

Examples for Calculation of Annual Percentage Rate of Total Finance Charges for Advertisement of Credit Products by Banks and Insurance Enterprises

Approved by FSC per FSC letter Jin-Guan-Yin (3)-Zi-0940030381 dated November 30, 2005

BAROC letter Quan-Shou-Xiao-Zi-3762 dated December 14, 2005

Amendment approved by FSC per FSC letter Jin-Guan-Yin (3)-Zi- 09700107080 dated June 10, 2008

BAROC letter Quan-Shou-Xiao-Zi-1850 dated June 25, 2008

Type	Terms and conditions of credit product	Print advertisement	Dynamic advertisement
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Type	Terms and conditions of credit product	Print advertisement	Dynamic advertisement
Example 1 (Home loan)	Loan amount: \$2,000,000. Loan period: 20 years. Interest rate: 2.75%. Repayment method: Amortized by annuity method and paid on a monthly basis. Setup fees: \$2,000/case. Credit inquiry fees: \$200/case.	Loan amount: \$2,000,000. Loan period: 20 years. Interest rate: 2.75%. Total fees: \$2200. Annual percentage rate: 2.76%. Notes: (1) The annual percentage rate disclosed in this advertisement is calculated based on the standard calculation examples on record with the competent authority. The actual terms and conditions of the loan will depend on the product offered by the bank. The annual percentage rate for each customer may vary, depending on the loan product and terms and conditions of the loan. (2) The annual percentage rate of total finance charges does not equate the lending rate. <u>(3) The base date for the calculation of annual percentage rate is ○ (yr) ○(mo) ○ (dy).</u>	Annual percentage rate: 2.76%. Notes: (1) The annual percentage rate disclosed in this advertisement is calculated based on the standard calculation examples on record with the competent authority. The actual terms and conditions of the loan will depend on the product offered by the bank. The annual percentage rate for each customer may vary, depending on the loan product and terms and conditions of the loan. (2) The annual percentage rate of total finance charges does not equate the lending rate. <u>(3) The base date for the calculation of annual percentage rate is ○ (yr) ○(mo) ○ (dy).</u>

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Example 2 (Home equity loan)	Loan amount: \$500,000. Loan period: 7 years. Interest rate: 6%. Repayment method: Amortized by annuity method and paid on a monthly basis. Setup fees: \$5,000/case. Credit inquiry fees: \$200/case. Credit insurance fees: 3.5% of loan amount.	Loan amount: \$500,000. Loan period: 7 years. Interest rate: 6%. Total fees: \$22700. Annual percentage rate: 7.43%. Notes: (1) The annual percentage rate disclosed in this advertisement is calculated based on the standard calculation examples on record with the competent authority. The actual terms and conditions of the loan will depend on the product offered by the bank. The annual percentage rate for each customer may vary, depending on the loan product and terms and conditions of the loan. (2) The annual percentage rate of total finance charges does not equate the lending rate. <u>(3) The base date for the calculation of annual percentage rate is ◦ (yr) ◦(mo) ◦(dy).</u>	Annual percentage rate: 7.43%. Notes: (1) The annual percentage rate disclosed in this advertisement is calculated based on the standard calculation examples on record with the competent authority. The actual terms and conditions of the loan will depend on the product offered by the bank. The annual percentage rate for each customer may vary, depending on the loan product and terms and conditions of the loan. (2) The annual percentage rate of total finance charges does not equate the lending rate. <u>(3) The base date for the calculation of annual percentage rate is ◦ (yr) ◦(mo) ◦(dy).</u>

