

Policy

Deposit

Current Effective Date: Feb 2022

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1. Summary or Rationale

This policy document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by the JPMorgan Chase Bank N.A a scheduled commercial bank under the Reserve Bank of India Act, 1934 acting through its branches in India (hereinafter referred to as “JPMCB India”) and the terms and conditions governing the conduct of the deposit 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 JPMCB India’s customers, 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. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers of their rights.

While adopting this policy, the JPMCB India reiterates its commitment to individual customers and Micro and Small Enterprises as outlined in the code of Banks Commitment to Customers adopted by JPMCB India. 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. This policy applies only to products as may be offered by JPMCB India.

2. Scope

Lines of Business	Subject To	Role To Play
	<ul style="list-style-type: none"> Corporate and Investment Banking Commercial Banking 	<ul style="list-style-type: none"> Global Corporate Banking, Treasury Services Treasury Services Sales
Function(s)	Subject To	Role To Play
	<ul style="list-style-type: none"> NA 	<ul style="list-style-type: none"> NA
Locations	<ul style="list-style-type: none"> APAC - India 	
Legal Entities	<ul style="list-style-type: none"> JPMorgan Chase Bank, N.A. 	

3. Changes from Previous Version

- Annual review
- Removed reference to “Death of Depositor” under Deposits without Premature withdrawal facility
- Link for RBI’s notification on Opening of Current Accounts by Banks - Need for Discipline dated October 29, 2021 updated

4. Policy Statements

- [Types of Deposit Accounts](#) – This section outlines the various Deposit products offered by JPMCB

- [Account Opening and Operation of Deposit Accounts](#) – This section covers the Information of opening and operations of deposit accounts
- [Interest Payments](#) – This section includes information on interest paid by JPMCB on different types of deposits
- Floating rate term deposits – JPMCB India shall offer floating rate domestic term deposit clearly linked to an anchor rate. In order to ensure transparency, JPMCB India shall only use market-based rupee benchmark rates, which are directly observable and transparent to the customer for pricing the floating rate deposits. For such deposits, the floor of the customer interest payout will be restricted to 0%
- Approval for deposits - JPMCB offers term rate and floating rate term deposits to customers. Approval is taken from the JPMCB's Asset-Liability Committee (ALCO) every month prior to offering rates to clients. JPMCB shall ensure that the deposit rate offered to customers at the time of booking during the month is within the ALCO approved range of rates for all deposits. A post facto submission is also done to the ALCO to confirm that the rates offered during the month at the time of booking was within ALCO approved range every month for all deposits
- [Deposits without premature withdrawal facility](#) – This section includes information on deposits without Premature withdrawal facility
- Customer information - The customer information collected from the customers shall not be used for cross selling of services or products by JPMCB India, their subsidiaries and affiliates. If JPMCB India proposes to use such information, it will be with the consent of the accountholder.
- Secrecy of customer's accounts - JPMCB India shall not disclose details / particulars of the customer's account to a third person or party without the express or implied consent of the customer. However, there are some exceptions, viz. disclosure of information under compulsion of law, where there is a duty to public to disclose, when ordered by a court of law to disclose and where interest of JPMCB India requires disclosure.
- Premature withdrawal of term deposit - JPMCB India on request from the depositor, at its discretion may allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit. JPMCB India shall declare the penal interest rates for premature withdrawal of term deposit. JPMCB India shall make depositors aware of the components of penalty along with the deposit rate. If the term deposit is withdrawn before its maturity, interest will be paid as per the interest rate applicable for the period it was maintained with JPMCB India less penalty (as determined by JPMCB India) for a premature withdrawal which shall be communicated to the Customer at the time of placing the term deposit. The above shall exclude term deposits that are booked without premature withdrawal facility.
- Premature renewal of term deposit – In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, JPMCB India 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 JPMCB India will be paid at the rate applicable on

the date of deposit to the period for which the deposit remained with JPMCB India and not at the contracted rate. Further, JPMCB India may levy penalty for pre-mature closure of the existing deposit at such rates as may be decided by JPMCB India from time to time and as informed to the customer along with the deposit rate. The above shall exclude term deposits that are booked without premature withdrawal facility.

