Depositor Policy

INTRODUCTION

YES BANK Limited ("Bank") reiterates to its Customers the commitments outlined in Bankers' Fair Practice Code of Indian Banks' Association. As a part of an RBI and IBA initiative to ensure that the customer is aware of the policy of the Bank regarding deposits and depositors, it is important for every Bank to have a clearly defined Depositor Policy which is adopted by the Board of Directors and available for customers to view as and when needed.

PURPOSE OF THE POLICY

The purpose of this policy is to provide complete transparency to Customers on the rules & regulations regarding deposit products being offered by the Bank. 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 by the Bank and the same shall apply in applicable cases. Customers are requested to apprise themselves of such operational instructions by contacting the branch of the Bank or relying on brochures and materials issued relating to the same from time to time.

TYPES OF DEPOSIT ACCOUNTS

The deposit products can be categorized broadly into the types mentioned below. The Bank may assign different Brand names for the various Deposit products. The definition of the major deposits schemes are as under:

1. "Demand deposits" means a deposit received by the Bank which is withdraw able on demand
2. "Savings deposit" means a form of demand deposit which is a deposit account whether designated as "Savings Account", "Savings Bank Account", "Savings Deposit Account" or other account by whatever name called which is subject to the restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the bank during any specified period;
3. "Term deposit" means a deposit received by the bank for a fixed period and which is withdrawable only after the expiry of the said fixed period and shall also include deposits such as Recurring / Cumulative / Annuity / Reinvestment deposits, Cash Certificates, and so on
4. "Term Deposits" can be withdrawn prematurely by giving at least one complete banking day's notice to the Bank
5. "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
6. The Bank offers "Basic Savings Bank Deposit Account" as per the extant guidelines as laid down by the RBI from time to time. All branches offer this account to general public. Terms and conditions of this account is published & maintained on our website.

ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNTS

1. The Bank before opening any deposit account will carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI and such other norms or procedures adopted by the Bank. 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 the Customer and the final decision of the Bank will be conveyed at the earliest
2. The deposit account opening forms would be provided to the prospective depositor by the Bank. The Bank official will explain the procedural formalities and provide necessary clarifications sought by the prospective depositor when he approaches the Bank for opening of a deposit account
3. For deposit products like Savings Bank Account and Current Deposit Account, the Bank will normally stipulate certain minimum balances to be maintained 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
4. The Bank may also place restrictions on number of transactions, cash withdrawals, etc., for any given period for Saving Bank Account.
5. The Bank may specify charges for issue of cheques books, additional statement of accounts, duplicate pass book, etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account.
6. 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)
7. Current Accounts can be opened by Individuals / Partnership Firms/Limited Liability Partnership Firms / Private and Public Limited Companies / Hindu Undivided Family (HUF) / Specified Associates / Societies / Trusts, etc.
8. Term Deposits Accounts can be opened by Individuals / Partnership firms /Limited Liability Partnership Firms/ Private and Public Limited Companies / HUF/ Specified Associates / Societies / Trusts, etc.
9. The due diligence process, while opening a deposit account will normally involve satisfying about the identity of the person, verification of address, satisfying about his occupation and source of income. The Bank requires a recent photograph of the person/s opening / operating the account as a part of the due diligence process, For customers that are legal persons or entities, the bank should (i) verify the legal status of the legal person / entity through proper and relevant documents; (ii) verify that any person purporting to act on behalf of the legal person / entity is so authorized and identify and verify the identity of that person; (iii) understand the ownership and control structure of the customer and determine who are the natural persons who ultimately control the legal person.. Notwithstanding the aforesaid, Bank reserves the right to conduct such further due diligence as deemed appropriate by it.

10. In addition to the due diligence requirements, under KYC norms, Bank is required to obtain from the Customer details of his/her/their Permanent Account Number (PAN) or declaration in Form No. 60 / 61 as specified under the Income Tax Act / Rules
11. Deposit accounts can be opened by a Customer in his own name (status: known as account in single name) or by more than one Customer in their own names (status: known as Joint Account).
12. Operation of Joint Account - The Joint Account opened by more than one Customer can be operated singly individual or jointly. The mandate for operating the account can be modified only with the consent of all account holders. The Savings Bank Account opened by minor jointly with natural guardian / guardian can be operated by natural guardian/guardian only
13. The joint account holders can give any of the following mandates for the disposal of balance in the above deposit accounts:
    a) Either or Survivor : If the account is held by two Customers say, A & B, the final balance along with interest, if applicable, will be paid to survivor on death of anyone of the account holders
    b) Anyone or Survivor/s : If the account is held by more than two individuals say, A, B and C, the final balance along with interest, if applicable, will be paid to the survivor on death of any two account holders
14. The above mandates will be applicable to or become operational only on or after the date of maturity of term deposits. This mandate can be modified by the consent of all the account holder
15. At the request of the depositor, the Bank will register mandate / power of attorney given by him authorizing another person to operate the deposit account on his behalf
16. The term deposit account holders at the time of placing their deposits can give instructions with regard to closure of term deposit account or renewal of term deposit for further period on the date of maturity. In absence of such instructions, the Bank will automatically renew the deposit for a similar period (applicable for deposit amounts less than INR 1 Crore)
17. Nomination facility is available on all deposit accounts opened by the individuals. Nomination is also available to a sole proprietary concern account. 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. While making nomination, cancellation or change thereof, it is required to be witnessed by two individual in case of thumb impression. Signatures of the account holders need not be attested by witnesses. Nomination can be modified by the consent of account holder/s. Nomination can be made in favour of a minor also.
18. 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
19. A 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

