

KBank Secured Business Loan

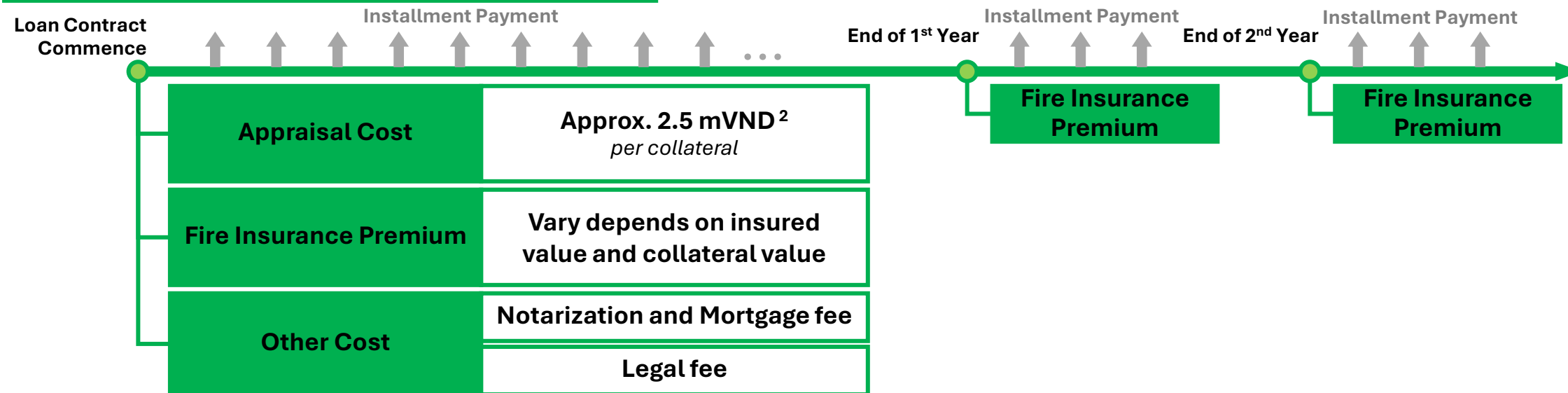


It is the “Term Loan” backed by “Collateral”. Shop owners/Merchants can use this loan to increase liquidity and expand their household business, e.g. purchasing new asset, purchasing machine and equipment, shop’s decoration or renovation and other business purposes.

Credit Limit and Loan-to-value (LTV)	Loan Tenor	Interest Rate	Repayment
<p>Up to 5.0 bVND and 80%¹ of the collateral value according to bank’s policy, term and conditions</p>	<p>Up to 7 years the age of the customer must not be exceeded 60 years old on the loan maturity date</p>	<p>Starting from 6.50% effective interest rate per annum and subjected to change according to bank’s announcement</p>	<p>Equated Monthly Installment (EMI) a fixed payment amount pay on due date of each calendar month</p>

Who is eligible for this product?	Collateral Requirements
<ul style="list-style-type: none"> Shop owner/Merchant who is Vietnamese resident aged 20 to not exceed 60 at loan maturity Having the household business registration certificate registered for more than 1 year Having business address in HCMC or within 200km. radius from HCMC Central Post Office 	<ul style="list-style-type: none"> Must be LURC³ ready: Condominium, Single house, Townhouse, Townhome, Shop house Located in HCMC or within 200km. radius from HCMC Central Post Office Collateral can be owned by the customer or immediate family members

Costs apart from loan installments



¹ subject to bank’s policy, term and conditions on loan purpose and purchasing price | ² depends on the collateral type, location which identified by appraisal company | ³ LURC stands for Land Use Right Certificate

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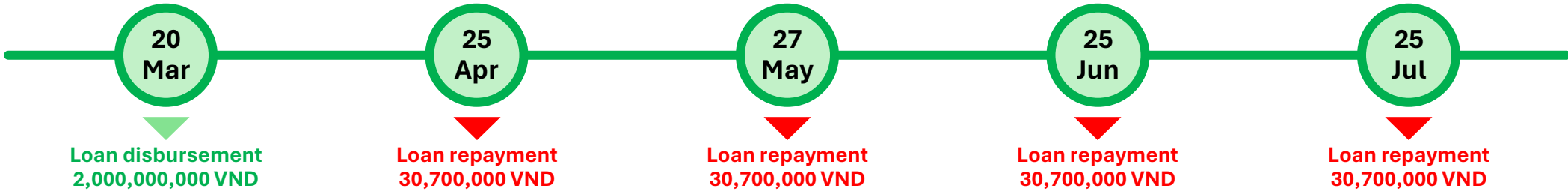


