

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 repaid 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 interest rate as a percentage annum.

Interest rates on Citibank Credit Cards change from time to time. For example, your interest rates may increase. 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 interest rate applicable to each transaction and applied to your account monthly.

The basic interest calculation is:

$$\begin{aligned} & \text{Transaction Amount} \\ & \times \text{Daily percentage Rate} \\ & \times \text{Number of Days} \end{aligned}$$

where Daily Percentage Rate is Interest rate divided by 365/366 days.

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.

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 travelers cheques.

Interest on Special Promotions

If you are offered a special promotion, you may receive a fixed or reduced Interest rate for a specific period. The Interest rate 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 Interest rate applicable to Interest on Prior Month is the same as the Interest rate applicable to Interest on Retail Purchases.

For all examples in this guide, we assume

- Retail Purchase Interest rate is at 21% per annum
- Interest free period of 55 days on retail purchases
- Payment are always made on the Payment Due Date and there are no overdue payments
- Minimum Payment is 3% of the outstanding balance or 50,000 VND, whichever is higher
- 365/366 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 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 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			February Statement			March Statement		
Date	Details	Amount	Date	Details	Amount	Date	Details	Amount
Dec 10	Grocery	2,000,000	Jan 15	Furniture	4,000,000	Feb 25	Payment	-4,000,000
			Jan 25	Payment	-2,000,000	Feb 28	Show Tickets	6,000,000
Opening Balance		0	Opening Balance		2,000,000	Opening Balance		4,000,000
Closing Balance		2,000,000	Closing Balance		4,000,000	Closing Balance		6,000,000
Minimum payment due		60,000	Minimum payment due		120,000	Minimum payment due		180,000
Payment Made on Due Date		2,000,000	Payment Made on Due Date		4,000,000	Payment Made on Due Date		6,000,000

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			February Statement			March Statement		
Date	Details	Amount	Date	Details	Amount	Date	Details	Amount
Dec 10	Grocery	2,000,000	Jan 15	Furniture	4,000,000	Feb 25	Payment	-4,000,000
Dec 25	Payment	-600,000	Jan 25	Payment	-11,613,800	Feb 28	Show Tickets	6,000,000
Jan 01	Interest Charged							
	Prior Month - Retail	69,800						
Jan 01	Interest Charged							
	Retail	144,000						
Opening Balance		10,000,000	Opening Balance		11,613,800	Opening Balance		4,000,000
Closing Balance		11,614,000	Closing Balance		4,000,000	Closing Balance		6,000,000
Minimum payment due		348,414	Minimum payment due		120,000	Minimum payment due		180,000
Payment Made on Due Date		11,613,800	Payment Made on Due Date		4,000,000	Payment Made on Due Date		6,000,000

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

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			February Statement			March Statement		
Date	Details	Amount	Date	Details	Amount	Date	Details	Amount
Dec 10	Grocery	2,000,000	Jan 15	Furniture	4,000,000	Feb 25	Payment	- 6,043,284
			Jan 25	Payment	- 60,000	Feb 28	Mobile Bill	665,000
			Feb 01	Interest Charged Prior Month – Retail	26,465 ¹			
			Feb 01	Interest Charged Retail	76,819 ²			
Opening Balance	Closing Balance		Opening Balance	Closing Balance		Opening Balance	Closing Balance	
0	2,000,000		2,000,000	6,043,284		6,043,284	665,000	
Minimum payment due	Payment Made on Due Date		Minimum payment due	Payment Made on Due Date		Minimum payment due	Payment Made on Due Date	
60,000	60,000		181,298	6,043,284		50,000	665,000	

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 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	2,000,000	21%/365	23	26,465
²		Grocery purchase after January Statement Date and before your minimum payment	January 2 to January 24	2,000,000	21%/365	23	26,465
		Unpaid balance on the grocery purchase after your minimum payment	January 25 to February 1	(2,000,000 – 60,000)	21%/365	8	8,929
		Furniture purchase	January 15 to February 1	4,000,000	21%/365	18	41,424
	Total						76,819

*Please see page 2 for assumptions of the examples

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 statement. Alternatively, you can call CitiPhone at (84) 1900 1819 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 Payment Due Date
- Monitor the transactions and balances on your account and ensure your available credit is sufficient to cover your new transactions
- 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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