



Calculation Method of over limit fee / late payment fee / cash advance fee / stamp duty / Interest on HNB Credit Cards

Calculation method of over limit fee

If the cardholder exceeds the credit limit assigned by the bank at any given time within the billing period, an amount of Rs. 500/- will be charge as an over limit fee at the end of the billing period.

Calculation method of late payment fee

If the cardholder fails to pay the minimum amount mentioned in the relevant cardholder statement for the period on or before the due date, 0.75% from the opening balance with a minimum of Rs. 750/- will be charged as a late payment fee at the end of the said billing period.

Calculation method of cash advance fee

Cash withdrawal limit is currently 75% of the credit limit for HNB Platinum Cards and 50% of the credit limit for all other HNB Credit Cards and is determined at the sole discretion of the Bank. All cash advances are charged a fee of 3% on the withdrawal amount and will be debited to the cardholder's account separately.

Calculation method of stamp duty

Stamp duty is payable on all transactions done by credit card. A cardholder is required to pay Rs. 15/- for every Rs. 1,000/- or part thereof to the government as stamp duty.

Eg: Total transaction amount for the statement period – Rs. 35,875/-
Stamp duty – Rs. 540/-

Calculation method of interest

- The minimum grace period applicable for HNB Credit Cards is 25 days from the Statement Date.
- A cardholder can enjoy up to a maximum of 55 days interest free grace for a given transaction, based on the purchase (transaction) date and statement date.
- Interest calculation is commencing from Posting Date of the transaction to the cardholder's card account as per the statement to next statement date on all revolving balances.
- In the event the Cardholder pays the full outstanding balance on or before the due date there will not be any interest charged on the card account for that billing cycle.
- Interest is calculated daily, transaction wise and the total amount will be printed in the monthly statement.
- The interest calculation formula for HNB Credit Cards is as follows,

$$\text{Capital Outstanding} \times \text{Interest Rate} \times \frac{\text{No. of days}}{365}$$

* No of days – No of days to the end of the billing period from the transaction posted date
 Interest Rate – The present interest rate is 2% per month (24% p.a.)

Examples on interest calculation

- ❖ Cardholder pays the full outstanding amount on or before the due date

Credit Card Statement	
01st June 2011 to 30th June 2011	
	LKR
Opening Balance 01st June 2011	75,000.00
Purchases and cash advances	25,200.00
Closing Balance 30th June 2011	100,200.00
Minimum due amount	5,010.00
Due Date	25th July 2011
Credit Card Statement	
01st July 2011 to 31st July 2011	
	LKR
Opening Balance 01st July 2011	100,200.00
Purchases and cash advances	32,000.00
Payment received	100,200.00 CR
Interest charged	0.00
Closing Balance 31st July 2011	32,000.00

- ❖ **Cardholder pays a partial amount (less than full outstanding amount and greater than the minimum amount) on or before the due date**

Credit Card Statement 01st June 2011 to 30th June 2011		LKR
Opening Balance 01st June 2011		75,000.00
Purchases and cash advances		25,200.00
Closing Balance 30th June 2011		100,200.00
Minimum due amount	5,010.00	
Due Date	25th July 2011	

Credit Card Statement 01st July 2011 to 31st July 2011		LKR
Opening Balance 01st July 2011		100,200.00
Purchases and cash advances		32,000.00
Payment received 20th July 2011		10,000.00 CR
Interest charged		XXXX
Closing Balance 31st July 2011		XXXX

Interest will be charged as follows:

Rs. 32,000.00 x 2% x (No. of days / 365)	xxxx
(-) Adjust of interest for the payment – Rs. 10,000.00 x 2% x (No. of days / 365)	# (xxxx)
	<u>xxxx</u>

- No of days from 20th July 2011 to 31st July 2011

- ❖ **Cardholder pays only the minimum amount on or before the due date**

Credit Card Statement	
01st June 2011 to 30th June 2011	
	LKR
Opening Balance 01st June 2011	75,000.00
Purchases and cash advances	25,200.00
Closing Balance 30th June 2011	100,200.00
Minimum due amount	5,010.00
Due Date	25th July 2011

Credit Card Statement	
01st July 2011 to 31st July 2011	
	LKR
Opening Balance 01st July 2011	100,200.00
Purchases and cash advances	32,000.00
Payment received 20th July 2011	5,010.00 CR
Interest charged	XXXX
Closing Balance 31st July 2011	XXXX

Interest will be charged as follows:

Rs. 32,000.00 x 2% x (No. of days / 365)	xxxx
(-) Adjust of interest for the payment – Rs. 5,010.00 x 2% x (No. of days / 365)	# (xxxx)
	<u>xxxx</u>

- No of days from 20th July 2011 to 31st July 2011

❖ **Cardholder pays a less amount than the minimum amount**

Credit Card Statement		LKR
01st June 2011 to 30th June 2011		
Opening Balance 01st June 2011		75,000.00
Purchases and cash advances		25,200.00
Closing Balance 30th June 2011		100,200.00
Minimum due amount	5,010.00	
Due Date	25th July 2011	

Credit Card Statement		LKR
01st July 2011 to 31st July 2011		
Opening Balance 01st July 2011		100,200.00
Purchases and cash advances		32,000.00
Payment received 20th July 2011		3,000.00 CR
Interest charged		XXXX
Late payment fee		750.00
Closing Balance 31st July 2011		XXXX

Rs. 32,000.00 x 2% x (No. of days / 365)	xxxx
(-) Adjust of interest for the payment – Rs. 3,000.00 x 2% x (No. of days / 365)	# (xxxx)
	<u>xxxx</u>

- No of days from 20th July 2011 to 31st July 2011

Please note that this document is issued for the card holder’s convenience and does not replace the terms and conditions of the Cardholder Agreement with Hatton National Bank PLC.