

Appendix

1. Deposit Insurance Act

As amended and promulgated on July 9, 2001 by Presidential

Article 1

This *Act* is enacted to safeguard the benefits of depositors in financial institutions, to promote savings, to maintain an orderly credit system and to enhance the sound development of financial operations.

Article 2

The term “competent authority”, as used in this *Act*, shall mean the Ministry of Finance.

Article 3

All financial institutions having been duly approved pursuant to the law to accept deposits or to be consigned to manage trust funds to safeguard principal and interest (hereinafter referred to as trust funds) shall be required to participate in deposit insurance as insured institutions under this *Act*.

The provision set forth in the preceding paragraph does not apply to a deposit-accepting foreign bank whose deposits have been insured by its home country.

Article 4

The term “deposit insurance”, as used in this *Act*, shall mean an insurance whose insured subjects are the following deposits and trust funds:

1. Checking deposits.
2. Demand deposits.
3. Time deposits.
4. Savings deposits.
5. Trust funds.
6. Other deposits which the competent authority has approved as insurable.

The aforesaid deposits and trust funds are restricted to those in the currency of the Republic of China.

Article 5

The competent authority in conjunction with the Central Bank shall establish a Central Deposit Insurance Corporation (hereinafter referred to as “CDIC”) to conduct the business of deposit insurance. The total capital of CDIC shall be prescribed by the Executive Yuan.

Shares of the aforesaid capital shall be subscribed by the competent authority, the Central Bank and the insured financial institutions. The total capital subscribed by the competent authority and the Central Bank shall exceed fifty percent of the paid-in capital.

Article 6

CDIC shall be exempt from providing security with the National Treasury.

Article 7

CDIC shall close all accounts at the end of each business year, and shall place the whole amount of the profit, if any, in the deposit insurance pay-off reserves fund, and shall not distribute it in accordance with the relevant provisions of the *Company Law*.

Article 8

The funds of CDIC shall be deposited with the Central Bank or with financial institutions that are approved by the competent authority with the provision of government bonds as collateral and, except for expenditures for normal operations and the uses stipulated under Article 15, Article 16 and Article 17 hereof, shall be invested exclusively in government bonds and bank debentures.

Article 9

The maximum insurance coverage that CDIC offers to each depositor of any insured institution shall be determined by the competent authority in conjunction with the Central Bank.

The aforesaid maximum insurance coverage shall mean the maximum amount insurable by each depositor for all his deposit accounts at the same insured institution.

Article 10

The assessment base shall be computed once every semiannual period, and the standard dates for computing such base shall be June 30 and December 31.

The aforesaid standard dates may be altered from time to time by the competent authority in conjunction with the Central Bank.

Article 11

The assessment base of each insured institution shall be its total deposit liability less the following amounts:

1. The balance of those deposits which exceed the maximum insurance coverage offered to individual depositors.
2. Trust funds whose uses are designated by the trustors.

Article 12

The insured institution shall report to CDIC within one month of the standard dates as to its total deposit liability, its assessment base, and the amount of the assessment due to CDIC, all computed as of the said standard dates.

Article 13

The assessment rate for deposit insurance shall be proposed by CDIC to the competent authority for approval and implementation. The payment of assessment shall be made by the insured institution once every semiannual

period. The manner and the date of such payment shall be agreed upon by CDIC and the insured institution.

Article 14

No insured institution shall distribute any dividends if it is in default of the payment of any assessment due to CDIC.

Article 15

In the event that an insured institution shall have been closed by an order of the competent authority, CDIC shall maintain orderly credit and protect the interests of the depositors of such insured institution or the designated beneficiaries of its trust funds (hereinafter referred to as depositors) by any of the following methods:

1. By directly making cash pay-offs in relation to principal from its insured deposits in accordance with the closed institution's own accounting records or based on evidence of outstanding amounts provided by the depositors.
2. By holding consultations with other insured institutions that are in close proximity to the closed institution, and transferring the principal of the deposit accounts of the closed institution to those institutions so that the claims of depositors can be met.
3. By extending financial assistance to other insured institutions through the provision of funds, loans or deposits, or by guaranteeing the liabilities of the closed institution to make it easier for the sound institutions to merge with the closed institution or else to assume its operations, assets and liabilities either in whole or in part.
4. By assuming and temporarily continuing the operations of the closed institution in the name of CDIC and then engaging in the activity subject to paragraph 1(3) should CDIC be unable through negotiation to find other insured institutions to handle the matters referred to the methods in paragraphs 1(2) and 1(3) above.

In order to fulfill the objectives stipulated in the preceding paragraphs (2) to (4), the cost to CDIC shall be less than the loss arising from cash pay-offs subject to paragraph (1).

Article 15-1

Any action brought by CDIC under this *Act* arising out of the transactions in paragraph 1 of Article 15, paragraph 2 of Article 16 and paragraph 2 of Article 17, may be exempted from the procedure of making invitations to tender, comparing prices, and negotiating over prices, and from Articles 25 to 27 of the *Budget Law*. CDIC shall draw up the operating procedures and regulations and shall submit the same to the competent authority for its approval.

Article 15-2

In the event that CDIC shall assume the business, assets and liabilities of the closed institution pursuant to paragraph 1(4) of Article 15, the accounting or financial statements and records of such institution shall remain independent; and the creditors of the closed institution shall have no claim over the property of CDIC.

Upon the completion by CDIC of the transactions stipulated in paragraph 1 of Article 15 and paragraph 1 and

paragraph 2 of Article 16, the difference shall be written off from the insurance pay-off special reserves of CDIC and the remaining balance shall be recognized as a loss, should the amount recovered be less than the cost of assumption or liquidation.

When CDIC takes any action as set forth in paragraph 1 of Article 15 and paragraph 2 of Article 16, CDIC shall be subrogated to all rights of depositors and creditors against the insured institution to the extent of payment in its own name.

When another insured institution, pursuant to paragraph 1(3) of Article 15, either merges with or assumes a closed institution, and applies for alteration of registration with respect to all of the real estate, moveable property that should be registered and all pledges of the closed institution, it may register directly based on the certificates issued by the competent authority, and may be exempted from the registration fee, and on that basis from the stamp tax and the deed tax. The land incremental value tax may be credited and shall be paid by the other insured institution that merges with or assumes a closed institution once the land is further transferred. Should a bankruptcy or dissolution occur, the credited land incremental value tax should be preferentially repaid.

CDIC's temporarily assuming the operations, assets and liabilities of the closed institution in its own name and the insured institution's assuming the aforesaid items from CDIC pursuant to paragraph 1(4) and paragraph 1(3) of Article 15, respectively, shall be applicable to the preceding paragraph. However, when the land is further transferred by the insured institution that assumes it from CDIC, the credited land incremental value tax shall be paid along with the said tax arising from the transaction based on its assumption from CDIC.

Any action taken by the insured institution in making a public offering of stocks under the *Securities Trading Law* arising out of the transactions in paragraph 1(2) to paragraph 1(4) of Article 15, and paragraph 2 of Article 17 that is approved by the competent authority, shall be based upon the date of contract execution being regarded as the date of fact occurrence, and the insured institution shall make an announcement and declaration pursuant to paragraph 2 of Article 36 of the *Securities Trading Law*.