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Example 3 (Auto loan)	Loan amount: \$400,000. Loan period: 5 years. Interest rate: 9%. Repayment method: Amortized by annuity method and paid on a monthly basis. Setup fees: \$5,000/case. Credit inquiry fees: \$200/case.	Loan amount: \$400,000. Loan period: 5 years. Interest rate: 9%. Total fees: \$5,200. Annual percentage rate: 9.56%. Notes: (1) The annual percentage rate disclosed in this advertisement is calculated based on the standard calculation examples on record with the competent authority. The actual terms and conditions of the loan will depend on the product offered by the bank. The annual percentage rate for each customer may vary, depending on the loan product and terms and conditions of the loan. (2) The annual percentage rate of total finance charges does not equate the lending rate. <u>(3) The base date for the calculation of annual percentage rate is ○ (yr) ○ (mo) ○ (dv).</u>	Annual percentage rate: 9.56%. Notes: (1) The annual percentage rate disclosed in this advertisement is calculated based on the standard calculation examples on record with the competent authority. The actual terms and conditions of the loan will depend on the product offered by the bank. The annual percentage rate for each customer may vary, depending on the loan product and terms and conditions of the loan. (2) The annual percentage rate of total finance charges does not equate the lending rate. <u>(3) The base date for the calculation of annual percentage rate is ○ (yr) ○ (mo) ○ (dv).</u>

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Example 4 (Credit loan)	Loan amount: \$300,000. Loan period: 5 years. Interest rate: 3.50%-6.25%. Repayment method: Amortized by annuity method and paid on a monthly basis. Setup fees: \$5,000/case. Credit inquiry fees: \$200/case. Credit insurance fees: 3.5% of loan amount.	Loan amount: \$300,000. Loan period: 5 years. Interest rate: 3.50%-6.25%. Total fees: \$15,700. Annual percentage rate: 5.71%-8.51%. Notes: (1) The annual percentage rate disclosed in this advertisement is calculated based on the standard calculation examples on record with the competent authority. The actual terms and conditions of the loan will depend on the product offered by the bank. The annual percentage rate for each customer may vary, depending on the loan product and terms and conditions of the loan. (2) The annual percentage rate of total finance charges does not equate the lending rate. <u>(3) The base date for the calculation of annual percentage rate is ○ (yr) ○(mo) ○ (dv).</u>	Annual percentage rate: 5.71%-8.51%. Notes: (1) The annual percentage rate disclosed in this advertisement is calculated based on the standard calculation examples on record with the competent authority. The actual terms and conditions of the loan will depend on the product offered by the bank. The annual percentage rate for each customer may vary, depending on the loan product and terms and conditions of the loan. (2) The annual percentage rate of total finance charges does not equate the lending rate. <u>(3) The base date for the calculation of annual percentage rate is ○ (yr) ○(mo) ○ (dv).</u>

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Example 5 (Home equity line of credit or revolving line of credit)	<p>Loan amount: \$300,000.</p> <p>Loan period: 5 years.</p> <p>Interest rate: 3.50%-8.55%.</p> <p>Repayment method: Revolving line of credit, which may be borrowed and repaid at any time.</p> <p>Setup fees: \$5,000/case.</p> <p>Credit inquiry fees: \$200/case.</p>	<p>Interest rate: 3.5%-8.55%.</p> <p>Setup fees: \$5,000/case.</p> <p>Credit inquiry fees: \$200/case.</p> <p>Credit insurance fees: 3.5% of loan amount.</p> <p><u>Note: The base date for the calculation of lending rate is ○ (yr) ○ (mo) ○ (dy).</u></p>	<p>Interest rate: 3.5%-8.55%.</p> <p>Setup fees: \$5,000/case.</p> <p>Credit inquiry fees: \$200/case.</p> <p>Credit insurance fees: 3.5% of loan amount.</p> <p><u>Note: The base date for the calculation of lending rate is ○ (yr) ○ (mo) ○ (dy).</u></p>
Example 6 (Cash card)	<p>Interest rate: <u>8.88%</u>-18.25%.</p> <p>Interest calculation: Calculate on a daily basis by multiplying daily loan balance by annual interest rate, which is then divided by 365 days to obtain daily interest accrued.</p> <p>Late payment interest: 20% annual rate over the late payment period.</p> <p>Account management fee: \$100 for each cash draw transaction.</p> <p>Card reissue fee: NT\$50.</p>	<p>Interest rate: <u>8.88%</u>-18.25%.</p> <p>Late payment interest: 20% annual rate interest rate over the late payment period.</p> <p>Account management fee: \$100 for each cash draw transaction.</p> <p>Card reissue fee: NT\$50.</p> <p><u>Note: The base date for the calculation of lending rate is ○ (yr) ○ (mo) ○ (dy).</u></p>	<p>Interest rate: <u>8.88%</u>-18.25%.</p> <p>Late payment interest: 20% annual rate interest rate over the late payment period.</p> <p>Account management fee: \$100 for each cash draw transaction.</p> <p>Card reissue fee: NT\$50.</p> <p><u>Note: The base date for the calculation of lending rate is ○ (yr) ○ (mo) ○ (dy).</u></p>
Example 7 (Credit card)	<p><u>Revolving interest rate:</u></p> <p>Platinum card: <u>9.99%</u> - 20%; other cards: <u>12.99%</u>-20%</p> <p>Balance transfer: 5.94%-9.99%.</p>	<p><u>Revolving interest rate:</u></p> <p>Platinum card: <u>9.99%</u> - 20%; other cards: <u>12.99%</u>-20%</p> <p>(If the ad contains offer of balance transfer,</p>	<p><u>Revolving interest rate:</u></p> <p>Platinum card: <u>9.99%</u> - 20%; other cards: <u>12.99%</u>-20%</p> <p>(If the ad contains offer of balance transfer, disclose the interest rate on balance transfer)</p>

