

DEBIT CARD ISSUANCE POLICY

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| REFERENCE OF RBI DIRECTIONS | | | |
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| Master Direction | 21 st April , 2022 | EBI/2022-23/92 DoR.AUT.REC.No. 27/24.01.041/2022-23 | Master Direction – Credit Card and Debit Card-Issuance and Conduct Directions, 2022 |

INDEX

| | |
|---|----|
| CHAPTER – I | 3 |
| PRELIMINARY | 3 |
| CHAPTER – II | 5 |
| ISSUE OF DEBIT CARD BY BANK | 5 |
| CHAPTER – III | 6 |
| GENERAL GUIDELINES FOR DEBIT CARDS | 6 |
| CHAPTER – IV | 11 |
| APPLICATION PROCESS | 11 |
| CHAPTER – V | 11 |
| CASH WITHDRAWAL LIMIT AND TRANSACTION LIMIT | 11 |
| CHAPTER – VI | 12 |
| CHARGES | 12 |
| CHAPTER – VII | 12 |
| SMS ALERTS | 12 |
| CHAPTER – VIII | 12 |
| MISCELLANEOUS | 12 |

CHAPTER – I PRELIMINARY

1. Introduction & Objective

- (a) As per RBI Master Directions RBI/2022-23/92 DoR.AUT.REC.No.27/24.01.041/2022-23 dated April 21, 2022 'Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022, the Banks is required to formulate a comprehensive debit card issuance policy with the approval of the Board and issue debit cards to the customers in accordance with this policy. This policy puts in place the guidelines that shall be followed by the bank in offering debit cards to customers. The policy shall be displayed on the website of the bank.
- (b) The objective of this policy is to provide a framework of rules and regulations to ensure that issuance of debit card are in accordance with best customer practices. The policy aim to ensure that card operations are run in a sound prudent, and customer-friendly manner.

2. Applicability

- (a) This policy and the directions relating to debit cards mentioned in said policy shall come into force from the date of approval by the Board of the bank.
- (b) These directions cover the general and conduct regulations relating to issuance of debit cards which shall be read along with prudential, payment and technology & cyber security related directions applicable to debit cards as issued by the Reserve Bank.

3. Revision & Review

- (a) The contents of this policy shall be subject to the changes / modifications which may be advised by RBI and / or any other regulators / or by bank from time to time.
- (b) This policy may be reviewed annually or on an as-needed basis, but shall be effective till subsequent approval by the Board of the Bank.

4. Definitions

In these directions, unless the context otherwise requires, the terms herein shall bear the meanings assigned to them below -

- i. **Debit Card** is a physical or virtual payment instrument containing a means of identification, linked to a Saving Bank/Current Account which can be used to withdraw cash, make online payments, do POS terminal / Quick Response (QR) code transactions, fund transfer, etc. subject to prescribed terms and conditions.
- ii. **Cardholder** is a person to whom a card is issued or one who is authorized to use an issued card.
- iii. **Card-issuer** means bank which issues debit card
- iv. **Annual Maintenance Fees** is the annual cost of debit to the cardholder which includes maintenance charges associated with the debit card under different scenarios based on card features.
- v. **Renewal** contemplates the issuance of a new card on account of expiry of an existing card and replacement includes issuance of a new card in place of an existing card in lieu of the change in the underlying account relationship, Upgradation due to new technology or systems or re-issuance of cards that have been lost, blocked or suspended temporarily, but does not include the opening of a new account after a previous account was closed.
- vi. **Convenience Fee** is a fixed or pro-rata charge on use of debit cards as one of the alternative forms of payment which is not ordinarily accepted vis-à-vis other forms of payment.
- vii. **Most Important Terms and Conditions (MITC)** are the standard set of conditions for the issuance and usage of debit card, thereby defining the responsibilities and liabilities of the card-issuer and the cardholder.
- viii. **Card Loyalty/Reward Programme/s** are those schemes linked to debit card whereby the Bank or associated merchant establishments, upon use of the card/s, offer digital coupons, points, discounts, cash backs or other benefits having monetary value that can be used/redeemed for the same transactions or other future transactions after accumulation.

5. Variants Of Card

Bank has presently partnered with RuPay network for issuance of Debit Cards. The bank shall issue debit cards to customers eligible on the basis of choice of product enrolled for by the customer / customer profile / accounts restrictions, etc., and based on the request made by the customer.

Bank has two variants of debit card i.e., Classic & Platinum.