Article 16

Upon the issue of an order of the competent authority to close an insured institution, CDIC shall be appointed as the receiver to commence the winding-up procedure, and the winding-up procedure shall apply to the related winding-up articles stipulated by the *Banking Law*.

To meet the liquidity needs of the creditors of the closed institution, CDIC may, without increasing the costs incurred by CDIC in taking any action under paragraph 1(1) to paragraph 1(4) of Article 15, make advance payment against claims filed by the depositors beyond the maximum insurance coverage and by non-depositors based on the anticipated reimbursement ratio derived from an evaluation of the values of assets of the closed institution. The aforesaid sums of the advance payment shall be counted item-by-item on the basis of the recovery order of the advance payment claims, and deducted first from the amount finally realized from the liquidation and repaid to CDIC.

The guidelines for calculating and operating the aforesaid advance payment in respect of the depositors beyond

the maximum insurance coverage and non-depositors based on the anticipated reimbursement ratio shall be drawn up by CDIC, which shall submit the same to the competent authority for its approval.

Article 17

In order to control the insurance risk, CDIC may, if it deems it to be necessary, request the competent authority to dispatch personnel to extend assistance to an insured institution whose business operations are unsound.

In the event that an insured institution will be placed under assistance, or under a supervisor or conservator subject to this *Act* and the *Banking Law*, CDIC may extend loans to, or place deposits in, such institution with prior approval of the competent authority, and may in accordance with paragraph 1(3) of Article 15 extend assistance to other insured institutions. However, the cost of providing the financial assistance shall be less than the loss arising from the cash pay-offs stipulated by paragraph 1(1) of Article 15.

Article 17-1

CDIC, pursuant to paragraph 3 of Article 5 and Article 10 of the *Statute for the Establishment and Management of the Executive Yuan's Financial Restructuring Fund*, and when dealing with financial institutions as entrusted by that Fund, shall in line with that Fund deal with the settlement of the liabilities and the assets of insured institutions whose operations are unsound.

The Central Deposit Insurance Corporation, when dealing with financial institutions in accordance with the regulation stipulated in the above paragraph and within the period in which the Executive Yuan's Financial Restructuring Fund referred to in the *Statute for the Establishment and Management of the Executive Yuan's Financial Restructuring Fund* remains effective, shall use up to the full amount of the incremental deposit insurance assessment income received over the next ten years.

Article 18

In the event that an insured institution suspends its business of receiving deposits and trust funds, it shall give written notice to CDIC to terminate its status as an insured institution.

Article 19

If an insured institution violates the laws or regulations or the Insurance Agreement or engages in unsound business transactions, and fails to rectify such violations within the time-limit prescribed by CDIC, CDIC shall terminate its status as an insured institution, publish a notice to this effect, and report this matter to the competent authority. The insured institution shall notify its depositors that its status as an insured institution has been terminated.

In the case where an insured institution has had its insured status terminated pursuant to the provisions of the preceding paragraph and Article 18, the total deposit balance of the depositor in such institution on the date of such termination, less all subsequent withdrawals from any deposit account of such depositor, shall continue to be insured up to the maximum insurance coverage for a period of one year. In such case, the insured institution whose insured status has been terminated shall continue to pay to CDIC a fee in an amount equal to that of the assessment.

Article 20

In any action which CDIC takes pursuant to Article 15, Article 15-1, Article 15-2, Article 16 and Article 17, CDIC may ask the competent authority to negotiate with the Central Bank to receive its approval and obtain special financial accommodation. In such a case, Article 211 of the *Company Law* shall not apply.

That part of the aforesaid financial accommodation, which exceeds the collateral provided by CDIC, shall be guaranteed by the National Treasury. If the guarantee goes beyond the net worth of CDIC, the competent authority shall together with the Central Bank submit such guarantee to the Executive Yuan for its approval.

If CDIC deems it necessary in case of emergency, and before applying to the Central Bank for special financial accommodation pursuant to the preceding paragraph, CDIC may borrow the funds from the other financial institutions.

Article 21

If CDIC deems it necessary, and after obtaining the prior approval of the competent authority in consultation with the Central Bank, CDIC may examine the business records and accounts of the insured institution, or instruct the insured institution to prepare and submit, within a stipulated period of time, a balance sheet, property inventory, or other statements.

CDIC, based on the findings of the aforesaid examination or submitted statements, shall recommend improvements to the insured institution for its rectification within a stipulated period of time. If within such time-limit rectification is not made, CDIC may report this matter to the competent authority.

The important financial business information of banks shall be publicly announced every quarter, and the contents, format and style of such reports shall be determined by the competent authority.

Article 22

Insured institutions shall display a sign at their places of business, using such forms and contents prescribed by CDIC, stating that they are insured by CDIC.

Article 23

Should any of the following events occur in an insured institution, CDIC shall report this to the competent authority to punish the said insured institution with a fine of not less than 360,000 NT dollars and not more than 1,800,000 NT dollars:

1. Failure to file the statement with CDIC within the time-limit stipulated in Article 12.
2. Failure to accept the personnel dispatched by CDIC or comply with the opinions given by the personnel set forth in Article 17.
3. Failure to fulfill its obligation to give notice of the termination of its insured status set forth in Article 18 and paragraph 1 of Article 19.
4. Failure to obey or allow an examination to be conducted by CDIC or to prepare the balance sheet, property inventory or other reports within the time-limit set forth in paragraph 1 of Article 21.

5. Failure to display a sign of its participation in deposit insurance at its place of business as set forth in Article 22.

For failure to participate in deposit insurance as stipulated in Article 3 or make the assessment payment by the date agreed upon, an insured institution may be fined an amount two times the sum of the said assessment payment.

Upon the imposition of a penalty in the form of a fine under this Article to punish the said insured institution, the competent authority may issue a corrective order within the time-limit and may further impose a penalty of one to five times on the same fact or action if the said insured institution fails to comply with such order.

Article 24

CDIC shall stipulate its Articles of Incorporation in accordance with this *Act* and other relevant laws and regulations and shall submit the same to the competent authority for its approval and implementation.

Article 25

The Enforcement Regulation of this *Act* shall be prescribed by the Executive Yuan.

Article 26

This *Act* shall become effective on the date of promulgation.

2. Enforcement Regulation of the Deposit Insurance Act

As amended and promulgated on May 5, 1999 by Executive Yuan

Article 1

This regulation is enacted in accordance with the provision of Article 25 of the *Deposit Insurance Act* (hereinafter referred to as the "*Act*").

Article 2

After the implementation of the revisions to the *Act*, pursuant to paragraph 1 of Article 3 of the *Act*, each insured institution which is to participate in deposit insurance shall submit a business report, balance sheet, income statement, property inventory and other statements to the Central Deposit Insurance Corporation (hereinafter referred to as CDIC), so that CDIC can verify whether such insured institution has complied with the Insurance Standard drawn up prior to the implementation of the revisions to the *Act*. Insured institutions that have not complied with the Insurance Standard shall submit a concrete improvement plan that does not extend beyond a period of three years, within three months of the date on which these Enforcement Regulations take effect, that is, May 7, 1999.

