

Crises Offer Opportunities

- Transition Experience in Taiwan

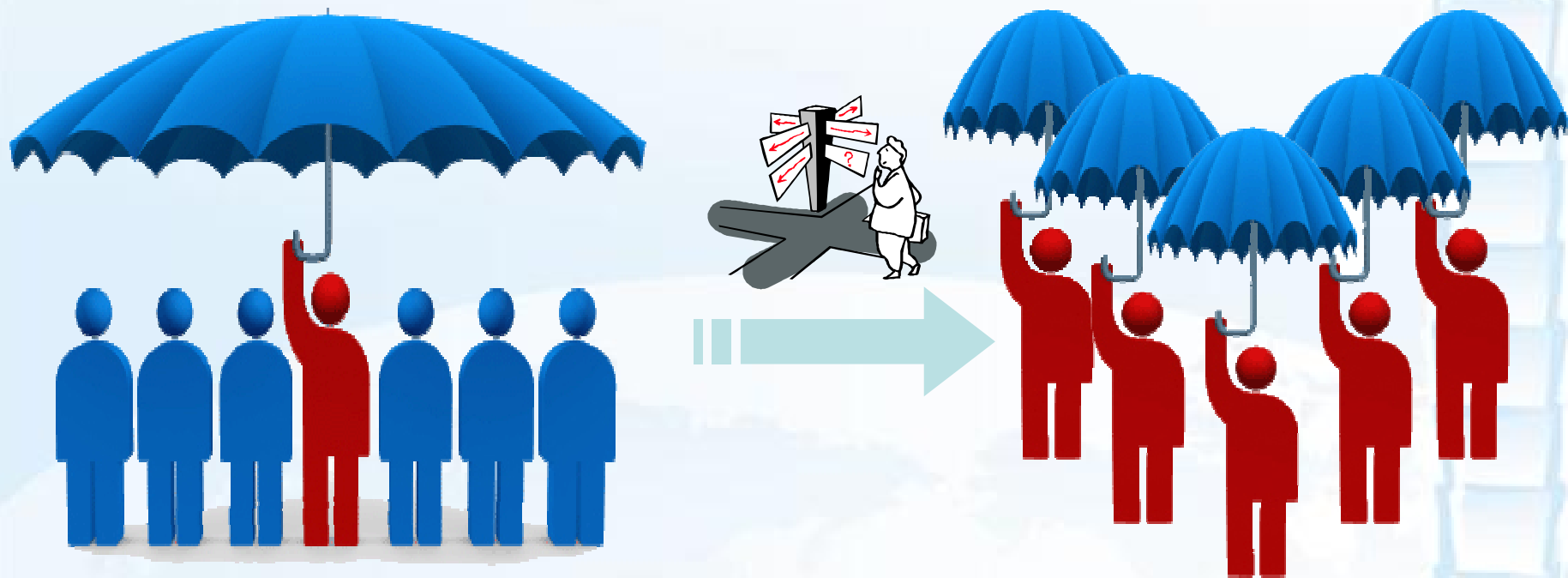
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Preface

Preemptive & Overreacted?



Contents

The background of the slide features a light blue, semi-transparent image of a globe showing the continents. On the right side, there is a vertical, stylized illustration of the Taipei 101 skyscraper, rendered in a light blue color that matches the overall theme.