CHAPTER – II

ISSUE OF DEBIT CARD BY BANK

6. Issue of Debit Card

- a) Bank have formulated this comprehensive debit cards issuance policy with an approval of the Board of Directors and issue debit cards to the customers in accordance with this policy. Prior approval of the Reserve Bank is not necessary for bank desirous of issuing debit cards to our customers.
- b) Debit cards shall only be issued to the residential customers having Savings Bank / Current Accounts.
- c) Bank shall not issue debit cards to cash credit and overdraft accounts / loan accounts / term deposits (fixed as well as recurring) accounts.
- d) Bank shall not force a customer to avail debit card facility and shall not link issuance of debit card to availment of any other facility from the bank.
- e) For non-personalized debit cards, they will be delivered to customer's registered or communication address along with the welcome kit after account activation at CPC. Any undelivered cards will be sent to respective branches for customer collection.

For personalized debit card, the cardholder should expect a wait time of 15 working days, as these cards are printed on a request basis by third party vendor.
- f) Bank doesn't discriminate issuance of debit cards to customer belonging to third gender.
- g) Any inclusions / exclusions with regards to issuance of debit cards to various product schemes will be reviewed and updated in this policy / communicated as addendum to this policy from time to time.

- h) Without the consent of the account holder, bank has no right to issue debit card to him/her.

Note:

Debit card shall be a value-added service offered by the bank and the following demand deposit customers shall be eligible for availing the Debit Card facility.

- a) All residential saving account holders except those with specific mode of operations like 'All Jointly', 'Former and Survivor', specific restrictive operational instructions, 'Illiterate Account Holder' and/or any specific saving products. This shall be specified as per bank policy.
- b) All residential current account holders except jointly operated accounts and non-individual accounts. However, Sole proprietorship and HUF accounts shall be eligible for issuance of debit cards on demand and subject to relevant conditions imposed by the bank as specified in the T&C.
- c) Residential Minor account holders with the restriction regarding withdrawal limit set for the specific product designed by the bank & approved by Board.

7. Review of operations

The bank shall undertake review of the operations / issue of debit cards on half-yearly basis. The review shall include, inter-alia, card usage analysis including cards not used for long durations and the inherent risks therein.

CHAPTER – III

GENERAL GUIDELINES FOR DEBIT CARDS

8. General Conditions

- (a) Bank shall keep internal records to enable operations to be traced and errors to be rectified (taking into account the law of limitation for the time barred cases) as prescribed under 'Master Direction on Know Your Customer', as amended from time to time.
- (b) The cardholder shall be provided with a record of the transactions after he/she has completed it, immediately in the form of receipt or another form such as the bank statement/email/SMS.

- (c) With a view to reducing the instances of misuse of lost/stolen cards, bank may consider issuing card with advanced features that may evolve from time to time.
- (d) In case bank, at the discretion, decide to block/deactivate/suspend a debit card, it shall be ensured that a standard operating procedure is followed as approved by their Board. Further, it shall also be ensured that blocking/deactivating/suspending a card or withdrawal of benefits available on any card is immediately intimated to the cardholder along with reasons thereof through electronic means (SMS, email, etc.) and other available modes.
- (e) Bank shall block a lost card immediately on being informed by the cardholder, after due verification of cardholder's identity and confirming the request through established security protocols.
- (f) Bank shall provide to the cardholder the detailed procedure to report the loss, theft or unauthorized use of card or PIN. Bank shall provide multiple channels such as a dedicated helpline, dedicated number for SMS, dedicated e-mail-id, Interactive Voice Response, clearly visible link on the website, internet banking and mobile-app or any other mode for reporting an unauthorized transaction on 24 x 7 basis and allow the customer to initiate the blocking of the card. The process for blocking the card, dedicated helpline as well as the SMS numbers, shall be adequately publicized.
- (g) Bank shall immediately send a confirmation to the cardholder subsequent to the blocking of a card.
- (h) If card is getting expired, the cardholder should approach his/her home branch and fill-up the required application for the new card. After due verification of the application, the card will get delivered to the customer's registered or communication address within 5 working days. Further, in case a card is blocked at the request of the cardholder, replacement card in lieu of the blocked card shall be issued with the explicit consent of the cardholder.
- (i) Any discounts, cash backs, reward points, loyalty points or any other benefits offered by the bank shall be provided in a transparent manner including source of such benefits. The accounting process for the same shall be verifiable in the books of the card of the bank. Detailed information regarding these benefits shall be

displayed on the website of the bank and a copy of the same shall also be provided to the cardholder.

- (j) In case of an insurance cover provided with a card, bank shall ensure that the relevant nomination details are recorded by the Insurance Company and the availability of insurance is included, along with other information. The information shall also include the details regarding the insurance cover, name/address and telephone number of the Insurance Company which will handle the claims relating to the insurance cover.
- (k) By default, the bank will issue Non-Personalized (Insta) debit cards to the customer. Personalized debit cards will only be issued upon special request from the customer.

