

FINO Payments Bank

Comprehensive Deposit Policy Version 5.0



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Contents

A.	Policy usage guide.....	4
B.	Regulatory reference	5
C.	Key stakeholders and roles.....	5
D.	Policy content	5
1.	Preamble.....	6
2.	Types of Deposit Accounts.....	6
3.	Account Opening and operation of Deposit Account.....	6
4.	Interest payments.....	9
5.	Customer information	9
6.	Settlement of dues in deceased deposit account.....	9
7.	Insurance cover for deposits.....	10
8.	Inoperative/Dormant accounts.....	10
9.	Redressal of complaints and grievances	10
10.	Standing instructions.....	11
11.	Direct debit	11
12.	Service charges.....	11
13.	Exchange of soiled / mutilated notes.....	11
14.	ATM card / debit card hot listing.....	11
15.	Basic Savings Bank Deposit Account (BSBDA).....	11
16.	The Depositor Education and Awareness Fund Scheme, 2014 (DEAF).....	12
17.	Account for Minors.....	12
E.	Frequently asked questions.....	12
F.	Glossary.....	13
G.	Frequency of review	12

A. Policy usage guide

This section explains the structure of the policy document and the purpose of the same is to enable easy navigation and understanding of the contents of the document by various stakeholders. The Policy is organized in the following sections:

Regulatory reference

This section outlines the list of applicable regulations to the current policy document. The name of regulation issued by various regulators along with the date and reference number will be listed under this section.

The purpose of the same is to enable various stakeholders in identification of applicable regulations for the policy and act as a ready reference for the regulations.

Key stakeholders and roles

Under this section, a list of all the key stakeholders involved in the design, review, approval and implementation of the policy are identified and the major roles to be performed by them are listed. This section enables various stakeholders in understanding their respective roles with regard to the current policy document.

Frequently asked questions

This section lists down the frequently asked questions with respect to the current policy document from the perspective of various stakeholders and gives a reference to the relevant section of the policy to aid in clear understanding of the question.

Policy content

This section contains various aspects of the policy design and implementation as per the applicable regulatory guidelines. This section outlines the action required by various stakeholders of the Bank in ensuring implementation of the policy.

Glossary

This sections contains the definition of key terms used in the policy as per the applicable regulatory guidelines and industry standards.

B. Regulatory reference

The following key regulations are applicable to the current policy document.

Regulator	Regulation name	Date	Regulation code
RBI	Customer Service in Banks	1 July, 2015	DBR.No.Leg.BC.21/09.07.006/2015-16
RBI	Operating Guidelines for Payments Banks	6 October, 2016	DBR.NBD.No.25/16.13.218/2016-17
RBI	Master Direction- “Know Your Customer (KYC)” Directions, 2016	10 May, 2021	DBR.AML.BC.No.81/14.01.001/2015-16
RBI	Enhancement of limit of maximum balance per customer at end of the day from ₹1 lakh to ₹2 lakh – Payments Banks (PBs)	8 April, 2021	RBI/2021-22/20 DoR.LIC.REC.5/16.13.218/2021-22
RBI	Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016	16 September, 2022	RBI/DBR/2015-16/19 Master Direction DBR.Dir.No.84/13.03.00/2015-16

C. Key stakeholders and roles

Customer Service Committee of the Board

- To formulate a transparent and comprehensive policy setting out the rights of the depositors in general and small depositors in particular.
- To formulate a transparent and comprehensive deposit policy which will encompass payment of interest on deposits, premature withdrawal of deposits, overdue deposits, etc.
- To cover all aspects of operations of deposit accounts, charges leviable and other related issues to facilitate interaction of depositors at branch levels.
- Such a Policy should also be explicit in regard to secrecy and confidentiality of the customers.

D. Policy content

1. Preamble

- One of the important functions of the Bank is to accept deposits from the public for the purpose of lending. 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 is empowered to issue directives / 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.

- d. 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.
- e. 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.
- f. 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.
- g. This document is a broad framework under which the rights of common depositors are recognized.
- h. While adopting this policy the Bank re-iterates its commitments to the individual customers as outlined in the Code of Bank's Commitment to Customers.