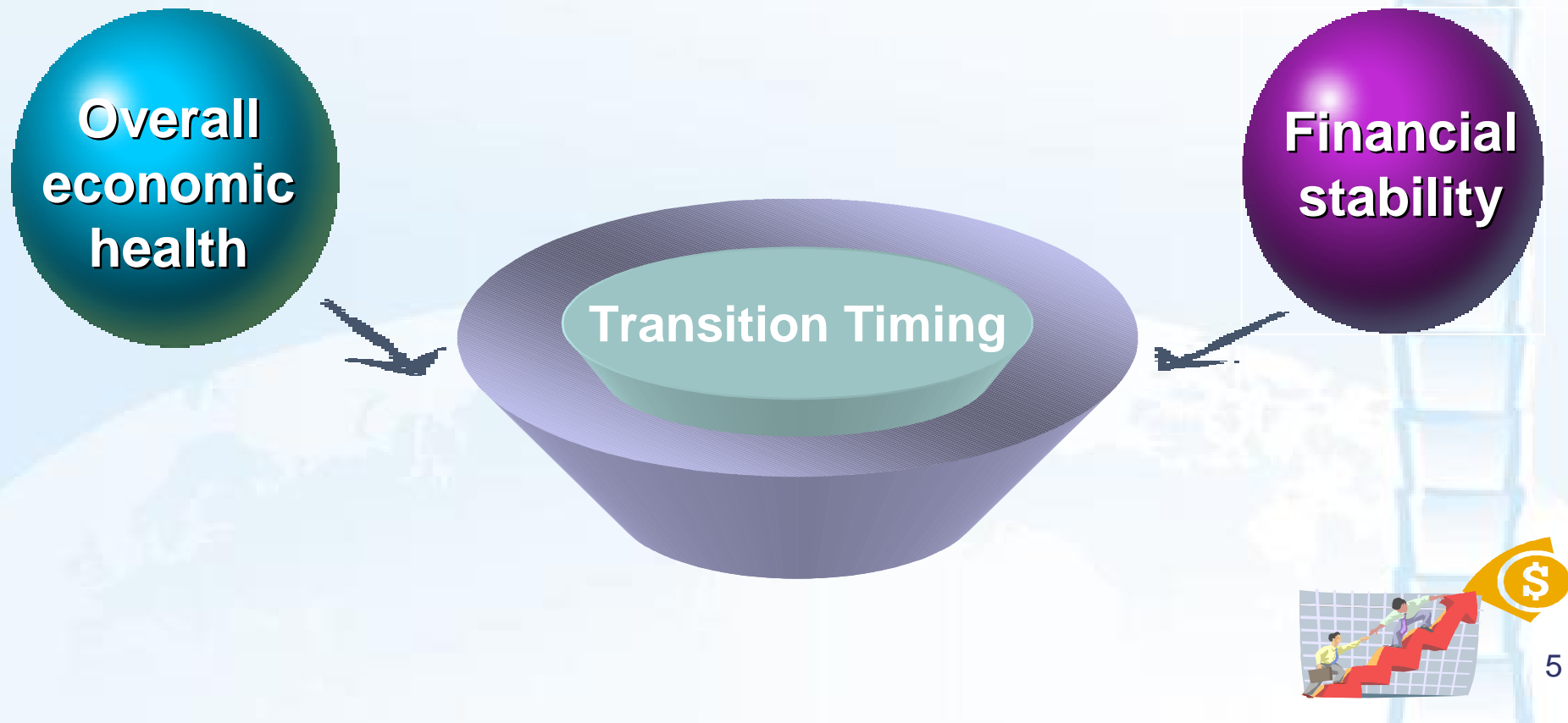
- **Prerequisites**
- **Transition approaches**
- **CDIC's experience**
- **Conclusion**

The background of the slide features a light blue and white image of the Earth as seen from space, with the Taipei 101 skyscraper visible on the right side. The title text is centered over this background.

