



SBM Bank India Ltd

Deposits Policy

Synopsis of Deposits Policy

Purpose and Scope

This policy covers the guiding principle in formulation of various deposit products that can be offered by SBM India to its customers. It also aims at dissemination of information with regards to various aspect of acceptance of deposits from the members of public. It also formulates the process & the procedures laid down to set the process for accepting short term & long-term deposits along with the guiding principles set for rate of interest to offered for various buckets.

Operational Aspects

- a) **Definition**: it states that the main function of SBM, India is to accept deposit from the public for the purpose of lending at competitive rates.
- b) **Types of Deposit Accounts**:
- i) Demand Account
 - ii) Savings Account
 - iii) Current Account
 - iv) Term Deposit / Recurring Deposit.
- c) **Account Opening & Operation of Deposit Accounts**: SBM India will open the account duly complying with the KYC documents as per the regulations set by RBI from time to time. It also sets:
- i) To provide basic banking services.
 - ii) To provide priority services to Senior citizens, it also offers 0.5% additional benefits on its senior citizen accounts.
 - iii) The application form will be provided to the customer which will also provide details of documents to be provided by the bank.
 - iv) Bank will also have to categorise customers as per the risk perception and prepare profiles of customers for purpose of transaction monitoring.
 - v) SBM India will also set its guidelines from time to time to set certain minimum balance criteria, it will also levy bank charges on every quarter for its current account holders. In case of savings account bank may put certain restrictions with respect to transactions to be routed.
 - vi) The mandatory documents for opening a bank account with SBM India includes pan card, one address proof, photographs etc, any other document as requested by the bank for the purpose of due diligence.
 - vii) It also provides bank statements, timely transaction alerts, free of cost cheque book facility, free of cost RTGS / NEFT transfers, etc, any specific requests as per customers' demands.
 - viii) It will also do due diligence from KYC angle in respect to field verification by couriering the welcome kit on the registered address as specified by the customer at the time of account opening.
- d) **Deposits of Non-Resident Indians**: SBM India also accepts INR /FCY deposits from non-resident Indians and persons of Indian Origin, subject to the provisions of the relevant FEMA regulations in force. They are exempted from income tax & are freely repatriable.

- a) The interest rates in case of NRE / NRO are regulated by ALCO.
- b) In case of high value NRE deposits, special rates are quoted by treasury with due approval from India treasury head.
- c) These deposits are booked for a minimum period of 1 yr as per RBI regulations.
- e) **Foreign Currency Accounts:** SBM India also accepts foreign currency deposits for its NRE clients. Deposits are accepted in 3 FCY, viz: USD, EURO & GBP. These are minimum booked for a period of 1 year. SBM India follows Know Your Customer norms while opening foreign currency deposits also. NRIs/PIOs may also open deposit accounts with SBM-India in designated foreign currencies under Foreign Currency (Non-resident) Account (Banks) (FCNR(B) Scheme.
- f) **Minor Accounts:** Minors above the age of 10 years may be allowed to open and operate savings bank accounts independently. SBM India shall define specific minimum documentation required for opening of accounts for minor.
- g) **Bulk Deposits:** It means, Single Rupee term deposits of Rupees *Ten Million* (Rs.one crore) & above. SBM will publish/ display bulk rates for INR 10 Million (Rs. 1 crore) and above up to INR 30 Million (INR. 3 crore) at all branches and host on the *bank's* website from time to time.
- 1) Rates will be uniform across all SBM branches for all customers on a specific day for a particular period.
 - 2) Rates above Inr 30 mio will be directed to treasury head India/ CEO IOPs for rates & shall be booked as per due approval.
 - 3) The bulk deposits will not be closed prematurely except in case of special circumstances.
- h) **Interest Payments:**
- 1) Interest on savings & term deposits will be paid as per the rates decided by SBM India.
 - 2) Rates will be prominently displayed on the banks website, branch premises.
 - 3) SBM India 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. SBM India will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted
 - 4) Differential rates of interest for the deposits of the same maturity will be applicable to single term deposits of Rs. 3 crore and above. For deposits below Rs 1 crore, the same rate will apply for deposits of the same maturity. Rupee term deposits will include domestic term deposits as well as term deposits under NRO and NRE accounts.
- i) **Account of Illiterate/ Visually Impaired:** SBM India may 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.
- j) **Frozen Accounts:** SBM India will follow the below procedures:
- 1) A request letter for renewal may be obtained from the customer on maturity.
 - 2) No new receipt is required to be issued.
 - 3) Renewal of deposit may be advised by registered letter / speed post / courier service to the concerned Government department under advice to the depositor.

