

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 into 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	24% p.a	24% p.a
Amex Green	24% p.a	24% p.a
Amex Gold	24% p.a	24% p.a
Amex SLA Co -Brand Platinum	24% p.a	24% p.a
Amex Centurion Platinum	24% p.a	24% p.a
MasterCard World	24% p.a	24% p.a
MasterCard Platinum	24% p.a	24% 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 Payments are made

Scenario 6: Multiple Payments done in a single Cycle

Scenario 7: Interest with Late payment, Over Limit, Stamp Duty and Debit Interest

Scenario 8: Interest calculation with a cash advance transaction

Scenario 1:

Customer makes the full Payment on or before the Due Date

Statement Period: 01.12.2012 – 31.12.2012

Post Date	Transaction Date	Merchant	Amount
1 Dec	1 Dec	Opening Bal.	0.00
15 Dec	12 Dec	XXXXXXX	50,000.00
17 Dec	15 Dec	XXXXXXX	15,000.00
20 Dec	16 Dec	XXXXXXX	3,500.00
31 Dec	31 Dec	Fees	1,000.00
31 Dec	31 Dec	Closing Balance	69,500.00

Due Date: 20.01.2012

Minimum due (4%): 2,780.00

Statement Period: 01.01.2013 – 31.01.2013

Post Date	Transaction Date	Merchant	Amount
1 Jan	1 Jan	Opening Bal.	69,500.00
10 Jan	8 Jan	XXXXXXX	6,000.00
15 Jan	12 Jan	XXXXXXX	4,000.00
20 Jan	20 Jan	Payment	69,500.00CR
31 Jan	31 Jan	Debit Interest	0.00
31 Jan	31 Jan	Closing Balance	10,000.00

Explanation:

Since the full outstanding of the statement ending December (Statement Period: 01.12.2012 – 31.12.2012) is settled by the customer before the due date, there is no interest charged on the January statement (Statement Period: 01.01.2013 – 31.01.2013).

Scenario 2:

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

Statement Period: 01.12.2012 – 31.12.2012

Post Date	Transaction Date	Merchant	Amount
1 Dec	1 Dec	Opening Bal.	0.00
15 Dec	12 Dec	XXXXXXX	50,000.00
17 Dec	15 Dec	XXXXXXX	15,000.00
20 Dec	16 Dec	XXXXXXX	3,500.00
31 Dec	31 Dec	Fees	1,000.00
31 Dec	31 Dec	Closing Balance	69,500.00

Due Date: 20.01.2012

Minimum Due (4%): 2,780.00

Statement Period: 01.01.2013 – 31.01.2013

Post Date	Transaction Date	Merchant	Amount
1 Jan	1 Jan	Opening Bal.	69,500.00
10 Jan	8 Jan	XXXXXXX	6,000.00
15 Jan	12 Jan	XXXXXXX	4,000.00
20 Jan	20 Jan	Payment	10,000.00CR
31 Jan	31 Jan	Debit Interest	2,072.88
31 Jan	31 Jan	Closing Balance	71,572.88

Explanation:

Trnx	Period	Days	Rate (p.a)	Int. Amount
50,000	15 Dec – 19 Jan	36	24%	1,183.56
40,000	20 Jan – 31 Jan	12	24%	315.62
15,000	17 Dec – 31 Jan	46	24%	453.70
3,500	20 Dec – 31 Jan	43	24%	98.96
1,000	31 Dec – 31 Jan	32	24%	21.04

Adjustment for the payment received:

$$50,000.00 - 10,000.00 = 40,000.00$$

$$\text{Total Interest Charged} = 2,072.88$$

Scenario 3:

Only the Minimum Amount is paid

Statement Period: 01.12.2012 – 31.12.2012

Post Date	Transaction Date	Merchant	Amount
1 Dec	1 Dec	Opening Bal.	0.00
15 Dec	12 Dec	XXXXXXX	50,000.00
17 Dec	15 Dec	XXXXXXX	15,000.00
20 Dec	16 Dec	XXXXXXX	3,500.00
31 Dec	31 Dec	Fees	1,000.00
31 Dec	31 Dec	Closing Balance	69,500.00

Due Date : 20.01.2012

Minimum Due (4%): 2,780.00

Statement Period: 01.01.2013 – 31.01.2013

Post Date	Transaction Date	Merchant	Amount
1 Jan	1 Jan	Opening Bal.	69,500.00
10 Jan	8 Jan	XXXXXXX	6,000.00
15 Jan	12 Jan	XXXXXXX	4,000.00
20 Jan	20 Jan	Payment	2,780.00CR
31 Jan	31 Jan	Debit Interest	2,129.85
31 Jan	31 Jan	Closing Balance	78,849.85

Explanation:

