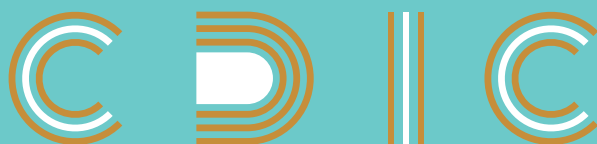
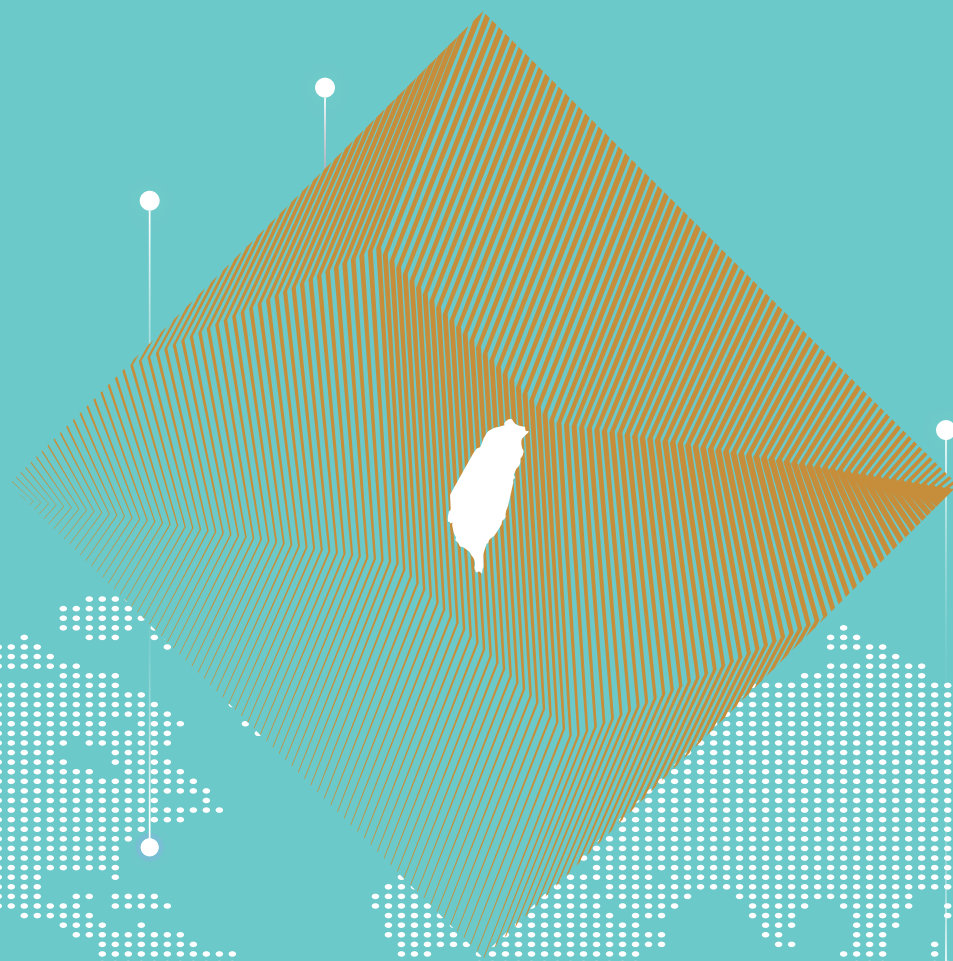


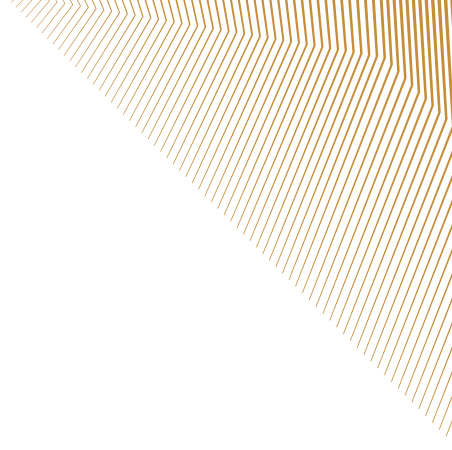


中央存款保險公司
Central Deposit Insurance Corporation



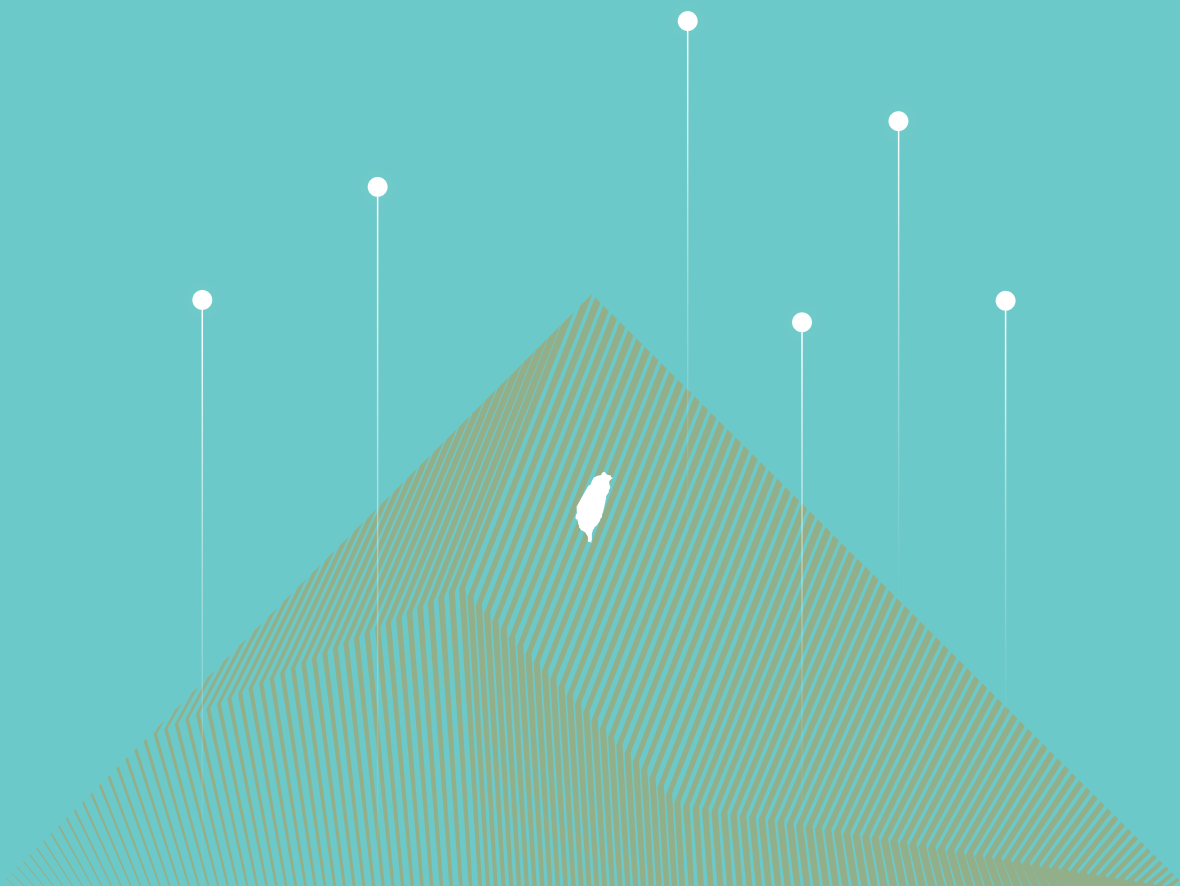
穩 · 固 · 保 · 障

2022 Annual Report



A diamond-shaped gold nugget in the foreground symbolizes stable protection of wealth, while fine parallel lines within the nugget represent the operations of CDIC, which carefully and reliably safeguards the rights and interests of depositors.

The world map in the background tells of close cooperation with international organizations and peer deposit insurers. Down below, the exclusive “CDIC” emblem features letters with white cores encased in gold, driving home once again the idea that CDIC is here to “protect.” The overall visual effect is a modern style of understated elegance.





中央存款保險公司
Central Deposit Insurance Corporation

CDIC



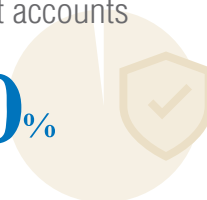
Number of insured institutions

404



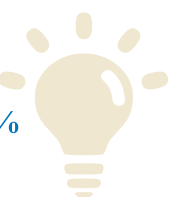
Percentage of fully covered deposit accounts

98.0%



Deposit insurance awareness level

68.0%



Number of MOU partners

25



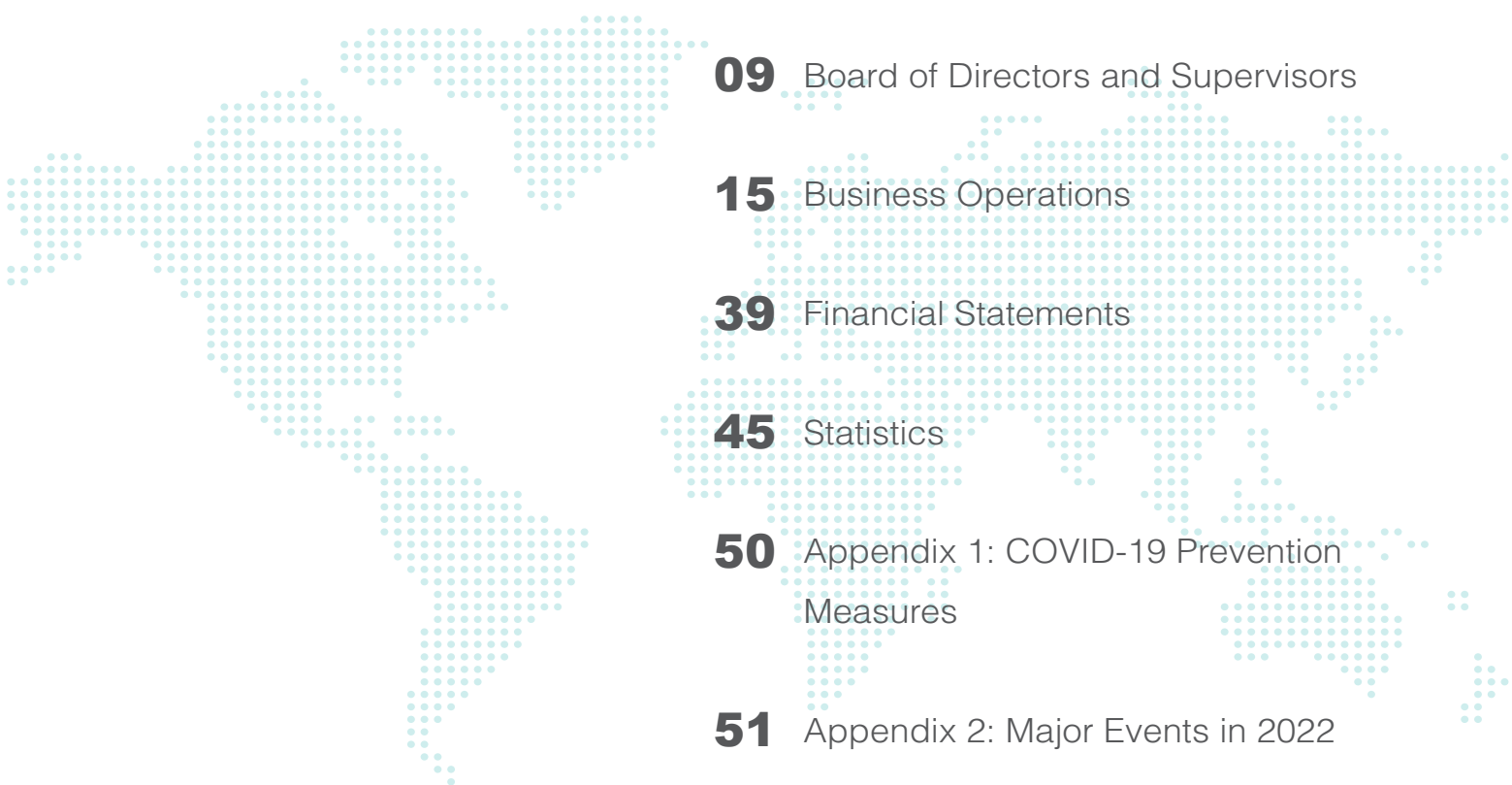
Deposit insurance payout special reserves

NT\$ 137.6 billion



Note: current as of end-year 2022

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 - 07** Organizational Chart and Department Overview
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Message from the Chairman and the President



Chairman

Han-Li Chu

In 2022, the Russian invasion of Ukraine, rising inflation, the hiking of interest rates by the world's central banks, and other factors continued to weigh on global economic activity. Although Taiwan has reopened its borders, leading to the gradual rebound of economic activity as well as increased consumption in the retail and service industry, global headwinds such as weak demand and inventory adjustment have resulted in a decline in export orders and trade in Q4 2022 and sluggish economic growth. In response to the needs of Taiwan's industry development and digital transformation as well as the risk factors of climate change, the Financial Supervisory Commission (FSC), the competent authority for Taiwan's financial sector, implemented and refined a number of measures, including Green Finance Action Plan 3.0 to encourage financial institutions to invest in green and sustainable development, and Financial Cyber Security Action Plan 2.0 to strengthen cyber security and ensure the stable operations of financial services. The government actively promotes international exchange and cooperation, spurs financial institutions to implement financial inclusion policies, encourages fintech development and digital transformation, enhances risk management mechanisms, and provides accessible financial literacy to everyone. These measures seek to incorporate green finance in the steady growth of Taiwan's financial market, continuing to bring it in line with global developments.

