A. Finance Charge

Finance Charges are imposed on your China Bank Credit Card if you pay any amount below the Statement Balance.

Sample Computation:

China Bank Credit Card	
A. Finance Charge Rate	3.00%
B. Previous Statement Date	05/09/2023
C. Current Statement Date	06/09/2023
D. Previous Statement Balance	100,000.00
E. Payment Transaction Amount	65,000.00
F. Payment Transaction Date	05/29/2023

Step 1: Multiply the Previous Statement Balance (D) with the number of days from the day after your Previous Statement Date (B) to the day before Payment Transaction Date (G), and the Daily Interest Rate (A / 30). The Daily Interest Rate is derived by dividing the Finance Charge Rate by 30.

Previous Statement Balance	Number of days from day after Previous Statement Date to day before Payment Transaction Date	Daily Retail Interest Rate (A / 30)	Interest 1
100,000	19	0.10%	1,900.00

Step 2: New Retail Transactions reflected in your Current Statement of Account will not be imposed with Finance Charge.

New Retail Transaction Amount	Transaction Posting Date	Number of days from Transaction Posting Date to Current Statement Date	Daily Retail Interest Rate (A / 30)	Interest 2
2,500	05/18/2023	23	-	-
6,000	06/05/2023	5	-	-
			Total Interest	-

Step 3: Multiply other fees and charges transaction reflected in your Current Statement of Account with the number of days from Transaction Posting Date to Current Statement Date (C) and with the Daily Retail Interest Rate (A / 30).

Fees and Charges	Transaction Posting Date	Number of days from Transaction Posting Date to Current Statement Date	Daily Retail Interest Rate (A / 30)	Interest 3
500	05/18/2023	23	0.10%	11.50
1,000	06/05/2023	5	0.10%	5.00
			Total Interest	16.50

Step 4: Deduct the Payment Transaction Amount (E) from your Previous Statement Balance (D). Multiply the result with the number of days from Payment Transaction Date (F) until Current Statement Date (C) and with the Daily Retail Interest Rate (A / 30).

Previous Statement Balance less Payment Transaction Amount (D – E)	Number of Days from Payment Transaction Date until Current Statement Date	Daily Retail Interest Rate (A / 30)	Interest 4
35,000	12	0.10%	420.00

Step 5: Sum up the totals computed in steps 1 to 4 to arrive at the total Finance Charge as reflected in your Current Statement of Account.

Interest 1	1,900.00
Interest 2	-
Interest 3	16.50
Interest 4	420.00
FINANCE CHARGE	**2,336.50**

Note: The above computation is based on the assumption that the Cardholder regularly pays the Minimum Amount Due or any amount that is not equal to the Statement Balance.

B. Effective Interest on Installment Loans

Interest charges are imposed on installment transactions that fall under the regular Installment Program.

Sample Computation:

Principal Amount	:	10,000
Monthly Add-on Interest Rate	:	1.00%
Monthly Amortization	:	3,433.33
Installment Term	:	3
Annualized Effective Interest Rate (EIR)	:	17.91%

Illustration 1

Month	Monthly Amortization	Principal Component	Interest Component	Outstanding Principal
0	-			10,000.00
1	3,433.33	3,284.07	149.26	6,715.93
2	3,433.33	3,333.09	100.24	3,382.84
3	3,433.33	3,382.84	50.49	0.00
Total	**10,300.00**	**10,000.00**	**300.00**	

Illustration 2

Principal Amount	10,000.00
(x) Factor Rate	(x) 0.343333
Monthly Amortization	3,433.33
(x) Installment Term	(x) 3
Total Installment Balance	10,300.00

Updated as of 10 February 2023