

Calculating interest on your Citibank Credit Card account

Now let's show you how interest is calculated on your Citibank Credit Card account using the example below.

Example 3*: You paid the Minimum Payment Due in January and therefore had unpaid balances carried forward into February.

January Statement

Date	Details	Amount
Dec 10	Grocery	\$100.00

Opening Balance	Closing Balance
\$0.00	\$100.00

Minimum Payment Due	Payment Made on Due Date
\$30.00	\$30.00

February Statement

Date	Details	Amount
Jan 15	Furniture	\$200.00
Jan 25	BPAY Payment	-\$30.00
Feb 01	Interest Charged	
	Prior Month - Retail	\$0.94 ¹
Feb 01	Interest Charged - Retail	\$2.65 ²

Opening Balance	Closing Balance
\$100.00	\$273.59

Minimum Payment Due	Payment Made on Due Date
\$30.00	\$273.59

March Statement

Date	Details	Amount
Feb 25	BPAY Payment	-\$273.59
Feb 28	Mobile Bill	\$33.25

Opening Balance	Closing Balance
\$273.59	\$33.25

Minimum Payment Due	Payment Made on Due Date
\$30.00	\$33.25

Since you only paid the Minimum Payment Due in January, you will be charged interest from the day the grocery purchase was made until the outstanding balances are fully paid off. The details of the interest charges are as follows:

	Interest Type	Interest on	Applicable Period	Amount Outstanding x	Daily Percentage Rate x	Number of Days =	Interest Charges
¹	Interest on Prior Month	Grocery purchase from Transaction Date to January Statement Date	December 10 to January 1	\$100.00	15% / 365	23	\$0.94
²	Interest on Retail Purchase	Grocery purchase after January Statement Date and before your minimum payment	January 2 to January 24	\$100.00	15% / 365	23	\$0.94
		Unpaid balance on the grocery purchase after your minimum payment	January 25 to February 1	(\$100.00 - \$30.00)	15% / 365	8	\$0.23
		Furniture purchase	January 15 to February 1	\$200.00	15% / 365	18	\$1.48
	Total						\$2.65

If you have more questions or require general information about your Citibank Credit Card after reading this guide, please refer to your Terms and Conditions booklet or your Citibank Credit Card statements. Alternatively, you can contact us on 13 24 84 for enquiries 24 hours a day, seven days a week.

Here are some tips to help you manage fees and interest charges on your credit card account:

- Understand the basics of interest and how interest is applied to your credit card account
- Always make at least the Minimum Payment Due or full payment before the Payment Due Date
- Monitor the transactions and balances on your account and ensure your available credit is sufficient to cover your new transactions
- Look for products that offer interest-free periods
- Take advantage of low-rate promotional and introductory offers
- Always read and understand the Terms and Conditions of your credit card account

Your guide to understanding interest on your Citibank Credit Card



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Manage interest on your Citibank Credit Card account

To help you understand more about interest on your Citibank Credit Card, we created this easy-to-read guide which explains:

- What interest is
- How interest is calculated
- Different types of interest
- Some tips to manage your credit card account

What is interest?

When you use your credit card you are borrowing a sum of money that has to be re-paid at a date in the future. The cost for this service may be made up of fees and/or interest.

Interest is the cost of borrowing the money and we charge you interest based on the Annual Percentage Rate (APR) as a percentage per annum.

Interest rates on Citibank Credit Cards change from time to time. For example, your interest rates may increase when the Cash Rate set by the Reserve Bank of Australia increases. Also your interest rates may decrease if you are offered a special promotion.

We know it is important to keep our customers up-to-date, so you will be notified of any change to your interest rates either by mail or by an advertisement in a national newspaper. You will also see a message on your next statement confirming the new rates.

How is interest calculated?

Interest charges on your Citibank Credit Card are calculated based on the APR applicable to each transaction and applied to your account monthly.

The basic interest calculation is:

$$\text{Transaction Amount} \times \text{Daily Percentage Rate} \times \text{Number of Days}$$

where Daily Percentage Rate is APR divided by 365.

