



Sumitomo Mitsui Banking Corporation Deposit Policy

Version: 05

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1. Introduction

Accepting deposits from banks forms an important function in a bank. The depositors and their interests form the key area of the regulatory framework for banking in India and this has been enshrined in the Banking Regulation Act, 1949. The Reserve Bank of India (“RBI”) is empowered to issue directives and advices on interest rates on deposits and other aspects regarding conduct of deposit accounts from time to time. With liberalization in the financial system and deregulation of interest rates, banks are now free to formulate deposit products within the broad guidelines issued by RBI.

This policy outlines the guiding principles in respect of the deposit services offered by the **Sumitomo Mitsui Banking Corporation** branches in India (“SMBC”) and terms & conditions governing the operation of deposit accounts. It 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.

SMBC reiterates its commitments to individual customers outlined in Bankers' Fair Practice Code of Indian Banks' Association. This document is a broad framework under which the rights of common depositors are recognized. This policy should be read in conjunction with other policy and procedure documents.

2. Types of Deposit Accounts

The deposit products can be categorised broadly into the following types. Definitions of major deposits schemes are as under:

- A. "Demand deposits" means a deposit received by the Bank which is withdraw able on demand;
- B. "Savings deposits" means a form of demand deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period;
- C. "Fixed deposit" means a deposit received by the Bank for a fixed period withdraw able only after the expiry of the fixed period.
- D. "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 Fixed deposit;

3. Deposits

Customers with a savings/current account can place a deposit subject to a minimum amount criterion, which the customer may withdraw on demand, or is made for a fixed period of time, only on expiry of which funds may be withdrawn (a "**Fixed deposit**").

SMBC may make available Fixed deposits subject to a minimum deposit amount in its sole discretion.

The Bank shall also allow FCNR (B) deposits to Non Resident Individuals of Indian nationality or origin (NRIs). FCNR (B) deposit is a Foreign Currency denominated interest bearing deposit, an interest bearing with fixed amount, tenor and interest rate. FCNR (B) deposits provided by Bank will be denominated in US Dollars, GBP, EURO, AUD currencies only. As per the extant RBI regulations, Fixed deposits are allowed for minimum period of one year and a maximum period of five years.

4. Account opening and operation of Deposit accounts

- i. SMBC before opening any account will carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI and or such other norms or procedures adopted by SMBC in accordance with the "Know Your Customer (KYC) norms / Anti-Money Laundering (AML) standards/Combating of Financing of Terrorism (CFT)/Obligation of banks under PMLA, 2002". 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 SMBC will be conveyed at the earliest to him.
- ii. The account opening forms and other material will be provided to the prospective depositor by SMBC. 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 SMBC official opening the account, to explain the procedural formalities and provide necessary clarifications sought by the prospective depositor with respect to an account.
- iii. SMBC will prescribe certain minimum 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 SMBC from time to time. Similarly, SMBC may specify charges for issue of cheques books, additional statement of accounts, duplicate pass book, folio charges, etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account.
- iv. Current Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, etc. Fixed deposits can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, etc. Saving Account can be opened by individuals / HUFs / Specified Associates / Societies / Trusts, etc.

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- v. The due diligence process, while opening an account will involve obtaining information about the identity of the person, verification of address, occupation, Purpose, nature of business and source of income. Customer will be on boarded based on the SMBC's Customer Due Diligence and AML policy.
 - vi. In addition to the due diligence requirements, under KYC norms, SMBC is required by law to obtain Permanent Account Number (PAN) or General Index Register (GIR) Number or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules.
 - vii. Accounts can be opened by an individual in his/her own name (account in single name) or by more than one individual in their own names (Joint Account).
 - viii. Operation of Joint Account - A 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.
 - ix. The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:
 - i. either or Survivor : If the account is held by two individuals say, A & B, the final balance along with interest, if applicable, will be paid to survivor on death of anyone of the account holders.
 - ii. anyone or Survivor/s : If the account is held by more than two individuals say, A, B and C, the final balance and accrued interest, if applicable, will be paid to the survivor on death of any two account holders.
- In respect of Fixed deposits, the above mandates will be effective only upon the maturity thereof. This mandate can be modified only by written consent of all account holders.
- x. At the request of the customer, SMBC will register mandate / power of attorney given by him authorizing another person to operate the account on his behalf.