Prerequisites to Transition Back to a Limited DIS

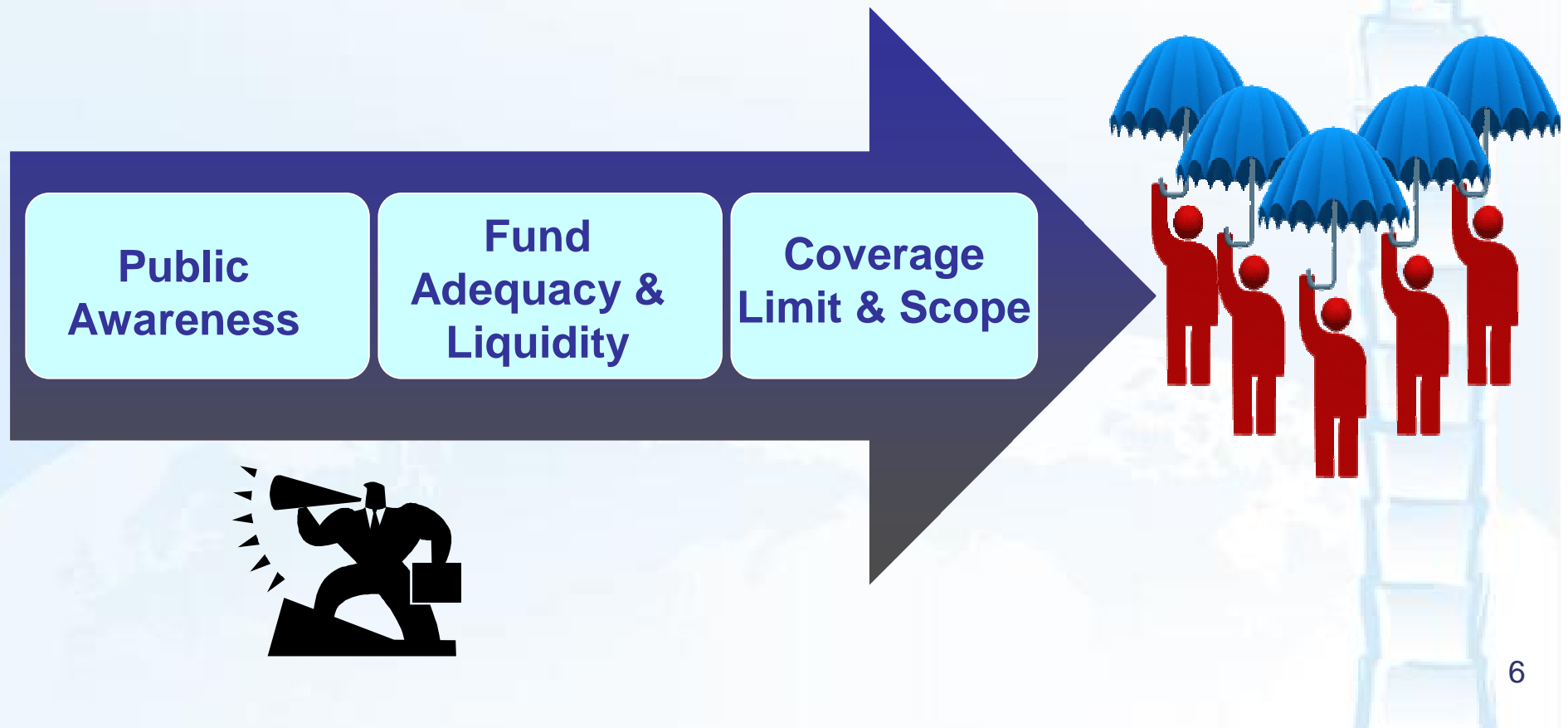
Are We Ready ?

- From the macro view



Are We Ready ?

- From the micro/DI perspective



Are We Ready ?

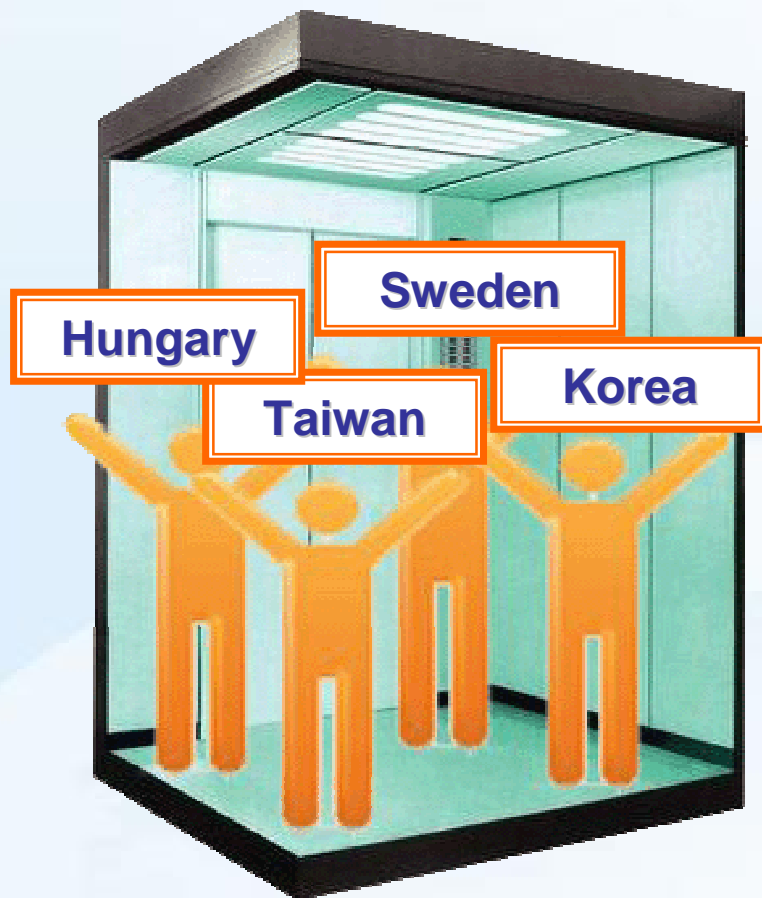
- Strengthened supervisory framework?

