

February 10, 1973

To: All Branch Managers:

RATES OF INTEREST ON DEPOSITS.

For guidance of our branches, we list below our current rates of interest. Exceptions to the rate structures given below, or rates for unusual transactions, should be communicated to your customer only after consultation with your Regional Office.

INTEREST ON DEPOSITS:1. CURRENT ACCOUNT:

- a) No interest is paid on the balances maintained in Current Deposits.
- b) A service(incidental) charge at a minimum rate of 500 Fils semi-annually may be levied on all small and unremunerative current accounts. Exceptions may be made at Manager's discretion.
- c) A service charge of BD2.000 may be levied at the Manager's discretion for any un-authorized overdrafts for which prior arrangements have not been concluded.

2. SAVINGS BANK ACCOUNT:

- a) Interest will be paid until further notice, on Savings Accounts at a current maximum rate of 4% per annum. Interest is to be calculated on monthly basis on the lowest monthly balance and paid semi-annually.
- b) No notice is required prior to withdrawal.
- c) No overdrafts are permitted.

3. TERM DEPOSITS:

To remain competitive, the Regional Office will constantly review rates of interest paid on the local and international markets. Our rates will always be amended as market conditions vary. Specific requests to pay preferred rates may be authorized by your Regional Office if

justified by the amount of the deposit, the existing relationship and further potential relationship of the depositor with the Bank.

<u>Period</u>	<u>Rate of Interest,</u>
a) 1 to 3 months	6-1/2% to 7%
Over 3 to 6 months	7% to 8%
Over 6 to 9 months	7% to 8%
Over 9 to 12 months & above	7% to 8-1/2%

- b) Not more than 5% may be paid on local currency deposits placed for periods of less than 30 days.
- c) Interest earned on Term Deposits is paid on maturity.
- d) Upto ED: 20,000 in total or its equivalent in other currencies can be withdrawn from any one fixed deposit provided half the period of the deposit has expired, and interest due on the amount withdrawn is forfeited.

It may be noted that wherever there is any Inter-Bank Agreement on the above rates, or these rates are fixed by a competent Authority, the branches will follow such prescribed rates under intimation to the Regional Office.

Sd/-
(SWALEH NAQVI)
GENERAL MANAGER.