In the case where the business operations of an insured institution as referred to in the above paragraph have deteriorated or it has not submitted a concrete improvement plan within the period of the plan's implementation, CDIC shall draft a proposal to deal with the situation, and shall submit a report to the competent authority asking that it handle the matter.

Article 3

The terms “deposits” and “trust funds” (hereinafter referred to as “deposits”), as used in Article 4 of the *Act*, shall not include the following deposits accepted by insured institutions:

1. Negotiable certificates of deposit.
2. Amounts due to all levels of government.
3. Amounts due to the Central Bank.
4. Amounts due to the banks, the postal savings system, investment and trust companies, Credit Cooperatives, and the credit departments of farmers' and fishermen's associations.
5. Other deposits approved by the competent authority that are not covered by deposit insurance.

Article 4

The total capital of CDIC shall be ten billion New Taiwan dollars.

Article 5

The fiscal year of CDIC shall be based on the Government fiscal year. CDIC shall set aside insurance pay-off special reserves each year in an amount not less than 60% of that year's premium income. However, the accumulated balance on such special reserves shall not exceed 5% of the total amount of the insured deposits current at the end of that year.

Article 6

CDIC, when determining the assessment rate for deposit insurance pursuant to Article 13 of the *Act*, may base such a decision on the size of the accumulated insurance pay-off special reserves and the operating risk of each insured institution.

Article 7

The items referred to in paragraph 1(1) and paragraph 1(2) of Article 15 should be rapidly dealt with beginning the day after the insured institution is closed.

Article 8

The term "cost", as used in paragraph 2 of Article 15 and in paragraph 2 of Article 17 of the *Act* shall mean the estimated cost; the loss arising from cash pay-offs shall mean the estimated loss.

Article 9

On the day that an insured institution suspends its business of receiving deposits or trust funds, it shall notify CDIC of such suspension in writing pursuant to Article 18 of the *Act*.

Article 10

This regulation shall become effective on the date of promulgation.

3. Statute for the Establishment and Management of the Executive Yuan's

Financial Restructuring Fund

As amended and promulgated on June 22, 2005 by Presidential

Article 1

This *Statute* is enacted to dispose of failed financial institutions in order to maintain an orderly credit system, to improve the financial structure, to make a sound financial environment, to establish a management and operation mechanism, and establish the Executive Yuan's Financial Restructuring Fund (hereinafter simply referred to as the Fund).

Article 2

The term "competent authority", as used in this *Statute*, shall mean the Financial Supervisory Commission, Executive Yuan.

Article 3

Resources of the Fund are the following:

1. Business tax revenues collected from the businesses applicable to value-added and non-value-added business taxes as provided in paragraph 1 of Article 11 of the *Business Tax Law* during the period of nine years from January 2002 to the end of December 2010.
2. Incremental insurance premium income covering a ten-year period from January 2002 onwards that arises as a result of the increase in the insurance assessment rate which took effect on January 1, 2000.
3. Income arising from disposal of non-performing loans.
4. Other sources of the Fund.
5. Any amounts that are allocated following the government budget procedures.

In the event that the revenues from the tax and insurance premium income of items (1) and (2) of the preceding paragraph are not realized, the Fund may entrust Central Deposit Insurance Cooperation (hereinafter simply referred to as CDIC) to apply to financial institutions for accommodation for the pay-offs stipulated in paragraph 3 of Article 4 and paragraph 1 of Article 10; or else issue bank debentures in name of CDIC pursuant to paragraph 1 of Article 72 of the *Banking Law*, and shall use the sources provided in items (1) to (3) of the preceding paragraph as collateral to sustain cash receipts and expenditures. CDIC shall repay any such amounts from the principals, interests and expenses of the aforesaid accommodation and debentures by the resources of funds in the preceding paragraph.

The total operations amount of the incremental financial business tax revenues from item (1) of paragraph 1 arising from the amendment and enactment of this *Statute* shall not exceed NT \$110 billion. Any tax revenues beyond the amount shall be paid in to deposit insurance pay-off special reserves.

Article 4

The term "failed financial institutions", as used in this *Statute*, shall mean one of the following:

1. Adjusted net worth is negative after the examination by the competent authority of bank, agriculture finance or with certificated auditing by Accountant.

2. Failure to repay its debts.
3. Significant deterioration in businesses or financial status as stipulated in paragraph 1 of Article 62 of the *Banking Law*, failure to repay its debts, risking damaging the benefits of depositors, or pursuant to Article 64 losses exceeding one third its capital and failure to improve within a prescribed timeline and being determined by the competent authority and the Management Committee of the Fund to be incapable of continuing operations.

The Fund takes handling community financial institutions as its priority. In the process of disposal the Fund shall maintain same treatment whether formally or in essence. The Fund shall set aside 20% of the incremental resources of the funds after the amendment and enactment of this *Statute* for pay-offs of farmer's and fishermen's associations without being limited by the operative period of this Fund. The aforesaid fund shall be saved to an exclusive account; regulation governing the utilization and management of the said account shall be enacted by the Executive Yuan.

Prior to the amendment and promulgation of this *Statute*, the benefits of members of the failed credit cooperatives that have been placed in supervision or conservatorship by the competent authority pursuant to the *Credit Cooperatives Act* and are included for disposal by the Fund shall be safeguarded by blank guarantee in accordance with the principle of same treatment in the preceding paragraph. Their rights shall be protected by the pay-offs in full of the financial institutions that assume the assets of the aforesaid credit cooperatives. In the event that the assuming financial institution defaults on pay-off, the Fund shall repay in full.

CDIC may apply for the utilization of the Fund when engaging in paragraph 1, Article 15 and paragraph 2, Article 17 of the *Deposit Insurance Act* for pay-off in full of the deposits and non-deposits liabilities of the failed institutions. The Fund shall assume the assets of the said institutions without being limited by the maximum coverage as stipulated in Article 9 and that cost shall not exceed losses of cash payoffs as stipulated in paragraph 2, Article 15 and the proviso in paragraph 2, Article 17 of the said *Act*.

When the competent authority or the competent authority of the central government for agriculture finance deals with failed financial institutions after the amendment and promulgation of this *Statute*, non-deposit debts of the said institutions shall not be paid off. Nevertheless, the non-deposit debts of the said institutions that had occurred before the amendment and promulgation of this *Statute* shall be protected based on the principle of non-retroactiveness of law and trust and protection.

The rights of the shareholders or members of the failed financial institutions that have been placed in supervision or conservatorship by the competent authority pursuant to the *Banking Law* or the *Credit Cooperatives Act* after the amendment and promulgation of this *Statute* and have been included for disposal by the Fund shall be lost except distribution of the remaining property. The competent authority shall notify the said shareholders or members.

The Fund shall draw up regulations governing the disposal of failed financial institutions and submit to the competent authority for approval and promulgation.

