



FAQs pertaining to changes in Interest rate methodology on Credit cards

Q1: What are the changes made on the Credit card interest calculation?

A. Currently, we calculate and accrue interest from the date of the transaction based on your daily outstanding balance. The accrued interest is then charged to your credit card if you do not repay all of the outstanding statement amount by the due date. This means that where you make a partial payment towards your outstanding balance, we will still charge you interest.

In the new methodology, if you make a partial payment before your due date, then we will continue to apply this payment to your outstanding balance in accordance with our Credit Card Agreement Terms, and if it settles transactions within the interest free period of that statement then we will not charge you any interest that had accrued on those transactions. Interest will continue to accrue and be charged on amounts which remain outstanding until they are fully repaid.

For example:

Statement Period: March 2020

Outstanding Balance due: 100BHD (*Retail spends with no amounts carried forward from previous statements*)

Due Date: 25 April 2020

If you pay 100BHD (i.e. full payment) on or before 25 April 2020: We will not charge you any additional interest on the 100BHD since this has been fully repaid on time.

If you pay 50BHD (i.e. partial payment) on or before 25 April 2020: We will not charge you any interest on the 50BHD you have repaid, but will charge you interest on the remaining 50BHD balance.

Note: the above example assumes that the outstanding balance does not include any amounts carried forward from previous statements. If an amount is carried forward, then your partial payment of 50BHD will be applied to the previous carried forward amounts and we may still charge you interest on transactions appearing in your March 2020 statement.

As a result of this change we will:

- (a) Amend our Credit Card Agreement Terms to reflect this change. You will shortly receive information on these changes and how and when they apply to you; and
- (b) Refund interest we have charged to customers between 1st November, to 30th July, 2020 (both dates included) for partial payments made before their due date which settled transactions within the interest free period. (the "Refund").

Q2: When will these changes be made?



A. The new methodology will apply from 1 August 2020. The Refund will be completed in 2 phases

	Interest charged for Partial Payments made before due date between the following dates	Refund completed by:
First phase	1 st November,19 to 29 th February,2020	30 th May,2020
Second phase	1 st March,2020 to 31 st July,2020	30 th August,2020

Q3: How much is the Refund?

The Refund is only for customers who were charged interest between 1 November 2019 and 31st July2020 (both dates included) for partial payment made before their payment due date which settles transactions within the interest free period. You will receive an SMS once the Refund is processed, and this will also be reflected in your credit card statement. The Refund amount represents the amount of interest which was accrued from the date of the transaction until the partial payment was made.

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