

# **CREDIT CARD POLICY - FRAMEWORK**

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## **Preamble**

The bank has been into credit card business since November 2018. Initially the bank launched co-branded cards with SBI later launched its own card 'DHI credit card' with various programs mainly targeting the existing customer base.

To expand the Credit card base, the bank is trying to enter various partnerships and focus on issuing cards to new to bank customers without compromising on the risk parameters.

It is felt necessary to have a well-defined comprehensive credit card policy for the bank and it spells out in detail about identification of credit card customers, on-boarding, and other guidelines of the bank to ensure reputation and financials of the bank.

Accordingly, a new policy is being documented covering the broader aspects of credit card product with a view to provide a framework of guidelines and practices adopted by the Bank in its Credit Card Operations based on the guidelines given in the various Circulars issued on Credit Card operations in our Bank and Master Direction vide RBI/2022-23/92 DoR.AUT.REC.No.27/24.01.041/2022-23 dated April 21, 2022 by Reserve Bank of India and the best customer practices enunciated in the Code of Bank's Commitment to Customers.

The existing policy for 'DHI credit cards' of the bank and SBI co-branded cards will be categorized as the standard operating guidelines and will be in line with this proposed policy document.

This Credit Card Policy aims at identifying and on boarding customers & suitable partners, general policy guidelines on card issuing norms, customer acquisition, product features, underwriting standards, ceiling on interest rates, fees and other charges, delegation of powers, etc., expected in managing the credit card business and the best practices that should be ensured.

The document is prepared to ensure that the product is in line with the changes in the competitive landscape and considers the changes in the Economic and Regulatory environment

This policy document covers various aspects of the customer journey in the bank from the time the customer is targeted for acquisition to the time that the customer completes the journey which shall culminate till the customer surrenders the Credit Card to the bank.

The policy shall be updated as and when required and the revisions needs to be approved by **MD & CEO** upon the recommendation of **Executive director** and **Risk department** and the same shall be ratified by the **Board of Directors**. The periodic changes in the policy need to be maintained and updated in the main policy & placed for ratification from the board on a quarterly basis.

## CREDIT CARD POLICY - FRAMEWORK

Para No.	Parameter	Details
1	<b>Product Description</b>	<b>Credit Card</b> - shall mean a physical or virtual payment instrument(s) containing a means of identification, issued with a pre-approved revolving credit limit, that can be used to purchase goods and services or draw cash advances, subject to prescribed terms and conditions.
2	<b>Card Variants / brand</b>	The Bank may issue VISA, Rupay, MasterCard / Maestro, AMEX and any other brand of cards (Personalized & Non-Personalized) to be used for transactions at various channels such as ATM, POS, e-commerce / online, UPI and any other channel authorized by the regulators. The Bank shall issue EMV Chip and PIN cards as per the extant regulatory requirements. Additionally, bank may issue virtual cards in addition to physical credit cards.  Above is applicable for banks' issuance of own cards as well as co-branded cards.
3	<b>Credit Card types</b>	Bank can issue unsecured credit cards as well as secured credit cards.  Bank can issue various types of credit cards including: <ul style="list-style-type: none"> <li>a. <b>Personal credit cards:</b> for individual members with add on cards for family members for personal use</li> <li>b. <b>Business credit cards:</b> shall mean the Credit Card(s) that is issued to business entities/individuals for the purpose of business expenses with specified terms and conditions and not for personal use. Business credit cards issued to entities includes Charge cards. <b>Charge card:</b> shall mean the credit card where the user has to pay the billed amount in full on due date after the billing cycle and no rolling over of credit to the next billing cycle is permitted. These cards can also be linked to a credit facility such as overdraft / cash credit provided for business purposes and conditions stipulated for the facility concerned</li> <li>c. <b>Corporate credit cards:</b> Card that is issued to specific employees of a corporate employer where in the liability could rest with the corporate entity or the employee or jointly on both, as the product design features.</li> <li>d. <b>Co-branded credit cards:</b> These cards are issued in partnerships with companies across various industries / fields such as travel, sports, etc in order to tap all customer segments, increase card penetration and gain market share across both merchant and customer segments. These cards are jointly with a co-branding entity bearing the names of both the partnering entities.</li> <li>e. <b>Secured credit card</b> - There is a FD based card where the Credit card is issued with a lien marked against the Fixed Deposit held by the customer. The limit shall be as per the applicable norms decided by the Bank from time to time.</li> </ul> <p>Add on cards can be issued only to the persons specifically identified by the principal cardholder (to whom the card is issued) under both personal and business credit card categories with the clear understanding that the liability will be that of the principal cardholder.</p>
4	<b>Target customers</b>	Salaried or Self-employed individuals, entities or Customer who have existing bank relationship(including City Union Bank's staff (Staff will be eligible for revolver credit limit at concessional rates as per the existing approval matrix)  NRI's, PIO's & Foreign national's residents in India are eligible as per the credit norms applicable and subject to adherence of FEMA, issued by RBI from time to time  Corporate and Business cards program targets business spend related to travel, entertainment, vendor payments and other areas where card payments are accepted. The bank offers credit cards to corporate entities in the form of

