

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (SECOND REPORT)

Commonwealth Bank of Australia

CBA56QW:

*On your credit card products, do you charge interest other than from the end of the statement period on the amount outstanding at the end of that date?*

**Answer:**

Commonwealth Bank's methodology for charging interest rates is publicly available on our website, at <https://www.commbank.com.au/personal/apply-online/download-printed-forms/ADB3181-a-question-of-interest.pdf>.

To calculate interest, we average the account balances over the statement period, multiply this average by the applicable daily interest rate (the annual rate divided by 365) and multiply the result by the number of days in the statement period.

To these amounts we add any interest relating to the previous statement period that has not yet been charged to an account; for example, if an interest free period is no longer applicable because a customer did not pay the previous statement closing balance by the due date.