- k) **Premature Withdrawal of Term Deposits:** SBM India on request from the depositor, will allow withdrawal of all term deposits of individuals (held singly or jointly) of Rs.1.00 crore and below before completion of the period of the deposit agreed upon at the time of placing the deposit subject to levy of penal charges as applicable.
SBM India shall declare their penal interest rates policy for premature withdrawal of term deposit.
- l) **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. If the request is received from the customer within 14 days from the date of maturity, bank will renew the deposit as per the value date ie date of maturity.
- m) **Advance against Deposits:** SBM India 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.
- n) **Settlement of Dues in Case of Deceased Person:** If the depositor has registered nomination with the Bank; – the balance outstanding in the account of the deceased depositor will be transferred to the respective nominee as registered with the bank.
In a joint deposit account, when one of the joint account holders dies, SBM India is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s).
- o) **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.
- p) **Dormant Accounts:** Accounts that are not operated for a period of two years will be transferred to a separate dormant/ inoperative account status in the interest of the depositor as well as the Bank. The depositor would, however, be entitled to claim from the bank her deposit or any other unclaimed amount or operate her account after the expiry of ten years, even after such amount has been transferred to the Fund.
- q) **Debit Cards:**
- 1) SBM will issue Rupay debit cards for Savings Account holders.
 - 2) They can be used across all ATMs & Merchant POS machines.
 - 3) Cards can be used on all internet platform, E-commerce & Bill payment platform.
 - 4) Cards will be issued on specific request of the customer.

Policy Review

This Deposits Policy will be reviewed at least once a year or more frequently (if required) by Risk Management Team, SBM India. Further, inputs from the India CEO will also be sought at the time of the review.

POLICY AMENDMENT AUTHORITY

Risk Management Committee, SBM India must recommend to the Board any changes or amendments to the policy for their approval.

DEPOSIT POLICY

Table of Contents

1 INTRODUCTION	7
2 GUIDING PRINCIPLES	7
3 POLICY REVIEWS	20
4 POLICY AMENDMENT AUTHORITY	20
5 POLICY AUTHORIZATION	20
6 LIST OF ACRONYMS	20

1. INTRODUCTION

1.1 Definition

One of the important functions of SBM India is to accept deposits from the public for the purpose of lending. In fact, depositors are a major stakeholder of the Bank. In the interest of SBM India depositors, the Bank has formulated this Deposits Policy with guidelines on interest rates on deposits and other aspects regarding conduct of deposit accounts.

1.2 Purpose and Scope

This policy document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by SBM India 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 deposit 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 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.

While adopting this policy, SBM India reiterates its commitments to individual customers outlined in the Fair Practices Code and BCSBI's code of "Banks Commitment to Customer" adopted by it. 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.

2. GUIDING PRINCIPLES

2.1 Types of Deposit Accounts

While various deposit products offered by SBM India are assigned different names, the deposit products can be categorized broadly into the following types:

1. **"Demand Account"**: A deposit received by the Bank which is withdraw-able on demand.
2. **"Savings Account"**: 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. Can be opened only for non-business entities viz. individuals and joint account holders.
3. **"Current Account"**: 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.