Article 5

The Fund has the capacity of a litigant and set up the Management Committee of the Financial Restructuring Fund (hereinafter simply referred to as the Management Committee) and the Valuation Division of the Financial Restructuring Fund (hereinafter simply referred to as the Valuation Division).

The Management Committee is in charge of the following:

1. Review of the uses and operations of the Fund, and approval of the items as provided in the preceding article, Article 10 and Article 11.
2. Approval of the Fund's receipts and expenditures custodianship plans.
3. Review of the Fund's financial reports and funding deployment.
4. Other matters concerned with the management, implementation and public disclosure of the Fund.
5. Hire international credit rating institutions or specialized valuation institutions to assist the Valuation Division.

The Fund may entrust CDIC with the execution and drawing up of the items in the preceding paragraph.

The resolution passed by the Management Committee shall haven't less than two thirds of the Committee members participating in the meeting and the agreement of no less than two thirds of the participating members.

The Valuation Division is in charge of the following:

1. Determination of the failed financial institutions to be dealt with by the Fund.
2. Determination of the sequence in and priority of dealing with the failed financial institutions by the Fund.
3. Determination of the methods of dealing with the failed financial institutions by the Fund.
4. Determination of the types of pay-offs and assets to be assumed and their prices and amounts that the Fund has entrusted to CDIC.
5. Monitoring the execution of matters entrusted by the Fund.

The decision with respect to the preceding by the Valuation Division shall be submitted to the Management Committee for resolution with more than two thirds of members participating in the meeting and the agreement of no less than two thirds of the participating members.

Article 6

The Fund shall determine to deal with failed financial institutions based on the following principles:

1. The failed financial institutions have closed businesses or have deposit bank run that may trigger systemic risk of the financial system.
2. The failed financial institutions have more serious deterioration of the financial status.
3. The failed financial institutions have smaller handling cost.

Determination of failed financial institutions and the sequence of priority of the Fund's dealing with these institutions shall be first established by the Valuation Division and then adopt the resolution by the Management Committee. In the event that the Management Committee disagrees with the determination of the Valuation Division, it shall in writing concretely demonstrate the reasons.

Article 7

The Management Committee consists of nine to thirteen members, including one Committee Convener, who serves concurrently as the Head of the competent authority and represents the Committee, and one Committee Vice-Convener, who serves concurrently as Deputy Head of the competent authority. The remaining Committee members, who shall serve currently in that capacity, shall include a Deputy Governor of the Central Bank, a Vice-Chairman of the Council of Agriculture, a Deputy Director of the Directorate-General for Budget, Accounting and Statistics, and the Chairman of CDIC, and shall be appointed in that capacity and excused from office on the same basis. In addition, the remaining Committee members shall be selected on the basis of their professional knowledge and experience in the field of law, economics, finance and other fields that are relevant to the Management Committee. Such Management Committee members who belong to the same party shall not exceed half of the total number of Committee members.

The Valuation Division consists of seven to nine members, who serve on the basis of the professional knowledge and experience that they have in international finance, banking management, or asset valuation and are hired by the Management Committee. Head of the Valuation Division is elected by and among the members of the Valuation Division, who also serves as natural member of the Management Committee. The Valuation Division members shall avoid the meetings in the event of interest conflict.

Members who are selected pursuant to paragraph 1 shall have an appointment period of three years. Should a Committee member be substituted before the term expires, the new term of the successor shall terminate on the original expiration date.

Members who are selected pursuant to paragraph 2 shall have the same termination of appointment as the members of the Management Committee.

Article 8

The Management Committee installs one Executive Secretary, who shall be a Grade 12 officer or above appointed by the Committee Convener. The competent authority and its subordinate departments shall dispatch currently-employed staff assist the execution of the Management Committee operations and may employ one to five persons as required by the businesses.

Article 9

The Management Committee meeting shall be convened and chaired by the Committee Convener. Whenever the Committee Convener is for cause unable to execute the above duties, the Vice-Convener shall act for him. Whenever the Committee Vice-Convener is for cause unable to execute the above duties, the Committee Convener shall designate one of the other Committee members to act for him.

The Management Committee may notify the Valuation Division to designate members to participate in the meeting called by the Committee. The resolutions that are made in relation to Article 4, Article 10 and Article 12 shall be submitted in five days to the Legislative Yuan regarding reasons of the resolutions, basis of computing, resolutions of the Valuation Division along with relevant assessment reports.

When dealing with failed financial institutions the Fund shall submit to the Legislative Yuan the reports in relation to the financial status, problems, loss estimation and principles of disposal. The Fund shall also notify the Legislative Yuan in writing in advance when the budget is drawn on.

Article 10

The Fund may entrust CDIC with the handling of financial institutions whose operations are unsound in accordance with the following methods:

1. Pay off the debts of financial institutions and assume their assets.
2. Pay off the debts that exceed the amount of the assets.

The Fund is regarded as the financial institution and assessment management company referred to in the Financial Institutions' Merger Law and shall apply to Article 15, Article 17 and Article 18 of the Law.

Article 11

The Fund shall publish by notice in advance every single bad debt exceeding 1 million NT dollars of the customers of the failed financial institutions when dealing with the failed financial institutions pursuant to the preceding paragraph.

The competent authority shall make it known to the general public in internet the item that should be published in the preceding paragraph or by other appropriate means.

Article 12

The Management Committee shall preserve the Fund's funds in the name of the Fund in the following means except those used pursuant to Article 4:

1. Cash.
2. Deposits in creditworthy financial institutions.
3. Purchase of government bonds, bank debentures, and negotiable certificates of deposit issued by banks.
4. Other means in accordance with regulations prescribed by the competent authority.

Article 13

The proceeds resulting from selling the assets of financial institutions with unsound operations taken over by the Fund by tender, auction, or other means shall be deposited in to the Fund.

For the assets assumed by the Fund arising from the Fund's management and disposal of failed financial institutions, the Fund may entrust CDIC for collection, debts rating, packaging and combination, public sale by tender and securitization. CDIC shall apply to Article 15-1 of the *Deposit Insurance Act* when entrusted with the aforesaid.

The Fund shall bear the cost that CDIC may be incurred arising from being entrusted with the affairs of the preceding paragraph and Article 10.

The Fund shall not apply to Article 25 to Article 27 and Article 88 of the *Budget Law* when following paragraph

1 of Article 10 and the preceding three paragraphs.

Article 14

The handling of the Fund's accounting and auditing matters shall be based on the system of generally accepted accounting and auditing principles.

Article 15

The Fund may require that the period of failed financial institutions for disposal starts from the promulgation of this *Statute* and ends on July 10, 2005.

The Fund may proceed with the following after July 10, 2005:

1. Pay-off, assumption and sale by tender of the financial institutions already under disposal.
2. Collection of the taxes and insurance premium income set forth in item (1) and item (2), paragraph 1 of Article 3.
3. Disposal of outstanding assets and liabilities.
4. The Fund's lawsuit cases and matters in relation to the Fund.

The Fund shall be terminated when the taxes and insurance assessment set forth in item (1) and item (2), paragraph 1 of Article 3 cease incorporation.

