



Deposit Policy

Table of Contents

PREAMBLE	2
SECTION 1 - ACCOUNT OPENING	2
1.1 Types of Deposit Accounts	2
1.2 Operation of Deposit Accounts	2
SECTION 2 - TERM DEPOSITS FOR PERSONS RESIDENTS IN INDIA	3
2.1 Term Deposit Products Offered by the Institutional Clients Group - Large corporates / entities	3
2.2 Interest Rates Applicable for Deposits held by persons resident in India ("Domestic Deposits")	4
2.3 Tax Considerations	4
2.4 Pre-Termination Penalty	5
SECTION 3 DEPOSITS ACCOUNTS FOR NON-RESIDENT INDIANS / PERSONS OF INDIAN ORIGIN	5
3.1 Pre-Termination Withdrawal	7
3.2 Tax Considerations	7
3.3 Repatriability of balances in NRO accounts	7
SECTION 4: PREMATURE WITHDRAWAL AND RENEWAL PROCESS FOR TERM DEPOSITS	7
SECTION 5: TREATMENT OF INOPERATIVE/UNCLAIMED DEPOSITS/ACCOUNTS	8
SECTION 6: INSURANCE COVER FOR DEPOSITS	8

PREAMBLE

This policy document outlines the key features of various deposit products (and related banking services) offered by the Bank. The document aims at providing of information on aspects related to acceptance of deposits, conduct and operations of various deposits accounts, payment of interest on various deposit accounts, closure of deposit accounts etc. It is expected that this document will impart greater transparency and create awareness among customers of their rights.

SECTION 1 - ACCOUNT OPENING

The Bank will provide details of various types of bank accounts that can be opened and highlight the key features for each type of account. Customers can then decide on the type of account that they would like to hold with the Bank, based on their requirements. The Bank is committed to providing basic banking services to all sections of society.

The Bank will, prior to opening an account, seek necessary documentation and information, as prescribed under the applicable laws/regulations (including "Know Your Customer" (KYC) / Anti-Money Laundering (AML) guidelines issued by Reserve Bank of India) and/or other policy norms of the Bank. This would also include securing the applicant's recent photograph and Permanent Account Number (PAN) / Form No. 60 or 61, as specified under the Income Tax Rules, 1962.

As part of due diligence, the Bank would verify the identity and address of the applicant and collect necessary information to ascertain the profile of the applicant, nature of business / occupation, source of income etc. Inability or unwillingness of the applicant to provide necessary information/details may result in decline of the account opening application by the Bank.

The applicants can reach out to the branch or a Bank executive for any queries or clarification that they may have in relation to account opening.

The Bank reserves the right, at its sole discretion, to open the bank account upon receipt of an application, and at such terms, as the Bank may prescribe from time to time.

1.1 Types of Deposit Accounts

Deposit products can be broadly categorized into the following types:

(a) **Current Accounts** can be opened by / Sole Proprietorships / Partnership Firms / Private and Public Limited Companies / HUFs (Hindu undivided family) / Societies / Trusts, etc.

(b) **Term deposits** mean deposits received by the Bank for a fixed period and which are withdrawable only after the expiry of the said fixed period and shall also include deposits such as Recurring deposits.

1.1 Operations of Deposit Accounts

Account Statements

The Bank will provide a statement of account to Current account customers on a monthly basis, without any charge. The statement of account will contain all the transactions that have been done on the account during that period. Based on customer's preference, the account statement can be sent as a physical statement or on email. The statements may not be sent under certain situations such as on account of no transactions in the account, no balance maintained in the account, account is in inactive or Whereabouts unknown status etc.

Closure of Account

Accounts can be closed either based on written instruction from the customer or suo moto by the Bank, where necessary, under the policy and procedures of the Bank.

Stop Payment Facility

The Bank will accept stop payment instruction from the account holders in respect of cheques issued by them as per procedure of Bank. Charges, as specified, will be applied.