4. **"Term Deposit"**: A deposit received by the Bank for a fixed period which can be withdrawn only after the expiry of the fixed period and includes deposits such as recurring/fixed deposits etc. However, there may be case of premature withdrawals of deposit discussed in Sections 2.13 of this policy document.

2.2 Account Opening and Operation of Deposit Accounts

SBM India before opening any deposit account will carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI Anti-Money laundering rules and regulations and or such other norms or procedures as per the Customer Acceptance Policy of the bank. If the decision to open an account of a prospective depositor requires clearance by a higher authority, reasons for any delay in opening of the account will be informed to the prospective depositor and the final decision of the Bank will be conveyed at the earliest to him/her. . If the customer's KYC has already been done for other products, then fresh KYC for deposit account need not be done, provided the KYC done is still valid and has not lapsed.

1. SBM India is committed to provide basic banking services to disadvantaged sections of the society. Banking services will be offered to them through no frill accounts and accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines.
2. SBM India is also committed to provide dedicated / priority services to senior citizens, people who are differently abled including visually impaired persons to facilitate ease of banking services to them.
3. The account opening forms and other material would be provided to the prospective depositor by SBM India. The same will contain details of information to be furnished and documents to be produced for verification and / or for record. The Bank official receiving the duly filled account opening form/s will explain the procedural formalities and provide necessary clarification sought by the prospective depositor when the prospective depositor approaches the bank with account opening form/s.
4. The regulatory guidelines require SBM India 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.
5. Inability of an existing customer to furnish details required by the bank to fulfil statutory obligations could also result in closure of the account after due notice(s) is/are provided to the customer.
6. For Deposit products like Savings Account and Current Account, SBM India may stipulate certain minimum balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain stipulated minimum balance in the account may attract levy of charges or no interest as specified by the bank from time to time. The banks will inform, at least

one month in advance, the existing account holders of any change in the prescribed minimum balance and the charges that may be levied if the prescribed minimum balance is not maintained. For Saving Account the bank may also place restrictions on number of transactions, cash

withdrawals, etc., during a 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 account or from time to time as and when changes are made in the charges.

7. Savings Bank Accounts can be opened for eligible person/persons and certain organizations / agencies (as advised by Reserve Bank of India from time to time).
8. 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.
9. 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.
10. The due diligence process, while opening a deposit account will involve satisfying the Bank about the identity of the person, verification of address, satisfying about his occupation and source of income. 11. SBM shall also accept Aadhaar document (issued by UIDAI) as an "Officially Valid Document" amongst other valid documents for the KYC/due diligence process. If SBM decides to undertake e-KYC as part of authenticating identity of its customers, it shall have UIDAI certified biometric scanners for the same and obtain a customer authorization for release of customer information by UIDAI (Refer RBI notification: DBOD.AML.BC. No. 44 /14.01.001/2013-14 for procedural details on Aadhaar e-KYC process
11. An individual who desires to open a "small account" as defined in the regulatory guidelines will be allowed to open such an account on production of a self-attested photograph and affixation of signature or thumb print, as the case may be, on the form for opening the account. As per the said notification "Small account" means a savings account in a banking company where-
 - a. the aggregate of all credits in a financial year does not exceed rupees one lakh,
 - b. the aggregate of all withdrawals and transfers in a month does not exceed rupees ten thousand, and;
 - c. the balance at any point of time does not exceed rupees fifty thousand. The operations in the account will be permitted subject to the conditions stipulated in the notification.
12. In addition to the due diligence requirements, under KYC norms SBM India is required by law to obtain Permanent Account Number (PAN) or alternatively declaration in Form No. 60 or 61 as

specified under the Income Tax Act / Rules.

