

Land Bank of Taiwan Co., Ltd.

Dodd-Frank Act Section 165(d)

Resolution Plan

Part I: Public Section

Glossary

Banking Act

The Banking Act of The Republic of China

Board

The Board of Directors of LBOT

CBC

Central Bank of the Republic of China (Taiwan)

FDIC

Federal Deposit Insurance Corporation

FRB

Board of Governors of the Federal Reserve System or Federal Reserve Bank

FSC

Financial Supervisory Commission R.O.C (Taiwan)

LBOT

Land Bank of Taiwan Co., Ltd.

LBOT LA Branch

Land Bank of Taiwan, Los Angeles Branch

LBOT NY Branch

Land Bank of Taiwan, New York Branch

Plan

The Resolution Plan of LBOT

Risk Management Committee

Risk Management Committee of LBOT

R.O.C.

Republic of China (Taiwan)

Rule

Rules for resolution plans under Parts 243 and 381, Title 12 of the Code of Federal Regulations

Steering Committee

Resolution Plan Steering Committee of LBOT

Task Force

Resolution Plan Task Force of LBOT

U.S.

United States of America

U.S. Authorities

FRB, Commissioner of the California Department of Business Oversight, and Superintendent of the New York State Department of Financial Services

U.S. Branches

LBOT LA Branch and LBOT NY Branch

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Introduction and Summary of Resolution Strategy

1. Introduction

In this Plan, Land Bank of Taiwan, as a foreign-based covered company, describes a strategy for the rapid and orderly resolution of its entities that are domiciled in the U.S. in the event of the failure of LBOT and all of its subsidiaries and branches.

LBOT's U.S. operations are comprised solely of two non-FDIC insured banking branches, LBOT LA Branch and LBOT NY Branch, which are licensed by the State of California and the State of New York respectively.

As the Plan will describe, the U.S. Branches conduct very limited banking operations in their respective U.S. locales, focusing mainly on traditional commercial banking business. Other than information technology support and being an intermediary for U.S. Dollar remittances, the U.S. Branches generally have no material operational interconnections with each other or with LBOT. Further, as defined by the Rule, neither of these U.S. Branches is a Material Entity, as neither conducts a Core Business Line for LBOT or a Critical Operation. Therefore, the relevant U.S. Authorities can resolve each of these U.S. Branches locally in a rapid and orderly manner, without the need of considering mitigating the adverse effects of resolution on the other U.S. Branch, LBOT, other LBOT entities, or on the stability of the U.S.

2. Key Elements of the Plan for the Rapid and Orderly Resolution of the U.S. Branches in the Event of Material Financial Distress at or the Failure of LBOT

LBOT LA Branch and LBOT NY Branch, as state-licensed branches, would be resolved under the supervision of their respective state banking authorities, pursuant to the applicable state insolvency laws.

Considering their limited banking operations and the straightforward composition of their assets and liabilities, the most likely and feasible resolution strategy for the U.S. Branches under all three economic scenarios (i.e., baseline, adverse and severely adverse) is a liquidation under the applicable state insolvency law frameworks. The commercial lending portfolio, the predominant asset of the U.S. Branches, could be sold individually or in different pools of similar characteristics and/or packaged with wholesale deposits. Unaffiliated creditor claims of the U.S. Branches would be satisfied to the extent of the proceeds of asset liquidation.

Funding for the U.S. Branches during the resolution process can be sourced from the sale of assets and potentially from secured funding from the FRB (discount window).

3. Integration of the U.S. Resolution Planning Process into LBOT's Non-U.S. Resolution Planning Process

Resolution planning for the U.S. Branches has already been integrated into the risk management and contingency planning framework for LBOT.

LBOT has organized an internal task force consisting of the heads of all the relevant departments to prepare, update, and implement the Plan on an annual basis. Under the supervision and guidance of LBOT’s Board of Directors, which has the ultimate responsibility overseeing the overall operation and risk management process for LBOT entities globally.

This Plan has been duly approved by the Board of Directors of LBOT on December 4, 2015.