		Corporate and Business Cards.
<b>5</b>	<b>KYC / AML / CFT</b>	The instructions/directions on KYC (Know Your customer) /AML (Anti-Money laundering) /CFT (Combating the financing of terrorism) issued by RBI from time to time and bank's policy, shall be strictly adhered to in respect of all cards issued by the Bank, including Co-Branded Credit Cards.
<b>6</b>	<b>Customer Acquisition</b>	<p>Customer acquisition can be through internal channels like inhouse team sourcing / cross sell to existing customers through branches / online portals etc and external channels like DSA, sales service providers, co-brand partners etc.</p> <p>The Bank shall, in both physical as well as digital customer journeys, convey all information as is required to be provided to an applicant at the time of issuance of a Credit Card, to maximize transparency and customer convenience</p> <p>The Bank shall obtain all necessary consents required from the customer at the time of customer on-boarding.</p> <p>The terms and conditions applicable to the Credit Cards including, without limitation, the most Classification - Internal Classification - Internal important terms and conditions ("MITC"), Key Fact statements (KFS) and Card Member Agreement (CMA) shall be communicated to the customer in a transparent manner and a copy of the same shall be provided to the cardholder either through registered email address of the cardholder or postal address as per the choice of the customer.</p> <p><b>MITC</b> shall be provided to the customer at the time of on-boarding and each time, a condition is modified with notice to the customer as laid down in Chapter – VII of the RBI master direction – credit card and debit card – issuance and conduct directions 2022.</p> <p><b>KFS</b> shall be provided to the customer at the time of credit card application containing the important aspects of the card such as rate of interest, quantum of charges etc.</p> <p><b>Insurance</b> – An insurance cover to take care of the liabilities arising out of lost cards, card frauds etc may be considered, at the option of the customers. Explicit consent in writing or in digital mode from the cardholders along with the details of the nominee/s need to be obtained, in case of offering any insurance cover the cardholders in tie-up with insurance companies.</p> <p><b>Unsolicited cards / Upgradation</b> is strictly prohibited. Any misuse of unsolicited cards shall be responsibility of the bank.</p> <p><b>Unsolicited loans / other credit facilities</b> – shall not be offered to card holders. Any credit facilities offered to customers requires explicit consent of the customer.</p> <p>In case of rejection of a Credit Card application, the Bank shall convey the same along with the reason/s, in writing through physical letter or e-mail.</p>
<b>7</b>	<b>Consent Requirements</b>	<p>The bank shall take explicit consent from the customer either in writing or other digital modes with multifactor authentication. Any explicit consent received other than the written consent shall be communicated to the department of regulation, reserve bank of india.</p> <p>Consent includes acceptance of Terms and Conditions and Key Fact Statement of the Credit card in offer.</p> <p>a. <u>Granting Credit Limit</u>: Bank shall take explicit consent from the customers for granting Credit limit to them, which shall be obtained via application form, bank's own channels such as mobile banking app, internet banking portal etc.</p>

		<p>or through Third Party Application Providers (TPAPs). Channel of consent to be as per customer's discretion.</p> <p>b. <u>Credit Limit Increase / upgradation of credit card</u>: As per periodic review of the portfolio by the bank, any enhancement of limit / upgradation of credit card offered to the customers should be preceded by a consent from the customer.</p> <p>c. Further, in case of <u>renewal of an existing card</u>, the cardholder shall be provided an option to decline the same if he/she wants to do so before dispatching the renewed card.</p> <p>d. Further, in case a <u>card is blocked at the request of the cardholder</u>, replacement card in lieu of the blocked card shall be issued with the explicit consent of the cardholder</p> <p>e. Any other change in the terms and conditions that adversely impacts the customer such as increase in fees and charges, rate of interest etc. shall be brought into effect only with explicit consent of the customer.</p> <p>f. In case of <u>reduction in the credit limit</u>, the bank shall intimate the same to the cardholder through SMS / Email.</p>
8	<b>Credit Limit assignment and underwriting standards</b>	<p>The Credit Limit will be the maximum amount that would be outstanding and owing to the Bank on the Card Account at any point of time, exclusive of any applicable interest and charges. The Bank reserves the right to increase or decrease the Credit Limit from time to time, upon giving due notice to the customer. The Bank may also establish separate limits for Cash and Non-Cash Transactions (within the overall Credit Limit of the Card Account)</p> <p>The available Credit Limit on the Card member's Card Account will be equivalent to the unutilized value of the Credit Limit at any point of time, after taking into account the balance outstanding and any transactions already implemented by Card member with any Merchant but not received by the Bank for processing as on that date. Where separate Cash and Non-Cash Transaction Limits have been established, the available credit will be split accordingly.</p> <p>The Credit Limit Assignment will be based on the income assessment criteria defined in retail lending income assessment policy approved by the board on 21.08.2024. The customers can be assessed through analytics driven models through business rule engines by applying various parameters like bureau information / demographic details / banking, ITR / Income or any other non-financial parameters individually or in combination as necessitated from time to time depending upon the mode of on-boarding customers. The income estimation may also be derived from external data sources (CICs) for individuals.</p> <p>The bureau performance of the customer needs to be evaluated before assigning the credit limit to the customer. The final credit limit is assigned after factoring in the existing loans and credit card obligations from the credit bureau record of the customer</p> <p>All credit proposals are subject to a scoring process primarily to support decision making and as a gating condition for evading the ineligible customers from the system</p> <p>No risk rating shall be done. All applications shall run through score cards.</p> <p>While assessing the credit limit of the individual borrower, the credit Assessment should also take into consideration the overall credit limit enjoyed by the customer from other entities (can be identified through self-declaration from the customer</p>

		<p>or from bureau report of the customer). <b>At any point of time, it should be ensured that the overall credit individual card limit of the customer doesn't exceed 50 lacs INR.</b></p> <p>In the corporate card program, corporate entities are appraised for credit worthiness and a credit limit is approved based on the requirement of the corporate. Corporate underwriting would be done on a CAM (Credit Approval Memo) based approach supported with assessment of financial statements of the corporate. Card limit will be a part of the overall CAM. Credit limit is assessed based on financial statements of the corporate supported with other documents such as Annual Reports, Board resolution and Business vintage.</p> <p>Credit Limit on any Card Account may be reviewed as per Bank Policies specified from time to time and the Bank reserves the right to revise (increase or decrease) and/or unconditionally cancel the limit assigned on a card without any prior notice to the Card member.</p>
<p><b>9</b></p>	<p><b>Product features</b></p>	<p>The following product schemes shall be offered by the bank to the customers as per the eligibility criteria:</p> <p><b><u>Revolving Credit:</u></b></p> <p>Flexibility in terms of repayment. Repayment options as below</p> <ul style="list-style-type: none"> <li>a. Pay the Total Amount Due* as per the Billing Statement on the Payment Due Date</li> <li style="text-align: center;">Or</li> <li>b. Pay the Minimum payment Due** and revolve the balance at a predefined APR / Interest Rate,</li> </ul> <p>The cardholder will have the liberty to pay total amount due or the minimum payment due (MPD) or any amount between the MPD and the total due.</p> <p>The cardholder will have the flexibility to repay the credit amount utilised anytime and interest (if applicable) will be charged for that duration and the outstanding amount only.</p> <p>Making only the minimum payment every month would result in the repayment stretching over months/years with consequential compounded interest payment on the outstanding balance.</p> <p>*Total Amount Due – is the total amount (net of credit received during the billing cycle, if any) payable by the cardholder as per the credit card statement generated at the end of the billing cycle</p> <p>** Minimum payment Due – is the minimum amount of money, as part of the total bill amount, that a cardholder must pay, to not be treated as an overdue bill.</p> <p><b><u>Cash Advance on the credit card:</u></b> Cash withdrawal is allowed on the credit card to the extent of the limit specified under the product features of the type of the credit cards offered. Bank will charge interest on a Cash Advance from the day on which the Cash Advance is transacted on the Card Account till the date of repayment of the Cash Advance (including cash interest accrued thereof) in full. Bank will levy a finance charge on Cash Advance balances on a daily basis by applying its current daily percentage rate to the amount of the Cash Advance balance at the end of each day.</p> <p>The interest as above, will continue to be payable until the card balance is cleared in full. Interest shall be levied only on the outstanding amount, adjusted for</p>