The remaining assets and liabilities shall be assumed by the National Treasury after the principals, interests and expenses of the liabilities arising from the Fund's disposal of failed financial institutions are paid by the Fund's resources of tax revenues and premium income set forth in item (1) and item (2), paragraph 1 of Article 3 when the Fund is terminated.

Article 16

Any person who with intent illegally benefits from the Fund whether for himself or a third party, or damages property or other benefits of institutions participating in deposit insurance or the Fund, such person shall receive a sentence of between three and ten years, together with a fine of up to NT \$100 million.

In the event that the insured institution's responsible official or two or more employees collaborate together in committing the above-mentioned crimes, the aforesaid penalties shall be increased by half, and that the violators shall jointly be required to pay compensation.

Non-penetration shall apply to paragraph 1.

Article 17

The Fund after the pay-off pursuant to the provisions of this *Statute* and within the limits of its pay-off shall acquire the right of the failed financial institution to claims damages of the non-performance of the debts or tort arising from the appointment or employment contract of the responsible official or staff of the institution along with the right to claim damages of its guarantor of employment, guarantor of insurance and joint acting person of tort.

CDIC may after the authorization of legal proceedings by the Fund in its own name file civil legal action against the person liable for damages compensation set forth in the preceding paragraph or file for lawsuit as succeeding party concerned.

CDIC when filing legal proceedings pursuant to the paragraph shall be exempt temporarily from paying judgment fee, or free from providing collateral if filing for provisional seizure, provisional disposition or provisional execution.

Article 18

This regulation shall become effective on the date of promulgation.

4. Expansion and Improvement of Taiwan's Deposit Insurance System

	Year CDIC Established (Sep. 27, 1985)	Subsequent Changes (Sep. 27, 1985~July 2001)	Current System (July 2001~)
Type of Participation	Voluntary	Changed to mandatory coverage in January 1999	Same as left column
Capital	<ul style="list-style-type: none"> Legally prescribed capital: NT\$2 billion Paid-in capital: NT\$800,050,000 	<ul style="list-style-type: none"> Legally prescribed capital raised to NT\$5 billion in July 1992 Prescribed capital raised to NT\$10 billion in November 1995 	Same as left column
Participating Institutions	<ul style="list-style-type: none"> Domestic banks (including trust and investment corporations, but not including postal savings bank) Credit cooperatives Credit departments of farmers' and fishermen's associations Foreign bank branches in Taiwan (even if their deposits are protected in their home countries) Other financial institutions designated by Ministry of Finance 	<ul style="list-style-type: none"> Postal savings bank added in January 1999 Beginning January 1999, foreign bank branches whose deposits are protected in their home countries may not participate 	Same as left column
Insurance Premium	Flat rate of 0.05% of covered deposits	<ul style="list-style-type: none"> Still flat rate, but reduced to 0.04% in July 1987 Reduced to 0.015% in January 1988 Risk-based rate system adopted on July 1, 1999, and three rates instituted: 0.015%, 0.0175% and 0.02% Three rates adjusted to 0.05%, 0.055% and 0.06% on January 1, 2000 	Same as left column
Maximum Coverage	NT\$700,000	Raised to NT\$1 million on August 15, 1987	Remain at NT\$ 1 million; however, during the three-year period of operation of the Financial Restructuring Fund which the government established in July 2001 to accommodate the disposition of unsound financial institutions, all deposits and non-deposit debts of institutions approved for disposition by Financial Restructuring Fund Management Committee are fully covered

Scope of coverage	Deposit principal and interest	From January 1999, limited to deposit principal	Same as left column, limited to deposit principal; for institutions being disposed of by the Financial Restructuring Fund, however, all deposits and non-deposit debts are fully covered
Institutions in which CDIC funds may be deposited	Limited to the Central Bank	These institutions added in January 1999: Institutions that are approved by the competent authority and that provide government bonds as collateral	Same as left column
Means of fulfilling insurance obligations	<ul style="list-style-type: none"> ● cash payoffs ● deposit transfers ● temporarily continued operation in name of CDIC 	This additional means added in January 1999: Provision of financial assistance to bring about merger or acquisition by other financial institutions	Same as left column
Advance payment for deposit and non-deposit Debt in excess of insured amount	None	Provision added in January 1999: Under the principle that there will be no increase in cost to CDIC, CDIC may take advance payments of claims to meet the liquidity needs of the failed institutions creditors	Same as left column
Exemption from invitation for tender, Price Comparison, price negotiation, and the provisions of Article 25-27 of the Budget Law when disposing of unsound and failed insured institutions	None	Added in January 1999	Same as left column
Recipients of financial assistance and methods of assistance	Limited to loans or the purchase of assets to enable failed financial institutions to resume operation, when such resumption is deemed necessary	Revised in January 1999 as follows: <ul style="list-style-type: none"> ● Institutions under assistance, supervision, or conservatorship, may be extended loans or deposits ● Other financial institutions that merge with or acquired institutions that are under assistance, supervision, or conservatorship, or that have failed, may be assisted with loans, deposits, or the provision of funds and guarantees 	Same as left column
Borrowing of funds from other financial institutions	None	Added in January 1999	Same as left column
Provision of collateral when applying to the Central Bank for accommodation	Full collateral must be provided	Provisions added in January 1999 as follows: <ul style="list-style-type: none"> ● That part for which CDIC is unable to provide collateral will be guaranteed by the National Treasury ● When the secured portion exceeds CDIC's net worth, the competent authority and the Central Bank shall apply to the Executive Yuan for approval 	Same as left column
Penalty for refusal to participate in deposit insurance	None	Provision added in January 1999: A fine of double the amount of the insurance premium will be imposed	Same as left column
Penalty for non-acceptance of deposit insurance assistance or failure to comply with opinions of assisting personnel	None	Provision added in January 1999: A fine of NT\$360,000 to NT\$ 1.8 million will be imposed	Same as left column
Penalty for failure to comply with a corrective order within the prescribed time limit	None	Provision added in January 1999: A further fine of one to five times the amount of the original fine may be imposed	Same as left column

Methods of allocation of CDIC's surplus	As stipulated in the Company Law	Same as left column	Added in July 2001: The entire amount of surplus remaining after the accounts are closed is paid into the special reserve for insurance payoffs
Public disclosure of important financial and business information of banks	None	Same as left column	Added in July 2001: Information is disclosed on a quarterly basis

5. Maximum Coverage, Numbers of Insured Institutions, Insured Deposits, Average Rate, Premium Income, and Deposit Insurance Pay-off Special Reserves

