

**Mizuho Bank, Ltd.  
India**

**Deposit Policy**

**Revised on October  
2021**

## DOCUMENT CONTROL SHEET

### Document authorization

Document Name	Department/ Committee	Authorized by	Prepared by
Deposit Policy	Senior Management Committee (SMC)	Dinesh Naik	K. Raghavan

### Review Activities

Review date	Reviewed by
May 07, 2012	Dinesh Naik
Dec 03, 2013	Dinesh Naik
Feb 24, 2014	Dinesh Naik
May 27, 2015	Dinesh Naik

### Review Distribution List

S/N	Department /Committee	Name
1		
2		
3		

### Document Revision List

Date of Document/ Revision	Created/Revised by	Original Version No.	New Version No.
Dec 03, 2013	Dinesh Naik		
Feb 24, 2014	Dinesh Naik		
May 27, 2015	Dinesh Naik		
Oct 28, 2016	K.Raghavan		
Sep 26, 2017	K.Raghavan		
August 24, 2018	Tenaz Cooper		
August, 2021	Amit Rai		
October, 2021	Amit Rai		

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## 1. An Introduction to the Deposit Policy

One of the important functions of the Bank is to accept deposits from the public for the purpose of lending. In fact, depositors are the major stakeholders of the banking system. 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 (“RBI”), as central bank of India, is empowered to issue directives/ advices/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 now free to formulate deposit products within the broad guidelines issued by RBI.

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 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 deposit 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 commitments to individual 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.

The Policy shall follow Indian laws, guidelines formulated by RBI from time to time, guidelines issued by banking standard boards, and other application regulatory/statutory guidelines and instructions etc. The Policy will also be in line with instructions, guidelines, procedures and operation manual formulated by Head Office from time to time. Bank shall strictly follow KYC and AML Policy laid down by RBI and Head Office while Opening New Account.

## 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:

- 1) “Demand deposits” means a deposit received by the Bank which is withdrawable on demand;
- 2) “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;
- 3) “Term deposit” means a deposit received by the Bank for a fixed period withdrawable only after the expiry of the fixed period and includes deposits such as Recurring / Double Benefit Deposits / Short Deposits / Fixed Deposits / Monthly Income Certificate / Quarterly Income Certificate etc.
- 4) “Notice Deposit” means term deposit for specific period but withdrawable on giving at least one complete banking day’s notice;

- 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.

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

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 Prevention of Money Laundering Act or 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 prospective customer and the final decision of the Bank will be conveyed at the earliest to the prospective customer.

B) The account opening forms and other material would be provided to the prospective customer by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and or for record, it is expected of the Bank official opening the account, to explain the procedural formalities and provide necessary clarifications sought by the prospective customer when he approaches for opening a deposit account.

C) 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. 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 issue of cheques books, additional statement of accounts, duplicate statement, 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 communicated to the prospective customer while opening the account.

D) Eligible applicant to open various accounts

- Savings Bank Accounts can be opened for eligible person / persons and certain organizations/agencies (as per extant RBI regulations)
- Current Accounts can be opened by individuals/ partnership firms/ Private and Public Limited Companies/HUFs / Specified Associates / Societies / Trusts, etc.
- Term Deposits Accounts can be opened by individuals/partnership firms / Private and Public Limited Companies/ HUFs/ Specified Associates/Societies/Trusts, etc.

E) The KYC and due diligence for the customer will be conducted in accordance with the Bank's KYC & AML policy.

F) 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 years will also be allowed to open and operate saving bank account independently.

G) Operation of Joint Account: The Joint Account opened by more than one individual can be operated by single individual or by more than one individual jointly. The mandate for operating the account can be modified 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 only.

H) The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:

- **Either or Survivor:** If the account is held by two individuals say, A & B, the final balance along with interest, if applicable, will be paid to survivor on death of anyone of the account holders.
- **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.

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 holders.

I) 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.

J) 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. In absence of such mandate, the Bank will seek instructions from the depositor/s as to the disposal of the deposit by sending intimation (either written/ e-mail or over telephone) before the maturity date of term deposit.

K) 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 a third party. Nomination can be modified by the consent of account holder/s. Nomination can be made in favour of a minor also. In case of depositors putting his/her thumb impressions on the prescribed Forms for making nomination, cancellation or change thereof, the form is required to be attested by two witness. Nomination can be made in favour of a minor also.