payments / refunds / / failed / reversed transactions.

Maximum Cash advances on the credit card is restricted to 40% of the card limit.

**Secured Credit Card** - Credit cards under the secured card program will be considered to the primary account holder applicants upon Lien marking of their CUB fixed term deposit with auto renewal facility. Limit can be availed up to 90% of the fixed term deposit or present outstanding balance of the term deposit at the time of issuance of the card whichever is higher.

If the cardholder requests to liquidate the fixed deposit that is subject to the lien, the credit card outstanding balance should be settled in full before the remaining balance, on liquidation, if any, is repaid to the cardholder.

Following nature of deposits not to be considered for issuing secured credit card

- a. Tax saver deposits
- b. NRE deposits
- c. Flexi Fixed deposits
- d. Monthly Savings deposit

**Interest Free credit Period: up to 50 days and will vary depending on the date of transaction and statement date.**

Interest-Free credit period is the time period from the date of transaction to the due date of payment, wherein interest free payment can be made, subject to the payment of the entire outstanding on or before the payment due date by the cardholder.

Unless the interest-free period applies as set out above, Bank will levy an interest on any new purchase (and any related debited charge) from the day on which the purchase (and any related debited charge) is transacted on the Card Account.

The interest free period for a purchase (and any related debited charge) in any Statement period will apply if the outstanding balance on the Card Account for the previous Statement period (if any) is paid in full by its due date. If the outstanding balance on the Card Account is not paid in full by its due date, finance charge will be levied on both stated outstanding and new purchases (and any related debited charge), from the date of each transaction on the card account till the date of complete payment is made.

The MITC shall specifically explain that the 'interest-free credit period' is suspended if any balance of the previous month's bill is outstanding.

**Loan on Credit card** – Bank can offer the customer and allow them to convert the total outstanding balance or a particular transaction above certain amount as loan product with an option for the customer to pay it as EMI for a specified tenor as per the product features of the credit card.

Consent sought from the customer for acceptance of Terms and Conditions and Key Fact Statement corresponding to the chosen EMI plan.

The bank shall ensure complete transparency in the conversion of credit card transactions to Equated monthly instalments (EMIs) by clearly indicating the principal, interest and upfront discount provided by the merchant / card issuer (to make it no cost), prior to the conversion. The same shall be separately indicated in the credit card bill / statement. Such loans offered should be in compliance with the instruction on loans and advances issued by RBI from time to time. EMI

		<p>conversion with interest component shall not be camouflaged as zero-interest/no-cost EMI.</p> <p>Maximum Tenor allowed for conversion to EMI is 36 months</p>
<p><b>10</b></p>	<p><b>Interest Rate, Fees and Other charges</b></p>	<p>Interest applicable on interest-bearing balances as below:</p> <ol style="list-style-type: none"> <li>a. Unsecured and Secured Credit card including Cash Advances on credit cards: maximum of 3.75% per month (i.e. 45% p.a)</li> <li>b. EMI instalments: maximum of 24% per annum</li> </ol> <p>Fees and other charges as given in annexure.</p> <p>Bank will ordinarily levy interest on the purchase balance outstanding on the Card Account on a daily basis by applying its current daily percentage rate to the amount of the purchase balance outstanding at the end of each day.</p> <p>The interest as above, will continue to be payable until the card balance is cleared in full.</p> <p>Using the credit card to withdraw cash from an ATM incurs immediate interest charges, often at higher rates than regular transactions, from the date of cash withdrawal.</p> <p>Interest shall be levied only on the outstanding amount, adjusted for payments / refunds / reversed transactions.</p> <p>Bank may at any time, under intimation to the Card member, vary the interest to take into account prevailing interest rates, market forces and credit and business risks. The Bank may offer differential rates on preferential Card member behaviour. This is entirely at the discretion of the Bank and could mean revision of interest rates higher or lower than the rate prevailing at that point of time.</p> <p>Annualized Percentage Rates (APR) on card products (on different situations such as for retail purchase, for cash advance, late payment, non-payment of minimum due etc., if different) should be quoted in MITCs. The method of calculation of APR should be given with a couple of examples for better comprehension. The APR charged, and the annual fee shall be shown with equal prominence. The late payment charges, including the method of calculation of such charges and the number of days, shall be prominently indicated. The manner in which the outstanding unpaid amount has been arrived at for calculation of interest shall also be specifically shown with prominence in all the billing statements. These aspects shall also be shown in the Welcome Kit in addition to being shown in the billing statements.</p> <p>Changes in charges/fees shall be communicated with 30 days' notice period, in case Cardholder does not agree on payment of the revised charges, cardholder will be permitted to close without levying any extra charge before effecting the changes in charges.</p> <p>No Capitalization of unpaid charges / levies / taxes for charging / compounding of interest</p> <p>The convenience fee, if any charged on specific transactions, shall be indicated to the cardholder in a transparent manner, prior to the transaction.</p> <p>No charges shall be levied on transactions disputed as 'fraud' by the cardholder until the dispute is resolved.</p> <p>There shall not be any hidden charges while issuing credit cards free of charge</p>

