. However, a suitable note should be made regarding renewal in the deposit ledger.

c. Renewal of deposit will be advised by registered letter / speed post / courier service to the Government department concerned under advice to the depositor indicating the period, rate of interest at which the deposit is renewed.

d. If overdue period does not exceed 14 days on the date of receipt of the request letter, renewal should be done from the date of maturity. If it exceeds 14 days, bank will pay interest for the overdue period as per the policy adopted by them, and keep it in a separate interest free sub-account which should be released when the original fixed deposit is released.

4. Payment of Interest on Premature withdrawal of term deposit:

The Bank on request from the depositor, shall allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit unless otherwise restricted in the scheme for such premature withdrawal. The rate of interest applicable for the prematurely closed deposits shall be as per the prevailing Bank guidelines. The Bank shall declare the penal interest rates to be collected as per the policy for premature withdrawal of term deposit and disclose the same in its website.

5. Payment of Interest on Premature renewal of term deposit:

In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, the bank shall permit the renewal at the applicable rate on the date of renewal, provided the deposit is renewed for a period longer than the balance period of the original deposit. The rate of Interest for the period up to the date of renewal shall be the rate applicable for the period for which the deposit had already run prevailing on the date of opening the original deposit account without applying penalty. Premature renewal can be done only from the date of presentation of the deposit for such renewal.

6. Payment of Interest on Renewal of Matured/Overdue term deposits:

If the depositor approaches for renewal of matured term deposit, procedure shall be adopted for payment of interest for the overdue period as given in a separate policy on “payment of interest on overdue term deposits”

7. Payment of interest on deposits maturing on a holiday:

In respect of a term deposit maturing for payment on a holiday or a non-business working day, bank would pay the interest for the intervening holidays irrespective of whether the depositor seeks repayment on the succeeding working day or later on.

8. Interest on deceased depositors' account:

In the case of a term deposit standing in the name/s of a deceased individual depositor, the interest on such deposits shall be paid as follows:

a. At the contracted rate of the deposit if the deposit shall be paid on the maturity date. In respect of the deposit of the deceased closed before maturity and repaid to the legal heirs/ representatives of the deceased depositor, interest shall be payable at the rate applicable for the period for which the deposit actually remained with the bank without charging premature closure charges.

b. In the case of death of depositor before maturity date and amount is claimed after the date of maturity, interest shall be paid at contracted rate till the date of maturity and from the date of maturity to the date of payment, simple interest is paid at the applicable rate operative on the date of maturity, for the period the deposit remained with the bank beyond the date of maturity.

c. In the case of death of the depositor after the date of maturity of the deposit, interest shall be paid at Savings Bank rate operative on the date of maturity from the date of maturity till date of payment.

d. No interest shall be paid on deposits held in current accounts.

However in case of death of the Current accountholder, individual depositor or sole proprietorship concern, for the balance lying in his current account interest from the date of death of the depositor till the date of repayment to the claimant/s at the rate of interest applicable to saving deposit as on the date of payment, shall be paid.

e. In case of term deposits with “Either or Survivor” / “Former or Survivor” mandate or where nomination facility had utilized by the depositor, premature withdrawal will be allowed to the survivor/ nominee at the rate of interest applicable on the date of deposit for the period the deposit remained with the bank and without penalty (similar to that of 8. b).

This clause is also applicable for Tax Saver deposits.

Part - IV

UNCLAIMED DEPOSITS / INOPERATIVE ACCOUNTS IN THE BANK

DEFINITIONS

BANK INDUCED TRANSACTION

Transactions in the account initiated by the bank such as charges, fees, interest payments, penalties, taxes.

Bank Induced Transactions are as follows:

- a) All types of charges levied by bank including taxes deducted
- b) Savings Bank account interests

CUSTOMER INDUCED TRANSACTION

The transactions in account which are in the nature of:

- a) a financial transaction initiated by or done at the behest of the account holder by the bank/ third party (an illustrative list is given in Annex I) or;
- b) a non-financial transaction, or;
- c) KYC updation done in face-to-face physical mode or through digital channels such as internet banking or mobile banking application of the bank.

