

## Annette Lu calls for Taipei Bank takeover probe

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Former vice president Annette Lu, second left, and Taipei City councilors yesterday present evidence of wrongdoing in Fubon Bank's 2002 takeover of Taipei Bank.

**Photo: Chang Chia-ming, Taipei Times**

Former vice president Annette Lu (呂秀蓮) yesterday presented more evidence which she said showed that former president Ma Ying-jeou (馬英九) was involved in the formation of Taipei Fubon Commercial Bank (台北富邦商業銀行), as she demanded that prosecutors conduct a thorough investigation of the case.

Lu accused Ma of influence-peddling and illegal conduct in Fubon Bank's (富邦銀行) takeover of Taipei Bank (台北銀行) — resulting in the formation of Taipei Fubon Commercial Bank — in 2002 when Ma was Taipei mayor.

Others have also long suspected wrongdoing, alleging that Ma directed the takeover deal when state-owned Taipei Bank was under the city government's control to generate more than NT\$30 billion (US\$992.5 million at the current exchange rate) in unlawful profits that benefited the bank's owners and himself.

The takeover deal was signed by then-Taipei Department of Finance director Lee Sush-ter (李述德), but the legal representative of the bank was Ma and Lee had no authorization to represent the city government, Lu said.

She said that according to the Company Act (公司法) and the Business Mergers and Acquisitions Act (企業併購法), when a company is being sold or taken over, the deal requires the approval of a majority of shareholders, while at least two-thirds have to attend a shareholders' meeting.

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“However, there was no shareholders’ meeting or a vote, and therefore the deal was illegal,” Lu said. “The Taipei City Government sold Taipei Bank’s 3,545 ping [11,719m<sup>2</sup>] of land and 27,000 ping [89,256m<sup>2</sup>] of commercial building floor space at lower than market valuation. So the bank’s owners acquired those assets at far below market prices.”

Lu also displayed a letter she said she received from then-Fubon Group chairman Tsai Wan-tsai (蔡萬生).

“During that period, I questioned the legality of the takeover during a media interview and called for the judiciary to conduct an investigation. Tsai was angered by my words, even though I had no particular reason to pick a fight with Fubon Group,” Lu said. “So Tsai sent me this letter, in which he questioned my understanding of the deal and said that my words were misguided. In the letter he wrote that [then-]president Chen Shui-bian (陳水扁) choosing me as vice president was a mistake and demanded that I withdraw from the 2004 presidential election.”

Lu said she was outraged at what Tsai had done.

“This is a very serious issue, that a business conglomerate can openly interfere in the nation’s political affairs,” she said.

Lu and some Democratic Progressive Party (DPP) Taipei city councilors said they have retained attorney George Wang (王鴻偉) to pursue the case against Ma.

Based on his calculations, Wang said the Taipei City Government enabled the bank’s owners to reap financial benefits of about NT\$37.3 million.

“We urge prosecutors to dig through the details of this case and conduct a thorough investigation, so these questionable profits can be returned to the city government,” Wang said.

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“We wanted Taipei Mayor Ko Wen-je (柯文哲) to join us to help prosecute this case and retrieve the illegal profits for the city’s residents, but he did not see fit to meet with us and that is why we sought help from Lu,” he said.

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