



## Financial Literacy Guide

**A Customer Education & Awareness Initiative by Abhyudaya Co-op. Bank**

*Bank Trusted By Millions of Depositors, Shareholders & Customers*



# What is saving?

When income is more than expenses, then we have surplus money known as savings.

**Saving = Income – Expense**



# What is debt ?

When expenses are more than the income and we have no savings with us, then there is shortage of money which is covered through borrowing, creating debt.

***A rupee saved is rupee earned...!!***

# Financial Planning

| INCOME | EXPENSES | RESULT                    | ACTION |
|--------|----------|---------------------------|--------|
| ₹ 5000 | ₹4000    | Surplus of ₹ 1000         | MOVE   |
| ₹5000  | ₹ 5000   | No Surplus<br>No Shortage | THINK  |
| ₹5000  | ₹ 6000   | Shortage of ₹ 1000        | STOP   |



**BANK**

???



**Plan your  
expenses  
properly**



***Save early, save regularly..!!***

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# Financial Planning

## SAVE

Every Body Can Save.  
Save Minimum 10 % of  
your income.  
Monitor your Income &  
expenditure.  
Control your expenses.

Financial Plans not  
only provide you  
money growth but  
also provide you with  
financial security at  
various stages in your  
life

## INSURE

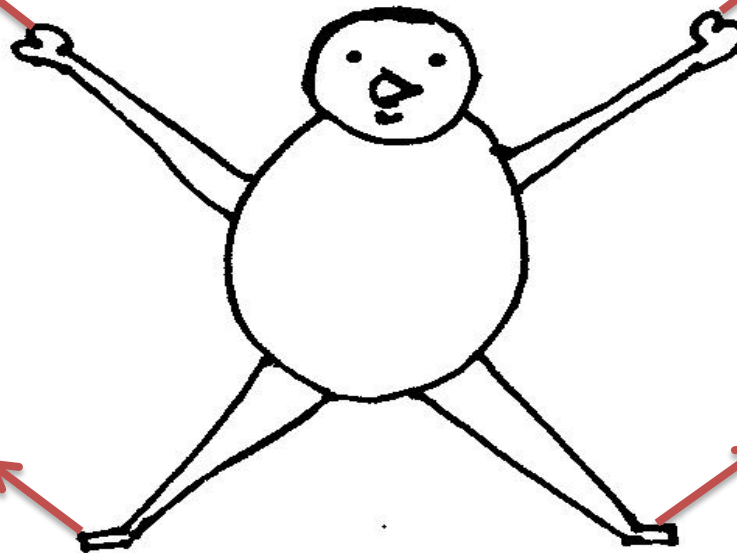
Insure yourself  
adequately for your Life.  
Health Cover for yourself  
& your family.  
Choose pure insurance  
product .

## INVEST

Have mix of long & short  
term investments.  
Consider life situation,  
inflation, safety,  
adequate return while  
investing, Avoid  
Speculation.

## BORROW

All borrowings are not  
bad. Borrow for  
productive purpose like  
children education ,  
raising crops & farm  
equipment etc.



# Why to save in Bank..??

A bank is a financial organisation where people deposit their money for safety. A bank pays interest on deposits taking the nature of deposits (Saving, Current or Fixed Accounts). Banks do not pay interest on deposits in Current Accounts.

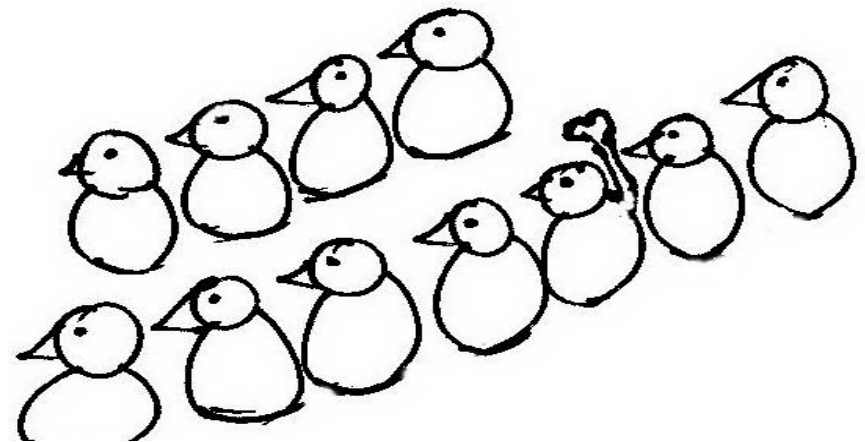
Banks pay regular interest on your saving balance.

Your money is safe in banks.

You have full liquidity in banks i.e. any time you can withdraw the amount as per your requirement.

You can transfer money as and when required.

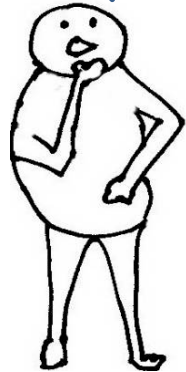
You indirectly contribute to the growth of economy.



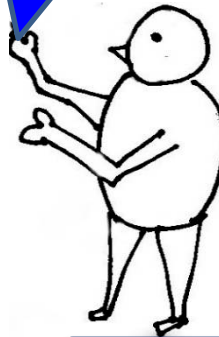
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# Want to know about Saving Bank account..???

*What is  
Saving  
Account..???*



*A saving bank  
account is an  
account open by  
general people to  
keep their savings.  
This type of account  
is not suitable for  
the business people.*



**Generally, Limited transactions are permitted in Saving Account as per Bank's Policy. Current Account Holders can do unlimited transactions in there account.**

**Always fill up the nomination details to avoid legal complications at the later stage**

***Save for rainy day, unforeseen events, old age etc....!!***

**Banks pay interest on the balance maintained in your saving account. You receive passbook, which records all your transaction details. Banks also provides ATM cum Debit Card for cash withdrawal, check account balance, for use at merchant transactions etc..**

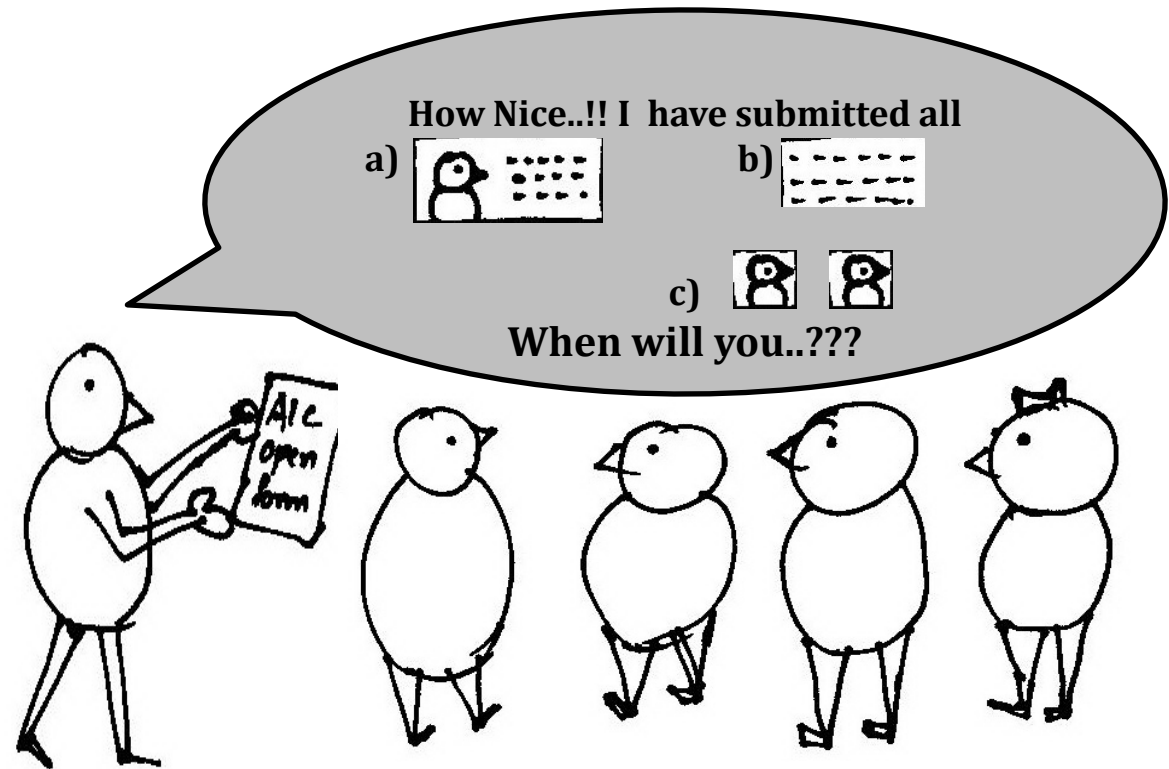
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# Documents required for Saving Bank Account

