

CITY UNION BANK LTD

Administrative Office, Kumbakonam



Credit Card & Corporate Card Policy

Document number: CUB/ISMS/Policy/009

Version History

Version	Date	Remarks
1.0	02.11.2018	Initial version
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1.3	24.11.2022	Annual Review
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CUB Credit Card & Corporate Card Policy

The Policy Document on Credit Card Operations has been prepared 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.

This will facilitate a better understanding of

- 1) Credit Card Operations in the Bank and
- 2) the need to ensure that prudent policies and practices are adopted while issuing Credit Cards.

Our Board has given approval of issuance of Credit cards to our customers vide Agenda No. 32 dated 27.10.2010.

As per RBI Master Direction Master Direction vide RBI/2022-23/92 DoR.AUT.REC.No.27/24.01.041 / 2022-23 dated April 21, 2022, Banks are not required to get prior approval from RBI for issuance of credit cards to their customers. Banks issue credit cards to

1. Individual Credit cards to their individual customers
2. Supplementary (add-on) card to family members of Credit card holders
3. Corporate Credit cards to the employees of their corporate customers

We have been issuing Debit card, Pre-paid card and Travel card to our customers. We are issuing CUB Credit card in association with VISA/Master/Rupay. Our Credit cards are accepted globally.

Our Bank has been issuing Credit Cards in tie-up arrangement with

- a. It's own Credit card namely Dhi CUB Visa (Signature / Platinum) / Master / Rupay Card (with the technical services provided by M/s 42 Card Solutions Pvt Ltd, Bangalore –a technical platform provider).
- b. SBI Co-Branded Credit Cards

1. Dhi Credit Card – Overview

CUB intends to launch Dhi CUB VISA Signature / Platinum / Master / Rupay credit cards and Corporate Cards with an initial focus on issuing these cards to existing current and savings deposit customers of retail and Corporate customers of the bank. Cardholders will be able to use these cards both within India and overseas to purchase goods and services at retail point of sale ("card present") as well as online merchants ("card not present"). The cards can also be used to withdraw cash from any ATM that accepts Visa / Master / Rupay credit cards.

All credit cards will be billed to customers on monthly in Indian Rupees. The cards will be hosted in the Pismo card management system which would be managed by CUB's Technology Service provider (TSP)–M/s 42CardSolutions Pvt Ltd. All credit cards issued by CUB would have

standard features including revolving credit, worldwide acceptance, cash withdrawal capability, customer service through website and call centre, courier delivery of plastics, value added offers such as discounts at selected merchants and rewards and / or Cashback programs.

The Signature and Platinum credit cards will be primarily targeted at more upscale CUB deposit customers including senior white-collar executives and high net-worth self-employed individuals.

2. Charges & Fees

PARAMETER	DHI CUB VISA / MASTER / RUPAY CREDIT CARD
Joining Fee - (Primary Card)	Nil
Annual Fee - (Primary Card)	Nil
Annual Fee - (Supplementary Card)	Nil
Minimum Amount Due (MAD)	10% of billed amount plus any overdue and overlimit amounts.
Cash Advance Fee	Up to 5% of amount withdrawn with a minimum of Rs.500/-.
Interest Rate (Annual Percentage Rate)	Up to 2.95% p.m. (Up to 35.4% p.a.)
Foreign Exchange Conversion Fee	Up to 2.5% for transactions not in Indian Rupees.
Interest Free Credit Period	Not less than 20 days from statement date.
Late Payment Fee	Rs.500/- for every month of delay.
Overlimit Fee	Up to Rs.500/- per statement cycle if the account is overlimit at any time during statement cycle.
Card Replacement Fee	Rs.500/-
Goods & Service Tax	At applicable rates for fees & charges that fall within the purview of the tax

The Corporate Cards will be primarily targeted at large corporate clients and Small and Medium enterprise (SME) clients of CUB (hereinafter referred to as "CUB Corporate Clients"). The Corporate Cards are issued for use by the employees of the CUB Corporate Clients for their business-related expenses.

The cards issued under the Corporate Card program could be either the liability of the CUB Corporate Client or issued under the joint and several liability of the employee and the CUB Corporate Client.

The credit limit at the level of the CUB Corporate Client will be based on a credit assessment of the CUB Corporate Client while the credit limit for an individual employee would be at the discretion of the authorized signatory of the CUB Corporate Client based on their spending needs. The authorized signatory (or signatories) of the CUB Corporate Client is referred to as the Corporate Card Program Administrator.

3. Billing Period

All credit card and corporate card accounts will be billed on a fixed day each month ranging from the 1st to the 28th of each month. All payments will be due within a period not less than 20 days from date of the statement as specified in the interest free credit period benefit mentioned in this policy.

An additional 3 days grace period will be given to all cardholders (without disclosure to them) before the late payment fee is assessed and levied. A cardholder may seek to have his billing cycle date changed and such requests may be approved by the concerned authority subject to the following conditions:

- The change of billing cycle should result in a next bill being generated within 45 days from the day of bill cycle change.
- There should not have been any bill cycle change request that were approved in the past 12 months.

4. Underwriting Criteria

4.1 Product Credit Standards – Individuals

Description	Product Credit Standard
PURPOSE OF USAGE	Credit cards can be used for the purchase of goods and services & for cash advances in India and foreign countries.
PRODUCT DEFINITION	The product gives cardholders a revolving credit facility and can be used as a payment mechanism for settling amounts due for purchase of goods and services. The card can also be used to withdraw cash from ATMs that accept Visa / Master / Rupay credit cards. The credit card can be used for purchase of goods and services at point of sale in retail establishments, through the internet for e-commerce transactions and by phone / mail order.
CARD TYPES	Visa / Master / Rupay branded credit cards issued either as primary cards or supplementary cards.
APPLICANT CATEGORIES	<p>The following applicant categories are eligible:</p> <ol style="list-style-type: none"> 1. Salaried / retired 2. Self-employed <p>All applicants must be Indian citizens and Indian residents. In the event a cardholder becomes a non-resident, the repayment of the credit card dues must originate from a Non-Resident External ("NRE") account belonging to the cardholder.</p>
TARGET MARKET	The initial target market for the product will be existing individual savings and current account depositors with CUB who meet the eligibility criteria outlined in this policy.

<p>SOURCES OF ACQUISITION</p>	<p>Applications will be primarily sourced by cross-selling to existing individual current and savings depositors of CUB who meet the acceptance criteria specified in this policy.</p>
<p>CREDIT POLICY RULES – UNSECURED CARDS</p>	<p>CUB’s base of individual savings and current account customers will be screened using the following criteria and these customers will be pre-approved [means eligibility is assessed and credit limit is fixed based on the assessment) for the Dhi CUB Visa Signature / Platinum / Master / Rupay credit card. The list of pre-approved customers will be replenished every month.</p> <p>The criteria used to determine eligibility for unsecured cards would be as follows:</p> <ol style="list-style-type: none"> 1. Know Your Customer (“KYC”) is up to date for the applicant customer in CUB’s records. 2. The customer is an Indian citizen and resident. 3. Customer has had a savings or current account with CUB for at least 1 year or holds an existing CUB credit card issued in partnership with SBI Cards. 4. The monthly average balance in the current / savings account of the customer over the past 12 months exceeds Rs. 15,000/-. 5. The savings / current account is not dormant. 6. The savings / current account has the average credit flow over the past 12 months of at least Rs.50,000/-. 7. There has been no more than 4 times of instance of cheque bounce on the account during the past 12 months owing to insufficient funds. 8. The customer meets the minimum and maximum age policy requirements specified in the Account Origination section of this policy. 9. The customer has a valid mobile and email address and recent communication with the customer through these channels have been successful. 10. The customer has a credit bureau score of at least 700. 11. The customer has no defaults outstanding in the credit bureau. 12. The customer has a debt burden ratio of less than 33%. To arrive at debt burden ratio the total monthly installments on active installment loans plus 10% of total credit limits on active credit cards held by the applicant (as reported by the credit bureau) be divided by the average balance in the current / savings account and Fixed Deposit over the past 12 months. 13. The following CIBIL rules are met: <ol style="list-style-type: none"> a. % Of Accounts Ever Delinquent < 25% b. Accounts are past Due Ever for 60 or more days <2 c. Missed Payments in Last 6 Months <2 d. Missed Payments in Last 12 Months <2