- 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. The term deposit account holders at the time of placing their deposits have to give instructions with regard to closure of deposit account or renewal of deposit for a further period on the date of maturity at an interest rate for the period specified by the depositor as applicable on the date of maturity.
- Back value dated deposit - Back valuation of deposits is permitted only in case of operational issues or errors on the part of JPMCB India and is governed by the Bank's Back Valuation Policy. For back valued deposit, interest rate for the period specified by the depositor as applicable on the back valued date of booking would be applied
- Advances against deposits - JPMCB India may consider requests 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 - Deposit protection coverage provided under the Deposit Insurance and Credit Guarantee Corporation Act, 1961 as amended from time to time (the "Act") shall, subject to the eligibility of account(s) under the provisions of the Act, apply to account(s) held with JPMCB India.
- Stop Payment Facility - JPMCB India will accept stop payment instruction from the depositors in respect of cheques issued by them provided it is received within the timelines provided by the Bank. Charges, as specified, will be recovered.
- Dormant Accounts - Accounts which are not operated for a period of two years wherein there are no transactions initiated by the customer will be classified as dormant / inoperative accounts in the interest of the depositor as well as JPMCB India. The depositor can request JPMCB India to activate the account for operating it.
- Redressal of complaints and grievances – Depositors having any complaint / grievance with regard to services rendered by JPMCB India has a right to approach authority(ies) designated by JPMCB India for handling customer complaint / grievances. The details of the internal set up for redressal of complaints / grievances will be displayed in the branch premises and on the website, which shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get response from JPMCB India within one month from date of complaint or he is not satisfied with the response received from JPMCB India, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India.
- [Unclaimed Deposits / Inoperative Accounts](#) – This section outlines the information on Unclaimed deposits or inoperative accounts
- Display of Data on Unclaimed Deposits on Web Site of JPMCB India – JPMCB India should display the list of unclaimed deposits / inoperative accounts which are inactive / inoperative for ten years or more on the website. The list so displayed on the websites must contain only the names of the account holder(s) and his / her address in respect

of unclaimed deposits / inoperative accounts. However, the account number, its type and the name of the branch shall not be disclosed on JPMCB India 's website. JPMCB India should also give on the website, the information on the process of claiming the unclaimed deposit / activating the inoperative account and the necessary forms and documents for claiming the same.

5. Types of Deposit Accounts

While various deposit products offered by JPMCB India are assigned different names, the deposit products can be categorized broadly into the following types:

- "Demand deposits" means a deposit received by JPMCB India which is withdrawable on demand;
- "Term deposit" means a deposit received by JPMCB India for a fixed period withdrawable only after the expiry of the fixed period
- "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

6. Account Opening and Operation of Deposit Accounts

- JPMCB India before opening any deposit account will carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI, Anti-Money laundering rules and regulations and or such other norms or procedures as per the applicable Customer Acceptance Policy of JPMCB India. 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 JPMCB India will be conveyed at the earliest to the customer.
- The account opening forms and other material would be provided to the prospective depositor by JPMCB India. The same will contain details of information to be furnished by the customer and documents to be produced for verification and / or for record. It is expected of the JPMCB India official opening the account, to explain the procedural formalities and provide necessary clarification sought by the prospective depositor when he approaches for opening a deposit account.
- Inability of an existing customer to furnish details required by JPMCB India to fulfill statutory obligations will result in closure of the account after due notice(s) is provided to the customer.
- For Deposit products like Current Deposit Account, JPMCB India may stipulate certain minimum balances to be maintained as part of the terms and conditions governing the operation of such accounts. Failure to maintain minimum balance in the account will attract levy of charges as disclosed by JPMCB India from time to time.. Similarly,

JPMCB India may specify charges for issue of cheques books, additional statement of accounts, duplicate passbook, folio charges, etc. All such details, regarding terms and conditions for operation of the account and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account.

- Current Accounts can be opened by individuals Banks, Financial Institutions, Private and Public Limited Companies, Partnership Firms, Registered Societies and Trusts.
- Term Deposit Accounts can be opened by partnership firms, Private and Public Limited Companies, Registered Societies and Trusts.
- 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. JPMCB India may also require introduction of the prospective depositor from a person acceptable to JPMCB India. The Bank requires a recent photograph of the person/s opening / operating the account as a part of the due diligence process

In addition to the due diligence requirements, under KYC norms JPMCB India is required by law to obtain Permanent Account Number (PAN) or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules wherever applicable or such other declaration or form as may be prescribed under the Income Tax Act / Rules

- Term Deposit accounts can be opened by an entity in its own name .
- At the request of the depositor, JPMCB India will register mandate / power of attorney given by him authorizing another person to operate the account on his behalf subject to prevailing regulations and policies
- The term deposit account holders at the time of placing their deposits have to give instructions with regard to closure of deposit account or renewal of deposit for a further period on the date of maturity at an interest rate for the period specified by the depositor as applicable on the date of maturity. 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.
- A statement of account will be provided by JPMCB India to Current Account Holders periodically as per terms and conditions of opening of the account.
- The deposit accounts may be transferred to any other branch of JPMCB India at the request of the depositor.

