

# Calculation Method of Interest on LOLC Finance Credit Cards

## Calculation Method of Interest on Purchases and Cash Advances

- The minimum grace period applicable for LOLC Credit Cards is 15 days from the Statement Date, which will apply only for purchase transactions.
- A cardholder can enjoy up to a maximum of 45 days Interest free grace for a given transaction, based on the purchase (transaction) date and statement date.
- Interest calculation commences from the Transaction Date stated in the cardholder's card account in the statement, to the 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 purchase transactions to 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 LOLC Credit Cards is as follows,

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

\* No of days – No of days to the end of the billing period from the transaction date

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

<b>Credit Card Statement</b>	
<b>02<sup>nd</sup> January 2022 to 01<sup>st</sup> February 2022</b>	
	LKR
Opening Balance 02 <sup>nd</sup> January 2022	0.00
Purchases on 18 <sup>th</sup> January 2022	100,200.00
Closing Balance 01 <sup>st</sup> February 2022	100,200.00
Minimum due amount	2,505.00
Due Date	16 <sup>th</sup> February 2022

**Credit Card Statement**  
**02<sup>nd</sup> February 2022 to 01<sup>st</sup> March 2022**

	LKR
Opening Balance 02 <sup>nd</sup> February 2022	100,200.00
Purchases on 10 <sup>th</sup> February 2022	32,000.00
Payment received 16 <sup>th</sup> February 2022	10,000.00 CR
Interest charged	2,634.84
Closing Balance 01 <sup>st</sup> March 2022	124,834.84

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Minimum due amount	3,120.87
Due Date	16 <sup>th</sup> March 2022

**Interest will be charged as follows:**

Rs.100,200 x 20%/365 x (No.of days 09.02.22 – 18.01.22 23 days)	1,262.79
Rs.132,200 x 20%/365 x (No.of days 15.02.22 – 10.02.22 06 days)	434.63
Rs.122,200 x 20%/365 x (No.of days 01.03.22 – 16.02.22 14 days)	937.42
	<hr/> 2,634.84 <hr/>

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

<b>Credit Card Statement</b>	
<b>02<sup>nd</sup> January 2022 to 01<sup>st</sup> February 2022</b>	
	LKR
Opening Balance 02 <sup>nd</sup> January 2022	0.00
Purchases on 18 <sup>th</sup> January 2022	100,200.00
Closing Balance 01 <sup>st</sup> February 2022	100,200.00
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Minimum due amount	2,505.00
Due Date	16 <sup>th</sup> February 2022

**Credit Card Statement**  
**02<sup>nd</sup> February 2022 to 01<sup>st</sup> March 2022**

	LKR
Opening Balance 02 <sup>nd</sup> February 2022	100,200.00
Purchases on 10 <sup>th</sup> February 2022	32,000.00
Payment received 16 <sup>th</sup> February 2022	2,505.00 CR
Interest charged	2,692.34
Closing Balance 01 <sup>st</sup> March 2022	132,387.34

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Minimum due amount	3,309.68
Due Date	16 <sup>th</sup> March 2022

**Interest will be charged as follows:**

Rs.100,200 x 20%/365 x (No.of days 09.02.22 – 18.01.22 23 days)	1,262.79
Rs.132,200 x 20%/365 x (No.of days 15.02.22 – 10.02.22 06 days)	434.63
Rs.129,695 x 20%/365 x (No.of days 01.03.22 – 16.02.22 14 days)	994.92
	<hr/> <u>2,692.34</u>

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

<b>Credit Card Statement</b>	
<b>02<sup>nd</sup> January 2022 to 01<sup>st</sup> February 2022</b>	
	LKR
Opening Balance 02 <sup>nd</sup> January 2022	0.00
Purchases on 18 <sup>th</sup> January 2022	100,200.00
Closing Balance 01 <sup>st</sup> February 2022	100,200.00
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Minimum due amount	2,505.00
Due Date	16 <sup>th</sup> February 2022

**Credit Card Statement**  
**02<sup>nd</sup> February 2022 to 01<sup>st</sup> March 2022**

	LKR
Opening Balance 02 <sup>nd</sup> February 2022	100,200.00
Purchases on 10 <sup>th</sup> February	32,000.00
Payment received 16 <sup>th</sup> February 2022	2,000.00 CR
Interest charged	2,696.21
Late Payment Fee charged	500.00
Closing Balance 01 <sup>st</sup> March 2022	133,396.21

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Minimum due amount	3,334.90
Due Date	16 <sup>th</sup> March 2022

**Interest will be charged as follows:**

Rs.100,200 x 20%/365 x (No.of days 09.02.22 – 18.01.22 23 days)	1,262.79
Rs.132,200 x 20%/365 x (No.of days 15.02.22 – 10.02.22 06 days)	434.63
Rs.130,200 x 20%/365 x (No.of days 01.03.22 – 16.02.22 14 days)	998.79
	<hr/> 2,696.21 <hr/>

❖ **Calculation method of Interest on Cash Advances**

(Interest free grace period will not be applicable for Cash Advances and the interest will be charged from the transaction date)

<b>Credit Card Statement</b>	
<b>02<sup>nd</sup> January 2022 to 01<sup>st</sup> February 2022</b>	
	LKR
Opening Balance 02 <sup>nd</sup> January 2022	0.00
Cash Advance on 18 <sup>th</sup> January 2022	100,000.00
Cash Advance Fee (100,000 x 4%) (500/- or 4% of transaction value, whichever is higher)	4,000.00
Payment Received 25 <sup>th</sup> January 2022	50,000.00
Interest charged	602.74
Closing Balance 01 <sup>st</sup> February 2022	54,602.74
Minimum due amount	1,365.07
Due Date	16 <sup>th</sup> February 2022

**Interest will be charged as follows:**

Rs.100,000 x 20%/365 x (No.of days 24.01.22 – 18.01.22 07 days)	383.56
Rs. 50,000 x 20%/365 x (No.of days 01.02.22 – 25.01.22 08 days)	219.18
	602.74

**Credit Card Statement**

**02<sup>nd</sup> February 2022 to 01<sup>st</sup> March 2022**

	LKR
Opening Balance 02 <sup>nd</sup> February 2022	54,602.74
Payment Received 10 <sup>th</sup> February 2022	54,602.74
Interest charged	239.35
Closing Balance 01 <sup>st</sup> March 2022	239.35

Minimum due amount                      100.00 (2.5% of Total Outstanding or Rs.100 whichever is higher)

Due Date    16<sup>th</sup> March 2022

**Interest will be charged as follows:**

Rs.54,602.74 x 20%/365 x (No.of days 10.02.22 – 02.02.22 08 days)

239.35

239.35