2. Types of Deposit Accounts

While various deposit products offered by the Bank are assigned different names, the deposit products can be categorized broadly into the following types. Definition of major deposits schemes are as under: -

- a. "Demand Deposits" means a deposit received by the Bank which is withdrawable 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. "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 Term Deposit;
- d. As per the Licensing Guidelines on Payments Banks, Bank is not permitted to accept Term Deposits. Further payments banks were initially restricted to holding a maximum balance of Rs.100,000 per individual customer. RBI has now enhanced the maximum balance limit from Rs. 100,000 to Rs. 200,000 vide its notification ref. Enhancement of limit of maximum balance per customer at end of the day from ₹1 lakh to ₹2 lakh – Payments Banks (PBs) dated 8th April 2021. However, payments bank can accept a large pool of money to be remitted to a number of accounts provided at the end of the day the balance does not exceed Rs.200,000. If the transactions in the accounts conform to the "small accounts" transaction, simplified KYC/AML/CFT norms will be applicable to such accounts as defined under the Rules framed under the Prevention of Money-laundering Act, 2002.

3. Account Opening and operation of Deposit Account

- a. The Bank before opening any deposit account will carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI and the Bank's internal policy on the same. 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 the Bank will be conveyed at the earliest to him/her.

- b. The account opening forms or digital application and other material would be provided to the prospective depositor by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and or for record. The Bank official opening the account will explain the procedural formalities and provide necessary clarifications sought by the prospective depositor when he approaches for opening a deposit account. *(The same guidelines will be followed by the Bank for electronic opening of deposit account and the process for the same will be documented in the relevant standard operating procedures)*
- c. The Bank shall also facilitate opening of digital savings accounts through self mode.
- d. For deposit products like Savings Bank Account and Current Deposit Account, the Bank will stipulate certain minimum/ average balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain stipulated minimum/ average balance in the account will attract levy of charges as specified by the Bank from time to time. For Saving Bank Account the Bank may also place restrictions on number of transactions, cash withdrawals, etc., for given period. Similarly, the Bank may specify charges for additional statement of accounts, 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 mentioned in the respective product notes to be framed by the Bank and will be communicated to the prospective depositor while opening the account.

- e. Savings Bank Accounts can be opened for eligible person / persons and certain organizations / agencies (as advised by Reserve Bank of India (RBI) from time to time). Currently, Savings accounts can be opened by individuals only. These accounts can be enabled with sweep facility whereby balances exceeding Rs.2,00,000/- are being swept to Customer's account maintained with Suryoday Small Finance Bank (SSFB).

The amounts can be deposited/withdrawn from these accounts by way of cheques/ATM card. It helps customers to keep minimum cash at home besides earning interest. Currently, Current Accounts can be opened by individuals and sole proprietors. These accounts are sweep enabled whereby limit exceeding Rs.2,00,000/- is being swept to Customer's account maintained with SSFB. Currently, Bank doesn't provide cheque book facility to its customers.

Bank will open accounts for illiterate/differently abled persons also. However, there will not be any separate tagging of such accounts.

Third gender will also be able to open accounts. Provision to declare the third gender will be provided to the customer and the same will also be captured in the account opening form.

Bank will open accounts for Partnership Firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, etc. without the Sweep facility.

- f. The due-diligence process, while opening a deposit account will involve satisfying about the identity of the person, verification of address, satisfying about his occupation and source of income.
- g. In addition to the due-diligence requirements, under KYC norms the Bank 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. *(Detailed procedure for the above will be part of KYC policy of the Bank and the relevant standard operating procedure)*
- h. The Bank is committed to providing basic banking services to unbanked / disadvantaged sections of the society. Banking services would be offered to them through the financial inclusion initiatives and accounts opened with relaxed customer acceptance norms as per regulatory guidelines.
- i. 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 Bank 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. Currently, Bank opens these accounts in single name.
- j. At the request of the depositor, the Bank will register mandate / power of attorney given by him authorizing another person to operate the account on his behalf.
- k. 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. Charges may apply for this facility. Bank also extends the passbook facility on customer's demand.
- l. Nomination Facility - Bank offers nomination facility in deposit accounts. Nomination facility is available on all deposit accounts opened by the individuals. Nomination is also available to a sole proprietary concern accounts. 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. Nomination can be modified by the consent of account holder. Nomination can be made in favour of a minor also subject to other major individual being named appointee(s) during the minority period.
- m. The 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.
- n. Changes if any, with regard to the deposit schemes and other related services shall also be communicated upfront.
- o. Any changes in charges will be made available to all depositors in advance with one month's notice through the Bank's web-site and / or through mail. However in case of changes due to regulatory requirements the Bank may not give one month's notice.

