

Key Fact Document - Deposits

Account

It is hereby agreed that the Finance Company shall be authorized to act on signed instructions or document drawn or accepted in accordance with the operating instructions give in the account opening application form (hereinafter referred to as the "Mandate") until such time as the customer shall give the finance Company written notice to the contrary.

(1) For making payment of cash, cheque, direct bank deposit, slip payments and standing order and giving effect to any other instructions by debiting such account in credit.

(2) To accept any other instructions regarding such account instuction for the closure of such account.

Deposit and Withdrawals

Deposits and withdrawals are governed by the laws in force at present in Sri Lanka. The Finance Company has the discretions to allow withdrawal of monies at our head office and branch network, subject to the production of evidence of an identity, satisfactory to the Finance Company.

Maintaining Accounts

(1) Unless otherwise agreed upon, the Finance Company will issue periodic balance statement on the customer's account at such intervals to be determined by the Finance Company.

(2) Any objection a customer may have concerning the correctness or incompleteness of periodic balance statement received by the customer must be raised promptly, but in any event, be received by the Finance company in writing, on immediate receipt of such statement. In absence of any objection

within the period specified above, the periodic statement shall be deemed to be correct and binding.

Joint Account and Partnership Account

(1) In the event of a Customer account being a joint account, the joint account holders shall be jointly liable for any transactions made through such account.

(2) In the event of the death of one or more of the joint account holders, the Finance Company shall pay delivery to the surviving account holder or account holders all the monies and documents held by the Finance Company for, or standing to the credit of any account in the joint holders name without referring to the legal heirs or representatives of the deceased joint holders

(3) The Finance Company shall be full discharged of its obligations towards the joint account holders upon receiving the notice of death of one or more of the joint account holders, all monies and documents whatsoever standing to the credit of or held by the Finance Company for account whatsoever.

(4) Partnership account holders jointly and severally liable for all transaction processed by the use of the facilities permitted to be provided by the Finance Company.

Terms and Conditions for Savings Account

(1) Savings account can be opened by individuals either solely or jointly.

(2) Producing the national ID card, passport, driving licence or senior citizen ID card is required to open the savings account.

(3) Birth certificate is required in the case of opening a minor saving account for those who are under the age of 18 years.

(4) The minimum sum required to open a saving account is Rs. 1500/-

(5) Withdrawals can be made by producing the National ID card, passport, driving license. Together with the correctly completed withdrawal form and savings passbook. In the case of joint Savings Account specific instructions with regard to withdrawals (either party or both signatures) should be given at the time of opening the account.

(6) Change in correspondence address should be given in writing to the company

(7) Loss of passbook should be notified immediately.

(8) Cheques/Drafts/SLIP/CEFT Transfers and money orders can be accepted to the credit of Savings Accounts only at the sole discretion of the Finance Company.

(9) Interest will be calculated on the daily balance and credited monthly provided that the account has the required minimum balance on each such day of calculation.

(10) Any money deposited or withdrawn will be recorded in the passbook by the Finance Company where applicable if the passbook is presented at the counter. An account holder shall examine the entries of his/her passbook carefully before leaving the Finance Company and satisfy himself that the entries made therein are correct. any discrepancy must notified to the Finance Company forthwith.

(11) An account, which has no correspondence or transactions for more than Ten years, shall be classified as a dormant account.

Terms and Conditions of Term Deposits

Deposits

(1) Deposits will be received according to the Finance Company (Deposits) Direction No: 1 of 2005.

(2) Deposits may be made in the name of one person or, if so required, more than one person and can be made repayable individually, jointly or severally, or to survivors or to the person nominated in the application

(3) Where a nomination has been made on a joint deposit such nomination shall be null & void if any one of the depositors survives at maturity.

(4) Any changes of address, payee or loss of fixed deposit certificate should be notified in writing to the company immediately.

(5) The Minimum sum required to open a term deposit account is Rs. 5000/-.

(6) Eligible deposit liabilities are insured with the Sri Lanka deposit insurance scheme implemented by the monetary board for compensation up to a maximum of Rs. 1,100,000/- per depositor.

Payment of Interest

Interest can be paid Monthly, quarterly, by-annually or annually or accrued and paid at maturity based on the preference of the depositors as indicated to the company at the time of opening the account.

Withdrawals

(1) Withdrawals should be notified only in writing to the company by the depositors.

(2) Deposits for a fixed period cannot be withdrawn prematurely but in special cases applications for withdrawals will be considered on receipt of three months' notice prior to date of maturity subject to company's right to accept or reject such notice at its sole discretion. In the event of deposited or any part thereof being withdrawn before maturity a penal interest will apply and in which event a reduced scale of interest will be applied.

Depending on the period of deposit and any excess of interest paid will be repayable to the company. The company shall be entitled to deduct the said excess payment from capital held in the deposit. The depositors will be required to surrender the deposit certificate with the endorsement on the reverse to obtain payment of the principal and interest.

(3) Deposits for a fixed period cannot be withdrawn prematurely but in special cases applications for withdrawals will be considered on receipt of three months' notice prior to date of maturity. This will be subjected to an interest adjustment at a graduated scale due to reduced term of investment. Any excess of interest paid will be repayable to the company and where applicable will be deducted from the capital. Such decision will be solely at the discretion of the management. No interest will be paid for deposits uplifted within one month of investment/renewal.