The Central Deposit Insurance Corporation (CDIC) is Taiwan's sole provider of deposit insurance. In order to safeguard the rights and interests of depositors, maintain credit order, and promote the sound development of financial business, the CDIC uses the National Financial Early-Warning System and the Account Officer System to carry out risk-based off-site monitoring mechanism, strengthen supervisory information sharing with other financial safety-net players, and continue to improve its risk control capabilities. Furthermore, to fortify the deposit insurance mechanism and enhance its own risk-bearing capacity, the CDIC continues to replenish its Deposit Insurance Payout Special Reserves. The CDIC works tirelessly to conduct publicity campaigns to promote public awareness of the deposit insurance system and of depositors' rights and interests. At the same time, in the capacity of either the conservator or receiver, the CDIC maintains the interests of the national treasury and upholds social fairness and justice by disposing of the retained assets of troubled financial institutions resolved by the Executive Yuan's Financial Restructuring Fund (FRF), concluding such institutions' pending litigation, and pursuing civil liabilities for the illegal acts of such institutions' person-in-charge and employees.

Consistent with the government's Environmental, Social, and Governance (ESG) policies, the CDIC has incorporated sustainable development principles into its various administrative objectives. This year, the CDIC has formulated the Green Energy-Saving Plan, promoted green investment, encouraged insured institutions and their business networks to value sustainable development, and signed a compliance statement with an international institution for sustainable development. The idea is to ensure that ESG and sustainability values are embedded in the CDIC's corporate culture and business strategy. Beginning in this year, the CDIC has regularly compiled and disclosed its sustainability report, focusing on the four major goals of "accountable governance," "sustainable environment," "friendly workplace," and "financial inclusion."

In consideration of the growing available funds under the CDIC's Deposit Insurance Payout Special Reserves and the Financial Industry Special Reserve Fund, which is utilized and managed on behalf of the FSC, the Department of Finance was established on 7 October 2022 to improve fund management and strengthen the trading risk control mechanism.

Being charged with the dual responsibilities of maintaining financial stability and safeguarding the rights and interests of depositors, the CDIC in 2022 continued to execute its duties in line with the supervisory policies of the FSC and to handle the tasks entrusted to it by the FSC. These tasks included: strengthening of the monitoring of banks' specific-risk businesses; commissioned examinations of the entities entrusted by the credit departments of farmers' and fishermen's associations to handle their information operations; and the continued enhancement of the functions and the information security of the Internet-only Banking Supervisory System. By performing these tasks, the CDIC effectively assisted the FSC with financial supervision and strengthened its measures for controlling insured risks.

To promote international exchange and cooperation, the CDIC in 2022 continued to hold a number of important posts at the International Association of Deposit Insurers (IADI). For example, CDIC officials served on the Executive Council (EXCO), chaired the Core Principles and

Research Council Committee (CPRC) and the Training and Assistance Technical Committee (TATC) of the Asia-Pacific Regional Committee (APRC), as well as served on the selection committee for the Secretary General. The CDIC is responsible at the IADI for promoting research and development of deposit insurance systems, recruitment of IADI seniors, and supporting the issuance of international deposit insurance research and guidance.

The CDIC continues to adhere to regulations and requirements related to cyber security to fully implement and strengthen information security management. Furthermore, to ensure the efficacy of the information security management system (ISMS), all core information systems received the CNS 27001 (ISO 27001) certification in January 2023.

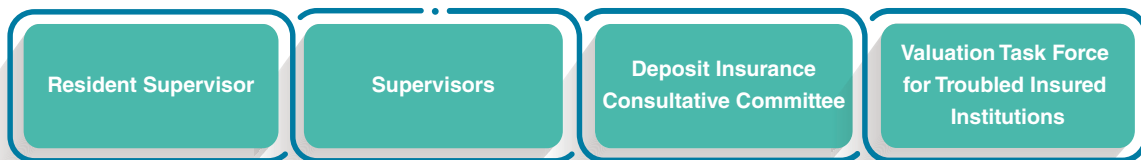
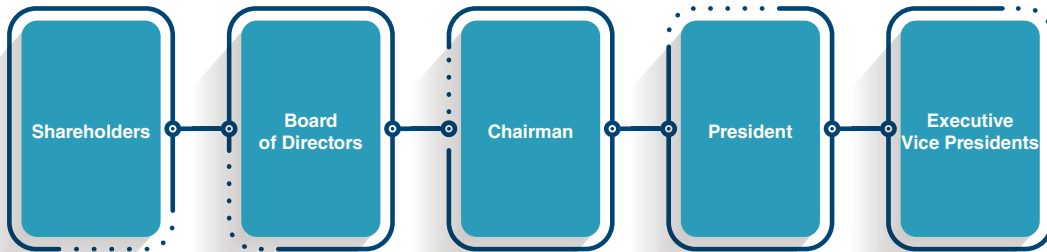
Looking to the future, global and domestic financial industries face a number of challenges and uncertainties due to sluggish worldwide economic growth, high inflation risk, and the financial risks posed by climate change. To prepare for the needs of the changing financial landscape, the CDIC in 2022 formulated the Three-Year Development Plan (2023-2025). In addition to its regular operations, the CDIC will continue to replenish the Deposit Insurance Payout Special Reserves, strengthen control of insured risks, enhance resolution mechanisms for troubled institutions, draft amendments to deposit insurance regulations, and actively raise public awareness of deposit insurance. These measures aim to establish a more effective deposit insurance system, promote the sound operation of the financial sector, and protect the rights and interests of depositors. Since its founding in September 1985, the CDIC has enjoyed support and encouragement from all sectors of society, and has benefitted from the diligence of its staff. As a result, the CDIC has been able to smoothly fulfill its objectives. Thus, we would like to extend our sincere appreciation, and continue to solicit your ongoing support and encouragement.



President

Annie Cheng

Organizational Chart and Department Overview



Department of Business
 Department of Finance
 Department of Risk Management
 Department of Resolution
 Department of Special Inspection
 Department of Legal Affairs
 Department of Information Technology
 International Relations and Research Office
 Department of Accounting
 Secretariat
 Personnel Office
 Civil Service Ethics Office
 Central Taiwan Regional Office
 Southern Taiwan Regional Office

Overview of Departments

Department of Business

Handles matters related to the planning and research of deposit insurance, coverage limit, and premium rates; promotes sustainable development policies; raises public awareness of deposit insurance and enhances financial literacy.

Department of Finance

Handles matters related to fund investment and management; conducts research and analysis on macroeconomic trends and financial products; financial risk management; financing and funding for troubled insured institutions and bridge banks.

Department of Risk Management

Handles matters related to the National Financial Early-Warning System, management of insured risk, off-site monitoring of insured institutions, guidance or superintendence of troubled insured institutions, issuance of termination of the deposit insurance agreements, and assistance in handling bank runs.

Department of Resolution

Handles matters related to strategic planning of conservatorship or resolution of troubled insured institutions; provision of financial assistance and depositor payouts to uninsured creditors, liquidation of troubled institutions; and the establishment, operation, management, and disposition of bridge banks.

Department of Special Inspection

Handles matters related to inspections of deposit insurance applications by financial institutions, the accuracy of the deposit assessment base, the content of electronic data files of insured institutions, the Risk-Based Premium Rating System risk indicators, and assets and liabilities of insured institutions prior to termination of deposit insurance agreements or fulfillment of insurance responsibilities. Also handles matters related to internal controls and internal audits.

Department of Legal Affairs

Handles matters related to contracts, legal documents, litigation, research of laws and regulations related to financial affairs and deposit insurance, and conducts the inspection of evidence and other matters required to pursue civil damages for cases related to the *Deposit Insurance Act*.

Department of Information Technology

Handles matters related to planning, design, implementation, and management of information systems as well as control, protection, and monitoring of information security matters.

International Relations and Research Office

Handles matters pertaining to international affairs and activities related to the IADI, research on deposit insurance and financial safety net issues, and public awareness activities in the English language.

Department of Accounting

Handles matters related to annual budgeting, accounting, statistics, and auditing.

Secretariat

Handles matters related to secretarial matters, documentation, procurement, cashier affairs, property management, publication management, public relations, meeting logistics, and other general affairs.

Personnel Office

Handles matters related to personnel management and training.

Civil Service Ethics Office

Handles matters related to ethics of the government officials and employees.

Central Taiwan Regional Office

Handles matters related to the collection, processing, analysis and monitoring of operational information, provision of guidance, carrying out inspections, assistance with handling of bank runs as well as conservatorship and deposit insurance payouts of insured institutions in the area from Taichung to Chiayi.

Southern Taiwan Regional Office

Handles matters related to the collection, processing, analysis and monitoring of operational information, provision of guidance, carrying out inspections, assistance with handling of bank runs as well as conservatorship and deposit insurance payouts of insured institutions in the area from Tainan to Taitung.

Board of Directors and Supervisors

09

Board of Directors and Supervisors

Board of Directors

Chairman Norman H. Chu
(Representative of the Financial Supervisory Commission)

Directors Annie Cheng
(Representative of the Financial Supervisory Commission)

William Su
(Representative of the Financial Supervisory Commission)

Shin-Kuo Lai
(Representative of the Financial Supervisory Commission)

Shuen-Chiao Chang
(Representative of the Financial Supervisory Commission)

Shao-Wen Hu
(Representative of the Financial Supervisory Commission)

Su-Houn Liu
(Representative of the Financial Supervisory Commission)

Chun-Chi Hsu
(Representative of the Financial Supervisory Commission)

Ling-Yang Wu
(Representative of the Financial Supervisory Commission)

Supervisors

Resident Supervisor Dou-Ming Su
(Representative of the Central Bank)

Supervisors Ying-Fen Hung
(Representative of the Central Bank)

Hue-Heng Tao
(Representative of the Central Bank)

Note: Names and titles as of 31 March 2023



Board of Directors and Supervisors



6 | 5

4 | 3 | 2 | 1



1. Annie Cheng, Director
2. William Su, Director
3. Shao-Wen Hu, Director

4. Su-Houn Liu, Director
5. Hue-Heng Tao, Supervisor
6. Chun-Chi Hsu, Director



5 | 6

1 | 2 | 3 | 4

1. Norman H. Chu, Chairman

2. Dou-Ming Su, Resident Supervisor

3. Shin-Kuo Lai, Director

4. Shuen-Chiao Chang, Director

5. Ying-Fen Hung, Supervisor

6. Ling-Yang Wu, Director



Chairman, President, Executive Vice Presidents and Directors of Departments



9 | 8 | 7 | 6 | 5 | 4 | 3

2 | 1

1. Annie Cheng, President
2. Kuang-Hsi Huang, Executive Vice President
3. Tung-Bo Huang, Director, Central Taiwan Regional Office
4. Shu-Mei Chen, Director, Department of Accounting
5. Yong-Huei Peng, Director, Southern Taiwan Regional Office
6. Lisa Hsi, Director, Department of Business
7. Kim Hsu, Acting Director, Department of Legal Affairs
8. Ling-Chen Lin, Director, Civil Service Ethics Office
9. Helen Chen, Director, Department of Finance





3 | 4 | 5 | 6 | 7 | 8

1 | 2

1. Norman H. Chu, Chairman
2. Yvonne Fan, Executive Vice President
3. Li-Ying Teng, Executive Vice President
4. Chung-Jen Chao, Director, Department of Risk Management
5. Li-Fang Chan, Director, Personnel Office
6. Margaret Chuang, Director, International Relations and Research Office
7. Jui-Ping Liu, Acting Director, Secretariat
8. Steven Kao, Director, Department of Information Technology