A KYC requires the following Document

- a) Proof of Identity
- b) Proof of address
- c) 2 Photographs



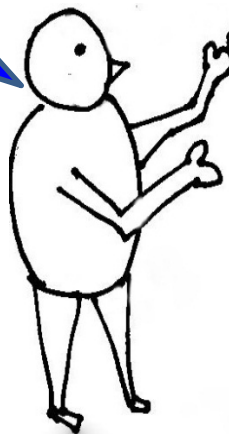
➤ KYC is an acronym for “Know your Customer” used for Customer Identification process. Anyone of the documents such as Passport, Driving License, Voter’s Identity Card, PAN Card & Aadhaar Card. If these documents also contain your address, it can serve both as ‘proof of identity & address’.

➤ KYC involves determining, the true identity of accounts, the nature of business, reasonableness of operations in your account in relation to the customer’s business, etc which in turn will helps us to manage your risks prudently.

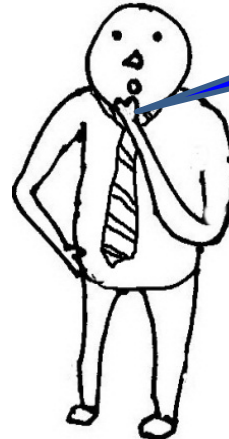
# What is Current Bank Account...??

**Current Account is generally opened for business purpose. Banks do not pay interest on deposits in Current Accounts.**

*In Current account you can do all business related transactions.....!!!!*



*I am also thinking of opening a current account with your Bank*



**No limits are fixed by banks on the number of transactions permitted in Current Account**

**Banks generally insist on a higher minimum balance to be maintained in current account. Considering the large number of transactions in the account and uncertain nature of balances maintained overnight banks generally levy certain service charges for operating a Current account.**

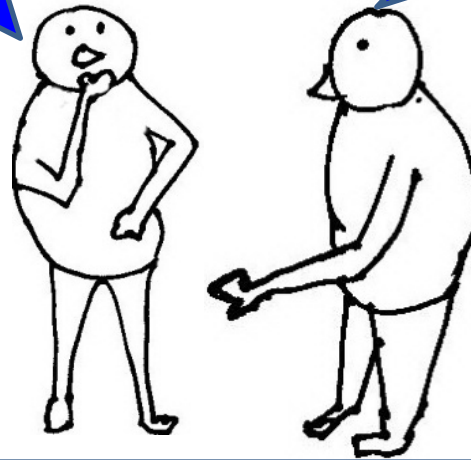


# Want to know about Time/Fixed Deposit..???

Time deposits are deposits accepted by banks for a specified period of time. Banks pay interest on term deposits based on the period of deposits and normally pay higher interest for longer term deposits.

*Can I open a fixed deposit account even if I don't have Saving Account..??*

*Yes, Provided you submit all KYC Documents such as (Address Proof, Photo Id proof, 2 Photographs)*



**Always fill up the nomination to avoid problems at the later stage**

**Bank Deposits are insured up to a maximum of Rs. 5,00,000 for every depositor by the DICGC (Deposit Insurance & Credit Guarantee Corporation)**

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# Want to know more about Time/Fixed Deposit..???

- Banks have full discretion to fix their interest rates on deposits and these rates are varied from time to time depending on market conditions.
- Changes made in interest rates from time to time do not alter the interest paid on the existing deposits.

**Always fill up  
the nomination  
to avoid  
problems at  
the later stage**

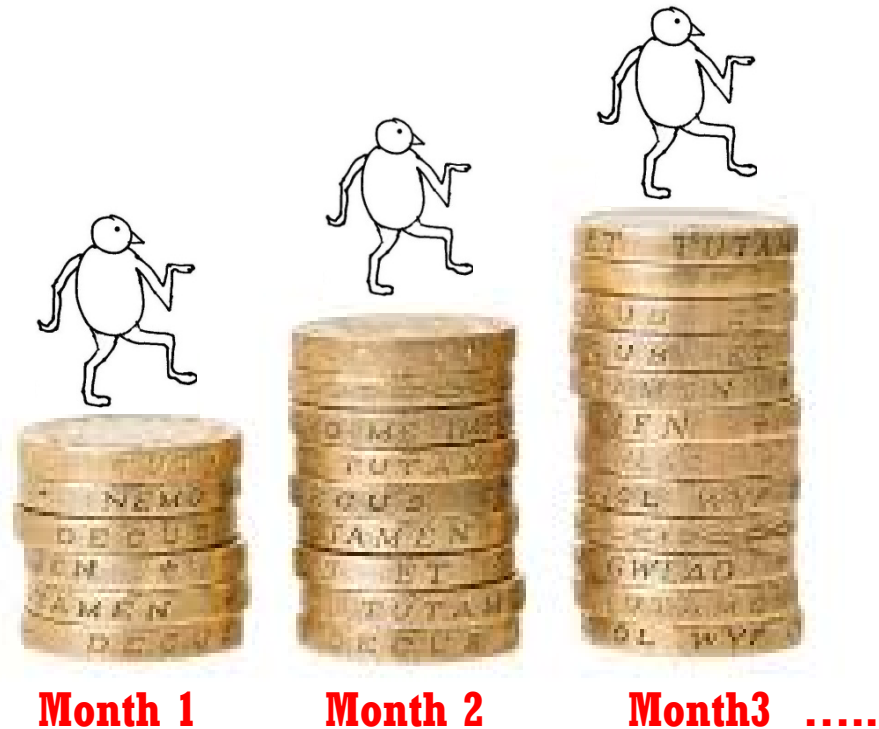


**Banks are  
allowed to levy  
a penalty for  
premature  
encashment of  
deposits at their  
discretion.**

# Want to know about Recurring Deposit..???

Under a Recurring Bank Deposit scheme, a specific amount is deposited in bank on monthly basis for a fixed rate of return. The deposit has a fixed tenure, at the end of which the principal sum as well as the interest earned during that period is returned to the depositor.

**Always fill up  
the nomination  
to avoid  
problems at the  
later stage**



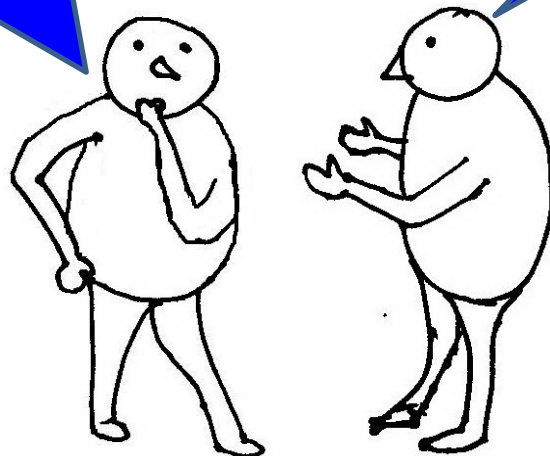
**Recurring Bank Account provides the element of compulsion to save at high rates of interest applicable to Term Deposits**

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# Do you know you can take loan against your Fixed Deposits...???