Types of interest

Below are the four types of interest applicable to your Citibank Credit Card:

Interest on Retail Purchases

You make a retail purchase when you purchase goods or services using your Citibank Credit Card. Bill payments, fees, charges, and expenses are retail purchases for the purpose of calculating interest. The APR applicable to retail purchase is shown as "Annual Percentage Rate: Retail Purchases" on the first page of your statement.

Interest on Cash Advances

A cash advance transaction is any transaction where cash or its equivalent is obtained, for example, telegraphic transfer or purchase of travellers cheques. The APR applicable to cash advances is shown as "Annual Percentage Rate: Cash Advances" on the first page of your statement.

Interest on Special Promotions

If you are offered a special promotion, you may receive a fixed or reduced APR for a specific period. The APR applicable to special promotions can be found in the transaction details of your monthly statement.

Interest on Prior Month

Interest on Prior Month is charged if you were not charged interest during your previous statement period and you did not pay the Closing Balance of that statement in full by the Payment Due Date. The APR applicable to Interest on Prior Month is the same as the APR applicable to Interest on Retail Purchases.

For all examples in this guide, we assume:

- Retail Purchase APR is at 15% per annum
- Interest free period of 55 days on retail purchases
- Statement Date is the 1st of every month and Payment Due Date is the 25th of every month
- Payments are always made on the Payment Due Date by BPAY® and there are no overdue payments
- Minimum Payment is 2% of the outstanding balance or \$30, whichever is higher
- 365 days in a year

Interest-free days on your Citibank Credit Card account

If your Citibank Credit Card account has interest-free days available, you will not incur interest charges on retail purchases if you pay the Closing Balance in full, on or before the Payment Due Date of every statement. However, cash advances and special promotions (including balance transfers) are not eligible for interest-free days. The number of interest-free days available on a transaction is the number of days from the Transaction Date to the Payment Due Date.

If you have unpaid balances from previous statement periods, you will not be eligible for interest-free days until you have paid your Closing Balance in full for two consecutive statement periods.

Example 1*: You always pay the full Closing Balance by the Payment Due Date of every statement.

January Statement

Date	Details	Amount
Dec 10	Grocery	\$100.00

Opening Balance	Closing Balance
\$0.00	\$100.00

Minimum Payment Due	Payment Made on Due Date
\$30.00	\$100.00

February Statement

Date	Details	Amount
Jan 15	Furniture	\$200.00
Jan 25	BPAY Payment	-\$100.00

Opening Balance	Closing Balance
\$100.00	\$200.00

Minimum Payment Due	Payment Made on Due Date
\$30.00	\$200.00

March Statement

Date	Details	Amount
Feb 25	BPAY Payment	-\$200.00
Feb 28	Show Tickets	\$300.00

Opening Balance	Closing Balance
\$200.00	\$300.00

Minimum Payment Due	Payment Made on Due Date
\$30.00	\$300.00

There will be no interest charges for the transactions that are eligible for interest-free days. For example, you have 16 days interest-free for grocery purchase from the Transaction Date (December 10) to the Payment Due Date (December 25).

Example 2*: You had unpaid balances carried forward into your January statement.

January Statement

Date	Details	Amount
Dec 10	Grocery	\$100.00
Dec 25	BPAY Payment	-\$30.00
Jan 01	Interest Charged	
	Prior Month - Retail	\$3.49
Jan 01	Interest Charged - Retail	\$7.21

Opening Balance	Closing Balance
\$500.00	\$580.70

Minimum Payment Due	Payment Made on Due Date
\$30.00	\$580.70

February Statement

Date	Details	Amount
Jan 15	Furniture	\$200.00
Jan 25	BPAY Payment	-\$580.70

Opening Balance	Closing Balance
\$580.70	\$200.00

Minimum Payment Due	Payment Made on Due Date
\$30.00	\$200.00

March Statement

Date	Details	Amount
Feb 25	BPAY Payment	-\$200.00
Feb 28	Show Tickets	\$300.00

Opening Balance	Closing Balance
\$200.00	\$300.00

Minimum Payment Due	Payment Made on Due Date
\$30.00	\$300.00

You will be eligible for interest-free days again after paying the full Closing Balances in January and February.

*Please see page 2 for assumptions of the examples