

## Terms and Conditions for Bespoke Savings Account

### Introduction

The Bespoke Savings Account is a unique offering that allows account holders to maximize their earnings by automatically sweeping out amounts exceeding a specified threshold and depositing them as demand deposits. The following terms and conditions shall apply to the Bespoke Savings Account scheme:

### Eligibility

- **Account Opening:** The Bespoke Savings Account can be opened by any resident entity eligible for opening a regular savings account with the Bank. The terms and conditions applicable to Savings Accounts shall also apply *mutatis mutandis* to the Bespoke Savings Account.

### Special Feature of Bespoke Savings Account

- The Bespoke Savings Account will be enabled with an auto sweep facility. Any amount above the pre-set threshold limit will be automatically converted to Demand Deposit by auto-sweep, for a period of 180 days, at the then applicable Repo Rate + Margin. ("Demand Deposit" means a deposit received by the bank, which is withdrawable on demand). The total effective balance in the account will be the aggregate of the amounts available in the Savings Bank Account and the Demand Deposits.

### Definitions

- **Break Value** - {(principal + interest payable if the demand deposit is broken on that day) – Applicable tax}.
- **Threshold Balance** - The minimum amount as determined by the Bank to be maintained by the account holder in the savings account at all times for the purpose of availing the auto sweep facility in the said account. This amount shall be always higher than the minimum balance requirement of the account.
- **Sweep out** - Transfer of funds in multiples of such amount as may be fixed by the Bank from the primary savings account for creating the demand deposits.
- **Reverse sweep** - Breaking up of the demand deposit and transferring the break value into the linked savings account to fulfil the requirements.

### Balance Requirements in the Bespoke Savings Account and Demand Deposit Creation

- **Average Monthly Balance:** Account holders are required to maintain an average monthly balance of Rs 2 Lakhs in their Bespoke Savings Account.
- **Threshold Balance:** The threshold balance for the automatic sweep-out feature is Rs. 3 Lakhs, which may be modified from time to time at the sole discretion of the Bank. Deposits will be created in multiples of Rs 1,000/- for balances exceeding Rs 3 Lakhs.

- **Demand Deposit Creation:** The demand deposits shall be created automatically, in multiples of 1,000/- for balances exceeding Rs 3 Lakhs and/or such amount as may be fixed by the Bank from time to time, by sweep-out of funds available in the Bespoke Savings Account over and above the threshold limit.

Demand deposits(s) created under auto sweep facility shall be broken in multiples of such amount as fixed by the Bank (Rs.1000/- at present), and the Break Value shall be credited back to the Bespoke Savings Account by automatic reverse sweep to meet the shortfall in the Account arising on account of any debits therein, such as cheques issued, ATM withdrawals, POS transactions etc., and to maintain the threshold amount in the account, without the requirement of any consent/instruction of the account holder(s). The balance amount of the broken demand deposit in multiples of such amount as fixed by the Bank (Rs.1000/- at present), shall be automatically converted into a new demand deposit linked to the Bespoke Savings Account at the then applicable interest rate. Bank shall not be liable/responsible in any manner for any loss caused to the account holder(s) on account of the premature closure of the demand deposits as mentioned above.

- **Deposit Duration:** Deposits created under the Bespoke Savings Account scheme will have a tenure of 180 days and will be automatically renewed for another 180 days upon maturity. The renewal will be for the principal amount of the Demand Deposit only and not the maturity amount. Any interest accrued shall be automatically credited to the linked Bespoke Savings Account.
- **Taxation:** Tax deducted at source (TDS) shall be applicable, as per the extant rules, for the interest earned on the demand deposits under the Bespoke Savings Account scheme, just as in the case of regular Term Deposits of the Bank. Balances available in the Savings Account shall also attract TDS, as per applicable law.
- **Deposit name:** The Bespoke Savings Account and the linked demand deposits shall be in the same name/order of names and shall have the same account operating mandate.
- **The account holder(s) shall maintain a minimum average monthly balance in the Bespoke Savings Account as determined by the Bank from time to time.** If at any time the average monthly balance falls below the stipulated balance, the Bank reserves the right to levy and recover charges as per the current prevailing rate, by debiting the Bespoke Savings Account and/or by breaking any of the linked demand deposits.

### Interest Rates and Earnings

- **Balance and Interest Rates:**

(a) Balances up to Rs 3 Lakhs will earn the standard savings bank interest rate. For information on the current savings bank interest rate, account holder(s) may visit the Savings Rates page on the Bank's website. The interest applicable for balances up to Rs 3 Lakhs will be credited quarterly.

(b) Balances exceeding Rs 3 Lakhs will earn interest at a rate equivalent to Repo Rate Plus Spread. The above-mentioned interest rate is subject to change from time to time, and the spread shall be determined at the discretion of the Bank.

