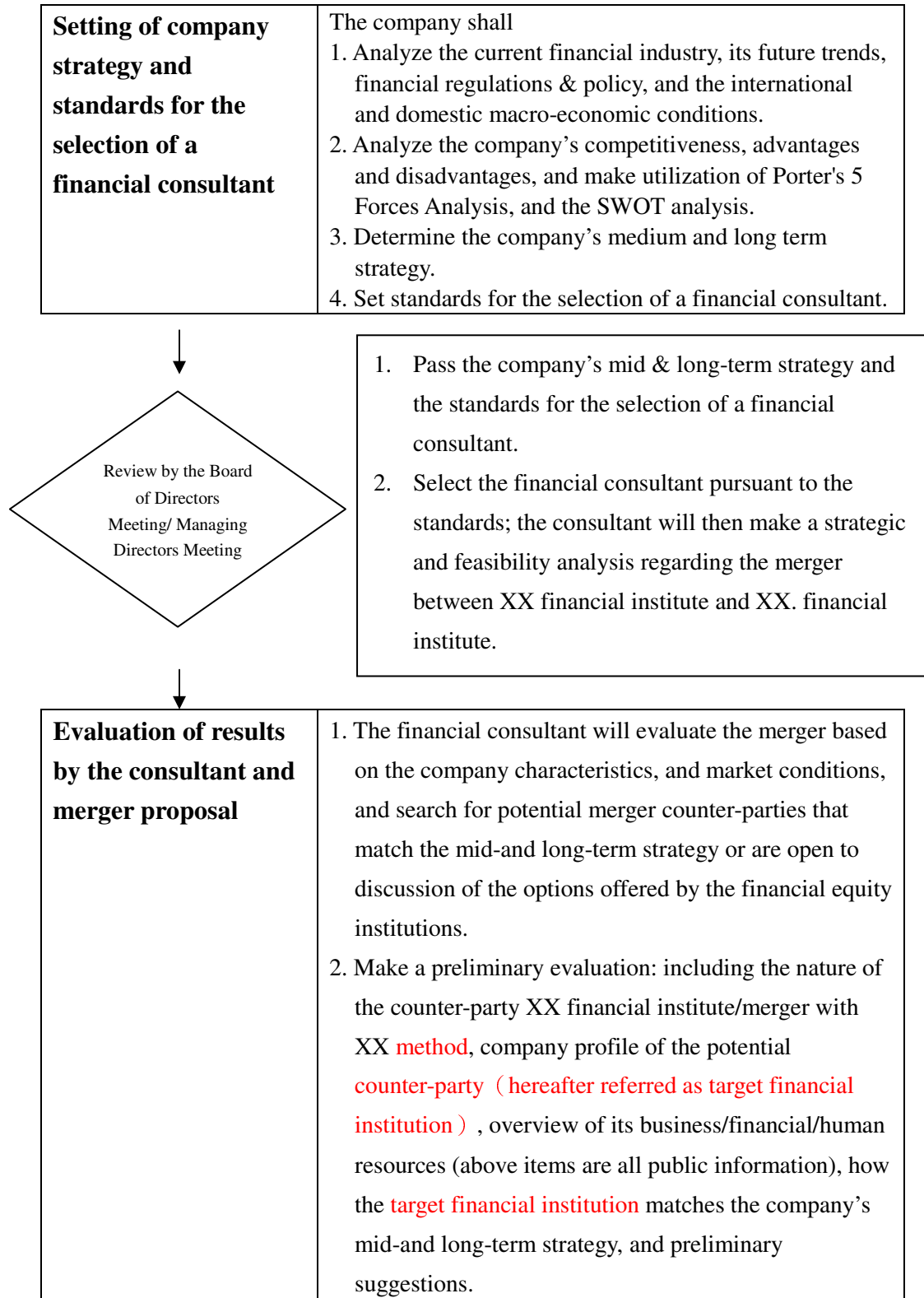
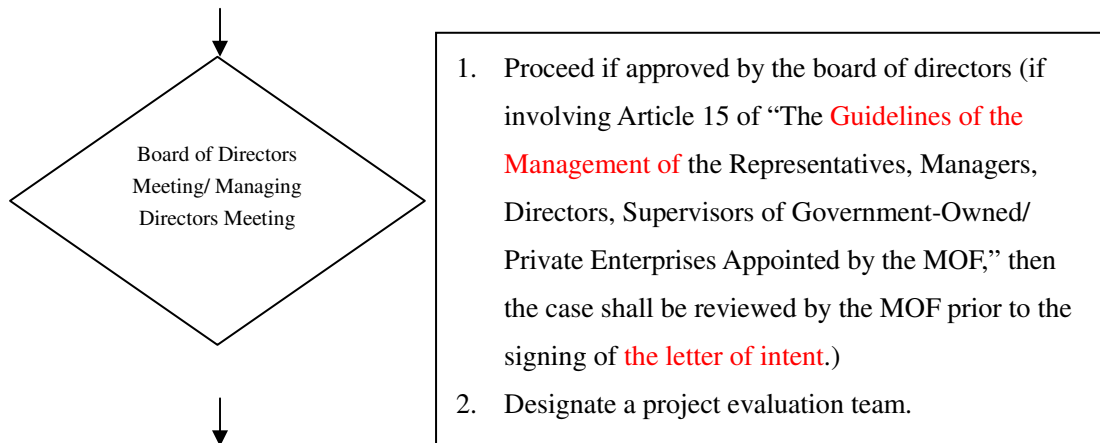


