

Fair Practices Code

**Mizuho Bank, Ltd.
India**



1. Background

- Fair Practices Code of Mizuho Bank seeks to provide transparency and clarity to the Bank's borrowers regarding their transactions with the Bank. These guidelines relate only to the domestic banking business of Mizuho Bank in India.

2. Loan Applications and Processing

- We will provide acknowledgement for receipt of all loan requests received by the bank in writing. In case of loans to wholesale banking customers where the credit proposals have originated through detailed interaction with the borrowers, any standardized application forms/acknowledgment process shall not be applicable.
- We will ensure that there is proper assessment of credit applications made within a reasonable period of time based on the credit requirement and creditworthiness of borrowers. Stipulation of margin and security will be based on due diligence and creditworthiness of borrowers, in line with Bank's existing Loan Policy.
- We will convey in writing the main reason/s which have led to rejection of the loan request in case of all categories of loans irrespective of any threshold limits, within a stipulated time.
- In the loan sanction terms, we will provide comprehensive information including information about fees and charges if any, payable for processing and amount of such fees refundable in case of non-acceptance of application, pre-payment options and any other matter which affects the interest of the borrowers/ prospective borrowers of all categories of loans, irrespective of the amount of loan sought by them. In principal, bank does not charge any processing fee.
- In the loan sanction terms we will stipulate terms and conditions relating to the credit facilities solely at the Bank's discretion, include approval or disallowance of facilities like drawings beyond sanctioned limits, honouring cheques issued for purposes other than those specifically agreed to in the credit sanction and disallowance of drawing on a borrower account, on its classification as non-performing asset or in the event of default or on account of non-compliance with the terms of sanction. The Bank will not have an obligation to meet further requirements of the borrowers on account of growth in business etc. without proper review of credit limits.
- The terms and conditions and other caveats governing credit facilities will be produced in writing and duly certified by the authorised official. We will keep customer acceptance of these terms and conditions. On demand being made, we will provide a copy of the loan agreement to customer.

- The disbursement of loan is done through direct online transfer to customer account held with bank or NEFT/RTGS to the customer account maintained with other bank to ensure timely disbursement of loan.
- In the case of lending under consortium arrangement, the bank would endeavor to evolve procedures to complete appraisal of proposals in a time bound manner to the extent feasible, and communicate its decisions on financing or otherwise within a reasonable time, in co-ordination with other members of the consortium.

3. Post disbursement supervision

- We will give notice of any change in the terms and conditions including interest rates, service charges etc. to customer and ensure that changes in interest rates and charges are made prospectively.
- Revisions to the Bank's Marginal Cost of Lending Rate (MCLR) is notified through the Bank's website. Any revisions in this are applicable to all MCLR linked facilities from the date of interest reset as per the agreed sanctioned terms and conditions duly accepted by the customer.
- Post disbursement supervision will be constructive with a view to taking care of any "lender related" genuine difficulty that the borrower may face.
- Before taking a decision to recall/ accelerate payment or performance under the agreement or seeking additional securities, we will give notice to customer as specified in the loan agreement or a reasonable period, if no such condition exists in the loan agreement.
- We will release all securities on receiving payment of loan or realisation of loan subject to any legitimate right or lien for any other claim that we may have against customer. If such right of set off is to be exercised, customer will be given notice about the same with full particulars about the remaining claims and the provisions under which we are entitled to retain the securities till the relevant claim is settled/ paid.

4. General

- We will restrain from interference in customer's affairs except for what is provided in the terms and conditions of the loan sanction documents (unless new information, not earlier disclosed by you has come to our notice).
- We will not discriminate on grounds of sex, caste and religion in the matter of lending.
- We will notify clearly about the interest rate of the credit facilities to the prospective customers. Any revision in interest rate of credit facilities shall be notified and agreed upon with customer.
- Interest on the credit facilities shall be charged from the date of actual disbursement of the funds to the customer.
- The interest is calculated only for the period the amount is drawn by the customer. If the amount is drawn for part of month, the interest is charged only for the period the amount remains outstanding.
- In case the customer prepays the loan or pays an installment, the reduced outstanding amount for the balance period is considered for calculation/ collection of interest.
- Default charges, if any, applicable to the credit facility/ies availed from the bank is as stipulated in the Loan Agreement and/or Sanction Letter of the credit facility/ies. In Mizuho Bank, we do not capitalize the default charges i.e. no further interest is computed on such charges.
- In the case of receipt of request for transfer of customer account, either from customer or from a bank/ financial institution, which proposes to take-over the account, the consent or otherwise i.e. objection, if any, will be conveyed within reasonable time as mentioned in the agreement.
- We will not resort to undue harassment for recovery of the loan and follow the relevant applicable guidelines in letter and spirit.

5. Further Assistance

- If customer wants to make a complaint, we will tell them how to do this and what to do if they are not happy about the outcome. Our Staff will help with any questions they have.
- In terms of Bank's Customer Grievance Redressal Policy for normal cases, bank shall respond to the complaint within fourteen (14) working days of receiving complaint.
- After examining the matter, we will send customer our final or other response within eight weeks and will tell them how to take complaint further if they are still not satisfied.
- Within 60 days of lodging a complaint with us, if customer does not get a satisfactory response from us and they wish to pursue other avenues for redressal of grievances, they may approach Banking Ombudsman appointed by Reserve Bank of India under Banking Ombudsman Scheme 2002. Details of Banking Ombudsman are displayed in the branch notice boards. Our Staff would explain the procedure in this regard.

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