



TMB Credit Card Policy

Version 1.0

DOCUMENT VERSION CONTROL

Document Title	TMB Credit Card Policy
Document Control	Version 1.0
Prepared and updated by	Information Technology Department
Reviewed by	Deputy General Manager (IT)
Recommended by	General Manager (IT)
Approved by	Board
Effective date	06-02-2017

DOCUMENT HISTORY

Version No.	Date of approval	Details of Changes
1.0	06-02-2017	Initial Version

1. Introduction:-

The term “Credit Card” usually/generally refers to a small plastic card assigned to a cardholder by the Card Issuer, usually with a credit limit, that can be used to purchase goods and services on credit or obtain cash advances.

Now, our Bank is in the process of issuing “TMB CREDIT CARD” in direct association with MasterCard International Inc.

2. Objective:-

The main objective of this policy is to formulate a comprehensive Credit Card Policy with the approval of the Board and to issue such credit cards to our customers in accordance with this policy.

3. Scope:-

The policy, covering topics like credit card cell, credit card products, eligible customer and accounts, card validity, card limits, fees & charges, waiver of charges, terms of issuance, add-on cards, lost/stolen/hot listed cards, duplicate cards, billing and payments, review of operations, fraud control & security, recovery mechanism, IRAC aspects, reporting to CICs, redressal of grievances etc., is applicable to all branches / offices of the Bank and is to be read in conjunction with the related operational guidelines issued by the Bank from time to time.

4. Effective date:-

This policy will come in to effect from the date of Board permission.

5. Credit Card Cell:-

An exclusive Credit Card Cell (CCC) shall be setup to monitor, co-ordinate and follow-up the following activities with our Branches, Regional Offices, Customers and the Service Provider, related to Credit Card operations.

- Application processing, customer master creation, file processing
- Card personalization
- Dispatch of welcome kit to cardholders
- Reconciliation and Settlement

- Monthly billing to customers
- Recovery of monthly dues and overdue follow-up
- NPA management and follow-up
- Dispute Management & Claim settlement
- Credit Risk and Fraud Risk management
- Customer Care and Call Center operations

6. Secure card Infrastructure:-

The Credit Cards have International Standard features like high coercivity (Hico) magnetic stripes. High coercivity magnetic stripes require high amount of magnetic energy to encode and therefore are harder to erase. The signature panels are highly secured as per ISO 7810 standard (high tolerance limit). Co-branded emblems have Hologram on the cards which are unique as per co-branded specifications. Co-branded logo will be fluorescent under Ultra violet light. For added security, Credit Cards have EMV chip and PIN based. Card manufacturing and Credit card Service Providers are PCI-DSS (Payment Card Industry - Data Security Standards) certified as per RBI mandate.

All guidelines issued by the Department of Payment and Settlement Systems of Reserve Bank of India (RBI) under the Payment and Settlement Systems Act 2007, relating to security issues and mitigation measures will be complied with.

7. Credit Card Products of our Bank:-

Present TMB Credit Card products of our Bank and its usages are furnished in Annexure - I.

Cards shall be issued with "Revolving Credit" facility. Payment towards the credit card account is normally due on a set date or payment due date. If the Cardholder makes partial or no payments on this date, he/she access "revolving credit" as the outstanding on the card account has now exceeded the grace period and has "revolved" into a new payment cycle. Revolving credit will attract interest charges.

8. Eligible Customers and Accounts:-

The eligibility criteria for the TMB Credit Card products of our Bank is given in Annexure - I. The customer should not be a minor for availing Credit Card facility.

9. Validity Period of cards:-

The validity period of the Credit Cards will be three (3) years.

10. Card Limits:-

Present Credit limit and Cash advance limit for Credit Card are as given in Annexure – I of TMB Credit Card and subject to change from time to time.

The sanctioning authority for both Titanium & Platinum (Secured) Credit Cards,

- a) ₹20,000/- to ₹2 Lakhs – Regional Manager
- b) Above ₹2 Lakhs – General Manager, BD (Regional Managers recommendation is compulsory for all card limits above ₹2 Lakhs)

11. Fees & Charges:-

The fees & charges applicable for TMB Credit Card would be as given in Annexure - I and subject to change from time to time.

Changes in fees & charges (other than interest) may be made only with prospective effect giving notice of at least one month.

12. Waiver of Charges:-

Bank may waive certain charges in part or in full for customers based on turnover in the account and past track record. Such waiver may be granted to customers only with the approval of Business Development Department.

