

## **SIB CARE: Annuity Deposit Scheme**

**SIB CARE** Deposit is a new scheme formulated for all those who wish to have a fixed return for a fixed period for their investment. The Scheme is specially designed aiming both our youngsters and pensioners who are in need of a fixed amount in addition to the applicable interest payout.

A lump sum amount for a predetermined period ranging from 2 years to 10 years based on their requirement of funds is deposited with the Bank and Customer will be getting credit of equal installments (interest for the period along with a principal portion) to the connected operative account on deposit dates from the next month onwards. Interest rates will be as applicable for the preferred period of deposits. Even though monthly interest is credited the same is offered without any discounts. Present rate of interest will be 8.75 % for General and @ 9.25% for Senior Citizen for 24 months and 8.5% and 9% respectively for other maturities. We propose to offer the card rates without any discounts for this product in conformity with the IBA master charts of Lump sum Annuity Monthly Repayment Deposits. The Deposit Amount shall be minimum of Rs 25,000/- and a Maximum of Rs.One Crore.

When we assess our customer needs we find that several requirements of our customers can be suitably addressed through our SIB CARE Scheme Some of which are:

- **Retired/VRS** employees who want to invest a part of their retirement benefits for maintaining an income level equal to their earlier living standards.
- **Students** may subscribe to this product which assures monthly fixed returns to meet their expenses of College/Hostel Fees.
- **NRI Returnees** who want to have a fixed return for a fixed term.
- **Agriculturists** who want to invest their agricultural income for getting monthly return to meet the recurring family expenses/future cultivation expenses.
- **Parents/Beloved ones** to get a fixed amount every month, which is sufficient to meet the monthly expenses for a fixed term.
- For those who want to manage their hard earned money in a disciplined manner, this scheme will be attractive with higher returns.

### **Product Features.**

The interest rate for the Deposit shall be the prevailing interest rate applicable to General, Ashraya, Staff and Staff Ashraya type of Deposits for the corresponding period. The important point to be noted here is that even though there is a withdrawal from the Principal every month, **System will be calculating Interest at the contracted Interest rate for the balance in the account..** The interest application shall be monthly; however, **the Interest rate taken will be the contracted rate instead of discounted Contract Rate** as in the case of normal Monthly Fixed Deposit Product.

It is mandatory that the SIB CARE customer should have an operative account (preferably SB).All the repayment outflow as well as TDS debit shall be to/from this operative account. TDS shall always be debited from the operative Account entered while opening the deposit.. It is mandatory that TDS Operative account and Repayment account have to be one and the same..

Necessary validations have been setup in the system to restrict the deposit tenure between **24** months and **10** years as per the product feature specified. Also SIB Care Deposits can be opened only with a deposit tenor in multiple of 12 months..

**Free Personal accident death insurance will be provided to the SIB CARE depositors** for Single Deposit of Rs 1 lakh and above.

Personal accident death insurance (PADI) for Rs. 1 lakh available per depositor of SIB CARE

- Minimum single deposit - Rs. 1 lakh and above.
- Age- shall not be attained 70 years as on date of deposit opening.
- Only one PADI of Rs. 1 lakh will be available per individual, irrespective of the amount/no. of deposits held by the customer. Branches to ensure opening of accounts in the same customer id to avoid excess premium payment in such cases.
- Depositors other than the qualified individuals as above will not be covered and in the joint accounts, only the first named person will be covered.
- This insurance coverage will be available to the depositor, during the tenure of the deposit or till the deposit is prematurely closed/renewed.
- Customers, who have the PADI through SIB 700, will also be eligible for another PADI through SIB CARE.

### **Special Features**

*The Payout shall commence after one month from the date of opening the deposit. If the account is opened on 1st of a month, the installments will be credited on the 1st of every month till the Maturity Date. If the same is opened on 31<sup>st</sup> of a month, the installment will be credited on the Month end days till Maturity.*

- 1) The product has been setup as an Annuity Deposit Product model in Finacle application. The annuity deposit model and interest calculation method are based on the IBA published guidelines. The annuity deposit approach to the SIB CARE product and the interest application/payout specifications including the monthly repayment outflow is in line with IBA charts.
- 2) The last instalment amount shall be higher due to the EMI adjustments. Also in some cases a difference of Rs. 1/- is observed in some instalments due to rounding off.
- 3) No Loans can be allowed against SIB CARE Deposits. Lien marking also is not possible.
- 4) Date of Birth shall be mandatory while opening SIB CARE deposits.
- 5) NRE/NRO variants of SIB CARE type deposits are not enabled now. Date of official launch of NRE/NRO Deposits will be informed later
- 6) Branches to obtain Nomination in all deposits unless specific written instructions are received from the depositor.
- 7) Find Annexure for terms and conditions.

## SIB CARE Indicative Table

Principal Amount: Rs. 1, 00,000/-

Monthly payout for General								
24 months	36 months	48 months	60 months	72 months	84 months	96 months	108 months	120 months
@8.75	@8.5	@8.5	@8.5	@8.5	@8.5	@8.5	@8.5	@8.5
4554	3154	2462	2049	1775	1581	1436	1325	1237

Monthly payout for Senior Citizen								
24 months	36 months	48 months	60 months	72 months	84 months	96 months	108 months	120 months
@9.25	@9.00	@9.00	@9.00	@9.00	@9.00	@9.00	@9.00	@9.00
4577	3177	2485	2073	1799	1606	1462	1351	1263

### SIB CARE AT A GLANCE

- The scheme will be open from 01-12-2012.
- Minimum amount of deposit is Rs 25000/- and maximum is Rs One Crore only.
- No bulk deposits (above one Crore) are envisaged at present.
- Period of Deposit 24,36,48,60,72,84,96,108 and 120 months
- Rate of Interest applicable to other term deposit of similar period & category e.g.: 9.25% for Sr Citizens for two year at present.
- Monthly interest is calculated without any discounts.
- The deposit is available in Domestic General, Ashraya, Staff and Staff Ashraya Schemes.
- NRE/NRO Deposit Port folios of SIB CARE will be introduced later
- NRIs may open the deposit in the name of relatives of NRIs and nomination can be made in favour of NRI.
- Preclosure penalty as applicable to other deposits (i.e. 0.5% upto 15 lakhs and 1% for deposits of 15 lakhs and above).Preclosure requests to be discouraged as far as possible as part of the principal is credited to operative accounts every month.
- Along with TD opening form, Nomination form & SIB Care Annexure also to be signed invariably by customers.