



Interest rates and other charges

a) Finance (Interest) Charges for both Revolving credit and Cash Advances:

Interest is payable at the monthly percentage rate on all Charges from the date the Cardmember incurs the transaction until they are fully repaid, except where an interest free period applies.

Interest, if payable, is calculated by multiplying:

- The daily balance of Charges on which interest is payable; by
- The daily percentage rate (monthly rate multiplied by twelve divided by 365); and

then Adding up the daily interest Charges for the applicable period.

Daily Interest Calculation

(The Daily Balance of Charges on which interest is payable) * (The Daily Percentage Rate)

Daily Percentage Rate Calculation:
$$\frac{(\text{Monthly Rate} * 12) / 365}{100}$$

In case the payment made towards the monthly statement of account for any particular month is less than the total interest and Applicable Taxes billed in that particular statement, the remaining interest amount will get added to subsequent month's outstanding and such shortfall in interest will attract interest on interest.

The interest rate charged on Credit Cards issued by AEBC for both Line of Credit Lending (LoCL) and Installment Lending (IL) categories is decided basis the following factors:

- Expected Cost of Funds
- Expected range of Revolve Rate on LoCL and IL categories
- Desired business margins on LoCL and IL categories
- Expected range of delinquency on LoCL and IL categories
- The rates charged by relevant competitors in the Industry.

Basis the above rationale, the charged by the Bank for both LoCL and IL category of loans should be above the MCLR and Base Rate published by the Bank. The current charged by the Bank, as mentioned in the Schedule of Fee and Charges is above the MCLR and Base Rate published by the Bank.

Sample Illustration 1

Assume that you have American Express Membership Rewards Credit Card, have paid previous dues in full and do not have any amount outstanding in your Card Account. Your statement date is 1st of every month. Below illustration will explain how the interest is calculated.

Transactions:

Statement Date: 1st May, 2018 **Due Date:** 22nd May, 2018

Illustrative Interest Rate: 3.5% p.m./42% p.a



Date	Transaction	Amount
2nd April, 2018	Purchase of groceries	₹10,000
5th April, 2018	Purchase of furniture	₹5,000
1st May, 2018	Statement Date	Total Payment Due: ₹15,000 Min./Payment Due: ₹750
21st May, 2018	Payment Credit	₹750
29th May, 2018	Purchase of garments	₹2,000

Interest on the amount due will be charged in the statement generated on 1st June, 2018 as below:

Daily Interest = (Outstanding amount * 3.5%*12)/365

Interest Calculation:

Amount	Interest Chargeable Period	No. of Days	Interest Amount
₹10,000	2nd April to 4th April, 2018	3	₹34.52
₹15,000	5th April to 1st May, 2018	27	₹466.03
₹15,000	2nd May to 20th May, 2018	19	₹327.95
₹14,250	21st May to 28th May, 2018	8	₹131.18
₹16,250	29th May to 1st June, 2018	4	₹74.79
Total interest (exclusive of Taxes)			₹1034.47

Thus the total interest charged will be: ₹1034.47 (exclusive of GST).

Transactions:

Statement Date: 1st June, 2018 Due Date: 22nd June, 2018

Illustrative Interest Rate: 3.5% p.m /42% p.a.(American Express Membership Rewards Credit Card)

Date	Transaction	Amount
1st June, 2018	Statement Date	Outstanding balance: ₹16,250 Interest Amount (including Applicable Taxes): ₹1,220.67 Total Payment Due: ₹17,470.67 Min Payment Due: ₹2033
2nd June, 2018	Purchase of flight tickets	₹10,000
5nd June, 2018	Purchase of electronics	₹5,000
21st June, 2018	Payment Credit	₹2,033
29th June, 2018	Purchase of apparel	₹2,000

Interest on the amount due will be charged in the statement generated on 1st July, 2018 as below:



Daily Interest = (Outstanding amount* 3.5%*12)/365

Interest Calculation:

Amount	Interest Chargeable Period	No. of Days	Interest Amount
₹27,284.47	2nd June to 4th June, 2018	3	₹94.19
₹32,284.47	5th June to 20th June, 2018	16	₹594.39
₹30,437.50	21st June to 28th June, 2018	8	₹280.19
₹32,437.50	29th June to 1st July, 2018	3	₹111.98
Total interest (exclusive of Taxes)			₹1,080.74

Thus the total interest charged will be ₹1,080.74 (exclusive of GST). As the Cardmember has not paid the previous month's outstanding balance in full so all future transactions will bear interest from the day of the transaction. The unpaid interest amount will get billed in subsequent month's outstanding and will attract interest. The calculation of Applicable Taxes in the above sample illustration is at Applicable Taxes rate of 18% and is for illustrative purpose only. The Applicable Taxes or other applicable taxes will be levied at the prevailing rate on the interest amount.