13. Terms for issuance of Cards:-

- a) The Cards should be issued only against the customer's request / consent, except replacement / renewal cards issued to the existing cardholders.
- b) The application received from the customers for card issuance shall include the set of contractual terms and conditions governing the issue and use of such cards, which will need to be signed by the customer in token of acceptance of the said terms.
- c) Branches should ensure prudence while recommending credit card facility to the customers and independently assess the credit risk while issuing cards to persons, especially to students and others with no independent financial means.

- d) As holding several credit cards enhances the total credit available to any consumer, Branches / Regional Offices should assess the credit limit for a credit card customer having regard to the limits enjoyed by the cardholder from other Banks on the basis of self-declaration / credit information obtained from Credit Information Company/ies (CIC).

14. Issue of Add-on Cards:-

Add-on cards (upto 2) shall be issued to the spouse or children above 18 years of age, at the request of the Principal Cardholder.

The Principal Cardholder shall be fully liable to the Bank for all charges on his / her Card and also for those incurred by add-on Cardholders. The add-on Cardholder shall also along with Principal Cardholder be jointly and severally liable to the Bank for all Charges, even though the add-on Cards were issued at the request of the Principal Cardholder.

The Principal Cardholder may at anytime request cancellation of any Add-on Card but will continue to remain liable for any charges on such Add-on Card(s). While each add-on Cardholder will have his / her own independent usage, the expenses shall be charged to the Principal Cardholder's account.

15. Lost / Stolen / Hot Listed cards:-

Bank provides means whereby customers may notify the loss, theft or copying of their card on payment devices, at any time of the day or night. On receipt of notification of the loss, theft or copying of the card, the Bank shall Hot-list the card to stop any further use of the card.

The Bank is not liable or responsible for any transactions incurred on the card account prior to the time of reporting of loss of the card, and the cardholder will be wholly liable for the same. However, in case of any dispute relating to the time of reporting such loss/theft/damage and/or transactions made on the Card post reporting of the loss/theft/damage/misuse, the Bank reserves the right to ascertain such time and or the authenticity of the disputed transactions.

In addition to notifying the Bank about loss or theft of the Card, the cardholder must report any loss or theft of Card to the Police, lodge an FIR and provide acknowledged copy of Police Complaint.

16. Issue of Duplicate Cards:-

Duplicate / Replacement cards shall be issued, in cases where the original card is lost / misplaced, against the written request of the cardholder subject to applicable fee as given in Annexure – I for TMB Credit Card.

17. Billing and Payments:-

In case of Personal Account Membership the Cardholder's personal account will be debited for all card transactions.

At periodic intervals, the Bank will send E-statement / Physical Statement (optional) to the cardholder on the basis of copies of charge slips received from member establishments and other debits. The cardholder shall maintain sufficient credit balance in the “Concerned Charge Account” to enable automatic recovery of the dues payable in respect of the Card usage.

If the cardholder account is not having sufficient balance for the total amount due, then the available amount will be debited from that charge account and for the remaining amount system will create Temporary Overdraft (TOD) in the linked CASA account and adjust the total amount due.

18. Review of operations:-

With a view to ensuring that the quality of customer service is ensured on an on-going basis in bank, the Standing Committee on Customer Service should review the credit card operations including reports of defaulters to a Credit Information Companies which has obtained Certificate of Registration from RBI and of which the bank is a member and credit card related complaints on a monthly basis and take measures to improve the services and ensure the orderly growth in the Credit Card operations.

The Credit Card Cell (CCC) will put up detailed quarterly analysis of credit card related complaints to their Top Management. The CCC will have in place a suitable monitoring mechanism to randomly check the genuineness of merchant transactions. The CCC will

prepare and place before their Boards/Management Committee a comprehensive Review Report on credit card business on half-yearly basis as at the end of September and March of each accounting year, which will cover essential data on credit card business, such as category and number of cards issued and outstanding, number of active cards, average turnover per card, number of establishments covered, average time taken for recovery of dues from the card holders, debts classified as NPAs and provisions held there-against or amounts written off, details of frauds on credit cards, steps taken to recover the dues, profitability analysis of the business etc.

19. Fraud Control - Security and other measures:-

The CCC and the Service Provider are having secured infrastructure for card issuance in accordance with the guidelines issued by Reserve Bank of India (RBI), from time to time.