FINANCIAL TRANSACTION

A monetary transaction in the savings/ current account of the customer with the bank either by way of a credit or debit transaction.

Financial Transactions are as follows:

- a) ATM/ Cash withdrawal/deposit
- b) RTGS / NEFT/ IMPS /UPI/ AePS/ ABPS Transactions
- c) Internet Banking Transactions

- d) Debit Card Transactions
- e) Transfer of funds from / to the linked CBDC(e-Rupee) account
- f) Cheque Clearing
- g) Remittance of funds by way of demand drafts
- h) Cash withdrawal by third party through cheque
- i) Standing Instructions issued by the customer
- j) NACH Debit / Credits
- k) Term Deposit Interest / proceeds
- l) Dividend on shares/Interest on Debentures or any other investment proceeds
- m) Direct Benefit Transfer (DBT) credits
- n) Refunds like refunds related to e-commerce payments, Income Tax Returns, etc.
- o) National Electronic Toll Collection (NETC) debits

INOPERATIVE ACCOUNT

A savings/ current account shall be treated as inoperative, if there are no 'customer induced transactions' in the account for a period of over two years

NON-FINANCIAL TRANSACTION

An enquiry or request for any product / service initiated by the account holder through any ATM or internet banking or mobile banking application of the bank or through Third Party Application Providers, which requires two-factor authentication (2FA) and leaves a trail for audit purposes or successful log-in to the internet banking/ mobile banking application. Illustratively, this includes transactions such as change in transaction limit, request for issue of cheque book/ credit card/ debit card, nomination facility, balance enquiry, etc.

UNCLAIMED DEPOSITS

The credit balance in any deposit account maintained with bank, which have not been operated upon for ten years or more, or any amount remaining unclaimed for ten years or more.

UNCLAIMED DEPOSIT REFERENCE NUMBER (UDRN)

It is a unique number generated through Core Banking Solution (CBS) and assigned to each unclaimed account/ deposit transferred to DEA Fund of RBI. The number shall be such that the account holder or the bank branch where account is maintained, cannot be identified by any third party.

REVIEW OF ACCOUNTS

Bank shall undertake at least an annual review in respect of accounts, where there is no customer induced transactions for more than a year. In cases where there is no explicit mandate to renew the term deposit, the bank should review such accounts if the customers have not withdrawn the proceeds after maturity or transferred these to their savings/current account in order to prevent such deposits from becoming unclaimed. The bank shall inform the account/deposit holders and joint holder/s in writing through email or SMS (if the email and mobile number are registered with the bank) that there has been no operation in their accounts/deposits in the last one year, as the case may be. The alert messages shall invariably mention that the account would become 'inoperative' if no operations are carried out during the next one year and, the account holder would be required to submit KYC documents afresh for reactivating the account in such case.

If the letters are returned undelivered or no response is received through registered email, the bank shall immediately undertake an enquiry to find out the whereabouts of account holder or his/her nominee/legal heirs in case the account holder is deceased.

In case any response is received from the account holder giving the reasons for not operating the account, the bank shall continue to classify the account as operative for one more year and the account holder shall be advised to operate

the account within a period of one year (herein after referred to as 'extended period'). In case the account holder still fails to operate the account within the extended period, the bank shall classify the said account as inoperative account after the expiry of the extended period.

For the purpose of classifying an account as 'inoperative', only customer induced transactions and not bank induced transactions shall be considered. There may be instances where the customer has given a mandate like Standing Instructions (SI)/ auto-renewal instructions and there are no other operations in the Savings /Current account or the Term Deposit. These transactions shall also be treated as customer induced transactions.

The classification of an account as inoperative shall be for a particular account of the customer and not with reference to the customer. In case a customer is maintaining multiple accounts/deposits with a bank, all such accounts/deposits shall be assessed individually for the purpose of classifying them as inoperative account/unclaimed deposit, as the case may be.

In case the account holder is not carrying out transaction and the account is - inoperative due to shifting of primary account to another bank, the account holder may be requested to provide the details of the new bank account with authorisation to enable the bank to transfer the balance from the existing bank account.