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- xi. Fixed deposit issuance request form contains column for providing maturity instructions. The account holders of a Fixed deposit at the time of placing their deposits give instructions with regard to closure of deposit account or renewal of deposit for further period on the date of maturity.
 - xii. Nomination facility is made available for all accounts opened by individuals and sole proprietary concerns. 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 in certain cases such as illiterate, blind customer etc. Nomination can be modified by the consent of account holder/s. Nomination can also be made in favour of a minor.
 - xiii. SMBC recommends that all depositors avail nomination facility, especially if they are opening the account as a sole holder. In case the person opening an account declines to avail of the nomination facility, SMBC will explain the advantages of nomination facility. If the person opening the account as a sole account holder still does not want to nominate, SMBC will ask him to give a specific letter to the effect that he does not want to make a nomination. In case the person opening the account declines to give such a letter, SMBC will record the fact on the account opening form and proceed with opening of the account if otherwise found eligible. Under no circumstances, SMBC will refuse to open an account solely on the ground that the person opening the account refused to nominate a beneficiary.
 - xiv. A statement of account will be provided by SMBC to holders of a current/saving account periodically as per terms and conditions of opening of the account.
 - xv. In case of FCNR (B) deposits, Depositor who returns to India for good may be allowed to continue the deposit till maturity at the contracted rate. Except the provision relating to rate of interest and reserve requirements as applicable to FCNR(B) deposits, for all other purposes, such deposits would be treated as resident deposits from the date of return of the account holder to India.
 - xvi. Premature withdrawal of such FCNR (B) deposits would be subject to penal provisions of the Scheme. The Bank shall convert the FCNR (B) deposits on maturity into Resident Rupee Deposit Account or RFC Account (if eligible) at the option of the

account holder. The rate of interest on the new deposit (Rupee account or RFC Account) shall be the relevant rate applicable for such deposit account. The penal provisions would not be applicable in the case of premature conversion of balances held in FCNR (B) deposits into Resident Foreign Currency Accounts by Non-Resident Indians on their return to India.

- xvii. Bank shall pay interest at its discretion at the time of conversion of FCNR (B) Account into RFC / Resident Rupee Account even if the same has not run for a minimum maturity period, subject to the condition that the rate of interest should not exceed the rate payable on savings bank deposits held under RFC Account Scheme

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5. Interest payments

Fixed deposit interest rates are decided by SMBC in accordance with the general guidelines issued by the Reserve Bank of India from time to time. In accordance with Reserve Bank of India directives, interest on Fixed deposits will be paid at the rate decided by SMBC depending upon the period of deposits.

The rate of interest on deposits will be 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. For the purposes of operational convenience, the interest rates would be rounded off to the nearest two decimal points.

SMBC has statutory obligation to deduct tax at source if the total interest paid / payable on all Fixed deposits held by a person exceeds the amount specified under the Income Tax Act, 1961. SMBC 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.

In respect of a Fixed deposit maturing for payment on a Saturday / Sunday or a holiday or a non-business working day, SMBC will pay Interest at the originally contracted rate on the deposit amount for the Saturday / Sunday / holiday / non-business working day intervening between the date of expiry of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.

FCNR (B) deposits

- a. In respect of FCNR (B) deposits of all maturities, interest shall be paid within the ceiling rate of LIBOR / SWAP rates plus additional basis points as per regulations/guidelines from time to time for the respective currency / corresponding maturities. On floating rate deposits, interest shall be paid within the ceiling of SWAP rates for the respective currency / maturity plus additional basis points as per regulations/guidelines from time to time. For floating rate deposits, the interest reset period shall be six months.
- b. The LIBOR / SWAP rates as on the last working day of the preceding month would form the base for fixing ceiling rates for the interest rates that would be offered effective the following month.