*Can I take loan  
against Fixed  
Deposit which is  
kept in the  
bank...???*

*Yes, you can take  
loan against Fixed  
Deposit...!!!!*



**Loans on Fixed Deposit are much cheaper than any other loans. Most of the time money is kept in Fixed Deposits & you end up borrowing at much higher rate. So plan your borrowings accordingly. Loan against Fixed Deposit are hassle free & instantly available.**

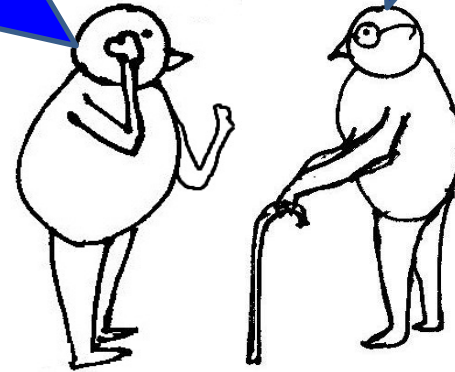
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# Know about TDS (Tax Deducted Source)...???

In case of non submission of 15G & 15H form, Bank will deduct TDS @ 10%. If Pan card details are missing then Bank will deduct TDS rate @20%

*I have to fill 15G Form since I am below 60 years*

*I have to fill 15H Form since I am more than 60 years old*



**Submit 15G and 15H form to avoid TDS (Tax Deducted at Source) - TDS is deducted only when your interest income is more than Rs. 40,000/- General & Senior Citizens 50,000/- in a financial year.**

**These 15G & 15H forms can be submitted at the bank, if you are sure that you will not be required to pay tax in that particular year i.e. total taxable income is going to be less than the permissible limits.**

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# Importance of communicating change of address to bank ..!!

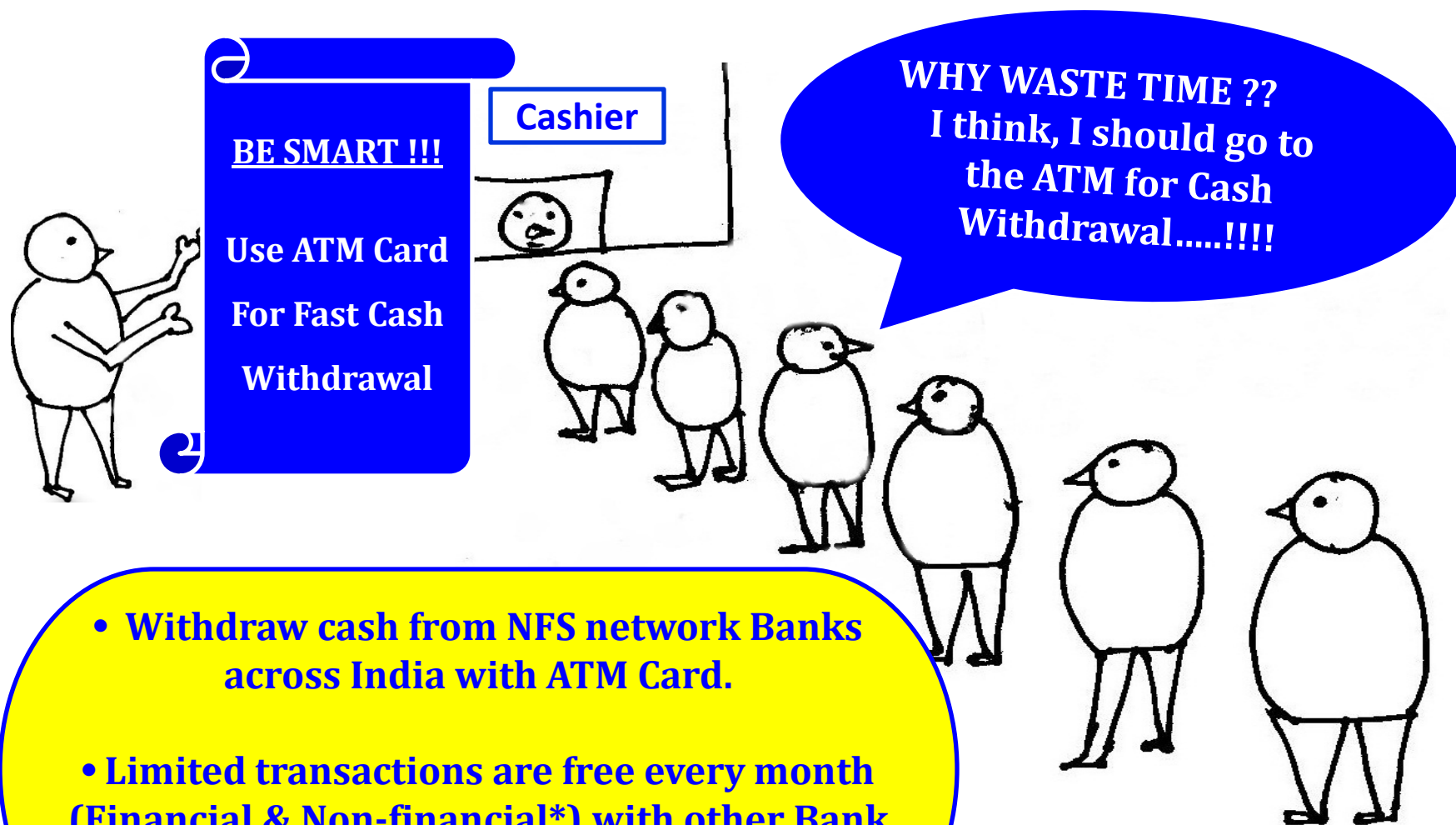


**Always fill up  
the nomination  
to avoid legal  
complications  
at the later  
stage**

**Always notify the Bank about changes in Address, Telephone Number etc. this will ensure timely communication of your account details & other important information from the Bank . This will also help in safeguarding your vital information from fraudsters.**