The Standard Procedures for the Government-Owned Financial Institutions under the MOF in dealing with Mergers

I. *Ex Ante* Evaluation



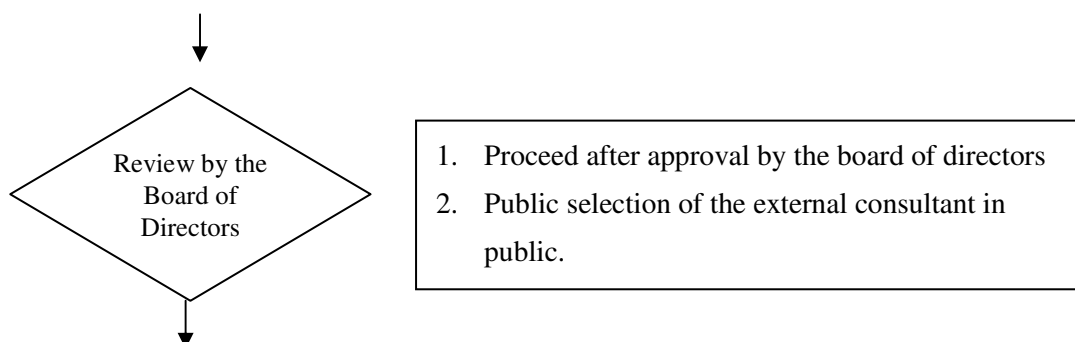


II. Preliminary Evaluation

Inquiry into preliminary intent	Inquire into the target financial institution’s intent (if the target financial institution has a selection process, then follow the process)
Signing of the confidential agreement or exclusivity agreement (the first draft of the letter of intent)	Signing of confidential agreements and submit relevant fees.
Acquisition of the internal data of the target financial institution	Acquire the internal data of the target financial institution including its operation, finance, asset/debt, human resources, etc.



Proposal of the feasibility report	Use of acquired internal data of the target financial institution to analyze how it matches the company’s mid-and long-term strategy, the potential synergy and risks.
Drafting of the letter of intent and estimate the budget	
Setting of standards for selecting the external consultant	Standards are to include the financial consultant, CPA, attorney, real estate appraiser, insurance actuary, intangible asset appraiser, underwriter (pursuant to actual needs).



III. Overall Evaluation

Signing of the letter of intent	
Proposal of due diligence and budget	Ask the external consultant to assist the due diligence.
Due diligence	<ol style="list-style-type: none"> 1. Conduct due diligence regarding the finance, business, operation, asset/debt, legal affairs, tax affairs, and human resources. 2. Review work sheets of the certified CPA of the target financial institution.



