

# Key Facts Statement (KFS) for Premium Financing Overdraft Facility

*Bank of China (Hong Kong) Limited (“the Bank”)*

*Premium Financing Overdraft Facility  
4<sup>th</sup> December 2023*

**This product is an overdraft facility.**

**This statement provides you with indicative information about Interest, fees and charges of this product but please refer to our Loan Advice for the final terms of your overdraft facility.**

## Interest Rates and Interest Charges

### Annualised Interest Rate

Maximum Loan Tenor: 10 Years (applicable to all new applications on or after 1<sup>st</sup> January 2023) <sup>1</sup>

The annualised interest rate is:

**HKD:** (i) from 1% below the Bank’s HKD Prime to 5% over the Bank’s HKD Prime; or (ii) the overnight HIBOR; or (iii) the Bank’s Cost of Funds as may be quoted by the Bank from time to time, whichever is the highest.

**USD:** (i) from 1% below the Bank’s USD Prime to 5% over the Bank’s USD Prime; or (ii) the Bank’s Cost of Funds as may be quoted by the Bank from time to time, whichever is higher.

For details, please refer to the relevant sections of “Terms and Conditions of Premium Financing Overdraft Facility” provided by the Bank.

### Illustration on the calculation of interest payment in "Premium Financing" overdraft service

**Example:** Assume maximum overdraft limit of “Premium Financing Overdraft Facility” is HK\$3,000,000 and the Original Interest Rate applicable to the Facility is the Bank’s HKD Prime Rate (P<sup>^</sup>) +1%.

Overdraft Amount (HK\$)	3,000,000	2,500,000	2,000,000
Interest Rate	6.875%	6.875%	6.875%
Monthly Interest Paid <sup>#</sup> (HK\$)	16,952.05	14,126.71	11,301.37
Total Interest Paid <sup>##</sup> (Calculated Based on Maximum Loan Tenor 10 years) (HK\$)	2,062,500.00	1,718,750.00	1,375,000.00

\*The above examples are for illustrative purposes only and calculations are based on hypothetical information and are not guaranteed. For details, please refer to the “Terms and Conditions for Premium Financing Overdraft Facility”. “Premium Financing” is an Overdraft Facility. All amounts advanced under the facility shall be charged with interest. The interest will accrue from day to day and be calculated on the basis of actual number of days elapsed.

<sup>^</sup>The above illustration assumes P=5.875%. In actual circumstances, please refer to the Prime Rate as quoted by the Bank from time to time.

<sup>#</sup>Monthly interest paid is calculated by assuming each month has 30 days and the Overdraft Amount remains unchanged.

<sup>##</sup>Total interest paid is calculated by assuming each year has 365 days and the Overdraft Amount remains unchanged.

### Annualised Default / Overdue interest rate

**HKD:** (i) 10% over the Bank’s HKD Prime; or (ii) the overnight HIBOR; or (iii) the Bank’s Cost of Funds as may be quoted by the Bank from time to time, whichever is the highest.

**USD:** (i) 10% over the Bank’s USD Prime; or (ii) the Bank’s Cost of Funds as may be quoted by the Bank from time to time, whichever is higher.

The Bank reserves the right to charge default interest (before as well as after judgment) on a day to day basis on any sum which is not paid when due.

Default interest shall accrue on a day to day basis and be calculated from the date when payment is due up to the date of final payment in full.

For details, please refer to the relevant sections of “Terms and Conditions of Premium

<sup>1</sup> Loan Tenor in any event is not later than the maturity date specified in the proposed insurance life policy (the “Insurance Policy”) and subject to review Premium Financing Overdraft Facility by the Bank from time to time (including annual review).

	Financing Overdraft Facility” provided by the Bank.
<b>Overlimit Interest Rate</b>	<p>The following will be applied to your overlimit amount of overdraft facility if your current loan balance exceeds the credit limit of the loan:</p> <p><b>HKD:</b> (i) Annualised Default interest rate as referred to above; or (ii) the Annualised Interest Rate applicable to HKD overdraft facility; whichever is higher.</p> <p><b>USD:</b> (i) The Bank’s USD Prime plus 6% per annum; or (ii) the Bank's Cost of Funds as may be quoted by the Bank from time to time; or (iii) the Annualised Interest Rate applicable to USD overdraft facility, whichever is the highest.</p> <p>For details, please refer to the relevant sections of “Terms and Conditions of Premium Financing Overdraft Facility” provided by the Bank.</p>
<b>Fees and Charges</b>	
<b>Annual Fee / Fee</b>	No Annual Fee / Fee for this product
<b>Late Payment Fee and Charge</b>	Not Applicable.
<b>Overlimit Handling Fee</b>	HK\$120 per time will be charged if your current loan balance exceeds the credit limit of the loan.
<b>Returned Cheque / Rejected Autopay Charge</b>	HK\$150 per returned cheque / rejected autopay payment.

To borrow or not to borrow? Borrow only if you can repay!