Deposit Policy

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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.

1. Deposit Accounts

1.1 Types of Deposit Accounts

Deposit products can be broadly categorized into the following types:

(a) **Current Accounts** can be opened by Partnership Firms / Private and Public Limited Companies / Trusts, etc.

(b) **Term deposits** refer to interest-bearing deposits received by the Bank for a fixed, pre-determined period and which are withdrawable only after the expiry of the said fixed period.

(c) Special Non-Resident Rupee (SNRR) accounts which are non-interest bearing rupee-denominated accounts which may be held by person resident outside India, with a business interest in India

(d) Foreign Currency Accounts based in Special Economic Zones refer to deposits in freely convertible foreign currency accounts which may be held by institutional clients in Special Economic Zones. Deposits may be held in these accounts and transactions may be conducted out of the same in adherence with all relevant guidelines from Foreign Exchange Management Act (FEMA) perspective

1.1 Key Actions concerning 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 i 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.

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 3 crore.

- **Differential Rate deposits** are term deposits for amounts equal to or greater than INR 3 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 for term deposits, in line with general guidelines issued by Reserve Bank of India and updated from time-to-time. Deposits exceeding an amount of INR 100 crore are offered basis enquiries from clients.

- **Amount:** Current account, TIDE and fixed deposits starting from INR 1 for customers to Institutional Clients.

- **Interest:** (a) Quarterly Compounded Interest (b) Simple Interest with Quarterly Payout (c) Simple Interest with Monthly Payout Notably, for amounts less than INR 3 crore, an annualized yield is displayed for all tenors equal to or greater than 91 days on the Citibank website.

- **Third-party deposits:** Term deposits may be assigned / lien-marked in favour of a third-party (which is the beneficiary of the deposit) basis suitable instruction as the time of booking the deposit. Such deposits are automatically rolled over until liquidation by the client or the instruction basis appropriate instructions.

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)

Compounding is applicable only for Fixed rate deposits and not for TIDE or Floating rate deposits.

- **Maturity:** Automatic Renewal (auto-renewal) / Credit to linked accounts as per instructions received from the client.

2.1 Term Deposit Products Offered to Institutional Clients

Fixed Deposits

This is a single deposit booked for a specified tenor and amount. Client will have an option to withdraw from the deposit during the term of the deposit whereby applicable rate of interest on the deposit 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.

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.

The rate of booking is as per the deposit rate grids circulated on a daily basis.

Overnight Mumbai Inter Bank Offer Rate (MIBOR) / Treasury Bill (TBILL) linked deposits:

These are deposits booked with the interest rate benchmarked against a floating rate (i.e.) overnight MIBOR or TBILL. The interest rate would be reset daily for both MIBOR or TBILL .

Fixed rate Power Deposit (TIDE):

These are fixed 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 standard rates as per the deposit grid circulated daily. Customer authorises Citibank to break such number of deposits immediately as may be required to be broken to meet the Minimum Balance requirement as per Standing Instructions of the customer and to credit the funds in respect of such deposits to current account towards meeting such shortfall. Post maturity, proceeds from these deposits (principal and interest) are credited to the linked current account In case of Pre-maturity of deposit, applicable rate of interest on the deposit 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, similar to fixed deposit mentioned above. Further details are captured as part of the Annexure.

Overnight Mumbai Inter Bank Offer Rate (MIBOR) / Treasury Bill (TBILL) linked Power Deposit:

These are deposits where rate is linked to the Overnight MIBOR or **Treasury Bill (TBILL)**. The rates are as per the deposit grid circulated daily.

For Institutional and Citi Commercial Banking clients, deposits should be booked as per applicable grid for the aggregate amount of deposit.

Sustainable Time Deposits

Sustainable Time Deposit is a fixed term cash deposit booked for a specified amount and tenor, where an amount equal to the Sustainable Deposit will only be allocated exclusively to finance or refinance Social Assets based upon the eligibility criteria in the Citi Social Finance Framework. The Citi Social Finance Framework has been developed in line with the ICMA Social Bond Principles ("Social Bond Principles 2021"). Sustainalytics, an independent provider of sustainability research, analysis, and services to investors and other financial institutions globally, has provided a second party opinion on this framework.

For external limited assurance on allocation reporting, Citi engages external independent accountants to review that the assets included in the Citi Social Finance Asset Portfolio meet the Eligibility Criteria in the Citi Social Finance Framework and are not invested in assets as defined by the Framework's Exclusionary Criteria.