Note: Names and titles as of March
2023



Soundness

Protect deposits through sound deposit insurance mechanisms



As Taiwan's sole provider of deposit insurance, the CDIC was established for the purposes of safeguarding the rights and interests of depositors, maintaining credit order, and enhancing the sound development of financial businesses. To achieve these legislative objectives, the *Deposit Insurance Act* assigns to the CDIC the major duties of administering deposit insurance, controlling insured risks, conducting special inspections of insured institutions, and resolving troubled or failed insured institutions. The following is a brief overview of the CDIC's major tasks and policy missions in 2022:

I. Deposit Insurance

1. Participation of financial institutions in deposit insurance

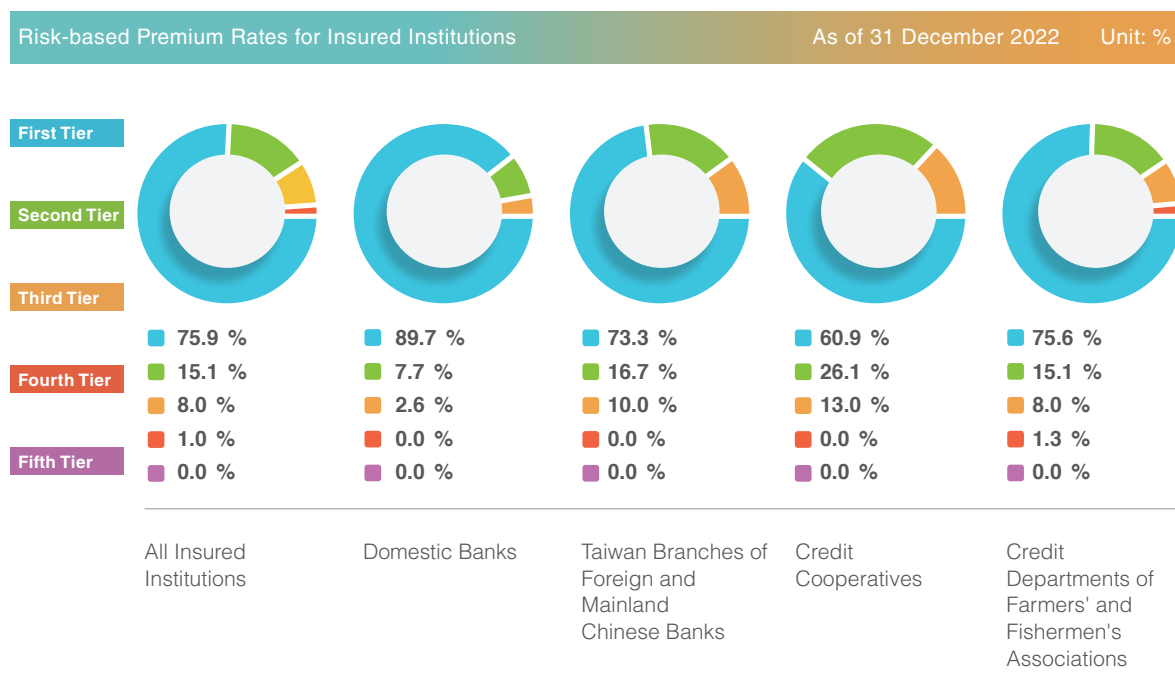
One internet-only bank and one Taiwan branch of a foreign bank became insured institutions in 2022 in accordance with Article 10 of the *Deposit Insurance Act* and the provisions of the *Approval Standards for Financial Institutions Applying to Participate in Deposit Insurance*. As of 31 December 2022, a total of 404 financial institutions were insured, including three domestic government-owned financial institutions, 37 private banks, 30 Taiwan branches of foreign and mainland Chinese banks, 23 credit cooperatives, 283 credit departments of farmers' associations, and 28 credit departments of fishermen's associations.

2. Implementation of differential premium system

A. Article 16, Paragraph 3 of the *Deposit Insurance Act* stipulates that deposit insurance premium rates shall be drawn up by the CDIC and submitted to the FSC for approval. The premium rates are as follows:

- a. Domestic banks and Taiwan branches of foreign and mainland Chinese banks have a five-tiered system of risk-based premium rates (0.05%, 0.06%, 0.08%, 0.11%, and 0.15%) for covered deposits, with a flat premium rate of 0.005% for eligible deposits in excess of the coverage limit.
- b. Credit cooperatives have a five-tiered system of risk-based premium rates (0.04%, 0.05%, 0.07%, 0.10%, and 0.14%) for covered deposits, with a flat premium rate of 0.005% for eligible deposits in excess of the coverage limit.
- c. The credit departments of farmers' and fishermen's associations have a five-tiered system of risk-based premium rates (0.02%, 0.03%, 0.04%, 0.05%, and 0.06%) for covered deposits, with a flat premium rate of 0.0025% for eligible deposits in excess of the coverage limit.

B. As of 31 December 2022, the first-tier premium rate was applied at 75.9% of all insured institutions, second-tier rate at 15.1%, third-tier rate at 8.0%, fourth-tier rates at 1.0%, and fifth-tier rate at 0%.



Note: The term "all insured institutions" does not include Chunghwa Post Co., Ltd.; the term "domestic banks" includes the Agricultural Bank of Taiwan but excludes Chunghwa Post Co., Ltd.

3. Coverage limit and coverage status

Since January 2011, the coverage limit has been raised to NT\$3 million and the scope of coverage expanded to include foreign currency deposits and interest on deposits. As of 31 December 2022, the total amount of eligible deposits stood at approximately NT\$56 trillion, and deposits within the NT\$3 million coverage limit totaled roughly NT\$26 trillion. The ratio of covered deposits to all eligible deposits was 47.2%, while the ratio of covered deposit accounts to the total number of deposit accounts was 98.0%. This indicates that the NT\$3 million deposit insurance coverage limit protects the majority of small depositors and effectively increased the confidence of depositors in financial institutions.

4. Accumulation of deposit insurance payout special reserves

Premium revenues in 2022 came to NT\$11.66 billion, including NT\$11.3 billion from general financial institutions and NT\$0.36 billion from agricultural financial institutions. As of year-end 2022, the general financial deposit insurance payout special reserves stood at roughly NT\$131.2 billion, while the agricultural financial deposit insurance payout special reserves stood at roughly NT\$6.4 billion. These figures translate to ratios of deposit insurance payout special reserves to covered deposits of 0.53% and 0.42%, respectively.

5. Active promotion of public awareness of the deposit insurance system

Based on survey results of public awareness of deposit insurance, the CDIC prepares annual plans and strategies for promoting public awareness of the deposit insurance system and allocates media resources accordingly to conduct publicity campaigns via insured institutions, television, internet, public transportation, radio, and print media. Furthermore, the CDIC actively participates in public welfare events and reaches out to different target audiences to raise awareness of the coverage limit of NT\$3 million, enhance depositors' awareness of their rights and understanding of the deposit insurance system, and instill greater public confidence in Taiwan's financial system.

6. Signing ceremony marking participation by NEXT BANK in the deposit insurance system

The FSC issued Next Bank a banking license on 9 December 2021 and the bank commenced business operations on 22 January 2022, which was also the date from which its membership in the deposit insurance entered into force and its depositors enjoyed the deposit insurance protection under the law. The opening of internet-only banks marked a new milestone for financial services in Taiwan. The CDIC held a signing ceremony with Next Bank on 18 January 2022 and invited relevant competent authorities and media reporters to attend the event.



The CDIC held a signing ceremony on 18 January 2022 to mark participation by NEXT BANK in the deposit insurance system. Shown here are FSC Banking Bureau Deputy Director General Chih-Chi Lin (3rd from left), Deputy Director General Ya-Hui Pan of the Central Bank's Department of Financial Inspection (3rd from right), NEXT BANK Chairman Fu-Kuei Chung (2nd from left) and General Manager Berlin Hsu (1st from left), CDIC Chairman Norman H. Chu (2nd from right) and CDIC President William Su (1st from right).

II. Fund Utilization and Management

1. Establishment of Department of Finance responsible for the utilization and management of the Deposit Insurance Payout Special Reserves and the Financial Industry Special Reserve Fund

In accordance with Article 8 of the *Deposit Insurance Act*, and in compliance with the IADI Core Principles that the deposit insurer should have assured liquidity funding arrangements, the bulk of the Deposit Insurance Payout Special Reserves is invested in government bonds or deposited in the Central Bank. To safeguard investment income, the CDIC has studied and assessed foreign and domestic financial products and their risks for many years. Upon consideration and approval by the CDIC Board of Directors, the utilization of funds can be applied to a wider scope of products while effectively managing investment risk by establishing rigorous investment risk control indicators and investment quotas.

In consideration of the growing funds under the CDIC's Deposit Insurance Payout Special Reserves and the Financial Industry Special Reserve Fund, which is utilized and managed on behalf of the FSC, as well as the diversity of investment targets and need for dedicated, professional operations, the Department of Finance was established in October 2022. To improve fund utilization and management and strengthen the trading risk management mechanism, the Department of Finance would be dedicated to matters related to the utilization and management of these two funds and continue to assess the global and domestic economic and financial landscape and interest rate trends to flexibly adjust the investment portfolio. As of 31 December 2022, available funds of the CDIC reached approximately NT\$148 billion.

2. Sustainable investment

Upon review and approval by the Board of Directors in 2022, the CDIC incorporated ESG ratings into its investment risk control indicators and invested in sustainability bonds. With the adoption of ESG investing, the CDIC has invested approximately NT\$1.5 billion in sustainability bonds as of 31 December 2022.



III. Risk Management

To control insured risks, the CDIC pursuant to Article 22 of the *Deposit Insurance Act* obtains the financial and business information of insured institutions. The CDIC uses the data collected from the FSC Single Window Financial Reporting System to run the National Financial Early-Warning System, implements the Account Officer System, and strengthens supervisory information sharing and coordination with other financial safety net players. The CDIC continues working on enhancing risk control capabilities and actively plays the role of a risk minimizer. These measures are designed to ensure that deposit insurance can safeguard the interests of depositors and maintain financial stability.

In order to exercise better risk control, the CDIC has standardized and clarified the types of information, alerts, and exceptional regulation items to be targeted in off-site monitoring. It has also established different monitoring frequencies depending on each insured institution's risk level to allow for standardized risk-based off-site monitoring mechanisms, and has made dynamic adjustments based on each financial institution's changing risks. Major measures taken in 2022 include the following:

1. Operation of the National Financial Early-Warning System (NFEWS) to implement off-site monitoring

A. Produced monthly or quarterly routine management reports and shared information with the competent authorities

The CDIC's NFEWS includes various sub-systems, including the Call Report Data Rating System, the Business Analysis Quarterly Report System, the Internet Monitoring System, and the Account Officer System, which are regularly used to produce related management reports and share information with the competent authorities.



B. Continued working to improve the quality of reported data and the operation of the Call Report Data Rating System in response to a changing economic and financial environment and evolving financial supervisory framework

- a. To encourage insured institutions to properly address the importance of information security management, the CDIC since 2018 has factored additional information security items into the scoring formula of the “Declaration Form for Risk-Adjustment on Management Ability of Insured Institutions,” and includes them among the items to be considered when performing inspections to check the accuracy of risk indicators for risk-based premium rates in order to spur insured institutions to strengthen their control of information security risks.
- b. Acting in line with the FSC’s amendments to regulations related to cyber security and their sustainability policies, the CDIC amended the “Declaration Form for Risk-Adjustment on Management Ability of Insured Institutions” in a timely manner to guide insured institutions on items which require firmer management.
- c. To control insured risks, the CDIC has enhanced the monitoring of liquidity at internet-only banks and, on the basis of actual conditions after the commencement of operations, has taken actions to improve its Internet-only Banking Supervisory System.

2. Strengthening of assessment and analysis of financial institutions’ businesses related to special risks and completion of related analytical reports to control insured risks

Acting in line with the FSC’s supervisory policies, the CDIC prepared reports on domestic banks’ risk exposures overseas and in mainland China, as well as risks arising from banks’ handling of OTC derivatives. The purpose of such reports is to strengthen the monitoring and control of specific-risk businesses of insured institutions. The reports were submitted to the FSC for further supervision and to strengthen the CDIC’s risk control measures.