	<p>e. Missed Payments Ratio Last 6 Months <5 f. Missed Payments Ratio Last 12 Months <5 g. Bankcards Utilized > 90% In Past 12 Months <2 h. Worst Rating on Card Trades In Past 12 Months <2 i. Charged-Off Trades <1 j. Accounts 90 Or More Days Past Due Ever <1</p>
<p>CREDIT POLICY RULES – SECURED CARDS</p>	<p>Applicants who are not pre-approved may apply for secured credit cards. Credit cards under the secured card program will be issued to eligible applicants upon Lien of their CUB fixed deposit.</p> <p>The credit limit for secured cards will be 80% of the amount of fixed deposit that is Lien marked by the applicant. Cards will be issued to applicant upon confirmation that a lien has been marked on the relevant fixed deposit by CUB.</p> <p>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, if any, is repaid to the cardholder.</p>
<p>INITIAL CREDIT LIMITS – UNSECURED CARDS</p>	<p>The initial credit limit will be determined using the following parameters:</p> <ul style="list-style-type: none"> ▪ Minimum credit limit: Rs. 15,000/- except in those situations where the customer accepts a zero-credit limit as per the policy mentioned below. ▪ Maximum credit limit: Rs.5,00,000/-. ▪ Credit limit will be 1.1x the highest credit limit on an active credit card of the customer in the credit bureau at the time of pre-screening. ▪ In the event that the applicant does not have any active credit card in the credit bureau at the time of pre-screening, the credit limit assigned will be two times the average balance in the savings / current account over the past 12 months. <p>Limits as computed above during the pre-screening process may be revised downwards by CUB before the customers are informed about the pre-approved offer.</p>
<p>ZERO CREDIT LIMITS</p>	<p>In certain situations, applicants may be offered a credit card with a zero-credit limit. Typically, this would be due to the customer not meeting credit policy rules and / or poor credit bureau history. In such cases the customer would be expected to fund the credit card account by transferring funds from his / her savings or current account prior to any anticipated usage of the credit card.</p>
<p>APPLICATION / BUREAU SCORECARDS</p>	<p>Applicants for credit cards will be screened using the criteria listed above. CUB and TSP intend to use information from the CIBIL credit bureau including the CIBIL credit score in prescreening of all applicants and to determine which CUB deposit customers are eligible for pre-approval.</p>

	<p>Using the depositor information from CUB, credit bureau information and the credit card account performance, TSP or CUB will build a custom application decision model as soon as sufficient data is available. The performance of the CIBIL credit score will be validated at least once every year using information obtained from the credit bureau.</p>
<p>SUPPLEMENTARY CARDS</p>	<p>Supplementary cards may be issued with the consent of the primary cardholder. This express consent should be secured through authenticated channels. Supplementary cards are typically issued to members of the primary cardholder's household. The following policy rules will apply to the issuance of supplementary cards:</p> <ol style="list-style-type: none"> 1. The primary cardholder's account (if any) is in good standing, is current, un-blocked and not over limit. 2. The supplementary card applicant is at least 17 years of age. 3. Copy of acceptable ID proof as specified in this policy is obtained and verified. 4. The maximum number of supplementary cards that may be issued to a primary cardholder will be 10.
<p>CASH ADVANCES</p>	<p>Cash limits will be restricted to 20% of credit limit. Accounts with zero credit limit will be permitted to withdraw Rs. 5,000/- per month, subject to availability of sufficient credit balance in their credit card account. Cash withdrawal privileges may be withdrawn by reducing cash limit to nil in cases where:</p> <ol style="list-style-type: none"> 1. The cardholder's most recent credit bureau score falls below 650. 2. The cardholder has a new default record in the credit bureau. 3. The worst delinquency on the card issued to the cardholder under this policy is missed 3 payments or worse in the past 12 months.
<p>BILLING PERIOD</p>	<p>All credit card accounts will be billed on a date each month ranging from the 1st to the 28th. The Payment due dates of a credit card account will be on a fixed date each month. All payments will be due within a period not less than 20 days from date of the statement. Initially all accounts will be set up with a payment due date of the 01st of each month.</p> <p>Additional payment due dates may be set up as the portfolio size increases with the approval of the authorized signatory of CUB.</p> <p>An additional 3 day grace period will be given to all cardholders (without disclosure to them) before the late payment fee is assessed and levied. A cardholder may seek to have his payment due date changed, and such requests</p>

	may be approved by the concerned authority provided that no such change request was approved in the past 12 months for the cardholder.
MINIMUM AMOUNT DUE	The minimum amount due on the credit card will be governed by computation shown in Annexure A.
MODES OF REPAYMENT	<p>Cardholders may repay their credit card bills through the following modes:</p> <ol style="list-style-type: none"> 1. Transfer from CUB savings or current accounts including through CUB Net / mobile banking. 2. Unified Payment Interface ("UPI") offered by National Payments Corporation of India ("NPCI"). 3. National Electronics Funds Transfer ("NEFT"). 4. Direct debit / standing instructions to debit CUB deposit accounts. 5. Cheques drawn on other banks.
PERMANENT LIMIT INCREASE	Refer to Account Maintenance section of this policy for permanent credit limit increase policy and methodology for calculating new credit limits.
PERMANENT LIMIT DECREASE	Refer to Account Maintenance section of this policy for permanent credit limit decrease policy and methodology for calculating new credit limits.
TEMPORARY LIMIT INCREASE	<p>In exception circumstances a cardholder may require a temporary credit limit increase to meet requirements of travel, medical expenses, etc. Such temporary credit limit increases may be approved subject to the following conditions:</p> <ol style="list-style-type: none"> 1. Such temporary credit limit increases must have an expiry date not more than 30 days from the date when the limit increase is granted. 2. Limit increase must be requested by the primary cardholder and verified through authenticated communication channels. 3. The credit card account must be current at the time of granting the limit increase. 4. The credit card account should not have been more than 2 cycles overdue at any time during the past 12 months. 5. The most recent credit bureau score of the cardholder (if any and obtained within the past 30 days) should be 750 or above.



	<p>Temporary credit limit increases would require the prior approval of the authorized signatory of CUB or his / her designate. Any exceptions to the above policy rules would require the approval of the authorized signatory of CUB.</p>
TEMPORARY LIMIT DECREASE	<p>Within the approved credit limit granted to the cardholder, the cardholder may increase or decrease his / her limits using authenticated channels to align the limits with their anticipated spending requirements and to minimize risk of fraudulent / unauthorized use of their credit card.</p>
PLASTIC VALIDITY	<p>All credit cards issued under this program will be "chip & PIN" cards requiring the cardholder to authenticate himself / herself at the point of sale ("card present" authorizations) using a 4-digit PIN.</p> <p>The PIN will be maintained by TSP in the Pismo card management system and cardholders will be permitted to make changes to the PIN after successful verification of such requests using one-time passwords ("OTP") to the cardholders' registered mobile phone number or email address.</p> <p>For e-commerce and other "card not present" authorizations, requests will be approved if the cardholder authenticates himself / herself through an OTP to their registered mobile phone.</p> <p>Credit cards issued will also have a contactless feature with transaction limits as per prevailing regulations and Visa or other card association system network rules.</p> <p>Plastics will initially be issued with an expiry date which is at least 60 months from the date of issue. Plastics issued during card renewal and replacement will also have a similar expiry date.</p>
CARD RENEWAL	<p>Cards may be renewed up to 60 days prior to their scheduled expiry date subject to the following conditions:</p> <ol style="list-style-type: none">1. The credit card account is current.2. The credit card and credit card account are not blocked.3. There has been a purchase or cash withdrawal transaction on the card account during the past 12 months.4. Multiple renewal attempts may be made in the period between 60 days prior to card expiry date and the card expiry date.