4. Material Changes that Require Modifications to LBOT’s 2014 Plan

After evaluating the strategic analysis, corporate governance, organization structure and related operation and financial information, management information systems, interconnections and interdependencies, supervisory and regulatory information and contact information of LBOT’s 2014 Plan, LBOT has determined that, since December 19, 2014, the date of filing of the 2014 Plan, there have no events, occurrences, or material changes in the conditions or circumstances of LBOT, including the U.S. Branches, that necessitate material changes to the Plan, except Mr. Wu, Tang-Chieh serves as the Chairperson of the Board of LBOT since September 3, 2015.

I. Names of Material Entities

As mentioned above, LBOT’s Plan has no Material Entities, as it has no Core Business Lines or Critical Operations.

However, for informational purposes, the Plan discusses the U.S. Branches, including the interconnections and interdependencies among the U.S. Branches and affiliates of LBOT out of the U.S., and the integration of the resolution planning of the U.S. Branches into the contingency process of LBOT. LBOT streamlined the contents of this Plan with an intention to promote an accurate and comprehensive understanding on the part of the FRB and the FDIC about LBOT and, in particular, the operations of LBOT in the U.S. and to enhance the ability of the authorities and LBOT itself in facilitating a rapid and orderly resolution of LBOT in response to a material financial distress of LBOT.

Organizational Information of the U.S. Operations of LBOT as of June 30, 2015.

Name	Address	RSSD ID
Branches of Land Bank of Taiwan Co., Ltd.		
Los Angeles	811 Wilshire Boulevard, Suite 1900, Los Angeles, CA 90017	2614009
New York	100 Wall Street 14F., New York, NY 10005	4223731

II. Description of Core Business Lines

As LBOT does not conduct any business line in whole or material part in the U.S., LBOT has determined that, under the Rule, LBOT has no Core Business Lines. A minor part of the banking business of LBOT is conducted in the U.S. through the two branches of LBOT in Los Angeles and New York. The business of these two branches is largely confined to corporate banking. The business volume of these U.S. Branches is very small compared to the business volume of LBOT in its entirety with reference to either the net revenue, income before income tax, or assets and liabilities.

The share of business volume contributed by the operations in the U.S. is less than 5% compared to the global business volume for LBOT in any year since the branch's inception, in terms of net revenue, income before income tax, assets and liabilities. Therefore, LBOT does not have a Core Business Line as defined in 12 C.F.R. Part 243.

III. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources

1. The consolidated financial information of LBOT and the U.S. Branches is summarized in the following tables.

LBOT (consolidated)

	December 31, 2014		December 31, 2013	
	Unit: thousand NTD			
Total Assets	\$	2,515,299,534	\$	2,427,715,684
Total Liabilities		2,397,082,108		2,315,878,554
		2014		2013
Net Revenue	\$	25,582,391	\$	25,280,369
Income Before Income Tax		11,589,854		10,880,082

Source: The financial figures are audited by the National Audit Office of the R.O.C.

U.S. Branches

	LBOT LA Branch		LBOT NY Branch		Total	
	Unit: USD					
December 31, 2014						
Total Assets	\$	783,327,458	\$	400,158,209	\$	1,183,485,667
Total Liabilities		723,556,993		387,951,035		1,111,508,028
December 31, 2013						
Total Assets	\$	657,876,156	\$	345,700,913	\$	1,003,577,069
Total Liabilities		604,852,557		335,846,128		940,698,685

Source: The financial figures are audited by certified public accountants.

2. The consolidated equity in LBOT and the U.S. Branches is summarized below.

	Unit: thousand USD					
	LBOT (consolidated)	LBOT LA Branch	LBOT NY Branch			
December 31, 2014	\$	3,940,581	\$	59,770	\$	12,207
December 31, 2013	\$	3,727,904	\$	53,024	\$	9,855

Note: It is assumed that 1 USD equals 30 NTD. The consolidated financial figures of LBOT are audited by the National Audit Office of the R.O.C. The financial figures of the U.S. Branches are audited by certified public accountants.