TREATMENT OF ACCOUNTS OPENED FOR CREDIT OF SCHOLARSHIP AMOUNT AND CREDIT OF DIRECT BENEFIT TRANSFER UNDER GOVERNMENT SCHEMES

The bank open zero balance accounts for beneficiaries of Central/State government schemes and for students who receive scholarship. Central and State governments have been expressing difficulty in crediting cheques/Direct Benefit Transfer/ Electronic Benefit Transfer/ scholarship amount in these accounts as they are also classified as inoperative due to non-operation for two years. The bank shall, based on the purpose of opening of the account, segregate the aforementioned accounts in their CBS, so that the stipulation of 'inoperative' account is not applicable to these accounts due to their non-

operation for a period of more than two years. To avoid the risk of fraud, etc., in such accounts, while allowing operations in these accounts, the bank should exercise due diligence as per the extant instructions.

SEGREGATION AND AUDIT OF INOPERATIVE ACCOUNTS/ UNCLAIMED DEPOSITS

The segregation of inoperative accounts is required to be done to reduce the risk of frauds. The transactions in inoperative accounts, which have been reactivated, shall be monitored regularly, for at least six months, at higher levels (i.e. by controlling authorities of the concerned branch) without the knowledge and notice of the customers and the dealing staff.

The bank shall ensure that amounts lying in inoperative accounts/unclaimed deposits and reactivated inoperative accounts/ unclaimed deposits, are subjected to concurrent audit.

TRACING OF CUSTOMERS OF INOPERATIVE ACCOUNTS /UNCLAIMED DEPOSITS

The bank shall contact the holder(s) of the inoperative account/ unclaimed deposit through letters, email or SMS (if the email and mobile number are registered with the bank). The email/ SMS shall be sent on a quarterly basis.

In case the whereabouts of the holder(s) of the inoperative account/ unclaimed deposit are not traceable, the bank shall contact the introducer, if any, who had introduced the account holder to the bank at the time of opening of the account. The bank shall also contact the nominee, if registered, for tracing the customer.

The bank shall undertake special drives periodically to find out the whereabouts of the customers, their nominees or legal heirs in respect of inoperative accounts / unclaimed deposits.

ACTIVATION OF INOPERATIVE ACCOUNTS

The bank shall make available the facility of updation of KYC for activation of inoperative accounts/ unclaimed deposits at all branches (including non-home

branches) and through Video-Customer Identification Process (V-CIP) if requested by the account holder, subject to the facility of V-CIP being provided by the bank.

The bank shall activate the inoperative accounts/ unclaimed deposits, including those which are under freeze by orders of various agencies like Courts, Tribunals,

Law Enforcement Agencies, only after adhering to the KYC guidelines provided in the Master Direction - Know Your Customer (KYC) Direction, 2016 dated February 25, 2016 (as updated from time to time) such as Customer Due Diligence (CDD), customer identification, risk categorisation, etc.

The bank shall ensure that activation of inoperative account/ unclaimed deposits in CBS necessarily requires second level of authorisation by another officer at the same or higher level (i.e., through maker and checker). System logs shall invariably be maintained in case of any activity in or activation of inoperative accounts/unclaimed deposits for concurrent audit purpose. The preservation period of such system logs shall be as per the internal guidelines of the bank.

The bank shall automatically intimate the inoperative account/ unclaimed deposit holders through SMS and registered email stating that on the basis of the KYC documents submitted by them, the inoperative status of the account has been removed. The intimation shall also mention the remedial measures available to them to report unauthorised access, if any. This would alert the account/ unclaimed deposit holder against any possible fraudulent activity in his/her inoperative account. The bank shall have in place adequate operational safeguards to ensure that the claimants in case of inoperative accounts/ unclaimed deposits are genuine. The bank shall process requests for activation of inoperative account/ unclaimed deposits within three working days from the receipt of the complete application.

PAYMENT OF INTEREST

Interest on savings accounts shall be credited on a regular basis irrespective of the fact that the account is in operation or not.

LEVY OF CHARGES

The bank are not permitted to levy penal charges for non-maintenance of minimum balances in any account that is classified as an inoperative account.