Safeguarding Customer Interests – Customer Account Information

The Bank values the information provided by the customer at the time of opening the account and will not use this information for marketing products or services of 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, unless disclosure of information is under compulsion of law.

SECTION 2 - TERM DEPOSITS FOR PERSONS RESIDENTS IN INDIA

The 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 for amounts less than INR 2 crore.
- **Differential Rate deposits** are term deposits for amounts equal to or greater than INR 2 crore.

Customer has the option of selecting the following at the time of booking a term deposit:

- **Tenor:** starting from a minimum of 7 days.
- **Amount:** starting from INR 1 for customers under the Corporate Banking division (Institutional Clients Group – Large corporates / entities).
- **Interest:** (a) Quarterly Compounded Interest (b) Simple Interest with Quarterly Payout (c) Simple Interest with Monthly Payout (Available in Physical Deposit Booking Form only). In case of Simple Interest with Monthly Payout option, the interest shall be computed for a quarter and paid on monthly basis at discounted value. While a customer is booking a term deposit, an annualized yield is displayed for all tenors greater than 3 months.

Illustration on interest calculations:

Simple Interest with Quarterly Payout (Deposit Tenure 3 months)

- Assume a deposit for INR 10,000 booked for 91 days at 8% on 1st April 2007, the interest credit on maturity will be INR 199 ($10,000 * 8\% * 91/365$)

Quarterly Compounded Interest and Simple Interest with Quarterly Payout (Deposit Tenure 6 months)

- Assume a deposit for INR 10,000 booked for 6 months at 9% on 1st April, 2007 deposits maturity date will be 1st October, 2007 the interest credit on maturity will be INR 456 ($10,000 * 9\% * 91/365 + 10224 * 9\% * 92/365$) this is the compounding interest, for simple interest credit to account will be INR 224 ($10,000 * 91/365$) on 1st July, 2007 and INR 227 on maturity ($10,000 * 9\% * 92/365$)

- **Maturity:** Automatic Renewal (auto-renewal) / Credit to linked account as per instructions received from the client.
- **Advance against deposit / Overdraft:** The term deposit customers can avail an overdraft line up to 90% of the deposit value. This is offered to all deposit account customers of consumer bank. The deposit statement is sent along with the account statement to all customers.

2.1 Term Deposit Products Offered by the Institutional Clients Group - Large corporates / entities.

Fixed Deposits

This is a single deposit booked for a specified tenor and amount. The deposit has to be booked out of and linked to a Current account. Client will have an option to withdraw from the deposit during the term of the deposit whereby applicable rate of interest on withdrawn amount will depend upon – a) effective tenor of the deposits; b) rates applicable for specific amount and tenor combination of the deposit; c) applicability or otherwise of pre-termination penalty on the withdrawn amount at the time of booking.

Additionally, the client will also have the option to rollover the deposit amount, inclusive of accumulated interest or otherwise, for multiple bookings of identical tenors.

Fixed Deposit Booking without a current account is also offered to large multi-national clients. This is a restricted product offering and will require prior Product Head approval. The rate of booking is as per the deposit rate grid circulated on a daily basis.

Overnight Mumbai Inter Bank Offer Rate (MIBOR) linked deposits:

These are deposits booked with the benchmark linked to a floating rate (i.e.) overnight MIBOR. The interest rate would be reset daily given the benchmark is overnight MIBOR.

Fixed rate Power Deposit (TIDE):

These are deposits booked at end of business day in pre-specified multiples for pre-specified number of days based on a Standing Instruction provided by the customer. The rates are as per the deposit grid circulated daily. These deposits are offered as an add-on to the client's current account, which allows passive and automated booking of deposits based on the daily end-of-day cash position in the current account. In case payment quantum exceeds available balance in the current

account, TIDE balances are liquidated in an automated manner. Post maturity, these deposits are automatically rolled over for the preset tenor. Further details are captured as part of the Annexure.

