

Illustrative examples of saving plans

How much you will have on your saving account if you save regularly the amount of 1,500.00 at the end of every month over 5.5 years. The bank guarantees 3.7 % p.a. and the interest is calculated on monthly basis. What amount you would have by ahead payment? ($IP = PP$)

Solution:

$$S^1 = 1500 * \frac{(1 + \frac{0.037}{12})^{12 * 5.5} - 1}{\frac{0.037}{12}}$$

$$S^1 = 109606.66$$