Sample Illustration 2

Assume that you have American Express SmartEarn Credit Card, have paid previous dues in full and do not have any amount outstanding in your Card Account. Your statement date is 1st of every month. Below illustration will explain how the interest is calculated.

Transactions:

Statement Date: 1st August, 2018 Due Date: 22nd August, 2018

Illustrative Interest Rate: 3.5%p.m. / 42% p.a. (for American Express SmartEarn Credit Card)

Date	Transaction	Amount
15th July, 2018	Purchase of Electronics	₹20,000
19th July, 2018	Purchase of Apparels online	₹7,000
1st Aug, 2018	Statement Date	Total Payment Due: ₹27,000 Min Payment Due: ₹1,350
22nd Aug, 2018	Payment Credit	₹1,350
28th Aug, 2018	Purchase of Groceries	₹4,000

Interest on the amount due will be charged in the statement generated on 1st Sept, 2018 as below:

Daily Interest = (Outstanding amount *3.5%*12)/365



Interest Calculation:

Amount	Interest Chargeable Period	No. of Days	Interest Amount
₹20,000	15th July to 18th July, 2018	4	₹92.05
₹27,000	19th July to 1st Aug, 2018	14	₹434.96
₹27,000	2nd Aug to 21st Aug, 2018	20	₹621.37
₹25,650	22nd Aug to 27th Aug, 2018	6	₹177.09
₹29,650	28th Aug to 1st Sept, 2018	5	₹170.59

Thus the total interest charged will be **₹1,496.06** plus applicable taxes.

As the Cardmember has not paid the previous month's outstanding balance in full so all future transactions will bear interest from the day of transaction. Applicable Taxes will be levied at the applicable rate on the interest amount.

Sample Illustration 3

Assume that you have American Express Platinum Travel Credit Card, have paid previous dues in full and do not have any amount outstanding in your Card Account. Your statement date is 1st of every month. Below illustration will explain how the interest will be charged if the Annual Fee is not paid by due date.

Transactions:

Statement Date: 1st May, 2018 Due Date: 22nd May, 2018

Illustrative Interest Rate: 3.5% p.m. / 42% p.a. (for American Express Platinum Travel Credit Card)

Date	Transaction	Amount
1st May, 2018	Annual Fee	₹5,000
1st May, 2018	Applicable Taxes	₹900
1st May, 2018	Statement Date	Total Payment Due: ₹5,900 Min Payment Due: ₹5,900
29th May, 2018	Purchase of garments	₹2,000

Interest on the amount due will be charged in the statement generated on 1st June, 2018 as below:

Daily Interest = (Outstanding amount *3.5%*12)/365

Interest Calculation:

Amount	Amount Period	No. of Days	Interest Amount
₹2,000	29th May to 1st June, 2018	4	₹9.21

Thus the total interest charged will be ₹9.21 plus applicable taxes (Late Payment Charges will also be applicable here). As the Cardmember has not paid the previous month's outstanding



balance in full so all future transactions will bear interest from the day of transaction. The calculation of Applicable Taxes in the above sample illustration is at Applicable Taxes rate of 18% and is for illustrative purpose only. The Applicable Taxes will be levied at the prevailing rate on the interest amount.

Sample Illustration 4

Assume that you have American Express Platinum ReserveSM Credit Card, have paid previous dues in full and do not have any amount outstanding in your Card Account. Your statement date is 1st of every month. Below illustration will explain how the interest will be charged if the Annual Fee is not paid by due date.

Transactions:

Statement Date: 1st July, 2018 Due Date: 22nd July, 2018

Illustrative Interest Rate: 3.5% p.m./42% p.a. (for American Express Platinum Reserve Credit Card)

Date	Transaction	Amount
1st July, 2018	Annual Fee	₹10,000
1st July, 2018	Service Taxes	₹1,800
1st July, 2018	Statement Date	Total Payment Due: ₹11,800 Minimum Payment Due: ₹11,800
20th July, 2018	Purchase of garments	₹4,000
29th July, 2018	Payment Credit	₹6,000

Interest on the amount due will be charged in the statement generated on 1st August, 2018 as below:

Daily Interest = (Outstanding amount *3.5%*12)/365

Interest Calculation:

Amount	Interest Chargeable Period	No. of Days	Interest Amount
₹4,000	20th July to 1st August, 2018	13	₹59.84

Thus the total interest charged will be ₹59.84 plus applicable taxes (Late Payment Charges will also be applicable here). As the Cardmember has not paid the previous month's outstanding balance in full so all future transactions will bear interest from the day of transaction. The calculation of Applicable Taxes in the above sample illustration is at Applicable Taxes rate of 18% and is for illustrative purpose only. The Applicable Taxes will be levied at the prevailing rate on the interest amount.

