

## **Bank of America, N.A. India Branches - Policy on Bank Deposits**

One of the important functions of the Bank is to accept deposits from the public for the purpose of lending. The Reserve Bank of India (RBI) is empowered to issue directives / guidelines 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 free to formulate deposit products within the broad guidelines issued by RBI.

This policy document on deposits outlines the guiding principles in respect of various deposit products offered by Bank of America at its branches in India ("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 and other related items for the benefit of customers. It is expected that this document will impart greater transparency in dealing with customers and create awareness among customers of their rights so as to ensure that customers will get services they are rightfully entitled to receive without demanding for it.

While adopting this policy, the Bank reiterates its commitments to 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. Detailed operational instructions on various deposit schemes and related services will be issued from time to time.

### **Types of Deposit Accounts**

The deposit products offered by the Bank can be categorized broadly into the following types.

- "Current Account" means a non-interest bearing demand deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount.
- "Term/Time/Fixed Deposit" means a deposit received by the Bank for a fixed period of time withdrawable at maturity or only with serving notice of pre-maturity with the minimum number of days as required per the deposit booking conditions.

### **Account Opening and Operation of Deposit Accounts**

- The Bank before opening any deposit account will carry out due diligence as required under "Know Your Customer" (KYC) guidelines and other applicable guidelines on opening and operations of deposit accounts issued by RBI and or such other norms or procedures adopted by the Bank from time to time. If the decision to open an account of a prospective depositor (customer) requires clearance at a higher level, reasons for any delay in opening of the account will be informed to the customer / customer representative and the final decision of the Bank will be conveyed at the earliest to the customer / customer representative.
- The account opening forms and other material would be provided to the prospective depositor by the Bank. The Bank will also provide details of information to be furnished and documents to be produced for verification and or for records. The Bank official while opening the account will explain the procedural formalities and provide necessary clarifications sought by the prospective depositor (customer) when the customer approaches the Bank for opening a deposit account.
- For deposit products like Savings Deposit account (offered only to non-individual clients for specific purposes) and Current Account, the Bank may, from time to time, stipulate certain minimum balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to

maintain the specified minimum balance in the account will attract levy of charges as specified by the Bank from time to time. For the existing Saving Bank account the Bank may also place restrictions on number of transactions, cash withdrawals, etc., during a given period. Similarly, the Bank may specify charges for issue of cheque books, additional statement of accounts, account maintenance, transaction processing, etc. Details regarding terms and conditions for operation of the accounts will be part of the standard account opening documentation of the Bank which will be provided to the prospective depositor (customer) while opening the account. Latest schedule of charges for various services provided will be available on our website.

- The Bank offers Current Account facility to and accepts Term Deposit from non-individual clients in line with its business strategy in India and subject to KYC due diligence.
- The Bank's due diligence process while opening a deposit account will involve satisfying itself about the identity of the customer / customer representative (prospective depositor), verification of address, customer's line of business, source of income and the beneficial ownership. The bank may require the customer to be present in person for completing the due diligence process and verifications. Obtaining introduction of the prospective depositor (customer) from a person / entity acceptable to the Bank and obtaining recent photograph of the person(s) opening/operating the account are part of due diligence process.
- The due diligence requirement under the Bank's Anti Money Laundering policy also requires a periodic refresh of applicable documentation and associated verifications from existing customers (including fresh photographs as applicable) based on the frequency as advised by the regulators from time to time.
- 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 from the customer (prospective depositor) along with FATCA and CRS declarations as specified under the Income Tax Act/Rules.
- At the request of the depositor (customer), the Bank will register mandate/power of attorney given by the customer authorizing another person to operate the account on its behalf. The Bank may require additional verification of such mandates from time to time as per its internal policies or regulatory / legal requirements. For example, requirement of customer's board resolution to validate account opening and operation mandate(s). Such additional verification requirements will be communicated to the customer from time to time.
- The term deposit account holders at the time of placing their deposits can give instructions with regard to closure of deposit account or renewal of deposit for further period on the date of maturity.
- A statement of account will be provided by the Bank to Savings Deposit as well as Current Account holders periodically as per terms and conditions of opening of the account.
- Inability of an existing customer to furnish details required by the Bank to fulfill statutory or regulatory obligations or for satisfying itself on KYC/AML norms, may also result in closure of the account after due notice to the customer.

