

## 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>
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: 01.07.2013 – 31.07.2013

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

Due Date: 20.08.2013

Minimum due (4%): 2,780.00

#### Statement Period: 01.08.2013 – 31.08.2013

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

#### Explanation:

Since the full outstanding of the statement ending July (Statement Period: 01.07.2013 – 31.07.2013) is settled by the customer before the due date, there is no interest charged on the August statement (Statement Period: 01.08.2013 – 31.08.2013).

**Scenario 2:**

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

**Statement Period: 01.07.2013 – 31.07.2013**

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

Due Date: 20.08.2013

Minimum Due (4%): 2,780.00

**Statement Period: 01.08.2013 – 31.08.2013**

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

**Explanation:**

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

**Adjustment for the payment received:**

\*50,000.00 – 10,000.00 = 40,000.00

**Total Interest Charged = 2,072.88**

### Scenario 3:

#### Only the Minimum Amount is paid

##### Statement Period: 01.07.2013 – 31.07.2013

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

Due Date: 20.08.2013

Minimum Due (4%): 2,780.00

##### Statement Period: 01.08.2013 – 31.08.2013

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

#### Explanation:

Trnx	Period	Days	Rate (p.a)	Int. Amount
50,000	15 July – 19 Aug	36	24%	1,183.56
47,220*	20 Aug – 31 Aug	12	24%	372.59
15,000	17 July – 31 Aug	46	24%	453.70
3,500	20 July – 31 Aug	43	24%	98.96
1,000	31 July – 31 Aug	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: 01.07.2013 – 31.07.2013

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

Due Date: 20.08.2013

Minimum Due (4%): 2,780.00

Statement Period: 01.08.2013 – 31.08.2013

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

#### Explanation:

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

#### Adjustment for the payment received:

\*50,000.00 – 1,500.00 = 48,500.00

Total Interest Charged = 2,139.94

**Scenario 5:**

**No Payments are made**

**Statement Period: 01.07.2013 – 31.07.2013**

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

Due Date: 20.08.2013

Minimum Due (4%): 2,780.00

**Statement Period: 01.08.2013 – 31.08.2013**

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

**Explanation:**

<b>Trnx</b>	<b>Period</b>	<b>Days</b>	<b>Rate (p.a)</b>	<b>Int. Amount</b>
50,000	15 July – 31 Aug	48	24%	1,578.08
15,000	17 July – 31 Aug	46	24%	453.70
3,500	20 July – 31 Aug	43	24%	98.96
1,000	31 July – 31 Aug	32	24%	21.04

**Total Interest Charged = 2,151.78**

## Scenario 6:

### Multiple Payments done in a single Cycle

Statement Period: 01.07.2013 – 31.07.2013

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

Due Date: 20.08.2013

Minimum Due (4%): 2,780.00

Statement Period: 01.08.2013 – 31.08.2013

Post Date	Transaction Date	Merchant	Amount
1 Aug	1 Aug	Opening Bal.	69,500.00
10 Aug	8 Aug	XXXXXXX	6,000.00
15 Aug	12 Aug	XXXXXXX	4,000.00
10 Aug	10 Aug	Payment	1,000.00CR
15 Aug	15 Aug	Payment	500.00CR
17 Aug	17 Aug	Payment	3,000.00CR
31 Aug	31 Aug	Debit Interest	2,102.14
<b>31 Aug</b>	<b>31 Aug</b>	<b>Closing Balance</b>	<b>77,102.14</b>

#### Explanation:

Trnx	Period	Days	Rate (p.a)	Int. Amount
50,000	15 Jul – 09 Aug	26	24%	854.79
49,000*	10 Aug – 14 Aug	5	24%	161.10
48,500**	15 Aug – 16 Aug	2	24%	63.78
45,500***	17 Aug – 31 Aug	15	24%	448.77
15,000	17 Jul – 31 Aug	46	24%	453.70
3,500	20 Jul – 31 Aug	43	24%	98.96
1,000	31 Jul – 31 Aug	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 = 2,102.14**



## Scenario 7:

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

Statement Period: 01.07.2013 – 31.07.2013

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

Due Date : 20.08.2013

Minimum Due (4%) : 2,940.92

Statement Period: 01.08.2013 – 31.08.2013

Post Date	Transaction Date	Merchant	Amount
1 Aug	1 Aug	Opening Bal.	73,522.88
10 Aug	8 Aug	XXXXXXX	4,000.00
20 Aug	20 Aug	Payment	20,000.00CR
31 Aug	31 Aug	Debit Interest	1,475.02
31 Aug	31 Aug	Stamp Duty	150.00
<b>31 Aug</b>	<b>31 Aug</b>	<b>Closing Balance</b>	<b>59,147.90</b>

#### Explanation:

Trnx	Period	Days	Rate (p.a)	Int. Amount
59,500*	01 Aug – 19 Aug	19	24%	743.34
39,500**	20 Aug – 31 Aug	12	24%	311.67
6,000	10 Jul – 31 Aug	53	24%	209.10
4,000	15 Jul – 31 Aug	48	24%	126.25
2,072.88	31 Jul – 31 Aug	32	24%	43.62
900	31 Jul – 31 Aug	32	24%	18.94
900	31 Jul – 31 Aug	32	24%	18.94
150	31 Jul – 31 Aug	32	24%	3.16

#### 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 = 1,475.02**

## Scenario 8:

### Interest calculation with a cash advance transaction

**Statement Period: 01.07.2013 – 31.07.2013**

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

Due Date: 20.08.2013

Minimum Due (4%): 2,816.00

**Statement Period: 01.08.2013 – 31.08.2013**

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

#### Explanation:

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

#### **Adjustment for the payment received:**

\*50,000.00 – 10,000.00 = 40,000.00

**Total Interest Charged = 2,100.10**