- Bank will open current accounts / CC OD accounts in conformity with RBI Circular RBI/2020-21/20 DOR.No.BP.BC/7/21.04.048/2020-21 dated Aug 6, 2020, DOR.No.BP.BC.27/21.04.048/2020-21 dated November 2, 2020, DOR.No.BP.BC.30/21.04.048/2020-21 dated December 14, 2020, DOR.CRE.REC.63/21.04.048/2021-22 dated October 29, 2021 and any other circular or FAQ issued by RBI or IBA from time to time on Opening of Current Accounts by Banks. For current account opening of prospective customers who have not availed any credit facilities from the banking system, JPMCB India will obtain a Declaration from the customer that they do not have credit facilities with any other bank. The Declaration will also include an undertaking from the customer to proactively inform JPMCB India in case of any change i.e. if they avail any credit facilities from other banks. JPMCB India will conduct an independent check in the Central Repository of Information on Large Credits (CRILC) system to verify that there are no Banks listed in the system as lending Banks for the customer before opening the account and also on half yearly basis

7. Interest Payments

- Banks should pay interest on term deposits, within the general guidelines issued by the Reserve Bank of India from time to time.
- The interest rates on deposits will be decided by JPMCB India and published in the public domain within the general guidelines issued by the Reserve Bank from time to time.
- Such interest should be paid at quarterly or longer resets.
 - In terms of Reserve Bank of India directives, interest shall be calculated at the stipulated intervals on term deposits and paid at the rate decided by JPMCB India depending upon the period of deposits. The interest on term deposits is calculated by JPMCB India in accordance with the formulae and conventions advised by Indian Banks' Association.
 - The rate of interest on deposits will be displayed in the branch premises and on the website of JPMCB India. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be displayed in the branch premises and on the website of JPMCB India
 - JPMCB India 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, 1961 and Rules framed thereunder, wherever applicable. JPMCB India will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS can submit the relevant declaration in the prescribed form at the beginning of every financial year.

- Maturity Date for Deposits: If the maturity date of the deposit falls on a day which is a holiday, it shall be postponed to the next business day. In the case of ordinary term deposits, the interest for the intervening Saturday / Sunday / holiday / non-business working day will be paid on the original principal amount.

8. Deposits without premature withdrawal facility

JPMCB India shall offer term deposits that do not have a premature withdrawal option provided that the amount of a single deposit is above INR 15 lakhs. At the time of creation of the term deposit, the Customer may elect not to prematurely withdraw the term deposit. If the Customer has elected not to prematurely withdraw the deposit, the Bank will not permit premature withdrawal of the deposit under any circumstances except where such premature withdrawal is on account of any of the following reasons:

- Insolvency/bankruptcy/winding up/dissolution of the depositor
- Directions / orders received from a competent court in relation to liquidation / premature withdrawal of the term deposit

Further, JPMCB India will have the discretion to offer differential interest rates based on whether the term deposits are with or without premature withdrawal facility subject to extant guidelines.

9. Unclaimed Deposits/Inoperative Accounts

The Depositor Education and Awareness Fund Scheme, 2014 -Section 26A of Banking Regulation Act, 1949

Pursuant to the amendment of the Banking Regulation Act, 1949, section 26A has been inserted in that Act, empowering Reserve Bank to establish The Depositor Education and Awareness Fund (the Fund). Under the provisions of this section the amount to the credit of any account in India with any 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 her deposit or any other unclaimed amount or operate 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.

Operational Guidelines: Please refer to the RBI Circular "The Depositor Education and Awareness Fund Scheme, 2014 –Section 26A of Banking Regulation Act, 1949- Operational Guidelines" Dated 27 May 2014.

10. Legal and Other References

Statutes, Laws, Rules, Regulations or External Guidance	<ul style="list-style-type: none"> • Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 – Updated as of Feb 2019 • Opening of Current Accounts by Banks - Need for Discipline - Oct 29, 2021 • Opening of Current Accounts by Banks - Need for Discipline – Dec 14, 2020 • Master Circular on Customer Service in Banks dated July 1, 2015 • Deposit Insurance and Credit Guarantee Corporation Act, 1961 • Deposit Insurance and Credit Guarantee Corporation Act, 1961 – Feb 2020 • The Depositor Education and Awareness Fund Scheme, 2014 -Section 26A of Banking Regulation Act, 1949
Enterprise Library Application (ELA) Link	<ul style="list-style-type: none"> • ELA home page

11. Firm References

Other Firm Policies or Standards	<ul style="list-style-type: none"> • This policy will have to be read together with all applicable policies of the Firm
Policy Supplements, Procedures, and Other Documents	<ul style="list-style-type: none"> • N/A
Forms/Systems	<ul style="list-style-type: none"> • N/A