

## Example of General Unsecured Loan Repayment Schedule without Early Settlement

A 12-month loan of HK\$100,000 at a monthly flat rate of 0.35%

Average Monthly Interest = HK\$100,000 x 0.35% = HK\$350

Interest for the full term = HK\$350 x 12(instalments) = HK\$4,200

Monthly repayment amount = (HK\$100,000 + HK\$4,200) / 12(monthly payments) = HK\$8,684

Annualized Percentage Rate (APR)<sup>#</sup> = 9.99% (including 1% up-front handling fee)

The interest paid each month can be found by first solving the monthly effective rate of the following equation:

Equation	$PV = \sum_{t=1}^n \frac{PMT}{(1+r)^t}$ <p>PV = Loan Amount  PMT = Monthly Instalment Amount  t = No. of Instalment  n = Loan Tenor  r = Monthly Effective Rate</p>
Example	$\$100,000 = \sum_{t=1}^{12} \frac{\$8,684}{(1+r)^t}$ <p>By solving the equation,  r = 0.6399022%</p>

The repayment schedule is as follows:

Nth of Instalment	Interest		Principal Repaid		Outstanding Principal	
0						HK\$ 100,000.00
1	\$100,000 x 0.6399022% =	HK\$ 639.90	\$8,684 - \$639.90 =	HK\$ 8,044.10	\$100,000 - \$8,044.10 =	HK\$ 91,955.90
2	\$91,955.90 x 0.6399022% =	HK\$ 588.43	\$8,684 - \$588.43 =	HK\$ 8,095.57	\$91,955.90 - \$8,095.57 =	HK\$ 83,860.33
3	\$83,860.33 x 0.6399022% =	HK\$ 536.62	\$8,684 - \$536.62 =	HK\$ 8,147.38	\$83,860.33 - \$8,147.38 =	HK\$ 75,712.95
4	\$75,712.95 x 0.6399022% =	HK\$ 484.49	\$8,684 - \$484.49 =	HK\$ 8,199.51	\$75,712.95 - \$8,199.51 =	HK\$ 67,513.44
5	\$67,513.44 x 0.6399022% =	HK\$ 432.02	\$8,684 - \$432.02 =	HK\$ 8,251.98	\$67,513.44 - \$8,251.98 =	HK\$ 59,261.46
6	\$59,261.46 x 0.6399022% =	HK\$ 379.22	\$8,684 - \$379.22 =	HK\$ 8,304.78	\$59,261.46 - \$8,304.78 =	HK\$ 50,956.68
7	\$50,956.68 x 0.6399022% =	HK\$ 326.07	\$8,684 - \$326.07 =	HK\$ 8,357.93	\$50,956.68 - \$8,357.93 =	HK\$ 42,598.75
8	\$42,598.75 x 0.6399022% =	HK\$ 272.59	\$8,684 - \$272.59 =	HK\$ 8,411.41	\$42,598.75 - \$8,411.41 =	HK\$ 34,187.34
9	\$34,187.34 x 0.6399022% =	HK\$ 218.77	\$8,684 - \$218.77 =	HK\$ 8,465.23	\$34,187.34 - \$8,465.23 =	HK\$ 25,722.11
10	\$25,722.11 x 0.6399022% =	HK\$ 164.60	\$8,684 - \$164.60 =	HK\$ 8,519.40	\$25,722.11 - \$8,519.40 =	HK\$ 17,202.70
11	\$17,202.70 x 0.6399022% =	HK\$ 110.08	\$8,684 - \$110.08 =	HK\$ 8,573.92	\$17,202.70 - \$8,573.92 =	HK\$ 8,628.78
12	\$8,628.78 x 0.6399022% =	HK\$ 55.22	\$8,684 - \$55.22 =	HK\$ 8,628.78	\$8,628.78 - \$8,628.78 =	HK\$ -

<sup>#</sup> The annualized Percentage Rate ("APR") is calculated according to the standard of Hong Kong Association of Banks and rounded to 2 decimal places. An APR is a reference rate which includes the basic interest rates and other applicable fees and charges of the product expressed as an annualized rate.

The above example is for reference only.