

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;

$$\text{Interest Calculation Formula} = \text{Capital Amount} \times \{(\text{Annual Interest \%}) / 365\} \times \text{No of days}$$

Current Rates Applicable

<u>Card Type</u>	<u>Rate on Purchases</u>	<u>Rate on Cash</u>
Amex Blue	26%p.a	26%p.a
Amex Gold	26%p.a	26%p.a
Amex SLA Co-Brand Platinum	26%p.a	26%p.a
Amex Centurion Platinum	26%p.a	26%p.a
Master card World	26%p.a	26%p.a
Master card Platinum	26%p.a	26%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 closing balance 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 made

Scenario 6: Debit interest for cash advances

Scenario 7: Debit Interest with Late payment fee

Scenario 1:

Customer makes the full Payment on or before the Due Date

Statement Period: 01.12.2019 - 31.12.2019			
Description	Post Date	Transaction Date	Amount
Opening Bal	1-Dec	1-Dec	0
Transaction 1	15-Dec	12-Dec	50,000.00
Transaction 2	17-Dec	17-Dec	15,000.00
Transaction 3	20-Dec	16-Dec	3,500.00
Fees	31-Dec	31-Dec	5,000.00
Closing Bal	31-Dec	31-Dec	73,500.00

Statement Period: 31.12.2019 - 31.01.2020			
Due Date 20.01.2020			
Minimum due 4% 2,940.00			
Description	Post Date	Transaction Date	Amount
Opening Bal	1-Jan	1-Jan	73,500.00
Payment	19-Jan	19-Jan	73,500.00
Transaction 1	11-Jan	10-Jan	6,000.00
Transaction 2	13-Jan	12-Jan	4,000.00
Debit Interest	31-Jan	31-Jan	0.00
Closing Bal	31-Jan	31-Jan	10,000.00

CR

* 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			
Description	Post Date	Transaction Date	Amount
Opening Bal	1-Dec	1-Dec	0
Transaction 1	15-Dec	12-Dec	50,000.00
Transaction 2	17-Dec	17-Dec	15,000.00
Transaction 3	20-Dec	16-Dec	3,500.00
Fees	31-Dec	31-Dec	5,000.00
Closing Bal	31-Dec	31-Dec	73,500.00

Statement Period: 31.12.2019 - 31.01.2020			
Due Date 20.01.2020			
Minimum due 4% 2940			
Description	Post Date	Transaction Date	Amount
Opening Bal	1-Jan	1-Jan	73,500.00
Payment	20-Jan	20-Jan	10,000.00 CR
Transaction 1	11-Jan	10-Jan	6,000.00
Transaction 2	13-Jan	12-Jan	4,000.00
Debit Interest	31-Jan	31-Jan	2,291.56
Closing Bal	31-Jan	31-Jan	75,791.56

DI Breakdown for 31.01.2020						
Description	Amount	Posted Date	Payment Date	Days	Rate (p.a)	Int. Amount
Transaction 1	50,000.00	15-Dec	31-Dec	16	26%	569.86
Transaction 2	15,000.00	17-Dec	31-Dec	14	26%	149.59
Transaction 3	3,500.00	20-Dec	31-Dec	11	26%	27.42
Outstanding as at 31 Dec - charges	5,000.00	31-Dec	20-Jan	20	26%	71.23
Outstanding as at 31 Dec - Balance	68,500.00	31-Dec	20-Jan	20	26%	975.89
balance after the payments made on 20th	63,500.00	20-Jan	31-Jan	11	26%	497.56
Total Debit Int. as at 31 Jan 2020						2291.56

*Interest is charged for the Total outstanding on the prev statement since the full balance is not settled

Scenario 3:

Only the Minimum Amount is paid

Statement Period:		01.12.2019 - 31.12.2019	
Description	Post Date	Transaction Date	Amount
Opening Bal	1-Dec	1-Dec	0
Transaction 1	15-Dec	12-Dec	50,000.00
Transaction 2	17-Dec	17-Dec	15,000.00
Transaction 3	20-Dec	16-Dec	3,500.00
Fees	31-Dec	31-Dec	5,000.00
Closing Bal	31-Dec	31-Dec	73,500.00