# Use of ATM for Fast Cash Withdrawal

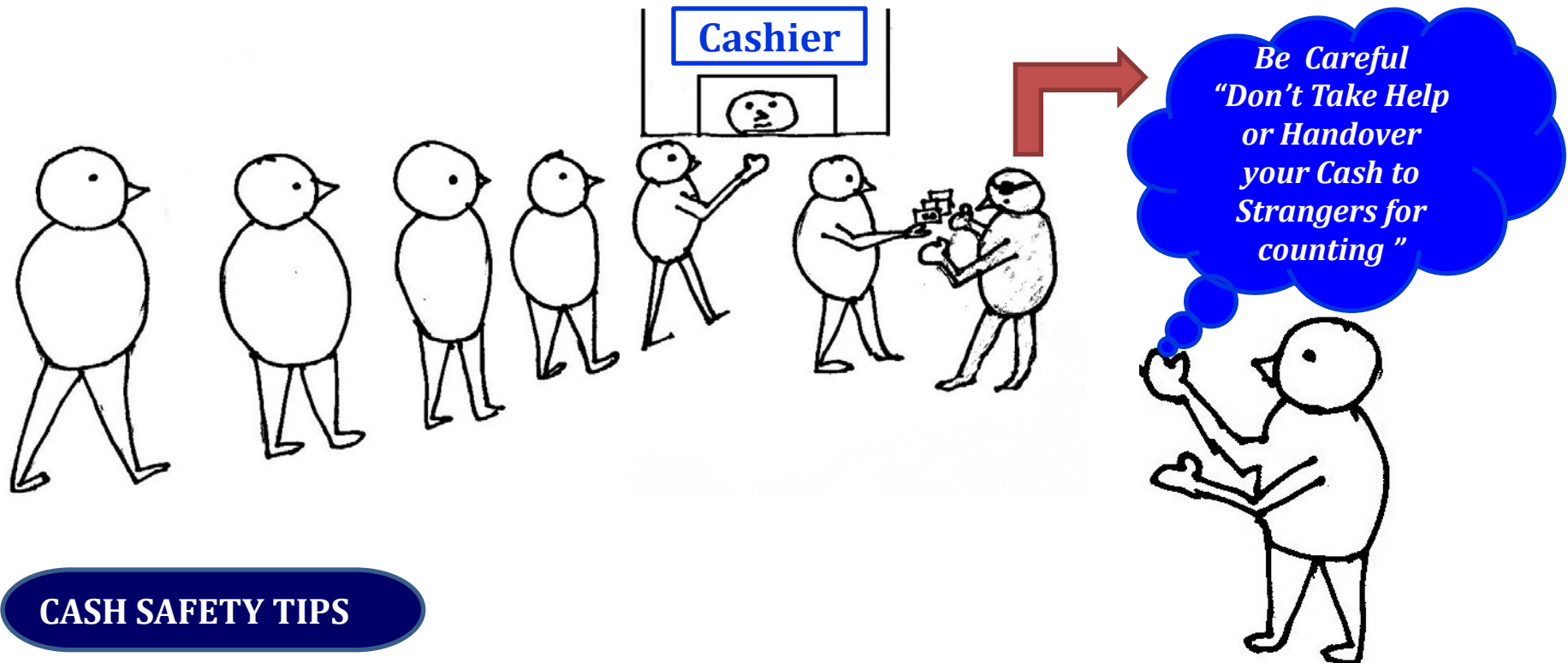


- Withdraw cash from NFS network Banks across India with ATM Card.
- Limited transactions are free every month (Financial & Non-financial\*) with other Bank ATMs. Thereafter Rs. 20/- will be charged for each transaction.

\*Pin change, Balance Enquiry, Mini statement etc. are Non -Financial transactions

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# Be careful at Cash Counter...!!!



## CASH SAFETY TIPS

- Do not damage & play with the Bank Note
- Do not Staple Bank Note
- Always handle Bank Note with clean & dry Hands
- Avoid writing anything on Bank Note, Keep the water mark clean
- Be Careful "Don't Take Help or Handover your Cash to Strangers"

Reserve Bank has authorized selected branches of banks to establish currency chests. Currency chests are storehouses where bank notes and rupee coins are stocked on behalf of the Reserve Bank of India.

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# Know your Bank Note

Now your bank notes in a new design

## RBI issues ₹2000 & ₹500 notes in a new series



### Distinctive features of the new ₹ 500 and ₹ 2000 notes:

#### ₹ 2000:

Size: 66mm x 166 mm | Colour: Magenta

Theme: Motif of Mangalyan depicting country's first venture into interplanetary space

#### For visually impaired :

- i) Horizontal rectangle with ₹ 2000 in raised print on the right
- ii) 7 angular bleed lines on left and right side in raised print

#### ₹ 500:

Size: 66mm x 150mm | Colour: Stone grey

Theme: Indian heritage site – Red Fort

#### For visually impaired :

- i) Circle with ₹ 500 in raised print on the right
- ii) 5 angular bleed lines on left and right side in raised print

### Common features of the new ₹ 500 and ₹ 2000 notes:

#### Obverse:

- 1 See through register in denominational numeral
- 2 Latent image of the denominational numeral
- 3 Denominational numeral in Devnagari
- 4 Orientation and relative position of Mahatma Gandhi portrait changed
- 5 Windowed security thread changes colour from green to blue when note is tilted
- 6 Guarantee clause, Governor's signature with Promise Clause and RBI emblem shifted towards right
- 7 Portrait and electrotype watermark

- 8 Number panel with numerals growing from small to big on the top left side and bottom right side
- 9 Denomination in numerals with Rupee symbol in colour changing ink (green to blue) on bottom right
- 10 Ashoka pillar emblem on the right

#### For visually impaired

Intaglio or raised printing of Mahatma Gandhi portrait, Ashoka pillar emblem, bleed lines and identification mark continue

#### Reverse :

- 11 Year of printing of the note on left
- 12 Swachh Bharat logo with slogan
- 13 Language panel towards centre
- 14 Denominational numeral in Devnagari on right

New design notes in other denominations will follow

For more details visit: [www.paisaboltahal.rbi.org.in](http://www.paisaboltahal.rbi.org.in)  
email: [publicquery@rbi.org.in](mailto:publicquery@rbi.org.in) | Call: 022-22602201/22602944


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# What is Cheque..!!!

A cheque or check (American English) is a piece of paper to order a payment of money to yourself or to any other person.

*Alc Payee*

 **अभ्युदय को-ऑपरेटिव्ह बँक लि.**  
**ABHYUDAYA CO-OPERATIVE BANK LTD** (Multi-state Scheduled Bank)  
BRANCH : MIRA ROAD, Building - A - 63, 64, Sector 1,  
Shanti Nagar, Mira Road (E), Thane - 401 107.

MRD


27082014  
D D M M Y Y Y Y

Pay Vatsal Khona — या धारक को Or Bearer

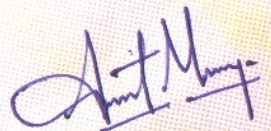
Rupees रुपये Two thousand only 1 —

— / — / — अदा करें। ₹ 2000 / —

Savings A/c. No.: 0870199000000003



CBS BRANCH IFSC CODE : ABHY0065052

  
MAURYA AMIT MAHENDRA

⑈900017⑈ 400065052⑈ 000003⑈ 10

The person writing the cheque is known as the drawer/maker of the cheque. The maker writes the various details including the amount of money, date and name of the person to whom to pay the money (payee) on the cheque and signs it.

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# Writing of Cheque..!!!

अभ्युदय को-ऑपरेटिव बैंक लि.  
ABHYUDAYA CO-OPERATIVE BANK LTD (Multi-state Scheduled Bank)  
BRANCH : MIRA ROAD, Building - A - 63, 64, Sector 1,  
Shanti Nagar, Mira Road (E), Thane - 401 107.

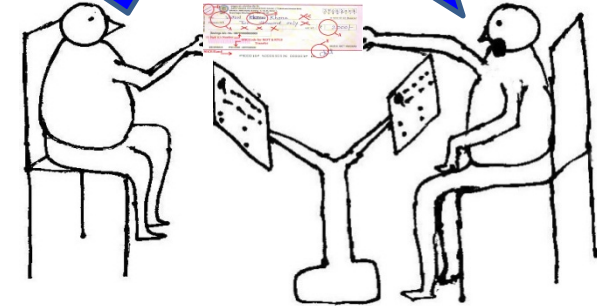
27082014  
D D M M Y Y Y Y

Pay Vatsal ~~Khona~~ Khona X-C  
Rupees रुपये Two thousand only X  
अदा करें। ₹ 2000/-

Savings A/c. No.: 087019900000003  
15 Digit A/c Number  
IFSC Code for NEFT & RTGS Transfer  
CBS BRANCH IFSC CODE : ABHY0065052  
MICR Band  
MAURYA AMIT MAHENDRA

I don't want this Cheque, its Unsafe Cheque..!!

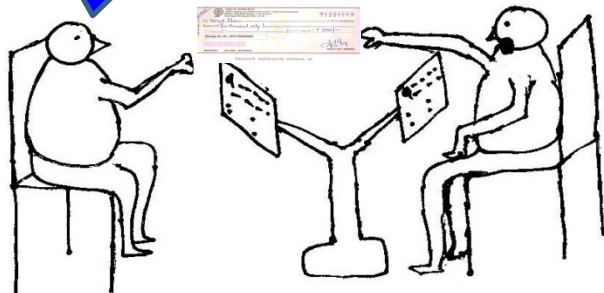
Congratulations ..You have won Rs. 1 lakh.



**A - Do Not leave extra space between Word or Figures . B - Avoid making alterations instead write a new cheque. C - Always draw a line through unused space . D - Remember to cross your cheque whenever Applicable. E - Do not write or pin or staple or paste or fold on the MICR Band**

Ohh Yes...this Cheque is Safe Cheque...Thank You

Now is it Ok ..!!!



अभ्युदय को-ऑपरेटिव बैंक लि.  
ABHYUDAYA CO-OPERATIVE BANK LTD (Multi-state Scheduled Bank)  
BRANCH : MIRA ROAD, Building - A - 63, 64, Sector 1,  
Shanti Nagar, Mira Road (E), Thane - 401 107.