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	<p>Calculation of interest on revolving line of credit: 20% annual rate (approx. 0.0548% per day) for the balance of a charge starting from the date the charge is posted to the revolving line of credit until the charge is cleared.</p> <p>Cash advance fee: 3.5% of amount of cash advance plus NT\$100.</p>	<p>disclose the interest rate on balance transfer)</p> <p>Cash advance fee: 3.5% of amount of cash advance plus NT\$100.</p> <p><u>Note: The base date for the calculation of revolving interest rate is ○ (yr) ○(mo) ○ (dy).</u></p>	<p>Cash advance fee: 3.5% of amount of cash advance plus NT\$100.</p> <p><u>Note: The base date for the calculation of revolving interest rate is ○ (yr) ○(mo) ○ (dy).</u></p>
<p>Example 8 (Cash advance through installment loan or installment payment of credit card charges)</p>	<p><u>Amount of cash advance: \$100,000.</u></p> <p><u>Number of installments: 12.</u></p> <p><u>Monthly fee: Approved line x 0.7%</u></p> <p><u>Setup fees: \$1,000/case.</u></p>	<p><u>Amount of cash advance: \$100,000.</u></p> <p><u>Number of installments: 12.</u></p> <p><u>Monthly fee: Approved line x 0.7%.</u></p> <p><u>Total fees: \$9,400.</u></p> <p><u>Annual percentage rate: 16.92%.</u></p> <p><u>Notes: (1) The annual percentage rate disclosed in this advertisement is calculated based on the standard calculation examples on record with the competent authority. The actual terms and conditions of the loan will depend on the product offered by the bank. The annual percentage rate for each customer may vary, depending on the product and terms and conditions of the loan.</u></p> <p><u>(2) The annual percentage rate of</u></p>	<p><u>Annual percentage rate: 16.92%.</u></p> <p><u>Notes: (1) The annual percentage rate disclosed in this advertisement is calculated based on the standard calculation examples on record with the competent authority. The actual terms and conditions of the loan will depend on the product offered by the bank. The annual percentage rate for each customer may vary, depending on the product and terms and conditions of the loan.</u></p> <p><u>(2) The annual percentage rate of total finance charges does not equate the interest rate for cash advance.</u></p>

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		<p><u>total finance charges does not equate the interest rate for cash advance.</u></p> <p><u>(3) The base date for the calculation of annual percentage rate is ○ (yr) ○(mo) ○(mo) ○ (dy).</u></p>	<p><u>(3) The base date for the calculation of annual percentage rate is ○ (yr) ○(mo) ○ (dy).</u></p>