Statement Period:		31.12.2019 - 31.01.2020	
Due Date		20.01.2020	
Minimum due 4%		2940	
Description	Post Date	Transaction Date	Amount
Opening Bal	1-Jan	1-Jan	73,500.00
Payment	20-Jan	20-Jan	2,940.00
Transaction 1	11-Jan	10-Jan	6,000.00
Transaction 2	13-Jan	12-Jan	4,000.00
Debit Interest	31-Jan	31-Jan	2,346.88
Closing Bal	31-Jan	31-Jan	82,906.88

DI Breakdown for 31.01.2020						
Description	Amount	Posted Date	Payment Date	Days	Rate (p.a)	Int. Amount
Transaction 1	50,000.00	15-Dec	31-Dec	16	26%	569.86
Transaction 2	15,000.00	17-Dec	31-Dec	14	26%	149.59
Transaction 3	3,500.00	20-Dec	31-Dec	11	26%	27.42
Outstanding as at 31 Dec - charges	5,000.00	31-Dec	20-Jan	20	26%	71.23
Outstanding as at 31 Dec - Balance	68,500.00	31-Dec	20-Jan	20	26%	975.89
balance after the payments made on 20th	70,560.00	20-Jan	31-Jan	11	26%	552.88
Total Debit Int. as at 31 Jan 2020						2346.88

*Interest is charged for the Total outstanding on the prev statement since the full balance is not settled

Scenario 4:

Amount paid is less than the minimum amount

Statement Period:		01.12.2019 - 31.12.2019	
Description	Post Date	Transaction Date	Amount
Opening Bal	1-Dec	1-Dec	0
Transaction 1	15-Dec	12-Dec	50,000.00
Transaction 2	17-Dec	17-Dec	15,000.00
Transaction 3	20-Dec	16-Dec	3,500.00
Fees	31-Dec	31-Dec	5,000.00
Closing Bal	31-Dec	31-Dec	73,500.00

Statement Period:		31.12.2019 - 31.01.2020	
Due Date		20.01.2020	
Minimum due 4%		2,940.00	
Description	Post Date	Transaction Date	Amount
Opening Bal	1-Jan	1-Jan	73,500.00
Payment	20-Jan	20-Jan	1,500.00
Transaction 1	11-Jan	10-Jan	6,000.00
Transaction 2	13-Jan	12-Jan	4,000.00
Debit Interest	31-Jan	31-Jan	2,358.16
Late Payment Fee	31-Jan	31-Jan	1,750.00
Closing Bal	31-Jan	31-Jan	86,108.16

DI Breakdown for 31.01.2020						
Description	Amount	Posted Date	Payment Date	Days	Rate (p.a)	Int. Amount
Transaction 1	50,000.00	15-Dec	31-Dec	16	26%	569.86
Transaction 2	15,000.00	17-Dec	31-Dec	14	26%	149.59
Transaction 3	3,500.00	20-Dec	31-Dec	11	26%	27.42
Outstanding as at 31 Dec - charges	5,000.00	31-Dec	20-Jan	20	26%	71.23
Outstanding as at 31 Dec - Balance	68,500.00	31-Dec	20-Jan	20	26%	975.89
balance after the payment made on 20th	72,000.00	20-Jan	31-Jan	11	26%	564.16
Total Debit Int. as at 31 Jan 2020						2358.16

*Interest is charged for the Total outstanding on the prev statement since the full balance is not settled

Scenario 5:

No payment made

Statement Period:		01.12.2019 - 31.12.2019		
Description	Post Date	Transaction Date	Amount	
Opening Bal	1-Dec	1-Dec	0	
Transaction 1	15-Dec	12-Dec	50,000.00	
Transaction 2	17-Dec	17-Dec	15,000.00	
Transaction 3	20-Dec	16-Dec	3,500.00	
Fees	31-Dec	31-Dec	5,000.00	
Closing Bal	31-Dec	31-Dec	73,500.00	

Statement Period:	31.12.2019 - 31.01.2020		
Due Date	20.01.2020		
Minimum due 4%	2,940.00		
Description	Post Date	Transaction Date	Amount
Opening Bal	1-Jan	1-Jan	73,500.00
Transaction 1	11-Jan	10-Jan	6,000.00
Transaction 2	13-Jan	12-Jan	4,000.00
LPF	31-Jan	31-Jan	1,750.00
Debit Interest	31-Jan	31-Jan	2,369.92
Closing Bal	31-Jan	31-Jan	87,619.92

