

Fixed Deposits

What are the Eligibility criteria to open a Fixed Deposit?

- A citizen of Sri Lanka above 18 years of age holding a valid National Identity Card (NIC) / valid Passport or Driving License.
- A Sri Lankan citizen residing temporarily outside Sri Lanka.
- A person holding dual citizenship.
- Non-resident who possesses a resident visa.

Other than an individual who else could open a Fixed Deposit?

Term Deposit Accounts can be opened by Individuals singly or jointly and in addition it could be opened by Partnership firms, Private and Public Limited Companies, Specified Associations, Societies, Trusts.

Can individuals open joint Fixed Deposit?

Yes, Deposit accounts can be opened by an individual in his own name or by more than one individual in their own names.

In case of a jointly held fixed Deposit who could operate the account

Operation of Joint Accounts – The Joint Account opened by more than one individual can be operated by a single joint holder if the joint holders have agreed in the mandate under operating instructions (EITHER PARTY OPERATION). If not, by more than one individual/jointly as specified in the mandate. The change for operating instructions can be modified only with the consent of the joint account holders.

I am a Sri Lankan citizen residing outside of Sri Lanka, how can I open an account?

You can forward the relevant scanned documents through e-mail and funds could be transferred to one of our designated bank account in Sri Lanka. The original documents will have to be submitted to us subsequently.

Can a holder of a power of attorney sign the deposit application form?

Yes. At the time of opening the account the original power of attorney should be submitted along the copy.

What are the documents needed to open a Fixed Deposit?

- For individuals – A duly completed Deposit application, copy of NIC/copy of valid passport/copy of driving license, if the depositor's address differs from the NIC a utility bill or a copy of a bank statement with the current address of the depositor issued within 3 months of the date of deposit and a KYC form (Know Your Customer)
- For Others (Partnership firms, Private and Public Limited Companies, Specified Associations, Societies, Trusts) Duly completed Deposit application, copy of the registration of the entity, KYC form of the entity, Copies of NIC's of Directors/Authorized signatories and their individuals KYC forms, resolutions/ minutes confirming decision taken to place a fixed deposit with HNB FINANCE. Other relevant documents are to be obtained as mentioned in the application form.

Why is the KYC form important?

Know Your Customer Form – In order to prevent identity theft, identity fraud, money laundering, terrorist financing. The Central Bank of Sri Lanka has directed all banks and financial institutions to complete a KYC form before opening an account. This involves verifying customer's identity and address by requesting documents that are accepted as relevant proof. Mandatory details required under KYC Forms are proof of identity and proof of address, NIC, valid Passport, or Drivers' License are accepted as proof of identity. proof of residence can be by way of electricity or telephone bill or a letter from the Employer or any recognized public authority certifying the address.

Will this information be confidential?

Yes, under Section 61 of the Finance Business Act No 42 of 2011, strict confidentiality has to be observed by all officers of the company in respect of all customer transactions unless it is required to be disclosed by a Court of law or in compliance with any other written law

What will happen if I do not provide the required KYC information or documents to HNB FINANCE?

HNB Finance will have the right to reject the deposit.

Is there provision for Nomination for a Deposit?

Yes. You can nominate any person/s as you wish. If you are nominating more than one person you should indicate each person's share. If not, we will consider on equal share basis. The full name/s of the nominees and their identification numbers such as NIC/PP/DL should be submitted by the depositor.

Can I change the nominees?

In the case of a new deposit the mandate provides provision for nomination. For all other subsequent changes, we need a written confirmation from the depositor/s. For subsequent changes you could obtain a nomination form from the company.

In a case of a joint account could any one of the joint holders change the nominee?

No. In a joint account all joint holders consent is necessary to change the nomination.

In a case of a joint account if one of the joint holders are deceased can the surviving holder/s operate the account?

Yes. The surviving holder/s can operate the account without the consent of the nominee. Nominee will come in to effect only in the event of demise of all depositors.

What happens in the case of the death of a depositor? How will the payment be made?

Upon the submission of the following documents by the nominee, payment or transfer could be made to the nominee;

- Deposit certificate
- Certified copy of the death certificate of the depositor
- Identification of the Nominee
- Duly completed Affidavit by the nominee
- Instruction letter from the nominee

When I open an account do I get a fixed deposit certificate?

Yes, you will be given a certificate with the following information. Deposit account number, Date of deposit, Date of maturity, Value of deposit, Names of the depositor/s with their identity details, Mode of interest payment, Terms and conditions governing the deposit.

What happens if I lose or misplace my certificate?

To perform any transaction, you need have the certificate. In such instances you could request for a duplicate certificate with the following documents. Request letter from the depositor/s, duly perfected Affidavit attested by a Notary/ JP, (A specimen of an affidavit could be obtained from the company)

What are the present rates of interest?

