

## **Frequently-Asked-Questions of “Chill” Spending Installment Program**

### **1. Can I apply the “Chill” Spending Installment Program for all my transactions?**

No. The following transactions are not eligible: any purchase of casino chips, settlement of overdue and unpaid Card balance, cash advance, “Interest-free SmartExpress” transactions, “Interest-Free Advance Cash Out Program” transactions, transaction made by installment, balance transfer amount, fees and/or charges made or incurred (whether incurred in relation to the Card or otherwise) and any transactions that are yet to be posted, or are cancelled or reversed.

### **2. Can I apply the “Chill” Spending Installment Program for my immediate eligible transaction(s)?**

No. The earliest date of application is the first working day after the relevant statement is generated; the latest date of application is 4 working days (excluding Saturdays) immediately before the Payment Due Date specified in the Statement of Account where the relevant eligible transaction(s) first appears.

### **3. 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:

Installment Amount	=	HKD30,000
Monthly flat rate	=	0.25% (APR 5.63%)
Repayment period	=	12 months
Monthly repayment amount	=	HKD2,575

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.

### **4. When should I start the repayment?**

Repayment Amount will be charged to the Account on a monthly basis, with the first Repayment Amount charged to the Account on the current statement date of the program application approval date.

### **5. Can my installment amount earn credit card bonus point?**

Installment amount is not eligible for earning credit card bonus point.

### **6. Would there be any charges for early repayment?**

Yes. If a cardmember requests early repayment of the installment amount, we will charge the cardmember a termination fee of HKD1,000.

### **7. Do I save interest expenses by making early repayment of the installment amount?**

In general, more outstanding interest payments can be saved the earlier the loan is repaid. Nevertheless, the termination 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 termination 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, termination fee and other charges, etc.) and the amount of outstanding interest, and then compare different scenarios and consider carefully.