Sample Illustration 5



Assume that you have American Express SmartEarn Credit Card, have paid previous dues in full and do not have any amount outstanding in your Card Account. Your statement date is 1st of every month. Below illustration will explain how the interest is calculated on Cash Withdrawal.

Transactions:

Statement Date: 1st August, 2018 Due Date: 22nd August, 2018

Illustrative Interest Rate: 3.5% p.m./42% p.a. (for American Express SmartEarn Credit Card)

Date	Transaction	Amount
19th July, 2018	ATM Cash Withdrawal	₹7,000
19th July, 2018	Cash Advance Service Fee	₹250
1st August, 2018 11th August, 2018	Statement Date Payment Credit	Total Amount Due: ₹7,362.77 Min Payment Due: ₹712.77 ₹7,362.77

Interest on the amount due will be charged in the statement generated on 1st August, 2018 as below:

Daily Interest = (Outstanding amount * 3.5%*12)/365

Cash Advance Fee of 3.5% of transaction amount, subject to minimum of ₹250 would also be charged on the Cash Withdrawal as illustrated in the table above.

Calculation of Interest levied on Cash Withdrawal of ₹7,000 done on 19th July, 2018 in statement generated on 1st August, 2018:

Amount	Amount Period	No. of Days	Interest Amount
₹7,000	19th July to 1st August, 2018	14	₹112.77

Thus, the total interest charged will be ₹112.77 plus applicable taxes.

Interest will be charged on daily basis from the statement generation date till complete payment is received on the Card. Assuming no transaction is done till the next statement generation on 1st September 2018 and since the complete payment is received post generation of statement on 1st August 2018, interest charged post 1st August 2018 would be displayed in the next statement generated on 1st September 2018 as illustrated below.

Calculation of Interest levied on Cash Withdrawal of ₹7,000 done on 19th July, 2018 in statement generated on 1st September, 2018:

Amount	Amount Period	No. of Days	Interest Amount
₹7,000	2nd August to 11th August, 2018	9	₹72.49



Thus, the total interest charged in statement generated on 1st September, 2018 will be ₹72.49 plus applicable taxes.

Sample Illustration 6

Assume that you have American Express Platinum Reserve Credit Card or American Express Platinum Travel Credit Card, have paid previous dues in full and do not have any amount outstanding in your Card Account. Your statement date is 1st of every month. Below illustration will explain how the interest is calculated on Cash Withdrawal.

Transactions:

Statement Date: 1st June, 2018 Due Date: 22nd June, 2018

Illustrative Interest Rate: 3.5% p.m. /42% p.a. (for American Express Platinum Reserve Credit Card and American Express Platinum Travel Credit Card)

Date	Transaction	Amount
12th May, 2018	ATM Cash Withdrawal	₹10,000
12th May, 2018	Cash Advance Service Fee	₹350
18th May, 2018	Purchase of Groceries	₹3,000
25th May, 2018	Payment Credit	₹10,350
Statement Generation Date		
1st June, 2018	Total Amount Due:	₹3,149.59
	Min. Amount Due:	₹299.59
1st July, 2018	Payment Credit:	₹3,149.59

For illustrative purposes, the cash advance Fee of 3.5% of transaction amount, subject to minimum of ₹250 would also be charged on the Cash Withdrawal as illustrated in the table above. Interest on the amount due will be charged in the statement generated on 1st June, 2018 as below for the Cash Withdrawal transaction:

Daily Interest = (Outstanding amount *3.5%*12)/365

Amount	Amount Period	No. of Days	Interest Amount
₹10,000	12th May to 25th May, 2018	13	₹149.59

Thus the total interest charged will be ₹154.82 plus applicable taxes.

Since complete payment was not received by Payment Due Date, Interest on the amount due will be charged in the statement generated on 1st July, 2018 as below:

Daily Interest = (Outstanding amount *3.5%*12)/365

Amount	Amount Period	No. of Days	Interest Amount
₹3,000	18th May to 1st June, 2018	15	₹51.78
₹3,000	2nd June to 1st July, 2018	29	₹100.11

Thus, the total interest charged will be ₹151.89 plus applicable taxes.

Interest, if payable, is debited to the Cardmember's Account on the last date of each statement period and is shown on the statement separately. Cardmember will pay interest on all the Charges outstanding at the monthly average rate shown on the statement as amended by American Express from time to time. American Express may vary the interest rates applicable to the Account at any time at its sole discretion.

The interest payable by the borrower shall be subject to the changes in interest rates made by the Reserve Bank from time to time.

If the Cardmember is on a revolving mode, Finance Charges are levied from day one of incurring the Charge. Finance Charge on Balance Transfer, Cash Advance is levied from the very next day. For any other Charges, it is from the next cycle date, if the Cardmember is on a non-revolving mode.

