

TRANSPARENCY OF INTEREST RATE IN ACCORDANCE WITH CIRCULAR 14/2017/TT-NHNN

1. Interest Calculation Factors

- 1.1 The interest duration is determined from the date of disbursement of the credit extension or the date of receipt of the deposit until the end of the day immediately preceding the date of full payment for the deposit or credit extension (including the first day, omitting the last day of the interest duration) and the time to determine the balance for interest calculation is at the end of each day within the interest duration.
- 1.2 Actual Balance is the deposit balance, the due principal balance, the overdue principal balance and the actual balance of late payment interest which is payable by the deposit recipient or borrower to the depositor or the creditor at the beginning of the day. This is used to calculate interest according to the agreement between the parties and the applicable laws on receipt of deposits and credit extensions.
- 1.3 Number of days allowed for maintaining actual balance is the number of days in which the actual balance at the beginning of the day remains unchanged.
- 1.4 Interest rate is expressed by % per year (annual interest rate), a year means 360 days.
 Conversion of interest rate: The bank will quote interest rate on the basis of 360 days and the equivalent interest rate on the basis of 365 days is available on our website for your reference. Please visit www.uob.com.vn for more information.

2. Interest Calculation Formula

Interest amount of each interest period shall be calculated as follows:

- 2.1 Interest amount of one day shall be calculated as follows:

$$\text{Amount of daily interest} = \frac{\text{Actual balance} \times \text{Interest rate}}{360^*}$$

- 2.2 For the deposits and credit extension of which the period to maintain the actual balance is more than one (01) day within the interest period, the following shortened formula shall be used to calculate interest:

$$\text{Interest} = \frac{\sum (\text{Actual balance} \times \text{number of days maintaining actual balance} \times \text{Interest rate})}{360^*}$$

*** Important Note**

If the interest rate on the basis of 360 days is used, the above formula shall be applied. If the interest rate is calculated on the basis of 365 days, the 365-day formula shall be used accordingly.

The above information is for reference purpose only. Please read [Circular 14](#) for your perusal and full understanding.