		<p>Late payment charges and other related charges levied only on the outstanding amount after the due date and not on the total amount due.</p> <p>Explicit consent from the cardholder is not required for charges like service taxes which may subsequently be levied by the government or any other statutory authority.</p> <p>The details of all the charges associated with cards shall be displayed on the card-issuers website.</p>
11	<p><b>Monthly Amount due for payment</b></p>	<p>Bank should ensure that the monthly amount due reflecting in the statement should at least cover the following and also ensure that there is no negative amortisation.</p> <ol style="list-style-type: none"> <li>a. Finance charges</li> <li>b. 100% of fees and other charges</li> <li>c. Overdue amount, if any.</li> <li>d. Loan EMI billed under card statement</li> <li>e. Levies and taxes.</li> <li>f. Overlimit amount, if any (The amount by which the balance on the account at the time of generating the statement exceeds the approved credit limit of the account.)</li> </ol> <p>The monthly minimum amount due (MAD) or Minimum payment due (MPD) percentage can go up to 10% of the principal outstanding (can vary for various cards) comprising of the retail balance (purchases) / cash advance (Cash withdrawal) balance &amp; Balance transfer + Finance charges + Fees and other charges + Overdue amount, if any + sum of all Loan EMI billed in the card statement + Levies and taxes +Overlimit amount, if any</p> <p>The Minimum Amount Due for various cards will be covered in the standard operating guidelines.</p> <p>Inability to pay the minimum amount due will result in the bank marking the account as delinquent and further, reporting the account to Credit Information Companies.</p>
12	<p><b>Billing and credit card statement &amp; generation</b></p>	<p>The Credit Cards shall be billed on a monthly basis or as per the Billing Cycle for all charges incurred by the use of the Card and for all charges applicable to the card account. However, there may be no statement generated for the period in which there has been no outstanding due and no transaction in the account in the past month or Billing Cycle period.</p> <p>The bank shall not follow a standard billing cycle for all credit cards issued. In order to provide flexibility in this regard, cardholders shall be provided with an option to modify the billing cycle of the credit card at least once, as per the cardholders' convenience.</p> <p>A maximum of 20 days is allowed for making payment from the billing date and hence card members may get an interest-free grace period of a maximum of up to 50 days based on the dates of transactions. The maximum period for making payment will be covered in the respective card product features / operating guidelines approved.</p> <p><b>Grace period:</b> Grace days of 3 days is allowed from the payment due date on credit card accounts, where payments are not overdue. The payment due date as mentioned on the credit card statement is the date by which clear funds must be credited to the credit card, however 3 grace days are provided to accommodate for processing time of payments. Interest free grace period for cash withdrawals from ATMs (Cash advance)</p>

		<p>The Bank shall report a credit card account as 'past due' to credit information companies (CICs) and levy late payment charges, when a credit card account remains 'past due' for more than three days (grace days). The number of 'days past due' and late payment charges shall, however, be computed from the payment due date mentioned in the credit card statement.</p> <p>Statements shall be sent to customers via e-mail and made available to the customer on Mobile App / Internet banking portal on the date of billing.</p> <p>Protests on any bill by the cardholder need to be explained along with documentary evidence within a maximum period of 30 days from the date of compliant.</p>
<b>13</b>	<b>Default</b>	<p>Occurrence of one or more of the following instances shall constitute an event of default and the Bank may, at its sole discretion, withdraw the Credit Card facility.</p> <ol style="list-style-type: none"> <li>a. Card holders fail to pay the amount due to the Bank within the stipulated period (Minimum payment due or total dues as the case may be).</li> <li>b. Card holder fails to perform his/her obligations as per Credit Card Application / Agreement.</li> <li>c. Any representation made by the cardholder, if proved to be incorrect, false or incomplete including but not limited to income and / or Photo and address identification documents submitted to the Bank.</li> </ol> <p>The events which shall qualify as an event of default are mentioned in the Credit Card Member Agreement.</p> <p>A Credit Card account will be treated as NPA if the MPD is not paid within ninety (90) days from the Payment Due Date as mentioned in the statement.</p> <p>Bank retains the right to initiate legal action against the Card holder / legal heirs in case of default</p> <p>In case of death of Cardholder, the Bank retains the right to proceed against the legal heirs</p> <p>In the event of default, the Cardmember will be sent reminders from time to time for settlement of any outstanding on the card account, by post, fax, telephone, e-mail, SMS messaging and/ or engaging third parties to remind, follow up and collect dues. Any third party appointed shall adhere fully to the code of conduct on debt collection.</p>
<b>14</b>	<b>Collection and recovery</b>	<p>Bank should ensure that the extent instructions on fair practice code for lenders is followed by bank as well as their agents in the matter of recovery of dues.</p> <p>The account will be permanently blocked once the account becomes substandard and marked as an NPA. Cross product NPA norms will also apply and if in case the customer is marked as sub-standard in another product then the card account will also be blocked for usage. This also should be automated activity and NPA to be marked on the day the client crosses 90 DPD.</p>
<b>15</b>	<b>Right of Set-off &amp; Lien</b>	<p>The bank at any time and without notice, will have a lien and right of set-off on all monies belonging to the Cardmember standing to their credit in any account whatsoever with the Bank or in the possession or custody of the Bank. If upon demand by the Bank, the balance outstanding on the Card Account is not repaid within the prescribed time, such credit balance in any account including fixed deposit accounts and any properties of the Cardmember in the possession or custody of the Bank whether for safe keeping or otherwise, including but not limited to dematerialised shares or other securities of the Cardmember, held by the Bank as a Depository Participant, may be adjusted towards dues under the Card Account. In case of any deficit, the deficit amount may be recovered by the Bank from the Cardmember.</p>