- p. To enable account holders to deposit cheques / instruments, the Bank will provide cheque collection facility at its Branches. This facility will be provided as a matter of customer convenience and the Bank will not curtail the depositor's right to obtaining an acknowledgement by depositing instruments at the Branch counter. This is enabled only for those customers who have enabled Sweep facility.
- q. Sweep Facility – The balance above Rs. 2 lac at customer Identification level (CIF) can/will be transferred to Partners Banks.

4. Interest payments

- a. The bank will prescribe rate of interest for savings bank accounts from time to time based on macro-economic environment, competition benchmarking, cost-benefit analysis, etc. Differential rates of interest may be prescribed for any end-of-day savings bank balances exceeding Rupees one lakh.
- b. Bank would obtain prior approval of its Asset Liability Management Committee (ALCO) for fixing interest rates on savings accounts.
- c. The rate of interest on deposits will be prominently displayed in the branch premises as well as Bank's website. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed.

The Bank computes interest based on the actual number of days in a year. This is done on a daily and is credited monthly basis.

5. Customer information

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 should be strictly with the consent of the accountholder.

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.

The Bank shall not make publicity of adverse/weak position of other banks, in order to wean away the customers of the affected banks.

6. Settlement of dues in deceased deposit account

- a. 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 about the identity of the nominee, etc.
- b. 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 to the limit approved by the bank's board. This is to ensure that the common depositors are not put hardship on account of delays in completing legal formalities.

7. 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 as and when requested.

The DICGC insures all deposits such as savings, current, etc. deposits except the following types of deposits

- Deposits of foreign Governments
- Deposits of Central/State Governments
- Inter-bank deposits
- Deposits of the State Land Development Banks with the State co-operative bank
- Any amount due on account of and deposit received outside India
- Any amount, which has been specifically exempted by the corporation with the previous approval of Reserve Bank of India

Each depositor in a bank is insured up to a maximum of Rs.5,00,000 (Rupees Five lacs) for both principal and interest amount held by him in the same right and same capacity.

The deposits kept in different branches of a bank are aggregated for the purpose of insurance cover and a maximum amount up to Rupees five lakh is paid. For example, if an individual had an account with a principal amount of Rs.4,95,000 plus accrued interest of Rs.4,000/- the total amount insured by the DICGC would be Rs. 4,99,000. If, however, the principal amount in that account was Rs. Five lacs, the accrued interest would not be insured, not because it was interest but because that was the amount over the insurance limit.

8. Inoperative/Dormant accounts

Savings/Current Account which are not operated for a continuous period of more than such period specified by RBI from time to time by customer (excludes system generated transactions like credit interest/debit Service Charges) will be treated as a Inoperative/Dormant Account in the interest of the depositor as well as the Bank. The depositor will be notified of charges, if any, which the bank will levy on dormant / inoperative accounts. The depositor can request the Bank to activate the account by completing the process as defined by the Bank. There will not be charge for activation of inoperative account.

9. Redressal of complaints and grievances

Depositors having any complaint / grievance with regard to services rendered by the Bank has a right to approach authority (ies) designated by the Bank 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 response from the Bank within one month from date of complaint or he is not satisfied with the response received from the Bank, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India.

10. Standing instructions

Standing instructions can be given to the Bank for transfer/remittance of funds from one account to other account(s) maintained in the same branch, any other branch of the bank. (Currently this facility is not live)

11. Direct debit

The Bank will offer Electronic Clearing Service (ECS) or National Automated Clearing House (NACH) facility for effecting periodic payments by "direct debit" to the customer's account. This facility is mainly used for payment of utility bills/EMI of Loans/Insurance Premium/Investment in Mutual Funds, etc. Details of ECS / NACH facility are available at all the branches. (Currently this facility is not live)

12. Service charges

All new accounts opened would contain a schedule of charges detailing various types of Services & Charges being levied by the bank for any of the services availed. Updated service & fees leaflet is also made available to all customers at the branch as well as Banks website for reference at any point of time. Any change in service & fees will be communicated one month in advance to all customers before effecting the change.

13. Exchange of soiled / mutilated notes

The bank will accept mutilated / soiled notes from customers / non customers for exchange. Process of acceptance of such notes has been defined as per RBI's note refund rules and circulated to all the branches for adherence.

All branches of the Bank will offer the facility of exchange of soiled notes, exchange of mutilated and cut notes, exchange of coins including uncurrent coins into notes or coins. The process of exchange would be as per RBI's Note Refund Rules.