13. Deposit 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). Savings Account can also be opened by a minor jointly with natural guardian or with mother as the guardian (Status: known as Minor's Account). Minors above the age of 10 will also be allowed to open and operate saving bank account independently. However, no overdrafts will be granted to

these minors. Savings Bank account can also be opened by a minor represented by guardian or jointly with a major, where minor is represented by natural guardian. (Please also refer to Section 4 on Minors Accounts)

14. 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. The mandate for operating the account can be modified with the consent of all account holders. The Savings Account opened by minor jointly with natural guardian / guardian can be operated by such guardian only.
15. The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:
 - a. Either or Survivor: If the account is held by two individuals the final balance along with interest, if applicable, will be paid to survivor on death of anyone of the account holders
 - b. Anyone or Survivor/s: If the account is held by more than two individuals the final balance along with interest, if applicable, will be paid to the survivor on death of any two account holders.
16. At the request of the depositor, SBM India will register mandate / power of attorney given by him authorizing another person to operate the account on his behalf.
17. The term deposit account holders at the time of placing their deposits or on or before the date of maturity can give instructions with regard to closure of deposit account or renewal of deposit for further period on the maturity of the deposit. In case of renewal, the renewed deposit will carry the rate of interest applicable at the time of renewal for the tenure for which the deposit is renewed.
18. The depositor may seek payment of the proceeds of a single or multiple term deposit in cash if the aggregate amount of the deposit together with interest is less than INR Twenty thousand only subject to submission of a declaration format of, which is available with the bank. This limit of INR 20,000 is subject to change without prior notice to the customers. SBM India holds the discretion of payment of proceeds of term deposit/s in cash in the light of any recent update about the customer around KYC or AML monitoring.

In absence of any instructions deposits will be treated as an auto renewal deposit and shall be renewed for a similar period as of the matured deposit and the rate of interest will be that ruling on the date of auto renewal for the tenure of the deposit. The customer shall be notified of the terms and conditions of renewal, including interest rates at the time of acceptance of deposit.
19. Nomination facility is available on all deposit accounts opened by individuals. Nomination is also available to an account opened by a sole proprietor. 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. While making nomination, cancellation or any change thereof, it is required to be witnessed by an independent third party.

21. The fact of the depositor's nomination having been registered with the bank will be noted on the pass book or statement of account. The nominee's name also may, at the option of the depositor be indicated on the Pass Book.
22. SBM India recommends that all depositors avail 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 a deposit account.

23. 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. SBM India shall offer pass book facility to all its savings bank account holders (individuals) and in case the bank offers the facility of sending statement of account and the customer chooses to get statement of account, the banks must issue monthly statement of accounts as per extant RBI guidelines. The cost of providing such Pass Book or Statements will not be charged to the customer.
 24. The deposit accounts may be transferred to any other branch of the Bank within India at the request of the depositor.
 25. For reasons of unsatisfactory operations and non-compliance of KYC rules, the bank may write to the customer for compliance of the same, and if the customer does not respond to the same, the bank may freeze the account or close the account without seeking further consent of the depositor / customer.
 26. The bank may, at its discretion, allow additional interest at a rate not exceeding one per cent per annum over and above the rate of interest subject to following conditions :
 - i. In respect of a savings or a term deposit account opened in the name of:
 - a. a member or a retired member of the bank's staff, either singly or jointly with any member or members of his / her family; or
 - b. the spouse of a deceased member or a deceased retired member of the bank's staff and an Association or a fund, members of which are members of the bank's staff
 - c. Resident Indian Senior citizen as per the scheme for term deposit scheme for senior citizen.
 - ii. Payment of additional interest is subject to the following conditions, namely:
 - a. The additional interest is payable only so long as the person continues to be eligible for the same and in case of his ceasing to be so eligible, till the maturity of a term deposit account;
 - b. In the case of employees taken over pursuant to the scheme of amalgamation, the additional interest is allowed only if the interest at the contractual rate together with the additional interest does not exceed the rate, which could have been allowed if such employees were originally employed by the bank.
- The benefits of additional interest to bank's staff members or retired staff member is available only in case the staff member or retired staff member has an account singly or jointly with family member where the staff member/retired staff member is the principal account holder.