Deposit Backed Temporary Facilities

(1) Loan Interest of 6% per annum is charged above the rate of interest applicable to the deposit.

(2) The company reserves the right to vary the service charges and the rate of interest on the above Deposit Backed Temporary Facility.

(3) Depositor can obtain loans on their deposits, subject to the terms and conditions applicable to such loans. Interest rate levied on such loans will be at rates prevailing at the sole discretion of the management.

(4) Loans taken against monthly deposits will be subjected to an auto recovery of monthly loan interest against monthly deposit interest. Loans taken against maturity deposits will be subjected to an auto recovery of accrued loan interest against accrued deposit interest at the time of the maturity of the deposit.

Renewals

If no notice of withdrawal is received in writing, three days prior to the maturity, such deposits inclusive of interest will be automatically renewed for the same period at the prevailing rates subject to the terms and conditions prevailing at the time of such renewal.

General

(1)The proceeds of the fixed deposit will be issued to the survivor, nominee or heirs executors and/or administrators as applicable in the event of the death of the depositor.

(2)Deposit certificate is not transferable. However the depositor/s or his/her/there representative heirs, executors, or nominees shall be entitled to redeem same on maturity subject any specific instructions on the deposit application.

(3)At the request of the depositor the company may also remit the interest/capital on maturity to account designated by the depositor/s and in such event the depositor/s hereby undertakes to indemnify the company against any claims, losses, damages, expenses and any other detriment that may arise and / or result from such remittance as directed by the depositor/s

(4)In the event the deposit is made by way of a cheque, the deposit certificate will be issued strictly subject to the realization of the cheque

(5)Cheques must be drawn in favor of "Mercantile Investments & Finance Plc" and crossed "Account Payee Only"

The Company reserves the right to-

- * Restrict the amount of each deposit.
- * Accept or reject any application for a deposit.
- * Make any changes in the terms and condition of the deposit if so required by the government or central bank monetary board, or any fiscal policy or. any revision in the rates paid or payable to the depositor(s), with or without notice.
- *Refund a deposit after giving notice of not less than one month.
- * Recover any statutory levies if any that may imposed by the government from time to time

Dormant Accounts – Fixed Deposits

Classifying and Monitoring Dormant Accounts

Under section 23 (1) of the Finance Business Act No. 42 of 2011, "Where an owner of a deposit or a holder of valid Power of Attorney of the owner in respect of such deposit:-

a) Has not transacted with the finance company either by making a deposit or withdrawal and

b) Has not had any correspondence with the finance company , for a period not less than ten (10) years, such deposit shall be considered to be a dormant deposit.

However, Company can classify accounts as dormant for time periods less than ten (10) years at own discretion and according to applicable company policy for reporting requirements.

Suspicious Transaction Reporting

Under Section 2(1) of the FTRA, "Finance Company shall not open, operate or maintain an account, where the holder of such accounts cannot be identified, including any anonymous accounts or any account identified by number only, or any account which to the knowledge of the institution is being operated in a fictitious or false name.

Under Section 3 of the FTRA, "Is satisfactory evidence of identity is not submitted to an institution as required in terms of the provisions of sections 2, the Finance Company shall not proceed any further with the transactions unless directed to do so by the Financial Intelligence Unit (FIU), and shall report the attempted transaction to the FIU as a suspicious transaction.

ATM Card Operations

1. All parties to sign in the case of a joint Account.
2. Joint Account Holder may each possess an ATM Card by which a separate application form should be furnished for each individual
3. The Following charges will be levied from each applicant
 - a) New card, Renewal card and Replacement card - Rs 500/-
 - b) Pin printing Fee - Rs 10/-
 - c) Cash withdrawal Fee - Rs 38/- (Without Receipt)
 - d) Cash withdrawal Fee - Rs 43/- (With Receipt)
 - e) Balance inquiry Fee - Rs 10/- (Without Receipt)
 - f) Balance inquiry Fee - Rs 15/- (With Receipt)
 - g) Mini Statement Fee - Rs 10/- (Without Receipt)
 - h) Mini Statement Fee - Rs 15/- (With Receipt)
 - i) Blank Pin mailer Fee - Rs 10/- (Duplicate Pin Generation)

(The above Tariffs Will be Subject to change at the discretion of the management)

Information and Notices

*All information regarding any material change of customer information (address, bank, occupation, and nominee) must be furnished by the customer in writing to the Finance Company

*The Finance Company is entitled at its discretion and without liability to send any notice, correspondence, instrument or document to the customer by ordinary post, hand, facimile and e-mail (to the last know address, facsimile number, or e-mail address of the customer know to the Finance Company), and any such communication shall deemed to have been received by the customer two days after posting (if local),five days after posting (if overseas), at the time of transmission (if by facsimile or e-mail) or upon delivery (if by hand).

I acknowledge that I have read and fully understand the above key facts document with relevant to the product and service of mercantile Investments and Finance PLC.

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Date ***Name*** ***NIC No*** ***Signature***

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