<p>COLLECTIONS</p>	<p>The collections policy and strategy are outlined in section 18 of this policy document.</p>																								
<p>LIQUIDATION OF COLLATERAL FOR SECURED CARDS & WRITE OFF POLICY</p>	<p>In case of secured cards that are overdue, the pledged fixed deposits will be liquidated once the account is 90 days past due and the total balance due on the credit card will be adjusted from the proceeds of the pledged fixed deposit.</p> <p>TSP will send a list of secured cards that are 90 days past due on a monthly basis to CUB to facilitate this process and vice versa.</p> <p>All outstanding balances will be written off on billing date of the month where the credit card account goes into missed 7 payment status or over 180 days past due.</p> <p>Any deferral of write-off beyond this policy would require the prior approval of the authorized signatory of CUB. TSP will reimburse CUB for any write-off incurred based on this write-off policy.</p> <p>Any funds collected by CUB from such written-off accounts (either directly from the defaulting cardholders or by sale of the written-off portfolio to a third party) will be passed on to TSP monthly.</p>																								
<p>LOSS RESERVE POLICY</p>	<p>Loss provisioning policy for the credit card portfolio will be as per the requirements of IFRS 9.</p>																								
<p>STAFF CREDIT CARD POLICY</p>	<p>All full-time CUB staff will be eligible for a Dhi CUB Visa Signature / Platinum / Master / Rupay credit card free of annual fees for primary and supplementary cardholders. Credit limits for CUB staff cards will be as per the rules mentioned below:</p> <table border="0"> <tr> <td>1. Managing Director:</td> <td>Rs.5,00,000</td> </tr> <tr> <td>2. Senior General Manager:</td> <td>Rs.4,00,000</td> </tr> <tr> <td>3. General Manager:</td> <td>Rs.3,00,000</td> </tr> <tr> <td>4. Deputy General Manager:</td> <td>Rs.2,50,000</td> </tr> <tr> <td>5. Assistant General Manager:</td> <td>Rs.2,00,000</td> </tr> <tr> <td>6. Chief Manager:</td> <td>Rs.1,00,000</td> </tr> <tr> <td>7. Senior Manager:</td> <td>Rs.1,00,000</td> </tr> <tr> <td>8. Manager:</td> <td>Rs.75,000</td> </tr> <tr> <td>9. Deputy Manager:</td> <td>Rs.75,000</td> </tr> <tr> <td>10. Assistant Manager:</td> <td>Rs.50,000</td> </tr> <tr> <td>11. Relationship Manager I& II</td> <td>Rs.50,000</td> </tr> <tr> <td>12. Other Designations:</td> <td>Rs.25,000</td> </tr> </table>	1. Managing Director:	Rs.5,00,000	2. Senior General Manager:	Rs.4,00,000	3. General Manager:	Rs.3,00,000	4. Deputy General Manager:	Rs.2,50,000	5. Assistant General Manager:	Rs.2,00,000	6. Chief Manager:	Rs.1,00,000	7. Senior Manager:	Rs.1,00,000	8. Manager:	Rs.75,000	9. Deputy Manager:	Rs.75,000	10. Assistant Manager:	Rs.50,000	11. Relationship Manager I& II	Rs.50,000	12. Other Designations:	Rs.25,000
1. Managing Director:	Rs.5,00,000																								
2. Senior General Manager:	Rs.4,00,000																								
3. General Manager:	Rs.3,00,000																								
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	<p>Any exceptions to the above rules would require the prior approval of the concerned authority. The Chief Human Resources Officer or designate must review all staff credit card delinquency reports on a quarterly basis.</p> <p>Overdue payments on staff cards may be collected by deductions from their payroll of adjustment from any end of service settlements.</p>
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4.2 Product Credit Standards – Corporate Cards

DESCRIPTION	PRODUCT CREDIT STANDARD
PURPOSE OF USAGE	Corporate Cards are issued to employees of CUB Corporate Clients and can be used for business related expenses including purchase of goods and services within India & overseas and for cash withdrawals (if such facility is opted in by the CUB Corporate Client).
PRODUCT DEFINITION	Corporate Cards may be issued to business entities and other organizations / institutions incorporated or established in India. The cards may be issued either under the liability of the CUB Corporate Client or the joint and several liability of the CUB Corporate Client and the concerned employee.
CARD TYPES	Corporate Cards issued in association with either Visa, MasterCard or Rupay.
APPLICANT CATEGORIES	<p>The following applicant categories who are CUB Corporate Clients are eligible for the Corporate Card:</p> <ol style="list-style-type: none"> 1. Corporate entities incorporated in India 2. Partnership firms registered in India 3. Sole proprietorships with operations in India 4. Non-profit organizations based in India 5. Government departments
TARGET MARKET	The initial target market for the product will be existing CUB Corporate Clients.
SOURCES OF ACQUISITION	Applications will be primarily sourced by cross-selling to existing CUB Corporate Clients who meet the acceptance criteria specified in this policy.
CREDIT POLICY RULES – UNSECURED CARDS	<p>CUB's base of Corporate Clients will be underwritten using a judgmental underwriting process. The following factors will be taken into consideration while underwriting the CUB Corporate Clients:</p> <ol style="list-style-type: none"> 1. The duration of their relationship with CUB 2. Credit facilities granted by CUB 3. The number of years the CUB Corporate Client has been in business / existence 4. Payment behavior on lending facilities granted by CUB.

	<p>5. The nature of business and revenue potential 6. Assessment of recent, audited financial statements 7. Information obtained from external sources 8. Review of individual CIBIL reports for any stakeholder who controls over 10% of the CUB Corporate Client.</p>
<p>CREDIT POLICY RULES – SECURED CARDS</p>	<p>In cases where CUB undertakes to bear the credit risk of a particular CUB Corporate Client, a confirmation must be obtained from an authorized signatory of CUB which should mention the limit that up to which the credit risk will be borne by CUB.</p>
<p>CREDIT LIMITS – UNSECURED CARDS</p>	<p>The initial credit limit for a CUB Corporate Client will be determined based on an assessment of their recent, audited financial statements, the extent of lending facilities extended to them by CUB and review of any publicly available information including credit bureau information.</p> <p>By its very nature the initial credit limit will be judgmental and consequently a Credit Approval Memorandum (“CAM”) in a format approved by the Chief Risk Officer must be prepared for each applicant documenting the reasons for approval.</p> <p>Each CAM must have two signatories – a recommend signatory which could be any officer in the credit risk function who has reviewed the application and applicant information and an approval signatory. Approval signatory and their discretion for credit limits would be determined and agreed by the Board of Directors of CUB and TSP.</p> <p>Once a CUB Corporate Client has had the Corporate Card for over 9 months, credit limits may be revised. Any increase in credit limits would require a fresh underwriting of the CUB Corporate Client and this would need to take the spend and payment behaviour into consideration in addition to usual underwriting norms.</p> <p>Credit limits may be revised downwards by CUB at any point based on spend / payment history or receipt of any adverse information pertaining to the credit worthiness of the CUB Corporate Client.</p>
<p>EMPLOYEE LIMITS</p>	<p>While the credit limits at the corporate level will be managed by CUB, the limits allocated to each employee will be managed by the Program Administrator(s) nominated by the CUB Corporate Client in their Corporate Card application.</p> <p>Any request from the Program Administrator to revise employee limits or to block / unblock employee cards should be through authenticated communication channels. Employee limits are sub-limits under the overall CUB Corporate Client’s credit limit and should refresh monthly on each statement date.</p>

	<p>Issuance of Corporate Cards to an individual who is not an employee of the CUB Corporate Client (such as third-party contractors, etc.) would require the approval of the authorized signatory of CUB.</p>
<p>CASH ADVANCES</p>	<p>Cash limits will be restricted to 20% of credit limits if opted in by the CUB Corporate Client in their application or if advised subsequently by their Program Administrator.</p>
<p>BILLING PERIOD</p>	<p>All Corporate Card accounts will be billed on a date each month ranging from the 1st to the 28th. The payment due dates of a Corporate Card account will be on a fixed date each month. All payments will be due within a maximum of 20 days from date of the statement.</p> <p>An additional 3-day grace period will be given to all CUB Corporate Clients (without disclosure to them) before the late payment fee is assessed and levied.</p>
<p>BILLING OPTIONS</p>	<p>Corporate Cards may be issued under one of the following billing options:</p> <ol style="list-style-type: none"> 1. Individual Billing and Individual Settlement: In this case: <ol style="list-style-type: none"> a. A customer number is allocated to the CUB Corporate Client and the company level limit is monitored at this level. b. All employees are linked to this customer number. c. Each employee has an individual account and will receive a statement each month with their individual transactions. d. Each employee is expected to make a payment to their respective accounts. e. Employees and their associated accounts could be in different delinquency statuses depending on their payment behaviour. 2. Individual Billing and Central Settlement: In this case: <ol style="list-style-type: none"> a. A customer number is allocated to the CUB Corporate Client and the company level limit is monitored at this level. In addition, a central settlement account is created without any associated card. b. All employees are linked to this customer number. c. On each statement date, the closing balance of the employee's individual account will be transferred to the central settlement account to bring the employee's individual account's closing balance to nil. d. Each employee has an individual account and will receive a statement each month with their

	<p>individual transactions. However, employees are not required to make a payment.</p> <ul style="list-style-type: none"> e. The statement from the central settlement account is sent to the Program Administrator. This would have a single line entry for all closing balances transferred from each employee's account. f. A single payment is expected from the CUB Corporate Client and once received, is posted to the central settlement account. g. Individual employee accounts can never be delinquent as these are in nil balance on each statement date. Delinquency is reported for the central settlement account. <p>3. Central Billing and Central Settlement: In this case:</p> <ul style="list-style-type: none"> a. An account is created for the CUB Corporate Client and the company level limit is monitored at this level. b. All employee cards are created under this account as supplementary cardholders with a sub-limit for the supplementary card that replenishes on each statement date. c. On each statement date, a single statement is generated and sent to the Program Administrator of the CUB Corporate Client. This statement would list all transactions done by each employee and these transactions are grouped by employee. d. A single payment is expected from the CUB Corporate Client and once received, is posted to the account. e. Delinquency is reported for the account.
<p>MINIMUM AMOUNT DUE</p>	<p>Corporate Cards will be "charge cards" and the 100% of the closing statement balance would need to be paid by the payment due date.</p>
<p>MODES OF REPAYMENT</p>	<p>Cardholders may repay their Corporate Card bills through the following modes:</p> <ul style="list-style-type: none"> 1. Transfer from CUB savings or current accounts including through CUB Net / mobile banking. 2. Unified Payment Interface ("UPI") offered by National Payments Corporation of India ("NPCI"). 3. National Electronics Funds Transfer ("NEFT"). 4. Direct debit / standing instructions to debit CUB deposit accounts. 5. Cheques drawn on other banks.
<p>PLASTIC VALIDITY</p>	<p>All Corporate Cards issued under this program will be "chip & PIN" cards requiring the cardholder to authenticate himself / herself at the point of sale ("card present" authorizations) using a 4-digit PIN.</p>