27082014  
D D M M Y Y Y Y

Pay Vatsal Khona या धारक को Or Bearer  
Rupees रुपये Two thousand only /-  
अदा करें। ₹ 2000/-

Savings A/c. No.: 087019900000003  
CBS BRANCH IFSC CODE : ABHY0065052  
MAURYA AMIT MAHENDRA

9000 1 7 40006 50 5 2 00000 3 10

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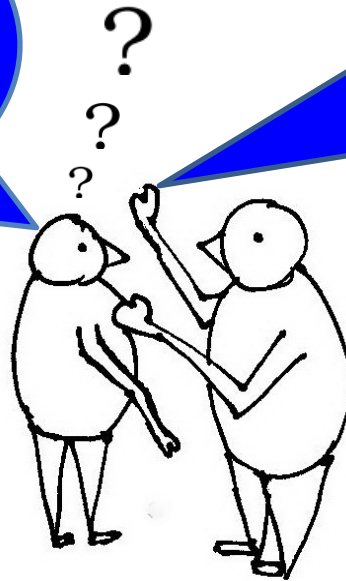


# Want to know about IFSC Code..???

**Indian Financial System Code (IFSC).** It is used for electronic payment applications like **Real Time Gross Settlement (RTGS)**, **National Electronic Funds Transfer (NEFT)** and **Centralised Funds Management System (CFMS)** developed by **Reserve Bank of India (RBI)**.

*I am worried, I need to send money to my brother studying in Karnataka on immediate basis & for the next 2 days Bank is closed...What to do ??*

*Don't Worry, Now send money through RTGS/NEFT anywhere in India instantly ...Your Problem is solved*



**IFSC Code has eleven characters "Alpha Numeric" in nature. For e.g. ABHY0065052 – First four characters represent bank "ABHY" represents Abhyudaya Bank then Zero "0" is left for future use while last 6 digit represent Bank Branch Details.**

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# Information required for RTGS/NEFT channel



The Following Information is required for the transfer to take place

- ||| Amount to be remitted.
- ||| Remitting customer's (Sender's) account number which is to be debited.
- ||| Name of the beneficiary bank (Receiver's Bank ).
- ||| Name of the beneficiary customer (Receiver's Name).
- ||| 15 Digit Account number of the beneficiary customer.
- ||| The IFSC Number of the receiving bank branch.

# Know about auto ECS Credit/Debit your Saving Bank Account

**Electronic Clearing Service (ECS) :** This uses a series of electronic payment instructions for transfer of funds instead of paper instruments.

The 'ECS-Credit' enables companies to pay interest or dividend to a large number of beneficiaries by direct credit of the amount to their bank accounts. The 'ECS-Debit' facilitates payment of charges to utility services, such as, electricity, telephone companies, payment of insurance premium and loan installments, directly by debit to the customer's account with a bank.



*Honey...Now I can spend more time with you & enjoy our leisure time, while our bank takes care of all your debit & credit payments*



*Wow.. How Nice of the Bank ..!!!*

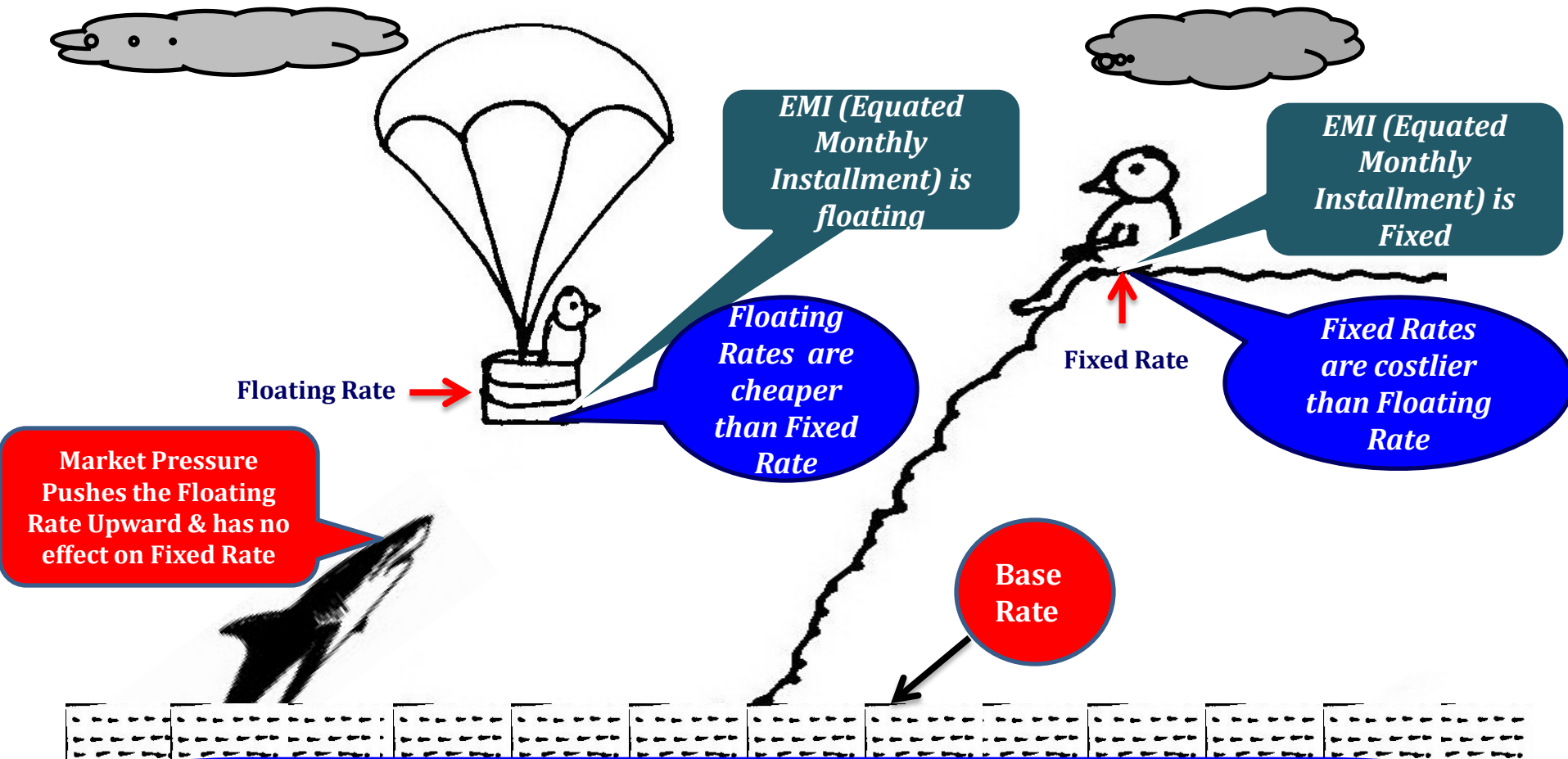
Apart from your EMI (Equated Monthly Installment) that is debited from your account, you can instruct your bank to debit your savings account for various payments & investment, life & nonlife insurance premiums, telephone bills electricity bills etc.

By providing your bank account details to your Employer you can receive your salary directly into your account. Also receive dividends redemptions as direct credits to your account. The risk of losing cheques in transit or of delay in receiving or depositing the cheques is simply not there.