Year-end	Maximum Coverage	Insured Institutions		Insurable Deposits Ratio	Average Rate	Premium Income	Deposit Insurance Pay-off Special Reserves	Stock-holders' Equity	Ratio of Deposit Insurance Pay-off Special Reserves to insured Deposits (%)	Ratio of Deposit Insurance Pay-off Special Reserves plus Stock-holders' Equity to insured Deposits(%)
		Number of Institutions	Insured Deposits							
			(a)	%	%		(b)	(c)	(b)/(a)	(b)+(c)/(a)
2004	1.0	396	9,018,811	100.0	0.0548	3,909	12,153	11,277	0.13	0.26
2003	1.0	401	8,613,531	100.0	0.0549	3,766	10,946	11,277	0.13	0.26
2002	1.0	405	8,273,608	100.0	0.0541	3,597	9,662	11,277	0.12	0.25
2001	1.0	417	8,116,092	100.0	0.0534	3,408	8,528	11,277	0.11	0.24
2000	1.0	456	7,701,342	100.0	0.0532	3,321	4,916	11,220	0.06	0.21
1999	1.0	459	7,769,067	100.0	0.0153	900	1,752	10,185	0.02	0.15
1998	1.0	407	6,991,799	67.9	0.0150	509	2,200	8,967	0.03	0.16
1997	1.0	405	3,289,797	65.8	0.0150	465	1,793	8,457	0.05	0.31
1996	1.0	400	3,058,978	63.6	0.0150	427	1,421	5,753	0.05	0.23
1995	1.0	350	2,772,773	51.9	0.0150	325	1,080	5,587	0.04	0.24
1994	1.0	200	1,923,972	48.7	0.0150	252	820	5,472	0.04	0.33
1993	1.0	183	1,808,539	40.6	0.0150	189	618	5,331	0.04	0.37
1992	1.0	173	1,151,692	39.4	0.0150	146	481	4,181	0.04	0.40
1991	1.0	163	943,196	37.3	0.0150	120	396	2,076	0.04	0.26
1990	1.0	157	753,861	33.2	0.0150	98	300	2,007	0.04	0.31
1989	1.0	151	618,248	31.4	0.0150	77	222	1,985	0.04	0.36
1988	1.0	141	483,378	23.4	0.0150	59	157	1,974	0.03	0.44
1987	1.0	99	379,379	18.9	0.0400	97	116	1,611	0.03	0.46
1986	0.7	79	201,850	17.3	0.0500	69	48	1,195	0.02	0.62

Remarks:

1. The base date for statistics in this chart is December 31 of the relevant year.
2. Insured Deposits: The total of each individual depositor's insurable deposits which do not exceed the maximum coverage.
3. Insurable Deposits Ratio: The ratio of total insurable deposits of insured institutions to those of insurable institutions.

4. The annual deposit insurance premium was 0.05% in 1985; it was reduced to 0.04% on July 1, 1987, and further to 0.015% on January 1, 1988. A risk-based premium rate was adopted on July 1, 1999, and the differential rates were set at three levels: 0.015%, 0.0175%, and 0.02%. On January 1, 2000, the rates were readjusted to 0.05%, 0.055%, and 0.06%.
5. In September 1999, CDIC provided assistance in the amount of NT\$1,284 million to help Taiwan Bank to acquire the Donggang Township Credit Cooperative Association of Pingtung County, causing a reduction in insurance pay-off special reserves.
6. Article 4 of the Financial Restructuring Fund Statute stipulates that the Fund's resource include CDIC's incremental insurance premium income covering a 10-year period from January 2002 onwards that arises as a result of the increase in the deposit insurance premium rate which took effect on January 1, 2000.

6. Summary of CDIC's Handling Panic Run

Item No.	Institution with Panic Run	Date of Event	Decrease Rate of Deposits	Amount of Financial Assistance
1	Third Credit Cooperative Association of Taipei City	1990.06.13	16.1%	—
2	Second Credit Cooperative Association of Keelung City	1990.07.15	28.0%	—
3	Credit Department of Hsinda Port District Fishermen's Association of Kaohsiung County	1993.03.10	16.5%	—
4	Donggang Township Credit Cooperative Association of Pingtung County	1994.02.24	10.7%	—
5	Houlong Township Farmers' Association of Miaoli County	1994.03.08	5.0%	—
6	Nanlong District Fishermen's Association of Miaoli County	1994.09.27	25.5%	—
7	Guanyin Township Farmers' Association of Taoyuan County	1994.11.24	4.0%	—
8	Wanluan District Farmers' Association of Pingtung County	1995.09.11	15.1%	—
9	Siaogang District Farmers' Association of Kaohsiung County	1995.10.09	20.0%	—
10	Sinfong Township Farmers' Association of Hsinchu County	1995.10.30	30.7%	—
11	Overseas Chinese Bank	1995.12.07	11.9%	—
12	Farmers' Association of Kinmen County	1995.12.13	25.1%	—
13	Taitung Business Bank	1996.02.09	21.8%	NT\$6 billion (repaid on March 12, 1996)
14	Guanyin Township Farmers' Association of Taoyuan County	1996.02.17	27.8%	NT\$1.5 billion (repaid on May 23, 1997)
15	Gaoshu Township Farmers' Association of Pingtung County	1996.05.09	13.1%	NT\$500 million (repaid on September 4, 1996)
16	Fenyuan Township Farmers' Association of Changhua County	1996.05.17	12.0%	—
17	Pingjhen City Farmers' Association of Taoyuan County	1996.05.24	35.1%	NT\$3 billion (repaid on March 19, 1997)
18	Changjhih Township Farmers' Association of Pingtung County	1996.05.25	4.9%	—
19	Songshan District Farmers' Association of Taipei City	1996.06.26	21.3%	—
20	Eighth Credit Cooperative Association of Taichung City	1996.08.07	9.7%	—
21	Second Credit Cooperative Association of Hsinchu City	1996.09.12	34.5%	NT\$4 billion (repaid on January 10, 1997)
22	Shueishang Township Farmers' Association of Chiayi County	1997.01.13	14.4%	—
23	Chiayi City Farmers' Association of Chiayi County	1997.01.13	9.5%	—