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- c. FEDAI quotes / displays the LIBOR / SWAP rates to be used by banks in arriving at the rates of interest to be offered on FCNR (B) deposits. FEDAI also publishes the deposit rates for five maturities in six currencies on the last working day of each month.
 - d. For the purposes of operational convenience, the interest rates would be rounded off to the nearest two decimal points.

Interest on FCNR (B) Deposits shall be calculated and paid at intervals of 180 days each and thereafter for the remaining actual number of days. Interest shall be paid on the basis of 360 days to a year. Depositor will have the option to receive the interest on maturity with the compounding effect.

At the time of payment on interest (after every 6 months or due date) the interest amount shall be paid out to the specified account or as per instructions provided by the customer. No interest shall be paid on FCNR B Deposit if deposit is withdrawn before the expiry of one year

SMBC shall have the discretion to offer differential rates of interest for single bulk deposit of RS. 1.00 crore and above as per the RBI guidelines. SMBC shall not however negotiate the rates of interest and shall not discriminate between the depositors while offering the rate of interest. However for deposits below Rs. 1.00 crore, the same rate will apply for deposits of the same maturity.

6. Basic Savings Bank Deposit Account

SMBC is committed to the policy of financial inclusion and making banking facilities available to the financially underprivileged. SMBC offers 'Basic Savings Bank Deposit Account' account in line with the RBI guidelines on the "Financial Inclusion- Access to Banking Services". The basic features of this Basic Savings Bank Deposit Account are

- The 'Basic Savings Bank Deposit Account' is a normal banking service available to all.
- The account shall not have the requirement of any minimum balance.
- The services available in the account will include deposit and withdrawal of cash at bank branch; receipt / credit of money through electronic payment channels or by means of deposit / collection of cheques drawn by Central / State Government agencies and departments.
- 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.
- The above facilities will be provided without any charges. No charge will be levied for non-operation / activation of in-operative 'Basic Savings Bank Deposit Account'.

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.

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 that bank, he/she will be required to close it within 30 days from the date of opening a 'Basic Savings Bank Deposit Account'.

7. Addition of deletion of the name/s of Joint account holders

SMBC 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.

8. Secrecy of Customer accounts

SMBC will not disclose details or particulars of the customer's account to a third person or party without the expressed or implied consent from the customer, subject to exceptions under applicable laws imposing a duty on, or granting discretion to, SMBC to disclose.

9. Premature withdrawal of Fixed deposit

SMBC on request from the depositor, at its discretion may allow withdrawal of Fixed deposits before completion of the period of the deposit agreed upon at the time of placing the deposit. SMBC will normally charge penal interest rate for premature withdrawal of Fixed deposits. SMBC shall make depositors aware of the applicable rate along with the deposit rate.

SMBC on request from the depositor including deposits of individuals and HUFs, at its discretion may disallow withdrawal of Fixed Deposits of Rs. 1.00 crore and above before completion of the period of the deposit agreed upon at the time of placing the deposit. However SMBC on request from a depositor shall allow premature withdrawal of a Fixed Deposits of less than Rs. 1.00 crore, before completion of the period of the deposit agreed upon at the time of making the deposit. SMBC will levy penalty for premature closure of an existing deposit at such rates as may be decided from time to time. SMBC shall make depositors aware of the applicable rate along with the deposit rate.

10. Premature Renewal of Fixed deposit

SMBC will allow premature closure of an existing Fixed deposit account and 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, SMBC will levy penalty for pre-mature closure of an existing deposit at such rates as may be decided from time to time.

