

## INFORMATION REGARDING METHOD OF CALCULATION OF INTEREST ON DEPOSITS

### A. Savings Account:

Interest on Savings Bank Accounts is paid every quarter of the year. Interest is calculated on daily (based on balance outstanding in the account at the end of the day) product basis as per extant RBI guidelines.

### B. Rupee Term deposits held in Domestic, Ordinary Non-Resident (NRO) and Non-Resident External (NRE)Accounts:

In the case of cumulative deposits, interest is compounded quarterly.

For term deposit with tenor less than six months, the interest is calculated for the actual number of days, reckoning a year as 365 days, even in the case of leap year.

For term deposit (non-reinvestment) with tenor greater than or equal to six months, interest is calculated for the completed months and actual number of days for the broken period, reckoning an year as 365 days, even in the case of leap year.

For term deposit (reinvestment) interest is calculated for the completed quarters, completed months and actual number of days for the broken period, reckoning a year as 365 days, even in the case of leap year.

In the case of non-cumulative deposits, interest is paid out quarterly or monthly as preferred by the customer. If the customer insists for monthly payment of interest, it will be paid at a discounted rate using the formula:  $P * r / 1200 + r$

**For all the cases, maturity date will be arrived at first based on the date of deposit and the tenor specified by the customer. Then the number of completed months and broken period in days will be counted to arrive at the interest amount.**

### C. FCNR Deposit Accounts:

Interest on cumulative deposits accepted for a period of one year or more is compounded at intervals of 180 days each and thereafter for remaining actual number of days. In case of non-cumulative deposits, interest is paid out half yearly.