ELECTRONIC & COMPUTER CRIME POLICY
APPLICATION FORM

<u>SECTION A - PARTICULARS OF BANK</u>

1. a) Name of Bank.

    b) Name and principal activity of all subsidiary companies to be covered by this policy.

    c) Address of Main Office.

2. Date Established

3. a) Is your corporation a publicly owned or private corporation or a partnership?

    b) Does any individual or organization own more than 10% of the equity? If so, identify the same.

    c) Has there been any change of control, merger, purchase or acquisition of assets within the last three years? If so, identify the transaction and parties.

4. As shown in the last Annual Statement or Report, please indicate:

    a) Authorized Capital
    b) Paid up Capital
    c) Total Assets
    d) Total Deposits
    e) Total Loans and Discounts.

5. What percentage of revenues are derived from the following operations:

    a) Commercial Banking   %
    b) Investment   %
    c) Trust Operations   %
    d) Retail Banking   %
    e) Stock Brokerage Transactions   %
    f) Foreign Exchange Dealing   %
    g) Factoring   %

6. State <u>total</u> number of employees.

7. State <u>total</u> number of locations.

8. State number of data processing centers.

SECTION B - PARTICULARS OF COVERAGE

9.   a)   State the limit of indemnity and the applicable deductible amount for your Bankers Blanket Bond.

        b)   List the wording and riders in force.

        c)   Name the insurance broker through whom your bond is placed.

10.   a)   State the limit of indemnity and the applicable deductible amount required for your Electronic and Computer Crime Policy.

        b)   Is additional coverage not provided by the Electronic and Computer Crime Policy required? If so, give details.

11.   Has any application for insurance of this nature (including the Bankers Blanket Bond) been declined by any insurance company or underwriter at Lloyd's or has any policy been cancelled or renewal refused? If so, state reasons.

12.   Please describe any major recommendations and/or control deficiencies noted by the external auditor, regulatory authority or independent consultant. Attach a copy of said recommendations and managements written response.

SECTION C - LOSS EXPERIENCE

13.   Please give in the space provided below, brief details of any losses which you have sustained during the past five years, that involved any use of computer operations or computer related operations, and/or any circumstances likely to give rise to a loss or losses (whether insured or uninsured).

Date Discovered	Location	Nature of Loss	Amount Actual or Estimated

Unless the information has been provided above, please attach full details of corrective measures taken to avoid recurrence of the said losses.

SECTION D - GENERAL DESCRIPTION OF DATA PROCESSING

14.

Service Class (as applicable)	Approx. number of Daily Transactions	On Line Or Batch	In House Accessed or Service Bureau	Electronically by no Employees
a) Demand Deposit				
b) Commercial Deposit				
c) Time Deposit				
d) Retail Loans				
e) Commercial Loans				
f) Letters of Credit				
g) Personal Trust				
h) Corporate Trust				
i) Funds Transfer				
j) Foreign Exchange Dealing				
k) Automated Clearing				
l) Securities Transfer				
m) Securities Custody				
n) Cash Management				
o) Miscellaneous/ Other				

Do you provide any of the above services for any correspondent bank or financial institution? If so, specify.

15.   Is your data processing organization centralized or decentralized in the following areas:

   a)   Systems developments, software acquisition.

   b)   Operation of major systems including telecommunications systems.

   c)   Acquisition and operation of small computers.

   d)   Personal computing and decision support systems.

16.   Please list the approximate percentage of data processing performed according to the following source categories:

   a)   In-house operations

   b)   Arrangement with holding company

   c)   Arrangement with correspondent bank

   d)   Arrangement with joint venture

   e)   Arrangement with service vendor (non-bank)

   f)   Arrangement with subsidiary

SECTION E - GENERAL PROCEDURES

17.   DATA SECURITY OFFICER

   a)   Have your designated a Data Security Officer, who is charged with responsibility for the implementation and administration of data security?

   b)   To whom does the Data Security Officer report?

   c)   Is there a written Data Security Manual Outlining corporate policy and standards necessary to ensure security of data?

18.   INTERNAL EDP AUDIT

   Is there on internal E.D.P. audit department? If so;

   a)   Is there a written E.D.P. "audit and control procedures" manual?

   b)   How many people are employed in the E.D.P. audit department?

c)   Has the internal E.D.P. auditor been specifically trained to fulfill his responsibilities in Data Processing?

d)   Is there a full continuous audit programme in operation? If not, state scope of the current audit.

e)   Are written audit reports made? If so, for whom?

f)   Are the people responsible for auditing free of all other operational responsibilities and forbidden to originate entries?

19.   EXTERNAL AUDIT

a)   State the name of the outside firm of certified accountants who audit your accounts annually, other than governmental Bank examinations, directors examinations and similar limited scope audits. In addition please state:

b)   i)   Frequency of outside audit.

              ii)   Does the outside audit include all locations, including all data processing centers? If not, to what extent is the audit performed?

              iii)   Does the auditing firm regularly review your system of internal controls and furnish written reports.

              iv)   Has the auditing firm made any recommendations in the area of data processing that have not been adopted? If so, state said recommendations and your reasons for not adopting them.

