

CITY UNION BANK LTD.,
ADMINISTRATIVE OFFICE, KUMBAKONAM

Policy on interest payable on overdue domestic term deposits and interest payable on pre-mature withdrawal of domestic term deposits

1. Policy on Overdue domestic term deposits

Our bank's Policy on interest payable on overdue domestic term deposits has been modified as given hereunder. This policy has come into effect from 22.10.2021.

If a term deposit matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract interest as given below:

- The rate of interest payable to the depositors/ claimants on the unclaimed interest bearing deposit, where the overdue period is 10 years and above and the amount has been transferred to the DEA Fund, shall be 3.00% simple interest per annum.
- The rate of interest payable to the depositors / claimants on the unclaimed interest bearing deposit, where the overdue period is below 10 years, shall be at the rate as applicable to the Savings bank deposits (based on the slab as fixed by the bank from time to time) or the contracted rate of interest on the matured Term Deposit, whichever is lower, for the period the deposit has remained with us whether they are closed or renewed.

2. Policy on interest payable on pre-mature withdrawal of domestic term deposits.

a. INTEREST PAYABLE ON PRE-MATURE WITHDRAWAL OF DOMESTIC TERM DEPOSITS

Whenever a domestic term deposit is requested to be closed before the completion of the period originally agreed, bank will pay 1% less than the rate of interest applicable for the period for which the deposit was kept. In case of reinvestment deposits, such interest may be compounded on a quarterly basis. However if the deposit is withdrawn before the expiry of minimum required period (now it is 7 days) interest will not be paid.

b. PRE-CLOSURE CUM RENEWAL OF DEPOSITS FOR AVAILING HIGHER RATE OF INTEREST/CONVERSION OF TERM DEPOSITS

The bank shall allow pre-closure of term deposits by the depositors for the purpose of placing them again as term deposits in order to avail the benefit of hike in interest rate, if any, at any time and for such pre closure-cum renewal Bank shall not charge any penalty. However for premature withdrawal of domestic term deposits, the bank shall continue to charge penal interest of 1% as said in clause a.