

One of the important functions of a bank is to accept deposits from public for the purpose of lending. This is even more important for Jana Small Finance Bank (“the Bank”), as growth of liability is a critical focus area of the Bank’s business. Also, more generally, the depositors and the interest paid on their deposits form the key area of the regulatory framework for banking in India and this has been enshrined in the Banking Regulation Act, 1949. While the Reserve Bank of India regulates the conduct of deposit accounts, it allows the Bank to formulate deposit products within the broad guidelines.

This policy document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and terms and conditions governing the conduct of the account. The document recognises the rights of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct, and operations of various deposits accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers of their rights. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand.

While adopting this Policy, the Bank reiterates its commitment to individual customers as 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. Detailed operational instructions on various deposit schemes and related services shall be issued from time to time, changes if any will be notified to the customers in a transparent manner as per regulatory guideline.

In case of any change this Policy shall undergo an annual approval process by the Board of Directors through the Risk Management Committee of the Board (RMCB). If any change in this Policy is subsequently approved, consequent upon any change in regulatory guidelines, market conditions, etc., such changes and approvals shall be deemed to be part of the Policy until the policy and framework are comprehensively reviewed next time.

All operational changes shall be approved by the Bank’s Asset Liability Management Committee (ALCO) such as rate change etc.

Types of Deposit Accounts

Various deposit products offered by the Bank are assigned different names. Customers may choose to opt for these accounts either as a stand-alone product or as a part of a comprehensive offering by the Bank. Deposit products can be categorized broadly into the following types.

Demand deposit means a deposit received by the Bank, which is withdrawable on demand;

Savings account means a form of interest bearing demand deposit primarily meant to encourage savings habit, withdrawable by means of cheques, withdrawal slips, at an ATM

through an ATM cum Debit card etc. It shall include both Basic Savings Bank Deposit Account (BSBDA) and Small Savings Account as mandated by the RBI and other savings accounts with varying features as designed by the Bank basis the need of its customer segment and competition.

Current account means a form of demand deposit where 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.

Term deposit means a deposit received by the Bank for a period (7 days to 10 years) generally withdrawable only after the expiry of the fixed period unless special instructions are provided for premature withdrawal wherever applicable. Interest is calculated quarterly/ monthly based on the offering as defined by Head-Products, approved by Treasury and ALCO. Term deposits also include recurring deposits, bulk deposits, senior citizen deposits, tax saver deposits etc. or any term deposit product that the bank may introduce in future within permissible regulation.

The bank may choose to offer callable and non-callable term deposits in line with applicable regulations.

In addition to these, the Bank may offer safe deposit lockers or accept articles for safe custody at select branches

Account Opening and Operation of Deposit Accounts

Bank will offer all kinds of Current Accounts & Savings Accounts (CASA), Term Deposits (TD) to all eligible segment of customers in accordance to the KYC policy of the bank and there will be separate operational guidelines issued by the bank for accepting such deposits.

Know Your Customer (KYC) guidelines

The bank shall adhere to the relevant regulations and regulatory guidelines issued from time to time, on ensuring appropriate identification & risk categorization of the customers. Details of the same shall be documented in our KYC policy and placed separately before the Board by Compliance Department of the Bank. Separate Operational guidelines will be issued to handle below type of accounts:

1. Minor Accounts
2. Senior Citizens
3. Accounts of Illiterate persons
4. Accounts of Blind persons
5. Accounts of Mentally Challenged
6. Undesirable Accounts
7. Inoperative accounts and unclaimed deposits
8. Accounts of missing persons
9. Settlement of dues in a deceased depositor's account

Accounts under Special Situations

In case of special situations including accounts of entities or individuals involved in bankruptcy proceedings, legal/ regulatory proceedings or other special situations, the Bank shall continue to service account operation requests by account owners/ authorized signatories, unless instructed otherwise in writing by appropriate authorities.

Upon receipt of such instructions, the Bank shall ensure appropriate action, including, but not limited to monitoring or freezing of the concerned accounts.

Interest Payment

Interest shall be paid on savings account and term deposits at the rates as decided by the Bank within the general guidelines issued by the RBI from time to time.

No interest shall be paid on balances in current accounts. However customers will be given an option of flexi fixed deposit wherein above a certain threshold the balance amount will be swept in to fixed deposits

The interest rates offered on deposits shall be decided by the Bank's Asset Liability Management Committee (ALCO) as per the ALM policy of the Bank. The committee may delegate some activities in deciding interest rates to appropriate personnel (e.g. Liability Head).