Preferential rates to related parties outside the terms of contract (employment) must be reported to the Corporate Governance and Conduct Review Committee.

27. Keeping in view the importance of credit discipline for reduction in NPA level of banks, the bank will, at the time of opening current accounts, require the customer to provide the details of all credit facilities, if any, enjoyed by him from other banks or furnish a declaration to the effect that the account holder is not enjoying any credit facility with any other bank. SBM will not open current accounts of entities that enjoy credit facilities (fund based, or non-fund based) from the banking system unless a No-Objection Certificate from the lending bank(s) is obtained. However, the bank may open current account of prospective customers in case no response is received from the existing bankers after a minimum waiting period of a fortnight. If a response is received within a fortnight, the situation will be assessed with reference to information provided on the prospective

customer by the bank concerned, consistent with true freedom that the customer could hold an account with banks as well as needed due diligence on the customer by the bank and the account will be opened without insisting on a formal NOC.

28. The customer may write cheques in Hindi, English or in the concerned regional language.
29. Dispatching the cheque book by courier - SBM shall not disallow depositors from collecting the cheque book at the branch. It shall not insist on dispatching the cheque book by courier. SBM India shall ensure that cheque books are delivered over the counters on request to the depositors or his authorized representative.

2.3 Basic Savings Bank Deposit Account

The Basic Savings Bank Deposit Account will have the following features:

The 'Basic Savings Bank Deposit Account' shall be considered a normal banking service available to all.

1. This account shall not have the requirement of any minimum balance.
3. The services available in the account will include deposit and withdrawal of cash at bank branch as well as ATM's receipt/ credit of money through electronic payment channels or by means of deposit / collection of cheques drawn by Central / State Government agencies and departments.
4. While there will be no limit on the number of deposits that can be made in a month, account holders will be allowed a maximum of four withdrawals in a month, including ATM withdrawals.
5. The above facilities will be provided without any charges. Further, no charge will be levied for non-operation / activation of in-operative 'Basic Savings Bank Deposit Account'.
6. Additional value-added services beyond the stipulated basic minimum services will be subject to charges as applicable to normal accounts

7. The 'Basic Savings Bank Deposit Account' would be subject to RBI instructions on Know Your Customer (KYC) / Anti-Money Laundering (AML) for opening of bank accounts issued from time to time. If such an account is opened on the basis of simplified KYC norms, the account would additionally be treated as a 'Small Account' and would be subject to conditions stipulated for such accounts.
8. Holders of 'Basic Savings Bank Deposit Account' will not be eligible for opening any other savings bank deposit account in the bank. If a customer has any other existing savings bank deposit account in the bank, he / she will be required to close it within 30 days from the date of opening a 'Basic Savings Bank Deposit Account'.

2.4 Deposits of Non-Resident Indians

SBM-India also accepts INR Deposits from Non-resident Indians and persons of Indian Origin, subject to the provisions of the relevant FEMA regulations in force.

In the case of Non-resident External (NRE) accounts, all the joint account holders shall be non-resident Indians (NRIs) or persons of Indian Origin (PIO). NRE accounts will, however, be permitted to be opened by NRIs/PIOs jointly with a resident close relative on “former or survivor” basis subject to the condition that the close relative shall be eligible to operate the account as a “Power of Attorney” holder in accordance with the extant instructions during the life time of the NRI/PIO account holder.

In the case of Non-resident

Ordinary (NRO) account, the bank permits a joint account with resident Indians; however, the first account holder must be an NRI.

Existing customers holding resident status who have now become non-resident can also apply for opening of NRE accounts with remittances in foreign exchange from abroad. Their existing resident account and term deposits will have to be certified as converted into NRO.