Trnx	Period	Days	Rate(p.a)	Int. Amount
50,000	15 Dec – 19 Jan	36	24%	1,183.56
47,220	20 Jan – 31 Jan	12	24%	372.59
15,000	17 Dec – 31 Jan	46	24%	453.70
3,500	20 Dec – 31 Jan	43	24%	98.96
1,000	31 Dec – 31 Jan	32	24%	21.04

Adjustment for the payment received;

50,000.00 – 2,780.00 = 47,220.00

Total Interest Charged = 2,129.85

Scenario 4:

Amount paid is less than the Minimum Amount

Statement Period: 01.12.2012 – 31.12.2012

Post Date	Transaction Date	Merchant	Amount
1 Dec	1 Dec	Opening Bal.	0.00
15 Dec	12 Dec	XXXXXXX	50,000.00
17 Dec	15 Dec	XXXXXXX	15,000.00
20 Dec	16 Dec	XXXXXXX	3,500.00
31 Dec	31 Dec	Fees	1,000.00
31 Dec	31 Dec	Closing Balance	69,500.00

Due Date : 20.01.2012

Minimum Due (4%): 2,780.00

Statement Period: 01.01.2013 – 31.01.2013

Post Date	Transaction Date	Merchant	Amount
1 Jan	1 Jan	Opening Bal.	69,500.00
10 Jan	8 Jan	XXXXXXX	6,000.00
15 Jan	12 Jan	XXXXXXX	4,000.00
20 Jan	20 Jan	Payment	1,500.00CR
31 Jan	31 Jan	Debit Interest	2,139.94
31 Jan	31 Jan	Late Payment	900.00
31 Jan	31 Jan	Closing Balance	81,039.94

Explanation:

Trnx	Period	Days	Rate (p.a)	Int. Amount
50,000	15 Dec – 19 Jan	36	24%	1,183.56
48,500	20 Jan – 31 Jan	12	24%	382.68
15,000	17 Dec – 31 Jan	46	24%	453.70
3,500	20 Dec – 31 Jan	43	24%	98.96
1,000	31 Dec – 31 Jan	32	24%	21.04

Adjustment for the payment received:

$$50,000.00 - 1,500.00 = 48,500.00$$

$$\text{Total Interest Charged} = 2,139.94$$

Scenario 5:

No Payments are made

Statement Period: 01.12.2012 – 31.12.2012

Post Date	Transaction Date	Merchant	Amount
1 Dec	1 Dec	Opening Bal.	0.00
15 Dec	12 Dec	XXXXXXX	50,000.00
17 Dec	15 Dec	XXXXXXX	15,000.00
20 Dec	16 Dec	XXXXXXX	3,500.00
31 Dec	31 Dec	Fees	1,000.00
31 Dec	31 Dec	Closing Balance	69,500.00

Due Date: 20.01.2012

Minimum Due (4%): 2,780.00

Statement Period: 01.01.2013 – 31.01.2013

Post Date	Transaction Date	Merchant	Amount
1 Jan	1 Jan	Opening Bal.	69,500.00
10 Jan	8 Jan	XXXXXXX	6,000.00
15 Jan	12 Jan	XXXXXXX	4,000.00
31 Jan	31 Jan	Debit Interest	2,151.78
31 Jan	31 Jan	Late Payment Fee	900.00
31 Jan	31 Jan	Closing Balance	82,551.78

Explanation:

Trnx	Period	Days	Rate (p.a)	sInt. Amount
50,000	15 Dec – 31 Jan	48	24%	1,578.08
15,000	17 Dec – 31 Jan	46	24%	453.70
3,500	20 Dec – 31 Jan	43	24%	98.96
1,000	31 Dec – 31 Jan	32	24%	21.04

Total Interest Charged = 2,151.78

Scenario 6:

Multiple Payments done in a single Cycle

Statement Period: 01.12.2012 – 31.12.2012

Post Date	Transaction Date	Merchant	Amount
1 Dec	1 Dec	Opening Bal.	0.00
15 Dec	12 Dec	XXXXXXX	50,000.00
17 Dec	15 Dec	XXXXXXX	15,000.00
20 Dec	16 Dec	XXXXXXX	3,500.00
31 Dec	31 Dec	Fees	1,000.00
31 Dec	31 Dec	Closing Balance	69,500.00

Due Date: 20.01.2012

Minimum Due (4%): 2,780.00

Statement Period: 01.01.2013 – 31.01.2013

Post Date	Transaction Date	Merchant	Amount
1 Jan	1 Jan	Opening Bal.	69,500.00
10 Jan	8 Jan	XXXXXXX	6,000.00
15 Jan	12 Jan	XXXXXXX	4,000.00
10 Jan	10 Jan	Payment	1,000.00CR
15 Jan	15 Jan	Payment	500.00CR
17 Jan	17 Jan	Payment	3,000.00CR
31 Jan	31 Jan	Debit Interest	2,102.13
31 Jan	31 Jan	Closing Balance	77,102.13