## Domestic Term Deposit Booking Policy

- The Deposit Booking Policy for domestic term deposits is in keeping with RBI's Master Directions on Interest rates on Rupee Deposits. Deposits are classified as 'Board Rate deposits' or 'Differential Rate Deposits', depending upon the amount of the Term Deposit.
  - 'Board Rate Deposit' is a term deposit for an amount that is individually less than INR 20,000,000/-.
  - 'Differential Rate Deposit' is a term deposit for an amount that is individually equal to or greater than INR 20,000,000/-.

The 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 of deposit
- Interest: Quarterly Compounded\* / Simple Interest - Quarterly Payout / Simple Interest – payout at maturity. If no interest option is provided by customer in request letter at the time of placing deposit, the default option will be "Simple Interest – payout at maturity".  
(\* deposits kept with the Bank for more than 90 days)
- Maturity Instructions: The customer is mandatorily required to provide the maturity instructions at the time of deposit placement.
- The term deposit advice confirming deposit placement details will be issued to customer communication address (physical / electronic address as per the Bank's records).

The Bank has statutory obligation to deduct tax at source if the total interest paid/payable on all term deposits held by a customer exceeds the applicable 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 the prescribed format at the beginning of every financial year

## Interest Payments

- No interest in whichever form will be payable on the credit balances of the current accounts.
- In terms of Reserve Bank of India directives, interest shall be calculated at maturity for Simple Interest term deposits and at quarterly intervals on Quarterly Compounded term deposits and paid at the rate decided by the Bank depending upon the period of deposits. The interest on term deposits is calculated by the Bank in accordance with the formulae and conventions advised by Indian Banks' Association.
- The interest calculation for savings deposit account will be as per RBI directives and the interest will be credited to customer's account on a quarterly basis i.e. on 30<sup>th</sup> Jun, 30<sup>th</sup> Sep, 31<sup>st</sup> Dec and 31<sup>st</sup> Mar. For calculation of interest, the year will be considered as 365 days (even in case of leap year).
- Interest rates quoted to customers for term deposit booking are in accordance with the Reserve Bank of India guidelines on term deposit rates.
- Floating rate term deposits will be booked with the benchmark linked to a floating rate like overnight MIBOR (Mumbai Inter-Bank Offer Rate) and the interest rates will be reset daily basis the applicable benchmark interest rate as on that date.

- A rate schedule based on specific selected tenors ('Board Rates') will be published on a daily basis for amounts less than INR 2 Crore (INR 20 Million). In case the customer needs to renew a deposit, rates applicable at that point in time will be applied depending on the tenor and amount of the deposit. For the differential deposit (amount equal to or greater than INR 2 crore), the basis for fixing the daily differential rate schedule for all amounts and tenors will be the following parameters:
  - Market / competitor bank benchmarking
  - The current and likely future liquidity position and funding requirements of the Bank
  - Statutory reserve costs (costs of cash reserve ratio and statutory liquidity ratio)
- The rate of interest schedule for deposits less than INR 2 Crore will be prominently displayed in the branch premises and the 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 at branches.

### **Premature Withdrawal of Term Deposit**

- Unless otherwise indicated at the time of requisition for Term Deposits, the Bank will allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit.
- For these deposits, interest 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. Additionally, there would be a penalty on pre-mature withdrawal of Term Deposit. The current penal interest rate for premature withdrawals is 1% deduction on the applicable interest rate to be paid. The applicable penal interest rate will be communicated to customers up-front at the time of placement of the term deposit. On request from the customer, the Bank at its discretion may decide to waive off / reduce the applicable penal interest rate on a case by case basis.

### **Non-Callable Term Deposits**

The Bank offers a new category of deposit, called 'Non-Callable Term Deposit' with the following features:

- These deposits are offered only for Differential Rate Deposits i.e. term deposits of amounts INR 20,000,000/- or above.
- Only those deposits with original maturity over 31 calendar days will qualify for this category.
- For pre-mature withdrawal of such deposit, the depositor will require to provide to the Bank a clear 31 calendar days advance notice in writing, from the contractual maturity date of the deposit.
- The Bank, subject to the extant local regulatory guidelines, reserves the right to disallow early withdrawal of this deposit if notice to pre-mature the deposit is not served 31 calendar days before the contractual maturity date of the deposit.
- Customers will have the option to choose such deposits at the time of placement of deposit which cannot be altered at a later date.

