

## Example of Professional Loan Repayment Schedule without Early Settlement

A 12-month loan of HK\$100,000 at interest rate of  $P + 2.5\% = 7.75\%$  per annum where P is the Prime Lending Rate.

(The Prime Lending Rate of our Company is currently 5.25% per annum)

Annualized Percentage Rate (APR)<sup>#</sup> = 8.03%

The monthly instalment amount can be solved by the following equation

Equation	$PV = \sum_{t=1}^n \frac{PMT}{(1+r)^t}$	PV = Loan Amount PMT = Monthly Instalment Amount t = No. of Instalment n = Loan Tenor r = Monthly Effective Rate
Example	$\$100,000 = \sum_{t=1}^{12} \frac{PMT}{(1 + \frac{7.75\%}{12})^t}$	By solving the equation, PMT = \$8,687.29

The repayment schedule is as follows:

Nth of Instalment	Interest		Principal Repaid		Outstanding Principal	
0						HK\$ 100,000.00
1	$\$100,000 \times 7.75\% / 12 =$	HK\$ 645.83	$\$8,687.29 - \$645.83 =$	HK\$ 8,041.46	$\$100,000 - \$8,041.46 =$	HK\$ 91,958.54
2	$\$91,958.54 \times 7.75\% / 12 =$	HK\$ 593.90	$\$8,687.29 - \$593.90 =$	HK\$ 8,093.39	$\$91,958.54 - \$8,093.39 =$	HK\$ 83,865.15
3	$\$83,865.15 \times 7.75\% / 12 =$	HK\$ 541.63	$\$8,687.29 - \$541.63 =$	HK\$ 8,145.66	$\$83,865.15 - \$8,145.66 =$	HK\$ 75,719.49
4	$\$75,719.49 \times 7.75\% / 12 =$	HK\$ 489.02	$\$8,687.29 - \$489.02 =$	HK\$ 8,198.27	$\$75,719.49 - \$8,198.27 =$	HK\$ 67,521.22
5	$\$67,521.22 \times 7.75\% / 12 =$	HK\$ 436.07	$\$8,687.29 - \$436.07 =$	HK\$ 8,251.22	$\$67,521.22 - \$8,251.22 =$	HK\$ 59,270.01
6	$\$59,270.01 \times 7.75\% / 12 =$	HK\$ 382.79	$\$8,687.29 - \$382.79 =$	HK\$ 8,304.50	$\$59,270.01 - \$8,304.50 =$	HK\$ 50,965.50
7	$\$50,965.50 \times 7.75\% / 12 =$	HK\$ 329.15	$\$8,687.29 - \$329.15 =$	HK\$ 8,358.14	$\$50,965.50 - \$8,358.14 =$	HK\$ 42,607.37
8	$\$42,607.37 \times 7.75\% / 12 =$	HK\$ 275.17	$\$8,687.29 - \$275.17 =$	HK\$ 8,412.12	$\$42,607.37 - \$8,412.12 =$	HK\$ 34,195.25
9	$\$34,195.25 \times 7.75\% / 12 =$	HK\$ 220.84	$\$8,687.29 - \$220.84 =$	HK\$ 8,466.45	$\$34,195.25 - \$8,466.45 =$	HK\$ 25,728.80
10	$\$25,728.80 \times 7.75\% / 12 =$	HK\$ 166.17	$\$8,687.29 - \$166.17 =$	HK\$ 8,521.12	$\$25,728.80 - \$8,521.12 =$	HK\$ 17,207.68
11	$\$17,207.68 \times 7.75\% / 12 =$	HK\$ 111.13	$\$8,687.29 - \$111.13 =$	HK\$ 8,576.16	$\$17,207.68 - \$8,576.16 =$	HK\$ 8,631.52
12	$\$8,631.52 \times 7.75\% / 12 =$	HK\$ 55.75	$\$8,687.29 - \$55.75 =$	HK\$ 8,631.54	$\$8,631.52 - \$8,631.52^* =$	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.

\* For the last term, if the principal repaid amount is larger than the outstanding principal, outstanding principal is used as the principal repaid amount.

The above example is for reference only.