LBOT files Form FR Y-7Q (The Capital and Asset Report for Foreign Banking Organizations) with the FRB quarterly as required by the Bank Holding Company Act (12 U.S.C. 1844(c)) and the International Banking Act (12 U.S.C. 3106(c) and 3108). The form reports the consolidated results of LBOT and not the information of individual branches. The information of the capital of LBOT is summarized below:

March 31, 2015	U.S. Dollar Amount in Millions	
Tier 1 Capital	\$	3,509
Total risk-based capital		5,579
Risk-weighted assets		49,505
Total consolidated assets at the end of the reporting period		80,714

3. Primary Funding Sources

LBOT's primary funding sources are due to CBC and call loans from bank, customer deposits, long term financial bonds, and shareholder equity. Most assets and liabilities are of term structure matching and funding sources are diversified. The term structure matching of assets and liabilities includes those with identical maturities and values. For the portion that cannot be completely matched with the maturity of core deposits, financing will be done to close the maturity gap as much as possible.

The primary funding sources of the U.S. Branches are customer deposits, interbank borrowing from other financial institutions, and call loan or borrowing from the CBC. The U.S. Branches were established by LBOT, but they manage their own liquidity and funding. LBOT is committed to make the best effort in supporting the funding and liquidity needs of its overseas branches in the event of necessity, although the Plan does not rely upon such support in insolvency. In addition, LBOT LA Branch has access to the FRB discount window to meet its liquidity needs by pledging its assets with the FRB.

IV. Description of Derivative and Hedging Activities

Derivatives

According to the aforementioned trading policies, LBOT LA Branch and LBOT NY Branch can only engage in derivative transactions for hedging purposes.

According to the investment policies of LBOT, the U.S. Branches may engage in trading of derivatives only for hedging purposes and only within the limits stipulated by LBOT.

Hedging Activities

As of December 31, 2014, neither LBOT LA Branch nor LBOT NY Branch holds any derivative instrument for hedging purposes.

The assets and liabilities of LBOT and its U.S. Branches are usually exposed to floating interest rate risk. In order to meet their objectives for risk management, the hedging activities of LBOT and the U.S. Branches focus on risk transferring and risk management in connection with net interest income and market values. LBOT and the U.S. Branches have developed fair value hedging strategy in accordance with principles of funding transfer pricing. The relevant hedging strategies and policies shall be consistent with the internal rules of LBOT concerning derivatives activities.

V. Memberships in Material Payment, Clearing and Settlement Systems

LBOT LA Branch and LBOT NY Branch mainly utilize the following payment, clearing and settlement systems:

Name of System	Services Provided
1. Fedwire Fund Service	Payment Processing & Cash Settlement
2. Society for Worldwide Interbank Financial Telecommunication (SWIFT)	Interbank Financial Telecommunication

VI. Descriptions of Foreign Operations

The business of LBOT is primarily conducted in the R.O.C. As of September 30, 2015, LBOT has 150 branches in the R.O.C. In addition to the branches in Los Angeles and New York that mentioned above, LBOT has four overseas branches located in Singapore, Hong Kong, Tianjin and Shanghai.

LBOT provides comprehensive banking services in the R.O.C. The businesses of LBOT include the deposits business, credits business, trusts business, wealth management business, foreign exchange and international banking business, electronic banking business, financial management and investment business, and securities business. Our deposits business is divided into demand deposits, time deposits, and treasury deposits, with time deposits being the largest category. In terms of our credit business, we aim to diversify our corporate financing businesses and to avoid excessive concentration in real estate loans in order to diversify risk. Therefore, in addition to assisting the government of the R.O.C. in promoting policy-oriented businesses, we also actively promote urban renewal financing and are committed to expansion of our syndicated crediting business. Our personal financing business primarily consists of home loans, consumer loans, and credit card business. In terms of our trusts business, we provide services including securities investment trust, property trusts for individuals and corporate entities, fund custodian services, real estate trusts, real estate securitization, and financial asset securitization. We primarily assume the role of the trustee in all of the trusts businesses.