Rates and approval matrices applicable for fixed rate power deposits will adhere to the same grid as fixed deposits.

Overnight Mumbai Inter Bank Offer Rate (MIBOR) linked Power Deposit:

These are similar to power deposits. The deposit rate is linked to the Overnight MIBOR. The rates are as per the deposit grid circulated daily. MIBOR linked power deposits will be governed similarly to fixed rate power deposits.

For Institutional and Citi Commercial Banking clients, deposits should be booked as per applicable grid for the aggregate amount of deposit. Bank reserves the right to cancel the deposits without any interest, if found to be in non-compliance of the applicable grid for the deposit size.

2.2 Interest Rates Applicable for Deposits held by persons resident in India ("Domestic Deposits")

Rack Deposit Rates

Rack rates will be available at all Citibank, N.A. branches and on the Citibank India website.

For calculation of interest on Domestic Term deposits, the interest calculation will consider the year as 365 days (even in the case of a leap year).

Differential Deposit Rates (DDR)

An interest rate schedule will be fixed on a daily basis for amounts from up to 100 crores.

The interest rate schedule for deposit amounts up to INR 10 crores will be available at all Citibank, N.A branches and on the Citibank India website.

These would include rates for overnight MIBOR based floating rate deposits.

Differential Deposit Rates will be offered for a selected tenor and amount range. In case the customer wishes to renew a Differential Deposit, rates applicable at that point in time will apply, depending on the tenor of the deposit.

Interest Payment Process

Term deposit interest rates are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time. In terms of the RBI directives Interest is calculated at quarterly intervals on term deposits and paid at the rate decided by the Bank depending upon the period of deposits. Interest on deposits repayable for less than 3 months or where the terminal quarter is incomplete, interest shall be paid proportionately for the actual number of days reckoning the year at 365 days. In case of monthly deposit scheme, the interest shall be calculated for the quarter and paid monthly at discounted value.

2.3 Tax Considerations

- For customers, the Bank deducts tax at source if the total interest paid/ payable on all term deposits held by a customer exceeds the amount specified in the Income Tax Act.

- 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 i.e. Form 15G / H.

- For deposits matured during a particular month, the TDS payment to the Government happens as per Rule 30 of the Income Tax Rules, 1962 which prescribes time and mode of payment to Government account of tax deducted at source (TDS) For deposits outstanding as of the end of the year, TDS on interest accrued for the financial year is paid out as per Rule 30 of the Income Tax Rules, 1962.

- In accordance with Income Tax guidelines, wherever PAN details of customer are not available on our records, the Bank would be deducting TDS at 20% or the TDS rate as applicable per the Income Tax Act, 1961, whichever is higher.

- In case of premature withdrawals, any tax already deducted on interest will not be refunded by the Bank. The refund/ tax credit can be claimed by the customer in consultation with their tax advisor from tax authorities.

- In case of customers identified as specified person as per Section 206AB, the TDS rate applicable will be higher of the following:

a. twice the rate; or

b. 5%

- In case customer has not linked Aadhaar with PAN by 30 September 2021, time deposits will be restricted with effect from 1 October 2021 in following cases:

a. FD amount exceeding INR 50,000 (one time) and

b. FD exceeding INR 5,00,000 during the financial year.

2.4 Pre-Termination Penalty

Premature withdrawal of a Term deposit will result in pre-termination penalty. Pre-term penalty is communicated to all customers upfront in the form of information available at all branches, on the Bank's website and on the deposit booking form (for consumer bank customers)/ fixed deposit advice/ Standing instruction form (for corporate bank customers).

For premature liquidation of the deposit (prior to the provisional date of maturity mentioned), the procedure of calculating the interest payable is as follows:

- Where the actual interest for the period for which the deposit runs is higher than the contracted rate the penalty will be 1% plus the difference between the contracted rate and the interest for the tenor for which the deposit actually remained on the Bank books.