DI Breakdown for 31.01.2020						
Description	Amount	Posted Date	Payment Date	Days	Rate (p.a)	Int. Amount
Transaction 1	50,000.00	15-Dec	31-Dec	16	26%	569.86
Transaction 2	15,000.00	17-Dec	31-Dec	14	26%	149.59
Transaction 3	3,500.00	20-Dec	31-Dec	11	26%	27.42
Outstanding as at 31 Dec - charges	5,000.00	31-Dec	31-Jan	31	26%	110.41
Outstanding as at 31 Dec - Balance	68,500.00	31-Dec	31-Jan	31	26%	1512.63
Total Debit Int. as at 31 Jan 2020						2369.92

*Interest is charged for the Total outstanding on the prev statement since the full balance is not settled

Debit Interest for cash advances

Statement Period:	31.12.2019 - 31.01.2020		
Due Date	20.01.2020		
Minimum due 4%	3,090.00		
Description	Post Date	Transaction Date	Amount
Opening Bal	1-Jan	1-Jan	77,250.00
Payment	20-Jan	20-Jan	10,000.00
Transaction 1	11-Jan	10-Jan	6,000.00
Transaction 2	13-Jan	12-Jan	4,000.00
Debit Interest	31-Jan	31-Jan	2,417.11
Over Limit Fee	31-Jan	31-Jan	1,750.00
Closing Bal	31-Jan	31-Jan	81,417.11

DI Breakdown for 31.01.2020						
Description	Amount	Posted Date	Payment Date	Days	Rate (p.a)	Int. Amount
Cash advance	50,000.00	15-Dec	31-Dec	16	26%	569.86
Local Cash advance fee	3,750.00	15-Dec	31-Dec	16	26%	42.74
Transaction 1	15,000.00	17-Dec	31-Dec	14	26%	149.59
Transaction 2	3,500.00	20-Dec	31-Dec	11	26%	27.42
Outstanding as at 31 Dec - charges	5,000.00	31-Dec	20-Jan	20	26%	71.23
Outstanding as at 31 Dec - Balance	72,250.00	31-Dec	20-Jan	20	26%	1029.32
balance after the payment made on 20th	67,250.00	20-Jan	31-Jan	11	26%	526.95
Total Debit Int. as at 31 Jan 2020						2417.11

Scenario 7:

Debit Interest with Late payment fee

Statement Period:		01.12.2019 - 31.12.2019		
Description	Post Date	Transaction Date	Amount	
Opening Bal	1-Dec	1-Dec	0	
Cash advance	15-Dec	12-Dec	50,000.00	
Local Cash advance fee	15-Dec	12-Dec	3,750.00	
Transaction 1	17-Dec	17-Dec	15,000.00	
Transaction 2	20-Dec	16-Dec	3,500.00	
Fees	31-Dec	31-Dec	5,000.00	
Late Payment Fee	31-Dec	31-Dec	1,750.00	
Closing Bal	31-Dec	31-Dec	79,000.00	

Statement Period:	31.12.2019 - 31.01.2020		
Due Date	20.01.2020		
Minimum due 4%	3,160.00		
Description	Post Date	Transaction Date	Amount
Opening Bal	1-Jan	1-Jan	79,000.00
Payment	21-Jan	21-Jan	10,000.00
Transaction 1	11-Jan	10-Jan	6,000.00
Transaction 2	13-Jan	12-Jan	4,000.00
Debit Interest	31-Jan	31-Jan	2,455.75
Closing Bal	31-Jan	31-Jan	81,455.75

DI Breakdown for 31.01.2020						
Description	Amount	Posted Date	Payment Date	Days	Rate (p.a)	Int. Amount
Cash advance	50,000.00	15-Dec	31-Dec	16	26%	569.86
Local Cash advance fee	3,750.00	15-Dec	31-Dec	16	26%	42.74
Transaction 1	15,000.00	17-Dec	31-Dec	14	26%	149.59
Transaction 2	3,500.00	20-Dec	31-Dec	11	26%	27.42
Outstanding as at 31 Dec - charges	6,750.00	31-Dec	20-Jan	20	26%	96.16
Outstanding as at 31 Dec - Balance	72,250.00	31-Dec	20-Jan	20	26%	1029.32
balance after the papyment made on 20th	69,000.00	20-Jan	31-Jan	11	26%	540.66
Total Debit Int. as at 31 Jan 2020						2455.75