

C. REDEEMING YOUR SAVINGS BONDS

C.1 GENERAL INFORMATION

1. What does “redemption” mean?

- It means that you return your Savings Bond to the Government before it matures in exchange for your principal and interest.

2. Can you guide me on how to redeem my Savings Bonds?

- You can submit redemption requests through DBS/POSB, OCBC or UOB ATMs, or through DBS/POSB’s Internet Banking portal.
- The minimum redemption amount for each Savings Bond issue is \$500, and in multiples of \$500 up to the amount you have invested.
- You will get your principal back (along with any accrued interest) by the 2nd business day of the following month. For example, if you submit a redemption request of \$1,000 in May 2017, you will receive the \$1,000 and any accrued interest by the end of the 2nd business day in June 2017.
- The combined principal and accrued interest will be credited as a single amount to the designated DCS bank account that is linked to your individual CDP Securities account.
- The bank will charge a transaction fee of \$2 for each Savings Bond redemption request.

C.2 REDEMPTION PERIOD

3. When can I redeem my Savings Bonds? Will I lose money if I redeem before it matures?

- You can redeem your Savings Bonds in any given month before the bond matures, with no penalty for exiting your investment early.
- The redemption period opens at 6pm on the 1st business day of each month and closes at 9pm on the 4th last business day of the month.
- The operating hours for redemption submissions are:
 First business day of the month: 6pm-9pm
 Other days: 7am-9pm, Mon-Sat (excluding Public Holidays)

C.3 SUBMITTING REDEMPTION REQUESTS

4. **Can I make a partial redemption? Is there a minimum redemption amount? Must I redeem in blocks of \$500?**
 - Partial redemptions are allowed. The minimum redemption amount for each issue is \$500. You can redeem in multiples of \$500 up to the amount you invested. You will receive the amount you requested in full, along with any accrued interest.

5. **Can I authorize the bank to redeem Savings Bonds on my behalf?**
 - No.

6. **Will there be any penalty for exiting my investment early?**
 - No, there will not be any penalty for redeeming your bond before it matures. You will receive your investment amount back in full along with any accrued interest. However, a transaction fee of \$2 will apply for each redemption request.

7. **Can I make changes to or withdraw submitted redemptions? Do I do that through my bank?**
 - You will not be able to amend or cancel submitted redemption requests.

8. **Can I make multiple redemptions for the same Savings Bond issue through the same and/or different banks? What will happen to my earlier requests? Will they be overwritten or superseded?**
 - Yes. You can submit multiple redemption requests through either the same or different banks. Your earlier redemption requests will not be overwritten or superseded. The multiple requests will be processed, so long as you have that amount of Savings Bonds.
 - Please note that a transaction fee of \$2 will apply for each redemption request. You will not be able to amend or cancel submitted redemption requests.

9. Must I redeem Savings Bonds through the same bank that I applied through? If I made my Savings Bonds application via Bank A, can I redeem my Savings Bonds via another Bank (e.g. Bank B)?

- You do not need to submit redemption requests through Bank A. You may redeem your Savings Bond via Bank B. Bank B's transaction fees will apply. Redemption proceeds will be credited to your designated DCS bank account with CDP.

C.4 ACCRUED INTEREST

10. What is accrued interest? How is the accrued interest calculated if I redeem my Savings Bond before it matures?

- Accrued interest is interest that you have earned on your bond since the last interest payment was made. When you redeem part or all of your Savings Bonds in between scheduled interest payments (which occur every 6 months), you will receive accrued interest together with the redemption amount.
- For example, suppose you bought \$1,000 of Savings Bonds issued in January that is scheduled to make an interest payment of \$6 in July. If you submit a request in March to redeem the full \$1,000 of your January bond, you will receive the following by the end of the 2nd business day of April:
 - Your redemption amount of \$1,000; and
 - 3 months' worth of accrued interest (Jan to Mar), which is about \$3.

11. How is accrued interest calculated?

- The actual amount of accrued interest paid out on each redemption date is calculated according to this formula:

$$AI = (CPN / 2) \times (DC/PC) \times H$$

Where:

AI = Accrued interest

CPN = Annual interest rate (as a percentage) and not more than 2 decimal places

DC = Actual day count from the most recent interest payment up to, but not including, the date that the accrued interest will be paid out

PC = Total number of days from the most recent interest payment to, but not including, the next interest payment

H = Redemption amount

C.5 REDEMPTION STATUS

12. How can I check the results of my redemption requests? Will the bank notify me?

- Upon redemption, CDP will send you a notification by mail and the combined principal and accrued interest will be credited as a single amount to your designated DCS bank account by the 2nd business day of the following month.

13. Will my redemption request be only partially fulfilled? Will my redemption request be rejected?

- No. You will get the amount you requested in full, along with any accrued interest.

C.6 AT MATURITY

14. What happens when my Savings Bond matures? What do I need to do?

- You do not need to take any action. Your principal and the last interest payment will be combined and automatically credited to your DCS bank account as a single amount. The \$2 transaction fee is not applicable in this instance.