The customer's interest is safeguarded with the following measures;

- a) With a view to reducing the instances of misuse of lost / stolen cards, the Bank is issuing cards with photographs of the cardholder and cards with PIN.
- b) PIN is mandatory for all domestic Card present transactions including POS transactions.
- c) All cards are issued only for Domestic usage unless specifically requested by the customer for International usage. International transactions are allowed for the period and amount within the daily limits as requested by the customer and approved by the Bank.
- d) SMS / E-mail alerts will be sent for all financial transactions made using the card.
- e) EMV chip card, which is more secure when compared to the Magnetic stripe card will be issued mandatorily.
- f) All MasterCard Credit Card not present (e-Commerce) transactions are secured by "MasterCard SecureCode" which is an additional factor of authentication.
- g) For managing/mitigating risks pertaining to the usage of cards, our Service Provider is having the Fraud Risk Monitoring System (FRM Solution).
- h) Card preparation and Card personalization are taken care of by the Card Vendor. We have entered into an agreement with them with clauses pertaining to privacy and non-disclosure of personal information of card holders etc.
- i) Bank is also providing insurance cover to take care of the liabilities (upto Rs.50,000/-) arising out of lost cards.

20. Income Recognition and Asset Classification (IRAC):-

As per RBI Master Circular on Prudential norms on Income Recognition, Asset Classification and provisioning pertaining to Advances:-

- i. In credit card accounts, the amount spent is billed to the card users through a monthly statement with a definite due date for repayment. Banks give an option to the card users to pay either the full amount or a fraction of it, i.e., minimum amount due, on the due date and roll-over the balance amount to the subsequent months' billing cycle.
- ii. A credit card account will be treated as non-performing asset if the minimum amount due, as mentioned in the statement, is not paid fully within 90 days from the payment due date. The gap between two statements should not be more than a month.
- iii. Bank will follow this uniform method of determining over-due status for credit card accounts while reporting to credit information companies and for the purpose of levying of penal charges, viz. late payment charges, etc., if any.
- iv. System (Finacle CBS) will classify the TOD accounts of the cardholder as NPA based on IRAC norms.

21. Reporting to Credit Information Companies (CICs):-

For providing information relating to credit history/repayment record of the cardholder to a Credit Information Company (that has obtained Certificate of Registration from RBI), the bank may explicitly bring to the notice of the customer that such information is being provided in terms of the Credit Information Companies (Regulation) Act, 2005.

22. Recovery Mechanism:-

- a) Branches should monitor the usage of the Credit Cards and the repayments made by the customers scrupulously.
- b) Branches should effectively followup and take time bound action in respect of Credit Card accounts showing first sign of weakness and prevent slippage.
- c) In case of any overdue, immediate recovery measures should be taken by the Branch.

23. Redressal of grievances :-

- a) Generally, a time limit of sixty (60) days may be given to the customers for referring their complaints/grievances.
- b) The CCC should constitute Grievance Redressal machinery and give wide publicity about it through electronic and print media. The name and contact number of designated grievance redressal officer of the bank will be mentioned on the credit card bills. The designated officer should ensure that genuine grievances of credit card subscribers are redressed promptly without involving delay.
- c) The Bank should ensure that their / Service Provider call centre staff are trained adequately to competently handle all customer complaints.
- d) If a complainant does not get satisfactory response from the bank within a maximum period of thirty (30) days from the date of his lodging the complaint, he will have the option to approach the Office of the concerned Banking Ombudsman for redressal of his grievance/s.

24. Review of the Policy:-

The Policy shall be reviewed once in a year or as and when there are major environmental or regulatory changes.

MD & CEO has been empowered to permit/approve modifications relating to Eligibility criteria for issue of cards, credit / cash limits (i.e. modification pre-fixed limits for each card variants), charges and waiver of charges etc.