-In all other cases 1%.

Example 1: Where the actual interest for the period for which the deposit runs is higher than the contracted rate

If an individual books a FD for a tenure of 1 year offering compounded interest @ 6.5%. But on account of some reason, breaks the FD after 7 months, then in this case interest would be offered @ applicable for a tenure of 7 months (at the time of booking the deposit). If the interest rate for 7 months FD was 7%, then he will get 7% - 1.5% (1% penalty + 0.5% difference between contracted rate and interest rate for the tenor for which the deposit actually remained with the bank) which is equal to 5.5% interest for the period of the fixed deposit.

Example 2: In all other cases 1%

If an individual books a FD for a tenure of 1 year offering compounded interest @ 6.5%. But on account of some reason, breaks the FD after 7 months, then in this case interest would be offered @ applicable for a tenure of 7 months. If the interest rate for 7 months FD was 6%, then he will get 6% - 1% (Penalty) which is equal to 5% interest for the period of the fixed deposit.

For resident and Non-resident customers, No pre-term penalty is levied to customer for breaking the existing deposit and re-booking for same or higher tenor.

SECTION 3 DEPOSITS ACCOUNTS FOR NON-RESIDENT INDIANS / PERSONS OF INDIAN ORIGIN

NRIs/PIOs can open the following types of Rupee Checking Accounts (savings / current) to meet their financial obligations in India:

1. Non Resident Ordinary (NRO) account

Further, NRIs/PIOs can also maintain Term Deposits with the Bank, either in Indian Rupee (NRO) or in Foreign Currency (FCNR (B)).

The transactions in these accounts are required to be conducted by the NRI/PIO in accordance with the Foreign Exchange Management Act, 1999 and the RBI guidelines issued in this regard.

Key Features – Term Deposits

Key features	FCNR(B) Deposit	NRO Term Deposit
Available currencies	<p>Currently offered to customers in British Pound, Euro, Japanese Yen, Australian Dollar, Canadian Dollar and United States Dollar.</p> <p>Deposit of funds in the account may be accepted in such permissible currencies as may be designated by the Reserve Bank from time to time.</p>	Indian Rupee
Investment term	From 1 to 5 Years	From 7 days to 5 years
Interest rate	<p>Fixed</p> <p>The rate of interest on funds held in these deposit accounts will be in accordance with the directives issued by the Reserve Bank from time to time.</p> <p>The interest rates offered for FCNR (B) deposits may vary basis Currency and Tenor of the deposit. Interest shall be paid within the ceiling of Overnight Alternative Reference Rate ARR rates for the respective currency/ maturity. The ARR rates as on the last working day of the preceding month shall form the base for fixing ceiling rates for the interest rates offered effective in the following month. The ARR rates quoted/displayed by) Financial Benchmarks India Pvt. Ltd. (FBIL) shall be used as the reference for arriving at the interest rates on FCNR(B) deposits.</p>	<p>Fixed</p> <p>Customers have an option to choose simple or compound interest.</p>
Payment of interest	Interest on balances held in these accounts is paid half-yearly. For one-year deposits, the interest is paid out on a Simple Interest basis. Interest on the deposits accepted under the scheme is calculated on the basis of 360 days to a year.	Accrues monthly. Compound interest is compounded every 90 days and paid on maturity. Simple interest paid quarterly.
Reinvestment	Automatic in accordance with the terms and conditions unless instructed otherwise.	Automatic in accordance with the terms and conditions unless instructed otherwise.

Key features	FCNR(B) Deposit	NRO Term Deposit
Joint Holding	Only with Non Resident Indians	Only with Non Resident Indians
Deposits	From outside India. From within India – only from an FCNR (B) account.	From outside India. From within India: <ul style="list-style-type: none"> • From FCNR or NRO account • From Indian income sources
Taxability in India	Interest exempt under the Income Tax Act applicable in India	Interest taxed in accordance with the Income Tax Act applicable in India.