INTEREST PAYMENTS

1. Interest shall be paid on saving account and term deposit as decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time.
2. In terms of 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.
3. 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 and shall be prominently displayed.
4. The Bank computes interest based on the actual number of days in a year. In case, the Deposit is spread over a leap and a non-leap year, the interest is calculated based on the number of days i.e., 366 days in a leap year & 365 days in a non leap year.
5. 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 applicable declaration in the prescribed format (Form 15 G/ Form 15 H/ Exemption Certificate) at the beginning of every financial year, failing which Bank shall proceed to deduct the taxes as applicable.

MINOR ACCOUNTS

1. The minor can open Savings Bank Account and the same can be operated by the natural guardian or by minor himself / herself, if he/she is above the age of 10 years. The account can also be opened jointly
2. On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian / guardian, fresh specimen signature of erstwhile minor duly verified by the natural guardian would be obtained and kept on record for all operational purposes.

SENIOR CITIZEN FIXED DEPOSITS

The Bank may offer a higher rate of interest on Fixed Deposits within the Minimum and Maximum range as stipulated by the RBI from time to time. The Bank would also be guided by all applicable income tax rules pertaining to fixed deposits held by Senior Citizens.

ACCOUNT OF ILLITERATE / BLIND PERSON

The Bank may open deposit accounts other than Current Accounts of illiterate person. The account of such person may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank. Normally, no cheque book facility is provided for such 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 and safe keeping of the passbook etc. given to the account holder. The Bank official shall explain the terms and conditions governing the account to the illiterate / blind person.

ADDITION OR DELETION OF THE NAME/S OF JOINT ACCOUNT 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. However, the first holder name cannot be deleted from any account.

CUSTOMER INFORMATION

The customer information collected from the customers may be used for cross selling of services or products by the Bank, their subsidiaries and affiliates strictly with the consent of the account holder in writing, obtained at the time of account opening or subsequently. As a part of its operation processes, the Bank has outsourced various processes to outsourced agencies and the Bank may be required to share certain information with these agencies from time to time. By availing the deposit account facility, Customer agrees for such disclosure. The Bank has a non-disclosure agreement with all such agencies that it has employed.

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.

PREMATURE WITHRAWAL OF TERM DEPOSIT

The Bank on request from the depositor, at its discretion and subject to compliance with applicable regulations 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 shall declare their penal interest rates policy

for premature withdrawal of term deposit. The Bank shall make depositors aware of the applicable rate along with the deposit rate.

PREMATURE RENEWAL OF TERM DEPOSIT

Incase 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. Further, the bank may levy penalty for premature closure of an existing deposit at such rates as may be decided by the bank from time to time.

RENEWAL OF OVERDUE TERM DEPOSITS

When a term deposit is renewed on maturity, on renewed deposit interest rate for the period specified by the depositor as applicable on the date of maturity would be applied. If request for renewal is received after the date of maturity, such overdue deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date, provided such request is received within 14 days from the date of maturity. In respect of overdue deposits renewed after 14 days from the date of maturity, interest for the overdue period will be paid at the rates decided by the Bank from time to time.

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. The Bank may also consider loan against deposit standing in the name of minor, however, a suitable declaration stating that loan is for the benefit of the minor, is to be furnished by the depositor – applicant .

SETTLEMENT OF DUES IN DECEASED DEPOSIT ACCOUNT

1. 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
2. The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank
3. 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

4. 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 concurrence by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf by providing the applicable documents as per 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.

INTEREST PAYABLE ON TERM DEPOSIT IN DECEASED ACCOUNT

1. 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 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 obtaining on the date of maturity, for the period for which the deposit remained with the Bank beyond the date of maturity; as per the Bank's policy in this regard.
2. However, in the case of death of the depositor after the date of maturity of the deposit, the bank shall pay interest at savings deposit rate obtaining on the date of maturity from the date of maturity till the date of payment.

INSURANCE COVER FOR DEPOSITS

The Bank's 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.

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 recovered.

DORMANT ACCOUNTS

Accounts which are not operated for a period of 2 years will be transferred to a separate dormant / inoperative account status in the interest of the depositor as well as the Bank. Activation of such dormant accounts is usually at the request of the customer. However, depending on circumstances (such as request from regulators/other authorized authorities or to recover dues from customer or to honour legitimate mandates of customers etc.) dormant accounts will be reactivated by the Bank.

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, associates, 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.

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 30 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.