ANNEXURE – I

SALIENT FEATURES OF TMB CREDIT CARD

Features	TMB Titanium Card	TMB Platinum Card (Secured)
Eligibility	<p><u>For Individuals</u></p> <p>a) CASA with our Bank</p> <p>b) Copy of last 3 years IT Return</p> <p>(for salaried employees of reputed companies last year IT return is enough)</p> <p>c) Copy of PAN</p> <p>d) Latest CIBIL report should not reveal any adverse remarks.</p> <p>e) Gross Annual Income ₹3,00,000/- or more</p> <p><u>For Staff Members</u></p> <p>Sub-staff, Clerks & Officers should be confirmed in service.</p>	<ul style="list-style-type: none"> ➤ Term Deposit should be a minimum period of 3 years (Deposit maturity must not be less than the card expiry date) ➤ Minimum deposit amount shall be ₹50,000/- ➤ Lien should be marked on the deposit and there should not be any LOD (Loan on Deposit) pending against the deposit receipt. ➤ Discharged deposit receipt to be kept along with the application. ➤ Premature closure of deposit not allowed. ➤ Deposit must be in the name of the Card Holder. ➤ Third party deposit not allowed.
Minimum Card Limit	₹20,000/-	₹20,000/-
Maximum Card Limit	<ul style="list-style-type: none"> ◆ Upto 25% of annual income subject to maximum of ₹5,00,000/- ◆ For Sub-staff maximum limit ₹20,000/- only. 	Upto 75% against Term Deposit subject to a maximum of ₹5,00,000/-
Sanctioning Authority	<ul style="list-style-type: none"> ● ₹20,000/- to ₹2 lakhs – Regional Manager ● Above ₹2 lakhs – General Manager, BD (Regional Managers recommendation is compulsory for all card limits above ₹2 lakhs) 	
Cash advance limit	<ul style="list-style-type: none"> ◆ “25% of the sanctioned credit card limit “ ◆ Per day maximum limit of cash withdrawal is ₹25,000/- 	
Limit Reset	To avoid utilization beyond the sanctioned card limit, the card limit will be reset after taking into consideration, the outstanding TOD and EMI.	
Free Add-on Cards	Upto 2 for spouse and children above 18 years of age.	
Photo/EMV Chip Card	Both the Card variants shall be issued as EMV chip facility with personalized Photo. No charges/fees for Photo/EMV card.	

Free Credit Period	Upto 45 days.
Minimum repayment on Revolving Credit	A minimum 10% of the billed amount, subject to a minimum of ₹500/-
Card Validity	3 years
GREEN PIN (Paperless)	<p>PIN shall not be issued through PIN mailer. Instead, the cardholder can generate the PIN as follows;</p> <ul style="list-style-type: none"> • The welcome kit containing the card will be sent to the concerned branch and cardholder has to obtain the card from the branch. • The PIN will be in the form of GREEN PIN (Paperless). After obtaining the card, the Cardholder can generate the Green PIN through Customer Care Portal by providing Card Number, Expiry Date, Date of Birth and OTP. • Subsequently in future, Our Bank will provide the facility, that the cardholders themselves can generate the PIN number just by inserting their card through any of our TMB ATM using OTP. (OTP will be sent to cardholder registered mobile number) • Handling the cards at the branch will hence become a risk prone area and the Branch Head shall be solely held responsible for any mis-handling, misappropriation, etc.,
Fees & Charges	TMB Titanium / Platinum Credit Cards
One time card issuance charges	Free
Enrollment / Joining Fee	Free
Annual Fee	Free
Renewal Fee	₹250/- for primary card; ₹150/- for Add-on Card.
Charges for Replacement card	<p>➔ ₹100/- for replacing TMB Credit Card. ➔ No replacement charges for existing Bank of India cards.</p>
Late Payment charges	₹250/- (If the cardholder fails to pay the Minimum Amount Due before Payment Due date.)
Charges for revolving credit.(Finance charges)	2% per month (24% per annum) from the due date.
Cash Advance - Transaction fee	3% of transaction amount subject to the Minimum of ₹30/- for every ₹1000/- or part thereof.
Charges for cash withdrawal at other bank ATMs	3% of transaction amount subject to the Minimum of ₹30/- for every ₹1000/- or part thereof. Plus extra charges levied by the respective banks.
Finance charges for Cash Withdrawal.	2% per month (24% per annum) from the date of cash withdrawal.
Charge Slip Retrieval Fee	₹100/- per charge slip.