In the case of NRE on-resident External accounts, term deposits are accepted for a minimum period of 1 year, as per RBI directive, and for a maximum period of up to 10 years, subject to Bank’s policy as amended from time to time. Period of deposit and interest rates in NRO accounts are the same as that of the domestic deposits.

2.5 Foreign Currency Accounts

SBM India accepts foreign currency denominated deposits from both resident and non-resident Indians. Deposits are accepted in select currencies from individuals singly or jointly by two or more individuals. SBM India follows Know Your Customer norms while opening foreign currency deposits also.

Indians. Deposits are accepted in select currencies from individuals singly or jointly by two or more individuals. SBM India follows Know Your Customer norms while opening foreign currency deposits also. NRIs/PIOs may also open deposit accounts with SBM-India in designated foreign currencies under Foreign Currency (Non-resident) Account (Banks) (FCNR(B) Scheme, vide Schedule 2 of the Notification No. FEMA.5/2000-RB dated 3rd May 2000 as amended from time to time. FCNR (B) deposits are accepted for a minimum period of 1 year, as per RBI directive, and for a maximum period of 5 years, subject to Bank’s policy as amended from time to time.

2.6 Minors' Accounts

1. A savings /fixed / recurring bank deposit account can be opened by a minor of any age through his/her natural or legally appointed guardian.
2. Minors above the age of 10 years may be allowed to open and operate savings bank accounts independently, if they so desire. The bank, however, shall fix limits in terms of age and amount up to which minors will be allowed to operate the deposit accounts independently. SBM India shall define specific minimum documentation required for opening of accounts by minors.
3. On attaining majority, the erstwhile minor shall confirm the balance in his/her account and if the account is operated by the natural guardian / legal guardian, fresh operating instructions and specimen signature of erstwhile minor shall be obtained and kept on record for all operational purposes.

2.7 Bulk Deposits:

Bulk Deposits": it means, Single Rupee term deposits of Rupees *Ten Million*(Rs.one crore) & above.

SBM will publish/ display bulk rates for INR 10 Million (Rs. 1 crore) and above up to INR 30 Million (INR. 3 crore) at all branches and host on the *bank's* website from time to time as per the rates approved by India CEO-/OPs *an in his /her absence Head Treasury*.

- These rates will be uniform across all SBM, India branches and for all customers & that there will be no discrimination in the matter of interest paid on deposits, between one deposit and another of similar amount, accepted on the same date for similar tenure at any of its branches .In case of of bulk deposits above INR 30 mio, clients will approach the respective Relationship Manager/Treasury Dept for rates. Depending upon market conditions rate would accordingly be quoted to the customer.
- The minimum tenor of the bulk deposit offered would be seven days.
- Rate above INR 30 Million (INR 3 crore) to be approved by either Head Treasury / CEO and same to be reported in ALCO for information.
- The rates shall not be subject to negotiation between the depositors and the bank.
- *Once approval is obtained, the deposit will be booked in the systems*. The interest rates payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance as stated in "point no a".
- Bulk deposits are generally not permissible for any premature withdrawal as stated in the deposit receipt from time to time. However, in exceptional cases, the premature withdrawal would be as per the terms and conditions set out in the Deposit Policy.
- In case of FCNR deposits for amounts USD 200,000 and above (USD equivalent in case of other currencies), special rate can be offered with the approval of Head - Treasury / CEO along with approval / ratification from head -Financial markets.

2.8 Interest Payments

1. Interest on saving as well as term deposit accounts will be paid at rates decided by SBM India within the general guidelines issued by the Reserve Bank of India from time to time.
2. 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. A uniform interest rate on savings bank deposits up to Rupees one lakh or any other slabs as decided from time to time at bank's discretion, irrespective of the amount in the account within this limit will be offered. While calculating interest on such deposits, the uniform rate set by SBM-India on end-of-day balance per slab will be applied. For any end-of-day savings bank balance exceeding Rupees one lakh or any other

slabs, SBM India may provide differential rates of interest at its discretion subject to the condition that there will be no discrimination in the matter of interest paid on such deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices.