23	Chiayi City Farmers' Association of Chiayi County	1997.01.13	9.5%	—
24	Yangminshan Credit Cooperative Association of Taipei City	1997.02.02	7.1%	—
25	Ninth Credit Cooperative Association of Taipei City	1997.04.23	16.7%	—
26	Fifth Credit Cooperative Association of Kaohsiung City	1997.06.11	47.1%	—
27	Tenth Credit Cooperative Association of Kaohsiung City	1997.06.11	31.7%	—
28	Wandan Township Farmers' Association of Pingtung County	1997.07.25	9.9%	—
29	Lugang Township Farmers' Association of Changhua County	1998.01.03	1.4%	—
30	Linnei Township Farmers' Association of Yunlin County	1998.05.07	6.2%	—
31	Songshan District Farmers' Association of Taipei City	1998.07.08	—	—
32	Fangliao District Fishermen's Association of Pingtung County	1998.07.28	—	—
33	Jhunan Township Farmers' Association of Miaoli County	1998.09.10	7.4%	—
34	Fangliao District Fishermen's Association of Pingtung County	1998.11.02	1.4%	NT\$210 million (repaid on March 17, 2000)
35	Fangliao District Farmers' Association of Pingtung County	1998.11.02	1.0%	NT\$420 million (repaid on September 24, 2001)
36	Linbian Township Farmers' Association of Pingtung County	1998.11.02	2.4%	NT\$200 million (repaid on March 16, 1999)
37	Taichung Commercial Bank	1998.11.25	25.4%	NT\$5 billion (repaid on November 27, 1998)
38	Sinyuan Township Farmers' Association of Pingtung County	1999.01.25	—	NT\$450 million (repaid on June 22, 2000)
39	Bank of Panhsin	1999.02.03	15.7%	—
40	Fongyuan City Farmers' Association of Taichung County	1999.03.03	12.3%	—
41	Pingjhen City Farmers' Association of Taoyuan County	1999.03.15	—	—
42	Second Credit Cooperative Association of Pingtung City	1999.06.28	4.6%	NT\$2.37 billion (repaid on September 21, 2001 after assumption by Sunny Bank)
43	Donggang Township Credit Cooperative Association of Pingtung County	1999.07.05	62.8%	NT\$1.32 billion (repaid on September 20, 1999 after assumption by Bank of Taiwan)
44	Zihuan District Fishermen's Association of Kaohsiung County	1999.07.13	20.7%	—
45	Wanluan District Farmers' Association of Pingtung County	1999.07.30	11.2%	—
46	Chung Hsing Bank	2000.04.28	20.2%	NT\$5 billion (repaid on July 20, 2000)
47	Taiwan Development and Trust Corporation	2000.05.01	12.9%	—
48	Bank of Overseas Chinese	2000.05.24	7.9%	—
49	Chinfon Commercial Bank	2000.06.08	—	—
50	Fifth Credit Cooperative Association of Tainan City	2002.05.17	56.2%	NT\$900 million (repaid on July 19, 2002)
51	Chung Hsing Bank	2003.04.18	4.1%	—
52	Kaohsiung Business Bank	2003.12.05	10.2%	NT\$2 billion financed by the Financial Restructuring Fund (repaid on February 13, 2004)
53	Hualien City Farmers' Association of Hualien County	2003.12.19	12.3%	—
54	Fongshan Credit Cooperative Association of Kaohsiung County	2004.04.05	19.8%	NT\$4 billion financed by the Financial Restructuring Fund (repaid on October 1, 2004)

7. Summary of CDIC Supervision and Conservatorship

Name of institution	Date of supervision/ conservatorship	Reason of supervision/ conservatorship	Handling
Second Credit Cooperative Association of Hsinchu City	1996.9.7 Supervision	Non-performing loan ratio far exceeding averages of the whole Credit Cooperatives, financial situation deteriorating significantly. Moreover, all directors and supervisors, except two, refused to increase shares subscription as required. Ministry of Finance deemed that it failed to operate normally and appointed CDIC to station on-site supervision.	Assumed by Macoto Bank on January 4, 1997
Fifth Credit Cooperative Association of Kaohsiung City	1997.6.12 Supervision	According to the media, its net worth had turned negative attracting concern from Ministry of Finance. Abnormal withdrawals by depositors were triggered on June 11, 1997. Ministry of Finance appointed CDIC to station on site for supervision.	Assumed by Pan Qiao Credit Cooperative (restructured and renamed Bank of Panhsin) on September 29, 1997
Tenth Credit Cooperative Association of Kaohsiung City	1997.6.12 Supervision	According to the media, its net worth had turned negative attracting concern from Ministry of Finance. Abnormal withdrawals by depositors were triggered on June 11, 1997. Ministry of Finance appointed CDIC to station on site for supervision.	Assumed by Pan Asia Bank (restructured and renamed Bowa Bank) on October 25, 1997
Taichung Commercial Bank	1998.11.25 Supervision	Its Chairman, Zeng Zheng-ren, forced the deal of making illegal big loans extended by its Taipei branch to its affiliated businesses. Large-scale bank run was triggered resulting from illegal transactions of the shares of its listed company. Ministry of Finance appointed CDIC to station on site for supervision after determining that its board of directors had serious problems of mal-function.	Ministry of Finance terminated CDIC's supervision task on May 24, 1999 after new members of board of directors and supervisors were elected successfully and most businesses had been in normal operations
Donggang Township Credit Cooperative Association of Pingtung County	1999.7.6 Supervision 1999.9.15 Conservatorship	CDIC conducted general examination of the institution and found out falsified daily entries and forged statements. In addition, adjusted net worth was negative. Ministry of Finance appointed CDIC to station on site for supervision and later for conservatorship.	assumed by Bank of Taiwan on September 16, 1999
Chung Hsing Bank	2000.4.28 Supervision for half year 2000.10.28 Supervision extended for half year 2001.4.28 Supervision extended for half year 2001.10.25 Conservatorship temporarily for five months 2002.3.25 Conservatorship for half year 2002.10.5 Conservatorship by Land Bank 2003.8.4 Conservatorship by CDIC again and entrusted Land Bank to manage its businesses and property	According to the media, illegal loan was made to Typhone Group. Abnormal withdrawals by depositors occurred on April 27, 2000. Ministry of Finance appointed CDIC to station on site for supervision and later for conservatorship to stabilize its business operation and maintain the financial order.	assumed by Union Bank of Taiwan on March 19, 2005
Taiwan Development and Trust Corporation(TDTC)	2000.5.13 Supervision for half year 2000.11.13 Supervision extended for half year	The media reported the controversies over the land of Far Eastern Silo and Shipping (FESS) it had bought and the disputed earnings figures. Withdrawal of trust funds took place from May 12 to May 17, 2000. Ministry of Finance appointed CDIC to station on site to assist resolving operations problems.	On May 11, 2001 Ministry of Finance released CDIC the supervision task, but still appointed CDIC to provide assistance. On January 27, 2005, the TDTC sold its trust department to Jih Sun International Bank. The assumption is completed on August 6, 2005

First batch of financial institutions handled by the Financial Restructuring Fund of the Executive Yuan, including 29 farmers' and fishermen's associations and 7 credit cooperative associations	2001.8.31 Conservatorship the credit department of Songshan District Farmers' Association of Taipei City 2001.9.14 Conservatorship the credit departments of the 28 farmers' and fishermen's associations 2001.9.14 Conservatorship of 7 credit cooperatives	Adjusted net worth of all institutions turned negative according to financial examination; included by the Financial Restructuring Fund for disposition. Ministry of Finance appointed CDIC to assume authority of office on site or for conservatorship.	Assumed by 10 state-owned and private banks
Kaohsiung Business Bank	2002.1.28 Conservatorship for five months 2002.6.28 Conservatorship extended for half year 2002.12.28 Conservatorship extended for half year 2003.6.28 Conservatorship extended for half year 2003.12.28 Conservatorship extended for half year	Asset quality continued to deteriorate and failed to increase capital by cash injection . Ministry of Finance appointed CDIC to station on site for conservatorship.	assumed by E.Sun Bank on September 4, 2004
Fifth Credit Cooperative Association of Tainan City	2002.5.17 Conservatorship	Adjusted net worth turned negative after financial examination; included by the Financial Restructuring Fund for disposition. Ministry of Finance appointed CDIC to station there for conservatorship.	assumed by Sunny Bank on August 24, 2002
Second batch of financial institutions handled by the Financial Restructuring Fund of the Executive Yuan including 7 Credit Department of farmers' associations	2002.7.12 Conservatorship the credit departments of farmers' associations	Adjusted net worth of all institutions turned negative after financial examination; included by the Financial Restructuring Fund for disposition. Ministry of Finance appointed CDIC to station on site and assume authority of office.	assumed by the Taiwan Cooperative Bank and Bank of Taiwan on July 27, 2002
Fongshan Credit Cooperative Association of Kaohsiung County	2004.4.2 Conservatorship	Both business and financial status were deteriorating fast and risked defaulting; included by the Financial Restructuring Fund for disposition. Ministry of Finance appointed CDIC to station on site for conservatorship.	assumed by China Trust Commercial Bank on October 1, 2004

