



Term deposit interest amount calculation formula and representative example Plan your future and save with confidence

Daily interest calculation is done with the following formula:

$$\frac{(\text{Principal} \times \text{Interest rate})}{365 \text{ (or 366 in case of leap year)}}$$

Principal amount is the total deposit balance of the given day. Principal amount can contain initial deposit amount, capitalized interest amount (for cumulative deposits), cumulative deposit periodic instalments amount (for cumulative deposits).

Interest rate is the annual nominal interest rate defined for the specific deposit type and period.

Representative example:

- Initial deposit amount - AMD 1,000,000
- Deposit term - 6 months (183 days)
- Annual nominal interest rate - 5%
- Number of days in the reporting year - 365
- Start date - 01/06/2018
- Maturity date - 03/12/2018

Calculation of term deposit maturity amount:

Interest at maturity ¹	= 1,000,000 x 5% x 183 x (1/365) = AMD 25,068.49
Income tax 10% from interest amount	= 25,068.49 x 10% = AMD 2,506.85
Net Interest amount	= 25,068.49 - 2,506.85 = 22,561.64
Deposit amount at maturity	= Initial deposit amount + Net Interest amount = AMD 1,022,562

¹Interest is calculated from start date of the deposit up until the date of maturity (interest is not calculated on the actual day of maturity).

Note: In case of discrepancies between the Armenian and English versions of this page, the Armenian version shall prevail.

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