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The benefits of Equated Monthly Installment (EMI) with Effective Interest Rate

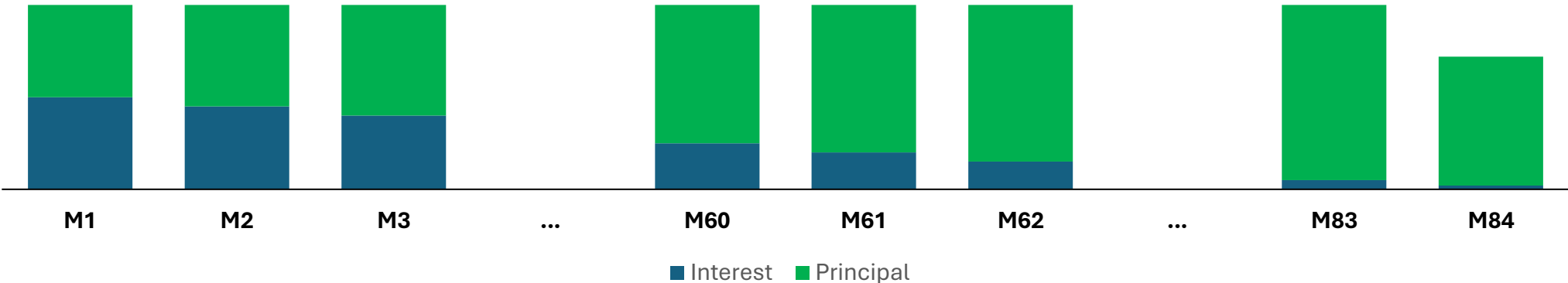
- The interest will be calculated daily with an effective interest rate based on customer loan outstanding principal
- Easy to remember. Do not need to worry about the repayment amount. The installment amount is fixed for every due date of each calendar month
- The EMI concept usually comes with a lower total interest throughout the loan contract

25 May is a holiday, the due date will be automatically moved to next business day which is 27 May.



In the beginning, customer pays more on the interest. The remaining amount will be paid to the principal.

At the end of the period, as the remaining outstanding balance is small, so customer pays more on principal and less on interest.



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Example of Normal Interest Calculation

Interest Calculation Formula

$$\text{Interest Amount} = \frac{\text{Loan Outstanding Principal} \times \text{Interest Rate per annum} \times \text{Number of Day(s)}}{\text{Number of days in a year (365 days)}}$$

Loan disbursed
3,000,000,000 VND
7.2% interest rate
36 months tenor



Interest Payment Amount

$$14,202,739.73 \text{ VND} = \frac{3,000,000,000.00 \text{ VND} \times 7.2\% \times 24^1 \text{ Days}}{365 \text{ days}}$$

Interest Payment Amount

$$17,863,929.65 \text{ VND} = \frac{2,921,296,739.73 \text{ VND} \times 7.2\% \times 31^2 \text{ Days}}{365 \text{ days}}$$

Remark:

¹ Number of days calculated from 1 Jan to 24 Jan

² Number of days calculated from 25 Jan to 24 Feb

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Example of Late Charge Calculation

Late Charge Formula for Overdue Principal

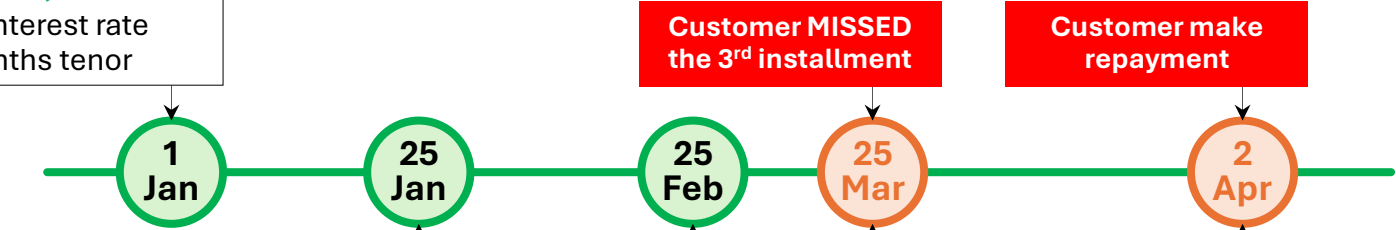
$$\text{Late Charge on Overdue Principal} = \frac{\text{Overdue Principal} \times \text{Late Charge of Overdue Principal} \times \text{Number of Day(s)}}{\text{Number of days in a year (365 days)}}$$