14. ATM card / debit card hot listing

The bank will accept ATM card / Debit card hotlisting instructions from customers through Phone banking channel - 24 hours a day and from branch channel during customer hours. Phone banking numbers are made available to customers whenever a Card is issued and all branches contain a detailed leaflet with the numbers.

15. Basic Savings Bank Deposit Account (BSBDA)

The Bank offers the 'Basic Savings Bank Deposit Account', which has been considered as a normal banking service available to all. This 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 as well as ATMs; receipt / credit of money through electronic payment channels or by means of deposit / collection of cheques drawn by Central / State Government agencies and departments, as decided by the Bank from time to time.

The 'Basic Savings Bank Deposit Account' would be subject to Bank's laid down guidelines on KYC for opening of accounts issued from time to time and subject to transactional limits

and facilities as specified by RBI from time to time. If such 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 system restrictions on the account balance, credit summation and withdrawals/transfers.

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 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'.

16. The Depositor Education and Awareness Fund Scheme, 2014 (DEAF)

RBI has established „The Depositor Education and Awareness Fund“ (the Fund). Under the provisions of Fund the amount to the credit of any account with the 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 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 his/her deposit or any other unclaimed amount or operate his/her account after the expiry of ten years, even after such amount has been transferred to the Fund. The Bank would be liable to pay the amount to the depositor/claimant and claim refund of such amount from the Fund.

17. Account for Minors

Bank will offer Savings account to Minor customers as per the guidelines of the RBI. Customers aged between 10 yrs to 17 yrs will be allowed to open the account. This age limit may be revised based on discussion and inputs from various stake holders. Transactions will be restricted in such accounts and may be revised time to time. Customers will be able to operate the account till they turn 18yrs old. Once, customer turns 18yrs old, customers account will be put in Debit freeze and customer will be have to resubmit ReKYC. Customer will be able to resubmit ReKYC by completing EKYC and providing PAN (if available). Communication regarding customer turning 18yrs will be sent via SMS prior to customer turning 18yrs old and also after the account is put under restriction.

E. Frequently asked questions

What information is the bank required to give when one opens a deposit (current/savings) account?

When customers open a deposit account, the bank will provide with following information:

- Welcome kit - Welcome letter & Brief Schedule of Charges applicable for the account
- The number of transactions, cash withdrawals etc. that can be done free of charge within the given period of time and the charge levied in case such limits are exceeded.
- Rate of interest paid on savings deposit and its periodicity.
- Minimum balance to be maintained and charges for non-maintenance thereof.

What formalities are supposed to be completed before opening an account with the bank?

- The bank will carry out due diligence as required in terms of „Know your Customer“ guidelines.
- The bank will ask for submission of relevant documents (either digital or physical) to establish identity and address of the prospective account holder.

In case bank is not satisfied with the KYC provided by the customer or customers seems to be a probable risk to the bank, may deny the opening of the account for the said customer

In case an account holder is not satisfied with the savings/ current account opted for, can he switch to another account?

Yes. If an account-holder is not happy with the savings / current account opened, within 14 days of one making the first payment into the account, the bank will permit switching to another account or return the money with interest it may have earned.

Can a bank charge for a statement of account?

The cost of providing the Statements electronically will not be charged to the customer. However, if the account-holder asks for an account statement in physical form the bank may levy a charge.

F. Glossary

- a. "Demand Deposits" means a deposit received by the Bank which is withdrawable 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. "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 Term Deposit.

G. Frequency of review

Liabilities Product Team is the owner of this policy document and shall review the policy on an annual basis for organizational appropriateness, taking into consideration the state of the business /technology environment and compliance with legal and regulatory requirements. Any regulatory changes to this policy document shall be made effective based on circulation of the internal guidelines with information to the PAC, to be ratified by the Risk & Asset Liability Management Committee at the time of next review of the Policy. Major changes in Bank's approach, if any, will mandatorily necessitate a review of the policy.

Annexure 1

Product Offerings:

1. Pragati Current Account
2. Pratham Savings Account
3. Shubh Savings Account
4. Staff Salary Account
5. Saral Salary Account
6. PMJDY/BSBDA/BSBDA Small Account
7. Suvidha Savings Account
8. Bhavishya Savings Account
9. Jan Savings Account
10. Sampann Current Account
11. Aarambh Savings Account
12. Finopay Digital Saving Account
13. Finopay Digital Full KYC Saving Account