[Click here](#) for the present rates of interest.

What happens if the interest rate changes during the contracted deposit period?

There will be no change to the terms since, we are contracted to the rate until its maturity as per current rules.

What are the periods for which deposits are accepted at present?

12 Months, 18 Months, 24 Months 36 Months 48 and 60 Months.

Can I make a deposit for a short period?

Yes. You could make a fixed deposit for a minimum period of 12 months or if it is less than 12 months you could open a Savings account.

How do make payment for the deposit?

The deposit can be made to your nearest HNB Finance Branch, by means of Cash; fund transfer directly to a HNB FINANCE designated Bank account or Cheque/ bank draft issued in favor of "HNB Finance Limited"

Can funds be deposited from time to time as additions to the existing deposits?

Additions/part payments could be made only at the date of Maturity. Alternatively, you could open a new deposit account.

Can deposits be made by way of cheques issued favoring the depositor or third party and endorsed in favor of HNB FINANCE?

Cheques favoring a third party (not the depositor) are not accepted. However, uncrossed cheques drawn in favor of the depositor could be accepted. All deposits made by cheques are subject to realization of the proceeds.

Can I withdraw my Fixed Deposit before maturity?

Yes. You could at any given time. However, you could obtain a [FD agent's](#) Loan without withdrawing your deposit.

Who is eligible to open a Senior Citizens account?

Customers who are 60 years of age or above are eligible to obtain a HNB FINANCE Senior Citizens account

Can a joint account be opened with a Senior Citizen where one of the Citizens account holders is below the qualifying age?

No, At the time of opening the account all joint holders must complete the age of 60 Years.

What happens to my account when I reach the age of a Senior Citizen (60 years)?

Talk to your customer care officer, and you could make necessary changes when renewing / opening a new deposit or savings account.

What other benefits are available for HNB FINANCE Depositors?

- **Loan** facilities against the deposit.
- Letters of guarantee (Bank Guarantees)
- TR facilities through ATM's

Interest Payments**Do you pay monthly interest on deposits?**

Yes, interest can be paid monthly or at maturity

What are the modes by which interest is paid?

As per the instruction given by the depositor the interest payment can be arranged as follows;

- Payment to the account designated by the customer (E.g. HNB FINANCE Savings account or other bank accounts)

Can you pay interest to the second depositor or a designated person?

Yes, with the instructions of deposit holder/s the interest can be paid either to one of the joint holders or to a third party with a written consent of the deposit account holders.

When do you intimate the maturity of the deposit?

A computer generated renewal notice is sent 14 days in advance of the maturity date.

What I should do to get my deposit renewed?

The completed renewal notice and the matured term deposit certificate should be sent to us or you may hand over these documents to any of our Branches to issue a new certificate on renewal.

Are the signatures of all the joint depositors required on the renewal form?

This is subject to the operating instructions given at the time of opening the account.

If I do not respond to the renewal notice, what will happen to my deposit?

On a Monthly Interest payment fixed Deposit the capital will be renewed automatically with the prevailing interest rate for the same period. And, if it is a maturity deposit the capital will be renewed with the accrued interest and will be renewed for the equal period at the prevailing rate.

Payments/ Withdrawals

At maturity how can I withdraw my deposit?

You have to surrender the original deposit certificate duly discharged with the payment instructions. Refund could be by way of either:

- Cash
- Cheque
- Remitting to a bank account.

Do I need to give notice of withdrawal?

No notice of withdrawal is necessary. However, In a case of a withdrawal through a branch it is advisable to give one days' notice as the payments are processed at a central location.

In case I need money urgently, can I withdraw the deposit?

Yes, you can. The Deposit could be withdrawn on request of the depositor and at the discretion of the company, subject to a discounted interest rate. In a case of a joint account withdrawal will be allowed as per the operating instructions given by the joint holders.

Can I get part payment prematurely?

Yes. The same procedure is applicable as for a full premature withdrawal. However, in such cases, the depositor can also consider obtaining a loan up to 90.00% on maturity deposits and up to 70% on monthly deposits of the deposit amount.

Is the signature of one of the depositors sufficient for payment at maturity or prematurely?

This depends on the operating instructions given at the time of opening of the account, as in some cases it could be both/all or either party.
Loans /Temporary refund against the deposit

Will you allow a loan on the deposit?

Yes – you are eligible to apply for a loan against your deposit ranging from 70% to 90% of the capital value according to the category of the deposit

What notice is necessary to obtain a temporary loan?

No notice is necessary.

What are the documents needed to obtain a loan?

Original Fixed deposit certificate

- Loan application form signed by the depositor/s as per the operating instruction given in the deposit application

Can the loan be repaid in installments?

Yes. Until the Maturity of the Deposit takes place the loan can be repaid. Thereafter, if you wish the loan balance could be carried forward subject to renewal of the deposit.