		In case of reward points, during settlement of redemption in case available reward points balance is lesser than points required for the transaction, the bank reserves the right to debit the differential amount of the customer's card / account.
<b>16</b>	<b>Payment Allocation</b>	<p>Payment will be treated as made from the date on which the payments are credited to the Card Account in the ordinary course of business.</p> <p>The Card member's payments will first be applied to all overdue amounts (the oldest due being credited first) in the following order:</p> <ol style="list-style-type: none"> <li>1. Fees and other Charges</li> <li>2. Interest</li> <li>3. Balance Transfer Amount Billed (if applicable)</li> <li>4. Cash Advances Billed</li> <li>5. Retail Transactions Billed</li> <li>6. Balance Transfer Amount Current (if applicable)</li> <li>7. Cash Advances Current</li> <li>8. Retail Transactions Current</li> </ol>
<b>17</b>	<b>Closure of Credit card</b>	<ol style="list-style-type: none"> <li>a. <u>Non activation of card / inactive card</u>: If the card holder has not activated the card for more than 30 days from the date of issuance, then OTP based consent must be obtained for card activation. If no such consent is received for activating the card, Bank's shall close the credit card account without any cost to the customer within seven working days from date of seeking confirmation from the customer. In case of renewed or replacement card, the closure of an inactivated card shall be subject to payment of all dues by the cardholder.</li> <li>b. Cardholders have the liberty to terminate the agreement (ie. Closure of card) at any time by notifying the bank. Cardholders shall be provided with the option to submit request for closure of credit card account through multiple channels such as helpline, dedicated email-id, Interactive Voice Response (IVR), prominently visible link on the website, internet banking, mobile- app or any other mode. The bank shall not insist on sending a closure request through post or any other means which may result in the delay of receipt of the request. Such termination of agreement for Closure of card will be effective only after payment of the total dues in the card account</li> <li>c. Any request for closure of credit card shall be honored within seven working days subject to payment of all dues by the cardholder. Failure on the part of the bank to complete the process of closure within seven working days shall result in a penalty of ₹500 per calendar day of delay payable to the cardholder, till the closure of the account provided there is no outstanding in the account.</li> <li>d. <u>Closure of credit cards not used for a period of more than one year</u> – Process to close the card shall be intimated to the card holder and if no reply is received from the cardholder within a period of 30 days, the card account shall be closed subject to payment of all dues by the cardholder.</li> <li>e. <u>Death or insolvency of the card holder</u> – In the event of death or insolvency of the card holder, the agreement shall stand terminated and the bank is entitled to recover the entire dues against the card immediately.</li> <li>f. <u>Secured credit card</u> – In the event of default, bank shall close the secured credit card by adjusting it against the term deposits.</li> <li>g. The bank may terminate the agreement at any time and restrict the use of the cards without assigning any reason whatsoever and without prior notice thereto. Cardholders will be informed of such action.</li> </ol>

		Subsequent to closure of credit card, the cardholder shall be immediately notified about the closure of card through email, SMS, etc. Any credit balance available in credit card accounts shall be transferred to the cardholder's bank account, which shall be obtained if the same is not available.
<b>18</b>	<b>Loss / Theft / Misuse of cards</b>	<p>a. In case of loss / theft / misuse of the credit card, cardholder can block the card using the below channels:</p> <ol style="list-style-type: none"> <li>i. Website of the bank</li> <li>ii. Mobile / Internet banking</li> <li>iii. Calling the call centre</li> </ol> <p>b. The Card holder must lodge a complaint/First Information Report (FIR) with police and a copy of which must accompany the notice to the Bank.</p> <p>c. Card holder is liable for all transactions, charges incurred on the Cards, till the notice/communication is received by the Bank.</p> <p>d. If the Card holder has a reason to believe that he/she has not received the Card, or his/her Card is being misused by others, the Cardholder must immediately notify the same to the Bank in Writing.</p> <p>e. Cardholders shall bear the entire loss in cases where the loss is due to negligence by the Cardholder, e.g. where the Cardholder has shared payment credentials or Account/Transaction details, viz. Internet Banking user Id &amp; PIN, Credit Card PIN/OTP or due to improper protection on customer devices like mobile / laptop / desktop leading to malware / Trojan or Phishing / Vishing attack. This could also be due to SIM deactivation by the fraudster. Under such situations, the Cardholder will bear the entire loss until the Cardholder reports the unauthorized transaction to the Bank.</p> <p>f. Card holder must fully co-operate with the Bank / Law enforcing authorities in the event of any investigation into any disputed transactions.</p> <p>g. Whenever a cardholder has informed about fraudulent use of his/her card, Bank shall examine such complaint and do the necessary initial investigation. On confirming that prima facie there is fraud and it happened without connivance or negligence of the customer, Bank shall initiate the chargeback to get back the amount from the acquiring Bank/merchant. Wherever the disputes cannot be resolved through chargeback, Bank shall raise Pre-arbitration/ Arbitration claim against the acquiring Bank/ merchant. However, since such procedures would take long time to settle, Bank, in the meantime, will consider releasing the money to the customer, pending settlement of chargeback/pre-arbitration/arbitration claim.</p>
<b>19</b>	<b>Blocking of card / Suspension of Services</b>	<p><b><u>Blocking of card</u></b></p> <p>a. The account will be permanently blocked once the account becomes substandard and marked as an NPA. Cross product NPA norms will also apply and if in case the customer is marked as sub-standard in another product then the card account will also be blocked for usage. This also should be automated activity and NPA to be marked on the day the client crosses 90 DPD.</p> <p>b. If in case the outstanding on the card is higher than the credit limit, then the card will be blocked till the account is regularized.</p> <p>c. Returned cards or statements and no contact with the cardholder. Returned cards to be blocked immediately while statement returns will have to be investigated and call taken basis the behavioral trend. A temp block can be placed on the account to ensure that the card is not misused</p>

