

CITIBANK DEPOSIT POLICY

This policy document on deposits outlines the guiding principles in respect of various deposit products and related banking services offered by the Bank. 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.

While adopting this policy, the bank reiterates its commitments to customers outlined in Bankers' Fair Practice Code of Indian Banks' Association.

This document is based on the regulations existing at this time, and on the guidelines on deposits provided by the Indian Banks' Association. Detailed operational instructions on various deposit schemes and related services will be issued from time to time.

ACCOUNT OPENING

The Bank will provide its customers with details of various types of accounts that they may open with the Bank.

Customers can make a choice on what type of account best suits them, based on their needs, requirements and applicable guidelines

The Bank will, prior to opening an account, require documentation and information as prescribed by the "Know Your Customer" (KYC) guidelines issued by RBI and or such other norms or procedures adopted by the Bank prior to opening the account.

The due diligence process that the Bank follows, will involve scrutinizing documentation verifying customers' identity, verifying their address, information on occupation or business and source of funds. As part of the due diligence process, the Bank will need customers' recent photograph as well.

The Bank is required by law to obtain Permanent Account Number (PAN) from the customers and where customers do not possess such a registration, the Bank will need to obtain a declaration in Form No. 60 or 61 as specified under the Income Tax Rules.

In the event that the account opening process is likely to take longer than normal, the Bank officer will inform customers of the revised timeline.

Customers can also call the branch or the Bank executive for any queries that they may have and the branch / executive will revert on the query at the earliest.

The Bank will provide customers with the account opening forms and other relevant material to enable them to open the account. Bank personnel will advise customers on the complete details of information that would be required by the Bank for the verification process.

The Bank reserves the right, at its sole discretion, to open any account and at such terms as the Bank may prescribe from time to time.

TYPES OF DEPOSIT ACCOUNTS

The deposit products can be categorised broadly into the following types:

Savings Bank Accounts can be opened by eligible person / persons and certain organisations / agencies as advised by Reserve Bank of India from time to time

Personal accounts can be opened by customers in their own name (single name) or by the customer jointly with others (Joint Account).

Joint Account, opened by more than one individual, may be operated by a single individual or jointly by more than one individual, based on the signature requirement specified by the customer. The signature requirement for operating the account can be modified with the consent of all account holders.

Current Accounts can be opened by sole proprietorships / partnership firms / Private and Public Limited Companies / HUFs / Societies / Trusts, etc.

Term Deposits can be opened by individuals / sole proprietorships / partnership firms / Private and Public Limited Companies / HUFs / Societies / Trusts, etc.

Foreign Currency accounts can be opened by individuals, for credits as specified by RBI

Within the above-mentioned broad categories, the Bank may introduce various products with specific features.

Minors' Accounts

The minor can open Savings Bank Account and the natural guardian can operate the same. The account can also be opened jointly.

On attaining majority, the erstwhile minor should confirm the balance in his/ her account. If the natural guardian / guardian operates the account, the Bank will need to obtain and keep on record, for all operational purposes, fresh specimen signature, identification documents and the latest photograph of the erstwhile minor.

Account of Illiterate/ Visually Impaired Person

The Bank may at its discretion open deposit accounts, other than Current Accounts, of illiterate person. The Bank may open the account of such a person provided he/ she calls on the Bank personally along with a witness, who is known to both the depositor and the Bank. Normally, no chequebook facility is provided for such a 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 while operating the account. The Bank official will also explain the terms and conditions governing the account to the illiterate/ visually impaired person.

OPERATIONS OF DEPOSIT ACCOUNTS

Addition / deletion of 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.

Mandate

At the specific request of the depositor, the Bank may register mandate given by the customer authorizing another person to operate the account on his behalf.

Minimum Balance / Service charges

For deposit products like Savings Bank Account and Current Deposit Account, the Bank will normally stipulate certain minimum balances to be maintained. The same is communicated 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. The Bank also has nominal charges for various special facilities and for various types of transactions. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be informed to the prospective depositor while opening the account or from time to time, as the case may be.

Nomination facility

Nomination facility is available on all deposit accounts opened by individuals and Sole proprietary firms. Nomination can be made in favour of one individual only. Nomination can be made in favour of a minor also. Nomination can be modified by the consent of account holder/s. While making nomination, cancellation or change thereof, it is required to be witnessed by a third party.

Bank 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.

Account Statements

The Bank will provide a statement of account to Savings account as well as Current account customers on a monthly basis. This will be informed to the customer at the time of opening the account.

The statement of account will contain all the transactions that have been done on the account during that period

The statements will be provided to customers on a monthly basis, free of cost .

