

INTEREST CALCULATION METHOD

1. Components for Interest Calculation

- 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.
- 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.
- No. of days has actual balance: no. of days has unchanged actual balance
- Interest rate: as set out in relevant contracts/application forms/advice between customers and HSBC.

2. Interest Calculation

$$\text{Interest Amount} = \frac{\sum(\text{Actual Balance} \times \text{No. of days has actual balance} \times \text{Interest Rate})}{365}$$

- The interest rate provided shall be equal to the interest rate calculated in accordance with the method prescribed by the regulation.
- The interest calculation formula applies to both loan and deposit products, including retail and corporate customers.