Late Charge Formula for Overdue Interest

$$\text{Late Charge on Overdue Interest} = \frac{\text{Overdue Interest} \times \text{Late Charge of Overdue Interest} \times \text{Number of Day(s)}}{\text{Number of days in a year (365 days)}}$$

Late Charge Rate
Late Charge on Overdue Principal = 150% of the interest rate applied on the overdue principal amount for the overdue period.
Late Charge on Overdue Interest = 10% per annum applied on the overdue interest amount for the overdue period.

Loan disbursed
3,000,000,000 VND
 7.2% interest rate
 36 months tenor



Interest Amount Due = **14,202,739.73 VND**
 Principal Amount Due = **78,703,260.27 VND**

Interest Amount Due = **17,863,929.65 VND**
 Principal Amount Due = **75,042,070.35 VND**

Interest Amount Due = **15,720,683.32 VND**
 Principal Amount Due = **77,185,316.68 VND**

Late Charge Amount on Overdue Principal

$$182,707.16 \text{ VND} = \frac{77,185,316.68 \text{ VND} \times (7.2\% \times 150.0\%) \times 8 \text{ Day}}{365 \text{ days}}$$

Late Charge Amount on Overdue Interest

$$34,456.29 \text{ VND} = \frac{15,720,683.32 \text{ VND} \times 10.0\% \times 8 \text{ Day}}{365 \text{ days}}$$

Total Repayment Amount on 2-Apr

Principal Amount = 77,185,316.68 VND	}	93,123,163.45 VND
Interest Amount = 15,720,683.32 VND		
Late Charge on Overdue Principal = 182,707.16 VND		
Late Charge on Overdue Interest = 34,456.29 VND		

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Required Insurance for Loan Application



Fire Insurance

During the loan tenor, there is always a risk of fire to the collateral, buying a fire insurance for the collateral (insured building) is necessary for covering damage and losses caused by fire and reduce loss to your property

Q: What are the benefits of fire insurance?

A: The fire insurance will cover damage and losses caused by fire to the insured property. The compensation from the insurance policy will be used to repay the loan outstanding with the bank and return the remaining amount to the customer. (if any)

Q: What is covered under the fire insurance?

A: Any loss of or damage to the insured building caused by Fire, Explosion, Direct lightning.
Note: Details and further clarification of the insurance can be found in the fire insurance policy

Q: How much the sum insured amount and how long does the customer need to purchase the fire insurance?

A: The sum insured amount must not be lower than the loan outstanding balance or insured building’s construction value or as stated by the bank and the insurance policy need to be extended every year throughout the loan tenor.

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Additional Information

- The customer should borrow only as much as necessary for your intended purpose and make sure you can afford to repay it.
- For the maximum benefit, please make the installment payments on the due date (every 25th of each month).
- To avoid late payment, the customer should transfer money to K PLUS Biz Account before 23:00 pm on the due date.
- In case the bank receive the installment payment, the bank will send the E-Receipt through customer’s email as specified in the loan application.
- The payment hierarchy for on due payment is Fee (if any) > Principal (due) > Interest (due) > Interest (not due) > Principal (not due)
- The payment hierarchy for overdue payment is Principal (overdue) > Interest (overdue) > Principal (due) > Interest (due) > Late Charges > Fee > Interest (not due) > Principal (not due)
- In case the customer has multiple overdue installment, the payment hierarchy will deduct Principal of the longest overdue installment followed by the next longest overdue installment then Interest of the longest overdue installment followed by the next longest overdue installment.
- The fee for processing title deed borrowing (e.g. for visa interview, update personal information) : 2.0 mVND (non-VAT) per transaction
- The fee for certified true copy of title deed : 0.1 mVND (non-VAT) per transaction
- In case of a change in contact information, customer should inform the bank to receive the important information by contact through K-Contact Center Vietnam (throughout 24 hours/7 days a week) at Tel +8428 3821 888813.