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# Fixed v/s Floating rate of interest on Loans & Advances

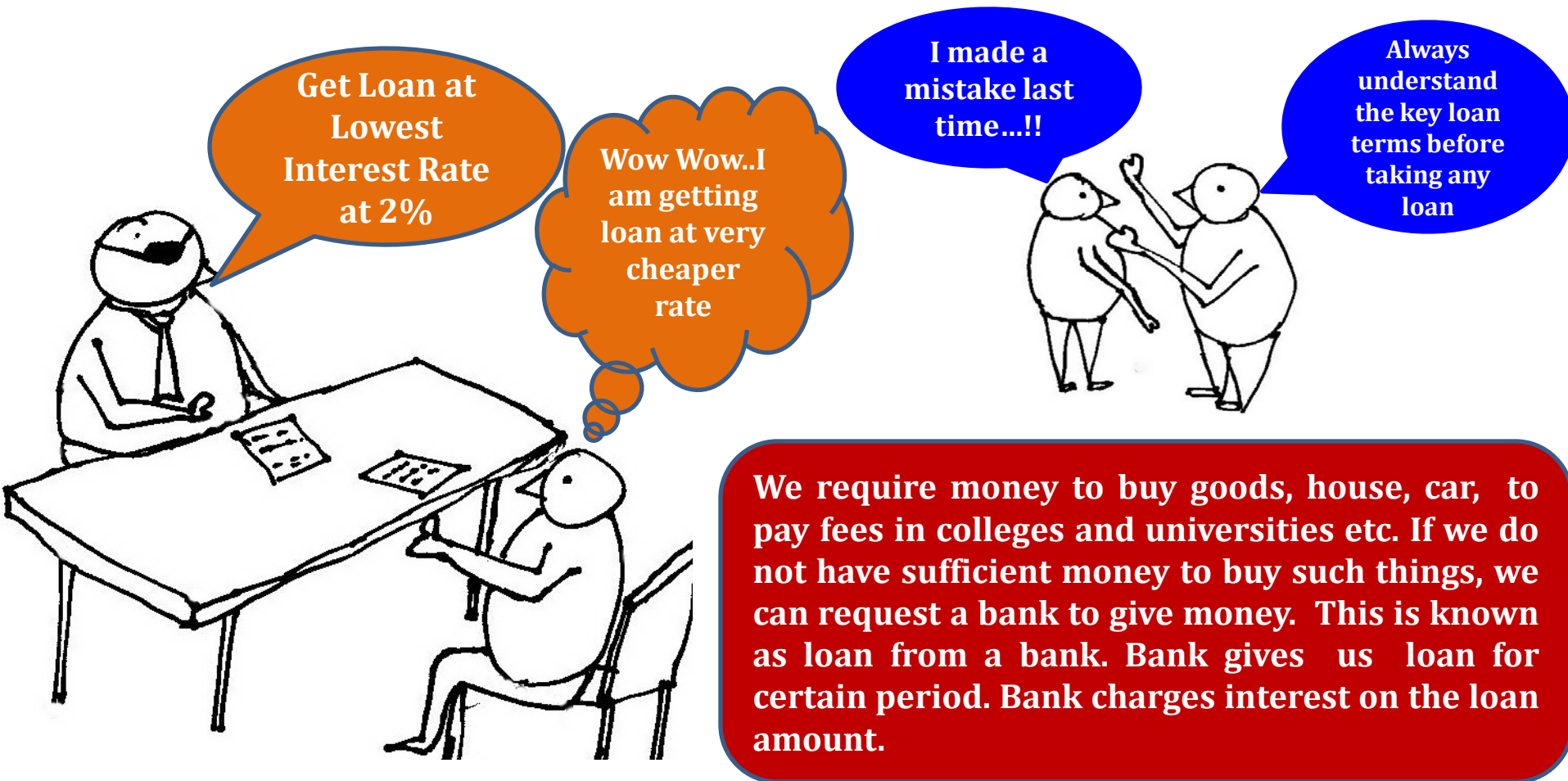
Whether to choose a Fixed Rate or to choose a Floating Rate of interest, is a classic dilemma that has propagated to loan seekers for ages



Generally majority of borrowers, opt for a **floating interest rate** loan. It is a fact that the fixed rate are a better option if the economic scenario promises a rise in interest rates due to market pressure in near future.

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# Cheaper Loans may not be cheaper as it seems..!!



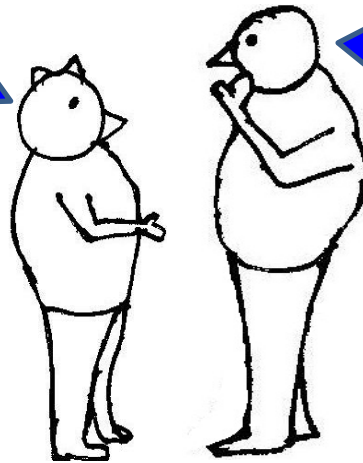
Generally it's a common mistake to compare two loans on basis of the interest rate, which you need to avoid because there are other hidden charges i.e.(Processing Fee, Pre-payment charges, Loan tenure, Increase in interest rate without any logical reason etc.) which are exorbitant.

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# Save Money on your Loans with **No Pre-payment Charges**

**No prepayment charges** - paying off all or a portion of your loan before it's due. Many banks charge you early prepayment penalties up to 2-3% of the principal amount outstanding

In Our Bank  
there are  
No Prepayment  
Penalties on any  
Loan

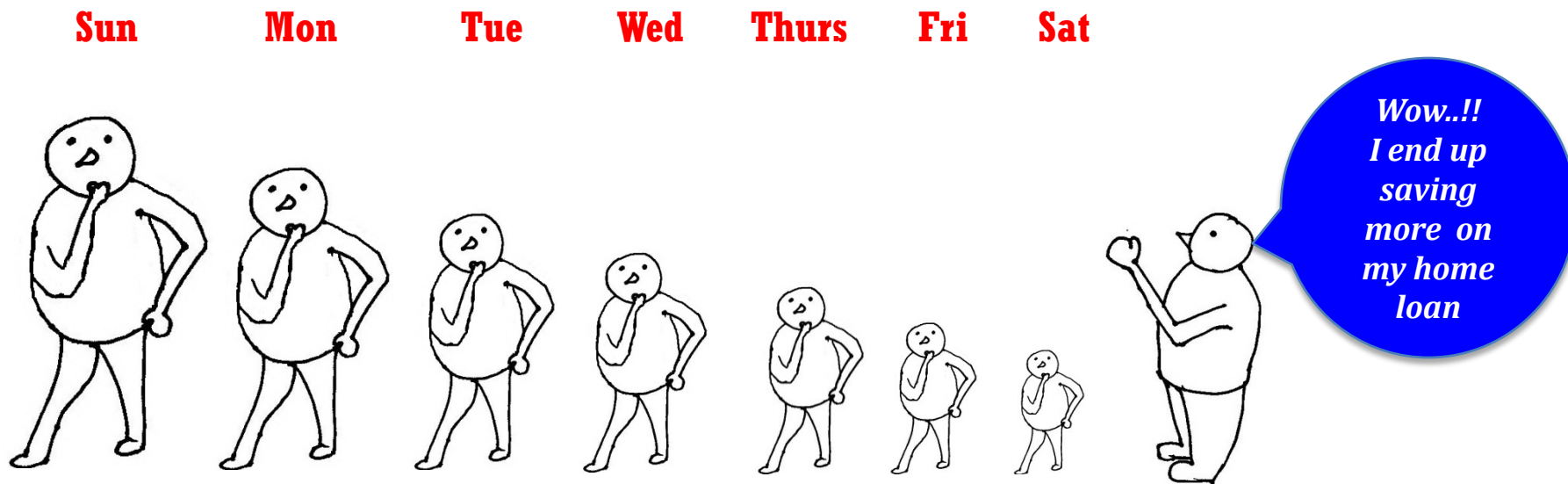


Wow....  
I have Money,  
I pay Money,  
I save Money.  
I am thankful to you  
for sharing this  
info...!!!