11. Renewal of overdue Fixed deposits

When a Fixed 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. Where overdue period exceeds 14 days, interest would be paid provided the depositor renews the deposit for a further minimum period for which the deposit is lying overdue. If not renewed for a time equal to or more than overdue period, interest rate applicable to Savings Bank deposit is payable on the deposit.

The interest for the overdue period will be paid at the rate prevailing on the date of maturity or on the date of carrying out renewal, whichever is less. This interest may be paid to the depositor or clubbed with the deposit for renewal.

12. Advances against deposits

SMBC may consider request of the depositor/s for loan / overdraft facility against Fixed deposits duly discharged by the depositor/s on execution of necessary security documents. SMBC 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.

13. Minors' Accounts

The minor can open Savings Bank Account and the same can be operated by the natural guardian or by minor himself / herself, if he/she is above the age of 10 as per the Terms & conditions of the Bank. 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 / guardian, fresh specimen signature of erstwhile minor duly verified by the natural guardian would be obtained and kept on record for all operational purposes.

Additionally a minor may be allowed to hold a joint account with one or more adults subject to the following conditions:

- a. The minor must not be the sole account signatory at any time
- b. The mandate shall say either "adult to sign singly" or "minor and adult to sign jointly";
- c. The adult joint account holder(s) for the minor's account ("Adult Joint Account Holder(s)") must be:
 - Directly related to the minor (i.e. the Adult Joint Account Holder(s) is/ are one or both of the minor's parent(s)); and
 - An existing client of SMBC India.

In the event of any incapacity &/or death of the adult account holder, the minor cannot continue to operate the account singly unless he/she has reached the age of majority. The Adult Joint Account Holder(s) shall ideally maintain a separate account with SMBC with net assets sufficient to cover the transactions under the minor's account; No lending value shall be assigned to assets in a minor's account. Once minor has reached maturity, the minor shall provide an accession letter, affirming and ratifying all past transactions, to SMBC. Further, a fresh specimen signature of the erstwhile minor would be obtained.

14. Account of Illiterate

SMBC 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 SMBC 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. SMBC 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.

15. Settlement of dues in Deceased Deposit Account

Please refer to the Deceased Depositors policy for more information regarding the settlement of claims in the accounts of deceased depositors.

16. 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.

17. Stop Payment Facility

SMBC will accept stop payment instruction from the depositors in respect of cheques issued by them in writing provided the same is received within the office hours as notified by bank from time to time and will be subject to the cheque being unpaid . Charges, as specified, will be recovered.

18. Inoperative/Dormant accounts

A saving as well as current account will be treated as inoperative/dormant if there are no customer induced transactions in the account for over a period of two year. For the purpose of classifying an account as 'inoperative' both the type of transactions i.e. debit as well as credit transactions induced at the instance of customers as well as third party will be considered. However, the service charges levied by SMBC or interest credited by it should not be considered. Operation in such accounts may be allowed after due diligence as per risk category of the customer. There will not be any charge for activation of the account.

SMBC will make annual review of accounts in which there are no operations (i.e. no credit or debit other than crediting of periodic interest or debiting of service charges) for more than one year. SMBC will approach the customers and inform them in writing that there has been no operation in their accounts and ascertain the reasons for the same. In case any reply is not given by the account holder, SMBC will classify the same as inoperative account after the expiry of the extended period.

Under the provisions of The Depositor Education and Awareness Fund (the Fund) the amount to the credit of account 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 Fund shall be utilized for promotion of depositors' interest and for such other purposes which may be necessary for the promotion of depositors' interests as specified by RBI from time to time. 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.

19. Redressal of customer complaints

Depositors having any complaint / grievance with regard to services rendered by SMBC have a right to approach authority designated by SMBC for handling customer complaint / grievances. The details of the internal set up for redressal of complaints / grievances are displayed in the branch premises.

Please refer to the Grievance Redressal policy for more information regarding the contact details of the designated officials for handling of the complaints and grievance.

20. Policy Revision

This policy is subject to revision based on the extant RBI guidelines from time to time and as deemed necessary by the Bank.