Mid-term due diligence report	The external consultant shall make a mid-term due diligence report regarding the finance, business, legal affairs, tax affairs, human resources, and information of the target financial institution.
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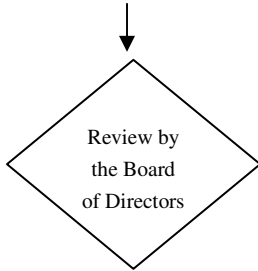


Internal discussion



Final due diligence report	<p>The external consultant shall report:</p> <ol style="list-style-type: none"> 1. The primary concerns and factors affecting the synergy (including preliminary plans on the distribution channel, business adjustment, and employment arrangements). 2. The value assessment of the target financial institution. 3. The synergy.
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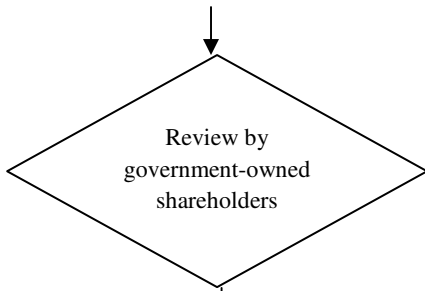
	<ol style="list-style-type: none"> 4. The formula for the share exchange ratio (according to Article 26 and Article 27 of the Financial Holdings Company Act; Article 16 of the Financial Institutions Merger Act, and Article 6 of the Business Mergers and Acquisition Act). 5. Suggestions on merger price and conditions.
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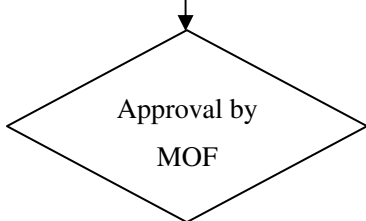
The Board of Directors agrees to proceed.

IV. Transaction

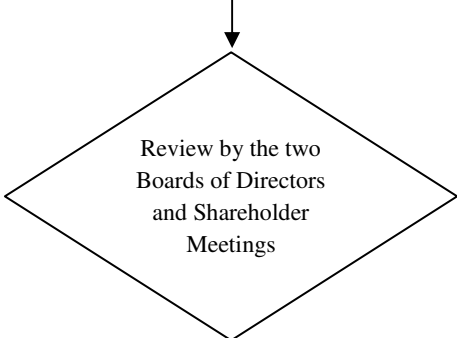
Negotiation of merger price and conditions	<ol style="list-style-type: none"> 1. Both parties shall negotiate and confirm the merger price, conditions (including the reference date of the merger), rights and obligations. 2. Set the reference date of the merger.
Drafting of the merger agreement	Draft the agreement



Prior to the board of directors meeting, it shall first inquire opinions of the representatives for government-owned shares or convene a meeting of the said representatives; once approved by the said representatives, the board of directors may proceed the meeting (not applicable to financial institutes 100% owned by the government).



Propose to the MOF for approval and report to the Board of Directors



1. The Board of Directors passes the merger resolution. (according to Article 8 of the Financial Institutions Merger Act; Article 26 and 27 of the of the Financial Holding Company Act; Article 18, 22, 29, and 30 of the Business Mergers and Acquisition Act)
2. Report to the board of directors of the financial holding company for approval (not applicable if the bank is not under a financial holding company)
3. Approved by the shareholders' meeting
4. Report to the FTC for approval



Information disclosure	Issue the material information within the time limit.
Capital transfer	
Signing of the merger agreement	



Compliance with legal procedures such as the issuance of public notices and registration of the changes	<ol style="list-style-type: none"> 1. Make a public notice regarding the merger resolution and items to be specified in the merger agreement within ten days; also announce to creditors, fund beneficiaries, security investors, or future traders that they may make a written objection within a specific time period regarding how the merger damages their rights. 2. Apply to the competent authorities for approval (the FSC, TWSE, etc.) 3. Register the changes.
Adjustment of the merger price	Adjust the merger price for differences resulting from the reference day of the assessment.



V. Post-merger Integration

Establishment of the new management team	<ol style="list-style-type: none"> 1. Establishment of the new management team 2. Transfer relevant business
Resource integration	<ol style="list-style-type: none"> 1. Integrate and adjust the organization structure, business, human resources, information system, distribution channels, licensing, and other affairs. 2. Reposition the company strategy.



Synergy analysis	Regularly evaluate the synergy (including business and cost synergy)
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Note, if the government-owned enterprise is regulated by other regulations, besides the above procedure, it shall also comply with such regulations.