		<p>d. Cards may be blocked as a result of the transaction monitoring process and rules in place to combat frauds. Such blocks can be reinstated once there is confirmation and ownership from the client for suspected transactions</p> <p>e. Cards to be blocked based on regulatory directives from competent authorities like RBI, AML, Police departments, Income Tax and any other kind of judiciary directives</p> <p>f. Negative market information – If the customer is flagged as a fraud in the market or prosecuted by law enforcement, basis credible information the account needs to be blocked</p> <p>g. Any other reason based on the discretion of the bank if incase the Bank decides that the continuation of the card account is detrimental to the interest of the bank</p> <p><b><u>Suspension of card</u></b></p> <p>a. Bank shall reserve the right to suspend the credit limit extended in case the customer fails to repay the minimum amount due within 15 DPD. The number of days can be fixed in operating guidelines with a maximum of 15 DPD.</p> <p>b. The resumption of services will be conditional upon full repayment and re-evaluation of the customer for credit worthiness. rep</p> <p>c. Breach of Terms and Conditions, Death of Customer and fraudulent activities shall also lead to suspension of credit limit.</p> <p>Reinstatement requests will be referred to the appropriate Credit authority and basis the prevailing bureau and historic record, nature of frauds, customer involvement the bank can take a call on reinstating the account on blocked / suspended cards. This will be done post approval from designated authority as defined in the standard operating guidelines.</p>
<p><b>20</b></p>	<p><b>Reporting to CIC</b></p>	<p>Bank should ensure to bring to the notice of the customer explicitly that the information's are being shared with Credit Information company / ies (CICs) as provided in terms of the Credit information companies (Regulation) Act, 2005.</p> <p>Reporting to Credit Information company/ies (CICs)</p> <p>a. On a new credit card can happen only after activation of the credit card.</p> <p>b. On closure of existing credit card account shall be updated within a period of 30 days</p> <p>c. Credit card account as 'past due', only when a credit card account remains 'past due' for more than three days (Grace days). The number of days past due', however, be computed from the payment due date mentioned in the credit card statement.</p> <p>Before reporting a Cardholder as defaulter, such Cardholder will be issued a seven-day notice period about Bank's intention to report him/her as defaulter to the Bank.</p> <p>If the Cardholder settles the dues after having been reported as defaulter, Bank will update the status within 30 days from the date of settlement of the dues.</p> <p>In case of pending disputes, the disclosure / release of information, particularly about the default shall be made only after the dispute is settled.</p> <p>In all cases, a well-laid down procedure shall be transparently followed and be made a part of MITC.</p>
<p><b>21</b></p>	<p><b>Repayment</b></p>	<p>Through any of the payment channels (E.g. Net / Mobile banking, ATMs, Cheque /cash deposit in branches, standing instructions for account holders with CUB /</p>

		<p>cheques drawn on other banks / UPI offered by NPCI). For credit cards issued to NRIs / PIOs, the repayment shall be as per the defined process for NRI sourcing and FEMA directions issued by RBI from time to time.</p> <p>Payments should be posted to cardholders' accounts only when there is no possibility of the payment being withdrawn by the cardholder or rejected / repudiated by the remitting bank</p> <p>The list of payment modes authorised for making payment towards the credit card dues shall be provided in the bank's website and billing statements.</p>
<p><b>22</b></p>	<p><b>Confidentiality of customer information</b></p>	<p>a. The 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, regarding the purpose/s for which the information will be used and the organizations with whom the information will be shared. The 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, the 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</p> <p>b. Under a co-branding arrangement, the co-branding entity shall not be permitted to access any details of customers' accounts.</p> <p>c. Bank shall not share card data (including transaction data) of the cardholders with the outsourcing partners unless sharing of such data is essential to discharge the functions assigned to the later. Explicit consent from the cardholder shall be obtained for sharing the data.</p> <p>d. Bank should ensure that the storage and the ownership of card data remains with the bank.</p>
<p><b>23</b></p>	<p><b>Fraud Risk Management</b></p>	<p>Fraud is a deliberate attempt by a party to obtain or use, or to attempt to obtain or use, credit in a manner intended to deceive the Bank. It also includes misappropriation of funds due to the Bank. One type of fraud is internal fraud which is the deliberate wrongdoing by an employee or contractor for personal gain.</p> <p>The objective of fraud risk management is to minimize fraud losses through proactive and preventive measures while at the same time ensuring that disruption to cardholders at point of sale is minimized. Fraud prevention is achieved using a combination of prevention, detection, and investigation.</p> <p>Fraud can happen through various means which includes identity theft, account takeover fraud, Skimming (Duplication of card data using unauthorised devices), Counterfeit cards (Creation of fake cards using stolen data), Phishing / Vishing, online frauds (conducted via e-commerce platforms), chargeback frauds, lost / stolen cards fraud, never receive cards fraud, UPI based frauds, App-based scams, social media scams (manipulating users through social media to extract sensitive card and payment information).</p> <p>Fraud management and mitigation strategies – Bank should adopt various preventive measures (viz enhanced security measures for transactions by incorporating daily transaction limits etc, two factor authentications, fraud detection systems to identify suspicious patterns etc), detective mechanisms through transaction monitoring, using fraud repositories etc and corrective actions like blocking of cards, strengthening internal control mechanisms, educating the customers to increase their awareness on secure usage to combat fraud effectively.</p>