20.   INPUT AND SYSTEM ACCESS

a)   Are passwords used to afford varying levels of entry to the Computer System depending on the need and authorization of the user?

b)   Are passwords regularly changed when there is any turnover in knowledgeable personnel? If passwords are not used, describe the alternative method used.

c)   Are all source documents secured to prevent unauthorized modification or use of data before entering the computer system?

d)   Do personnel inputting data either initial, sign or otherwise identify data they prepare?

e)   Is the use of terminals restricted only to authorized personnel?

f)   Are unique passwords used to identify each terminal?

g)   Are remote terminals kept in a physically secure location accessible to authorized personnel only? If not, please describe what steps are taken to prevent an unauthorized user from utilizing a terminal.

h)   Do you utilize any software security packages to control access to your computer systems (ACF2, RACF, SECURE)? If so, please specify package used.

21.   COMMUNICATIONS

a)   Are terminals restricted to the type of message that can be sent or received from it?

b)   Are special log-on passwords (separate from an individual operators password) used when logging in a terminal to provide verification of the terminals identity?

c)   Do you encrypt data? If so, please provide details.

d)   Do you use a software system to monitor telecommunications (i.e. TCAM)?   If so, please specify system used.

22.   PHYSICAL SECURITY

a)   Is the data processing center physically separated from other departments?

b)   Is the data processing center specifically protected by the following:

   i)   Burglar Alarm

   ii)   Camera System

   iii)   Fire Suppression System

   iv)   Guards

   v)   Access Control System

   vi)   Other methods (please describe)

c)   Are there positive entry control procedures used to restrict the entry of non-authorized personnel into your data processing centre utilizing the following:

   i)   mantrap entry system

   ii)   television recorder to a central guard area

   iii)   personal identification by shift supervisors

   iv)   minicomputer badge system?

d)   Is at least one file generation istored and secured off-site from the main data centre in a restricted area?

e)   Are the tape/disc Libraries physically separated from other departments in a restricted area?

SECTION F - CHARACTERISTICS

23.   ASSUREDS COMPUTER SYSTEMS

As required by the policy wording, please identify all your computer systems to be insured hereunder, by providing details of:

a)   Manufacturer/Vendor

b)   CPU Model/Description

c)   Operating System/Software description.

If you operate more than one of a specific CPU model/description, please identify the quantity.

24. AUTOMATED TELLER MACHINES

a)   State the number of automated teller machines operated by the bank.

(Note: this does not include shared networks)

b)   Do you participate in an automated teller machine System shared or operated by another organisation?

If, so, identify the same and provide full details of the network.

c)   Are the automated teller machines on-line to a central computer.

25.   SERVICE BUREAU COMPUTER SYSTEM

a)   Do you utilize any person, partnership or organization (other than the Assured) to convert source data to electronic data? If so, please identify:

i)   The name of the service bureau.

ii)   The service class provided.

b)   Have all service bureaus been authorized by written agreement?

c)   Do you require all service bureaus utilized to obtain separate fidelity insurance? If so, for what minimum amount?

26.   INDEPENDENT CONTRACTORS

a)   Do you utilize independent contractors to prepare Electronic Computer Instructions?

b)   Do you obtain a written agreement from the independent contractors outlining their responsibilities?

c)   Do you require all independent contractors to obtain a separate fidelity policy? If so, for what minimum amount?

27.   ELECTRONIC DATA PROCESSING MEDIA

Do you store Electronic Data on:

a)   magnetic tape

b)   punched tape

c)   magnetic disc

d)   punched cards

e)   others, please specify:

28.   AUTOMATED CLEARING HOUSE

a)   Do you engage in a system of clearing debits and credits electronically through an Automated Clearing House?

b)   Do you use such a system to direct deposits of recurring payments?

c)   Are you on-line to the Automated Clearing House?

d)   Identify the Automated Clearing System to which you belong?

29.   ELECTRONIC COMMUNICATIONS SYSTEMS

Please identify all forms of automated interbank Electronic Communications Systems used:

a)   FEDWIRE

b)   CHIPS

c)   SWIFT

d)   BANKWIRE

e)   TELEX

f)   TWX

g)   TELENET

h)   TYMNET

i)   Other networks, Please specify.

30. CUSTOMER COMMUNICATIONS SYSTEMS

   a) Do you have any on-line cash management systems with corporate customers? If so, please provide:

      i) the name of the systems.

      ii) brief description of the services offered.

      iii) brief description of the system configuration.

      iv) approximate number of clients - copy of the agreement between the Bank and customers and/or a Handbook.

   b) Do you allow any customers electronic access to your computer system through:

      i) Bank at Home
      ii) Point of Sale
      iii) Cash Dispensers
      iv) Telex Interface
      v) Other Terminal Interface, please specify.

   If so, please provide details.

Declaration

We declare that the statements and particulars in this Application Form are true to the best of our knowledge and belief and that we have not misstated or suppressed any material facts. We agree that this Application Form together with any other information supplied by us shall form the basis of any contract of Insurance effected thereon and shall be incorporated therein. We undertake to inform Insurers of any material alteration of these facts whether occurring before or after completion of the Contract of Insurance. Signing this Application Form does not bind the Applicant to complete this insurance.

Dated this _____ day of _____ , _____ .

FOR & ON BEHALF OF _____

(Insert name of Bank)
*Signed
Chief Executive Officer

_____

*Signed
Insurance/Risk Manager

_____

*Signed
Data Processing Manager or Data Security Officer

_____

AIG Insurance Hong Kong Limited

46/F, One Island East
18 Westlands Road
Island East, Hong Kong

Tel: +852 3555 0000
Fax: +852 2147 1450