Overdue Interest Charges - to be given on monthly and annualized basis:

- For American Express Platinum ReserveSM Credit Card, American Express Platinum Travel Credit Card Cardmember will be charged a revised interest rate of 3.99% per month if the Minimum Payment Due is not paid by the due date thrice in a 12-month period.
- For all other Credit Cards, Cardmember will be charged a revised interest rate of 3.99% per month if the Minimum Payment Due is not paid by the due date twice in a 12-month period. The monthly statement of account will reflect the changed rate. This rate will be applicable for a period of 12 months before it is reviewed. By paying the Minimum Payment Due or more by the due date for at least 11 times in the next 12 months, the interest rate charged will revert back to the rate applicable as per clause (a) (i) & (ii) mentioned in the MITC.

Sample Illustration 1

Assume that you have the American Express Platinum Travel Credit Card and the Minimum Payment Due has not been paid by the due date thrice in last 12-month period. Hence, your interest rate will be revised from regular 3.5% p.m. to the interest rate in case of Default of 3.99% p.m. You have paid previous dues in full and do not have any amount outstanding in your Card Account. Your Statement Date is 1st of every month.

Below illustration will explain how the interest is calculated.

Statement Date: 1st May, 2018, Due Date: 22nd May, 2018

Interest Rate: 3.99% p.m. /47.88% p.a. (for American Express Platinum Travel Credit Card)

Date	Transaction	Amount
20th April, 2018	Purchase of groceries	₹5,000
25th April, 2018	Purchase of furniture	₹10,000
1st May, 2018	Statement Date	Total Payment Due: ₹15,000 Minimum Payment Due: ₹750



28th May, 2018	Payment Credit	₹750
29th May, 2018	Purchase of garments	₹2,000

Interest on the amount due will be charged in the statement generated on 1st June, 2018 as below:

Daily Interest = (Outstanding amount *3.99%*12)/365

Interest Calculation:

Amount	Interest Chargeable Period	No. of Days	Interest Amount
₹5,000	20th April to 24th April, 2018	5	₹32.79
₹15,000	25th April to 1st May, 2018	7	₹137.74
₹15,000	2nd May to 27th May, 2018	26	₹511.59
₹14,250	28th May, 2018 to 28th May 2018	1	₹18.69
₹16,250	29th May to 1st June, 2018	4	₹85.27
Total interest (exclusive of Taxes)			₹786.08

Thus, the total interest charged will be ₹786.08 plus applicable taxes (Late Payment charges will also be applicable here).

The Cardmember may refer to the statement to see his current applicable rate of interest under various heads.

Sample Illustration 2

Assume that you have the American Express Platinum Reserve Credit Card and the Minimum Payment Due has not been paid by the due date thrice in last 12-month period. Hence, your interest rate will be revised from regular 3.5% p.m. to the interest rate in case of Default of 3.99% p.m. You have paid previous dues in full and do not have any amount outstanding in your Card Account. Your Statement Date is 1st of every month. Below illustration will explain how the interest is calculated.

Statement Date: 1st May, 2018, **Due Date:** 22nd May, 2018

Interest Rate: 3.99% p.m./ 47.88% p.a, (for American Express Platinum Reserve Credit Card)

Date	Transaction	Amount
25th April, 2018	Purchase of furniture	₹3,000
28th April, 2018	Online purchase	₹2,500
1st May, 2018	Statement Date	Total Payment Due: ₹5,500 Minimum Payment Due: ₹275
22nd May, 2018	Payment Credit	₹275
29th May, 2018	Purchase of garments	₹2,000

Interest on the amount due will be charged in the statement generated on 1st June, 2018 as below:

Daily Interest = (Outstanding amount *3.99%*12)/365

Interest Calculation:



Amount	Interest Chargeable Period 25th	No. of Days	Interest Amount
3,000	April to 27th April, 2018	3	₹11.81
5,500	28th April to 1st May, 2018	4	₹28.86
5,500	2nd May to 21st May, 2018 22nd	20	₹144.30
5,225	May to 28th May, 2018 29th	7	₹47.98
7,225	May to 1st June, 2018	4	₹37.91
Total Interest (Inclusive of taxes)			₹270.85

Thus, the total interest charged will be ₹270.85 plus applicable taxes.

The Cardmember may refer to the statement to see his current applicable rate of interest under various heads.

Charges in case of default: If American Express does not receive the Minimum Payment by the payment due date (as shown on the monthly Card statement), a late payment Charge of 30% of the Minimum Payment Due as shown on the Card statement, subject to a minimum of ₹500 and a maximum of ₹1,000, plus applicable taxes will be levied to the Card Account. In addition to late payment Charges, interest as computed in point a (v & vi) will also apply.

American Express does not levy processing or any other Charges for the purpose of issuing a Card unless specified or without prior consent of the Cardmember.