

Note on Interest Calculation Methodology

Ujjivan Small Finance Bank shall calculate interest on fixed deposits in the following ways:

1. Traditional Fixed Deposit: No Change

Considering number of days i.e. if the interests pay out option is monthly, quarterly, half yearly and yearly, interest will be calculated considering the number of days for which the deposit has been booked. The same is applicable for all **short term deposits** as well.

As per existing set up				
Particular	Monthly	Quarterly	Half yearly	Yearly
Principal (P)	₹ 1,00,000	₹ 1,00,000	₹ 1,00,000	₹ 1,00,000
Rate of interest (ROI)	8.10%	8.10%	8.10%	8.10%
Discounted Rate	8.05%	N.A.	N.A.	N.A.
Tenure (T)	1 year	1 year	1 year	2 year
Formula used	$P*(ROI)*(1/12)$	$P*(ROI)*(tenure/365)$	$P*(ROI)*(tenure/365)$	$P*(ROI)*(tenure/365)$
Pay out	Monthly	Quarterly	Half yearly	Yearly
Interest amount	₹ 670.46	<p>Q1- 2019.45</p> <p>Q2- 2014.84 (Since this falls under leap year, formula for the same would be- $\{P*(ROI)*(tenure\ for\ the\ remaining\ days\ in\ the\ year)/365\} + \{P*(ROI)*(tenure/366)\}$)</p> <p>Q3-2036.07</p> <p>Q4- 2036.07</p>	<p>H1- 4,034.30</p> <p>H2- 4,072.13</p> <p>(Since this falls under leap year, formula for the same would be- $\{P*(ROI)*(tenure\ for\ the\ remaining\ days\ in\ the\ year)/365\} + \{P*(ROI)*(tenure/366)\}$)</p>	₹ 8,106.43
Total interest (Yearly)	₹ 8,045.57	₹ 8,106.43	₹ 8,106.43	₹ 8,106.43

2. Cumulative Fixed Deposit account: Changed

Considering the quarter's i.e 90 days per quarter, irrespective of number of days in a quarter. So it is decided to maintain uniformity in interest calculation.

Particular	Existing	New	Impact
Principal (P)	₹ 1,00,000	₹ 1,00,000	
Rate of interest (ROI)	8.10%	8.10%	
Tenure (T)	1 year	1 year	
Formula used	$P*(ROI)*(4/12)$	$P*(ROI)*(tenure/365)$	
Pay out	NA	NA	
Total interest payable	8,349.38	8,356.00	+6.62 (to customer)

3. Short Term Fixed Deposit account: No change

The interest pay-out is done at the end of the term. The calculation method follows as follows:

As per existing set up	
Particular	End of the term
Principal (P)	₹ 1,00,000
Rate of interest (ROI)	8.10%
Tenure (T)	179 days
Formula used	$P*(ROI)*(tenure/365)$
Pay out	Half yearly
Interest amount	3,306.59