	<p>The PIN will be maintained by TSP in the Pismo card management system and cardholders will be permitted to make changes to the PIN after successful verification of such requests using one-time passwords (“OTP”) to the cardholders’ registered mobile phone number or email address.</p> <p>For e-commerce and other “card not present” authorizations, requests will be approved if the cardholder authenticates himself / herself through an OTP to their registered mobile phone.</p> <p>Corporate Cards issued will also have a contactless feature with transaction limits as per prevailing regulations and the relevant card association network rules.</p> <p>Plastics will initially be issued with an expiry date which is at least 60 months from the date of issue. Plastics issued during card renewal and replacement will also have a similar expiry date.</p>
CARD RENEWAL	<p>Cards may be renewed up to 60 days prior to their scheduled expiry date subject to the following conditions:</p> <ol style="list-style-type: none"> 1. The Corporate Card account is current. 2. The Corporate Card and account are not blocked. 3. There has been a purchase or cash withdrawal transaction on the card account during the past 12 months. 4. Multiple renewal attempts may be made in the period between 60 days prior to card expiry date and the card expiry date.
COLLECTIONS	<p>The collections policy and strategy are outlined in Collection section of this policy document.</p>
WRITE OFF POLICY	<p>All outstanding balances will be written off on billing date of the month where the Corporate Card account goes into missed 7 payment status or over 180 days past due.</p> <p>Any deferral of write-off beyond this policy would require the prior approval of the authorized signatory of CUB. TSP will reimburse CUB for any write-off incurred on any unsecured cards based on this write-off policy.</p> <p>Any funds collected by CUB from such written-off accounts (either directly from the defaulting cardholders or by sale of the written-off portfolio to a third party) will be passed on to TSP monthly.</p>
LOSS RESERVE POLICY	<p>Loss provisioning policy for the Corporate Card portfolio will be as per the requirements of IFRS 9.</p>
STAFF CORPORATE CARD POLICY	<p>All full-time CUB staff will be eligible for a Corporate Card if they are incurring business related expenses including travel, entertainment, etc.</p>

	<p>CUB will appoint a Program Administrator for Corporate Cards issued to it's employees who will approve the Corporate Card employee applications and assign the limit for the employee.</p> <p>Any exceptions to the above rules would require the prior approval of the concerned authority. CUB's Program Administrator must review all staff Corporate Card reports on a monthly basis.</p> <p>CUB's Human Resources department may initiate disciplinary actions against CUB employees who use their Corporate Cards for non-business related expenses.</p>
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5. Account Origination

5.1 Underwriting Criteria & Documentation – All Applicants – Visa / Master / Rupay Credit Card

UNDERWRITING CRITERIA	DHI CUB VISA / MASTER / RUPAY CREDIT CARD
MAXIMUM AGE	70 years (For age above 70, Secured cards can be considered)
MINIMUM AGE	17 years (17 years for supplementary card applicants)
MINIMUM ACCOUNT TENURE AT CUB	12 months
MINIMUM SAVINGS / CURRENT ACCOUNT AVERAGE BALANCE	Monthly average balance of at least Rs. 15,000/- over the past 12 months.
ID PROOF	<p>Valid ID proof for all applicants to include one or more of the following or a confirmation from CUB that it has performed KYC for the customer:</p> <ol style="list-style-type: none"> 1. Copy of PAN card or PAN card number from CUB records which is successfully verified with the Income Tax department 2. Aadhaar authentication with Unique Identification Authority of India ("UIDAI") without storing the Aadhaar number
ADDRESS PROOF	<p>Valid address proof for all applicants to include one or more of the following or a confirmation from CUB that it has performed KYC for the customer:</p> <ol style="list-style-type: none"> 1. Copy of passport 2. Copy of utility bill 3. Aadhaar by following prescribed guidelines of UIDAI

MOBILE VERIFICATION	Mobile numbers obtained from CUB's system may be verified using an OTP send to mobile number on record. Any exceptions may be approved by the authorized signatory of CUB.
EMAIL ADDRESS VERIFICATION	Email address for the applicant obtained from CUB's system may be verified using an OTP sent to the email address on record. Any exceptions may be approved by the authorized signatory of CUB.
APPLICATION FRAUD CHECK	In addition to the above, TSP or CUB may use third party fraud detection services for application fraud detection using PAN number, mobile phone number, email address and any other information available about the applicant.

5.2 Underwriting Criteria & Documentation – All Applicants – Visa / Master / Rupay Credit Cards

UNDERWRITING CRITERIA	DHI CUB CORPORATE CARD
CORPORATE CLIENT APPLICATION FORM & CORPORATE EMPLOYEE APPLICATION FORM	<p>Corporate Cards will follow a two-step account origination process. The first step would be the underwriting and approval of the CUB Corporate Client and the second step would be the underwriting of the individual employee Corporate Card.</p> <p>The Corporate Client application form would provide all required information for underwriting of the Corporate Client. The Corporate Client application form must be approved by an authorized signatory of CUB. The Corporate Client application form must be accompanied by a copy of the board resolution (or equivalent for non-corporate bodies) authorizing the establishment of a Corporate Card account with CUB and appointing the Program Administrator.</p> <p>Corporate Employee application forms may be submitted once a Corporate Client is approved. In case of Corporate Cards issued under the joint and several liability of the CUB Corporate Client and the employee, the employee should accept this liability on the employee application form. Corporate Employee applications must be approved by the Program Administrator.</p>
DOCUMENTATION REQUIRED	<p>In addition to the board resolution (or equivalent for non-corporate bodies) and the Corporate Client application form, the following documents must be provided for underwriting the CUB Corporate Client:</p> <ol style="list-style-type: none"> 1. Copy of certificate of incorporation (or equivalent for non-corporate bodies) 2. Copy of memorandum and articles of association (or equivalent for non-corporate bodies) 3. Copy of recent audited financial statements 4. In case of unlisted companies, a list of all shareholders owning more than 10% of the company along with their identification document.

	5. Each employee application must be accompanied by acceptable identification document of that particular employee applicant.
APPLICATION FRAUD CHECK	In addition to the above, TSP or CUB may use third party fraud detection services for application fraud detection using PAN number, mobile phone number, email address and any other information available about the applicant.

5.3 Documentation Validity

Any documents submitted by an applicant will be valid for a period of 30 days from the date of submission. In case of any application that is pending receipt of missing documents, such applications may be kept in a pending status for 30 days and if the missing documents are not obtained within that period the applicant would be required to submit a new application and a new set of supporting documents. Any exceptions to this policy would require the approval of the authorized signatory of CUB.

5.4 Application Form

Application forms submitted by applicants must be signed either physically with a “wet” signature or digitally and authenticated. Application forms used for any program under this policy would require the prior approval of the authorized signatory of CUB.

5.5 Application Data Verification

TSP or CUB staff must verify the authenticity of critical documents and information provided on the application through the following steps:

- **Personal Data Verification**
Refer to section 16.1 above.
- **Financial / Bank Data Verification**
All information from CUB about their deposit base should be verified to ensure that these are from a trusted and authenticated source.
- **Credit Bureau Data Verification**
Critical information from CUB’s systems should be cross-checked with information obtained from the credit bureau and any significant mismatches should be investigated before a CUB depositor is pre-approved for a credit card.
- **Outbound Telephone Verification**
In certain cases, an applicant may be verified by an outbound call from TSP or CUB call center.

Any exceptions to the above would require the approval of the authorized signatory of CUB or his / her designate.

5.6 Card Issuance, Embossing & Delivery

Card issuance, embossing and delivery will take place through a centralized card Centre or through personalization vendor. The Centre should be under strict security with stringent controls over custody of blank card plastics. Inventory of blank plastics, damaged plastics, details of destroyed plastics, embossed plastics for dispatch and plastics already dispatched should be maintained and be readily accessible.

