

Interest Calculation Method Adopted by NTB PLC on Credit Cards

Important Points:

1. In the event the Card member pays the full outstanding on or before the due date there will not be any interest charged on the card account for that cycle.
2. Interest is calculated daily on the reducing balance method.
3. Interest charged will be mentioned in the subsequent statement cycle.
4. Date indicated under the 'Post Date' on the statement will be considered as the starting date for interest calculation of each transaction
5. Transactions posted on the same statement cycle will not be taken in to consideration for interest calculation
6. When the outstanding includes balances remaining from cash advances, cash rate is applicable on that balance component in addition to the one-time charge of cash advance fee charged on the date of transaction.
7. In addition to Debit interest, late payment fee will be levied if the minimum due is settled after the due date or if the payment made is less than the minimum due or if no payment is received on or before the due date.
8. The following formula is used for interest calculation;

$$\text{Capital Amount} \times \text{Interest rate} \times \frac{\text{No. of Days}}{365}$$

Current Rates Applicable

<u>Card Type</u>	<u>Rate on Purchases</u>	<u>Rate on Cash</u>
Amex Blue	30%p.a	30%p.a
Amex Gold	30%p.a	30%p.a
Amex SLA Co-Brand Platinum	30%p.a	30%p.a
Amex Centurion Platinum	30%p.a	30%p.a
Master Card World	30%p.a	30%p.a
Master Card Platinum	30%p.a	30%p.a

Examples on Interest Calculations

Examples are given below with regard to the following scenarios,

Scenario 1: Customer makes the full Payment on or Before the Due Date

Scenario 2: Amount Paid is less than the Full amount but greater than the minimum due

Scenario 3: Only the Minimum Amount is paid

Scenario 4: Amount paid is less than the Minimum Amount

Scenario 5: No Payment are made

Scenario 1:

Customer makes the full Payment on or before the Due Date

Statement Period: 01.12.2019 - 31.12.2019

Post Date	Trxn Date	Merchant	Amount
1-Dec	1-Dec	Opening Bal	0
15-Dec	12-Dec	XXXXXXX	50,000.00
17-Dec	17-Dec	XXXXXXX	15,000.00
20-Dec	16-Dec	XXXXXXX	3,500.00
31-Dec	31-Dec	Fees	5,000.00
31-Dec	31-Dec	Closing Bal	73,500.00

Due Date 20.01.2020

Minimum due 4% 2,940.00

Post Date	Trxn Date	Merchant	Amount
1-Jan	1-Jan	Opening Bal	73,500.00
11-Jan	10-Jan	XXXXXXX	6,000.00
13-Jan	12-Jan	XXXXXXX	4,000.00
19-Jan	19-Jan	Payment	73,500.00
31-Jan	31-Jan	Debit Interest	0.00
31-Jan	31-Jan	Closing Bal	10,000.00

As the full payment was made prior to the due date, No interest charged on the statement

Scenario 2:

Amount paid is less than the closing balance but greater than the minimum due

Statement Period: 01.12.2019 - 31.12.2019

Post Date	Trxn Date	Merchant	Amount
1-Dec	1-Dec	Opening Bal	0
15-Dec	12-Dec	XXXXXXX	50,000.00
17-Dec	17-Dec	XXXXXXX	15,000.00
20-Dec	16-Dec	XXXXXXX	3,500.00
31-Dec	31-Dec	Fees	5,000.00
31-Dec	31-Dec	Closing Bal	73,500.00

Due Date 20.01.2020

Minimum due 4% 2,940.00

Post Date	Trxn Date	Merchant	Amount
1-Jan	1-Jan	Opening Bal	73,500.00
11-Jan	10-Jan	XXXXXXX	6,000.00
13-Jan	12-Jan	XXXXXXX	4,000.00
20-Jan	20-Jan	Payment	10,000.00
31-Jan	31-Jan	Debit Interest	2,696.30
31-Jan	31-Jan	Closing Bal	96,196.30

Calculation

Trxn	Posted Date	Payment Date	Days	Rate (p.a)	Int. Amount
50,000.00	15-Dec	19-Jan	36	30%	1479.45
40,000.00	20-Jan	31-Jan	12	30%	394.52
15,000.00	17-Dec	31-Jan	46	30%	567.12
3,500.00	20-Dec	31-Jan	43	30%	123.70
5,000.00	31-Dec	31-Jan	32	30%	131.51
Total Debit Int. as at 31 Jan 2020					2696.30

Adjustment for the payment received on 20 Jan 2020

Scenario 3:

Only the minimum is paid

Statement Period: 01.12.2019 - 31.12.2019

Post Date	Trxn Date	Merchant	Amount
1-Dec	1-Dec	Opening Bal	0
15-Dec	12-Dec	XXXXXXX	50,000.00
17-Dec	17-Dec	XXXXXXX	15,000.00
20-Dec	16-Dec	XXXXXXX	3,500.00
31-Dec	31-Dec	Fees	5,000.00
31-Dec	31-Dec	Closing Bal	73,500.00

Due Date 20.01.2020

Minimum due 4% 2,940.00

Post Date	Trxn Date	Merchant	Amount
1-Jan	1-Jan	Opening Bal	73,500.00
11-Jan	10-Jan	XXXXXXX	6,000.00
13-Jan	12-Jan	XXXXXXX	4,000.00
20-Jan	20-Jan	Payment	2,940.00
31-Jan	31-Jan	Debit Interest	2,765.93
31-Jan	31-Jan	Closing Bal	89,205.93

Calculation

Trxn	Posted Date	Payment Date	Days	Rate (p.a)	Int. Amount
50,000.00	15-Dec	19-Jan	36	30%	1479.45
47,060.00	20-Jan	31-Jan	12	30%	464.15
15,000.00	17-Dec	31-Jan	46	30%	567.12
3,500.00	20-Dec	31-Jan	43	30%	123.70
5,000.00	31-Dec	31-Jan	32	30%	131.51
Total Debit Int. as at 31 Jan 2020					2765.93

Adjustment for the payment received on 20 Jan 2020

Scenario 4:

Amount paid is less than the minimum amount

Statement Period: 01.12.2019 - 31.12.2019

Post Date	Trxn Date	Merchant	Amount
1-Dec	1-Dec	Opening Bal	0
15-Dec	12-Dec	XXXXXXX	50,000.00
17-Dec	17-Dec	XXXXXXX	15,000.00
20-Dec	16-Dec	XXXXXXX	3,500.00
31-Dec	31-Dec	Fees	5,000.00
31-Dec	31-Dec	Closing Bal	73,500.00

Due Date 20.01.2020

Minimum due 4% 2,940.00

Post Date	Trxn Date	Merchant	Amount
1-Jan	1-Jan	Opening Bal	73,500.00
11-Jan	10-Jan	XXXXXXX	6,000.00
13-Jan	12-Jan	XXXXXXX	4,000.00
20-Jan	20-Jan	Payment	1,500.00
31-Jan	31-Jan	Debit Interest	2,780.14
31-Jan	31-Jan	Closing Bal	87,780.14

Calculation

Trxn	Posted Date	Payment Date	Days	Rate (p.a)	Int. Amount
50,000.00	15-Dec	19-Jan	36	30%	1479.45
48,500.00	20-Jan	31-Jan	12	30%	478.36
15,000.00	17-Dec	31-Jan	46	30%	567.12
3,500.00	20-Dec	31-Jan	43	30%	123.70
5,000.00	31-Dec	31-Jan	32	30%	131.51
Total Debit Int. as at 31 Jan 2020					2780.14

Adjustment for the payment received on 20 Jan 2020

Scenario 5:

No payment made

Statement Period: 01.12.2019 - 31.12.2019

Post Date	Trxn Date	Merchant	Amount
1-Dec	1-Dec	Opening Bal	0
15-Dec	12-Dec	XXXXXXX	50,000.00
17-Dec	17-Dec	XXXXXXX	15,000.00
20-Dec	16-Dec	XXXXXXX	3,500.00
31-Dec	31-Dec	Fees	5,000.00
31-Dec	31-Dec	Closing Bal	73,500.00

Due Date 20.01.2020

Minimum due 4% 2,940.00

Post Date	Trxn Date	Merchant	Amount
1-Jan	1-Jan	Opening Bal	73,500.00
11-Jan	10-Jan	XXXXXXX	6,000.00
13-Jan	12-Jan	XXXXXXX	4,000.00
31-Jan	31-Jan	LPF	1,550.00
31-Jan	31-Jan	Debit Interest	2,794.93
31-Jan	31-Jan	Closing Bal	87,844.93

Calculation

Trxn	Posted Date	Payment Date	Days	Rate (p.a)	Int. Amount
50,000.00	15-Dec-19	31-Jan-20	48	30%	1972.60
15,000.00	17-Dec-19	31-Jan-20	46	30%	567.12
3,500.00	20-Dec-19	31-Jan-20	43	30%	123.70
5,000.00	31-Dec-19	31-Jan-20	32	30%	131.51
Total Debit Int. as at 31 Jan 2020					2794.93