

October 27, 2009

Yuanta wins bid for a portion of Chinfon Bank

Yuanta won its bid for Chinfon Bank's A-tranche "good bank" assets, which includes 18 bank branches, deposits of NT\$23.6 billion and loan portfolio of NT\$8.3 bn. As of the end of August 2009, Chinfon's A-tranche NAV was negative NT\$20.3 bn. As a part of the bid, the government's Resolution Trust Corporation (RTC), agreed to provide NT\$19.3 bn in funding while Yuanta will be responsible for NT\$1 bn.

Of the 18 bank branches Yuanta will acquire, nine are located in the Taipei region. Yuanta will also be allowed to re-locate branches, and can choose to close and later re-open existing branches within five years. The acquisition will expand Yuanta Bank's branch network to 88 from 70, enabling better service for its 140 securities branches, particularly in the Taipei region.