Once an application is approved and the card(s) are embossed, the card should be delivered to the primary cardholder by courier to the registered mailing address provided. Cardholders should also be given the option of collecting their credit card / corporate card from CUB branches with a positive ID check. Cards should be dispatched in a deactivated state and cardholders would be required to activate the card by calling a call Centre or through CUB's internet banking / mobile app. Exceptions to this process would require the prior approval of the Chief Operations Officer of CUB.

5.7 Card Pin Issuance

Cardholders should be prompted to choose a 4-digit PIN of their choice at the time of card activation. Renewal and replacement cards should also require activation by the cardholder. PIN should remain unchanged when cards are renewed but cardholder should be forced to choose a new PIN in case of card replacement.

5.8 Approval Grid

All applications that meet the underwriting criteria specified in this policy may be approved with the single signature of an officer with the required lending authority to approve the credit limit proposed to be granted. All exception approval requests would require a recommending staff and an approving staff using a "four eyes" principle. The recommending staff should be an officer from the credit risk department of CUB. The approving officer for all exceptions would be the authorized signatory of CUB.

6. Account Maintenance

6.1 Authorizations

The authorizations module of the Pismo card management system will be set up to either approve or decline each authorization request. The authorization may be approved subject to the following conditions:

- The approval of the incoming authorization request would not cause the credit card or corporate card account from going overlimit after factoring in any overlimit tolerance approved for the cardholder. In the case of Corporate Cards, the availability of limits for the CUB Corporate Client as well as the employee needs to be checked.
- The credit card or corporate card is not blocked for any reason.
- The credit card or corporate card account is not overdue.
- Any other card account belonging to the cardholder is not overdue.
- The card has been activated by the cardholder.

- PIN in the incoming authorization message for “card present” authorization is verified.
- OTP in the incoming authorization message for “card not present” authorization is verified.
- Any other information in the incoming authorization message like card expiry date, card verification value (“CVV”), etc. is validated by information in the Pismo card management system.
- There are fewer than 3 consecutive incorrect PIN / OTP attempts.
- The authorization request is not declined by TSP or CUB fraud detection system or Visa’s or other card association fraud detection rules.
- The cardholder has not voluntarily blocked usage of the card or put some limits on the use of the card (for example, restricted international usage or restricted specific merchant categories) that would be violated if the incoming authorization is approved.

6.2 Authorizations In Pending Status

Authorizations that are in pending or outstanding status (i.e., pending final settlement from the card network association) may remain in pending or outstanding status for 10 days before they are automatically dropped by the Pismo system resulting in release of account credit limits. The rules for matching of pending authorizations with transactions in the settlement file should require the prior approval of the authorized signatory of CUB.

6.3 Authorizations During Stand-In

In situations where the Pismo card management system is unavailable and unable to respond to an incoming authorization request, Visa or other card association system provides an authorization response on behalf of TSP to the acquirer based on parameters approved by TSP . Such stand-in authorization parameters would require the prior approval of the authorized signatory of CUB before they are set up on the Visa or other card association system.

6.4 Pin Reset

If there are more than 3 incorrect PIN / OTP attempts on the card, the card should be blocked. The cardholder would then be required to call the TSP or CUB call Centre to reset the PIN after successful authentication of the cardholder.

6.5 Statement Generation

Statements will be generated monthly for each credit card / corporate card account. The statements should include all transactions posted to the credit card / corporate card account since the date of the previous statement, all repayments by the cardholder and all fees and charges that have been levied. The statements should clearly indicate the payment due date by which the cardholder needs to settle the minimum amount due to avoid late payment fees.

Statements should be paperless and sent by email in the form of a password protected PDF or through a link via SMS or should be accessible on the mobile app / website. There may be multiple billing cycles each month to enable TSP to balance the load of statement generation, collections, and repayment processing. Opening a new statement generation

date for load balancing purposes would require the prior approval of the Chief Operations Officer of TSP.

6.6 Cardholder Repayment Processing

Cardholders have several channels available to them to make repayments on their credit cards / corporate cards. Cardholders who do not pay their statement balance in full will be levied a finance charge (or interest) at the applicable rate on their subsequent statement. Cardholders who fail to pay at least the minimum amount due before the payment due date (plus any grace days approved for the product) will be levied a late payment fee at the applicable rate. 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. Any exceptions to this would require the prior approval of the authorized signatory of CUB.

6.7 Cardholder Disputes & Chargebacks

Cardholder disputes may be reported to CUB or TSP over the phone or using internet / mobile app channels. Upon receipt of cardholder disputes and based on the nature of the dispute, TSP may place a temporary credit in the credit card /corporate card account. The process of investigating the dispute should commence immediately.

Disputes may be raised by cardholders within 15 days from the date of the statement containing the disputed transaction(s). The cardholder disputes, chargeback, representment processes should be managed by TSP Operations department in compliance with the standards of Visa or the concerned card association network.

Temporary Credit Approval Grid:

Temporary credits up to Rs. 25,000/-	Head – Card Operations-TSP
Temporary credits between Rs.25,000/- and Rs.50,000/-	Chief Operations Officer-TSP
Temporary credits exceeding Rs.50,000/-	authorized signatory of CUB

If the investigation of the dispute results in a finding that the dispute is invalid, the temporary credit posted to the credit card / corporate card account must be reversed immediately.

The Chief Operations Officer of TSP or designate should periodically review the ageing of such temporary credits posted to cardholder's accounts and take suitable action in case of temporary credits that have aged beyond 60 days from the date of posting.

6.8 Account Cancellation

These are situations where even though the cardholder continues to be in good standing with TSP or CUB , some adverse credit information has been received about the cardholder from sources considered to be reliable and authentic. There could also be situations where the cardholder demonstrates very high risk spend behavior.

If there are any balances due from the cardholders, then the credit card / corporate card account should be blocked with a unique block code so that there is an opportunity to make recovery attempt from the cardholder as per the timeline specified in the collection section of this policy.

Given below is a list of situations where TSP or CUB may consider credit card / corporate card accounts for pre-emptive cancellation:

1. Inability to repay credit card / corporate card dues or poor payment history
2. High risk spend behavior
3. No contact with cardholder
4. Negative information received about the cardholder from reputed external sources including credit bureau
5. Repeated declined authorizations
6. Bankruptcy
7. Attempt to defraud TSP or CUB
8. Frequency cardholder disputes
9. Collusion with merchant to commit fraud
10. Card usage by cardholder outside of usual pattern at a merchant established owned by him / her
11. Cardholder repeatedly violates the terms of the cardholder agreement

6.9 Closures

Account closures represent a permanent severing of the relationship between TSP or CUB and the cardholder as far as the credit card / corporate card relationship is concerned. Account closures may occur at any stage of the relationship. There are two types of account closures:

Voluntary Closures:

Such requests are initiated by the cardholder typically when the balance is nil or the amount due represents only disputed fees and charges. In such cases the Operations department should close the account with a unique code after ensuring a nil account balance and ensuring that there are no pending authorizations on any cards issued under the credit card / corporate card account. Any fees reversals required to reduce the cardholder balance to nil during this process may be approved by the Chief Operations Officer of TSP or his / her designate.

Involuntary Closures:

Such requests are initiated by CUB or TSP and typically due to inability of the cardholder to repay credit card / corporate card dues. Typically, in these situations these accounts will be written off on the Pismo card management system as per the approved write-off policy in this document. Credit card / corporate card accounts closed in this manner must be closed with a unique code to differentiate them from voluntary closures. Credit card / corporate card accounts with nil balance that are in permanent block due to poor repayment history may also be closed using the code for involuntary closures.

6.10 Account Reinstatements

Credit card / corporate card accounts that reach a status of missed 3 payment status should be permanently blocked by the Pismo card management system i.e., in these cases a repayment that cures the account or reduces the severity of the delinquency status should not release in the block. At cardholder request, TSP may review such accounts for

reinstatement. Reinstatements would require the prior approval of the authorized signatory of CUB or his / her designate except in cases where the cardholder has provided acceptable collateral. Reinstatement is a judgmental decision based on several factors, but the following guidelines may be adopted on a case-by-case basis:

- All accounts of the cardholder (including any other loan accounts at CUB) are current.
- Credit bureau score is 700 or higher.
- The worst current delinquency on any other credit facility in the credit bureau is missed 1 payment status.
- There are no outstanding defaults recorded in the credit bureau for the cardholder.

6.11 Zero Limit Credit Card Accounts

Cardholders with an initial zero credit limit may be offered a product minimum credit limit subject to the following conditions:

- The credit card account should have been on the books for at least 12 months.
- Total spend of the cardholder in the last 12 months should have exceeded the product minimum credit limit.
- Total cash withdrawals in the credit card account over the last 12 months should be less than 10% of total spend over the last 12 months.
- The credit bureau score of the cardholder at the time of offering the product minimum credit limit should be 700 or higher.
- The cardholder should not have any outstanding unpaid defaults in the credit bureau.
- Any other loan account of the customer with CUB is in current status and in good standing.
- The credit card account is not blocked for any reason.

