

SAMPLE COMPUTATION OF FINANCE CHARGE

Finance Charge - Interest on the previous balance as reflected on the current Statement of Account (SOA) computed from day after the last statement date to the day before the payment post date, using the stated Finance Charge Rate

PLUS

Interest on the difference between the previous balance and the payment computed from the payment post date to the statement date of the current SOA, using the stated Finance Charge Rate.

Sample:

Current Statement Date:	May 10, 2023
Previous Statement Date:	April 10, 2023
Due Date:	May 2, 2023
Total Amount Due of the April 10, 2023 Statement	Php 10,000
Minimum Amount Due on April 10, 2023 Statement	Php 500.00
Payment Made	Php 500.00
Payment Date	May 2, 2023
Finance Charge Rate	3% per month or 36% per annum
No. of days from April 11 to May 1	21 days (No. of days from day after previous SOA date to the day before payment posting)
No. of days from May 2 to May 10	9 days (No. of days from payment post date to the current SOA date)
Total Finance Charge from April 11 to May 1	Php 210.00
Total Finance Charge from May 2 to May 10	Php 85.50
Total Finance Charge from April 11 to May 10 (30 days)	Php 295.50

Finance Charge= (1) interest computed on the previous balance of Php 10,000 from April 11 (date after the previous statement date) to May 1 (date before the post date of payment of Php 500):

$$\text{Php } 10,000 \times (0.03/\text{month} \times 12 \text{ months}) / 360 \text{ days} = \text{Php } 10.00/\text{day} \times 21 \text{ days (April 11 to May 1)} = \text{Php } 210.00$$

PLUS

(2) Interest computed on the difference between the previous balance and your payment (Php 10,000 - Php 500) from May 2 (payment post date) to May 10 (May statement date):

$$\text{Php } 9,500 \times (0.03/\text{month} \times 12\text{months}) / 360\text{days} = \text{Php } 9.50/\text{day} \times 9 \text{ days (May 2 to May 10)} = \text{Php } 85.50$$

= Php 210 + Php 85.50

= Php 295.50 (reflected on the May 10, 2023 statement)

Day	Date	Outstanding Balance	Payment Made	Finance Charge Rate	Finance Charge
1	April 11	10,000.00	0.00	3.00%	10.00
2	April 12	10,000.00	0.00	3.00%	10.00
3	April 13	10,000.00	0.00	3.00%	10.00
4	April 14	10,000.00	0.00	3.00%	10.00
5	April 15	10,000.00	0.00	3.00%	10.00
6	April 16	10,000.00	0.00	3.00%	10.00
7	April 17	10,000.00	0.00	3.00%	10.00
8	April 18	10,000.00	0.00	3.00%	10.00
9	April 19	10,000.00	0.00	3.00%	10.00
10	April 20	10,000.00	0.00	3.00%	10.00
11	April 21	10,000.00	0.00	3.00%	10.00
12	April 22	10,000.00	0.00	3.00%	10.00
13	April 23	10,000.00	0.00	3.00%	10.00
14	April 24	10,000.00	0.00	3.00%	10.00
15	April 25	10,000.00	0.00	3.00%	10.00
16	April 26	10,000.00	0.00	3.00%	10.00
17	April 27	10,000.00	0.00	3.00%	10.00
18	April 28	10,000.00	0.00	3.00%	10.00
19	April 29	10,000.00	0.00	3.00%	10.00
20	April 30	10,000.00	0.00	3.00%	10.00
21	May 1	10,000.00	0.00	3.00%	10.00
22	May 2	10,000.00	500.00	3.00%	9.50
23	May 3	9,500.00	0.00	3.00%	9.50
24	May 4	9,500.00	0.00	3.00%	9.50
25	May 5	9,500.00	0.00	3.00%	9.50
26	May 6	9,500.00	0.00	3.00%	9.50
27	May 7	9,500.00	0.00	3.00%	9.50
28	May 8	9,500.00	0.00	3.00%	9.50
29	May 9	9,500.00	0.00	3.00%	9.50
30	May 10	9,500.00	0.00	3.00%	9.50
					295.50

NOTE: The bank reserves the right to change the Finance Charge Rate with prior notice to the cardholder.