Transfer of Account

Accounts can be operated from any branch across the country. However, should the customer require, he/she can obtain the details and process for transfer of account from any of the Bank's branches or service units.

TERM DEPOSITS

Term Deposits are classified as Rack Rates Deposits or Differential Rate Deposits, depending upon the amount of the Term Deposit.

- Rack Rate Deposits are term deposits of amount less than Rs.15,00,000
- Differential Rate Deposits are term deposits of amount greater than or equal to Rs. 15,00,000

Customers have the option of selecting the following at the time of booking a deposit

- Tenor: starting from a minimum of 7 days
- Amount: starting from a minimum of Rs.1000
- Interest: Compounding Interest / Simple Interest; Quarterly Payout or Monthly Payout
- Maturity: Automatic Renewal (auto-renewal) / Credit to linked account / Issue demand draft

The following products will be made available on demand to all domestic customers of the Bank.

Fixed Deposit: This is a single deposit booked for a specified tenor and amount. The deposit may be linked to a Savings/Current account or booked standalone. The customer may part-withdraw from the deposit based on written instructions to the bank. All Differential Deposits are booked as fixed deposits. The products offered under this are

- Vanilla deposit: This type of deposit is an ordinary fixed deposit.
- Senior Citizen Deposit: This is offered to individual customers, wherein the first applicant is greater than 60 years of age. The customer will be eligible for additional 50 basis points for rack rate deposits booked. TDS will not be deducted if form 15G/H is submitted for the financial year at the time of booking the deposit. Rates applicable will be as per the daily deposit grid.
- Tax Saver Deposit: Under the Finance Act of 2006, term deposits of amount up to Rs.1,00,000 booked for five years are applicable for benefit under section 80C of Income-Tax Act, 1961. This is offered to individual accounts, joint accounts and HUF. On maturity the funds will flow into the linked savings account. The deposit can be prematurely closed only in the event of death of the customer. Rates applicable will be as per the daily deposit grid.
- Recurring Deposit: This is offered to individual customers only. Based on the customer instructions, the bank will execute a monthly standing instruction into a fixed deposit. The

interest rate contracted at the time of initiating the recurring deposit will be applicable for the life of the recurring deposit. The customer may chose a standing instruction ranging from Rs.1000 to Rs.20,000. The tenor ranges from minimum 12 months to maximum 24 months. The rates applicable are as per the daily deposit grid.

Flexible Deposit: This is a single deposit booked for a specific tenor and amount. The deposit is linked to a Savings/ Current account. The deposit is automatically broken in units of Rs.1000 if the linked Savings/Current account goes into a debit balance. The products offered under this are:

- Multi-deposit: The minimum booking amount for this deposit is Rs.1000. The rates and tenors are as per the daily deposit grid.
- Senior Citizens Deposit: This is offered to individual customers who are greater than 60 years of age. The customer will be eligible for additional 50 basis points for rack rate deposits booked. TDS will not be deducted if form 15G/H is submitted for the financial year at the time of booking the deposit. Rates applicable will be as per the daily deposit grid.

Differential Deposit Rates (DDR)

A schedule based on specific selected tenors will be fixed on a daily basis for amounts over Rs.15,00,000 and less than Rs. 50 crores. DDR will be offered for a specific selected tenor and amount bands. In case the customer needs to renew a Differential Deposit, rates applicable at that point in time will be applied depending on the Tenor of the deposit. The basis for such decision is on any / all of the following parameters:

- Market / competitive bank benchmarks
- Bank's funding needs/position

Interest Payouts

Interest shall be paid on saving account at the rate specified by Reserve Bank of India directive from time to time. However, the Bank within the general guidelines issued by the Reserve Bank of India from time to time decides term deposit interest rates.

Interest on term deposits will be calculated at quarterly intervals and paid at the rate decided by the Bank depending upon the period of deposits.

In case of monthly deposit scheme, the interest shall be calculated for the quarter and paid monthly at discounted value. The interest payments are rounded off to the nearest rupee.

The Bank in accordance with the formulae and conventions advised by Indian Banks' Association calculates the interest on term deposits.

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 by prominently displaying it at branch premises and on the Bank's website.

Deposits maturing on holidays will automatically mature the next working day and the customer will earn interest income for the additional day/days at the rate of the initial deposit booking

At the time of placing the deposit, customers can give instructions with regard to closure of deposit account or renewal of deposit for further period on the date of maturity. For individual customers, an alert will be sent 15 days prior to closure of deposit in the form of electronic communication. For individual customers, if request for renewal is received after the date of maturity for a stand-alone vanilla deposit, such deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date. This is subject to such requests being received within 14 days from the date of maturity. Interest for the overdue period will be paid at the rates applicable as on the due date.