6.12 Card Renewal

Card renewal will be determined as per criteria laid down in section 15.1.

6.13 Card Replacement

Credit cards / corporate cards may require replacement due to a variety of factors. The principal difference between card renewal and card replacement is that a new credit card / corporate card number is generated in case of card replacement while same number is retained in case of card renewal. Card replacement may be required in the following situations:

Lost / Stolen Card Replacement:

Cards reported as lost or stolen by cardholders will be replaced immediately to prevent misuse. Cardholders should be advised not to use the card in case they find the card after reporting it as lost or stolen. Cardholder will not be liable for any unauthorized charges incurred on the card from the point at which the card was reported as lost / stolen to TSP or CUB. Cardholder will be liable for all charges incurred on the card up to the point at which the card was reported as lost / stolen. The credit card / corporate card account should be current and unblocked at the time of processing the card replacement request.

Damaged Card Replacement:

These are cards which have been damaged over time due to poor quality, mishandling by cardholder / merchant. Once a cardholder requests replacement due to damaged card the card should be replaced immediately. The credit card / corporate card account should be current and unblocked at the time of processing the card replacement request.

Never Received Card Replacement:

These are cards that were dispatched to the cardholder but never received by them. In such cases the card should be replaced as soon as the cardholder notifies TSP of non-receipt of the card or if the courier reports the card as lost or misplaced. If the cardholder does not receive the replaced card even after two attempts, he / she should be requested to pick up the card from the nearest CUB branch. The credit card / corporate card account should be current and unblocked at the time of processing the card replacement request.

Potentially Compromised Card Replacement:

These are cards that have been identified by Visa or the card association network or the fraud prevention department of TSP as potentially compromised. Once this information is received, the cardholder should be contacted by an outbound phone call or email and informed that his / her card needs to be replaced. Upon obtaining the cardholders consent, the card should be replaced. The credit card / corporate card account should be current and unblocked at the time of processing the card replacement request.

6.14 Permanent Credit Limit Increase – Visa Signature / Platinum / Master / Rupay Cards

The following rules will apply to determine eligibility of credit card accounts for limit increases:

1. Accounts should be at least 6 months on books and current at the time of review for limit increase.
2. All other credit card and loan accounts of the cardholder should also be in current status at the time of review.
3. No new credit card accounts should have issued to the cardholder in the last 9 months.
4. The average payment to statement balance with a 1-month lag over the past 9 months should be greater than 5%.
5. A minimum of 9 months should have elapsed since the last limit increase.
6. Cash withdrawals to total spend on the credit card account over the past 9 months should not exceed 10%.
7. The maximum credit limit utilization on statement date over the past 9 months should be at least 70%.
8. The minimum credit limit increase that is granted should be at least Rs.5,000/-.
9. The most recent credit bureau score of the cardholder (obtained within the past 30 days) should be at least 700 and the cardholder should not have any outstanding defaults in the credit bureau.

10. The credit card account should not be a secured card account.
11. New limits should be rounded off to the nearest Rs.1,000.
12. New limits should not exceed the product maximum limit.
13. Credit limit increase will require the prior approval of the cardholder which may be obtained through authenticated channels.
14. Limits will be revised based on the grid below:

MAXIMUM LIMIT UTILIZATION IN LAST 9 MONTHS > 90%	CREDIT BUREAU SCORE BETWEEN 700 & 750	CREDIT BUREAU SCORE BETWEEN 751 & 800	CREDIT BUREAU SCORE OF 801 & ABOVE
Payment to statement balance with 1-month lag in past 9 months is > 75%	25%	30%	35%
Payment to statement balance with 1-month lag in past 9 months is between 50% & 75%	15%	20%	25%
Payment to statement balance with 1-month lag in past 9 months is greater than 25%	5%	10%	15%

MAXIMUM LIMIT UTILIZATION IN LAST 9 MONTHS IS BETWEEN 80% & 90%	CREDIT BUREAU SCORE BETWEEN 700 & 750	CREDIT BUREAU SCORE BETWEEN 751 & 800	CREDIT BUREAU SCORE OF 801 & ABOVE
Payment to statement balance with 1-month lag in past 9 months is > 75%	20%	25%	30%
Payment to statement balance with 1-month lag in past 9 months is between 50% & 75%	10%	15%	20%
Payment to statement balance with 1-month lag in past 9 months is greater than 25%	0%	5%	10%

MAXIMUM LIMIT UTILIZATION IN LAST 9 MONTHS > 70%	CREDIT BUREAU SCORE BETWEEN 700 & 750	CREDIT BUREAU SCORE BETWEEN 751 & 800	CREDIT BUREAU SCORE OF 801 & ABOVE
Payment to statement balance with 1-month lag in past 9 months is > 75%	15%	20%	25%
Payment to statement balance with 1-month lag in past 9 months is between 50% & 75%	5%	10%	15%
Payment to statement balance with 1-month lag in past 9 months is greater than 25%	0%	0%	5%

6.15 Permanent Credit Limit Decrease – Visa / Master / Rupay Credit Cards

Permanent credit limit decrease for credit cards may be done by TSP as per the rules below:

1. The most recent credit bureau score of the cardholder (obtained within the last 30 days) is below 650.
2. The worst delinquency on the credit card account of the cardholder in the past 3 months when missed 2 payment cycle or more.
3. There is at least Rs.5,000/- of credit limit still available on the account at the time of limit reduction.

In the above situations, the credit card limit may be decreased to the higher of the following:

1. 1.1x the current outstanding balance plus any pending authorizations.
2. Product minimum credit limit.

Credit limit decreases will be advised to cardholders immediately by SMS or email.

6.16 Card Upgrade – Visa / Master / Rupay Credit Cards

Card upgrade policy will be defined at a point when additional card programs are launched by CUB.

6.17 Change Of Name & Mailing Address

All cardholder requests for change of name and address should be in writing or through authenticated communication channels and supported by verifiable supporting documentation. History of prior cardholder names and mailing addresses should be retained on the Pismo card management system. TSP may coordinate with CUB to ensure that the information on the banking and card systems are identical.

6.18 Change Of Mobile Number & Email Address

All cardholder requests for change of mobile number and email address should be in writing or through authenticated communication channels and verified through use of OTPs. History of prior mobile numbers and email addresses should be retained on the Pismo card management system. TSP may coordinate with CUB to ensure that the information on the banking and card systems are identical.

6.19 Waiver Of Fees & Charges

Late payment fees, annual fees, finance charge (interest), overlimit fees may be waived based on a request from a cardholder. Authority for waiver of these charges will be based on the amount of fees and charges proposed to be waived and will be with the relevant authorized signatory of CUB.

6.20 Call Center

TSP will manage an outsourced call Centre to support inbound cardholder inquiries, incoming emails, and outbound calls. TSP has tied up with third vendor duly approved by the Bank for this purpose. The call Centre will be manned 24*7. The following aspects of the functioning of the call Centre will require prior approval from CUB's authorized signatory:

1. Scripts to be used by the call Centre agents in case of cardholder inquiries including the following categories:
 - Generic credit card / corporate card related questions around product terms and conditions.
 - Credit card / corporate card usage related inquiries such as last statement balance, minimum amount due, payment due date, recent transactions, payment confirmation, etc.
 - Change of personal information such as email address, phone number, mailing address, etc.
 - Typical complaints such as disputed transactions, non-receipt of monthly statement, unexpected fees and charges, declined transaction, etc.
 - Inquiries about non-credit card related products offered by CUB.
 - Lost / stolen card report from cardholder.
 - Service requests such as card replacement, limit increase / decrease, reversal of fees, non-receipt of SMS / OTPs, etc.
2. Escalation matrix in the case of cardholder complaints to ensure high quality customer service and compliance with RBI regulations.
3. Extent of integration of the credit card / corporate card call Centre processes with CUB's own call Centre.
4. Disaster recovery and continuity plans in case the primary call Centre is not available.

7. Collections

The collection strategy is aimed at ensuring prompt and adequate follow up with cardholders for collection of any amounts due from them while ensuring compliance with this policy, all application laws, regulations, and guidelines.

7.1 Collection Practices

Cardholder Contact

Cardholder contact must be initiated to secure payments and / or plan for collection of overdue balances. Collection contact is also required to inform cardholders about potential or actual withdrawal of spending privileges, permanent suspension of credit card / corporate card account, adverse impact on credit bureau scores, etc.

