



Disclosures for Redeemable GIC (Guaranteed Investment Certificate)

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

- 1) This GIC is Redeemable.
- 2) The Interest rate applicable for this redeemable GIC deposit is per annum basis. This interest rate is fixed for the term of the deposit and it is not affected by the balance.
- 3) Minimum balance to open a Redeemable GIC is CAD/USD 1,000.
- 4) For interest calculation, the year is treated as 365 days (366 days in leap years) for all CAD GIC and 360 days for USD 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) 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 29 days 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 between 30 days up to 59 days of opening the GIC	Principal Amount + Simple Interest (at 30 days CAD redemption interest rate applicable on date of opening the GIC)	Principal Amount + Simple Interest (at 30 days USD redemption interest rate applicable on date of opening the USD GIC)
If premature payment is obtained between 60 days up to 89 days of opening the GIC	Principal Amount + Simple Interest (at 60 days CAD redemption interest rate applicable on date of opening the GIC)	Principal Amount + Simple Interest (at 60 days USD redemption interest rate applicable on date of opening the GIC)
If premature payment is obtained between 90 days up to 179 days of opening the GIC	Principal Amount + Simple Interest (at 90 days CAD redemption interest rate applicable on date of opening the GIC)	Principal Amount + Simple Interest (at 90 days USD redemption interest rate applicable on date of opening the GIC)
If premature payment is obtained between 180 days of opening the GIC but less than 1 year	Principal Amount + Simple Interest (at 180 days CAD redemption interest rate applicable on date of opening the GIC)	Principal Amount + Simple Interest (at 180 days USD redemption interest 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 + Interest (at the CAD rate of one-year redeemable GIC compounded annually and simple interest for any part period which deposit has run)	Principal Amount + Simple Interest (at the USD rate of one-year redeemable GIC applied 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 the CAD rate of 2 years redeemable GIC, compounded annually for 2 years and simple interest for any part period which deposit has run)	Principal Amount + Interest (at the USD rate of 2 years redeemable GIC, compounded annually for 2 years and simple interest for any part period which deposit has run)
If premature payment is obtained after 3 years of opening the GIC but less than 4 years.	Principal Amount + Interest (at the CAD rate of 3 years redeemable GIC, compounded annually for 3 years and simple interest for any part period which deposit has run)	Principal Amount + Interest (at the USD rate of 3 years redeemable GIC, compounded annually for 3 years and simple interest for any part period which deposit has run)
If premature payment is obtained after 4 years of opening the GIC but less than 5 years.	Principal Amount + Interest (at the CAD rate of 4 years redeemable GIC, compounded annually for 4 years and simple interest for any part period which deposit has run)	Principal Amount + Interest (at the USD rate of 4 years redeemable GIC, compounded annually for 4 years and simple interest for any part period which deposit has run)

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 the time of opening the GIC:

30 Days Redemption Interest Rate	0.1% pa
60 Days Redemption Interest Rate	0.2% pa
90 Days Redemption Interest Rate	0.3% pa
180 Days Redemption Interest Rate	1.1% 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:

- If you ask the bank for premature payment; say within 29 days of opening the GIC, the bank will pay only the principal amount invested i.e. \$ 1000. No interest will be paid.
- If you ask the bank for premature payment; say after 9 months of opening the GIC: The bank will pay you \$ 1008.22. (Principal of \$ 1000 + Interest of \$ 8.22). 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.

$$1000 + [(1000 \times 273 \text{ days} \times 1.10\%) \div 365 \text{ days}] = 1000 + 8.22 = 1008.22$$

- If you ask for premature payment; say after 1 year and 6 months of opening the GIC: The bank will pay you \$ 1022.59. (Principal of \$ 1000 + Interest of \$ 22.59). The payment will be calculated in the following manner: *The deposit has completed a tenor of 1 year.* So, you will be eligible to get the interest rate applicable for 1-year redeemable GIC @ 1.50%. Thus, interest will be calculated at 1.50%; for the part period of 182 days that deposit has run simple interest will be calculated as under:

$$1000 + [(1000 \times 1.50\%)] + [1015 \times 1.5\% \times 182 \text{ days} \div 365 \text{ days}] = \$1000 + \$15.00 + \$7.59 = \$1022.59$$

- If you ask for premature payment; say after 2 years and 4 months of opening the GIC: The bank will pay you \$ 1041.37. (Principal of \$ 1000 + Interest of \$ 41.37).

The payment will be calculated in the following manner:

The deposit has completed a tenor of 2 year(s). 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 = $(1035.31 \times 122 \text{ days} \times 1.75\%) / 365 \text{ days} = 6.06$

Total Payment = $1035.31 + 6.06 = 1041.37$

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.

- 9) There are no fees or charges at present for opening or maintaining a redeemable GIC account. Notification of any new charge/ 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 (<https://ca.statebank>) 60 days in advance of the change/ increase.
- 10) Notification of any change to terms and conditions in respect of the issued non-redeemable GIC will be disclosed to you in writing at least 30 days prior notice before such change will be effective.
- 11) 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 (<https://ca.statebank>).
- 12) SBI Canada Bank is a member of Canada Deposit Insurance Corporation (CDIC). A GIC with SBI Canada Bank is eligible for CDIC deposit insurance coverage provided the total deposits hold do not exceed CAD \$100,000 per insurance category. For more information contact CDIC directly at info@cdic.ca or 1-800-461-2342 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:
 - a) In a principal amount equal to the principal amount plus any accrued and unpaid interest owing at maturity on the maturing redeemable GIC;
 - b) For the same term as the maturing redeemable GIC;
 - c) At the prevailing redeemable GIC interest rate on such date of maturity; and
 - d) On the terms and conditions applicable on such date of maturity to a redeemable GIC of the same type as the maturing redeemable GIC.
- 16) 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.