Collection charges for Outstation Cheque	₹100/- per instrument + other bank charges if any.
Foreign Currency Transaction – Conversion Markup	<p>→ Upto 3.5%</p> <p>→ While 'International operations' is allowed, it shall not be enabled at the time of issue and will be enabled only based on the specific request of the customer. Enabling the same will be done by Credit Card Cell, Chennai.</p>
Duplicate Statement	₹100/-
Cheque dishonor charges or unsuccessful payment instructions	₹250/-
Hot listing charges	Free
Others	
Billing Date	20 th of every calendar month
Due date for payment	5 th of every calendar month
Lost card liability	'Lost Card liability' insurance applicable for Bank of India (maximum ₹50,000/- per card) shall continue.
E-statement	The monthly account statement will be sent to the Cardholder's registered E-mail ID (marking a copy to the concerned branch) only. Printed A/c statement shall also be sent to the cardholders by post, at the option of the customers.
SMS / E-mail Alerts	<p>For every debit and credit, The following alerts shall be sent to the cardholder to his registered mobile number through SMS / E-mail;</p> <ul style="list-style-type: none"> • Your Credit Card has been dispatched to branch. Please collect. • Transactions done in POS/ATM/Internet • Blocking / Locking of Card • Statement Generation • Overdue reminder • Payment receipt • Amount refund <p>The cost of SMS shall be borne by the Bank.</p>
Credit Card Outstanding Payment Procedure	<ol style="list-style-type: none"> 1. The Credit Card statement will be generated on 20th of every calendar month and sent to the cardholder's email ID and branch, 2. The cardholder has to pay the outstanding amount mentioned in the statement on or before 5th of every month, 3. If unpaid, the linked CASA account of the cardholder will be debited, 4. If the cardholder account is not having sufficient balance for the total amount due on payment due date, then the available amount will be debited from that account and for the remaining amount, system will create Temporary

	<p>Overdraft (TOD) in the linked CASA account and adjust the total amount due,</p> <ol style="list-style-type: none"> 5. TOD will carry a ROI of 24% p.a, 6. Interest will be calculated from the date of creation of TOD, 7. If the cardholder wants to repay by availing EMI facility, then he/she has to pay the “Minimum Amount Due (MAD)” and the balance amount will be converted into a EMI loan, 8. However his request to convert the balance as EMI has to be made atleast 5 days before the bill due date, 9. The credit limit of the card will be reduced by the TOD outstanding and EMI outstanding if any of the cardholder. 10. The cardholder has to pay Total Amount Due (TAD) within the bill due date or opt for EMI loan by paying 10% of TAD (subject to a minimum of `500/-) as “Minimum Amount Due (MAD)” at least 5 days before the bill due date. The system will automatically debit TAD or MAD (if customer opted for EMI) in linked CASA account on due date. If there is no sufficient balance, Temporary Overdraft (TOD) will be raised for the due amount. Also, the card will be frozen/blocked temporarily, until the closure of TOD account in full.
<p>EMI Facility</p>	<ul style="list-style-type: none"> ✓ EMI facility shall be extended only for purchases done across the Internet, POS terminals and Mobile Banking (No exclusions based on the items being purchased) and EMI facility is not available for cash advance/withdrawal, ✓ Since the customer needs to approach the branch seeking EMI facility, Branch Head shall be the sanctioning authority for the same, ✓ Request for availing EMI facility must be made by the customer, (Only through Letter/e-mail) atleast 5 days before the due date of the bill, ✓ Maximum EMI tenor shall be 6 months, ✓ Processing charges for this facility shall be 0.50% of the availed amount (Minimum ₹150/-), ✓ Rate of Interest shall be 24% p.a, ✓ No charges for pre-closure of EMI loan, ✓ Card limit must be reduced by the outstanding amount under the EMI facility and TOD outstanding if any, ✓ Customer must pay at least 10% of the bill amount (Minimum ₹500/-) as “Minimum Amount Due” to avail this facility, ✓ EMI facility must not be provided when; <ul style="list-style-type: none"> ✗ Customer fails to pay the “Minimum Amount Due” ✗ If the bill amount is less than ₹5,000/- ✓ If customer fails to pay single EMI, the card (including Add-on Card) limit must be reset to Zero and/or the card (including Add-on Card) must be frozen/blocked,

	✓ Unblocking / Unfreezing shall be done by our Credit Card Cell, Chennai, after getting concurrence from the Regional Manager, who shall make a call based on the past history of repayment and the repayment capacity of the cardholder.
Non Performing Asset	System (Finacle CBS) will classify the TOD accounts of the cardholder as NPA based on IRAC norms.
Submission of Data to Credit Information Companies	The Credit Card details of the customer like limit, expiry, outstanding, overdue., will be shared to the Credit Information Companies like CIBIL, CRIF, Experian, Equifax, etc.,
Insurance Coverage	Personal Accidental cover of ₹5 Lakhs (For death benefit only) shall be provided.

***** Service Tax extra as applicable for all the charges and fees. *****
