

# SmartMoney Account Most Important Terms and Conditions

## Features:

The SmartMoney Account Facility (Facility) is a combination of a savings account and fixed deposit/s, which enables an existing account holder of the The Hongkong and Shanghai Banking Corporation Limited, India ('Bank') who is desirous of availing the Facility provided by the Bank (herein referred to as 'Borrower') to enjoy the higher returns of a fixed deposit and yet retain the liquidity and flexibility to meet the Borrower's needs. Additionally, the Borrower can enjoy all the benefits of a savings account without having to maintain the Average Quarterly/Monthly Balance (AQB/AMB).

## Overdraft facility:

The Borrower can withdraw up to 90% of the principal value of the fixed deposit/s that has been linked to the Facility. Overdraft interest is payable towards the overdrawn amount in the Facility, while the linked fixed deposit/s continues to earn interest at the rate applicable from the placement/renewal date. The linked fixed deposit/s will be charged in favour of the Bank and the Bank is authorised to exercise the right of set-off and lien on all such fixed deposits.

## Overdraft charges:

Interest on amount overdrawn will be charged at the rate of 2% over the weighted\* average of the interest rates applicable to the linked fixed deposits, subject to a maximum of the Bank's Prime Lending Rate, as may be declared by the Bank from time to time. The interest on the overdraft is calculated on the daily outstanding balance from the date of overdraft at the above



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specified interest rate till such date that the overdraft inclusive of interest/charges is repaid. The overdraft interest accrued shall be debited to the bank account linked to the Facility at the beginning of every month. If the value of the overdraft exceeds 90% of the linked deposit value, the overdraft interest will be calculated at the unauthorized overdraft rate on the overdraft value (beyond 90%), until such time that it is regularized within 90% of the linked deposit value. The unauthorized overdraft rates are displayed on the Bank's website [www.hsbc.co.in](http://www.hsbc.co.in) under 'General Account Rules/Terms and Conditions'.

**\*Illustration of weighted average:**

If one fixed deposit (D1) is for ₹ 4,00,000/- at 4% (R1) interest and one deposit (D2) for ₹ 1,00,000/- at 6% (R2) interest rate, then the OD interest rate will be 6.4% (Weighted Average\*\* + 2%)

\*\*Weighted Average

$$= [D1 * R1\% + D2 * R2\%] / (D1 + D2)$$

$$= [(4,00,000 * 4\%) + (1,00,000 * 6\%)] / (4,00,000 + 1,00,000)$$

$$= 4.4\%$$

In case the Borrower fails to service the interest payable on the use of this Facility, the Bank may at its sole discretion, after providing the Borrower 30 days notice at the last correspondence address updated with the Bank, recall the said Facility and adjust the monies in the fixed deposit account opened under this Facility towards outstanding amount including interest thereon and/or any related charges.

**Eligibility:**

A resident Indian of a minimum of 18 years of age can avail of the Facility. The minimum fixed deposit value that is eligible for the Facility is as defined in the Bank's website under the Facility. An existing savings account can be converted into the Facility subject to the fulfillment of specific documentary requirements applicable to the Facility.

**Closure/Conversion of the SMA into a regular Savings Bank Account:**

In case the linked fixed deposit is to be withdrawn, the amount so withdrawn shall first be adjusted against the outstanding amount including interest thereon and/or any related charges in the linked savings account.

In case of premature withdrawal of the fixed deposit, the

overdraft interest rate that will be considered will be the weighted average of original contracted interest rates of the fixed deposits and not the fixed deposit interest rate at the time of such premature withdrawal. It will also be subject to other Terms and Conditions governing such premature encashment of fixed deposit. The Facility may be closed or converted to a regular Savings bank account at any time, vide a written application to the Bank, duly signed by all the joint Borrowers. The outstanding amount including charges/interest due on the overdraft facility will be recovered before the closure/conversion of the Facility. Pursuant to the closure of the Facility the Terms and Conditions as applicable to standalone savings account will apply.

**Other conditions:**

1. In absence of a maturity instruction on a fixed deposit which has been linked to avail the Facility, the Bank will have right to renew automatically the fixed deposit/s on the maturity date for an identical period at the prevailing interest rate unless instructions to the contrary are received from the Borrower prior to maturity. The renewal will be in accordance with the Reserve Bank of India specification in force at the time of the renewal. The Facility will also continue on renewal of the said fixed deposit unless informed otherwise by the Borrower.
2. On fixed deposit with maturity instruction with Facility, the Bank will follow the maturity instruction stated by the Borrower at the time of placing the fixed deposit and the facility will also continue on the said fixed deposit unless informed otherwise by the Borrower.
3. A fixed deposit (with Facility availed by the Borrower at the time of placing the Fixed Deposit) with a maturity instruction of crediting the proceeds of fixed deposit to the linked savings/current account, the Bank will credit the proceeds of fixed deposit to linked savings/current account and discontinue the Facility unless informed otherwise by the Borrower.

For Account rules pertaining to HSBC savings account / fixed deposits please see the Account rules section of the website under Bank Accounts.

For service charges and fees please see the 'Account service charges and fees' section of this website under Bank Accounts.