

Deposit Interest

Manner of calculation of interest for domestic term deposits example is given below :

In case of Fixed Deposits interest (Simple Interest) will be paid at regular intervals Viz. monthly, quarterly, half-yearly as opted by the customers. In case the customer has opted for monthly interest then Interest will be calculated monthly at discounted rate.

- **Manner of calculation of Interest on FD opened for 15 days**

Interest Calculation	Example
Interest on Fixed Deposit with maturity date less than a month Simple Interest will be calculated and credited on maturity date	FD opened for 15 days on Jan 25, 2018 On completion of maturity i.e., on 9-Feb interest will be calculated and paid as $\{\text{Amount} * \text{Rate} * 15/365\}$ on maturity

- **Manner of calculation of Interest on FD opened for 400 days with quarterly interest payout**

Interest Calculation	Example
Interest on Fixed Deposit with maturity date greater than a quarter and interest payout option quarterly Simple Interest will be applied on quarterly basis.	FD opened for 400 days on Jan 10, 2018 On completion of 3 months (Quarter) i.e., on 10-Apr interest will be calculated and paid as $\{\text{Amount} * \text{Rate} * 3/12\}$ for one quarter. Likewise, interest will be calculated and paid for 2 nd , 3 rd and 4 th quarter. For the remaining days (if any) interest will be calculated and paid as $\{\text{Amount} * \text{Rate} * \text{No of Days} / 365\}$ on maturity

- **Manner of calculation of Interest on FD opened for 400 days with monthly interest payout**

Interest Calculation	Example
Interest on Fixed Deposit with Monthly Interest Payout Instruction Interest will be applied on monthly discounted rate on monthly basis	FD opened for 400 Days on Jan 10, 2018 On completion of first month i.e., on 10-Feb interest will be calculated and paid as $\{\text{Amount} * (\text{Rate}/(1200+\text{Rate}))\}$ for one month. Likewise, interest will be calculated and paid for 2 nd , 3 rd and subsequent months. For the remaining days (if any) interest will be calculated and paid as $(\text{Amount} * \text{Rate} * \text{No of Days} / 365)$ on maturity

- **Manner of calculation of Interest on CCD opened for 400 days**

Interest Calculation	Example
Interest on Cumulative Deposit	FD opened for 400 days on Jan 10, 2018

<p>Interest will be calculated quarterly and compounded quarterly.</p> <p>Simple Interest will be applied on quarterly basis and reinvested and for the remaining no of days simple interest will be applied on the compounded amount</p>	<p>On completion of 3 months (Quarter) i.e., on 10-Apr interest will be calculated as $\{\text{Amount} * \text{Rate} * 3/12\}$ for one quarter and compounded with principal amount. Likewise interest will be calculated on compounded amount for 2nd, 3rd and 4th quarter. For the remaining days (i.e. from 10th Jan 2019 to 13th Feb 2019) interest will be calculated and paid as $\{(\text{Principal} + \text{Compounded Interest}) * \text{Rate} * (\text{No of Days} / 365)\}$ on maturity date (i.e. 14th Feb 2019)</p>
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Loans & Advances

Manner of calculation of interest for domestic Loans and Advances :

The manner of calculation of interest for domestic loans and advances is **Actual number of days/365** irrespective of whether leap year or not