		Fraud detected should be notified to FRM department immediately for further actions and the cards should be blocked. Replacement of impacted cards, if necessary, should be done with appropriate approvals as defined in the standard operating guideline.
<b>24</b>	<b>Other conditions</b>	<p>a. Compliance by Telemarketers of directions/regulations on the subject issued by the Telecom Regulatory Authority of India (TRAI) from time to time shall be ensured while adhering to guidelines issued on "Unsolicited Commercial Communications – National Customer Preference Register (NCPR)."</p> <p>b. The Issue of cards as a payment mechanism shall also be subject to relevant instructions on cash withdrawal, issue of international card, 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, and the Foreign Exchange Department, Reserve Bank of India under Foreign Exchange Management Act, 1999, as amended from time to time.</p> <p>c. The Terms and conditions for issue and usage of a credit card to be mentioned in clear and simple language (Preferably in English) comprehensible to a card user.</p> <p>d. Any credit amount arising out of refund/failed/reversed transactions or similar transactions before the due date of payment for which payment has not been made by the cardholder, shall be immediately adjusted against the 'payment due' and notified to the cardholder.</p> <p>e. Bank shall seek explicit consent of the cardholder to adjust credit amount beyond a cut-off, one percent of the credit limit or ₹5000, whichever is lower, arising out of refund/failed/reversed transactions or similar transactions against the credit limit for which payment has already been made by the cardholder. The consent shall be obtained through e-mail or SMS within seven days of the credit transaction. The card-issuers shall reverse the credit transaction to the cardholder's bank account, if no consent/response is received from the cardholder.</p> <p>f. Notwithstanding the cut-off, if a cardholder makes a request to the Bank for reversal of the credit amount outstanding in the card account into his/her bank account, the Bank shall do it within three working days from the receipt of such request.</p> <p>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.</p>
<b>25</b>	<b>Disclosure of information</b>	<p>a. The applicant should expressly authorize the Bank as below.</p> <p>"To disclose, from time to time any information relating to card/s including any default or payments, to any other card issuer, CICs, affiliate or associate of the bank and to any third party engaged by the bank for purposes such as Marketing, Verification, Recovery or follow-up of card dues and to improve functionality and stability of the financial system"</p> <p>a. Bank shall reserve the right to disclose customer information to any court of competent jurisdiction, quasi-judicial authorities, law enforcement agencies, RBI and any other wing of Central Government or State Government.</p> <p>b. The bank shall reserve the right to disclose, in strict confidence, to other institutions, such information concerning the Cardholder's account as may be necessary or appropriate in connection with its participation in any Electronic Fund Transfer network.</p> <p>c. The Bank shall reserve the right to report to the RBI the expenditure undertaken by its Cardholders in foreign currencies to ensure that the Basic</p>

		Travel Quota / other permissible entitlements are not exceeded by the Cardholder(s) and that the Foreign Exchange Management Act, 1999 is not contravened.
<b>26</b>	<b>Grievances redressal</b>	<p>The Bank's shall give wide publicity about the grievance redressal mechanism through electronic and print media.</p> <p>The Grievance redressal procedure of the bank and the time frame fixed for responding to the complaints shall be placed on the bank's website</p> <p>The name, designation address and contact number of important executives as well as the grievance redressal Officer of the bank should be displayed on the website as well on the credit card bills &amp; account statements.</p> <p>If a complaint is lodged by the complainant, satisfactory response shall be provided within a maximum period of thirty (30) days from the date of the complaint. Details of the complaints received with all details need to be maintained.</p> <p>The redressal mechanism needs to be updated if required, to fall in line with the guidelines issued by RBI, as amended from time to time.</p> <p>No charges shall be levied on transactions disputed as 'fraud' by the cardholder until the dispute is resolved</p> <p>The 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.</p> <p><b>Reversal Timeline for Zero Liability/Limited Liability:</b> On being notified by the customer, the bank shall credit (shadow reversal) the amount involved in the unauthorized electronic transaction to the customer's account within 10 working days from the date of such notification by the customer. Bank's may also at their discretion decide to waive off any customer liability in case of unauthorized electronic banking transactions even in cases of customer negligence.</p> <p>Further, banks shall ensure that:</p> <ol style="list-style-type: none"> <li>a. A complaint is resolved within 90 days from the date of reporting; and</li> <li>b. The customer does not bear any additional burden of interest.</li> </ol>
<b>27</b>	<b>Co-branding cards with partners</b>	<p>The bank is liable for the acts of the co-branding partner and hence the bank shall ensure adherence to the guidelines of 'Managing Risks and code of conduct in outsourcing of financial services by banks, as amended from time to time.</p> <p>Any new co-brand partner shall be on board considering the reputation risk which the Bank shall be exposed to in such an arrangement. The Bank shall conduct due diligence with respect to the co-branding partner and put in place relevant risk mitigation measures.</p> <p>Due-diligence parameters that shall be considered for approving the co-branding arrangement may include:</p>

		<ul style="list-style-type: none"> <li>a. Services offered and the customer segment catered by the entity</li> <li>b. Financial strength of the partner or its parent.</li> <li>c. Profitability of the proposed co-brand program</li> <li>d. Market reputation of the entity</li> <li>e. Distribution network</li> </ul> <p>Further, quarterly review of existing partners to be conducted to gauge the reputational and financial aspects for continuous monitoring of partner engagement.</p> <p>In case the proposed co-branding partner is a financial entity, it shall obtain necessary approvals from its regulator for entering the co-branding arrangement.</p> <p>In case the co-branding arrangement is between two banks, the card issuing bank shall ensure compliance with the relevant instructions.</p> <p>Co-brand partner responsibility is limited to marketing / origination &amp; distribution of the cards through its own channel and distribution network. Bank may let some features be enabled on partner application (used by the card holder) through approved integrations where partner shall not have access to the customer data.</p> <p>Revenue sharing with co-branding entities is usually linked to new card acquisition, card spending, total number of customers in the co-brand program, portfolio quality, portfolio performance of the program etc.</p> <p>Other terms &amp; conditions on co-branding arrangements.</p> <ul style="list-style-type: none"> <li>a. The co-branded card shall prominently bear the branding of the bank.</li> <li>b. The co-branded card shall explicitly indicate that the card has been issued under a co-branding arrangement. The co-branding partner shall not advertise/market the co-branded card as its own product. In all marketing/advertising material, the name of the bank shall be clearly shown.</li> <li>c. Bank to ensure that the co-brand partner (CBP) shall not have access to information relating to transactions undertaken through the co-branded card. Post issuance of the card, the CBP shall not be involved in any of the processes or the controls relating to the co-branded card except for being the initial point of contact in case of grievances. However, for the purpose of cardholders' convenience, card transaction related data may be drawn directly from the bank system in an encrypted form and displayed in the CBP platform with robust security. The information displayed through CBP's platform shall be visible only to the cardholder and shall neither be accessed nor be stored by CBP.</li> <li>d. The Bank shall ensure that cash backs, discounts and other offers advertised by a co-branding partner are delivered to the cardholder on time.</li> <li>e. The cardholder is indicated with the information relating to revenue sharing between the banks and the co-branding partner entity and displays such information on the website.</li> <li>f. Bank should ensure that other critical parameters mentioned in this policy is adhered to for all co-branding arrangement.</li> <li>g. The Bank shall ensure adherence to established underwriting standards for all credit card applications and ensure the assessment of credit risk independently as per the approved standard operating guidelines.</li> </ul>
28	<b>Merchant Credit card</b>	Merchant Credit Cards is a corporate credit card segment under MSME sector. These cards are issued by linking a credit facility such as overdraft / cash credit provided for business purposes as per the terms and conditions stipulated for the facility concerned.