- Senior Citizens' Benefit: An additional interest rate benefit for senior citizens is not applicable.

#### Deposit Closure and Withdrawals-

- Deposit Closure: Deposits created under the Bespoke Savings Account will be closed at the time of savings account closure or scheme conversion, whichever occurs earlier.
- Deposits can be fully or partially closed based on withdrawals from the savings account. No premature closure charges will apply to these deposits.
- Withdrawal Order: Deposits will be closed on a Last-In-First-Out (LIFO) basis. Thus, if the account holder(s) has/have more than one linked demand deposit, the last demand deposit created will be broken first to meet the shortfall in the savings account and if this is insufficient, the demand deposit created immediately prior to the last demand deposit will be broken, and so on, until the shortfall/demand in the savings account is fully met.
- The total limit available for withdrawal from the Bespoke Savings Account through ATM/POS/Online Banking shall be the sum of (i) the entire balance of the Bespoke Savings Account; and (ii) break value of all the linked demand deposits opened under the Scheme.
- If any demand deposit of the account holder is not linked to the Bespoke Savings Account, then it will not be considered for calculating the aggregate balances for honouring cheques, ATM/POS/Online banking transactions drawn on the said account.

#### Additional Features and Charges

- Details regarding the features of the Bespoke Savings Account and the applicable service charges can be found on the Federal Bank website, available at <https://www.federalbank.co.in/>

#### Interest Rate Revisions

- Repo Rate Changes: When there is a change in the repo rate, corresponding change will be reflected in all deposits linked to the Repo rate. However, the spread will remain constant for the demand deposit portion of the account.
- When the Repo rate revision occurs, the new repo rate plus the spread will be applicable to new deposits opened under the Bespoke Savings Account scheme. For existing deposits, the repo rate will be updated, and the spread at the time of deposit creation will be applicable.

#### Interest Crediting

- Interest Crediting Milestones: For the demand deposit component, interest will be credited at the following milestones:
  - Upon maturity (interest will be credited to the savings account)
  - On 31st March 2024 (interest will be credited to the demand deposit account)
  - Upon sweep back to the savings account (interest will be credited to the savings account)

## General

- By opening and maintaining a Bespoke Savings Account, account holder(s) agree to the terms and conditions outlined above. These terms and conditions shall be supplemental/in addition to the Bank's general rules for opening and maintaining Savings Bank Accounts, as available in the Bank's Website and in the relevant Account Opening Forms. The Bank reserves the right to amend these terms and conditions at any time, with reasonable intimation to the account holders. For further details or queries, customers/account holder(s) are encouraged to visit the bank's website or contact customer service or approach the nearest branch.
- Account holder(s) understands and agrees that he/she shall not be eligible for interest on deposits which are closed before expiry of seven (07) days from the date of opening.
- Account holder(s) also understands and agrees that any interest earned on Term Deposits are subject to TDS and hereby authorizes the Federal Bank to deduct TDS from interest earned on Term Deposits opened through sweep in facility, subject to the rules as applicable.
- The Bank shall have the right to encash the linked demand deposit/s, fully or partly, prematurely or on maturity, as may be required, to meet/fulfill/satisfy any of the obligations of the linked Bespoke savings account, without any prior notice or intimation to the account holder(s).
- The interest on prematurely withdrawn/broken demand deposits will be calculated as per the Bank's policy prevailing from time to time.
- No overdraft/loan will be provided against the security of the demand deposits made under the auto-sweep facility.
- Nomination for the demand deposits opened under the scheme will be the same as applicable to the linked Bespoke savings account.
- Bank may at any time at its sole discretion vary the threshold balance in the linked Bespoke Savings Account and/or the minimum deposit amount required for creating the demand deposit and /or the reverse sweep amount to be credited in the Savings Account on breaking the demand deposits.
- Bank shall have an unconditional lien on the demand deposit(s) created under the auto sweep facility and Bank shall have the unfettered right to set off amounts lying in the demand deposits against any dues payable to the Bank by the account holder(s). Bank's lien/right to set off will have priority over any obligation to pay a cheque drawn on the Bespoke Savings Account or honour a transaction done through ATM/POS/Online Banking.
- The Bank shall not be under any obligation to create demand deposit(s) in the event of any prohibitory order from a judicial/statutory authority in respect of the Bespoke Savings Account.

### Authorization

- By accepting these terms and conditions, account holder(s) specifically and expressly authorize The Federal Bank Limited to enable auto sweep facility with a minimum threshold and sweep-in balance of Rupees Three (03) lakhs and open multiple deposits for a term of One Hundred Eighty (180) days in multiples of Rs. 1000/- (Rupees One Thousand Only) at a rate linked to Repo Rate on a daily basis.