3. Implementation of the Account Officer System and risk-based off-site monitoring

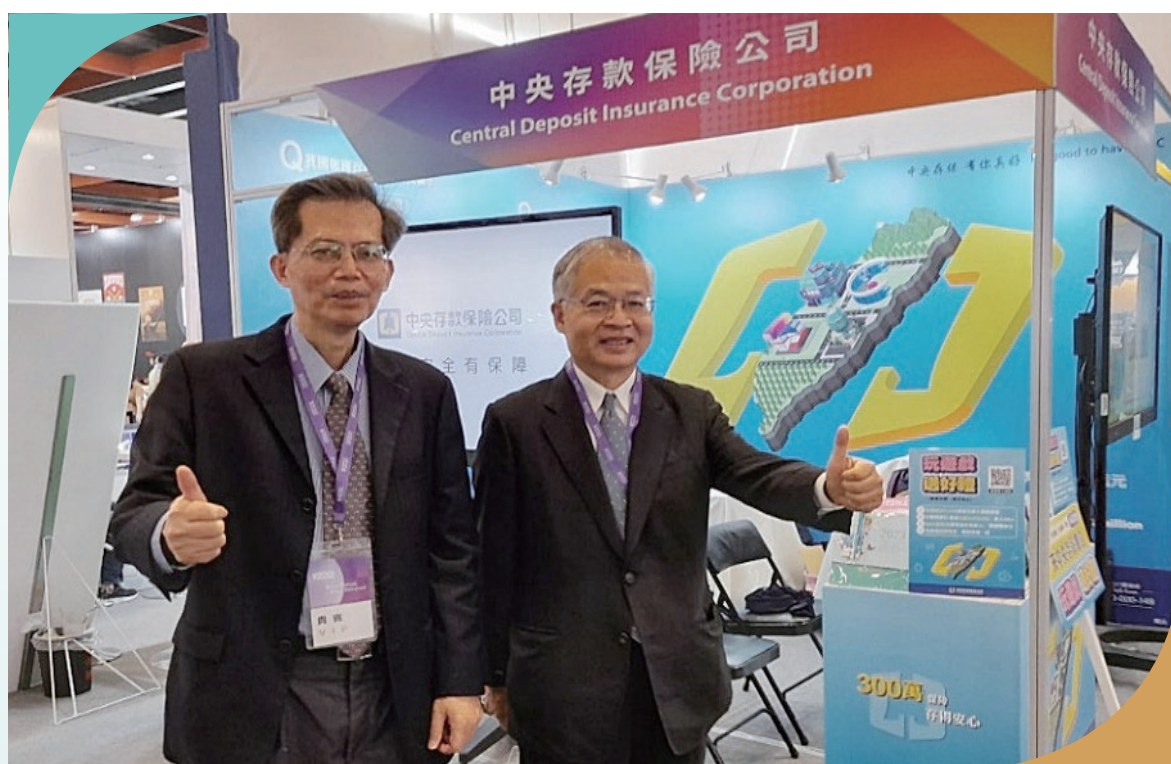
A. CDIC account officers continued to collect and analyze the financial and operational data of insured institutions through various channels, including NFEWS alerts, financial examination reports, directives issued by the competent authority, mechanisms for sharing financial supervisory information, the Material Event Reporting (MER) system, CPA-certified financial reports, and various channels for public information disclosure. The CDIC also continued to monitor the changing operational risks of insured institutions, and prepared business management reports issued at varying frequencies depending on the risk levels of insured institutions.



- B. Special monitoring was conducted on the financial reports of insured institutions that had highly concentrated credit risks or were in poor financial condition, and the CDIC continued requesting insured institutions to provide monthly or quarterly financial and business information. Account officers conducted special off-site audits, and tracked risk adjustments or improvements in financial performance. Where deficiencies were found, the CDIC either asked the insured institutions to make improvements, or reported their cases to the competent authorities for further supervision.
- C. During the COVID-19 pandemic, the CDIC has closely monitored the liquidity risks of insured institutions and tracked changes in the asset quality of domestic banks in order to maintain a clear understanding of lending by domestic banks to enterprises that have been relatively hard hit by the pandemic.

4. Active participation in information sharing and coordination mechanisms with domestic financial supervisory agencies

- A. The CDIC Chairman regularly attended meetings of the FSC's Financial Supervisory Coordination Council, where participants extensively discussed and put forward suggestions regarding the overall risks assumed by insured institutions.
- B. Acting pursuant to the *Operating Guidelines of the Financial Supervisory Commission for Off-site Monitoring*, the CDIC prepared analytical reports on the financial and business conditions of insured institutions, and shared risk monitoring information, in order to achieve more effective off-site monitoring.



CDIC Chairman Norman H. Chu (right) and CDIC President William Su (left) in front of the CDIC promotional kiosk at FinTech Taipei 2022, held on 28-29 October 2022 at the Taipei World Trade Center.

- C. The CDIC participated in the Task Force on Financial Supervisory Information Reporting Window for Banks and Bills Finance Companies, and handled amendments and updates to the Single Window Financial Reporting System, in order to improve related supervisory information.
- D. The CDIC attended meetings of the various task forces set up by the Bankers Association for Basel Accord III, including the Credit Risk Task Force No. 1, Credit Risk Task Force No. 2, and Market Risk Task Force, in order to facilitate the drafting of related rules.
- E. The CDIC participated in the meeting of the Internal Rating-Based (IRB) Working Group and Q&A session hosted by the Joint Credit Information Center (JCIC).
- F. The CDIC participated in the Financial Industry Net Zero Working Groups of the FSC and the Climate Change Scenario Analysis Task Force of the Bankers Association to deepen cooperation in sustainable development and achieve net-zero objectives.
- G. The CDIC participated in guidance meetings convened by the competent authorities for the credit departments of farmers' and fishermen's associations, and strengthened guidance for those credit departments.

IV. Resolution of Troubled Insured Institutions

Since the termination of the Financial Restructuring Fund (FRF) at the end of 2011, the CDIC (acting as either conservator or receiver) has handled retained assets and unresolved issues at six troubled insured institutions that were still unresolved when the FRF was terminated. The retained assets include real estate, stocks, creditor's claims, and artwork.

1. Managed and/or disposed of retained assets and litigation, and handled matters relating to accounting, shareholder services, and taxation.



2. Completed the resolution of three troubled insured institutions.

The FSC notified the CDIC in written of its revocation of the banking license of Taitung Business Bank, Chung Shing Commercial Bank, and Enterprise Bank of Hualien between June and August of 2022. The Ministry of Economic Affairs notified the CDIC of the completion of resolution and cancellation of registration of said banks in August and September 2022, respectively, thereby de-registering the CDIC as the receiver.

3. Managed equity stake in the Taipei Financial Center Corporation held by the China United Trust and Investment Corporation (CUTIC).

The CUTIC held a 15.12% equity stake, valued at NT\$2,222.05 million, in the Taipei Financial Center Corporation (Taipei 101). In order to strengthen shareholding management, the CDIC acting with the approval of the competent authority recommended two representatives to the board of supervisors at Taipei 101. In 2022, the CUTIC received cash dividends of NT\$175,253,158 while compensation of NT\$967,466 was paid to the two supervisors.

4. The CDIC put up retained real estate for sale by public tender on five occasions in 2022, while 12 pieces of artwork and 1 bronze statue were sold off through public auction conducted by a professional agency in August 2022 for a total of NT\$333,000. As of the end of 2022, the CDIC had disposed of or collected on a total of NT\$22,013,339,708 worth of retained assets, which leaves retained assets still remaining with a net book value of NT\$3,165,464,584. This figure is down sharply by 86.89% from the net book value of the assets originally slated for disposal.
5. The CDIC amended and published the sixth edition of the *Operating Guidelines for the Format and Content of Deposit Insurance Electronic Data Files Established by Insured Institutions* to be up to date with laws and regulations and the current practices of insured institutions.

V. Handling of Litigation Following Expiration of the FRF

1. Acting in accordance with Article 17 of the *Act for the Establishment and Administration of the Financial Restructuring Fund* and resolutions adopted at the FRF Management Committee meetings, the CDIC has actively pursued civil damages against law-breaking individuals at troubled financial institutions to recoup the losses of the FRF and serve the interests of social justice. After termination of the FRF at the end of 2011, responsibility for pursuing the aforementioned civil damages was handed off to the FSC, which continues to entrust the CDIC to handle these cases. By the end of 2022, 143 civil suits were filed, resulting in 107 favorable judgments and 23 unfavorable judgments. In addition, 13 suits are still being litigated.
2. Six unfinished lawsuits over troubled insured institutions were under litigation as of the end of 2022.

VI. Inspections

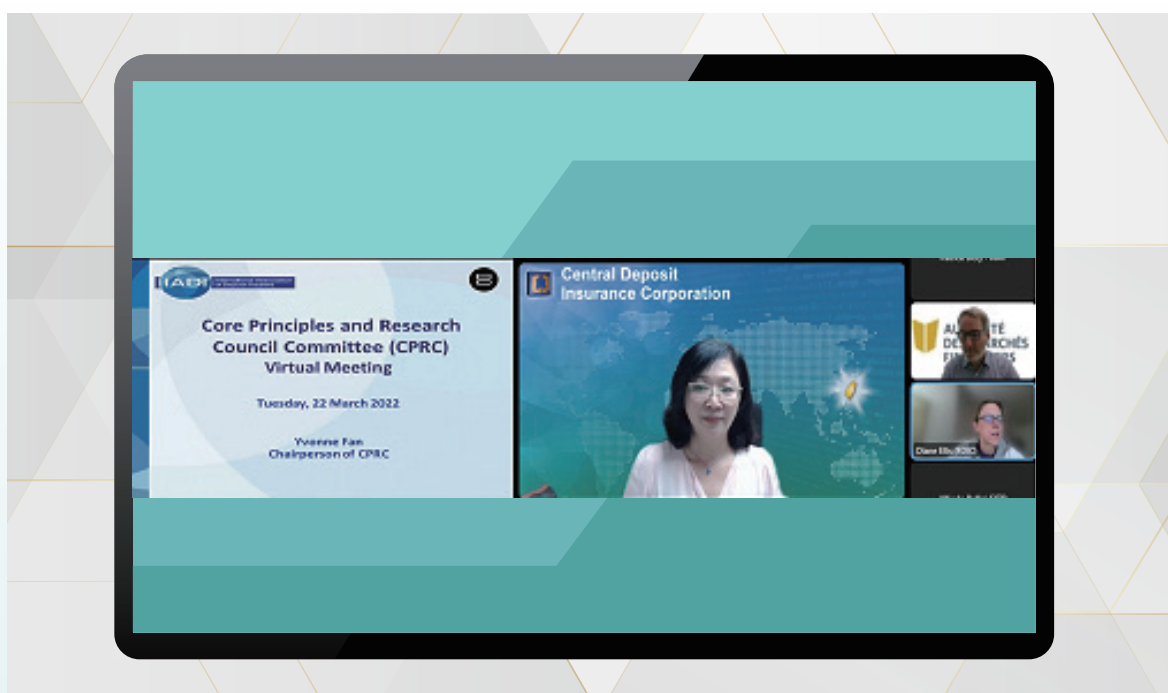
Exercising the power of inspections conferred by the *Deposit Insurance Act*, the CDIC continued to conduct inspections of statutorily specified matters at insured institutions. In 2022, the CDIC carried out the following inspections:

1. The CDIC conducted inspections to verify the accuracy of the deposit insurance assessment base, based on the deposit insurance premium data reported by 45 insured institutions. Where deficiencies and/or errors were detected in the above-mentioned inspections, the CDIC requested in writing that the inspected insured institutions make improvements to ensure the accuracy of the data and the deposit insurance premium calculations.
2. The CDIC conducted inspections of 45 insured institutions to verify the accuracy of the format and content of the electronic data files that are established as required by law. Where deficiencies and/or errors were detected in the above-mentioned inspections, the CDIC oversaw efforts by the inspected institutions to make improvements.
3. The CDIC conducted inspections of the data and files for risk indicators for risk-based premium rates submitted by 75 insured institutions to verify the accuracy of information. Where deficiencies and/or errors were detected in the above-mentioned inspections, the CDIC requested in writing that the inspected insured institutions make corrections to ensure the accuracy of the reported information.

VII. Information Management

1. Development and maintenance of business information systems

To meet operational needs and facilitate more effective work, the Department of Information Technology installed, repaired, or updated 119 software programs for 34 different CDIC information application systems.



CDIC Executive Vice President Yvonne Fan chaired the CPRC virtual meeting on 22 March 2022.