3. SBM India 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. SBM India 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.

Interest shall be calculated at quarterly intervals on term deposits and paid at the rate decided by SBM India depending upon the period of deposits. The interest on term deposits is calculated by the bank in accordance with the formulae and conventions advised by Indian Banks' Association.

The convention on payment of interest on deposits adopted by the bank is "365 days a year" irrespective of whether the year is a leap year or not. 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 formulae and conventions advised by Indian Banks' Association. The convention on payment of interest on deposits adopted by the bank is "365 days a year" irrespective of whether the year is a leap year or not.

4. Differential rates of interest for the deposits of the same maturity will be applicable to single term deposits of Rs. 1 crore and above. For deposits below Rs 1 crore, the same rate will apply for deposits of the same maturity. Rupee term deposits will include domestic term deposits as well as term deposits under NRO and NRE accounts. The bank shall disclose in advance the schedule of interest rates payable on deposits including deposits on which differential interest is applicable. Interest paid by bank shall be as per the schedule and not be subject to negotiation between the depositor and the bank.

2.8 Account of Illiterate/Visually Impaired

SBM India may 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. At the time of withdrawal/ repayment of deposit amount and/or interest, the account holder shall affix his / her thumb impression or mark in the presence of the authorized officer who shall verify the identity of the

person. SBM India 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.

2.9 Frozen Accounts

SBM India will follow the procedure detailed below in the case of Term Deposit Accounts frozen by the enforcement authorities:

1. A request letter for renewal may be obtained from the customer on maturity. While obtaining the request letter from the depositor for renewal, the bank will advise him to indicate the term for which the deposit is 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

and at prevailing rates.

2. No new receipt is required to be issued. However, suitable note may be made regarding renewal in the deposit ledger.
3. Renewal of deposit may be advised by registered letter / speed post / courier service to the concerned Government department under advice to the depositor. In the advice to the depositor, the rate of interest at which the deposit is renewed shall also be mentioned. No new receipt is required to be issued. However, suitable note may be made regarding renewal in the deposit ledger.
4. Further, with regards to the savings bank accounts frozen by the Enforcement authorities, bank may continue to credit the interest to the account on a regular basis.

2.10 Addition or Deletion of the Name/s of Joint Holders

SBM India 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.

2.11 Customer Information

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

2.12 Secrecy of Customer's Accounts

SBM India 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 and where interest of the Bank requires disclosure.

2.13 Premature Withdrawal of Term Deposit

SBM India on request from the depositor, will allow withdrawal of all term deposits of individuals (held singly or jointly) of Rs.1.00 crore and below before completion of the period of the deposit agreed upon at the time of placing the deposit subject to levy of penal charges as applicable. For deposits above Rs.1.00 crore lakh, SBM India may provide an option to the customer at the point of customer interface itself to choose between deposit with or without premature withdrawal facility,

with differential rates of interest as published from time to time SBM India shall declare their penal interest rates policy for premature withdrawal of term deposit. SBM India shall make depositors aware of the applicable rate along with the deposit rate.

2.14 Premature Renewal of Term Deposit

In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, SBM India 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 on the deposit for the period it has remained with the bank will be paid at the rate applicable on the date of deposit to the period for which the deposit remained with the bank and not at the contracted rate. Further, SBM India may levy penalty for pre-mature closure of an existing deposit at such rates as may be decided by the bank from time to time.

2.15 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. If request for renewal is received after the date of maturity, such overdue deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date, provided such request is received within 14 days from the date of maturity. In respect of overdue deposits renewed after 14 days from the date of maturity, interest for the overdue period will be paid at the rates decided by SBM India from time to time.

2.16 Advances against Deposits

SBM India 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. SBM India 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.

