

NOTIFICATION

Re: The Order of collection of Principal and Loan Interest and Interest Calculation Method

Dear Value Customer,

HSBC Bank (Vietnam) Ltd. ("**HSBC**") would like to thank you for banking with us.

We would like to inform you of the following changes:

1. Order of collection of principal and loan interest (only applicable for loan)

As of December 2nd 2017, in the event HSBC receives insufficient payment to release all due obligations and payable under the Facility of Agreement/Application Form (or similar contracts), the Bank will perform the collection of the payments in the following order:

- (i) Overdue Principle;
- (ii) Overdue loan interest; Loan Interest For Overdue Principle;
- (iii) Fees and Expense related to the Loan;
- (iv) In due Loan Interest; and
- (v) Original Principle in the term.

The above changes are in compliance with Circular No. 39/2016/TT-NHNN dated December 30th 2016. Therefore, we would like you to note and prepare the necessary payment to maintain a good credit history.

2. Interest calculation method (applicable for all products, including Loan, Credit Card, Demand Deposit and Time Deposit/Savings Deposit)

To comply with the provisions of Circular No. 14/2017/TT-NHNN dated September 29th 2017, effective from January 2nd 2018, the interest rate applicable to credit facilities and/or deposits at HSBC calculated as follows:

2.1. For Loans and Deposits:

(a) Components for Interest Calculation:

- (i) Interest Period:
 - Demand Deposit: number of days having actual balance
 - Time Deposit/Savings Deposit: from and including the date of deposit placement and not including the maturity date.
 - Loan: from and including the date of loan disbursement and not including the date the loan was repaid, regardless of whether the loan was successfully transferred to the beneficiary.
- (ii) Actual Balance:
 - Demand Deposit: Day-end balance.
 - Time Deposit /Savings Deposit: the principal amount maintained during the Interest Period.
 - Loan: the day-end balance of the outstanding principal or the overdue principle.



- (iii) Number of days to maintain the actual balance: The number of days having unchanged actual balance.
- (iv) Interest rate: as set out in the relevant contract signed between you and HSBC.

(b) Interest Calculation Method:

$$\text{Interest amount} = \frac{\text{Actual balance} \times \text{Number of days of maintaining the actual balance} \times \text{Interest rate}}{365}$$

Note:

- (i) For Time Deposits/Savings Deposit placed before 02/01/2018 and renewed before 08/01/2018, interest amount will be calculated under method of 360-day year basis till next renewal date.
- (ii) For Time Deposits/Savings Deposit placed before 02/01/2018 and renewed from 08/01/2018, interest amount will be calculated under method of 360-day year basis till maturity date, after that interest amount will be calculated under method of 365-day year basis.
- (iii) For car loans, home loans and mortgage loans opened before 02/01/2018 and the next interest review is before 08/01/2018, interest amount will be calculated under method of 360-day year basis until the date of next interest reviewing date which is stipulated in the Facility Agreement. After that, interest amount will be calculated under method of 365-day year basis.
- (iv) For car loans, home loans and mortgage loans opened before 02/01/2018 and the next interest review is after 08/01/2018, the interest will be calculated under the method of 365-day year basis since the next interest reviewing date.

2.2. For Credit Card Outstanding:

- (a) If the Cardholder does not pay the full payment of the Statement Balance at the Payment Due Date, the interest rate (as specified in the Credit Card Tariff) will be applied to the interest calculation:
 - Day-end Outstanding: includes (a) to each Card Transaction (excluding cash advance which is subject to a different charging scheme) making up the Statement Balance, as well as new transactions (excluding cash advance) entered into by the Cardholder since the last Statement Date, from the transaction date and (b) to any other amounts making up the Statement Balance from the last Statement Date, until the Statement Balance is paid in full.
 - Interest: specified in the Credit Card Tariff which is effective in each time.
 - Actual Balance: The end-day balance of the Day-end Outstanding which Cardholder must pay to the Bank.



- Actual maintenance Date: The number of days having unchanged actual balance.
- Interest period: from the transaction date until the day-end balance is fully paid.

(b) Interest Calculation Method:

$$\text{Day-end Outstanding} \times \text{Number of days of maintaining the actual balance} \times \text{Interest rate}$$

$$\text{Interest amount} = \frac{\text{Day-end Outstanding} \times \text{Number of days of maintaining the actual balance} \times \text{Interest rate}}{365}$$

For cash advance, the interest rate will be similarly calculated using the above described method, however, the interest calculation period is applied from the date of the cash advance until all cash advances are paid in full.

The specific interest rate and adjusted interest rate (if any) for credit facilities and/or deposits which is calculated accordingly the above method is the same at the specific interest rate and adjusted interest rate which is calculated accordingly the calculation method of current regulations.

This notice is considered as a part of the Facility Agreement/Application Form/Credit Card Agreement/Open Demand Deposits or Savings Deposits Form (or similar contracts) that you have with HSBC.

If you have any questions about this issue, please contact our Customer Relations Manager, Customer Service Representative or visit any nearest HSBC Vietnam Branches or Transaction Office for support.

- Premier Customers: (84 28) 37 247 666, available 24/7
- Personal Customers: (84 28) 37 247 247 (Southern) or (84 24) 62 707 707 (Northern)
It operates daily from 8am to 10pm.

Yours sincerely,

HSBC Bank (Vietnam) Ltd.