2. Improvement of information security and related equipments

- A. In compliance with the provisions of the *Cyber Security Management Act*, the CDIC launched and maintained its Information Security Management System (ISMS), continuing to optimize the information security defense-in-depth mechanism and improve the information security protection capabilities. All core information systems officially received the CNS 27001 (ISO 27001) certification from the third party inspection service provider (TUV) in January 2023.
- B. Adopted the *CDIC 2022 Information Security Maintenance Plan* and filed reports with the FSC on the *State of Implementation of the CDIC 2021 Information Security Maintenance Plan* and the *State of Implementation of Measures Taken to Address Joint Findings in the 2021 Information Security Audit of Government Agencies*.
- C. Continued inspecting the suitability of information and communication security system levels and implementing the baseline protection set out in the *Defense Standards of Information Systems*, including business continuity drills, internal cybersecurity audits, information asset inventories, core information system risk assessments, information security management system (ISMS) effectiveness assessments, and the holding of information security management review meetings.
- D. Engaged a professional service provider to carry out an information security assessment of the CDIC's Internet-only Banking Supervisory System, including inspections of vulnerability assessment, penetration testing, and source code review, and took corrective actions based on assessment results.
- E. Continued running antivirus software, network firewalls, email and filtering systems, and computer endpoint protection systems, and updated or upgraded various software and hardware where necessary in order to protect against computer viruses and hacker intrusions.
- F. Held annual information security courses for employees, and advanced information security courses for dedicated information security personnel and information technology personnel. The objectives of these courses were to make all CDIC employees more conscious of information security concerns, to hone the expertise of professionals in the Department of Information Technology, and to ensure that dedicated information security personnel keep their qualifications current.
- G. Continued engaging a professional service provider to operate the CDIC's Security Operation Center (SOC), to monitor and analyze network traffic in the intrusion inspection system, and to assist with the handling of information security incidents. These undertakings improved the CDIC's information protection capabilities.
- H. Coordinated with the FSC's policy by conducting email social engineering drills and information security notification drills.
- I. Completed the outfitting of servers and related equipment for the CDIC's major information and communications security system; entrusted Chunghwa Telecom with colocation services to provide 24-hour uninterrupted operations of core systems and professional maintenance personnel, improving the accessibility, security, and management efficiency of the data center.

- J. Conducted matters pertaining to the cyber security incident response team for critical infrastructure sectors in coordination with the FSC's cyber security awareness period (1-19 August 2022) to strengthen cyber defense capabilities, adopt enhanced measures, and implement them more thoroughly in daily operations.

VIII. Research and Development

To ensure that its business develops in a way that conforms to changes in the financial environment, the CDIC conducted various research projects in collaboration with the IADI, while collecting and studying the latest local and international information to prepare special reports. The following important studies were carried out in 2022:

1. IADI international research

- A. The CDIC supported and took part in the publication of the Report on the IADI Thematic Review of Organisational Structure, two policy briefs, and seven Fintech briefs.
- B. The CDIC continued its involvement with the following international research projects entitled "Issues Related to Financial Cooperatives," "Financial Technology," and "Reimbursement," as well as the project on "Review and Update of the IADI Core Principles for Effective Deposit Insurance Systems."

2. Research activities and summary translation reports

The CDIC completed the following research projects and summary translation reports in 2022:

- A. Report entitled *Feasibility Study of Investment on Foreign Bonds and Foreign Currency Deposits*.
- B. Summary translation reports completed in 2022:
- Summary translation of the *2022 IADI Deposit Insurance Report: Global Trends and Key Emerging Issues*;
 - Summary translation of the IADI Policy Brief titled *Climate Change Fever: Can Deposit Insurers Stay Cool*;
 - Summary translation of the IADI Policy Brief on *Five Emerging Issues in Deposit Insurance*;
 - Summary translation of the IADI Fintech Brief on *Data Standardisation*;
 - Summary translation of the IADI Fintech Brief on *Beneficiary Accounts: Challenges for Deposit Insurance Schemes*;
 - Summary translation of the IADI Research Paper titled *Deposit Insurance Coverage Level and Scope*;
 - Summary translation of the IADI Guidance Paper titled *Ways to Resolve a Financial Cooperative while Keeping the Cooperative Structure*;
 - Summary translation of the Financial Stability Institute's (FSI) *Fintech and Payments: Regulating Digital Payment Services and E-money*;

- i. Summary translation of the Bank for International Settlements' *Achievements and Challenges in ESG Markets*;
- j. Summary translation of the Basel Committee on Banking Supervision's *Principles for the Effective Management and Supervision of Climate-related Financial Risks*;
- k. Summary translation of Financial Stability Board's *2021 Resolution Report*;
- l. Summary translation of Toronto Centre's *Crisis Simulations: Evolution and Experience*;
- m. Summary translation of FSI's *Counting the Cost of Payout: Constraints for Deposit Insurers in Funding Bank Failure Management*.

3. Summary reports on conferences

- A. Summary report on 20th IADI APRC International Conference themed *Gearing Towards the New Financial Landscape*;
- B. Summary report on the IADI Europe Regional Committee (ERC) and the European Forum of Deposit Insurers (EFDI) Joint Webinar themed *Sustainability: Green-Washing or Emerging Issues for Deposit Insurers*;
- C. Summary report on IADI 20th Anniversary International Conference themed *Enhancing Deposit Insurance and Promoting Financial Stability around the World: Building on the Past, Preparing for the Future*;
- D. Summary report on IADI ERC and EFDI Joint Webinar themed *"Green" Deposit Guarantee Schemes and Non-Financial Reporting: New Challenges for Deposit Guarantee Schemes*;
- E. Summary report on IADI ERC Webinar themed *Core Principle 9: Sources and Uses of Funds for Deposit Insurers*;
- F. Summary report on virtual meeting with the Financial Services Compensation Scheme (FSCS) of the United Kingdom for technical assistance in crisis communication issues;
- G. Summary report on the deposit insurance payout system of the National Deposit Insurance Fund of Hungary (NDIF);
- H. Summary report of the DICJ-IADI Round Table themed *Synergizing Multifaceted Regional and Global Perspectives*;
- I. Summary report on the South East Asian Central Banks (SEACEN) Research and Training Centre webinar themed *Crisis Planning, Management and Recovery*.

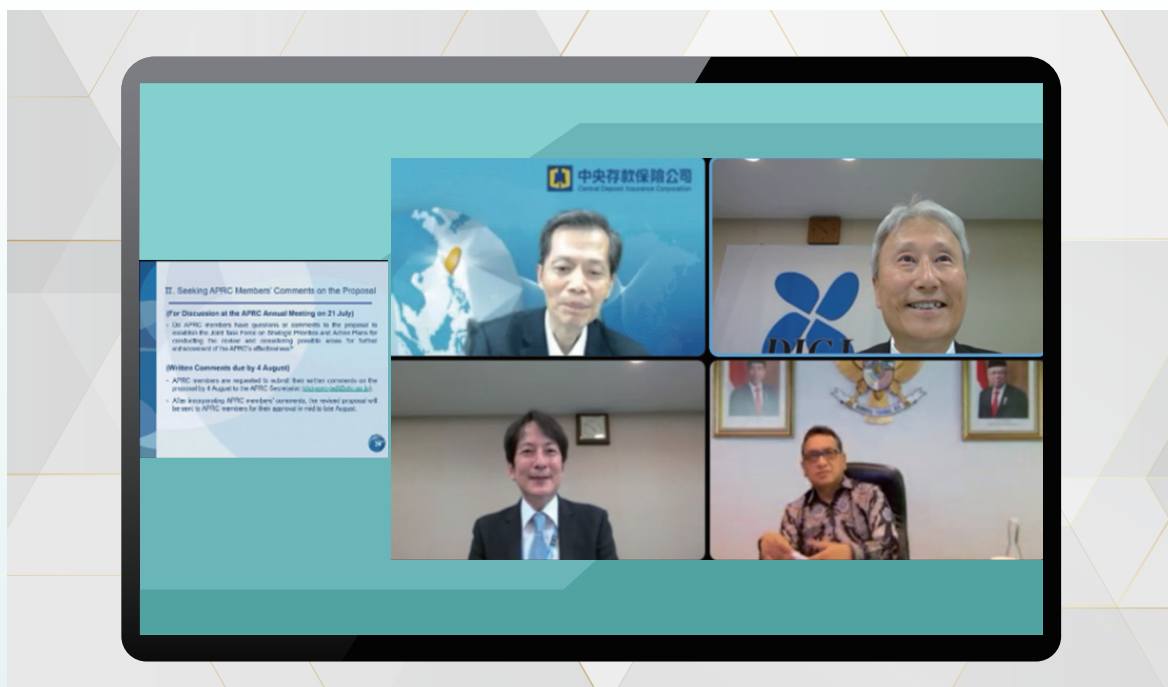
4. Issued English audiobooks of Payout Framework of CDIC Taiwan and Supervisory Technology of Internet-only Banks in Taiwan

5. Due to the COVID-19 pandemic, the CDIC held one virtual meeting of its Deposit Insurance Consultative Committee, and afterwards switched instead to exchange views via letters and email. The views of the Deposit Insurance Consultative Committee serve as very valuable reference, and touch upon the following matters:

- A. Analysis of risk control indicators of bond investment and the addition of ESG bonds in fund portfolios.
- B. Matters of concern pertaining to the limited handling of shareholder services during the resolution of a troubled financial institution.
- C. Feasibility assessment of the CDIC, in the role of a creditor, assuming the collateralized debt obligations (CDO) of a troubled financial institution to accelerate the completion of its resolution.
- D. Feasibility assessment and matters of concern pertaining to the request for reconciliation by law-breaking individuals.
- E. Comprehensive evaluation of additional compensation requested by assuming banks.

6. Amendments to the *Deposit Insurance Act* and its *Enforcement Regulations*

In response to the amendment to the *Act Governing Electronic Payment Institutions*, the CDIC drafted amendments to Article 5-1, Paragraph 1, Subparagraph 10 of the *Enforcement Regulations of the Deposit Insurance Act* to strengthen protection of users of electronic payment accounts or stored value cards. The amendment has been reviewed and approved by the competent authority, and was promulgated on 27 June 2022.



CDIC President William Su participated in the 20th IADI APRC Annual Meeting held on 21 July 2022.

7. Publication of the *Deposit Insurance Quarterly Bulletin*

- A. Four editions were issued in 2022. The CDIC's *Deposit Insurance Quarterly Bulletin* features articles by experts, scholars, and CDIC staff on deposit insurance, business management of financial institutions, and trends in financial supervision.
- B. Added a newsflash segment on international financial supervision for the benefit of readers. Distributed the Quarterly Bulletins to government agencies and the libraries of related finance and economics studies; e-book versions were distributed simultaneously for the public's reference.

IX. International Affairs

The CDIC, acting in line with government policies, joined the IADI as a founding member in 2002 and has been actively involved ever since then in its international affairs, activities, and research work. Over the years, deposit insurers around the world have come to recognize the CDIC's professional contribution. In 2022, the CDIC held a number of important positions at the IADI, continuing to serve as a member of the Executive Council as well as Chairperson of the Core Principles and Research Council Committee (CPRC), selection committee for the Secretary General, Chairperson of the APRC Training and Assistance Technical Committee (TATC), and Chairperson of the sixth working group under the IADI Steering Committee for the review and update of the Core Principles. The CDIC is primarily responsible at the IADI to facilitate the following: effectively reviewing and updating the Core Principles for Effective Deposit Insurance Systems; studying deposit insurance issues on both traditional and emerging topics; formulating international guidance and conducting related research; recruitment of IADI leadership roles; and matters pertaining to cooperation, exchange, and training and technical assistance among APRC member organizations.

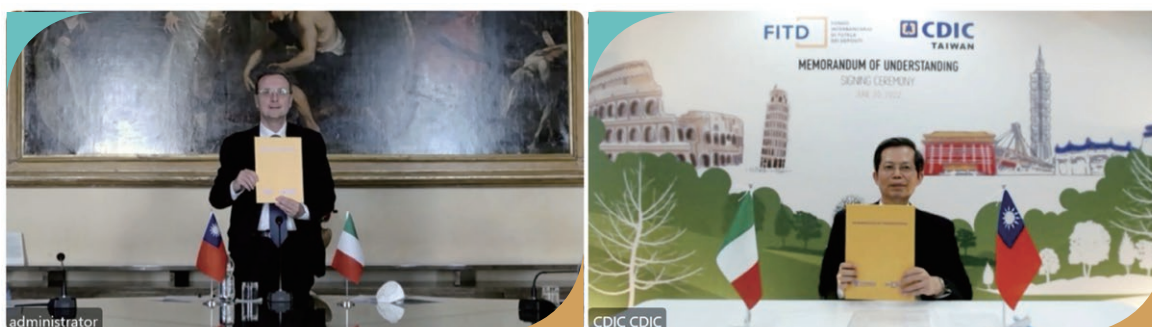


CDIC Executive Vice President Yvonne Fan (front row, 4th from left) with IADI Executive Council members at the 21st Annual General Meeting on 28 October 2022.

