

Deposits Frequently Asked Questions

1. Which account is the most appropriate one for me?

We offer two types of deposits: term deposits and savings deposits. Which of them is appropriate for you depends on how much and for how long you wish to deposit your money, and how quickly you wish to withdraw it from your account. These are the key questions you should ask yourself before opening a deposit account.

- In case of **term deposits**, we shall deposit your savings for a specific period of time. The longer the deposit period, the higher the interest rate is likely to be. It is possible to open a deposit account with a term of one week to three years. No additional contributions can be made to the deposit account and the deposit amount cannot be used before the end of the term. It is possible to automatically extend the deposit term.
- **The savings deposit** is flexible. You can make contributions as frequently as you wish and thus continue to increase your deposit amount. You can withdraw money from the deposit as soon as you need it. If you inform us of your plans to withdraw your money three business days in advance, the withdrawal is free of charge. If you need your deposit amount before three business days have passed, a [commission will apply](#).

2. Have limits been imposed on contributions?

No limits have been imposed on making contributions to the deposit. As the transfer to the deposit is made in the Internet Bank, it will not lower your daily or monthly limit of your current account.

3. How is my deposit guaranteed should anything happen to the bank?

Deposits are guaranteed by the Guarantee Fund that is willing to compensate for the deposits in the amount of up to EUR 100 000, including interest, per depositor at any one credit institution. More detailed information is available on the website of the Guarantee Fund www.tf.ee.

4. How is income tax charged on interests starting from 1 January 2018?

Starting from 1 January 2018 interest taxation will change. Income tax will be charged on any interest payable to a resident private person and the payer of interest will be required to withhold a 20% income tax upon payment.

5. How is income tax withheld on interests? Can I postpone the tax liability of interest income as well?

If the deposit of a private person who is a resident for tax purposes is tied to a current account, the bank shall withhold income tax on the payment of interest earned on the deposit. This applies even if the deposit was opened from an investment account, however by the time of making the interest payment the deposit is tied to a current account.

To postpone the tax liability, you have to open the deposit from the investment account. In addition, upon termination of the deposit, you have to transfer the deposited amount and interest to the investment account.

According to Income Tax Act, in order to postpone the tax liability, the client has to notify the bank that the respective interest was received for the financial assets acquired for the funds in the investment account. You can give such notification at our bank upon opening an investment account for all those financial assets, the income on which you will transfer to the investment account in the future.

TERM DEPOSIT

1. In which currency can I open a term deposit?

You can open a term deposit in euros, US dollars, Swedish kronor or British pounds.

2. How large should the contribution to the term deposit be?

The minimum deposit amount depends on the currency of the deposit. For example, for euros, the minimum amount is EUR 100. More detailed information about the minimum amount is available in [the interest rate table](#).

3. How is interest calculated for term deposits?

When calculating interest, we use a 360-day year and the actual number of days of the transaction. Therefore, we calculate interest from the date of transferring the deposit amount to the account until the end of the term. We fix the level of the interest rate at the time of concluding an agreement with you. Calculation of interest depends on the number of deposit days. Calculation of interest for one day:

$$\frac{\text{deposit amount} \times \text{interest rate}}{360 \times 100}$$

If you wish to know the rate of interest you earn, please multiply the interest for one day by the number of deposit days (NB! We always consider the length of the month to be 30 calendar days, and that of the year – 365 calendar days).

4. What does the automatic extension of a term deposit mean?

When you have selected an automatic extension for a term deposit, we shall automatically extend it at the end of the deposit period by a time period equal to the previous term. You can choose between two extension options.

- **Extension of the term deposit with depositing of interest:** upon expiry of the term, we shall transfer the interest calculated for the deposit period to the automatically extended deposit, thereby increasing the amount in the deposit.
- **Extension of the term deposit without depositing of interest:** we shall transfer the interest earned for the deposit period to your current account.

The interest rate prevailing at the time of the extension will become the interest rate of the new deposit.

If you wish to terminate the automatic extension of the term deposit, you can do it in the Internet Bank by changing the conditions of the active deposit or in a SEB branch nearest to you.

5. How can I find the interest rate of the term deposit for the amount that is higher than those shown in the interest rate table?

In such a case, you need to go to the nearest SEB branch.

SAVINGS DEPOSIT

1. In which currency can I open an savings deposit?

You can open an savings deposit in Euros. You cannot open this deposit in any other currency.

2. How large should the first contribution to the savings deposit be?

You can open a savings deposit without making any contributions to it. You can make the first contribution later, at the time and in the amount of your choice. You can make the first contribution to your savings deposit at an SEB branch free of charge. On subsequent cash deposits and payments to the deposit, a fee will be charged according to the price list. If you are using any of the SEB Plans, the contributions made with standing payment orders will also be free of charge (to you).

3. What are the options to make contributions to the savings deposit?

The most convenient way is to use automatic depositing or standing payments orders. You can activate automatic depositing upon concluding an agreement or later, upon changing the agreement in the Internet Bank. While for automatic depositing we transfer an amount in excess of the limit set for the current account from your current account to the savings deposit every evening, for standing payment orders, you can determine yourself the amount to be transferred to the deposit. If you have joined a SEB Plan, the standing payment orders are free of charge to you. The easiest way to open both services is in the Internet Bank.

You can also make contributions independently to your savings deposit at any time, by making a money transfer or cash payment through the Internet Bank or at a branch.

4. What does automatic depositing mean?

Automatic depositing is an automatic transfer: you can set the limit to your current account. We will automatically transfer the amount in excess of the limit to your deposit every evening. You can activate this service upon concluding an agreement or subsequently, upon changing the agreement.