

Notice

Interest calculation methodology for Term Deposits

Effective **19 April 2026**, Bandhan Bank is standardising its term deposit interest calculation methodology to align with the interest calculation practices and conventions prescribed by the Indian Banks' Association (IBA). Please refer to the following for details related to the new calculation methodology.

Domestic and Non-Resident Fixed Deposits

Cumulative Fixed Deposit	For completed quarters, maturity (M) value shall be calculated by the formula $M = P \times \{1 + (R/4)\}^n$
Quarterly Payout Fixed deposit	For completed quarter, interest to be calculated by the formula $I = P \times \{1 + (R/4)\} - P$
Monthly Payout Fixed deposit	For completed month, Interest to be calculated by the formula $I = P \times \{1 + (R_D/12)\} - P$
Short Term Fixed deposit	Interest is to be calculated by the formula $I = P \times R \times D/365$

Glossary

M	P	R	R_D	n	D
Maturity value	Principal amount Invested	Contracted rate of Interest	Discounted rate of interest	Number of completed quarters for which amount is invested	Number of days for which amount is invested

Discounted Rate of interest (R_D) shall be calculated using the formula, $R_D = (R/4) / ((1 + (R/1,200))^{1/3} + 1) \times 12$

Domestic and Non-Resident Recurring Deposits

Recurring deposit	Maturity Value of RD is to be calculated by the formula $M = \frac{I \times [(1+r)^n - 1]}{1 - (1+r)^{-1/3}}$
--------------------------	--

Glossary

M	I	r	n
Maturity value	Monthly Installment amount	Applicable rate of interest, r = Contracted rate/400	Number of completed quarters for which amount is invested

For FCNR(B) Deposits

FCNR(B) deposit	Maturity Value of FCNR (B) deposit is to be calculated with following considerations: <ol style="list-style-type: none"> The interest on FCNR(B) shall be calculated considering 360 days in a year. Further, broken period interest shall also be calculated considering actual number of days for the broken period and 360 days in a year. The interest in FCNR (B) deposits shall be compounded at an interval of 180 days. The amount shall be rounded off to two decimal places.
------------------------	--

Note:

- In case of terminal period and short-term deposits, interest shall be calculated on the accumulated/principal amount considering actual number of days as 365 days in non-leap year and 366 days in leap year.
- All the above formulae do not take Tax Deducted at Source (TDS) applicability into account. TDS, wherever applicable, would be deducted from interest amount and the residual amount would be paid out/capitalised to the principal as applicable.
- No interest shall be paid in case of premature closure/partial withdrawal of domestic and NRO fixed deposits within 6 days of account opening. Similarly, no interest shall be paid in case of premature closure of domestic and NRO recurring deposits within 1 month of account opening. In the case of NRE term deposits, no interest shall be payable if the deposit is closed or partially withdrawn within 12 months of the account opening. For premature/partial withdrawal beyond the tenure as mentioned above, premature penal charges should attract as per the rate decided by the Bank from time to time.
- No interest shall be paid in case FCNR(B) term deposits are prematurely closed within 12 months of account opening. Additionally, no penal interest shall be applicable on premature closure after 12 months of account opening.