No charges shall be levied for activation of inoperative accounts.

DISPLAY OF UNCLAIMED DEPOSITS AND SEARCH FACILITY

Bank shall host the details of unclaimed deposits {only name, address (without pin code) and Unclaimed Deposit Reference Number (UDRN)}, which have been transferred to DEA Fund of RBI on their respective websites, which shall be updated regularly, at least on a monthly basis. The list of unclaimed deposits shall be made available in Bank's website.

FRAUD RISK MANAGEMENT IN INOPERATIVE ACCOUNTS

The bank shall not allow any debit transaction in an inoperative account unless there is a customer induced activation as per the procedure mentioned above. Further, bank may also consider imposing a cooling-off period on reactivation, with restrictions on the number and amount of transactions, as may be applicable for newly opened accounts with the bank.

The bank shall ensure that there is no unauthorised access to customer data pertaining to the inoperative accounts. The bank shall also ensure that adequate steps are taken to prevent data theft and related misuse for fraudulent purposes.

CUSTOMER AWARENESS

The bank shall provide on their website as well as at their branches, the information on the process for activation of the inoperative account/ unclaimed

deposits and claiming the balances therein. Necessary claim forms and documents may be made available for the benefit of customers.

- 1) The bank shall conduct public awareness and financial literacy campaigns regularly to educate the members of public about the activation of inoperative accounts/unclaimed deposits and the prescribed procedure to claim amounts lying therein by a depositor or his/her nominee/ legal heir in case of deceased depositor

Part – V

Special Deposit Products

1. Green Deposit

“Green deposit” is an interest bearing deposit for a fixed period and the proceeds of which are earmarked for allocation towards green finance. The proceeds raised through green deposits shall be allocated towards the following lists of green activities/projects which encourage energy efficiency in resource utilization, reduce carbon emissions and greenhouse gases, promote climate resilience and/or adaptation and value and improve natural ecosystems and biodiversity:

Sector	Description
Renewable Energy	• Solar/wind/biomass/hydropower energy projects that integrate energy generation and storage. • Incentivizing adoption of renewable energy.
Energy Efficiency	• Design and construction of energy-efficient and energy-savings systems and installations in buildings and properties. • Supporting lighting improvements (e.g. replacement with LEDs). • Supporting construction of new low-carbon buildings as well as energy-efficiency retrofits to existing buildings. • Projects to reduce electricity grid losses.
Clean Transportation	• Projects promoting electrification of transportation. • Adoption of clean fuels like electric vehicles including building charging infrastructure.
Climate Change Adaptation	• Projects aimed at making infrastructure more resilient to impacts of climate change.
Sustainable Water and Waste Management	• Promoting water efficient irrigation systems. • Installation/upgradation of wastewater infrastructure including transport, treatment and disposal systems.

	• Water resources conservation. • Flood defence systems.
Pollution Prevention and Control	• Projects targeting reduction of air emissions, greenhouse gas control, soil remediation, waste management, waste prevention, waste recycling, waste reduction and energy/emission-efficient waste-to-energy.
Green Buildings	• Projects related to buildings that meet regional, national or internationally recognized standards or certifications for environmental performance.
Sustainable Management of Living Natural Resources and Land Use	• Environmentally sustainable management of agriculture, animal husbandry, fishery and aquaculture. • Sustainable forestry management including afforestation/reforestation. • Support to certified organic farming. • Research on living resources and biodiversity protection.
Terrestrial and Aquatic Biodiversity Conservation	• Projects relating to coastal and marine environments. • Projects related to biodiversity preservation, including conservation of endangered species, habitats and ecosystems.
Exclusions • Projects involving new or existing extraction, production and distribution of fossil fuels, including improvements and upgrades; or where the core energy source is fossil-fuel based. • Nuclear power generation. • Direct waste incineration. • Alcohol, weapons, tobacco, gaming, or palm oil industries. • Renewable energy projects generating energy from biomass using feedstock originating from protected areas. • Landfill projects. • Hydropower plants larger than 25 MW.	

