

**Annexure 28: Computation of interest for DCB Savings Bank accounts**

The Bank credits the interest on a quarterly basis, which is, at the end of March 31, June 30, September 30, and December 31.

The methodology for crediting the Savings Bank account interest in the customer's account is explained hereunder. Customers are requested to check the latest deposit interest rates. This is available on the Bank's website/ notice board in the branch.

<b>Rate of interest on DCB Savings Bank account (for illustrative purposes only)</b>	
<b>Balance range (₹)</b>	<b>Rate of interest p.a.</b>
On balances up to 1 Lakh	1.75%
On balances above 1 Lakh to less than 5 Lakh	2.65%
On balances from 5 Lakh to less than 10 Lakh	4.75%
On balances from 10 Lakh to less than 50 Lakh	6.75%
On balances from 50 Lakh to less than 1 Crore	7.50%
On balances from 1 Crore to less than 2 Crore	7.75%
On balances from 2 Crore to less than 3 Crore	8.00%
On balances from 3 Core to less than 25 Crore	7.25%
On balances from 25 Crore to less than 50 Crore	7.50%
On balances from 50 Crore to less than 300 Crore	8.00%
On balances 300 Crore and above	5.50%

Suppose the end of day balance in an account is INR 16 Lakh, interest for the day will be calculated as:

- Amount up to ₹ 1,00,000.00 interest @ 1.75% p.a.
- Amount from ₹ 1,00,000.01 to ₹ 4,99,999.99 interest @ 2.65% p.a.
- Amount from ₹ 5,00,000.00 to ₹ 9,99,999.99 interest @ 4.75% p.a.
- Amount from ₹ 10,00,000.00 to ₹ 16,00,000.00 interest @ 6.75% p.a.

**Computation of interest for DCB Fixed Deposit accounts**

The Bank pays interest at a frequency selected by the deposit customer. The interest payable amount is calculated on the actual number of days that funds are in the Fixed Deposit. Interest payout options available are monthly, quarterly (3 months) and maturity.

For calculation of interest on a domestic Fixed Deposit repayable in less than three months or where the terminal quarter is incomplete, interest is paid proportionately for the actual number of days reckoning the year at 366 days in a Leap year and 365 days in other years.

For a reinvestment Fixed Deposit scheme, the interest amount is compounded and paid at the end of the tenure along with the principal. The interest is calculated every anniversary quarter and added to the principal amount at the end of the respective quarter. Thus, the interest earned in a subsequent quarter is calculated on the original principal amount plus the accumulated interest of the previous quarters.

**Interest for a completed anniversary quarter is calculated as follows:**

Interest = Principal amount (including accumulated interest till end of previous quarter) x rate of interest x 1/12

**Interest on residual periods less than a quarter is calculated on the basis of months and days,**

For each residual completed month, interest is calculated as follows:

Interest = Principal amount (including accumulated interest till end of previous quarter) x rate of interest x completed months/12

For residual days, interest is calculated as follows:

Interest = Principal amount (including accumulated interest till end of previous quarter) x rate of interest x number of days/365\*

\* 366 days in case of a leap year.

For Monthly/ Quarterly Fixed Deposit scheme, the interest shall be calculated on the principal amount at the given rate of interest and paid every month/ quarter to the customer's account.

Interest on residual periods of less than a month/ quarter will be calculated in the same manner as in the case of reinvestment deposits explained above.

Premature closure of DCB Fixed Deposit, at the request of the customer may be additionally subject to penal interest which will be deducted from applicable rate as prescribed by the Bank on the date of deposit.

<b>Penal Interest for Premature Closure of INR Fixed Deposit</b>	
<b>Deposit Amount</b>	<b>Penal Interest</b>
Less than ₹ 3 Crore	0.50%
₹ 3 Crore and above	2.00%
No interest is payable on deposits of less than INR 3 Crore if closed before completion of 7 days	
No interest is payable on deposits of INR 3 Crore and above if closed before completion of 7 days	
No interest is payable on NRE Fixed Deposit if closed before completion of one year	

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