

Frequently-Asked-Questions of CCB (Asia) Credit Card “Cash Out Installment Program”

1. How much should I borrow and how long should I choose to repay the cash out amount?

You should decide the cash out amount & repayment period by considering your actual needs and repayment ability. Since both cash out amount and repayment period affect the monthly repayment amount, you should strike a balance between them to ensure you have enough capital left for your living expenses after loan repayment. The maximum cash out amount shall be the available combined credit limit of the card account minus the total interest at the time of approval of your application.

2. What is the meaning of monthly flat rate and the annualized percentage rate (APR)?

Monthly flat rate is used to calculate the monthly repayment amount for an installment loan, which is illustrated in the below example:

Example:

Cash Out Amount	=	HK\$21,000
Monthly flat rate	=	0.90% (APR 21.19%)
Repayment period	=	12 months
Monthly repayment amount	=	HK\$1,939

Our Annualized Percentage Rate (“APR”) is calculated according to the standard of Hong Kong Association of Banks, and is rounded to the nearest two 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.

3. When should I start the repayment?

Repayment amount will be billed to your credit card account on a monthly basis, with the first repayment amount billed to the account on the current statement date of the program application approval date. Please settle the statement balance before the payment due date.

4. Can my cash out amount earn credit card bonus point?

Cash out amount is not eligible for earning credit card bonus point.

5. Would there be any charges for early repayment?

Yes. If a cardmember requests early repayment of the cash out amount, we will charge the cardmember a termination fee of HK\$1,000.

6. Do I save interest expenses by making early repayment of the cash out amount?

In general, more outstanding interest payments can be saved the earlier the loan is repaid. Nevertheless, the administration fee involved should also be taken into account before deciding whether to make early repayment or not. The Bank uses the Rule of 78 for each monthly repayment of the apportionment of interest and principal in each monthly repayment. Even though the monthly repayment amount is the same throughout the loan tenor, more interest will be included in earlier repayments and less on principal. Where repayments have been made as scheduled for some time, the amount of outstanding interest is likely to be small. If early repayment is to be made at this point of time, the amount of interest saved may not be enough to cover the administration fee. Therefore before making a decision of repaying early or not, we suggest customers check with us the total amount involved in early repayment (including outstanding loan balance, administration fee and other charges, etc.) and the amount of outstanding interest, and then compare different scenarios and consider carefully.