To promote international cooperation and enhance its international visibility, the CDIC continued in 2022 to participate in international affairs and activities, and to promote cooperation, experience exchanges, and information sharing with peer institutions throughout the world, including the following:

1. Took part with peer deposit insurers around the world in virtual meetings on deposit insurance issues to promote exchanges and sharing of information

A. The CDIC held a virtual meeting in May with the FSCS, during which the FSCS shared experiences in the areas relating to their external communication mechanism and strategies, mandates and work, uses and monitoring of social media, and crisis communication planning.

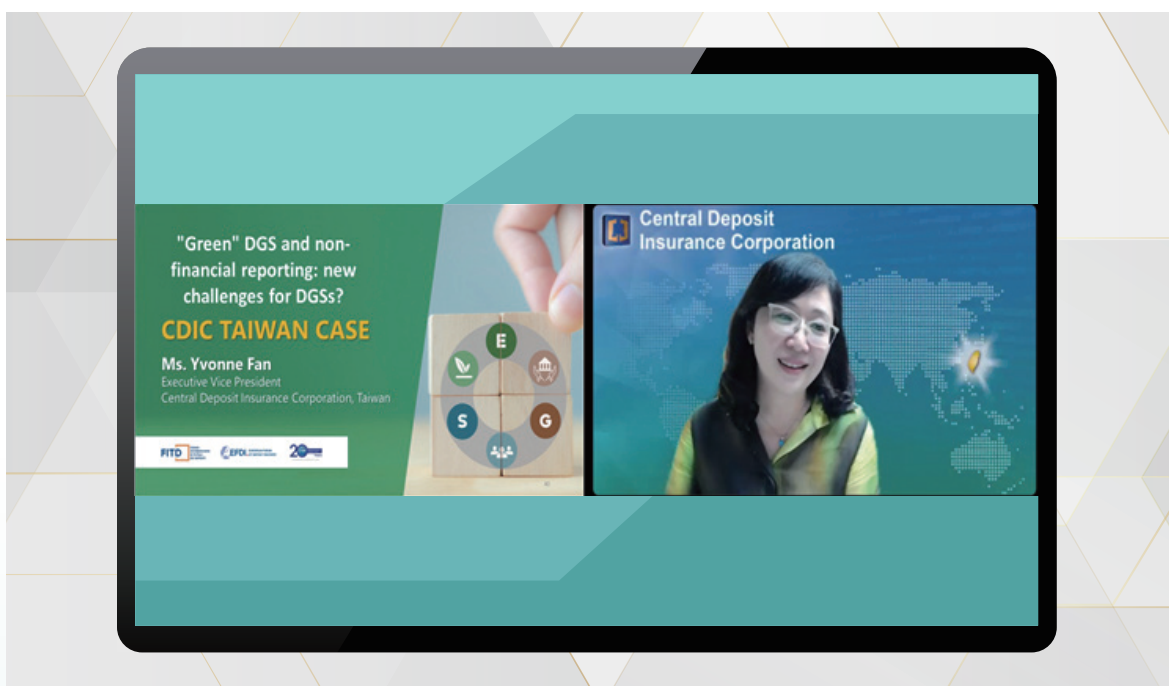


CDIC President William Su (right) and FITD Director General Alfredo Pallini signed an MOU on behalf of their organizations.

B. The CDIC held virtual workshops with the Deposit Insurance of Vietnam (DIV) on the theme of *Resolution of Troubled Financial Institutions and Asset Liquidation* in August, and on the theme of *Credit Cooperatives' Evaluation and Classification* in September. The CDIC shared experiences in issues relating to the legal basis for resolution and asset liquidation of troubled insured institutions; resolution processes, measures, and methods; supporting measures for controlling insured risks of credit cooperatives; and the rating methodologies used for insured institutions.

2. Spoke at international conferences, achieved a higher international profile

The CDIC took active part in international affairs, and accepted invitations for its personnel to speak at international conferences, including the IADI APRC International Conference on *Gearing Towards the New Financial Landscape*; the IADI ERC and EFDI Joint Webinar on *Green Deposit Guarantee Schemes and Non-Financial Reporting: New Challenges for Deposit Guarantee Schemes*; the IADI 20th Anniversary International Conference on *Enhancing Deposit Insurance and Promoting Financial Stability around the World: Building on the Past, Preparing for the Future*; the IADI Africa Regional Committee Technical Assistance Workshop on *Building Resilience for Deposit Insurance Systems: The New Normal*; and the IADI APRC Virtual Workshop on *Boosting Depositor Confidence During Uncertain Times*.



CDIC Executive Vice President Yvonne Fan spoke at an International Webinar jointly held by IADI ERC and EFDI on 20 September 2022.

3. Renewed and extended Memorandums of Understanding (MOUs) for cooperation with peer deposit insurers around the world in order to strengthen bilateral information sharing and cooperation

To enhance cooperative exchanges with other deposit insurers around the world, the CDIC in 2022 signed an MOU with the Fondo Interbancario di Tutela dei Depositi (FITD), and extended MOUs with the Nigeria Deposit Insurance Corporation (NDIC) and the Fonds de Garantie des Dépôts et de Résolution (FGDR). As of year-end 2022, the CDIC had signed MOUs or Letters of Exchange with 25 international peers. In addition, the CDIC took the initiative to contact MOU peer organizations to share information on Taiwan's economy, financial developments, and important measures adopted by the CDIC. A number of bilateral virtual meetings were held to secure and improve friendly relations with fellow organizations.

4. Signed the EFDI Charter for Sustainable Deposit Guarantee and Investor Compensation Schemes

In response to the international trend of green finance and to support the Green Finance Action Plan 3.0 implemented by the FSC, the CDIC signed the EFDI Charter for Sustainable Deposit Guarantee and Investor Compensation Schemes in July 2022, declaring the CDIC's full support of the policy and mission of financial sustainability. The CDIC will continue to facilitate financial sustainability and support social responsibility on the global arena, thereby increasing Taiwan's international visibility.

X. Human Resources

1. Workforce structure over past 5 years

Year	No. of employees	Avg. age of employees	Educational attainment of employees			
			Doctorate	Graduate school	College	Other
2022	150	49	2	55	90	3
2021	150	49	2	55	90	3
2020	153	49	-	54	96	3
2019	147	50	-	48	96	3
2018	153	49	-	48	102	3

Department breakdown of CDIC staff for 2022:

Senior Executives and Secretariat (18)	Dept. of Business (10)	Dept. of Finance (12)
Dept. of Special Inspection (13)	International Relations and Research Office (8)	Dept. of Accounting (8)
Dept. of Legal Affairs (9)	Dept. of Information Technology (17)	Civil Service Ethics Office (2)
Personnel Office (5)	Southern Taiwan Regional Office (8)	
Central Taiwan Regional Office (6)	Dept. of Resolution (5)	
Dept. of Risk Management (29)		

2. Personnel training

To upgrade the quality of staff and enhance employees' professional knowledge, the CDIC arranged training programs in 2022 that attracted a total attendance of 1,407 times, for an average of 9.38 instances of attendance per staff member. Training programs included the following:

- A. Staff participated in professional training programs arranged by the Taiwan Academy of Banking and Finance and other institutes that provide training needed to support CDIC operations.
- B. The CDIC invited outside experts to speak on specific topics and helped its staff hone their professional expertise.
- C. Staff participated in online international meetings and conferences to study topics related to deposit insurance.
- D. The CDIC arranged one to two English and Japanese language classes per week to improve employees' language proficiency.



XI. Internal Controls

1. Internal control system

On March 3, 2011, the CDIC set up an Internal Controls Task Force, which was convened by an Executive Vice President of the CDIC and consisted of the directors of each CDIC department and office. The Task Force convened one meeting in 2022. It is responsible for implementing work related to internal controls and advocating important measures. It also continued to arrange educational training on internal controls and internal audits, reviewed and strengthened internal control operations, carried out internal audit and self-assessment operations, and progressively implemented internal control mechanisms.

2. Internal audits

- A. The CDIC Internal Audit Task Force, which implements internal audits, is convened by an Executive Vice President of the CDIC. Acting in accordance with the provisions of the Executive Yuan's *Directions for Public Sector Internal Control and Oversight*, the Internal Audit Task Force has adopted a set of *Rules for the Conduct of Internal Audits* and a *Handbook for Internal Audits*, and has amended them as necessary to provide a basis for the execution of internal audits, and to ensure regulatory compliance.
- B. The Internal Audit Task Force conducts general internal audits and special internal audits of the CDIC's various departments and offices in accordance with the annual internal audit plan, and compiles its findings into audit reports that are signed and presented to the Chairman for approval. Corrective actions taken by the audited units to address identified deficiencies are tracked through semiannual follow-up reviews.
- C. The chief audit executive reports semiannually to the Board of Directors on the results of internal audits, the implementation status of self-assessments, and corrective actions taken to address identified deficiencies.

D. The Internal Audit Task Force in February 2022 completed a self-assessment of the CDIC's 2021 internal control operations, signed off on the "Internal Control Statement of the Central Deposit Insurance Corporation," and reported its findings to the Board of Directors.

XII. Cooperated with the Competent Authority's Key Financial Industry Policies

1. Utilized and managed the Financial Industry Special Reserve Fund on behalf of the FSC

The FSC entrusts the utilization and management of the Financial Industry Special Reserve Fund to the CDIC in accordance with the provisions of the *Regulations on the Utilization and Management of the Financial Industry Special Reserve Fund*. The CDIC has diversified the Reserve Fund's asset allocations to give balanced consideration to the needs for safety, liquidity, and returns. As of year-end 2022, the Special Reserve Fund assets under the CDIC management stood at approximately NT\$158.8 billion. With the adoption of ESG investing, the CDIC has invested approximately NT\$800 million in sustainability bonds this year.



2. Strengthened the monitoring of specific-risk businesses in line with the supervisory policies of the competent authority

Acting pursuant to the *Operating Guidelines of the Financial Supervisory Commission for Off-site Monitoring*, the CDIC issued analytical reports on the financial and business conditions of insured institutions in order to share supervisory information. Also, the FSC entrusted the CDIC to analyze or monitor domestic banks' risk exposures overseas (including in New Southbound Policy countries) and in mainland China, as well as risks arising from banks' handling of OTC financial derivatives and domestic structured products. Moreover, to assist with financial supervision and strengthen risk

controls, the CDIC presented periodic and occasional reports to the FSC and arranged the handling and follow-up tracking of significant credit risk cases reported by insured institutions. Also, the CDIC audited the capital adequacy ratios of domestic banks and quantitative indicators for interest rate risk in the banking book, the audit item recently entrusted by the FSC.

3. Supported the competent authority's supervision of domestic systemically important banks

The CDIC amended its review checklist in accordance with the competent authority's review findings of the 2021 "Response Measures for Business Crises" and adjusted the reporting framework.

4. Strengthened the supervisory functions and information security of the Internet-only Banking Supervisory System

The CDIC completed and launched the Internet-only Banking Supervisory System in 2020, and continued to expand and optimize the functions of the System in 2021 and 2022 to improve the System's security mechanisms. Professional agencies have been commissioned to conduct annual information security audits to strengthen operational security. The CDIC will continue to enhance its risk control operations in step with the latest developments in fintech and digital finance.

5. The CDIC was entrusted by the Council of Agriculture to examine firms entrusted by the credit departments of farmers' and fishermen's associations to operate their information systems

Acting in accordance with the *Guidelines for the Council of Agriculture Entrusted the Central Deposit Insurance Corporation to Examine Firms Entrusted by the Credit Departments of Farmers' and Fishermen's Associations to Operate Their Information Systems*, the CDIC was again entrusted to examine the aforementioned information system operators. The firms subject to examination include the Agrifinance Information Service Co. Ltd and the Farmers' and Fishermen's Association South Data Center, each of which is examined once per year.



The CDIC took part in a cultural festival and holiday market in Tainan on 16 October 2022 and set up a booth to familiarize festival visitors with the deposit insurance system.

