



Branch: XXXXX

Disclosures for Redeemable GIC (Guaranteed Investment Certificate)

I have received the following disclosures orally and in writing from SBI Canada Bank (hereinafter termed as "the Bank"):

- 1) This GIC is Redeemable, and is purchased for a term of XXXXX years, beginning on XXXXX and maturing on XXXXX for an amount of \$ XXXXX. (XXXXX only)
- 2) The Interest rate applicable for this redeemable GIC deposit is XXXXX % per annum.
- 3) On early redemption, the following interest rate shall be paid on the GIC:

Redeemable GIC Interest Rate Grid (for pre-mature payment)

<u>Period Run</u>	<u>Amount Payable [CAD GICs]</u>	<u>Amount Payable [USD GICs]</u>
If premature payment is obtained within 6 months of opening the GIC.	Only Principal amount will be paid, NO Interest will be payable.	Only Principal amount will be paid, NO Interest will be payable.
If premature payment is obtained after 6 months of opening the GIC but less than 1 year	Principal Amount + Simple Interest at 0.75% (the Super Saver Rate applicable on date of opening the GIC)	Principal Amount + Simple Interest at 0.40% (the Super Saver Rate applicable on date of opening the GIC)
If premature payment is obtained after 1 year of opening the GIC but less than 2 years.	Principal Amount + Simple Interest applied at 1.00% for the period which deposit has run.	Principal Amount + Simple Interest applied at 0.65% for the period which deposit has run.
If premature payment is obtained after 2 years of opening the GIC but less than 3 years.	Principal Amount + Interest at 1.10% (annual compounding for 2 years and simple rate for any part period).	Principal Amount + Interest at 0.90% (annual compounding for 2 years and simple rate for any part period).

If premature payment is obtained after 3 years of opening the GIC but less than 4 years.	Principal Amount + Interest at 1.30% (annual compounding for 3 years and simple rate for any part period).	Principal Amount + Interest at 1.25% (annual compounding for 3 years and simple rate for any part period).
If premature payment is obtained after 4 years of opening the GIC but less than 5 years.	Principal Amount + Interest at 1.50% (annual compounding for 4 years and simple rate for any part period).	Principal Amount + Interest at 1.60% (annual compounding for 4 years and simple rate for any part period).

A brief example is given below for **illustration purpose only**:

EXAMPLE: You have purchased a redeemable GIC of CAD \$ 1000 for a term of 3 years. Let us assume the following interest rates are prevailing at that time:

Super Saver	1.10% pa
1 year redeemable GIC	1.50% pa
2 year redeemable GIC	1.75% pa
3 year redeemable GIC	2.00% pa

You now approach the bank for pre-mature payment. The bank will make the premature payment as follows:

- a) If you ask the bank for premature payment; say within 180 days of opening the GIC, the bank will pay only the principal amount invested i.e \$ 1000. No interest will be paid.
- b) If you ask the bank for premature payment; say after 9 months of opening the GIC: The bank will pay you \$ 1008.14. (Principal of \$ 1000 + Interest of \$ 8.14). The payment will be calculated in the following manner:

The interest payable will be the Super Saver Rate applicable as on date of opening the GIC and calculated as simple interest for total number of days the deposit has run.

$$1000 + [(1000 \times 270 \text{ days} \times 1.10\%) \div 365 \text{ days}]$$

$$= 1000 + 8.14 = 1008.14 \quad ***$$

- c) If you ask for premature payment; say after 1 year and 6 months of opening the GIC:
The bank will pay you \$ 1022.40. (Principal of \$ 1000 + Interest of \$ 22.40). The payment will be calculated in the following manner:

The completed number of year(s) your deposit has run is 1 year. So you will be eligible to get the interest rate applicable for 1 year deposit @ 1.50%. Thus interest will be paid at 1.50%; calculated as simple interest for total number of days the deposit has run; which in the instant case is 365 days plus 180 days = 545 days.

$$1000 + [(1000 \times 545 \text{ days} \times 1.50\%) \div 365 \text{ days}]$$

$$= 1000 + 22.40 = 1022.40 \quad ***$$

- d) If you ask for premature payment; say after 2 years and 4 months of opening the GIC:
The bank will pay you \$ 1041.27. (Principal of \$ 1000 + Interest of \$ 41.27).