8. CDIC's Handling of the 48 Failed Financial Institutions Entrusted by the Financial Restructuring Fund

Acquiring Bank	Acquired Financial Institution	Acquisition Date	Payoff amount ¹
Cathay United Bank	Credit Department of Songshan District Farmers' Association of Taipei City	2001.09.01	2,240
	Credit Department of Pingtung City Farmers' Association of Pingtung County	2001.09.15	2,420
Bank of Taiwan	Credit Department of Taiwan Provincial Farmers' Association	2001.09.15	5,357
	Credit Department of Sinyuan Township Farmers' Association of Pingtung County	2001.09.15	2,183
	Credit Department of Pingtung County Farmers' Association	2001.09.15	1,939
Hua Nan Commercial Bank	Credit Department of Guanyin Township Farmers' Association of Taoyuan County	2001.09.15	1,265
	Credit Department of Sinfong Township Farmers' Association of Hsinchu County	2001.09.15	634
	Credit Department of Siaogang District Farmers' Association of Kaohsiung City	2001.09.15	4,208
	Credit Department of Jiadong Township Farmers' Association of Pingtung County	2001.09.15	918
	Credit Department of Jhutian Township Farmers' Association of Pingtung County	2001.09.15	258
Land Bank of Taiwan	Credit Department of Kinmen County Farmers' Association	2001.09.15	260
	Credit Department of Fongyuan City Farmers' Association of Taichung County	2001.09.15	2,950
	Credit Department of Fangliao District Farmers' Association of Pingtung County	2001.09.15	2,051
	Credit Department of Gaoshu Township Farmers' Association of Pingtung County	2001.09.15	484
	Credit Department of Fusing Township Farmers' Association of Changhua County	2002.07.27	1,572
	Credit Department of Nanhua Township Farmers' Association of Tainan County	2002.07.27	456
	Credit Department of Dashu Township Farmers' Association of Kaohsiung County	2002.07.27	894
	Credit Department of Chaozhou Township Farmers' Association of Pingtung County	2002.07.27	1,993
Chang Hwa Commercial Bank	Credit Department of Fangyuan Township Farmers' Association of Changhua County	2001.09.15	957
	Credit Department of Fenyuan Township Farmers' Association of Changhua County	2001.09.15	1,081
	Credit Department of Puyan Township Farmers' Association of Changhua County	2001.09.15	813
	Credit Department of Checheng District Farmers' Association of Pingtung County	2001.09.15	406
	Credit Department of Linbian Township Farmers' Association of Pingtung County	2001.09.15	1,576
First Commercial Bank	Credit Department of Cigu Township Farmers' Association of Tainan County	2001.09.15	791
	Credit Department of Nansi Township Farmers' Association of Tainan County	2001.09.15	147
	Credit Department of Wanluan District Farmers' Association of Pingtung County	2001.09.15	620
	Credit Department of Zihguan District Fishermen's Association of Kaohsiung County	2001.09.15	532

	Credit Department of Changjih Township Farmers' Association of Pingtung County	2001.09.15	679
The Farmers Bank of China	Credit Department of Fangliao District Fishermen's Association of Pingtung County	2001.09.15	461
	Credit Department of Wandan Township Farmers' Association of Pingtung County	2001.09.15	1,457
	Credit Department of Neimen Township Farmers' Association of Kaohsiung County	2001.09.15	519
	Credit Department of Liouguei Township Farmers' Association of Kaohsiung County	2001.09.15	411
	Credit Department of Niasong Township Farmers' Association of Kaohsiung County	2001.09.15	1,136
	Taiwan Cooperative Bank	First Credit Cooperative Association of Taichung City	2001.09.15
Fifth Credit Cooperative Association of Taichung City		2001.09.15	6,748
Ninth Credit Cooperative Association of Taichung City		2001.09.15	6,659
Eleventh Credit Cooperative Association of Taichung City		2001.09.15	8,257
Credit Department of Shengang Township Farmers' Association of Taichung County		2002.07.27	1,959
Credit Department of Changhua City Farmers' Association of Changhua County		2002.07.27	1,627
Credit Department of Linnei City Township Farmers' Association of Yunlin County		2002.07.27	888
Sunny Bank	Yuanlin Township Credit Cooperative Association of Changhua County	2001.09.15	1,949
	Second Credit Cooperative Association of Pingtung City	2001.09.15	4,748
	Fifth Credit Cooperative Association of Tainan City	2002.08.24	3,171
Macoto Bank	Gangshan Township Credit Cooperative Association of Kaohsiung County	2001.09.15	1,026
E.Sun Bank	Kaohsiung Business Bank	2004.09.04	13,863
China Trust Commercial Bank	Fongshan Township Credit Cooperative Association of Kaohsiung County	2004.10.01	1,147
Nanjhou Farmers' Association of Pingtung County	Credit Department of Sinpi Township Farmers' Association of Pingtung County	2005.03.11	98
Union Bank of Taiwan 2	Chung Hsing Bank	2005.03.19	—

Remarks:

1. Pay-off amount includes the amount adjusted after the assignment date.
 2. Union Bank of Taiwan includes the amount after adjustment, total NT\$6 billion or so was paid to the Financial Restructuring Fund.
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9. Auctioning Off of the Non-performing Loans of Chung Hsing Bank and Kaohsiung Business Bank

Financial Institution	Non-Performing Loans		Auction Date	Book Value	Bid Value	Awarded Bidder
Chung Hsing Bank	First block	Enterprises	2003.12.15	17,175	4,028	Lone Star Asia Pacific, Ltd.
		Individuals	2003.12.15	11,605	4,190	Alliance of Lehman Brothers Commercial Corporation Asia, Ltd. and TAMCO
	Second block	Combination 1	2004.03.29	12,446	3,824	Lone Star Asia Pacific, Ltd.
		Combination 2	2004.03.29	10,029	2,843	GE Capital
		Combination 3	2004.03.29	18,233	3,089	Taiwan Asset Management Corporation (TAMCO)
	Non-NPL assets/ liabilities and business (excluding interbank deposits and call loans)		2004.12.09	3,123	7,108	Union Bank of Taiwan
Kaohsiung Business Bank	Enterprises		2003.06.24	8,370	2,980	Lone Star Asia-Pacific, Ltd.
	Individuals		2003.06.24	13,350	5,250	Lone Star Asia-Pacific, Ltd.
	Non-NPL assets/ liabilities and business (excluding trust business)		2004.05.31	-17,073	13,368	E.Sun Bank