In terms of our wealth management business, we provide a diverse and innovative portfolio of wealth management products for our various groups of clientele to tailor to the specific investment and financial needs. We also offer financial planning and asset allocation services to

our high net-worth customers. Our foreign exchange and international banking businesses are divided into exporting business, importing business, and remittance business, with the remittance business being the largest category. In terms of our electronic banking business, we have established a wide network of automated service equipment, including traditional ATMs, deposit machines, as well as ATMs with deposit functions to provide customers with fast and convenient services. We also continue to promote other new financial products, including corporate payment and collection services, labor protection card services, on-line banking, as well as mobile banking services. In terms of our financial management and investment business, in addition to investing in public and private corporations in accordance with R.O.C. government policies, LBOT also evaluate domestic and foreign financial environment and industrial developments, and also invested in listed stocks and beneficiary certificates in order to expand its investment profits. In terms of our securities business, we plan to strengthen our cross-department resource integration efforts to promote our securities brokerage business, as well as actively participate in financing projects in the R.O.C., such as cash capital increases of listed companies and IPOs of Taiwan Depository Receipts.

As of June 30, 2015, LBOT directly and/or indirectly holds 25% or above of the voting equity of the following company:

Name of Entity <small>note 1</small>	Principal Place of Business	Jurisdiction of Incorporation <small>note 2</small>	Percentage of Equity Directly Held		Chairperson of the Board	Major Business Activities
			voting	non-voting		
LBOT Insurance Broker Co., Ltd.	Taipei R.O.C.	R.O.C.	100%	note 3	Wen-Xong Li	Insurance brokerage

note 1: The name of the entity includes information about its corporate form.

note 2: The entity in the table has obtained the licenses required to engage in their major business activities at their jurisdiction of incorporation.

note 3: The company does not issue any non-voting share.

VII. Material Supervisory Authorities

Supervisory Authorities for the U.S. Branches

The supervisory authorities for LBOT LA Branch are the FRB and California Department of Business Oversight.

The supervisory authorities for LBOT NY Branch are the FRB and New York State Department of Financial Services.

Taiwan Supervisory Authorities for the Covered Company

Pursuant to the Banking Act, the Organic Law of Banking Bureau, Financial Supervisory Commission, R.O.C, the Organic Act Governing the Establishment of the Financial Examination Bureau, Financial Supervision Commission, R.O.C, the Central Bank of the

Republic of China (Taiwan) Act, and the Deposit Insurance Act of the Republic of China, LBOT is subject to the supervision of the FSC, the Banking Bureau of the FSC, the Financial Examination Bureau of the FSC, CBC, and the Central Deposit Insurance Corporation, Taiwan, R.O.C.

VIII. Principal Officers

List of Members of the Board of LBOT as of the date of approval of this Plan

Title	Name
Chairperson of the Board and Managing Director	Wu, Tang-Chieh
Managing Director	Kao, Ming-Hsien
Managing Director	Chang, Chin-Oh
Managing Director and Independent Director	Lee, Tsung-Pei
Independent Director	Hsu, Huoo-Ming
Director	Lee, Ching-Hua
Director	Lee, Jih-Shyuan
Director	Hwang, Jen-Te
Independent Director	Chen, Chih-Yuan
Director	Yang, Song-Ling
Director	Jong , Jeng-Fang
Managing Director	Yen, Chun-Lan
Director (representing the labor union)	Chen, Chung-Tsan
Director (representing the labor union)	Hsu, Ming-Chun
Director (representing the labor union)	Tsai, Kuei-Hua

List of Current Members of the Resolution Plan Steering Committee:

Title	Name
Executive Vice-President Convener of the Steering Committee	Huang, Cheng-Ching
Chief Compliance Officer and Head of Department of Legal Affairs and Compliance	He, Ying-Ming
Head of Department of International Banking (Secretary of the Steering Committee)	Liu, Tina H. N.
Head of Department of Planning	Chen, Chin-Yao
Head of Department of Legal Affairs and Compliance	Shih, Yung-Hsiang
Head of Department of Accounting	Hwang, Chiu-Ming
Head of Department of Information Management	Pi, Hai-Shan