The rate of interest on such non-callable deposits will be as per the daily interest rate schedule of the Bank applicable to such deposits which will be published in advance and communicated to the customer prior to placing the deposit. The rates of interest offered to non-callable deposits may be different than those offered to all other deposits in the same bucket of the same amount and tenor.

All other terms and conditions applicable to a Term Deposit as outlined in this deposit policy shall also apply to such Non-Callable Term Deposits.

## **Advances against Deposits**

The Bank may consider request of the depositor/s for loan/overdraft facility against term deposits duly discharged by the depositor/s on execution of necessary security documents

## **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](http://www.dicgc.org.in).

The depositors may note the deposits placed with the Bank's branches in India are not FDIC insured in United States of America and are not payable at any branch outside India.

## **Dormant Accounts**

Current and Savings account which is not operated or which does not receive any external transaction during the block of any 12 consecutive calendar months will be assigned as dormant/inoperative account in the mutual interest of the depositor and the Bank. The depositor can request the Bank to activate the account for operating it. As a matter of policy and to reduce possibility of fraud, the statement for the dormant account shall not be mailed to the customer and shall be withheld to protect the interest of the customer. The management of such dormant accounts and unclaimed deposits is governed by the applicable guidelines issued by Reserve Bank of India from time to time and the provisions and guidelines as set out in the Bank's operating guidelines on Unclaimed Deposits and Inoperative Accounts in addition to the provision and guidelines outlined in this deposit policy.

## **Secrecy of Customer's 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. The terms and conditions related to these are part of the Bank's standard account opening terms and conditions which are provided to customers at the time of opening of any deposit accounts.

## **Others**

- The Bank shall not engage any brokers or agents and pay brokerage or commission in any form to garner deposit accounts of any nature.
- Below deposits received by the bank are outside the scope of this policy. A deposit received by the bank:
  - from the institutions permitted to participate in the Call/Notice/Term Money Market both as lenders and borrowers.
  - for which it has issued a participation certificate;
  - under the Capital Gains Accounts Scheme, 1988, framed by the Government of India in pursuance of sub-section (2) of Section 54, sub-section (2) of Section 54B, sub-section (2) of Section 54D, sub-section (4) of Section 54F and sub-section (2) of Section 54G of the Income-Tax Act, 1961; and
  - under the Certificate of Deposit Scheme.

### **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. The same details are available in our website <http://corp.bankofamerica.com/business/bi/india>. In case the depositor does not get response from the Bank within 60 days 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. More details on Banking Ombudsman Scheme are available on [www.bankingombudsman.rbi.org](http://www.bankingombudsman.rbi.org)

## Revision History

Version	Revised By	LMT Approval Date	Description of Changes
1.0	Original		Formulation and adoption of Policy
1.1	Shefali Saroha		Annual Review
1.2	Arunabha Dey		Annual Review – February 2018
1.3	Arunabha Dey		Periodic Review – May 2018
1.4	Arunabha Dey		Adhoc update owing to regulatory changes
1.5	Praveen Poojari		Annual Review – February 2020
1.6	Praveen Poojari		Annual Review – February 2021
1.7	Varsha Srinivasan		Annual Review – February 2022

<b>Policy Attributes</b>	<p style="color: red;">Do not alter this row, needed for WORD importing process</p> <p style="color: red;">The information below must be collected for all policies. This information will not be displayed on the policy/website.</p>
<b>Policy Owner:</b>	GTS Product
<b>Policy available at</b>	G:\MB1PRODUCT\Treasury Product
<b>Business/GCF Contact:</b>	Arunabha Dey
<b>Risk Category:</b>	Regulatory Compliance
<b>Policy Review Frequency:</b>	Annual
<b>Governance Body:</b>	Local Management Team
<b>Jurisdiction:</b>	India
<b>Legal Entity:</b>	Bank of America, N.A., Indian Branches.
<b>Risk Framework:</b>	
<b>Risk Appetite:</b>	