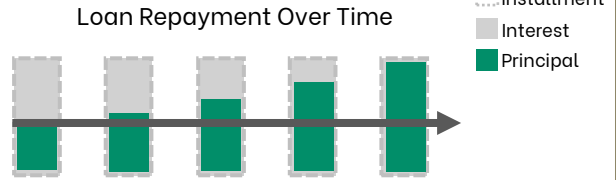


HOME LOAN FOR RENOVATION AND DECORATION: INTEREST RATE CALCULATION

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



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

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

EXAMPLE OF INTEREST RATE CALCULATION

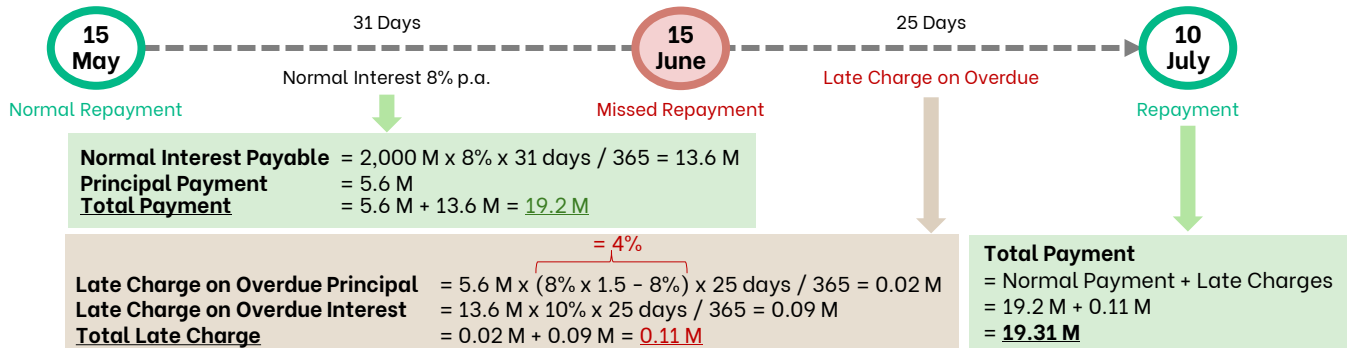
Normal Interest Payable

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.

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.

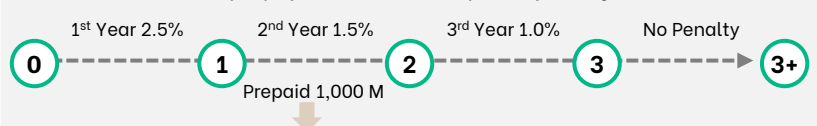


Early Repayment Charge

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

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.



$$\text{Early Repayment Charge} = 1,000 \text{ M} \times 1.5\% = \underline{15 \text{ M}}$$

Early Prepayment Charge

$$= \text{Prepaid Amount} \times \text{Penalty Rate (\%)}$$