Following are the approved methods for contacting cardholders:

1. Emails.
2. SMS text messages.
3. WhatsApp messages.
4. Outbound phone calls.

5. Field visits to the cardholders' place of work / residence.
6. Letters sent by courier / postal system.

In the event a collector is unable to contact the cardholder on the provided contact details, he may establish contact with any reference person provided by the cardholder, the cardholder's employer, the cardholder's bank or use any contact information obtained from a credit bureau inquiry. Cardholders classified as VIPs may be contacted only by designated collection or other staff of TSP or CUB with the authority to call such cardholders.

When a cardholder is contacted the desired outcome is to obtain a promise to pay ("PTP"). A collection system will be implemented when warranted by collection volumes and this system should have the ability to record PTPs and alert collection staff in the event of broken promises.

Code of Conduct:

The following practices are expressly prohibited during any collection attempts. All staff engaged in collection must sign off on a code of conduct and agree to comply with the code.

- Falsely representing the amount of the debt due from the cardholder.
- Falsely representing that any individual is a lawyer or that any communication is from a lawyer.
- Representing or implying that non-payment of the debt would result in the arrest, imprisonment, or criminal prosecution of the cardholder.
- Suggest that the seizure, garnishment, attachment, or sale of a property is likely unless the action is lawful and likely.
- Threatening to take action that cannot legally be taken or is not intended to be taken.
- Falsely representing that the sale or transfer of the debt to a third party shall cause the cardholder to lose any claim or defense related to the repayment of the debt.
- Threatening to advertise or widely disseminate knowledge about the cardholder's overdue payment status.
- Falsely representing that the cardholder has committed a fraud or any other crime.
- Threatening to communicate to any person credit information about the cardholder which is false.
- Using any false or deceptive means to collect or attempt to collect the debt.
- Falsely represent that the account has been handed over to a third party for collections.
- Threatening to defame the cardholder for non-payment of the debt.
- Threatening to use violence or other criminal means to harm the cardholder or his relatives or destroy / damage any property owned by the cardholder or his relatives.
- Causing a phone to ring incessantly with the intention to annoy, abuse or harass the cardholder.
- Falsely representing that an existing debt will be increased due to the addition of lawyer's fees, investigation fees and other charges that are not authorized under the cardholder agreement.

- Collecting or attempting to collect from any cardholder any expense incurred in the collection of the debt unless permitted by law and the cardholder agreement.
- Threatening to deposit any postdated cheque prior to the date on the instrument.
- Falsely representing to a third party that the collector has some information of value to the cardholder to discover information about the cardholder.
- Threatening to file charges, complaints, or criminal actions when in fact the cardholder has not violated any laws.
- Representing that the collector or TSP or CUB is an authorized law enforcement agency of any national, state, or local government.

Payment Arrangements

To address a situation where an overdue cardholder has the willingness to make a payment but is unable to settle the dues in full, TSP may accept a partial or reduced payment on a credit card / corporate card account. Such arrangements would require the prior approval of the authorized signatory of CUB.

Skip Tracing

Skip tracing is a specialist function within the collections area with the objective of tracing cardholders who cannot be contacted. The skip tracing unit should support all stages of collections in attempting to establish contact with the cardholder. Credit card / corporate card accounts should be identified for skip tracing in any of the following occurs:

1. Contact was attempted at the employer, but the cardholder no longer works there.
2. Contact was attempted at mobile phone numbers and the phone is unreachable, invalid, or disconnected after more than 5 attempts over the course of a week.

The staff performing skip tracing should perform the following functions:

1. Examine and review all information provided at the time of application for information that may have been missed out during contact attempts.
2. Review all incoming and outgoing correspondence with the cardholder for any contact information not updated on the systems.
3. Perform a new credit bureau inquiry to see if any new contact information has been updated by any other credit bureau member.
4. Establish contact with the cardholder's banker to see if they have any pertinent information.
5. Use social media applications such as Facebook, LinkedIn, etc. to trace the cardholder.

7.2 Collection Agency Management

In certain situations, TSP may outsource collection activity to approved external collection agencies. The relationship with the collection agency will be managed by TSP. The following policies rules will apply in such cases.

Agency Selection

An agency can be only considered eligible for appointment if they meet the following criteria:

1. Has at least 5 years proven track record in ethical debt collection.
2. Has an in-house legal counsel to directly represent any cases before competent authorities.
3. Has the capability to maintain record of follow-up on assigned accounts and provide periodic updates to TSP or CUB.
4. Indemnifies TSP or CUB for any legal action initiated by a cardholder because of the agency's follow up actions.
5. Agrees to abide by the code of conduct mentioned above and gets all their collection staff to agree to the same as well.

Any appointment of an outside collection agency would require the prior approval of the authorized signatory of CUB and the Chief Compliance Officer of TSP.

Agency Placement

Credit card / corporate card accounts at any stage of delinquency may be assigned to approved external collection agency for follow up. Placement of accounts should be done through a formal placement process that is agreed in advance with each agency.

Agency Recall

TSP may recall a credit card / corporate card account that has been assigned to an external collection agency in the following cases:

1. There is an active customer service case or pending dispute with the cardholder at the time of placement.
2. There is an active fraud investigation into the credit card / corporate card account.
3. Legal action such as bankruptcy is being pursued against the cardholder.
4. The remaining balance in the account consists only of unpaid fees and charges.
5. The agency fails to take any action on the credit card / corporate card account in a period of 3 months. Such accounts may then be placed with another approved collection agency.

Agency Monitoring

All approved external collection agencies should provide regular reports to TSP on the status of collection on the accounts assigned to them. The formats of these reports and their frequency will be determined by the agreement with each such agency.

7.3 Past Due Classification

A credit card / corporate card account will be considered delinquent, overdue, or past due if the minimum amount due is not received by the next statement date. Credit card / corporate card accounts will not be aged even if they are overdue if the overdue amount is less than Rs.100/-. The purpose of this is to prevent card accounts from getting blocked for petty overdue amounts. A credit card / corporate card account that is overdue for 91 days or more (i.e., 4 payments missed) will be classified as a non-performing asset.

7.4 Collection From Secured Credit Card / Corporate Card Accounts

The usual collection strategy will be followed for secured credit card / corporate card accounts. If account reaches a status of missed 3 payment status, the collector should request approval for liquidation of the collateral and apply the proceeds towards the credit card / corporate card dues. The credit card / corporate card account should remain blocked until the cardholder provides fresh collateral.

7.5 Release Of Collateral

Any request from the cardholder for release of collateral for a secured credit card would require the prior approval of the authorized signatory of CUB or designate. A judgmental decision on the new credit limit would be made at this point by the approving officer based on the past account performance and recent credit bureau record.

7.6 Collection Strategy

The collection strategy for credit card / corporate accounts will be as per the table below:

STAGE OF DELINQUENCY	ACTION STEPS
Current i.e., no missed payments	<ol style="list-style-type: none"> 1. Four days and two days before payment due date, an email and SMS reminder to be sent to all cardholders who are yet to make payment. This should contain the total amount due, the minimum balance due and the payment due date. 2. On every alternate day after the payment due date, an email and SMS message to be sent to all cardholders who are yet to make payment. This should contain the total amount due, the minimum balance due and the payment due date and mention that the account is overdue.
1 - 29 days past due or missed 1 payment status	<ol style="list-style-type: none"> 1. At regular intervals after statement date continue to send emails and SMS to cardholders. 2. Identify high balance at risk accounts for outbound phone calls and assign them to collectors to obtain PTPs. 3. Inform cardholders that failure to pay could result in further late payment fees and interest charges. 4. Suspend the card account from spending but reinstate the account automatically once payment received cures the account and restores it to current status.
30 - 59 days past due or missed 2 payment status	<ol style="list-style-type: none"> 1. Increase collection intensity over the phone especially in cases of repeated broken promises. 2. Inform cardholder that his / her credit bureau record will be adversely affected and impact their ability to apply for and obtain credit.

	<ol style="list-style-type: none"> 3. Remind the cardholder that continued failure to pay could result in permanent suspension of card spending privileges. 4. Continue email and SMS messages to the cardholder with a firmer tone. 5. Keep the credit card/ corporate card account suspended but reinstate the account automatically if payment received cures the account and restores it to current payment status.
60 - 89 days past due or missed 3 payment status	<ol style="list-style-type: none"> 1. Continue email and SMS messages with even firmer tone. 2. Permanently block the credit card / corporate card account i.e., even a payment from the cardholder which cures the account and restores it to current payment status will not reinstate the card. 3. Further increase intensity of phone calls. 4. Demonstrate impact on the credit bureau scores to the cardholder.
90 – 179 days past due or missed 4, 5 & 6 payment statuses	<ol style="list-style-type: none"> 1. Continue more intensive phone-based collection follow up. 2. Explore possibility of assigning account to external collection agency. 3. Consider a field visit to the cardholder’s place of employment and / or residence.
Over 180 days past due or missed 7 payment status	<ol style="list-style-type: none"> 1. Recognize an accounting write-off of the balance due from the cardholder. 2. Assign the account to specialist external collection agencies focused on recoveries from written off accounts. 3. Ensure that default is reported to the credit bureau.