The Bank has statutory obligation to deduct tax at source if the total interest paid/ payable on all term deposits held by a person exceeds the amount specified under the Income Tax Act. The Bank will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS can submit declaration in form 15G/H at the beginning of every financial year.

Premature Withdrawal of Term Deposit

The Bank on 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 will declare its penal interest rates policy for premature withdrawal of term deposit, as applicable at that point in time. The Bank will make depositors aware of the applicable penal interest rate along with the deposit rate.

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 on the deposit for the period it has remained with the bank will be paid at the rate applicable to the period for which the deposit remained with the bank and not at the contracted rate.

DECEASED ACCOUNT HANDLING

If the depositor has registered nomination with the Bank, the balance outstanding in the account of the deceased depositor will be transferred to the account of/ paid to the nominee after the Bank satisfies itself about the identity of the nominee, etc.

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

In a joint deposit account, when one of the joint account holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the joint account holders had given mandate for disposal of the balance in the account in the forms such as "either or survivor, former/ latter or survivor, anyone of survivors or survivor; etc.", the payment will be made as per the mandate to avoid delays in production of legal papers by the heirs of the deceased.

In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the account of deceased person against joint application and indemnity by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents up as per process approved by the bank's management. This is to ensure that the common depositors are not put to hardship on account of delays in completing legal formalities.

In the case of balances lying in current account standing in the name of a deceased individual depositor / sole proprietorship concern, the Bank will pay interest from May 1, 1983, or from the date of death of depositor, whichever is later, till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment.

Interest Payable on Term Deposit in Deceased Account

In the event of death of the depositor before the date of maturity of deposit and amount of the deposit is claimed after the date of maturity, the Bank will pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank will pay simple interest at the applicable rate on the Savings Account, for the period for which the deposit remained with the Bank beyond the date of maturity.

For further details on settlement of accounts of deceased persons, please refer to the policy on Handling of Deceased Persons Accounts available on the Bank's website.

OTHER BANKING SERVICES

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 applied.

Safe Deposit Lockers

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

OTHER IMPORTANT INFORMATION

Safeguarding Customer Interests

The Bank values the information provided by the customer at the time of opening the account.

The Bank will not use this information for cross selling of services or products by the Bank without the customer's knowledge.

The Bank will not disclose details / particulars of the customer's account to a third person or party without the express 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.

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. For more details, customers may log on to www.dicgc.org.in.

Redressal of Complaints and Grievances

Depositors having any complaint / grievance in regard to the services rendered by the Bank have a right to approach by the Bank and can use any access channel such as the Branch, Phone banking, Internet banking, email or our centralized customer care unit through letters for reporting a customer complaint / grievances.

All Bank officials at any of these contact points for the Bank are authorized to provide all required information regarding the procedure for lodging the complaint.

The details of the internal set up for redressal of complaints/ grievances will be displayed in the branch premises and on the Bank's website.

In case the depositor does not get a satisfactory response from the Bank, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India.

Inactive Accounts

Accounts that are not operated for a period of six months will be marked as 'Inactive' account status in the interest of the depositor as well as the Bank.

For Deposits to Non - Resident Indians and Persons of Indian Origin (PIO)

Citibank offers FCNR (B) Deposit, NRE Deposits and NRO Deposits to the Non-Residents (NRI) and Persons of Indian Origin (PIO). The permitted debit/credits, tenor of the deposits, interest rate of deposits, premature withdrawal, conversion to resident on change of resident status and operations of the account, nomination facility, operations of deceased account, etc. are aligned to the requirements prescribed in RBI's Master circular on Interest Rates on Deposits dated July 1, 2008 and Foreign Exchange Management (Deposit) Regulations, 2000 enclosed herewith.

Non Resident Indians, who become Resident Indians upon their arrival in India, have the option of keeping money earned outside of India as a bonafide NRI, in foreign currency accounts in India. These accounts are known as Resident Foreign Currency Accounts. The authorized dealers on the basis of prevailing market rates may decide rate of interest payable on the funds held in RFC accounts.

Interest Payments and TDS:

- Interest is calculated on a quarterly basis for NRE and NRO and semi-annually for FCNR (for tenures greater than 1 year)
- The interest payments are rounded off to the nearest rupee/FCY
- Deposits maturing on holidays will automatically mature the next working day and the customer will earn interest income for the additional day/days.
- The bank deducts tax at source if the total interest paid/ payable on all term deposits held by a customer exceeds the amount specified under the Income Tax Act. (Form 15G/H)
- The bank issues a tax deduction certificate (TDS Certificate) for the amount of tax deducted. The customer, if entitled to exemption from TDS can submit declaration in the prescribed format at the beginning of every financial year.