Features and Benefits of Green fixed deposits:

1. Demonstrate customer's commitment towards environmental sustainability
2. Green fixed deposit funds will be utilized for lending towards environment friendly projects
3. All other terms and conditions as applicable for normal fixed deposits as prescribed by RBI vide its Master Direction-Reserve Bank of India (Interest Rate on Deposits) Directions, dated March 03, 2016, as amended from time to time, and our internal Board approval policy shall also be applicable to green deposits.
4. Green deposits shall be denominated in Indian Rupees only.

2. Non-Callable Deposit

2.1 Introduction

Non-callable deposits are term deposits that offer higher interest rates than regular term deposits. These deposits cannot be withdrawn before maturity, hence the name 'non-callable'. The higher interest rates shall be offered since the customers shall be obligated not to withdraw the deposits prematurely thereby the funds shall be held by the bank for the definite period.

2.2 Terms and condition for accepting non-callable deposits

The Bank shall offer the non-callable deposits in adherence to the following terms and conditions.

2.2.1 Nature of Deposit

The non-callable deposits shall be offered only as Term Deposits similar to the general term deposits offered by the bank including NRE/NRO deposits and shall not be offered to other banks.

2.2.2 Tenor

The minimum for placing the deposit shall be 7 days in case of domestic deposits / NRO deposits and one year in the case of NRE deposits and maximum period of 10 years.

2.2.3 Quantum

The minimum quantum shall be above One Crore and no maximum ceiling.

For Bulk Deposits (presently INR 3 crores and above) acceptance of the deposits shall be at the discretion of the treasury department.

2.2.4 Rate of Interest

The rate of interest for various tenors shall be decided by the ALCO (Asset Liability Management Committee of the Bank) from time to time.

For Bulk deposits the rate of interest shall be decided by the “Committee of Executives for fixing the rate of interest for Bulk Deposits” from time to time.

2.2.5 Payment of Interest

Interest will be calculated on quarterly basis and will be paid on Quarterly / Monthly (discounted rate) as opted by the customer at the time of placing the deposit. Interest shall be compounded in case of cumulative deposits.

2.2.6 Mode of placing the Deposit

The deposits for an amount below INR 3 Crores can also be placed in online mode using the Bank's internet banking / mobile banking facility.

The bulk deposits shall be invariably placed only at branches.

2.2.7 Restrictions on Auto-Renewal

Auto renewal facility shall not be allowed and as such the deposit along with the accumulated interest as applicable shall be credited to the account of the customer on maturity.

2.3 Terms and Conditions for Pre – Closure of Non-Callable Deposit:

The deposit amount invested cannot be withdrawn prior to the date of maturity subject to exceptions which shall inter-alia include:

- a) Deposits placed in the name of Government Bodies
- b) Winding up of Business
- c) Modifications can be done within 15 days if the deposits that are erroneously opened and classified as Non – Callable Deposits by Branches
- d) Any order from Government Bodies/ Judiciary calling for preclosure
- e) Any other situation warranting preclosure of the Deposit as per law of the land
- f) Customers can request for modification of the deposit from non-callable to callable nature within 15 days of placing Non-Callable Deposit
- g) Demise of depositor

In respect of all the above cases except (g) the premature withdrawal of deposit will be allowed and the interest shall be paid as per the applicable ROI (as applicable to the normal term deposits) for the period of deposit held with the

Bank prevailing at the time of opening of the deposit less 1% Penal Interest for on premature closure of deposits.

In case of the premature closure of the deposit on account of the demise of the depositor(s) the ROI (as applicable to the normal term deposits) for the period of deposit held with the Bank prevailing at the time of opening of the deposit without levying any penal interest shall be paid.

2.4 Others terms and conditions

All other terms and conditions shall be applicable to the non-callable deposits as applicable to the normal term deposits such as nomination facility, TDS norms, form 15G / 15H, , special rates for senior citizens and super senior citizen,, concessional rates to staff members and reversal of penal interest etc.

2.5 Review of the Policy

The policy shall be reviewed based on its relevance, changes in the business landscape, regulatory regime as applicable at least once in three years.