The payment will be calculated in the following manner:

The completed number of year(s) your deposit has run is 2 years. So you will be eligible to get the interest rate applicable for 2 years deposit @ 1.75%. The interest will be paid by annual compounding @ 1.75% for the completed period of 2 years and simple rate of interest @ 1.75% on the consolidated amount (i.e. principal + compounded interest for 2 years) for the remaining (broken) period of 4 months.

- i) Annual Compounded amount for 2 years = $[1000 \times (1+1.75 \%)^2] = 1035.31$
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ii) Simple interest on the annual compounded amount for the part period of 4 months = $(1035.31 \times 120 \text{ days} \times 1.75\%) / 365 \text{ days} = 5.96$

$$\text{Total Payment} = 1035.31 + 5.96 = 1041.27$$

The same logic will be applicable for premature payment of redeemable GIC's for 4 / 5 years.

** The interest payment may differ to some extent depending on whether a 30 day / 31 day month or 360 days / 365 days a year or a leap year of 366 days has been adopted for the calculations.

** The interest will be rounded off to the nearest cent.

- 4) For interest calculation the year is treated as 365 days (366 days in leap years) for all Canadian dollar GIC and 360 days for US Dollar GIC.
- 5) Interest Calculation: The interest will be compounded annually, and paid at maturity. Interest rates are on a per annum basis.
- 6) Interest will be paid in the same currency of the GIC.
- 7) There is no cancellation period applicable for this purchase.
- 8) Notification of any new charges/ increase in charges will be sent by mail 30 days in advance of the of the change / increase. Notice of any change in charges / or increase in charges will also be posted in each branch and on the Bank's website (www.sbicanada.com) 60 days in advance of the change/ increase.
- 9) There are no fees or charges at present for opening or maintaining a redeemable GIC account.
- 10) Information about the Bank's procedure for complaints, including those related to any charge, is listed in the SBIC Complaint Handling Brochure which is available on the Bank's website (www.sbicanada.com).
- 11) Before amending any terms and conditions in respect of the issued redeemable GIC, Bank will disclose the proposed amendment in writing.
- 12) Deposit insurance eligibility is subject to maximum coverage limitations set by CDIC provided that the deposits are in Canadian funds, are payable in Canada, and have a term of not more than five years. Non Canadian fund deposits are not covered by the CDIC. To find out information about deposit insurance from the Canada Deposit Insurance Corporation including what instruments and/or products are eligible for deposit insurance, you may contact CDIC at 1-800-461-CDIC (2342) or visit their

website at <http://www.cdic.ca>. Information on deposit insurance is also available in the CDIC brochure entitled "Protecting Your Deposits"

- 13) This GIC is not transferable or assignable or negotiable by the registered holder.
- 14) Payment of principal and any accrued and unpaid interest at maturity or any premature payment of the redeemable GIC will be made only to the registered holder at the issuing branch of the Bank.
- 15) If you do not provide any payment instructions to the Bank within fifteen (15) business days of the date of maturity of the redeemable GIC, then, effective from the date of maturity, the redeemable GIC will be renewed automatically:
 - i. In a principal amount equal to the principal amount plus any accrued and unpaid interest owing at maturity on the maturing redeemable GIC;
 - ii. For the same term as the maturing redeemable GIC;
 - iii. At the prevailing redeemable GIC interest rate on such date of maturity; and iv. On the terms and conditions applicable on such date of maturity to a redeemable GIC of the same type as the maturing redeemable GIC.

15) Access to Funds: You will have access to your funds any time prior to maturity; provided Bank is given an advance notice of at least 15 days before the premature payment.

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Customer (Signature)

Date: _XXXXX