**EMI - EMI is Equated Monthly Installment. Bank calculates interest on principal amount sanctioned. You are required to repay the loan in Equated Monthly Installments (EMIs) comprising both principal and interest. The interest rate differs for different types of loans. Banks gives loan to people who can repay the loan with interest on time.**

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# Importance of Daily Reducing Balance on your Loans



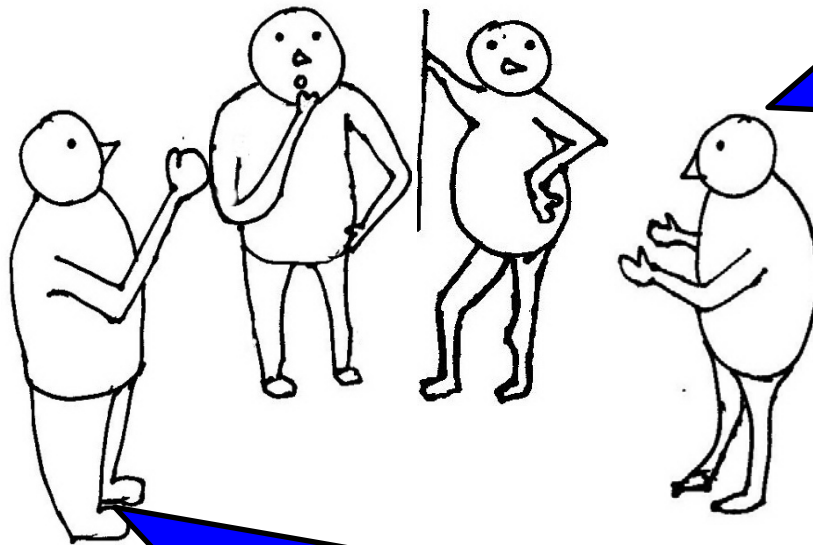
You Benefit more from a loan that is calculated on a daily reducing balance than on monthly & annually basis

- ☐ In case of daily reducing balance interest is calculated only on the principal balance outstanding.
- ☐ The principal already paid is deducted from the opening principal outstanding balance for the next day & interest is computed on the new reduced principal outstanding.
- ☐ In case of monthly & annually reducing balance principal paid is adjusted only at the end of the year/month. Hence you continue to pay interest on a portion of the principal that is already paid back to the lender.

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# Importance of KYC



*At the time of account opening, I have submitted an introduction from an existing customer. I was still asked to provide certain additional information (like my identity proof, proof of address etc.). I am confused why is this additional requirement imposed..???*

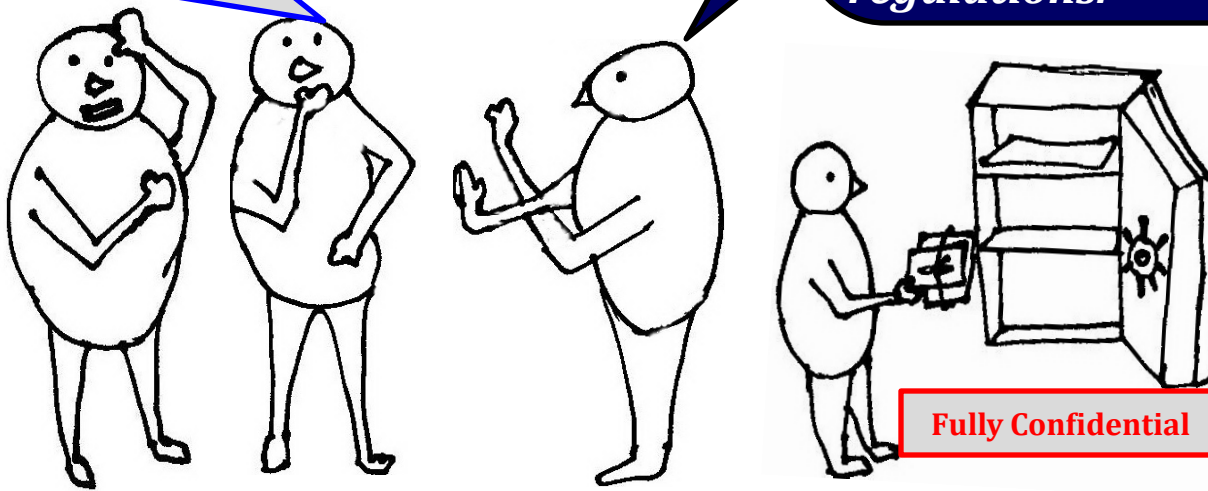
*Ok Now Listen....The Bank is obligated under the rules notified under the Prevention of Money Laundering Act, 2002, to establish the identity of the customer at the time of account opening.*

The regulations and the rules referred to above deal with what is called as an initiative of **Anti Money Laundering (AML)** and **Combating Terrorist Financing (CTF)**. These rules and regulations try to prevent the process of money laundering (i.e., the process of dealing with criminal proceeds and projecting it as untainted property through banking channels) and financing of terrorism related activities.

# Know your duties & responsibilities..!!

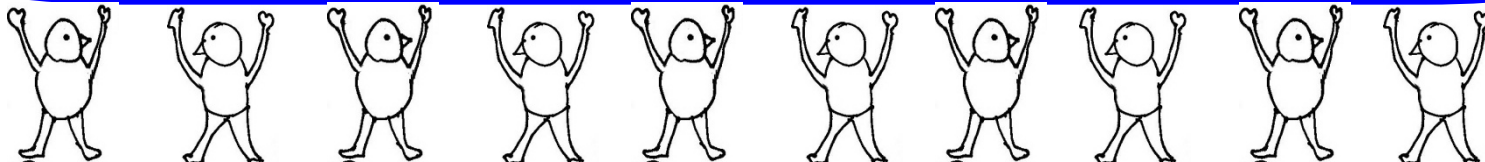
*What does the bank do with all this information ?? Does this information is immediately shared with other marketing agencies or reported to the tax and law enforcement authorities?*

*No, No....As per the extant regulations of RBI, the customer profile information collected by the Bank at the time of account opening is kept confidential by the Bank and it is not disclosed to any person, except when required under the provisions of applicable laws and regulations.*



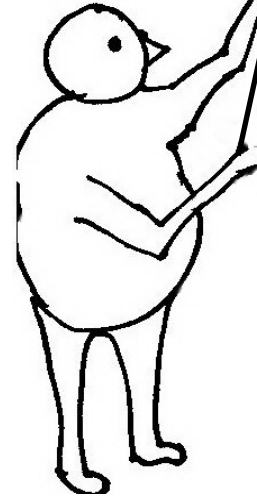
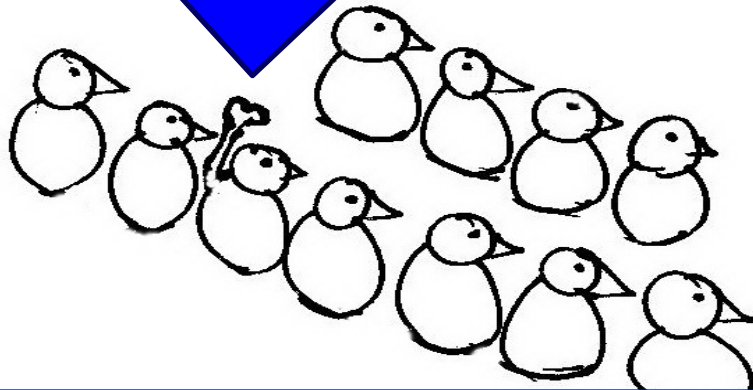
The regulations, in the broadest sense, require the banks to know their customers (popularly known as the **Know Your Customer or KYC** regulations) and to monitor their transactions

**Co-operating with the Bank by providing required information, assists the Bank and the society in a long way in their fight against money laundering and terrorist financing.**



# Know your duties & responsibilities..!!

*Though I am doing a large cash withdrawal of 10 lakh, why the cashier is insisting that I should provide him information on the purpose of withdrawal. After all, I am withdrawing money from my own account and therefore, why should I share this information with the Bank?*



*The extant regulations of RBI require the Banks to closely monitor the large cash transactions and the cashier is just discharging his regulatory obligation. Such an information assists the Bank in identifying any unusual transactions that are being routed through it.*

**Compliance with AML (Anti Money Laundering) regulations assist the banks and the society at large in keeping a close watch on the transactions to identify suspicious transactions, if any, and thereby provide intelligence information (through reports to FIU-IND) to the law enforcement authorities to deal with such transactions as per the applicable laws and regulations.**

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# Insurance - Certain things are Uncertain



**Insurance provides financial protection against possible future losses or damages.**

**Life Insurance - Life insurance is a contract that pledges payment of an amount to the person assured (or his nominee) on the happening of the event insured against.**

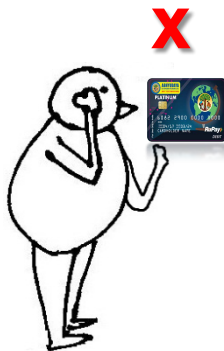
**Non Life Insurance or General Insurance - Insuring anything other than human life is called general insurance. General Insurance comprises of insurance of property against fire, burglary etc,**

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# Safety Tips for ATM cum Debit Card



Card Number



## How to protect your ATM cum Debit Card?

- ☐ Your Card is only for your use. Please do not hand it over to anybody other than designated officers of the Bank.
- ☐ Please do not bend your Card.
- ☐ Please do not leave your Card near a TV or any other electronic gadget, which has a continuous magnetic field.
- ☐ Please do not expose your Card to sunlight or X-ray fields.
- ☐ Never leave your card unattended, e.g. in your car, in a hotel room or at work.
- ☐ Keep secrecy of the card number.
- ☐ Do not give out your ATM card number over the phone or on the Internet.