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.

L) 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. Alternatively, the Bank may issue a Pass Book to these account holders.

M) The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor.

## 4. Interest Payments

A) Interest shall be paid on saving account at the rate as decided by Bank within the general guidelines issued by RBI from time to time. Also, term deposit interest rates are decided by the Bank in line with RBI guidelines issued from time to time on this matter.

B) In terms of RBI directives, interest shall be 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. Interest on Rupee deposit is calculated on 365 day basis even for leap year.

C) 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.

D) 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 declaration in the prescribed format at the beginning of every financial year.

E) NRE Interest shall be paid on Non-resident (External) Rupee Deposits (NRE) and Ordinary Non-Resident Deposit (NRO) accounts of the NRIs, at the rate decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time. Interest is calculated on daily product basis. Interest rate on NRE and NRO deposits cannot be higher than those offered on comparable resident deposits. Interest rates on FCNR (B) deposits are linked to LIBOR/SWAP rates and subject to a ceiling prescribed by RBI.

F) FCNR (B) deposits the interest is calculated and paid at intervals of 180 days each and thereafter for the remaining actual number of days, on the basis of 360 days to a year. The depositor also has the option to receive interest on maturity with compounding effect.

G) If a Term Deposit matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

## 5. Minor's Account

A) 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. No overdraft facility or loans/advances will be provided to minors.

B) On attaining majority on the same day account should be inoperative till the time customer converts the minor account to major with required KYC documents. Thus, banks should initiate the prior communication to Minor accounts that would attain to 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 the erstwhile minor duly verified by the natural guardian would be obtained and kept on record.

## **6. Account of Illiterate/Blind Person**

The Bank may at its discretion 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.

## **7. Addition and Deletion of the Names 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.

## **8. 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 account holder.

## **9. 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. There are some exceptions to this rule 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"- wherein Bank will be obligated to disclose customer's details.

## **10. Premature Withdrawal of Term Deposit**

The Bank on request from the depositor, 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. Bank in principle offers premature withdrawal facility to all its customers.

In case of term deposits with "Either or Survivor" or "Former or Survivor" mandate, banks are permitted to allow premature withdrawal of the deposit by the surviving joint depositor on the death of the other, only if, there is a joint mandate from the joint depositors so that the Bank need not seek the concurrence of the legal heirs of the deceased joint deposit holder.

## **11. Advance against Deposit**

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.

## **12. Settlement of Dues in Deceased Deposit Account**

Bank will follow a simplified procedure for settlement of accounts of deceased account holders. The claims in respect of deceased depositors and release of payments to survivor(s)/nominees will be made within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) to the bank's satisfaction.

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

C) 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.

D) 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.

E) Bank may call for Succession Certificates from the legal heirs of deceased depositors in cases a) where there are disputes and all the legal heirs do not join in indemnifying the Bank and b) in certain other exceptional cases where the Bank has a reasonable doubt about the genuineness of the claimant(s) being the only legal heir(s) of the depositor.

## **13. Interest Payable on Term Deposit in Deceased Account**

A) 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 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.

B) 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 from the date of maturity till the date of payment.

## **14. 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.

## **15. 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.

## **16. Dormant Accounts**

Accounts which are not operated for a considerable period of time will be transferred to a separate dormant/inoperative account status in the interest of the depositor as well as the Bank. The depositor will be informed of charges, if any, which the Bank will levy on dormant/inoperative accounts. The depositor can request the Bank to activate the account for operating it.

## **17. Safe Deposit Lockers**

This facility is not offered through our branches.

## **18. Approving Authority for Interest Rates on Term Deposits**

Bank's Board (i.e. Senior Management Committee- SMC) in delegating the power to Asset Liability Management Committee to decide on the applicable Rate of Interest prescribed in the Card Rates published by the Bank for Term Deposit.

## **19. 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 its complaint resolved by the Bank within a month (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.

## **20. SERVICE CHARGES**

The Bank will levy service charges as approved by IBA/RBI/Bank's Board. The applicable Service Charges will be displayed on the Bank's website <https://www.mizuhobank.com/india> and a summary of changes would be provided to the customer.

## **21. Review of this Policy**

This Policy shall be reviewed annually or as and when there are any changes in local regulations/laws or Head Office guidelines.

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