Stability

Enhance financial stability and risk management



Financial Statements

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Financial Statements



CDIC 2022 Annual Report

CENTRAL DEPOSIT INSURANCE CORPORATION

STATEMENTS OF FINANCIAL POSITION



DECEMBER 31, 2022 AND 2021

(Expressed in NT\$'000)

	2022.12.31		2021.12.31	
	Amount	%	Amount	%
ASSETS				
Cash and Cash equivalents	\$ 22,918	-	\$ 3,208,412	2
Deposits in the Central Bank	60,000,000	40	60,000,000	44
Investments in Debt Instruments as Amortized Cost	87,989,244	59	72,679,503	54
Receivables, net	844,554	1	641,527	-
Current Tax Assets	299,504	-	285,056	-
Property, Plant and Equipment, net	433,934	-	439,116	-
Intangible Assets, net	12,455	-	14,123	-
Other Assets, net	16,615	-	16,330	-
Total Assets	<u>\$ 149,619,224</u>	<u>100</u>	<u>\$ 137,284,067</u>	<u>100</u>
LIABILITIES AND EQUITY				
Payables	\$ 84,063	-	\$ 83,032	-
Reserves for Liabilities	137,974,237	92	125,693,118	92
Deferred Income Tax Liabilities	23,957	-	23,957	-
Other Liabilities	396,431	-	391,564	-
Total Liabilities	<u>138,478,688</u>	<u>92</u>	<u>126,191,671</u>	<u>92</u>
EQUITY				
Capital Stock	10,000,000	7	10,000,000	7
Capital Surplus	265	-	265	-
Retained Earnings				
Legal Reserve	235,701	-	235,701	-
Special Reserve	1,000,466	1	1,000,466	1
Other Equity	(95,896)	-	(144,036)	-
Total Equity	<u>11,140,536</u>	<u>8</u>	<u>11,092,396</u>	<u>8</u>
Total Liabilities & Equity	<u>\$ 149,619,224</u>	<u>100</u>	<u>\$ 137,284,067</u>	<u>100</u>



董事長：



經理人：



會計主管：



CENTRAL DEPOSIT INSURANCE CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME



FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in NT\$'000)

Description	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Interest Revenue	\$ 1,501,933	11	\$ 1,207,865	10
Premiums Revenue	11,659,606	89	11,022,625	90
Agency Revenue	72	-	84	-
Sub-total	13,161,611	100	12,230,574	100
OPERATING COSTS				
Interest Expenses	1,302	-	3,525	-
Insurance Expenses	258	-	172	-
Handling Fees	3,120	-	2,223	-
Insurance Payout Reserve Provisions	12,132,903	92	11,256,945	92
Expected Credit Losses	2,584	-	198	-
Sub-total	12,140,167	92	11,263,063	92
GROSS PROFIT	1,021,444	8	967,511	8
OPERATING EXPENSES				
Business Expenses	955,772	7	904,575	7
General & Administrative Expenses	57,999	-	57,757	-
Other Operating Expenses	2,717	-	2,707	-
Sub-total	1,016,488	7	965,039	7
OPERATING INCOME	4,956	1	2,472	1
NON-OPERATING REVENUE				
Indemnity Revenue	54	-	-	-
Other Revenue	1,806	-	1,395	-
Sub-total	1,860	-	1,395	-
NON-OPERATING EXPENSES				
Loss on Disposal of Assets	2,771	-	146	-
Others Expenses	4,045	1	3,721	1
Sub-total	6,816	1	3,867	1
NON-OPERATING INCOME (LOSS)	(4,956)	(1)	(2,472)	(1)
INCOME BEFORE INCOME TAX	-	-	-	-
INCOME TAX	-	-	-	-
NET INCOME FROM CONTINUING OPERATIONS	-	-	-	-
NET INCOME	\$ -	-	\$ -	-
NOTES :				
OTHER COMPREHENSIVE INCOME				
Remeasurement for Defined Employee Benefit Plan	22,072		(26,842)	
TOTAL OTHER COMPREHENSIVE INCOME	22,072		(26,842)	
EARNINGS PER COMMON SHARE	\$ -		\$ -	

董事長：



經理人：



會計主管：



CENTRAL DEPOSIT INSURANCE CORPORATION

STATEMENTS OF CHANGES IN EQUITY



FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in NT\$'000)

Description	Capital Stock	Capital Surplus	Retained Earnings		Other Equity		
		Donated Surplus	Legal Reserve	Special Reserve	Remeasurement for Defined Employee Benefit Plan	Adjustments for the First Adoption of IFRS	Total
Balance, January 1, 2021	\$10,000,000	\$ 265	\$235,701	\$1,000,466	\$ (91,126)	\$(26,068)	\$11,119,238
Net Income for The Year Ended December 31, 2021	-	-	-	-	-	-	-
Other Comprehensive Income (Loss), Net of Tax for The Year Ended December 31, 2021	-	-	-	-	(26,842)	-	(26,842)
Balance, December 31, 2021	10,000,000	265	235,701	1,000,466	(117,968)	(26,068)	11,092,396
Adjustments for The First Adoption of IFRS	-	-	-	-	-	26,068	26,068
Net Income for The Year Ended December 31, 2022	-	-	-	-	-	-	-
Other Comprehensive Income (Loss), Net of Tax for The Year Ended December 31, 2022	-	-	-	-	22,072	-	22,072
Balance, December 31, 2022	\$10,000,000	\$ 265	\$235,701	\$1,000,466	\$ (95,896)	\$ -	\$11,140,536



董事長：



經理人：

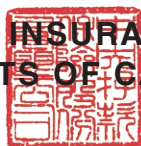


會計主管：



CENTRAL DEPOSIT INSURANCE CORPORATION

STATEMENTS OF CASH FLOWS



FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in NT\$'000)

Description	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before Tax from Continuing Operations (Loss)	\$ -	\$ -
Net Income before Tax (Loss)	-	-
Adjustment for the Interests and Dividends	(1,500,631)	(1,204,340)
Net Income (Loss) Excluding Interests and Dividends	(1,500,631)	(1,204,340)
Adjustments	12,166,901	11,285,496
Net Cash Inflow (Outflow) Excluding Interests and Dividends	10,666,270	10,081,156
Interests Received	1,298,887	1,199,269
Interests Paid	(1,302)	(3,525)
Income Tax Refund (Paid)	(14,448)	(31,844)
Net Cash Inflow (Outflow) from Operating Activities	11,949,407	11,245,056
CASH FLOWS FROM INVESTING ACTIVITIES		
Current Financial Assets Decrease (Increase)	(15,312,310)	(9,548,772)
Property, Plant and Equipments Decrease	5	-
Intangible Assets and Other Assets Decrease (Increase)	(5,169)	(8,132)
Property, Plant and Equipments Increase	(6,316)	(6,982)
Net Cash Inflow (Outflow) from Investing Activities	(15,323,790)	(9,563,886)
CASH FLOWS FROM FINANCING ACTIVITIES		
Other Liabilities Increase (Decrease)	188,889	246,764
Net Cash Inflow (Outflow) from Financing Activities	188,889	246,764
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (3,185,494)	\$ 1,927,934
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,208,412	1,280,478
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 22,918	\$ 3,208,412

董事長：



經理人：



會計主管：



Strength

Bolster public confidence through sound financial operations



Table 1: Number of Insured Institutions for the Last Five Years

Unit: Number of institutions

Year	2022	2021	2020	2019	2018
Type of Insured Institutions					
Domestic Banks	40	39	38	37	38
Credit Cooperatives	23	23	23	23	23
Credit Departments of Farmers' Associations	283	283	283	283	283
Credit Departments of Fishermen's Associations	28	28	28	28	28
Taiwan Branches of Foreign and Mainland Chinese Banks	30	29	28	28	28
Total	404	402	400	399	400

Notes: 1. The date of record for the annual figures in the table is 31 December of each year.

2. The figures for domestic banks include the Agricultural Bank of Taiwan and Chunghwa Post Co., Ltd.



Table 2: Ratio of Covered Deposits to Total Eligible Deposits for the Last Five Years

Unit: %

Type of Insured Institutions	Ratio of Covered Deposits to Total Eligible Deposits				
	2022	2021	2020	2019	2018
Domestic Banks	46.9	46.7	48.5	50.6	51.1
Credit Cooperatives	58.8	59.8	61.9	63.8	64.8
Credit Departments of Farmers' Associations	73.2	73.9	75.5	77.2	78.0
Credit Departments of Fishermen's Associations	79.2	79.7	80.4	80.5	81.0
Taiwan Branches of Foreign and Mainland Chinese Banks	1.5	2.3	1.7	1.9	2.2
Average Ratio	47.2	47.3	48.9	51.0	51.6

Notes: 1. The date of record for the annual figures in the table is 31 December of each year.

2. The figures for domestic banks include the Agricultural Bank of Taiwan and Chunghwa Post Co., Ltd.

3. The term "covered deposits" refers to the total deposit amount of each depositor under the coverage limit in an insured institution. From the year 2011 onward, the coverage limit is NT\$3 million.

4. The term "total eligible deposits" refers to the total amount of checking deposits, demand deposits, time deposits, and other insured institution deposits listed under the deposit liabilities account, deducting the outstanding amount of negotiable certificates of deposit, government deposits, Central Bank deposits, interbank deposits, and other uninsured deposits.

Table 3: Covered Deposits, Deposit Insurance Premiums, and Deposit Insurance Payout Special Reserves for the Last Ten Years

Unit: NT\$ million

Year	Insured institutions					Premium Revenue	Deposit Insurance Payout Special Reserves	Ratio of Deposit Insurance Payout Special Reserves to Covered Deposits (%)
	Type of Institution	No. of Firms	Total Eligible Deposits	Covered Deposits	Ratio of Covered Deposits to Total Eligible Deposits (%)			
			(a)	(b)	(b)/(a)		(c)	(c)/(b)
2022	General	92	53,281,552	24,966,557	46.86	11,297	131,199	0.53
	Agricultural	312	2,891,035	1,528,703	52.88	363	6,424	0.42
2021	General	90	50,464,466	23,719,653	47.00	10,686	119,280	0.50
	Agricultural	312	2,834,884	1,506,575	53.14	337	6,047	0.40
2020	General	88	47,246,275	22,930,356	48.53	10,030	108,160	0.47
	Agricultural	312	2,649,901	1,449,426	54.70	333	5,735	0.40
2019	General	87	43,039,170	21,797,815	50.65	9,700	96,577	0.44
	Agricultural	312	2,484,703	1,398,472	56.28	334	5,362	0.38
2018	General	88	40,736,004	20,900,775	51.31	9,459	86,276	0.41
	Agricultural	312	2,428,825	1,380,862	56.85	333	5,017	0.36
2017	General	89	39,853,676	20,490,920	51.42	9,179	75,556	0.37
	Agricultural	312	2,434,855	1,374,364	56.45	335	4,678	0.34
2016	General	89	38,318,605	19,917,155	51.98	8,994	65,665	0.33
	Agricultural	311	2,406,935	1,364,142	56.68	332	4,338	0.32
2015	General	90	36,903,038	19,263,169	52.20	8,799	56,428	0.29
	Agricultural	307	2,349,858	1,336,231	56.86	325	4,007	0.30
2014	General	91	34,980,573	18,636,378	53.28	8,646	47,343	0.25
	Agricultural	304	2,314,523	1,299,574	56.15	322	3,690	0.28
2013	General	92	33,053,762	17,667,896	53.45	8,328	27,133	0.15
	Agricultural	303	2,243,395	1,263,214	56.31	322	3,368	0.27

Notes: 1. The date of record for the annual figures in the table is 31 December of each year.

2. According to the provisions of Article 6 of the *Deposit Insurance Act*, the deposit insurance payout special reserves have been divided into two accounts since 2007. One is for general financial institutions and the other is for agricultural financial institutions. The term "general banking sector" refers to general financial institutions, which includes domestic banks, Chunghwa Post Co., Ltd., the Taiwan branches of foreign banks and mainland Chinese banks, and credit cooperatives; whereas the term "agricultural financial sector" refers to agricultural financial institutions, which includes the Agricultural Bank of Taiwan and the credit departments of farmers' and fishermen's associations.

3. The term "covered deposits" refers to the total deposit amount of each depositor under the coverage limit in an insured institution. After a period of blanket guarantee, the deposit insurance system resumed limited coverage on 1 January 2011, at which point the coverage limit was raised to NT\$3 million from the NT\$1.5 million coverage limit that had taken effect on 1 July 2007.