For the avoidance of doubt, Sustainable Time Deposit is not a security nor back-to-back lending solution.

Product Features

Sustainable **time** deposits has the same capabilities as TD offered by the respective branches. These capabilities include:

- Tenor choices as agreed with client
- Product pricing – same as Fixed Rate Deposits
- Early breakage
- No interest for less than 7 days tenor
- Compounding Interest
- Tax considerations
- Advice – The client advice clearly specifies that the deposit is "Sustainable Deposit"
- Separate User Guide is shared with the client prior to deposit booking to keep them informed around Citi's hematic bond frameworks.

Citi also publishes Sustainable Bond Reports on its website periodically. Details around the Citi Social Finance Framework or the latest Sustainable Bond report can be found in the attached documents (refer Annexure)

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 all amounts of deposits (inclusive of rack deposits).

The interest rate schedule for all deposit amounts will be available at all Citibank, N.A branches and on the Citibank India website at 10:00 am with a grace time of 10 minutes, latest by 10:10 am, on each business day.

These would include rates for overnight MIBOR and TBILL-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.

Savings Deposit Rates

Savings deposit rate would be maintained by the bank. For the limited number of savings bank accounts that the bank has opened (on a case-to-case basis) the savings deposit rate would be maintained and reviewed periodically as per Master Direction on Interest Rate on Deposits Directions dated April 01, 2025 and amended thereafter from time to time.

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 for tenor 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 121.

- For deposits matured during a particular month, the TDS payment to the Government happens as per Rule 218 of the Income Tax Rules, 2026 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 218 of the Income Tax Rules, 2026.

- 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, 2025, 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 customer has not linked Aadhaar with PAN by 30 June 2023, time deposits will be restricted with effect from 1 July 2023 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 (both TIDE and fixed deposits) 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 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 may be 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 other cases 1%.

There is no pre-termination penalty for floating rate Time Deposit and Power Deposit given rate reset happens on daily basis.

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.

SECTION 3 DEPOSITS ACCOUNTS FOR NON-RESIDENT

Specific accounts and associated deposits are permitted for non-resident (which include institutions fulfilling the criteria). Details of such accounts are captured below:

Feature	SNRR Account	NRO Account
Target clients	Any person resident outside India, having a business interest in India for putting through bona fide transactions in rupees. Opening of SNRR accounts by Pakistan and Bangladesh nationals and entities incorporated in Pakistan and Bangladesh requires prior approval of Reserve Bank.	Any person resident outside India for putting through bonafide transactions in rupees. Individuals/ entities of Pakistan nationality/ origin and entities of Bangladesh origin require the prior approval of the Reserve Bank of India.
Type of account	Non-interest bearing	Current (non-interest bearing), fixed deposit (interest-bearing) where rate of interest is determined as per guidelines issued by Department of Regulation
Permissible Transactions	Debits and credits specific/ incidental to the business proposed to be done by the account holder	Credits: Inward remittances, legitimate dues in India, transfers from other NRO accounts and any amount received in accordance with the Rules/Regulations/Directions under FEMA, 1999. Debits: Local payments, transfer to other NRO accounts, remittance of current income, settlement of charges on International Credit Cards.
Tenure	Concurrent to the tenure of the contract / period of operation / the business of the account holder and in no case should exceed seven years, other than with approval of the Reserve Bank. Restriction of seven years is not applicable to SNRR accounts opened for the purposes	No such restrictions on tenure.

	stated at sub. paragraphs i to v of paragraph 1 of Schedule 4 of FEMA 5(R).	
Repatriability	Repatriable	Not repatriable except for current income; and remittances by NRIs/ PIOs up to USD 1 million per financial year in accordance with the provisions of FEMA 13(R).

SECTION 4: PREMATURE WITHDRAWAL AND RENEWAL PROCESS FOR TERM DEPOSITS

Premature withdrawal of deposits

Withdrawal of term deposit prior to completion of original tenor will lead to breakage of total deposit with pre-termination penalty applied as per framework shared above. Post-breakage, booking of a term deposit of the residual amount may be facilitated. However, this will be treated as per standard booking process for a new deposit as stated above. Partial liquidation of deposits is currently not supported.

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

Classification, reporting and management of funds eligible under inoperative / unclaimed accounts and deposits would adhere to concurrent guidelines shared by the Reserve Bank of India and framework established as part of the inoperative account policy of the bank

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 .