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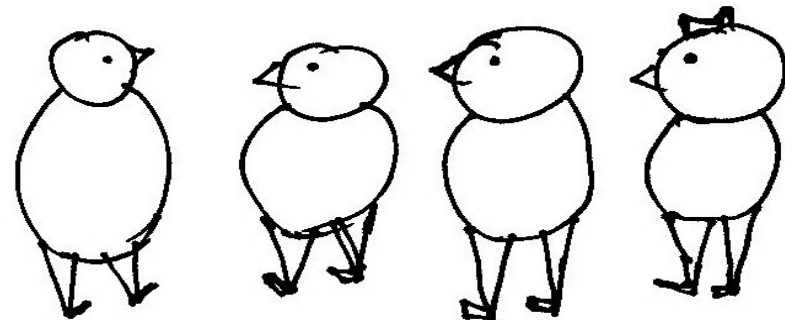
# How to protect your ATM Card & PIN?



Be vigilant  
someone may be  
watching you

- Do not write PIN on your Card.
- When disposing of old receipts and statements don't use public waste receptacles.
- Never share your PIN (Personal Identification Number) with anyone including a family member or in response to through email, etc.
- Never carry your PIN in your wallet or purse.
- Never let anyone see you input your PIN in the ATM.
- Never use a PIN that could be easily guessed, e.g. your birthday or telephone number.

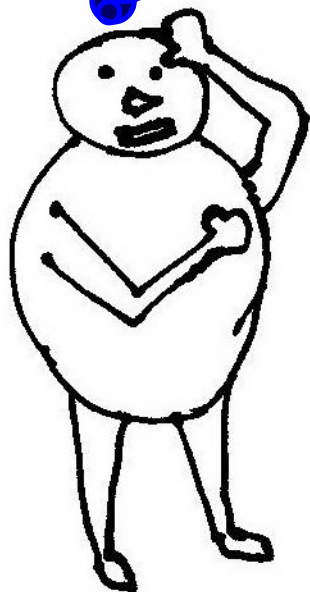
Always insert your  
ATM card in the  
direction of the arrow  
pointing upwards



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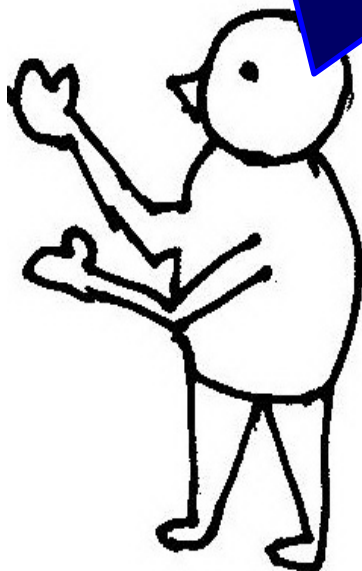
# Helpline for theft of ATM Card

Oh Lord,  
Plz help  
me!!!  
I lost my  
ATM card  
today



Don't Worry Mate..!!  
Just call the IT Department –Call Centre No.  
**1800223131** or dial Card Hotlisting number  
9223110011 from your register mobile.  
You may also contact your base branch for  
blocking of the card

It's Simple Dude..!!

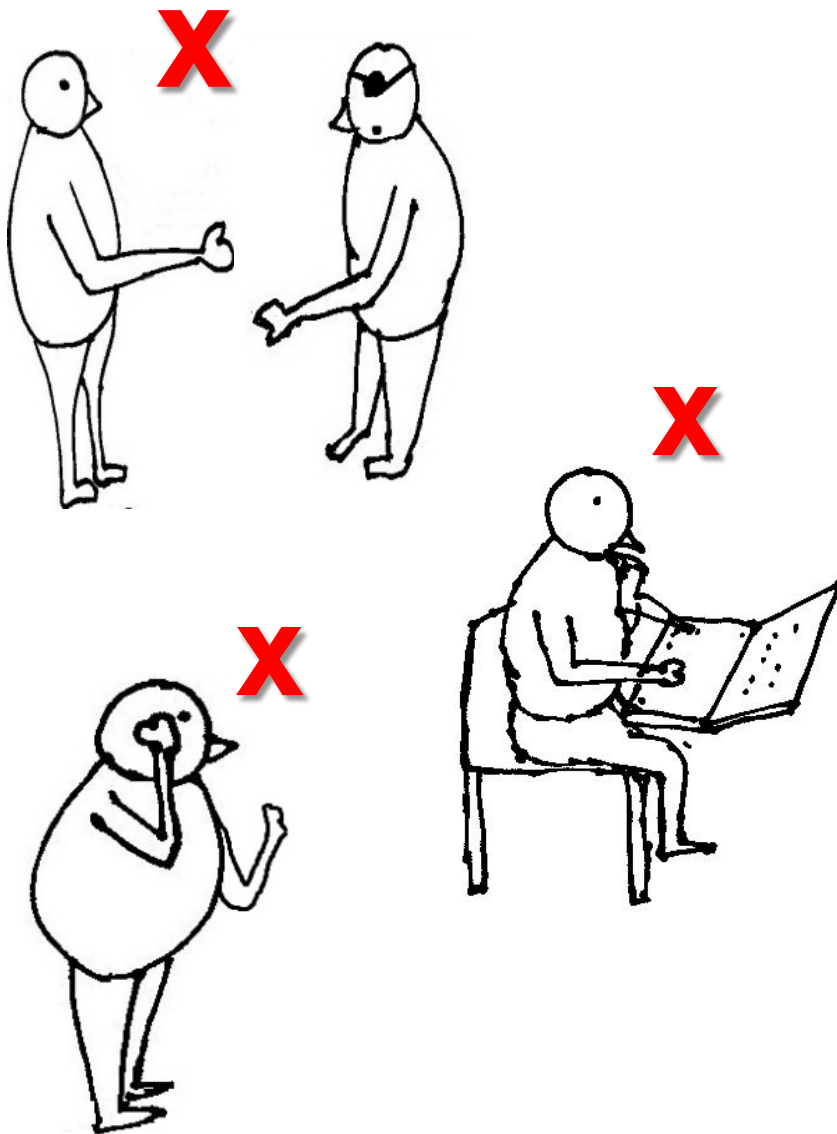


Dear Customers, You are  
required to change the  
**PIN** on your first use.

Personal Identification  
Number (PIN) is a 4 digit  
PIN issued by your bank  
& first use of the card  
must be on an ATM  
machine

**ATM is Automated Teller Machine** is a  
computerized machine that provides the  
customers of banks the facility of  
accessing their account for dispensing  
cash and to carry out other financial &  
non-financial transactions without the  
need to actually visit their bank branch.

# Beware of fraudsters...!!!



Your bank will never ask you for your account details & personal details on phone or by email. Never reveal your Account Number or login id or Password in response to queries asked on phone & emails.



**ABHYUDAYA**  
**CO-OPERATIVE BANK LTD.**

**(MULTI - STATE SCHEDULED BANK)**

**Thank You**

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