4. Deposit Insurance Premium Rates:

- (1) From 1 July 2007, the premium of covered deposits for general financial institutions (including banks and credit cooperatives) was divided into five-tiered risk-based premium rates of 0.03%, 0.04%, 0.05%, 0.06%, and 0.07% respectively. For eligible deposits in excess of the coverage limit, a flat premium rate of 0.0025% was adopted; however, from 1 January 2010, this flat premium rate was raised to 0.005%. The premium of covered deposits for the credit departments of farmers' and fishermen's associations was divided into five-tiered risk-based premium rates of 0.02%, 0.03%, 0.04%, 0.05%, and 0.06% respectively. For eligible deposits in excess of the coverage limit, a flat premium rate of 0.0025% was adopted.
- (2) From 1 January 2011, the premiums for banks were divided into five risk-based tiers of 0.05%, 0.06%, 0.08%, 0.11%, 0.15%, while for credit cooperatives the rates were set at 0.04%, 0.05%, 0.07%, 0.10%, and 0.14%. For eligible deposits in excess of the coverage limit, a flat premium rate of 0.005% was adopted. The premiums charged to the credit departments of farmers' and fishermen's associations for covered deposits remained at 0.02%, 0.03%, 0.04%, 0.05%, and 0.06%, with the same flat premium rate of 0.0025% for eligible deposits in excess of the coverage limit.

Table 4: Major Revenue and Expense Items for the Last Five Years

Unit: NT\$ million

Item \ Year	2022	2021	2020	2019	2018
Operating revenues	13,162	12,231	11,564	11,304	10,916
Interest revenues	1,502	1,208	1,200	1,244	1,108
Premium revenues	11,660	11,023	10,364	10,034	9,792
Agency revenues				26	16
Operating costs and expenses	13,157	12,229	12,553	11,301	10,912
Provisions to deposit insurance payout special reserves	12,133	11,257	11,608	10,367	9,994
Interest expenses	1	4	7	12	9
Transaction expenses	956	905	872	855	845
General & administrative expenses	58	58	59	61	58
Other operating expenses	3	3	3	3	4
Other expenses	6	2	4	3	2
Operating income	5	2	(989)	3	4
Non-operating income (loss)	(5)	(2)	989	(3)	(4)
Net income before income tax					
Income tax expenses					
Net income					

Notes: 1. The figures for 2018 to 2021 were reviewed and audited by the National Audit Office; those for 2022 were based on the CDIC's final accounts for that year.

2. Article 5 of the *Deposit Insurance Act* provides as follows: "Any remainder of the annual gross income of the CDIC, after deducting costs, expenses and losses, shall be fully appropriated for deposit insurance payout special reserves." For this reason, net income for these periods was not recorded.

Appendix 1

COVID-19 Prevention Measures

In response to the outbreak of the COVID-19 pandemic, the CDIC adopted a set of “*COVID-19 Pandemic Prevention and Operational Response Measures*” and guiding principles for the application of at-home rapid antigen tests and self-quarantine and self-isolation rules for confirmed cases, suspected cases, and those who have been in close contact with COVID-19 confirmed cases. The CDIC will continue to support government policies by implementing disease control measures and making adjustments as necessary. The key tasks set out in this document are as the following:

1. In accordance with government policy, the CDIC established an emergency response team and appointed a Chief of Epidemic Prevention, who would oversee matters related to epidemic prevention. Depending on the company’s epidemic prevention status, the Chairman shall convene virtual meetings with the President, Executive Vice Presidents, and personnel involved in epidemic response to conduct a rolling review of the CDIC’s COVID-19 prevention measures.

2. The CDIC conducts the following disease control measures:

Provides correct disease prevention concepts and timely updates on the pandemic in line with government COVID-19 measures and carries out employee health management.

3. The CDIC controls door access, maintains a sanitary work environment, and ensures that employees can work normally. The following measures are required:

Regularly disinfect workplaces and increase the frequency if necessary; keep adequate inventory of anti-epidemic supplies; restrict the access of non-employees into the workplace and implement epidemic reporting mechanisms; make backup personnel arrangements for core businesses; conduct off-site monitoring instead of legally-required on-site inspections depending on pandemic conditions.

4. Depending on pandemic conditions, implement work-from-home and employee-distancing-work arrangements ; establish an emergency response office that can accommodate 25 persons. In mid-April 2022, split operation was initiated for core businesses, in which personnel would alternate between coming to the office and working from home. Each department would appoint staff members to take part in drills and allocate staff depending on pandemic conditions.

5. Encourage important internal meetings to be held by videoconference or by hybrid meeting (with some participants meeting in person and some by videoconference) if necessary; in-person meetings should limit the number of participants. Overseas meetings will be held by videoconference until the pandemic has come to an end; adjustments shall be made depending on pandemic conditions and the easing of border restrictions.

6. The CDIC has built a remote work environment and enhanced cybersecurity. The following measures are required:

A. Strengthen cybersecurity by using encrypted videoconference software to ensure the security of videoconferences conducted to support remote work or to avoid large group meetings.

B. In response to rising need during the pandemic for remote working, the CDIC maintains a secure sockets layer VPN (SSLVPN) to support remote work and has adopted two-factor authentication of verification code sent to an email account and a MAC address, in order to improve the security of SSLVPN remote access.

C. The CDIC continues to replace old notebook computers and upgrade systems to strengthen information security to ensure that all remote-working employees can maintain the quality, effectiveness, and security of official information operations.

Appendix 2

Major Events in 2022

18 Jan	CDIC held a signing ceremony to mark participation by NEXT BANK in the deposit insurance system.
22 Mar	CDIC Executive Vice President Yvonne Fan led a group of CDIC colleagues to virtually attend the 72 nd IADI Executive Council Meeting as well as related Technical and Council Committee meetings.
24 May	CDIC held a virtual meeting with the Financial Services Compensation Scheme (FSCS) of the United Kingdom for technical assistance in crisis communication issues.
27 May	CDIC held the 2022 CDIC General Shareholders Meeting.
20 Jun	CDIC signed the MOU with the Fondo Interbancario di Tutela dei Depositi (FITD).
28 Jun	CDIC Executive Vice President Yvonne Fan attended the 73 rd IADI Executive Council Meeting and related meetings in Basel, Switzerland.
15 Jul	CDIC formulated the Green Energy-Saving Plan.
21 Jul	CDIC President William Su led a group of colleagues to take part in the 20th IADI APRC Annual Meeting, International Conference, and was invited to speak at the conference. All activities were held virtually.
28 Jul	CDIC signed the EFDI Charter for Sustainable Deposit Guarantee and Investor Compensation Schemes.
11 Aug	CDIC extended the MOU with the Nigeria Deposit Insurance Corporation (NDIC).
16 Aug	CDIC held a virtual workshop with the Deposit Insurance of Vietnam (DIV) on the <i>Resolution of Troubled Financial Institutions and Asset Liquidation</i> .
28 Aug	All 13 pieces of retained artwork (including a bronze statue) from troubled financial institution Chinfon Commercial Bank were sold off through public auction conducted by a professional agency.
6 - 7 Sep	On the 20th anniversary of IADI, CDIC President William Su recorded a celebratory video, and CDIC Executive Vice President Yvonne Fan attended and spoke at the IADI 20 th Anniversary International Conference in Basel, Switzerland.
20 Sep	CDIC held a virtual workshop with the Deposit Insurance of Vietnam (DIV) on <i>Credit Cooperatives' Evaluation and Classification</i> .
20 Sep	CDIC Executive Vice President Yvonne Fan spoke at an International Webinar jointly held by IADI ERC and EFDI.
04 Oct	CDIC President William Su spoke at a Technical Assistance Workshop held by the IADI Africa Regional Committee.
07 Oct	The Department of Finance was established and commenced its operation.
24 - 28 Oct	CDIC Executive Vice President Yvonne Fan led a delegation to Buenos Aires to participate in a series of meetings of the IADI, including the 21 st Annual General Meeting. CDIC Executive Vice President Fan was re-elected as one of the Executive Council members.
3 Nov	CDIC extended the MOU with the Fonds de Garantie des Dépôts et de Résolution (FGDR).
25 Nov	CDIC's Three-Year Development Plan (2023-2025) was approved in the 13-9 Meeting of the Board of Directors.
10 Dec	Following approval by the Executive Yuan, the position of President of the CDIC was assumed by Executive Vice President Annie Cheng.
21 Dec	All core information systems of the CDIC passed the CNS 27001 (ISO 27001) verification.
30 Dec	The CDIC established its in-house daycare center.

Appendix 3 ESG Performance

Beginning this year, the CDIC compiles its sustainability report and identify the company's stakeholders and key issues with the assistance of sustainability specialists. The 2022 sustainability report focuses on the four major goals of "accountable governance," "sustainable environment," "friendly workplace," and "financial inclusion." The 2022 sustainability report will be provided in its entirety, in summary, and in e-book format, which will be published on the CDIC ESG webpage. We welcome your ongoing support and feedback.



Appendix 4

Three-Year Development Plan (2023-2025)

1. Implementation schedule

1 January 2023 to 31 December 2025.

2. Objectives and implementation strategy

Objectives		Implementation Strategies	
1.	Continue to replenish the Deposit Insurance Payout Special Reserves, improve fund management and risk control.	A.	Continue to implement differential premium rates based on the risk levels of insured institutions.
		B.	Improve fund management as well as strengthen risk control.
2.	Strengthen insured risk control and assist in maintaining financial stability.	A.	Strengthen control of insured risk.
		B.	Thoroughly conduct inspections of statutorily specified matters.
		C.	Continue to enhance risk control operations in step with the latest developments in fintech and digital finance.
		D.	Regularly review and update crisis communication mechanisms in reference to international practices.
		E.	Enhance information sharing with financial supervisory agencies.
		F.	Coordinate with the FSC in taking prompt corrective measures and handling troubled insured institutions in a timely manner.
3.	Enhance orderly market exit and resolution mechanisms for troubled insured institutions.	Improve resolution mechanisms for handling troubled insured institutions.	
4.	Continue to promote and raise public awareness of the deposit insurance system.	A.	Enhance public awareness of deposit insurance through multiple channels of publicity activities.
		B.	Promote financial literacy education for disadvantaged groups in line with the FSC's financial inclusion policy.
		C.	Conduct annual survey of public awareness of deposit insurance.
5.	Improve cyber security and ensure uninterrupted operations.	A.	Continue to ensure regulatory compliance with the <i>Cyber Security Management Act</i> .
		B.	Establish the Information Security Management System (ISMS) and strengthen operations.
		C.	Continue to optimize cyber security infrastructure and defense capabilities.
6.	Amend the <i>Deposit Insurance Act</i> and relevant regulations to improve the legal framework.	Review and amend the <i>Deposit Insurance Act</i> and relevant regulations in a timely manner to align with operational needs and international development trend on deposit insurance.	
7.	Comply with the international standards for effective deposit insurance systems and align with global practices.	A.	Actively participate in international organizations and activities, provide technical assistance, and be committed to taking part and sharing international research and reports.
		B.	Adopt and apply international standards and regulations pertaining to financial supervision and deposit insurance.
8.	Implement succession planning to successfully train employees and develop managers.	A.	Enhance job rotation and work experience accumulation.
		B.	Conduct professional training in finance and management competency.
9.	Promote and incorporate environmental, social, and governance (ESG) practices.	A.	Incorporate sustainable practices in line with the FSC's ESG policy.
		B.	Formulate the Green Energy-Saving Plan as the basis for various green energy-saving measures.
10.	Implement major policies at the guidance of the FSC.	A.	Continue to monitor specific-risks of insured institutions at the behest of the FSC.
		B.	Continue to utilize and manage the Financial Industry Special Reserve Fund on behalf of the FSC.
		C.	Continue to be commissioned to examine the operation of entities entrusted to handle information systems of insured institutions.

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Central Deposit Insurance Corporation, Taiwan R.O.C.
Address: 11F, 3, Nanhai Rd., Taipei, 100231, Taiwan R.O.C.
Tel: 886-2-2397-1155
<https://www.cdic.gov.tw>

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中央存款保險公司
Central Deposit Insurance Corporation

Head Office

11F, 3, Nanhai Rd., Taipei, 100231,
Taiwan, R.O.C.
Tel : 886-2-2397-1155
Toll-free line:0800-000-148
Website : <https://www.cdic.gov.tw>
E-mail : cdic@cdic.gov.tw

Central Taiwan Regional Office

16F, 2-107, Wuquan Rd., West District,
Taichung, 403252, Taiwan, R.O.C.
Tel : 886-4-2371-2756

Southern Taiwan Regional Office

10F-5, 31, Haibian Rd., Lingya District,
Kaohsiung, 802609, Taiwan, R.O.C.
Tel : 886-7-331-1226

