



Deposit Insurance Corporation of Japan

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Financial assistance for business transfer of Chubu Bank approved

The Deposit Insurance Corporation of Japan (DICJ), February 19, 2003, approved its financial assistance for the business transfer from the Chubu Bank to the Bridge Bank of Japan (BBJ). The DICJ's financial assistance will be given in response to the request jointly made on March 29, 2002 by the Chubu Bank and the BBJ.

Monetary grant to BBJ	94.4 billion yen
Loan to RCC	
(1) Amount:	64.6 billion yen
(2) Purpose:	Purchase of assets from Chubu Bank

The assistance approved this day is the first case that the BBJ functions as an assuming financial institution. The business of the Chubu Bank will be transferred to three re-assuming financial institutions from the BBJ at the same time the business is transferred from the Chubu Bank to the BBJ.

1. The Chubu Bank was placed under the management of financial administrators on March 8, 2002. The DICJ, Mr. Michiyoshi Honma, attorney at law, and Mr. Shinichi Hasegawa, CPA were appointed as financial administrators respectively on the same day. The Chubu Bank transferred its business to the BBJ as there did not appear any financial institutions to take over the business of the Chubu Bank by the date of expiry of full protection scheme for depositors, March 31, 2002.

The request for the financial assistance under the Supplementary Provision of the Deposit Insurance Law, Article 16 (financial assistance to cover the excess of pay-out cost) was made to the Commissioner of the FSA and the Minister of Finance on March 29, 2002.

The financial administrators together with the BBJ made endeavors to find out assuming institutions of the Chubu Bank, and therefore the Shimizu Bank, the Shizuoka Chuo Bank and the Tokyo Star Bank finally came out as the candidates to take over the business of the Chubu Bank through the BBJ. The agreement was concluded by the Chubu Bank, the BBJ and each assuming institution. Considering the circumstances above, the DICJ extends financial assistance to assuming institutions for the transfer of the business of the Chubu Bank.

2. The financial administrators filed two civil cases against eight ex-management people of the Chubu for damage compensation on February 18, 2003.

As to the assets purchased by the RCC from the Chubu Bank, the RCC is going to seek the recovery and accusation of the management liability of the borrower under the fiduciary obligation with the DICJ. The DICJ will cooperate and continue to keep close relationship with

the RCC, including the execution of the right for asset investigation to support them for achieving their business purposes.

3. 179 cases were resolved by the DICJ through financial assistance including the case of the Chubu Bank as of today. The cumulative amount of financial assistance made through monetary grant accounts for 18,529.4 billion yen, 6,276.9 billion yen by asset purchases and the remaining were made through debt assumption and loans totaling 12 billion yen.

For further inquiries, please send e-mail to inter-info@dic.go.jp.