2.16 Settlement of Claims in Respect of Missing Persons

The settlement of claims in respect of missing persons would be governed by the provision of Evidence Act, 1872. Section 107 and Section 108 deals with presumption of continuance and presumption of death can be raised only after date of his/her being reported missing. The nominee/legal heirs have to raise an express subscriber before a competent court. After bank's satisfaction settlement of claims will be made.

2.17 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 SBM India 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 SBM India.
- iii. In a joint deposit account, when one of the joint account holders dies, SBM India 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, SBM India 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 SBM India's board. This is to ensure that the common depositors are not put to hardship on account of delays in completing legal formalities.

2.19 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, SBM India shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, SBM India shall pay simple interest at the applicable rate obtaining on the date of maturity, for the period for which the deposit remained with SBM India beyond the date of maturity; as per SBM India's policy in this regard.
- ii. However, in the case of death of the depositor after the date of maturity of the deposit, SBM India shall pay interest at savings deposit rate obtaining on the date of maturity from the date of maturity till the date of payment.

2.20 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.

2.21 Stop Payment Facility

The Bank will accept stop payment instruction from the depositors in respect of cheques issued by them provided the cheque has not been encashed. Charges, as specified, will be recovered.

2.22 Dormant Accounts

Accounts that are not operated for a period of two years will be transferred to a separate dormant/ inoperative account status 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 SBM India to activate the account for operating it subjected to updated KYC requirements fulfilled.

In pursuance of Section 26A of the Banking Regulation Act, 1949 Reserve Bank has established a Fund called the Depositor Education and Awareness Fund. As per provisions of this Section of the BR Act, 1949 any amount lying to the credit of any account in India with any bank which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years shall be credited to the Fund, within a period of three months from the expiry of the said period of ten years. The depositor would, however, be entitled to claim from the bank her deposit or any other unclaimed amount or operate her account after the expiry of ten years, even after such amount has been transferred to the Fund. Accordingly, SBM India would deposit such amounts lying unclaimed deposit accounts in the Fund but would pay the amount to the depositor / claimant as and when a claim is made by him.

2.23 Debit Card Issuance for Savings Account Holders.

1. SBM will issue Rupay debit card for our Saving account customers for domestic usage. This will help our customers to use the card across the ATMS and Merchant POS machines. Apart from this, our customers will be able to use their card in internet platforms for payment viz., e-commerce platforms, bill payments. Card will be issued on customer request at bank branches. Bank shall make available to the cardholders in writing, a set of contractual terms and conditions governing the issue and use of such a card. SBM India will be guided by the approved Product Note on Debit Card / Deposits Policy

2.23 Redressal of Complaints and Grievances

Depositors having any complaint / grievance with regard to services rendered by SBM India has a right to approach authority (ies) designated by SBM India 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 a response from SBM India within 30 days from the date of complaint or he is not satisfied with the response received from SBM India, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India. The customer can also refer to the Complaint Handling / Customer Grievance Redressal Policy for details.

1 POLICY REVIEWS

This Deposits Policy will be reviewed at least once a year or more frequently (if required) by Risk Management Team, SBM India. Further, inputs from the India CEO will also be sought at the time of the review, with regards to the

2 POLICY AMENDMENT AUTHORITY

Risk Management Committee, SBM India must recommend to the Board any changes or amendments to the policy for their approval.

3 POLICY AUTHORIZATION

By their signatures below, on behalf of the Board, the Chief Executive, SBM India and Head of Risk, SBM India hereby certify that this Policy has been drafted to comply with, and is in accordance with, practices at SBM India and will be fully adopted and adhered to.

4 LIST OF ACRONYMS

BCSBI	The Banking Codes and Standards Board of India
NRO Account	Non-Resident Ordinary Rupee Account
NRE Account	Non-Resident (External) Rupee Account
TDS	Tax Deducted at Source
NOC	No Objection Certificate
UIDAI	Unique Identification Authority of India