

Subject:

Notice relating to special reserve requirement for New Taiwan Dollar demand deposits,
effective from January 1, 2011.

Basis:

Paragraphs 1 & 3, Article 23 of the Central Bank of the Republic of China (Taiwan) Act and Article 42 of the Banking Act.

Announcement:

Financial institutions shall set aside reserves for NTD demand deposits of overseas Chinese and foreign nationals, foreign institutional investors and Mainland China investors in accordance with the following provisions, effective from January 1, 2011:

1. The reserve requirement ratio shall be 90 percent for the portion of the aforementioned demand deposits balance exceeding the outstanding balance of December 30, 2010; the reserve requirement ratio shall be 25 percent for the portion of demand deposit balance not exceeding the outstanding balance of December 30, 2010.
2. A zero remuneration rate will be applied to those funds originating from the aforementioned demand deposits in reserves accounts B held with the Bank.