9. Terms and conditions for issue of cards to customers

- (a) The relationship between the bank and the cardholder shall be contractual. The bank shall make available to the cardholders in writing, a set of contractual terms and conditions governing the issue and use of such cards. These terms shall be expressed clearly and also maintain a fair balance between the interests of the parties concerned.
- (b) The terms and conditions for the issue and usage of a card shall be mentioned in clear and simple language (preferably in English, Hindi and local language) comprehensible to the cardholder.
- (c) Bank may levy charges for Issuing / Renewal / Annual Maintenance / Usage of Debit Card by customers for Cash withdrawal (On Us/Issuer) Transactions through ATM, Transaction at Point of Sale (PoS) and On-Line payment by use of Debit Card subject to Regulatory Guidelines/ Government of India.
Charges shall be levied as per the 'Schedule of Charges' updated on the Bank's website, subject to regulatory guidelines of RBI/ Government of India.
- (d) Bank shall not levy any charge that was not explicitly indicated to the cardholder at the time of issue of the card and without getting his/her explicit consent. However, this shall not be applicable to charges like service taxes which may subsequently be levied by the Government or any other statutory authority. The

details of all the charges associated with cards shall be displayed on the bank's website.

- (e) The convenience fee, if any charged on specific transactions, shall be indicated to the cardholder in a transparent manner, prior to the transaction.
- (f) The terms shall clearly specify the time-period for reversal of unsuccessful / failed transactions and the compensation payable for failure to meet the specified timeline.
- (g) The terms may be altered by the bank, but 30 days' notice of the change shall be given to the cardholder to enable him/her to withdraw if he/she so chooses. After the notice period of 30 days, the cardholder would be deemed to have accepted the terms if he/she had not withdrawn during the specified period. The change in terms shall be notified to the cardholder through all the communication channels available.
- (h) The terms shall put the cardholder under an obligation to take all appropriate steps to keep the card safe and not to record the PIN or code, in any form that would be intelligible or otherwise accessible to any third party if access is gained to such a record, either honestly or dishonestly.
- (i) The terms shall specify that the bank shall exercise care when issuing PINs or codes and shall be under an obligation not to disclose the cardholder's PIN or code to anyone, except to the cardholder.

10. Compliance with Other instructions

The issue of cards as a payment mechanism shall also be subject to relevant instructions on cash withdrawal, security issues and risk mitigation measures, card-to-card fund transfers, merchant discount rates structure, failed ATM transactions, etc., issued by the Department of Payment and Settlement Systems, Reserve Bank of India under the Payment and Settlement Systems Act, 2007 as amended from time to time.

11. Redressal of grievances

- (a) Bank shall put in place a Grievance Redressal Mechanism within the card issuing entity and give wide publicity about it through electronic and print media. The designated officer i.e., bank's nodal officer shall ensure that grievances of

cardholders are redressed promptly without any delay. Comprehensive framework outlining timeline have been covered in board approved grievances redressal policy and compensation policy. Both the policies are displayed on the bank's website under 'Regulatory Disclosure' tab on the home page.

- (b) Bank shall ensure that call center staffs are trained adequately to competently handle and escalate, a complaint, if necessary. The Grievance Redressal process shall have a provision for automatic escalation of unresolved complaints from a call center/base level to higher authorities. There shall be a system of acknowledging customers' complaints for follow up, such as complaint number/docket number, even if the complaints are received over phone.
- (c) Bank shall be liable to compensate the complainant for the loss of his/her time, expenses, financial loss as well as for the harassment and mental anguish suffered by him/her for the fault of the bank and where the grievance has not been redressed in time. If a complainant does not get satisfactory response from the bank within a maximum period of 30 days from the date of lodging the complaint, he/she will have the option to approach the Office of the RBI Ombudsman under Integrated Ombudsman Scheme for redressal of his/her grievance/s.

12. Confidentiality of customer information

- (a) Bank shall not reveal any information relating to customers obtained at the time of opening the account or issuing the card to any other person or organization without obtaining their explicit consent, with regard to the purpose/s for which the information will be used and the organizations with whom the information will be shared. Bank shall ensure strict compliance to the extant legal framework on data protection. Further, in case where the customers give explicit consent for sharing the information provided by them with other agencies, bank shall clearly state and explain to the customer the full meaning/implications of the disclosure clause. The information sought from customers shall not be of such nature which will violate the provisions of law relating to maintenance of secrecy in the transactions. The bank shall be solely responsible for the correctness or otherwise of the data provided for the purpose.