7.7 Credit Bureau Portfolio Scrubs

TSP or CUB will subscribe to monitoring and portfolio scrubs provided by the credit bureau for more effective credit risk management. Alerts from the monitoring services could be used for the following actions:

1. Reduction in credit limits.
2. Block credit card accounts from further spending.

Data from portfolio scrubs should be integrated with account maintenance decisions including pro-active limit increase programs, limit decrease programs, etc.

7.8 Settlements

Under certain circumstances it may be necessary to offer a discount to cardholders who have defaulted on their obligations to encourage them to settle the defaulted amount. Such settlements would require the prior approval of the authorized signatory of CUB or his / her designate.

8. Fraud Risk Management

The objective of fraud risk management is to minimize fraud losses through pro-active 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.

8.2 Fraud Reporting

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 credit card / corporate card issuer. It also includes misappropriation of funds due to the credit card / corporate card issuer. One type of fraud is internal fraud which is the deliberate wrongdoing by an employee or contractor for personal gain.

8.3 Fraud Reporting

The fraud prevention unit of TSP will prepare a monthly report identifying all frauds detected during the prior month including all cases where fraud loss was incurred.

8.4 Types of Fraud

Typical reasons for fraudulent charges include:

- Application fraud
- Fraudulent / unauthorized transactions on lost / stolen cards
- Fraudulent / unauthorized transactions on never received cards
- Counterfeit cards
- Merchant collusion with cardholder to perpetrate fraud
- Account takeover fraud

When a fraud is detected the head of the fraud prevention department must be notified immediately.

8.5 Fraud Detection Strategies

All incoming authorization requests will be monitored by Visa or other card association system Risk Manager ("VRM"). These authorizations are passed through a set of rules and authorizations that meet any of these triggers could be declined or the card could be blocked immediately. In certain situations, a case may be created, and the cardholder may be contacted by a fraud analyst or through automated channels to verify the authenticity of these authorizations.

If the cardholder confirms these authorization requests as genuine the alerts generated by the fraud system should be classified as "false positive" and the card should be whitelisted on VRM. Cases where the cardholder denies performing the transaction should be classified as "confirmed fraud" in VRM.

In case the cardholder cannot be reached the card may be blocked with a unique code by the fraud analyst and the system should send an automated message to the cardholder

advising him / her that the card has been blocked due to authorizations requiring verification and requesting the cardholder to contact the call Centre.

The rules in VRM and any amendment to these rules will require the prior approval of the authorized signatory of CUB.

In addition to the rules in VRM, Visa / Master / Rupay enables card issuers to set up aggregate portfolio or BIN level limits based on aggregate counts and values of authorization requests. These limits can be further segregated for domestic and international authorizations and by card present and card not present authorizations.

These limits will be determined by TSP in conjunction with CUB and set up for the card program as an additional protection against fraud. Alerts from Visa or other card association system if these limits are breached or about to be breached should be sent to representatives of both TSP and CUB.

In addition to the fraud system and the rules therein, the Pismo card management system should trigger an SMS and email alert to cardholders for each authorization request whether approved or declined. In case of declined authorizations, the message should include the reason for decline. Cardholders should be requested to call the call Centre in the event these transactions were not performed by them. Outbound calls from the fraud prevention department must be recorded. Cardholders should also be encouraged to be vigilant and be provided with the tools using the internet / mobile app to control usage of their cards including setting limits on supplementary cards, setting limits that are lower than the credit limits assigned, restricting use of the card internationally or restricting use of the card at certain merchant categories.

As a part of fraud prevention, merchants with very high chargeback rates could also be blocked to prevent approval of any future authorizations from them.

8.6 Proactive Card Replacement

In the event of discovery of a potential data compromise or data breach with any merchant or card processor, the fraud prevention department may determine that the most prudent action would be to replace all the impacted cards. In such cases the fraud prevention department will initiate the card replacement process in coordination with the customer service and operations departments. The cards that are replaced should be blocked / closed with a unique code to identify the reason for replacement.

8.7 Fraud Write-Off

All confirmed fraud cases resulting in a loss being incurred by TSP should be written off soon after the fraud is discovered provided that the transaction was settled and posted to the credit card / corporate card account of the card member. Fraud write-off each month should be recommended by the fraud prevention department and signed off by the authorized signatory of CUB.

8.8 Fraud Recoveries

If the fraudulent transaction can be charged back to the acquirer, then any funds recovered should be recognized as fraud recoveries. Any other channels by which fraud

losses are recouped (recovery from the fraudster, etc.) should also be recognized as fraud recoveries.

9. SBI Co-Branded Credit cards

We are also issuing co-branded credit cards as per the agreement signed with SBI Card. SBI card has agreed to issue the following co-branded credit cards to loyal and eligible customers of our bank.

- 1) City Union Bank SBI Card Prime
- 2) City Union Bank Simply Save SBI Card.

These cards will bear the name of both SBI and our bank. The roles of our bank and SBI card are explained as follows:

City Union Bank:

- City Union Bank queries the base of existing customer on a defined threshold value with bank data.
- The data shall then be sent to CIBIL-TU to run SBI card filters and return for pre-qualified customers.
- The pre-qualified customers data shall be shared with SBI cards.

SBI Cards:

- For interested customers, SBI card sales team will approach and get necessary application forms along with KYC details.
- SBI cards will fix up the limit based on their appraisal.
- SBI card mobile app provides convenience of account management through mobile and is available across all mobile phone operating systems – iOS and Android
- SBI's cutting-edge IVR (Interactive Voice Response) system has a host of services for customers.
- The SMS channel for grievance redressal wherein cardholders can simply send SMS 'PROBLEM' TO <9212500888> and get their concerns addressed.
- Tripartite agreement between SBI cards, City Union Bank and CIBIL-TU is effected to facilitate CIBIL related queries.
- The onus of administration, transaction reconciliation, merchant settlement, customer complaints, recovery, dispute settlement, etc., rests with SBI cards.

Credit Risk

- Credit risk is entirely taken care by SBI Cards. They will identify the cardholder with their appraisal mechanism and scoring model. Recovery of dues is taken care by them. Our role is only to source the credit card applications and forward to them.

10. MIS & Control Reports:

Some of the typical reports required to manage the portfolio and take required policy action, suggest policy revisions include the following:

- Approval MIS with applications declined by decline reason, ageing of applications that are pending
- Portfolio roll rates by various segments.
- Was-is analysis (also referred to as transition matrix)
- Vintage and month on books analysis of delinquency
- Authorization MIS should approval rate at point of sale and decline reasons
- Payment to statement balance ratio and limit utilization trend

11. Redressal of Grievances(CUB Credit / Corporate Card):

- Our 24*7 Customer care centre which can be called at 044-71225000 will take care of registering cardholder's grievances and attend to their queries. They will work in co-ordination with Credit card Cell to redress the grievances.
- The details and contact numbers of the Grievance Redressal Officer at ACCD will be furnished in the monthly Billing Statements as per RBI Guidelines.
- The complaints /grievances received would be resolved as per bank's policy for Grievance Redressal.

12. Annual Review of the policy

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.

Annexure A: Computation of Minimum Amount Due – Visa / Master / Rupay Credit Card

Overdue Amount

Overdue Amount = Minimum amount due of Previous Statement - Total Payments of Current Statement Cycle

If Total Payments in the Current Statement Cycle exceeds the Minimum amount due of the Previous Statement, then Overdue Amount is Nil.

Overlimit Amount

The amount by which the balance on the account at the time of generating the statement exceeds the approved credit limit of the account.

Minimum Amount Due Percentage

The minimum amount due % for all cards under this policy will be 10%.

Minimum Amount Due Computation

Minimum amount due will be computed as per the scenarios defined below:

SCENARIO	COMPUTATION OF MINIMUM AMOUNT DUE
On statement date the credit card account is not overdue and not overlimit	Closing Statement Balance * Minimum Amount Due Percentage
On statement date the credit card account is not overdue but is overlimit	(Closing Balance – Overlimit Amount) * Minimum Payment Due Percentage + Overlimit Amount
On statement date the credit card account is overdue but is not overlimit	(Closing Balance – Overdue Amount) * Minimum Amount Due Percentage + Overdue Amount
On statement date the credit card account is overdue and overlimit and was overlimit on the previous statement	Overdue Amount + All New Debits In The Current Statement + (Closing Statement Balance – Overdue Amount – All New Debits) * Minimum Amount Due Percentage
On statement date the credit card account is overdue and overlimit but was within limit on previous statement	Overdue Amount + Overlimit Amount + (Closing Balance – Overdue Amount – Overlimit Amount) * Minimum Amount Due Percentage