Measures for Enhancement	Korea	Japan	Taiwan	Mexico	Indonesia	Hungary
Corporate Governance						
Information Disclosure						
Enterprise Reconstruction						
PCA						

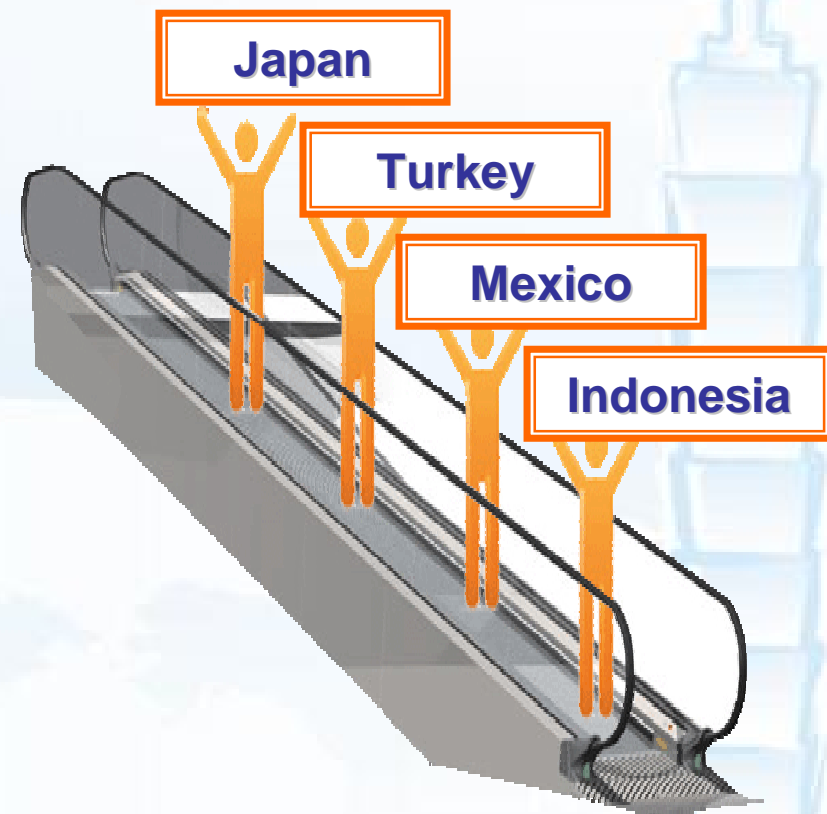
Source: 2005 IADI/ARC Survey

Transition Approaches

- Fast approach



- Gradual approach



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CDIC's Experience in Transitioning

Under Financial Restructuring Fund (2001-2005)

- **Macro conditions?**

Prerequisites	Conditions
<ul style="list-style-type: none">• Overall economic condition• Stability of financial system• Reform & refinement of supervisory system	

Under Financial Restructuring Fund (Cont'd) (2001-2005)

- More effective DIS?

Prerequisites	Conditions
<ul style="list-style-type: none">• Risk management• On site inspection• Target fund ratio• Bank resolution mechanism• Electronic data files• Systemic crisis handling mechanism• Public awareness	

Under Financial Restructuring Fund (Cont'd)

(2001-2005)



- Deposit movement during transitioning

Unit: Billion US \$

Types of FIs (annual change)	June 04	Sept. 04	Dec. 04	Mar. 05	June 05
Domestic banks (6.87%)	500.5	506.7	519.3	521.5	534.9
Branches of foreign banks (0%)	17.8	17.7	18.4	18.2	17.8
Credit cooperatives (-5.91%)	20.3	20.4	19.6	19.4	19.1
Agricultural FIs (3.69%)	40.7	41.1	41.6	41.9	42.2
Postal Bank (1.09%)	100.6	102.4	103.9	109.1	110.1
Total (6.50%)	679.9	688.2	702.8	710.1	724.1
(Quarterly Change)		(1.22%)	(2.12%)	(1.04%)	(1.97%)

Under Current Crisis

(Oct. 2008 – Dec. 2009)

Prerequisites	Conditions
Overall economic condition	
Stability of financial system	?
DI's toolbox	

Conclusion





Thank You!

CDIC

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