13. Outsourcing of various services

Bank shall ensure adherence to the **Master Direction DoS.CO.CSITEG/SEC.1/31.01.015/2023-24 dated April 10, 2023** on 'Outsourcing of Information Technology Services' and guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services, as amended from time to time while outsourcing any activity related to issuance and servicing of debit cards.

14. Compliance with Know Your Customer (KYC) Norms/Anti-Money Laundering (AML) Standards/Combating of Financing of Terrorism (CFT)/Obligation under the PMLA, 2002

Debit cards shall be issued only to the bank's existing account holders and all such accounts shall be KYC/AML/CFT compliant. The instructions/Directions on KYC/AML/CFT issued by RBI from time to time shall be strictly adhered to in respect of all cards issued.

CHAPTER – IV APPLICATION PROCESS

15. Application Process

- a) While applying for new savings or current accounts, the applicant shall indicate whether he/ she requires a debit card. A debit card shall be handed over / sent by post to only those customers who have indicated their consent.
- b) If existing account holders who have not taken a debit card at the time of account opening wish to apply for one at any later date, then they shall be required to fill up and submit the debit card application form to the nearest branch bank.
- c) While applying for the Debit Card Mobile Number is mandatory.

CHAPTER – V CASH WITHDRAWAL LIMIT AND TRANSACTION LIMIT

- (i) The Daily transaction limits of bank's Rupay Debit Card for ATM Cash withdrawals / PoS / E-commerce /contactless transactions are subject to the

limits fixed by the bank which may vary from time to time.

- (ii) Product wise withdrawal and transaction limits shall be disclosed by the bank on its Website.

CHAPTER – VI CHARGES

- (i) The bank shall be entitled to charge for various card related issuance and maintenance service which will be transparently disclosed by the Bank.
- (ii) Charges shall be updated from time to time on the bank's website and notice regarding the updates will be sent to the customers of the bank at least 30 calendar days in advance.
- (iii) The debit card usage charges for additional transactions shall be as defined in compliance with RBI guidelines issued from time to time.

CHAPTER – VII SMS ALERTS

In line with applicable RBI guidelines, the Bank shall put in place a system of online alerts for all types of transactions irrespective of the amounts involving usage of debit cards at various channels. For this service, the bank may charge the customer on a non-discriminatory basis as decided by the competent authority from time to time.

CHAPTER – VIII MISCELLANEOUS

16. Contents of the Most Important Terms and Conditions (MITC)

Bank shall provide to the cardholder the term-sheet containing the MITC. The document should contain the following details:

a) Fees and Charges

- i. Joining fees & Annual Maintenance Fees for cardholder
- ii. Service charges levied for transactions
- iii. Other charges

b) Drawal Limits

- i. Daily Cash withdrawal limit
- ii. Daily Transaction limit by E-Commerce, Point of Sale (PoS), etc.,

c) Loss/Theft/Misuse of Card

- i. Procedure to be followed in case of loss/theft/ misuse of card - mode of intimation to the bank.
- ii. Prominently visible web-site link, phone banking, SMS, e-mail, IVR, a dedicated toll-free helpline, reporting to home branch, etc., are available for reporting unauthorized transactions and initiating blocking of card.
- iii. Liability of cardholder in case of (i) above in terms of RBI circular ref. DBR.No.Leg.BC.78/09.07.005/2017-18 dated July 6, 2017 on 'Customer Protection – Limiting Liability of Customers in Unauthorized Electronic Banking Transactions' as updated from time to time.

d) Grievance Redressal and Compensation Framework

- i. Grievance redressal and escalation process
- ii. Timeline for redressal of grievances.
- iii. Compensation framework for unsuccessful/failed transactions, delay in redressal of grievance, delay in closing of account/blocking of lost or stolen cards, etc.
- iv. Contact particulars of the bank - 24-hours call centers, email-ids, helpline, and other important telephone numbers, contact details of Grievance Redressal Official.

Note: Points mentioned under (d) are elaborated in detailed in board approved grievance redressal and compensation policy.

e) Disclosure

Type of information relating to cardholder to be disclosed with and without approval of cardholder.

17. Disclosure of the MITC - Items to be disclosed in stages:

- a. During marketing - Item no: 17 (a)

- b. At application - Key fact statement containing items from 17 (a & b) and any additional information that the customer may desire.
- c. Welcome kit - Item Nos: all items from 17 (a to e)
- d. On an on-going basis, any change of the terms and conditions
- e. Note :
 - i. the font size of MITC shall be minimum Arial-12
 - ii. The normal terms and conditions communicated by the bank to the cardholder at different stages shall continue as hitherto.

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