Interest on savings account balances shall be calculated as per RBI defined policy

The interest rate applicable to any deposit on any given day shall be made applicable as per RBI defined policy

In line with the Reserve Bank of India directives, interest shall be calculated at quarterly intervals on term deposits and paid at the rate decided by the Bank depending upon the period of deposits. In case of 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.

For the purpose of interest calculation for actual number of days (in case interest is calculated for incomplete month), the denominator is always taken as 365 days irrespective of whether it is a leap year.

The rate of interest on various deposit schemes (except bulk deposits) shall be displayed in the branch premises/ website at all times.

The Bank has a statutory obligation to deduct tax at source for all term deposits, recurring deposits and savings account as per RBI defined policy. The Bank will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS can submit declaration in the prescribed format at the beginning of every financial year, for a maximum period up to the end of that financial year.

Policy on Term Deposits Maturing on Non-Working Days

If a term deposit (incl. NRE deposits) is maturing for payment/ renewal on a non-business working day, the Bank shall pay interest at the originally contracted rate on the original principal deposit amount for the non-business working day, intervening between the date of the maturity of the specified term of the deposit and the next working day.

In case of an instruction for automatic renewal, the deposit would be renewed on the first working day after the date of maturity of the deposit

Payment of interest on accounts frozen by the Bank by the order of the enforcement authorities term deposits

For Term Deposits

A request (physical/ digital) shall be obtained from the customer on maturity, specifying 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, the deposit shall be renewed for a term equal to the original term

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

Renewal of deposit shall be advised by registered letter / speed post / courier service/ SMS/ e-mail 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.

For Savings Accounts

The Bank shall continue to credit the interest to the account on a regular basis

Interest payable on deposit account of a deceased depositor

In the case of a term deposit standing in the name/s of (1) a deceased individual depositor or (2) two or more joint depositor(s), where one of the depositors has died, interest shall be paid in the manner indicated below:-

In case of premature withdrawal, interest shall be paid at the rate applicable to the amount and period for which the deposit remained with the bank and not at the contracted rate

No penalty shall be charged in case of a premature withdrawal from the account of a deceased depositor.

On the date of maturity interest shall be paid at the contracted rate.

If the claim is after the date of maturity, irrespective of whether the death occurred before or after the date of maturity, the bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the bank shall pay simple interest at the applicable rate operative on the date of maturity, for the period for which

the deposit remained with the bank beyond the date of maturity.

In the case of balances lying in current account standing in the name of a deceased individual depositor/sole proprietorship concern, interest shall be paid from the date of death of the depositor till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment.

Additional Interest to the Bank's Staff

The Bank shall pay an additional interest of 1% on all deposits by existing employees of the bank.

This includes both full-time and part-time employees of the bank (including contract employees), as defined in RBI's master circular on deposits and interest rate. However, it excludes employees forced to retire/ asked to quit due to disciplinary reasons.

This benefit shall also be made available to the Chairman, Managing Director and the Executive Directors of the Bank.

Rounding Off of Transactions

All transactions, including payment of interest on deposits/charging of interest on advances, shall be rounded off to the nearest rupee i.e., fractions of fifty paise and above shall be rounded off to the next higher rupee and fractions of less than fifty paise shall be ignored.

The Bank shall also ensure that cheques/ drafts issued by customers containing fractions of a rupee are not rejected or dishonoured.

Customer Information Utilization

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

Secrecy of Customers' Accounts

The Bank shall not disclose details / particulars of the customer's account to a third person or party without the expressed or implied consent from the customer. However, there are some exceptions, viz. disclosure of information under compulsion of law, where there is a duty to public to disclose, and where interest of the Bank requires disclosure.

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 shall be made available to the depositor.

Redressal of Complaints and Grievances

Depositors having any complaint / grievance with regard to services rendered by the Bank have a right to approach authority/ies designated by the Bank for handling customer complaint / grievances.

The grievance redressal mechanisms available shall be as specified in the Grievance Redressal policy of the bank.

Policy Implementation and Update

This policy shall come into force from the date of approval by the board of the Bank.

This may be reviewed annually or on an as-needed basis, but shall be effective till subsequent approval by the board of the Bank.