		<p>An effective mechanism should be in place to monitor the end use of funds.</p> <p>The liability of corporate / business entity shall form part of their total assessed credits for compliance with instructions issued by the Reserve bank on exposure norms as well as prudential norms on income recognition, Asset classification and provisioning pertaining to advances.</p> <p>The sanctioning authority for working capital limit shall have the delegation for merchant credit card products.</p> <p>Explicit consent through acceptance of Credit Card terms and conditions, by the cardholder shall be obtained either while sanctioning the fresh limits or before application submission for existing working capital limits.</p> <p>The maximum limit for merchant credit card is 10% of the working capital limit or 5 lacs whichever is lower.</p> <p>No separate documentation shall be obtained. MCC limit shall be mentioned in the sanction itself. Credit Card Cell shall obtain undertaking/declaration for processing of the same.</p>
<b>29</b>	<b>Outsourcing of various services</b>	The bank shall ensure adherence to the Master direction on outsourcing of information technology services (dated April 10, 2023) and guidelines on managing risks and code of conduct in outsourcing of financial services, as amended from time to time.
<b>30</b>	<b>Rewards</b>	Rewards / discounts / cashback / loyalty points or any other benefits for Usage will be decided by the business team from time to time considering the marketing requirement and overall product profitability.
<b>31</b>	<b>Issue of Form Factor</b>	<p>a. Bank may issue other form factors in place of/in addition to a plastic debit/credit card such as wearables, after obtaining explicit consent from the customer.</p> <p>b. Form factors shall be subject to all the specific and general guidelines applicable to the respective cards.</p> <p>c. The bank shall provide options for disabling or blocking the form factor in line with the instructions issued by the Reserve Bank from time to time.</p>
<b>32</b>	<b>Portfolio Monitoring / review</b>	<p>A comprehensive review report on card business on half-yearly basis as at the end of September and March of each accounting year, should be placed before the Board / Management Committee which should cover essential data on credit card business including overall portfolio on various credit cards, SMA classifications, debts classified as NPAs and provisions held there-against or amounts written off, details of frauds on credit cards, etc.</p> <p>A detailed analysis of credit cards shall be put up half yearly to the Audit Committee of the Board inter-alia, customer service, frauds, complaints and grievance redressal, card usage analysis including cards not used for long durations and the inherent risks therein.</p>
<b>33</b>	<b>Approving Authority</b>	<p>a. The <b>co-branding partnership</b> shall be in principle approved by MD &amp; CEO through Executive Director.</p> <p>b. Detailed <b>standard operating guidelines</b> covering various credit parameters, charges for variety of cards, collection &amp; recovery guidelines, card replacement, fraud management etc., needs to be approved by at least minimum three executive committee members on the list given below and circulated at the time of implementation</p> <p style="margin-left: 40px;">i. Anyone of the General manager advances ii. General Manager - CSD iii. Senior General Manager iv. Chief Risk officer</p>

		v. Executive Director c. <b>Exceptional approval:</b> MD and CEO of the bank or any other signatory(ies) delegated by MD and CEO of the bank be empowered to approve any exception and/or circumstances requiring board consideration in the case of credit card business.
<b>34</b>	<b>Annual Review</b>	Any amendment to this document requires the approval of the Board. However, Bank would implement any statutory guidelines received afresh as and when received and incorporate the same in the policy at the time of annual review

The existing policy on credit cards will be re-categorized as operating guidelines for Dhi-Credit card and corporate credit cards.

### **35. Fees/charges**

Details of nature of Charges/fees and the maximum charges that can be levied is given below. Within the below approved charges, the bank can decide to charge the customers depending upon the card variant by covering it in the standard operating guidelines.

<b>Parameter</b>	<b>Charges/Fees</b>
Admission / Joining fee	Up to Rs.25000/-
Annual fees on Main and Add on cards	Up to Rs.25000/-
Cash advance fee	Up to Rs.500/- per transaction
Foreign exchange conversion fee / Mark up fee	Up to 3.5%% for transactions not in Indian Rupees.
Late payment Fee	Up to 2.5% of the closing statement balance if the amount is not paid before the payment due date (plus any grace days) in case of charge card / corporate card  For other cards – up Rs. 500/- for every month of delay
Card Replacement Fee	Up to Rs.500/-
Insurance	Actual Premium amount charged by the insurer for the policy.
Charge slips request charges	Up to 250/-
Surcharge on fuel purchase waiver	1% of the value of the transaction up to 500 per month
Rental Surcharge	1% of the value of the transaction performed
Temporary Enhancement charges	Up to 250 per occasion
Cash withdrawal through ATM	Up to 3% of cash withdrawal amount for domestic transactions or Rs.250 whichever is higher and foreign cash withdrawal charges to be kept up at 3.5% or Rs 1000 whichever is higher.
Overlimit charges	Up to 3% of cash withdrawal amount or Rs.250 whichever is higher
Cheque return fee	Up to Rs.350/- per cheque return
Statement requested for >3 months	Up to Rs.50 per statement
Balance Enquiry Charges	At own Bank ATM- NIL At other Bank ATM – Rs. 50/-

EMI Processing Fee	2% with a Minimum of Rs. 200/- and Maximum of Rs. 1,000/-
Foreclosure charges for EMI Facility	5% of the Outstanding Amount

\*All the above fees/charges are exclusive of GST