Effective date: 01/09/2025

KBANK HOME LOAN: INTEREST RATE CALCULATION

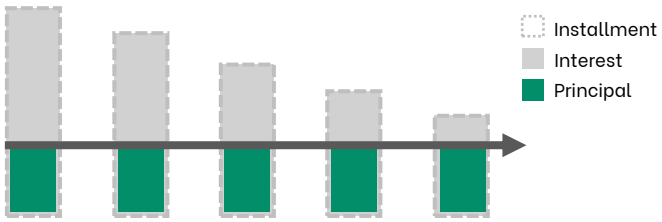
At KBank, we recognize that every customer's financial journey is unique. Our Home Loan offers two flexible repayment options: **Declining Balance Installment**, with lower monthly repayments through fixed principal and decreasing interest as your loan balance reduces and **Equated Monthly Installment**, with fixed monthly repayments that make it easier to plan and manage personal finances, giving you the flexibility to choose the option that best fits your financial goals.

Declining Balance Installment

This method is recommended for customers who ***prefer a payment with monthly repayments that gradually decrease over time***.

- Fixed monthly principal repayment
- Interest on remaining loan balance
- Less interest as principal drops
- Lower monthly repayments over time

Loan Repayment Over Time

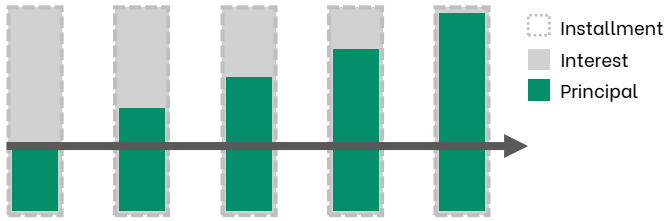


Equated Monthly Installment (EMI)

This method is recommended for customers who like to ***know exactly what their monthly repayments will be***, make it easier to plan their finances.

- Easy to remember
- Easier to plan and manage personal finances
- Interest on remaining loan balance
- Less interest as principal drops

Loan Repayment Over Time



How to Calculate Interest

Normal Interest Payable Calculation

$$\text{Interest Payable} = \frac{\text{Loan Outstanding Balance} \times \text{Interest Rate Per Annum} \times \text{Number of Day(s)}}{\text{Number of Days in a Year (365 days)}}$$

Scan to Check Calculation

Late Charge on Overdue Principal Calculation

$$\text{Late Charge on Overdue Principal (OP)} = \frac{\text{Overdue Principal} \times (\text{Late Interest Rate Charge on OP} - \text{Normal Interest Rate}) \times \text{Number of Day(s) Overdue}}{\text{Number of Days in a Year (365 days)}}$$

Late Charge on Overdue Interest Calculation

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

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EXAMPLE OF INTEREST RATE CALCULATION

Normal Interest Payable
Calculated from the outstanding loan amount and the number of days in each period

Late Charges
- Late Charge on Overdue Principal (OP) = 150% of normal interest rate p.a.
- Late Charge on Overdue Interest = 10% p.a.

Declining Balance Installment

Example: The customer has a home loan with a 2 billion VND outstanding principal and a loan term of 360 months. Repayments are due on the 15th of each month at an annual interest rate of 8%, with late charges as per the table above. The customer paid on time in May but missed the June 15th payment of 19.2 million VND (5.6 million principal + 13.6 million interest). Payment was made on July 10th, incurring a late interest charge of 0.11 million VND, including 0.02 million on overdue principal and 0.09 million on overdue interest.

Normal Interest Payable = 2,000 M x 8% x 31 days / 365 = 13.6 M
Principal Payment = 5.6 M
Total Payment = 5.6 M + 13.6 M = 19.2 M

= 4%

Late Charge on Overdue Principal = 5.6 M x (8% x 1.5 - 8%) x 25 days / 365 = 0.02 M
Late Charge on Overdue Interest = 13.6 M x 10% x 25 days / 365 = 0.09 M
Total Late Charge = 0.02 M + 0.09 M = 0.11 M

Total Payment
= Normal Payment + Late Charges
= 19.2 M + 0.11 M
= **19.31 M**

Equated Monthly Installment

Example: The customer has a home loan with a 2 billion VND outstanding principal and a loan term of 360 months. Repayments are due on the 15th of each month at an annual interest rate of 8%, with late charges as per the table above. The customer paid on time in May but missed the June 15th payment of 19.4 million VND (5.8 million principal + 13.6 million interest). Payment was made on July 10th, incurring a late interest charge of 0.12 million VND, including 0.02 million on overdue principal and 0.09 million on overdue interest.

Monthly installment = 19.4 M
Normal Interest Payable = 1,999 M x 8% x 31 days / 365 = 13.6 M
Principal Payment = 19.4 M - 13.6 M = 5.8M

= 4%

Late Charge on Overdue Principal = 5.8 M x (8% x 1.5 - 8%) x 25 days / 365 = 0.02 M
Late Charge on Overdue Interest = 13.6 M x 10% x 25 days / 365 = 0.1 M
Total Late Charge = 0.02 M + 0.1 M = 0.12 M

Total Payment
= Normal Payment + Late Charges
= 19.4 M + 0.12 M
= **19.52 M**

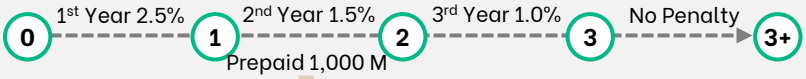
Early Repayment Charge

A penalty fee applies to early repayments made within the first 3 years of the loan term
- 1st Year: 2.5%
- 2nd Year: 1.5%
- 3rd Year: 1.0%
- After 3rd Year: No penalty

Early Prepayment Charge
= Prepaid Amount x Penalty Rate (%)

Example of Calculation

Example: Customer made loan prepayment of 1,000 million VND in the 2nd year of the loan term. The prepayment incurred a penalty charge of 15 million VND.



Prepaid 1,000 M

Early Prepayment Charge = 1,000 M x 1.5%
= 15 M