Explanation:

Trnx	Period	Days	Rate (p.a)	Int. Amount
50,000	15 Dec – 09 Jan	26	24%	854.79
49,000	10 Jan – 14 Jan	5	24%	161.10
48,500	15 Jan – 16 Jan	2	24%	63.78
45,500	17 Jan – 31 Jan	15	24%	448.77
15,000	17 Dec – 31 Jan	46	24%	453.70
3,500	20 Dec – 31 Jan	43	24%	98.96
1,000	31 Dec – 31 Jan	32	24%	21.04

Adjustment for the payment received:

$$50,000.00 - 1,000.00 = 49,000.00$$

$$49,000.00 - 500.00 = 48,500.00$$

$$48,500.00 - 3,000.00 = 45,500.00$$

Total Interest Charged = 2,102.13

Scenario 7:

Interest with Late payment, Over Limit, Stamp Duty and Debit Interest

Statement Period: 01.01.2012 – 31.01.2012

Post Date	Transaction Date	Merchant	Amount
1 Jan	1 Jan	Opening Bal.	69,500.00
10 Jan	8 Jan	XXXXXXX	6,000.00
15 Jan	12 Jan	XXXXXXX	4,000.00
20 Jan	20 Jan	Payment	10,000.00CR
31 Jan	31 Jan	Debit Interest	2,072.88
31 Jan	31 Jan	Late Payment Fee	900.00
31 Jan	31 Jan	Over Limit Fee	900.00
31 Jan	31 Jan	Stamp Duty	150.00
31 Jan	31 Jan	Closing Balance	73,522.88

Statement Period: 01.02.2012 – 29.02.2012

Post Date	Transaction Date	Merchant	Amount
1 Feb	1 Feb	Opening Bal.	73,522.88
10 Feb	8 Feb	XXXXXXX	6,000.00
15 Feb	12 Feb	XXXXXXX	4,000.00
20 Feb	20 Feb	Payment	20,000.00CR
29 Feb	29 Feb	Debit Interest	1,404.61
29 Feb	29 Feb	Stamp Duty	150.00
29 Feb	29 Feb	Closing Balance	65,077.49

Explanation:

Trnx	Period	Days	Rate (p.a)	Int. Amount
59,500	01 Feb – 19 Feb	19	24%	743.34
39,500	20 Feb – 29 Feb	10	24%	259.73
6000	10 Jan – 29 Feb	51	24%	201.21
4000	15 Jan – 29 Feb	46	24%	120.99
2072.88	31 Jan – 29 Feb	30	24%	40.89
900	31 Jan – 29 Feb	30	24%	17.75
900	31 Jan – 29 Feb	30	24%	17.75
150	31 Jan – 29 Feb	30	24%	2.95

Adjustment for the payment received;

Opening Balance : 69,500.00 – 10,000.00 = 59,500.00

59,500.00 – 20,000.00 = 39,500.00

Total Interest Charged = 1,404.61

Scenario 8:

Interest calculation with a cash advance transaction

Statement Period: 01.12.2012 – 31.12.2012

Post Date	Transaction Date	Merchant	Amount
1 Dec	1 Dec	Opening Bal.	0.00
15 Dec	12 Dec	XXXXXXX	50,000.00
17 Dec	15 Dec	Cash Advance	15,000.00
17 Dec	15 Dec	Cash Advance Fee	900.00
20 Dec	16 Dec	XXXXXXX	3,500.00
31 Dec	31 Dec	Fees	1,000.00
31 Dec	31 Dec	Closing Balance	70,400.00

Due Date : 20.01.2012

Minimum Due (4%) : 2,816.00

Statement Period: 01.01.2013 – 31.01.2013

Post Date	Transaction Date	Merchant	Amount
1 Jan	1 Jan	Opening Bal.	70,400.00
10 Jan	8 Jan	XXXXXXX	6,000.00
15 Jan	12 Jan	XXXXXXX	4,000.00
20 Jan	20 Jan	Payment	10,000.00CR
31 Jan	31 Jan	Debit Interest	2,100.10
31 Jan	31 Jan	Closing Balance	72,500.10

Explanation:

Trnx	Period	Days	Rate (p.a)	Int. Amount
50,000	15 Dec – 19 Jan	36	24%	1,183.56
40,000	20 Jan – 31 Jan	12	24%	315.62
15,000	17 Dec – 31 Jan	46	24%	453.70
900	17 Dec – 31 Jan	46	24%	27.22
3500	20 Dec – 31 Jan	43	24%	98.96
1000	31 Dec – 31 Jan	32	24%	21.04

Adjustment for the payment received:

$$50,000.00 - 10,000.00 = 40,000.00$$

$$\text{Total Interest Charged} = 2,100.10$$