IX. Resolution Planning Corporate Governance Structure and Processes Related to Resolution Planning

The resolution planning and the related corporate governance structure of LBOT are established and carried out in accordance with Section 165 (d) of the Dodd-Frank Act and the existing corporate governance structure of LBOT. The Resolution Plan Task Force of LBOT drafts the Plan with the assistance of external consultants and submits the draft Plan to the Resolution Plan Steering Committee of LBOT for review. The Steering Committee submits the reviewed draft Plan to the Risk Management Committee of LBOT for review and then finally submits the Plan with the comments of the Risk Management Committee to the Board of LBOT for approval. The approved Plan shall then be filed with the FRB and the FDIC.

The supervision of the development, maintenance, implementation, and filing of this Plan, in principle, is achieved through a three-level structure formed by the board of directors of LBOT, the Resolution Plan Steering Committee of LBOT, and the Resolution Plan Task Force of LBOT:

Board of Directors

The board of directors of LBOT is at the top of the hierarchy of the management and approval of the Plan. The board is responsible to oversee the operations of the Resolution Plan Steering Committee, the policy, procedures and risk management related to the Plan.

Resolution Plan Steering Committee

The Resolution Plan Steering Committee, in each year, submits the Plan to the Risk Management Committee of LBOT for review after the Steering Committee itself has reviewed the Plan. The Steering Committee then submits the Plan to the board of directors of LBOT for approval after the Risk Management Committee has reviewed the Plan. Members of the Steering Committee include the executive vice-president of LBOT who supervises the International Banking Department, the head of the International Banking Department and other senior management officials appointed by the President of LBOT. The powers and responsibilities of the Steering Committee include supervising the operation of the Resolution Plan Task Force and reviewing matters relevant to the Plan.

Resolution Plan Task Force

The Resolution Plan Task Force lays out the corporate governance structure and processes relating to the Plan and monitors the progress and quality of the Plan, and also acts as a contact point with relevant authorities and with external consultants on behalf of LBOT. The Task Force is responsible to submit quarterly reports to the Steering Committee of all matters pertaining to the Plan.

X. Description of Material Management Information Systems

The management information systems of LBOT LA Branch and LBOT NY Branch are not developed by LBOT on its own. They are developed by external contractors and are sufficient to generate the information necessary to execute the resolution strategy described below. The systems are widely involved in the daily transactions, valuation procedures, risk management, funding, performance assessment, regulatory filings, and reporting of accounting and financial information. LBOT has promulgated policies and procedures to ensure the effectiveness and completeness of the management information systems operated at LBOT LA Branch and LBOT NY Branch.

XI. High-level Description of Resolution Strategy

As required by the FRB and FDIC, LBOT has prepared the Plan under the assumption that LBOT and all of its subsidiaries and branches have reached the point of simultaneous failure. This hypothetical failure is addressed under each of the baseline, adverse and severely adverse economic scenarios. Further, as required by FRB and FDIC, in this Plan LBOT will state a resolution strategy solely for its U.S. operations.

LBOT LA Branch and LBOT NY Branch, as state-licensed branches, would be placed into the receivership of the California and New York state banking authorities respectively in the event of failure, and the branches will be resolved under the applicable insolvency laws in each state.

Considering the limited wholesale banking products and activities of LBOT LA Branch and LBOT NY Branch, the preferred resolution strategy for the two branches is an orderly and deliberate wind-down of operations and sale of assets and liabilities under the applicable insolvency regime. Under this approach, the key assets of LBOT LA Branch and LBOT NY Branch likely would be liquidated or would be transferred along with their deposits and other liabilities to an acquirer. The liabilities not thereby assumed in such transfers would be satisfied to the extent of the assets remaining in the respective receiverships.