Interest calculation on Deposits

Interest earned on ICICI Bank Fixed Deposits ("Fixed Deposits")

- Interest earned on Fixed Deposits (FD) is calculated at the rate(s) applicable at the time of acceptance of the FDs. This is according to the rate(s) fixed by ICICI Bank ("Bank") from time to time, in keeping with directives issued by Reserve Bank of India. Interest is considered/ paid at quarterly or monthly intervals.

	Fixed Deposit (Tenure up to 6 months)	Fixed Deposit (Tenure of 6 months & above)	Traditional FD (any tenure)
Interest calculation type	Simple interest (Money market rates)	Quarterly compounded rates	Simple interest (Money Market rates)

- **The method of calculation of interest on a Traditional FD is given below:**

	Interest calculation	Example
Traditional FD (Quarterly payout	Interest is calculated on the principal amount for completed quarters. For the balance period, it is calculated for completed months. For the incomplete month, interest is calculated on the actual number of days.	**FD of 390 days with quarterly payout opened on July 10, 2015.** On completion 3 months (quarter) on October 9, interest earned for the quarter shall be paid. It shall be computed as (Amount* Rate*3/12). Similarly, interest for the 2nd, 3rd and 4th quarter shall be computed and paid. For the remaining days, it shall be computed as per Simple Interest (SI) method i.e. (deposit amount*rate* number of days/365) and paid on maturity.

	Interest calculation	Example
Traditional FD (Monthly payout)	Interest is paid at a discounted value.	**FD of 390 days with monthly payout opened on July 10, 2015.** To compute the discounted value, formula used shall be {(rate/4)/((1+rate/1200)^2+ (1+rate/1200)+1))}. On completion of the month on August 9, interest earned for the month shall be paid. It shall be computed as (Amount* Rate/12). Similarly, interest for the remaining completed months shall be computed and paid. For the remaining days, it shall be computed as per SI method i.e. (deposit amount*rate*number of days/365) and paid on maturity.

- **The method of calculation of interest on a Cumulative FD is given below:**

	Interest calculation	Example
Cumulative FD	Interest is compounded quarterly on completion of exact quarters. For the broken period beyond completed quarters, simple interest is calculated on the cumulative deposit amount for the remaining number of days.	**FD of 390 days opened on June 10, 2015.** On completion of the quarter on September 9, interest earned on the quarter shall be reinvested in the FD. It shall be computed as (Amount*Rate*3/12). Similarly, interest for the 2nd, 3rd and 4th quarter shall be computed and reinvested in the FD. For the remaining days interest shall be computed as per SI method i.e. (accumulated amount*rate*number of days/365).

- **Premature withdrawal:**
  - Interest will be paid for the period that it has remained with the Bank.
  - Interest rate is as prevailing on the date of the deposit, applicable for the period for which the deposit has remained with the Bank, subject to the contracted rate.
  - Further penal rates as applicable will be chargeable.

- **Premature withdrawal of Traditional FD:**
  - The interest is calculated on the principal amount for completed quarters
  - For the balance period, interest is calculated for completed months.
  - Further, for incomplete month on the actual number of days.

- **Premature withdrawal of Cumulative FD**
  - The interest is calculated on the principal amount for completed quarters.
  - For the balance period, interest is calculated on actual number of days.

- For the purpose of interest calculation, calendar year is taken to consist of 365 days irrespective of whether it is a leap year.

Interest earned on ICICI Bank Recurring Deposits ("Recurring Deposits")

- For Recurring Deposits (RD), interest is compounded quarterly on completion of exact quarters.

- **Delay in payment of any installment:**

  - The Depositor/s shall be liable to pay monthly interest @ Rs. 12 per Rs. 1,000 or part thereof or such other rate as may be specified by ICICI Bank for the period of delay.
  - Fraction of a month will be treated as full month for the purpose of calculating such interest.
  - The total interest so chargeable to the Depositor/s shall be recovered from the total amount of interest payable by ICICI Bank at the time of maturity.

- **Premature withdrawal:**
  - Interest will be calculated at the rate applicable for the period that the RD has been held by the Bank, less the applicable penal rate as per ICICI Bank policy.
  - Further, interest amounts payable by Depositor/s to ICICI Bank for any delay in the payment of installment shall be recovered from the interest payable to Depositor/s by ICICI Bank.

Tax Deducted at Source (TDS)

- Tax as applicable is deducted at source from the interest on **Fixed/ Recurring Deposits,** in keeping with the provisions of the Income Tax Act, 1961.

Type of Fixed Deposit	TDS
Traditional FD (with quarterly/ monthly/ periodic interest payment)	Tax is deducted on each interest payment and on interest accrued on March 31 of every year
Cumulative FD	Tax is deducted on interest accrued on March 31 of every year and on maturity
Recurring Deposits	Tax is deducted on interest accrued on September 30 and March 31 of every year and on maturity.

- The TDS amount calculated on the accrued interest is remitted to the Tax authorities on behalf of the customer by the Bank.
- The interest on the TDS amount from 1st April till maturity of the deposit is adjusted from the interest payable to the client.

Interest calculation on Saving Accounts

Interest earned on ICICI Bank Savings Accounts ("Account")

- Interest is calculated on a daily basis, on the daily closing balance in the Account at the rate in force in accordance with Reserve Bank of India directives. The interest amount calculated is rounded off to the nearest rupee.

- Interest Payment cycle has been revised to December and June with effect from December 2013.