Differential Deposit Rates may be offered for a specific selected tenor and amount range.

3.1 Pre-Termination Withdrawal

FCNR (B) Deposit - Deposits which are pre-terminated before the designated maturity date will attract pre-term penalty. Since the minimum tenor on the FCNR(B) deposit is one year, customers who pre-terminate their deposits before one year will not receive any interest on the term deposits. Depositors are made aware of the applicable penal rate along with the deposit rate through the terms and conditions mentioned on the deposit booking form. In case of splitting of the amount of term deposit at the request from the claimant/s, no penalty for premature withdrawal of the term deposit is levied if the period and aggregate amount of the deposit do not undergo any change. No penalty is levied in the case of premature conversion of balances held in FCNR (B) deposits into RFC Accounts by Non-Resident Indians on their return to India.

NRO Deposits - Deposits which are pre-terminated before the designated maturity date will attract a pre-term penalty, as stated in the terms and conditions mentioned on the deposit booking form.

3.2 Tax Considerations

Interest earned on balances in NRO savings / term deposits accounts attract Tax Deduction at source (TDS). Current TDS rates applicable are 30% plus applicable surcharge and cess.

Customers residing in specified countries will have the option of availing TDS at a lower rate under the DTAA (Double Taxation Avoidance Agreement). The customers need to submit a Tax Residency Certificate (TRC), issued by the respective overseas authorities along with Form 10F as prescribed under the Income Tax Rules. The list of countries is updated on the Bank's website.

3.3 Repatriability of balances in NRO accounts

Repatriation of NRO funds need to be in adherence to the guidelines of the Reserve Bank of India and balances in NRO accounts up to an amount of USD 1 million equivalent per financial year can be repatriated. The customer will need to provide documentary evidence on the source of funds of the account along with other prescribed documentation, to undertake the repatriation from the NRO account.

SECTION 4: PREMATURE WITHDRAWAL AND RENEWAL PROCESS FOR TERM DEPOSITS

.Renewal Process of Deposits

Deposits will not be auto renewed upon maturity, unless instructed by the customer prior to maturity of the deposit. Deposits that are maturing on holidays will automatically be matured on the next working day and the interest for the additional day/days will be provided to the customer at the originally contracted rate of interest.

Auto renewal of the term deposit can only be for the same duration as the original deposit. The interest rate applicable at the time of renewing the deposit will be as per the interest rates applicable at the time of renewal.

SECTION 5: TREATMENT OF INOPERATIVE/UNCLAIMED DEPOSITS/ACCOUNTS

Dormant Accounts

Accounts which are not operated for over two years are marked as dormant / inoperative account status to protect the interest of the depositor. The Bank has a process to remind the customers to operate the account at 12, 21 and 24 months of inactivity. The depositor can request the Bank to activate the account for operating it by submitting a request and documents as required by the Bank. Customers must use the account once in 12 months in absence of which transactions may be declined by the Bank. If the Account is categorized as Dormant, then in such case the Customer shall be allowed to carry out transactions on the Account only through Citibank branches and no internet banking and ATM transactions shall be permitted on such an Account. No charges shall accrue for activating an Inactive/Dormant Account.

Unclaimed Deposits/Accounts

Under the applicable regulatory guidelines, Bank will display the list of unclaimed deposits/inoperative accounts which are inactive / inoperative for ten years or more on the Bank's website. The list so displayed on the website will contain only the names of the account holder(s) and his/her address in respect of unclaimed deposits/inoperative accounts. The process to activate the account is updated on Bank's website.

The grievance handling policy is updated on the website and queries or complaints on inoperative/unclaimed deposit/accounts are also subject to the same procedure.

SECTION 6: 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, if requested. For more details, customers may log on to www.dicgc.org.in.

ANNEXURE: PRODUCT NOTE FOR TIDE



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20product%20note%: