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Fubon Financial
CSR Report

About This Report

Fubon Financial Holdings embraces corporate social responsibility to fulfill its responsibility as a corporate citizen. Founded on a philosophy of honest management and positive thinking, the company aspires to bring outstanding financial services to Chinese communities throughout Greater China and become one of Asia's first-class financial institutions.



Period Covered

This report describes the company's practices and performance in the fields of environmental protection, social engagement and corporate governance in 2013 (from Jan. 1, 2013 to Dec. 31, 2013).



Scope of the Report

The report covers the CSR-related activities within Taiwan of Fubon Financial Holdings and its four major subsidiaries (Taipei Fubon Bank, Fubon Securities, Fubon Insurance and Fubon Life), which are referred to below collectively as "Fubon Financial Holdings," "the Company," or "Fubon." Information on social welfare activities incorporates the work of four foundations: the Fubon Charity Foundation, the Fubon Cultural & Educational Foundation, the Fubon Art Foundation, and the Taipei Fubon Bank Charity Foundation.



Reporting Guidelines

The 2013 Fubon Financial Holdings Corporate Social Responsibility Report is aligned with the Global Reporting Initiative's (GRI) new G4 Sustainability Reporting Guidelines issued in 2013. It includes an index showing the extent of reporting based on the GRI content index, the United Nations global compact, Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-listed Companies, and the ISO 26000 social responsibility standard. To reflect the Company's special environmental practices, such as carrying out a carbon footprint inventory and reducing energy consumption and emissions, the content index also discloses aspects and indicators not considered to be material. The report also elaborates on the company's commitment to customers, employees, the environment and society. Fubon Financial Holdings' corporate citizenship report will continue to be published on an annual basis in the future.

The information and data disclosed in this report are based on statistics from Fubon Financial Holdings and the four foundations. Financial figures come from Fubon Financial Holdings' audited financial statements. All uses of statistics follow standard practices or rely on publicly available government information and data. There have not been significant changes in the methods used from the previous reporting period (2013), but if there are differences, they are explained in the section in which they appear.



Report Certification

To ensure the reliability of the information included in this report, Fubon Financial Holdings commissioned the British Standards Institution to verify the report's materiality, inclusiveness and responsiveness in accordance with standard AA1000. It was found to comply with the GRI G4 core option and the AA1000 standard, and the certification statement has been included in the report.



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Message from the Chairman

The 2013 Fubon Corporate Social Responsibility Report is the fourth CSR report issued by Fubon Financial Holdings to receive international certification. In the process of compiling the report, we were able to reexamine our CSR practices.

2013 was truly an exciting year. In striving to outdo our previous endeavors as a good corporate citizen, we continued to make positive use of our core financial competencies and deepen the roots of financial education. Fubon was the first domestic financial institution to get involved in money management education for children and teenagers, and our sustained commitment in this area for the past 20 years has enabled healthy attitudes toward money and basic financial knowledge to take root among the young.

We have taken advantage, meanwhile, of the growing popularity of mobile communications to promote “green value” in the financial sector by developing a mobile service platform featuring mobile banking, cloud insurance, mobile claims and other convenient and real-time services. This platform has enhanced the efficiency of our services in an environmentally friendly way.

On the business side, the hard work of everybody in the Fubon family helped Fubon Financial Holdings post the highest profit in the industry in 2013 for the fifth consecutive year. After-tax income was a record NT\$32.71 billion, surpassing the previous high of NT\$30.54 billion set in 2011. Our expansion into China gained new momentum when the China Banking Regulatory Commission approved Fubon Financial Holdings and Taipei Fubon Bank’s acquisition of an 80% stake in Shanghai-based First Sino bank at the end of the year. The deal, which was formally completed in 2014, represented a huge stride forward for Fubon in the Greater China market.



Fubon strongly believes that talent is the key to reaching ever higher and has adopted a comprehensive “investing in people” framework to realize that vision. From entry-level training to the development of senior executives, the program prepares employees at all levels to master their operating environment and cope with change. We also encourage our employees to exercise and set up a “Run for Fun Gang” in 2013. The group is led by a professional trainer who guides participants on running with the right form, enabling them to have more fun exercising and maintain high energy levels.



Our commitment to using our core financial competencies to give back to society remained as strong as ever in 2013. Taipei Fubon Bank expanded its “Future Tycoon Outreach Program” by having more of its executives visit remote schools and shape healthy attitudes about money in Taiwan’s youth. Empowering the students with basic financial knowledge has enabled the seeds of financial responsibility to sprout in their minds.

To help businesses cope with the growing risks of extreme weather, meanwhile, Fubon Insurance has held corporate loss control seminars and offered integrated natural disaster risk management services for years. These initiatives have helped companies effectively reduce risk and take appropriate financial planning measures.



Fubon Life has listened to its customers and created health and life risk planning services to meet the needs of Taiwan’s aging society. It has also taking the initiative to care for the elderly through visits to nursing homes or other venues, helping younger generations better understand how long-term care facilities operate and gain an appreciation for the state of mind of the seniors receiving care. The Taipei Fubon Bank Charity Foundation is likewise committed to elderly care issues and launched a program in 2008 to provide caregivers the knowledge and support needed to keep them healthy and offer the best possible care. The initiative won a Global Views Monthly Corporate Social Responsibility Excellence Award in 2013 for tackling an important social issue.



Fubon Financial Holdings Chairman Daniel M. Tsai



Fubon Financial Holdings advanced its advocacy for saving energy and green living by sponsoring and participating in Taiwan's Earth Hour activities in 2013. We backed up our vision with action, taking measures to reduce power consumption by an estimated 274,000 kWh a year. The resulting reduction in carbon emissions was the equivalent of an amount absorbed by 14,000 trees.



Fubon fully appreciates that promoting social welfare starts with one's own efforts to generate positive ripples throughout society and get more people involved in creating a common good. 2013 was the 10th anniversary of the Fubon Volunteer Association, and several events were held to celebrate the occasion. More than 10,000 Fubon associates pledged at a mass rally to join the ranks of volunteers, and the association's "Social Welfare Ambassador" program was expanded to encourage more employees to submit proposals for funding social welfare groups and get them personally involved in helping those in need.

In 2014, Fubon Financial Holdings will look to capitalize on opportunities created by the gradual deregulation of financial markets across the Taiwan Strait by offering an even more diverse range of outstanding financial products to help clients diversify their portfolios, hopefully increasing market share in the process. We will also search for suitable acquisition targets that can extend our presence in Asian markets and contribute to the Company's steady growth. As we expand overseas, employees will have more opportunities to be rotated abroad. The training given those being sent abroad is contributing to our systematic efforts to nurture international talent, which, combined with overseas rotations or internships, will enable our people to quickly accumulate valuable international experience.

While aggressively expanding our business network, we will still address the lifestyle changes resulting from social and environmental change through our core competencies and a variety of special welfare initiatives, including developing financial education teaching materials that will spread educational benefits to more youngsters. We will also continue to respect our commitments to all of our stakeholders, with sustainable operations a top priority, helping Fubon Financial Holdings advance steadily closer to becoming one of Asia's first-class financial institutions.

Sustainable Operations

Fubon Financial Holdings provides the most comprehensive network of financial services in the Greater China region. Our assets are the second highest of any listed financial holding company in Taiwan, and we are the only Taiwanese financial institution with bank subsidiaries in Taiwan, Hong Kong and China. Backed by a “robust network, steady growth” strategy and a dedication to spreading positive energy, we continue to stride closer to our vision of becoming one of Asia’s first-class financial institutions, with sustainable operations the ultimate goal.

It has become clear to us that the main objective of corporate social responsibility is ensuring that a company’s operations are sustainable. Fubon Financial Holdings’ Management Committee, composed of senior executives of Fubon subsidiaries, is responsible for reviewing and deciding the Company’s operating strategies, including CSR. It studies CSR-related issues and tasks and issues directives that are then carried out by the CSR Task Force, which is comprised of representatives of several Fubon Financial Holdings’ divisions. The task force is also responsible for establishing Fubon’s Corporate Social Responsibility Best Practice Principles to build a solid foundation for our sustainable development.



Company Introduction



The Benchmark for Taiwanese Financial Institutions in Greater China

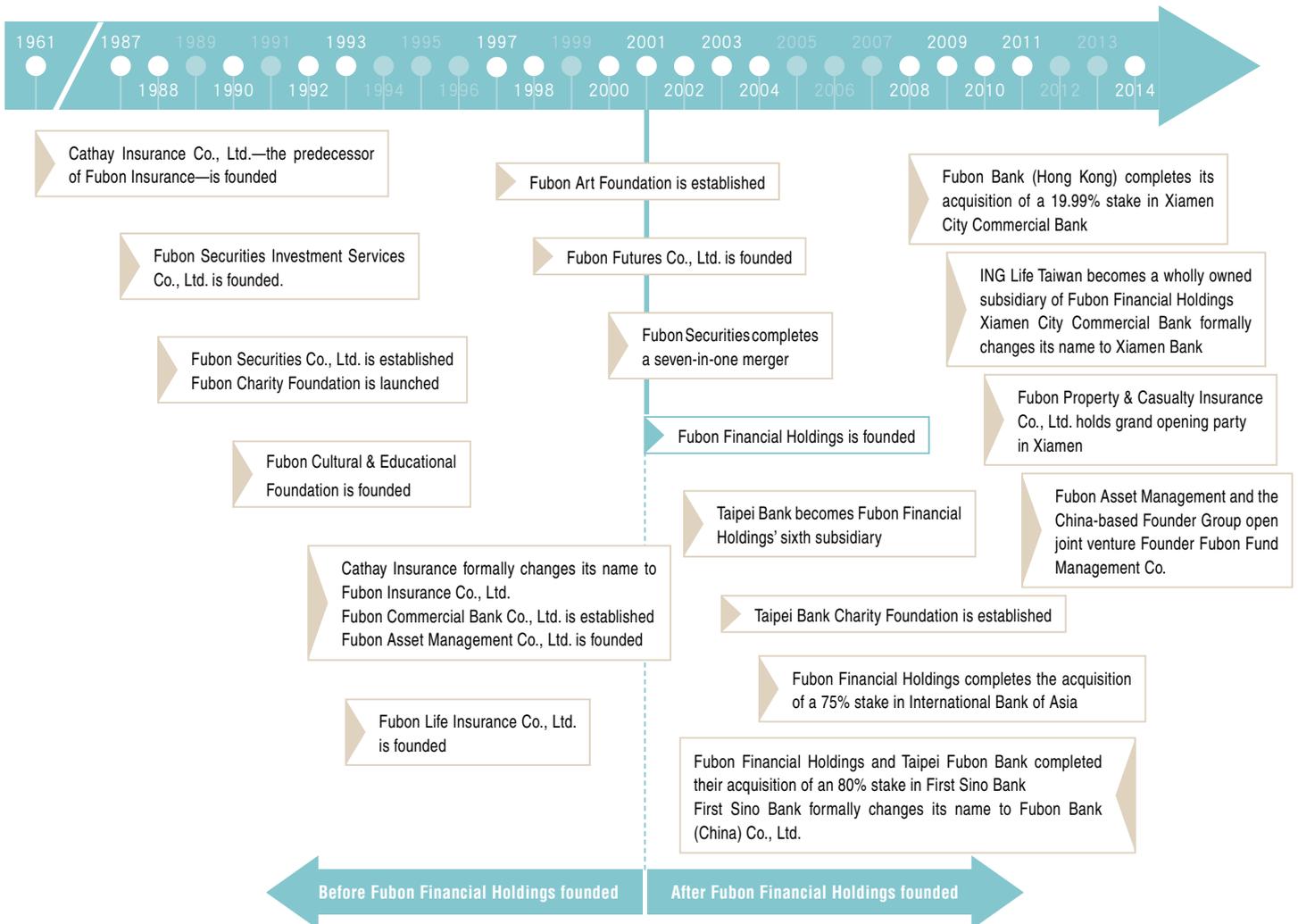
Fubon Financial Holdings offers the most complete and diversified line of financial products and services in the industry through its many subsidiaries, including Taipei Fubon Bank, Fubon Insurance, Fubon Life, Fubon Bank (Hong Kong), Fubon Securities and Fubon Asset Management. All of these subsidiaries are leaders in their fields.



A Diverse Network with Outstanding Subsidiaries

The Fubon Group gets its start in 1961 when Fubon Insurance (formerly Cathay Insurance) began operations as Taiwan's first private general insurer. As the government progressively deregulated the country's financial services sector beginning in the late 1980s, Fubon applied to establish investment services, securities, banking, asset management, life insurance and bills financing units. At the end of 2001, Fubon Financial became the first financial holding company in Taiwan to go public, and its product line was soon recognized as the most comprehensive in the financial services sector.

Fubon Financial Holdings' subsidiaries have consistently ranked among the top performers in their respective fields. Fubon Insurance has the highest market share in Taiwan's general insurance sector at above 22%; Fubon Life ranked first in total premium and market share among life insurers in 2013; Taipei Fubon Bank is one of Taiwan's biggest privately owned banks; and Fubon Securities ranks among Taiwan's top three securities houses in brokering trades on the Taiwan stock exchange.





Building Greater China's Most Complete Financial Institution

At the end of 2008, Fubon Financial acquired a 19.99% stake in Xiamen Bank through Fubon Bank (Hong Kong), becoming the first Taiwanese financial institution to gain a foothold in a mainland Chinese bank. Xiamen Bank now has 45 locations. Beginning in 2010, new outlets were opened outside Xiamen in other important cities in the Western Taiwan Strait Economic Zone, such as Fuzhou, Quanzhou and Zhangzhou, and a branch was also established in western China in Chongqing.

Fubon Insurance opened a subsidiary in China – Fubon Property & Casualty Insurance Co. – that began operations in Xiamen in October 2010, becoming the first Taiwanese-invested insurance company to open in China after the Taiwan-China Economic Cooperation Framework Agreement took effect. As of October 2013 Fubon Property & Casualty had a network of 15 locations covering Xiamen, Fuzhou, Quanzhou, Zhangzhou, Pingtan, Chongqing and Dalian. The insurer has quickly earned positive recognition, being honored with a Gold Award for its outstanding service team two years in a row in an annual survey of the top regional insurance companies by the Strait Herald (a media group in Xiamen). Moving forward, Fubon Property & Casualty intends to replicate Fubon Insurance's professional experience and outstanding service in China's market.



In July 2011, Fubon Asset Management joined with China-based Founder Securities to establish Founder Fubon Fund Management Co. in Beijing, the first fund management company set up through a cross-strait joint venture. Fubon Life, meanwhile, joined with Nanjing Zijin Investment Group to launch Fubon Zijin Life, and the joint venture is currently pending approval from Chinese regulators.

In January 2014, Fubon Financial Holdings and Taipei Fubon Bank formally acquired an 80% stake in First Sino Bank, a major milestone in Fubon's long-term expansion into Greater China that established Fubon Financial Holdings as Taiwan's only financial institution with banking subsidiaries in Taiwan, Hong Kong and China. We will continue to search for partnership opportunities in other fields in the future to achieve our vision of forging the most comprehensive financial services platform in Greater China.

Core Values

Fubon has embraced four core values as it has built up its business in Taiwan over the past half century: integrity, sincerity, professionalism and innovation. "Integrity and sincerity" guide our daily operations; "professionalism and innovation" define our strategic position. Integrity is prized in the financial sector and at the foundation of everything we do. Sincerity informs how we serve customers and satisfy their needs. To build a passion for service quality within the organization, we have created a "Service Stars" award to honor employees with outstanding service attitudes.

Aside from providing sincere service, striving for excellence is also a must in the financial sector, and that means offering outstanding products and services to customers with a high degree of professionalism. Innovation is imbued in Fubon Financial Holdings' business strategies, from bringing in people from the outside to spark innovation in our internal business models to encouraging breakthrough thinking and the embracing of challenges. These values all enable Fubon's business expansion and performance to continue to outpace the rest of the industry.

Fubon Financial Holdings firmly believes that companies should go beyond pursuing profit growth and make sustainable operations their top priority, and we are committed to being a positive force in the financial sector.

New Foundation for Our Next Stage of Growth

In 2005, Fubon Financial Holdings launched "Project One" to become more customer-oriented, reorganizing the holding company's subsidiaries into six business groups and uniting the interests of customers, shareholders and employees under the vision of "One Firm," "One Goal," "One Team." "Project One" enabled us to generate steady growth and expand our business network. Even more importantly, it instilled among Fubon employees the mindset that they are part of Fubon Financial Holdings, the best indication that "Project One" had achieved its mission.

In October 2013, we changed our organizational structure back to one centered on "subsidiaries" rather than "business groups" because we felt that only by making the organization more efficient and responsive to local conditions could we preserve our forward momentum. This new structure should deliver even better service to customers at the branch level.

In conjunction with this reorganization, Fubon Financial Holdings began a generational transition by reshuffling management, expecting that a new organization and management team will lead the Company in getting stronger in Taiwan and aggressively expanding into Greater China.

Benchmark for Corporate Governance in Taiwan's Financial Sector

The strong performances of Fubon Financial Holdings and its subsidiaries continue to receive widespread recognition from prestigious financial media. Fubon Financial Holdings was named the "Most Admired Company" in the domestic financial holding sector by CommonWealth Magazine in 2013 for the fourth time in five years and was ranked by CommonWealth among the top five corporate citizens among big companies in Taiwan for the first time. Fubon Financial Holdings also received a Recognition Award for corporate governance from Corporate Governance Asia for the fifth consecutive year in 2013, recognition of the Company's determination and efforts in this area. For other awards, please see Fubon's official website.

2013 Performance



Economic Performance

Led all financial holdings companies in **profit** for the fifth consecutive year

No. 1



NT\$1 million	2011	2012	2013
Total Assets	3,622,863	4,105,866	4,570,547
Shareholder Equity*	233,683	306,429	316,458
Net Income*	30,543	29,149	32,709
Earning per share (NTD)	3.39	3.07	3.31
Book value per share (NTD)	25.93	32.17	30.92
Return on Equity* (%)	13.5%	10.7%	10.5%
Return on Assets* (%)	0.9%	0.8%	0.8%

The figures above are the consolidated results of Fubon Financial Holding Co. and its subsidiaries.

* The stockholders' equity and net income figures used in this calculation are those for the parent company.



Honors and Achievements



Fubon Financial Holdings: Recognition Award for corporate governance and "Best Corporate Social Responsibility Award" in Taiwan from *Corporate Governance Asia*



Fubon Financial Holdings: "Platinum Award" for corporate governance from *The Asset*



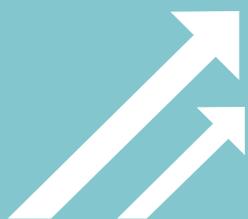
Fubon Financial Holdings: Ranked fifth for Corporate Citizenship in the large-scale company category by *CommonWealth Magazine*



Fubon Financial Holdings: "Action Mark" certification and "Green Procurement Promotion Award" from Environmental Protection Administration

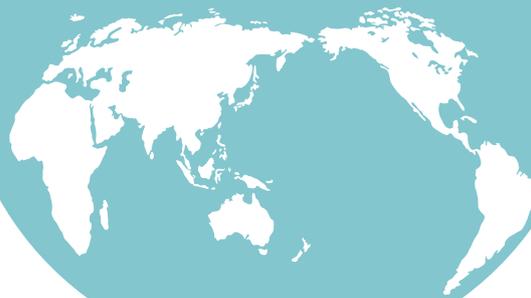
Had after-tax profit in 2013

NT\$ **32.71** billion



- Had after-tax profit of **NT\$32.71 billion**, a record high, and EPS of NT\$3.31 in 2013. Had NT\$4.57 trillion in assets as of the end of the year, the **second largest** of any publicly listed financial holding company.

Serves more than
10 million customers
worldwide



In the industry
No. 1



First in the industry in 2013:

- Fubon Life led the life insurance sector with first-year premium of NT\$212.9 billion.
- Fubon Insurance had a market share of 22%, leading the general insurance sector for the 32nd straight year.



Fubon Financial Holdings: Excellence Award as a Top Green Brand in the financial sector



Taipei Fubon Bank: Named as "Benchmark Company" for green purchasing by the Taipei City government



Fubon Financial Holdings: Excellence Award for "Sustainability Performance – Social Inclusion" in the Taiwan CSR Awards



Fifth Taiwan Insurance Best Performance Awards: Fubon Insurance – "Best Staff Training" and "Best Public Service"; Fubon Life – "Best Staff Training"



Environmental Performance

- Fubon Financial Holdings set a first in the industry when one of Taipei Fubon Bank's mainstream credit cards, the "Fubon Fortune Platinum Card," was certified by a third party against carbon footprint standard, **the first domestic financial institution** to have a credit card verified its carbon footprint through life cycle.



Fubon Fortune Platinum Card



- In 2012, began participating in the Carbon Disclosure Project, an initiative launched by mainstream institutional investors to combat climate change. **Became a CDP signatory** in 2013 to show Fubon's concern for climate change.



Earth Hour



- Began participating in Earth Hour in Taiwan in 2010 and sponsored Earth Hour activities in 2013 to promote the ideals of saving energy and living a “green” lifestyle. Became the main sponsor of Earth Hour activities in 2014, and had 267 Fubon locations shut off their lights for one hour.

Energy-saving management



- Changed all lighting in Fubon offices to T5 and LED energy-saving lights; eliminated high-energy consumption air conditioning units; and installed automatic on-off switches.

- Created an energy management team to study energy management practices; it encouraged Fubon retail outlets to turn off lights in their signs an hour earlier and non-commercial units to turn off their lights for an hour at noon; it also installed energy-saving features and settings on all personal computers. The initiatives can save an estimated 274,000 kWh of electricity and the equivalent of 145.77 tons of carbon emissions per year, an amount of emissions that would take **14,000** trees to absorb.

Strengthened “green value” in financial services



- Taipei Fubon Bank was the first in the industry to put out a service locator App for credit card users to upgrade mobile services and reduce paper usage.
- Taipei Fubon Bank continuously added and optimized mobile banking services, changing its interface seven times and installing or perfecting 30 items in 2013. A total of **200,000 people had applied for Internet banking accounts** as of the end of 2013.
- Fubon’s Life mobile insurance services eliminate the need for filling out complicated paper forms and reduce the time needed to process a request from three days to **10 minutes**.
- Fubon Life customers can go online to buy insurance and have their request approved in 10 minutes, compared with three days previously, generating **time savings of 99%**.
- “**M+VIP Mobile Value-added Services**,” a collaboration between Fubon Securities and Taiwan Mobile, offers innovative services that have opened a new “blue ocean” in the securities sector.

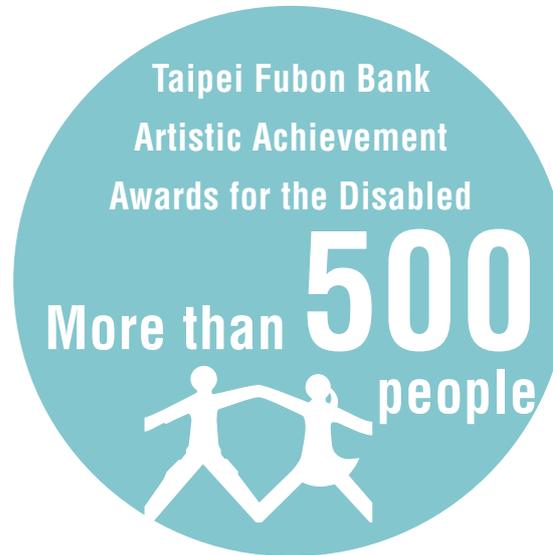


Social Engagement

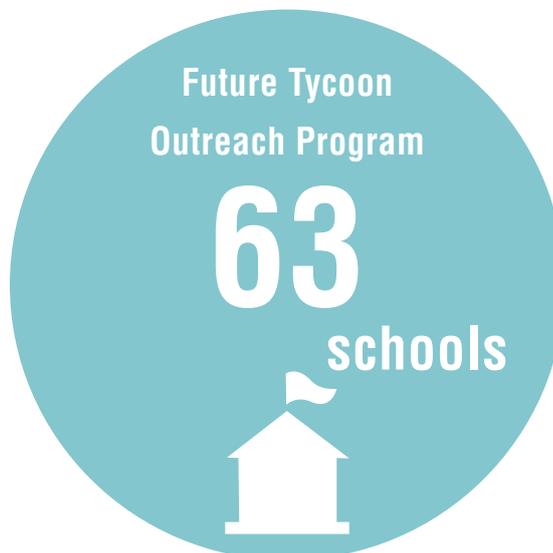
- Fubon Financial Holdings and its subsidiaries donated **NT\$171.89 million** in 2013.



- A total of **14,578 employees** from Fubon Financial Holdings and its subsidiaries volunteered **51,362 hours** in 2013.



- Fubon has been involved in financial education for children for 17 years through its "Future Tycoon Outreach Program," using a core competency to give back to society. As of April 2014, the program had imparted financial knowledge to nearly **20,000 students** in **63 schools** around Taiwan.



- In 2013, Fubon Financial Holdings employees spent more than **1.21 million hours** in training, an average of about **41 hours** per employee.



Giving Family Caregivers a Breather Excursions

5,418 people



- Since 2008, the Taipei Fubon Bank Charity Foundation's "Giving Family Caregivers a Breather Excursions" campaign has organized 197 events attended by **5,418 people** and received a Corporate Social Responsibility Award from Global Views Monthly.

- **More than 500 people** competed in the sixth "Taipei Fubon Bank Artistic Achievement Awards for the Disabled" in 2013, the most ever. The "All Love Orchestra," composed of past achievement award winners, brought the number of concerts played since its inception eight years ago to 140, manifesting a spirit of "transcending obstacles and challenging boundaries."

Second Generation Poverty-busting Savings Plan

70 low-income households



- The Taipei Fubon Bank Charity Foundation has taken advantage of its core financial competencies to collaborate with local governments on savings programs to help second generation members of low-income families escape poverty. Programs in Chiayi City and Taitung County helping a total of **70 low-income households continued** in 2013 (with completion expected in 2014).

Fubon Volunteer Association

10th



The Fubon Volunteer Association celebrated its **10th** anniversary in 2013 and held several activities to mark the occasion and give more Fubon employees the chance to get involved, as follows:

- "Take an Oath" rally: A total of **11,327 employees** took an oath to participate in the Fubon Volunteer Association. Volunteers contributed **16,362 hours** during the year, and 287 days off were approved for people to partake in volunteer activities.
- "Social Welfare Ambassador" campaign — "I'd 'Like' to Help" vote: An extension of the "Social Welfare Ambassador" initiative, NGO projects submitted by employees for funding that were approved were posted on the "I'd 'Like' to Help" vote website and put to a vote of Fubon's workforce. The top five vote-getters received an extra NT\$20,000 in funding. A total of **18,075 votes** were cast.
- "Give a Wish, Build a Future" campaign: Brought together Fubon's workforce around Taiwan to help fulfill the Christmas wishes of **6,249** economically underprivileged students at 154 schools or in the care of 13 social welfare organizations.

Employees Training

.21 million



Looking to the Future

In the coming year, Fubon Financial Holdings will continue to strengthen its base in Taiwan and reach more deeply into Greater China. We completed the acquisition of Shanghai-based First Sino Bank in January 2014, becoming Taiwan's first and only financial institution to have banking subsidiaries in China, Taiwan and Hong Kong. We then received approval from the China Banking Regulatory Commission to change the bank's name to Fubon Bank (China). The new subsidiary means even more complete financial services for our customers.

1

Eyeing new opportunities created by the gradual deregulation of financial services across the Taiwan Strait, Fubon Financial Holdings will introduce an even more varied range of premium investment products to help customers diversify their portfolios, hopefully increasing market share in the process. At the same time, the search for appropriate acquisition targets in Greater China will continue in an effort to develop the Asian market and generate steady growth.

2

The Company's expansion into foreign markets will increase opportunities for employees to rotate overseas. Training programs have been designed for them to get an understanding of their new market's economic and cultural environment, making it easier for them to get acclimated in their new societies and develop business there. Fubon Financial Holdings also has a long-term cooperation deal with MIT's Sloan School of Management to help cultivate international talent. Employees are encouraged to apply for admission to advanced management courses so they can expand their horizons and inject innovative management concepts into the organization.

3

Fubon Financial Holdings remains fully committed to corporate governance, maintaining a high degree of risk awareness and installing risk management systems throughout the organization that have optimized the products and services sold in our existing sales channels. With the growing popularity of mobile communications, we have actively developed a cloud search and processing systems for various products, on the condition that they comply with regulations and protect information security. This electronic platform offers customers real-time summaries of their holdings and helps them adjust their portfolios, while at the same time enabling sales people on the front lines stay on top of things up to the minute, ensuring a high level of service efficiency.

4

In taking corporate social responsibility seriously, Fubon hopes to inspire like-minded groups, citizens and employees to care about and participate in charitable activities and boost society's collective desire to get involved in social welfare causes.

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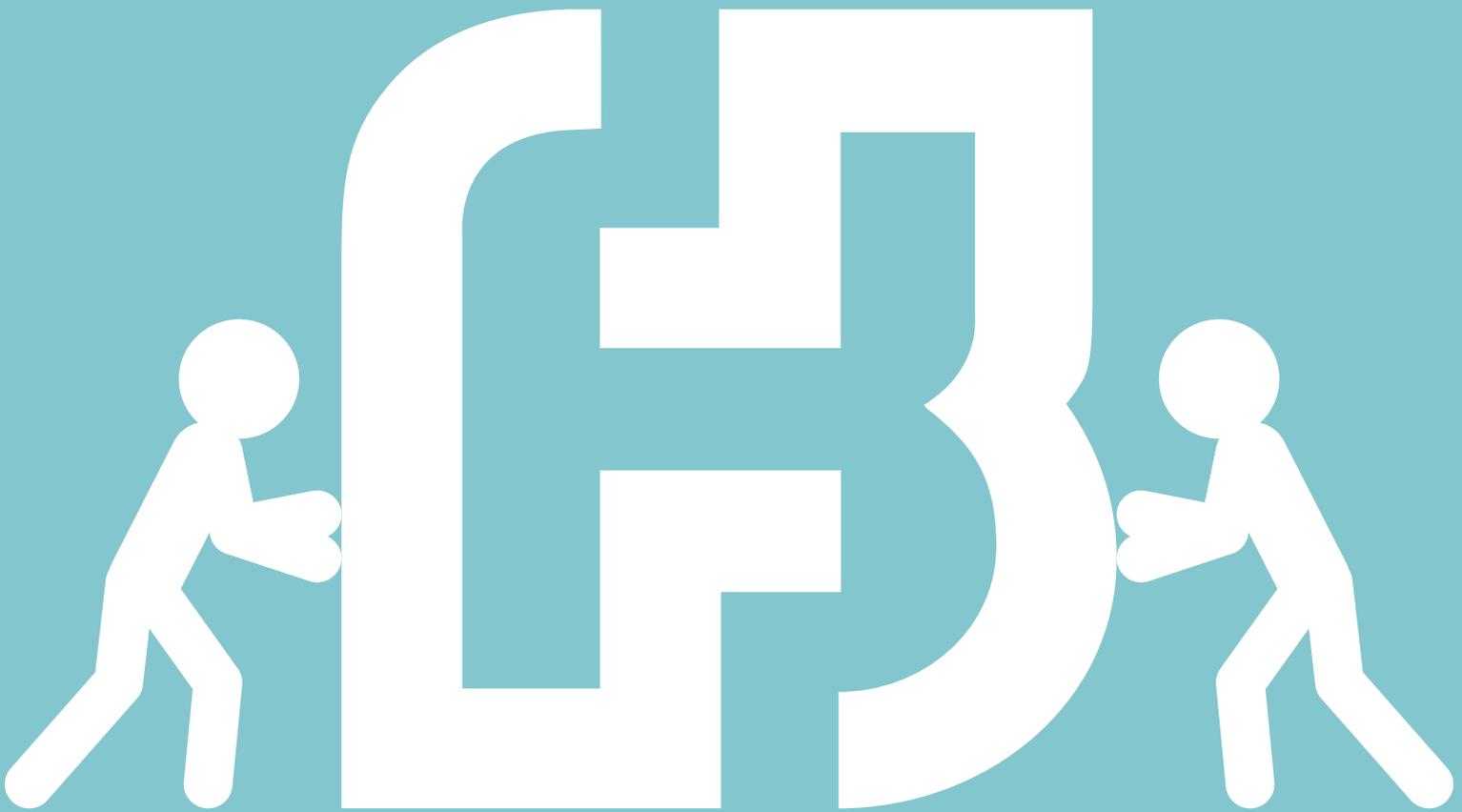
In promoting social welfare, Fubon Financial Holdings has leveraged its core financial expertise to develop various campaigns. Financial education for children has remained a high priority through programs to inject resources into areas lacking them and help economically disadvantaged families develop healthy attitudes toward money. Lively teaching materials continue to be created on related topics to round out the financial education initiative. In the future, the materials will be released for distribution to schools around Taiwan, maximizing their effectiveness.

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Stakeholder Engagement

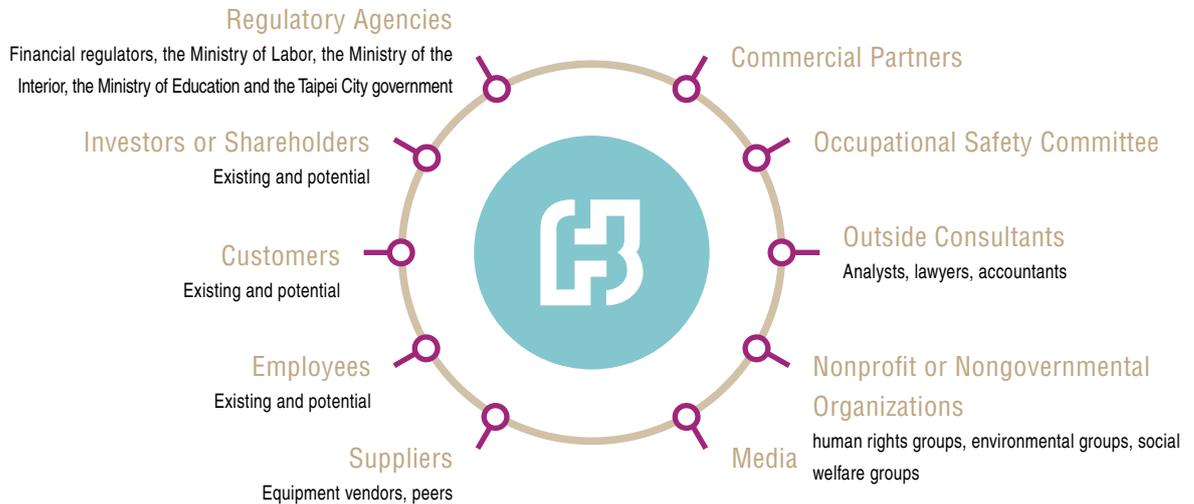
The CSR Task Force, consisting of representatives from Fubon Financial Holdings divisions, discusses and identifies the stakeholders with which each division does business or has close contacts and lists issues of long-term concern to each of them. It then scores the issues based on each of the five factors in a 5-part materiality test and adds them up to get a total score that helps determine which issues are most significant. After an internal overview, the reach of the potential impact of each major issue – its “boundary” – is identified.

If a major issue identified is beyond the scope of the GRI G4 indicators list but represents an important development strategy and direction for the Company, we will still bring it up in this report.



Key Topics Raised by Stakeholders

Step 1 After a review by Fubon Financial Holdings' CSR Task Force, the stakeholders identified as being in regular contact with the organization were:



Step 2 A total of 100 topics of concern to the above stakeholders were identified and then considered in relation to the five factors of the 5-part materiality test: (1) Is the issue relevant to direct, short-term (within one year) financial performance? (2) Does the Company have related norms and practices? (3) Have peers listed the issue as a key issue?(4) Does the issue affect other stakeholders' decisions or behavior? (5) Has the Company adopted external statutory, proposed or initiated norms and put them into practice?

After each issue was scored, the list was pared down to 39 issues. Of those, 27 (22 key topics of concern, five we have chosen to disclose) will be covered in this report, with descriptions of the organization's methods and strategies in dealing with them.

Key Issue Analysis Matrix



Material Aspects and Boundaries

Fubon Financial Holdings has not only identified aspect boundaries of the key topics of concern to stakeholders, it has also come up with strategies to deal with those issues as shown below. Review procedures have been established to see that those strategies are being effectively executed and ensure that adequate responses are being given to all key issues.

Issues	G4 Material Aspects	Our Strategy and Tactics
Organizational restructuring	Standard Organizational Profile	In 2005, Fubon Financial Holdings launched a "Project One" initiative that reorganized its subsidiaries into six business groups to become more customer-oriented. By October 2013, "Project One" had achieved its mission, and Fubon reverted back to a subsidiary-based organizational model. Fubon strongly believes that it can only maintain its forward momentum through a flexible organization.
Company network and acquisition opportunities	Standard Organizational Profile	In January 2014, Fubon Financial Holdings and Taipei Fubon Bank formally acquired an 80% stake in First Sino Bank, establishing Fubon as the first Taiwanese financial institution to have banking subsidiaries in Taiwan, China and Hong Kong. Fubon will continue to seek appropriate acquisition opportunities in the future to further expand into Asia and help generate steady growth.
Risk management	Standard Strategy and Analysis	Fubon Financial Holdings has fostered a robust risk management culture and environment to support sound business development. It also benchmarks itself against international risk management leaders in the industry to constantly fine-tune its risk management standards.
Corporate governance	Standard Governance	To verify the effectiveness of their corporate governance systems, Fubon and its major subsidiaries have undergone "Corporate Governance System Assessment Certification" organized by the Taiwan Corporate Governance Association since 2009. Several communication channels with stakeholders have been created, including a spokesperson system and separate mailboxes that enable employees to file grievances, report abuses or communicate directly with independent board directors.
Auditing system	Standard Governance	In compliance with the "Implementation Rules of Internal Audit and Internal Control Systems of Financial Holding Companies and Banking Industries," Fubon has developed a chief auditor system and established an Auditor Division under the board of directors to help the board and management check and evaluate the effectiveness of internal control systems.
Employee conduct and integrity	Standard Ethics and Integrity	Fubon's "Ethical Management Best Practice Principles" cover board directors, managers and employees. They prohibit giving or taking bribes; making illegal political contributions; improperly sponsoring or donating money to charity; or giving or accepting unreasonable gifts or hospitality or other improper benefits.
Information transparency	Economic Economic Performance	Fubon complies with all applicable regulations in disclosing information publicly online. It also keeps investors up to date on the company's operations, financial situation, strategic development and business direction through several channels, including an annual shareholders meeting and quarterly investor conferences, monthly financial reports, participation in investment forums organized by brokerage houses, and roadshows.
Tax contributions	Economic Economic Performance	Please refer to Fubon Financial Holdings' 2013 Annual Report.
Operating performance	Economic Economic Performance	Please refer to Fubon Financial Holdings' 2013 Annual Report.
Fair pay	Economic Economic Performance	Compensation surveys ensure that Fubon Financial Holdings maintains its competitive edge in the human resources market. The company has established a "Remuneration Committee" that sets and regularly reviews executive compensation policies and whether the pay levels of individual executives are rational.
Product convenience	Economic Economic Performance	Fubon Financial Holdings has listened to its customers and responded to social development trends and the threat of climate change by offering preventive services and products that help clients lower their exposure to external economic turmoil based on their asset allocations.
Operational sustainability	Economic Economic Performance Indirect Economic Impacts	Fubon Financial Holdings has led all domestic financial holding companies in net profit for five straight years. To support the Company's expansion abroad, greater emphasis has been put on talent cultivation, giving employees bigger development platforms. Employees are also encouraged to give back to society by helping, for example, young people develop healthy attitudes toward money or the second generations of low-income families escape poverty. Fubon also promotes energy conservation, including supporting a campaign to cut power consumption at home by 10%.
Corporate brand image	Economic Indirect Economic Impacts	Fubon Financial Holdings has sponsored sports events and athletes for many years and supported emergency relief, teenager development, the integration of art into life, elderly care and many other causes through its four foundations. The hope is that by getting people to focus greater attention on these issues, Fubon will spread more positive energy throughout society, echoing the spirit of the Fubon brand.

Issues	G4 Material Aspects	Our Strategy and Tactics
Application of core competencies	Economic Indirect Economic Impacts	Fubon launched a program in 2003 to help second-generation members of low-income families escape poverty. Assistance is currently being provided to people in 70 low-income households in collaboration with the Chiayi City and Taitung County governments. The "Future Tycoon Outreach Program," meanwhile, brought financial education to more remote schools around Taiwan in 2013. Responding to structural changes in Taiwanese society and families, subsidiary Fubon Life introduced policies catering to those trends, providing customers with the most appropriate coverage that helps ease their concerns if something bad happens and keeps them financially solvent after unfortunate events occur.
Corporate engagement and environmental protection	Environmental Overall	In response to the government's green procurement policy, Fubon Financial Holdings has stressed purchasing goods that have the least impact on the environment. It has also embraced energy conservation, starting with its own office buildings, and actively participated in the Earth Hour campaign in Taiwan, encouraging people to try to reduce their energy consumption by 10%.
Occupational health and safety	Social Occupational Health and Safety	Employees can get regular physicals, and they have access to psychological counseling services. Simple exercise centers have also been set up in offices where employees are concentrated, giving people outlets to relieve stress and helping them maintain their physical and mental health. Automated external defibrillators are also in place, another step in making Fubon's working environment as safe as possible.
Employee relations	Social Labor/Management Relations	Communicating with employees is done in many ways. A monthly "Human Resources e-Paper" is published monthly that keeps employees up to date on Fubon's latest development strategies. Employees can express their opinions or reactions on an internal "employee opinion mailbox." In 2013, the first "Open Forum" with Chairman Daniel M. Tsai and Vice Chairman Richard Tsai was held, giving employees a chance to interact with Fubon's leaders face-to-face. The two leaders explained the Company's operating strategy and future direction and answered employees' questions.
Employee care	Social Labor/Management Relations	Fubon Financial Holdings has long been committed to promoting a friendly workplace. It offers employees regular physical checkups and has set up massage stations in offices to relieve stress. In 2013, it established "health stations" that share health information with employees and set up mental health counseling services in collaboration with the Taiwan Institute of Psychotherapy that helped employees deal with personal issues while protecting their privacy.
Talent development and cultivation	Social Training and Education	Fubon Financial Holdings has built a robust talent development system. From entry-level training to the development of senior executives, the program gives all employees a clear direction and encourages them to continue their learning and gain valuable experience. Because of Fubon's aggressive expansion abroad, a special training program has been created for those being posted overseas that quickly cultivates professional capabilities.
Rights equality	Social Non-discrimination	Fubon treats all employees fairly and impartially with a diligent and caring attitude and strictly adheres to Taiwan's labor laws and regulations. It also provides a comfortable and fair working environment that enables people with disabilities and foreign employees to thrive and fully harness their skills.
Legal compliance	Social Compliance	Legal compliance is a key component of the Company's internal control systems. Fubon has many compliance officers and established a Compliance Department to help them in planning and managing legal compliance systems.
Consumer rights protection	Social Customer Privacy	Internal marketing management guidelines and rules have been set so that customer lists are carefully checked before and after use in marketing activities across subsidiaries. Steps have also been taken to strengthen controls on employees' use of computers and their legal awareness to protect customer information when it is transmitted or processed. Every product contract clearly details the rights customers have vis-a-vis the collection, processing and usage of their personal information. Fubon product or publicity materials must comply with internal rules and clearly describe related details to customers to make sure they understand the information and safeguard their interests.
Privacy issues	Social Customer Privacy	Fubon Financial Holdings and its subsidiaries have implemented a plan to strengthen personal information protection that included devising a set of rules for managing personal information. Personal information management analyses and system evaluations have been conducted under the program, and restrictions on usage of customers' personal information are checked regularly. Guidelines on the recycling or disposal of marketing lists after being used have also been strengthened.
Customer satisfaction	Social Product and Service Labeling	Customer satisfaction surveys conducted by independent organizations are conducted on a regular basis to understand how consumers view the products and services offered by Fubon subsidiaries. These surveys are used as a reference in enhancing service standards.
Service quality	Social Product and Service Labeling	Fubon Financial Holdings and its subsidiaries periodically review service quality indicators and the operations of service channels as a basis for making improvements.
Customer complaint handling	Social Product and Service Labeling	Fubon Financial Holdings and its subsidiaries have established a customer complaint mechanism that relies on a dedicated unit to handle product disputes or service requests or suggestions. The system ensures that subsidiaries comply with statutory regulations and clear up any doubts consumers may have.
Mobile services	Social Local Communities	Committed to strengthening the financial services sector's "green value," Taipei Fubon Bank has introduced a "Good Find" service locator app and also optimized its mobile banking services.

Boundaries								
Within the Organization		Outside the Organization						
Fubon Financial Holdings and its four major subsidiaries	Employees	Regulatory Agencies	Investors / shareholders	Customers	Customers	Media	Suppliers (peers)	Nonprofit/ Nongovernmental organizations/ Communities
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Corporate Governance

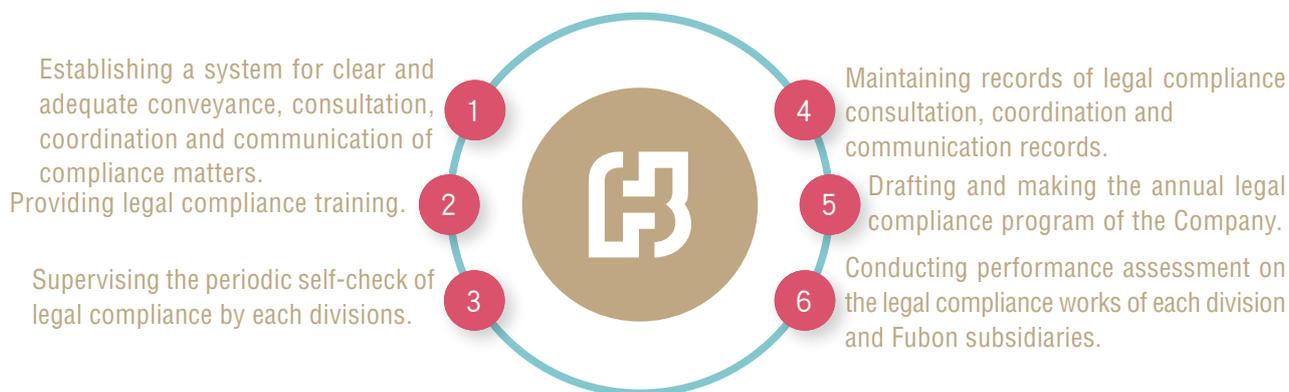
Fubon Financial Holdings strongly believes that sound corporate governance is at the foundation of a company's sustainability, especially for financial institutions because of the special nature of the financial sector. We have built robust legal compliance and risk management systems and regularly check on their implementation. At the same time, an Audit Committee has been set up under the board of directors in line with national regulations on the internal audit and control systems of financial holding companies, and information transparency has been strengthened by making information public fully, fairly, transparently and in real-time.



Legal Compliance

Legal compliance is an important element of our internal control system and something that Fubon Financial Holdings has always taken extremely seriously. The Company has in place chief compliance officer (“CCO”) in charge of managing legal compliance issues and has set up specialized division to assist CCO to organize, manage, and enforce legal compliance system.

The main responsibilities of Fubon CCO and staffers are as follows:



When Fubon subsidiaries conduct a new type of business or a new financial product or undertake important initiatives such as cross marketing, outsourcing, or commercial cooperation agreements, they shall be obliged to ensure that they fully comply with applicable regulations. All business engaged and publicity materials by Fubon subsidiaries must comply with internal review and operation rules and be confirmed by legal compliance checks in order to ensure that consumers' rights are protected and Fubon's reputation and corporate image will remain intact.

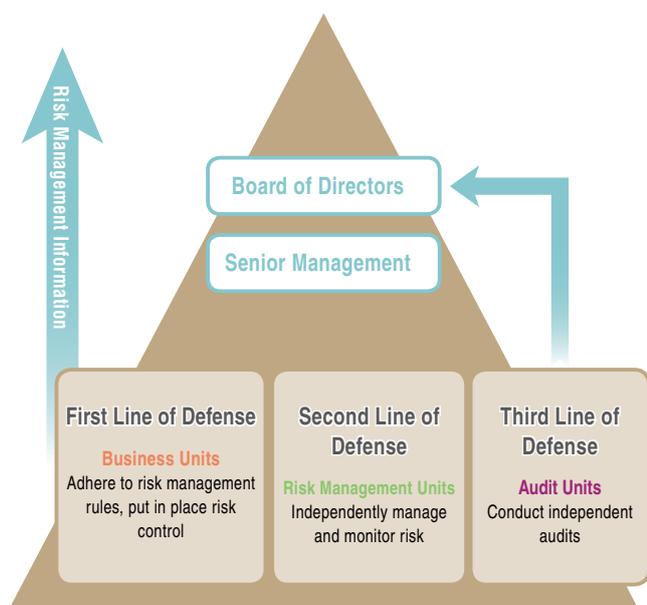
Regarding the “Foreign Account Tax Compliance Act” (FATCA), The Company teamed up a task force in 2012 and retained outside consultants. Subsidiaries affected by FATCA further set out compliance program, operation system, management reporting system and training program with the assistance of consultants, which will enable them to effectively adhere to FATCA and prevent their companies and clients from suffering losses. The Company and those affected subsidiaries completed FATCA registration by the specified deadline and expected to finalize all relative implementation works by the time FATCA formally takes effect on July 1st, 2014.

Risk Management

- Fubon Financial Holdings is committed to building a strong risk management culture and environment, pursuing sustainable business development, protecting customers' interests and continuing to advance risk management standards in the benchmark with international best practices. In 2012, we were honored to receive “Best Risk Management Award” by Taiwan Academy of Banking and Finance. In 2013, our subsidiary Fubon Insurance won “Risk Management Gold Award” by Taiwan Insurance Institute.
- Fubon Financial Holdings and its subsidiaries initiated an enterprise wise personal information protection project in August 2012 that successfully enhanced our sound personal information protection management system. We have also completed all the tasks as per performance check list mandated by Financial Supervisory Commission.
- Financial Supervisory Commission announced amendments to “Regulations Governing the Capital Adequacy and Capital Category of Banks” and other related rules on November 26, 2012 to be effective in 2013 in line with Basel III requirements. Fubon subsidiary Taipei Fubon Bank possesses capital adequacy ratio higher than the threshold set by regulatory authority, illustrating Taipei Fubon Bank's strong capital adequacy to sustain its risk-taking capacity as well as to protect the interests of customers.

Risk Management: Three Lines of Defense

As part of our risk management architecture, we adopt three lines of defense system, a global best risk management system, to ensure the effectiveness of the risk management mechanism.



Risk Management Organizational Structure

Fubon Financial Holdings has built a sound organizational structure to manage risks, which consists of Board of Directors, Audit Committee, Risk Management Committee, Personal Information Protection Committee, Chief Risk Officer, and Risk Management Division. The structure fully manifests the independence of risk planning, monitoring and auditing functions in the risk management process.



Risk Management Committee under the chairman of the board is responsible for oversight of Fubon Financial Holdings' overall risk management strategies. It assesses and monitors the risk tolerance capacity of the holding company and subsidiaries as a whole, including setting proper risk limits and risk strategies. Risk Management Committee submits risk reports to Audit Committee and the Board of Directors on a regular basis.

Personal Information Protection Management

To strengthen personal information protection mechanism, Fubon Financial Holdings established Personal Information Protection Committee, under the supervision of Risk Management Committee, to review critical personal information protection issues. In August 2012, an enterprise wide project for strengthening personal information protection system was launched and an external consulting firm was hired to facilitate the project. After a year of efforts, we earmarked outstanding achievements including devising a full set of rules and guidelines, establishing impact analysis model and self-evaluation process for personal information protection enhancement.

Basel III Regulation

In line with Basel III requirements, Financial Supervisory Commission announced amendments to "Regulations Governing the Capital Adequacy and Capital Category of Banks" and "Methods for Calculating a Bank's Regulatory Capital and Risk-weight Assets" on November 26, 2012 to be effective starting 2013 with an aim at strengthening the capital adequacy of domestic banks.

As of December 31, 2013, Fubon subsidiary Taipei Fubon Bank's common equity ratio, Tier 1 capital ratio, and capital adequacy ratio reached at 10.38%, 10.38% and 13.45% respectively, well above the regulatory standards set by Financial Supervisory Commission. These indicators show that Taipei Fubon Bank possesses strong capital adequacy to sustain its risk-taking capacity and protect the customers' interests.

Auditing System

Fubon Financial has developed an auditing system based on the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries." A key component of the system is the Audit Committee set up under the board of directors, which

helps the board and top management check and assess the effectiveness of internal control systems. It also offers suggestions for improvements to reasonably ensure that such control systems continue to function well.

The Audit Division independently audits the financial holding company and its subsidiaries based on annual audit plans and oversees the self-audits of the Company's individual units. It also periodically re-examines whether previously identified problem areas are being fixed and regularly reports on its efforts to the Audit Committee and the board of directors.

In 2013, many units made necessary improvements to flaws uncovered by audits within designated deadlines. Those that did not will be monitored until the required improvements are completed. This process has proved beneficial to the overall operations, organizational operations and system development of Fubon Financial Holdings and its subsidiaries.

Information Disclosure and Transparency

- Summary of Fubon Financial Holdings actions to disclose information and keep investors and stakeholders informed on the Company's business activities.
- Company's handling of material information and related ratings earns recognition in 2013.

Committed to fully disclosing information and strengthening information transparency, Fubon Financial Holdings practices the complete, unbiased, transparent and timely release of information and consistently strengthens the disclosure of its financial and business information to help stakeholders understand Fubon's operations and protect shareholder equity. We meet regulatory requirements for disclosure by posting information on the Taiwan stock exchange's market observation post system (MOPS). The annual shareholders meeting, quarterly investor conferences and monthly revenue statements all keep investors abreast of Fubon's business performance, and material information is disclosed on the MOPS site. Information and annual reports, meanwhile, are posted on the Company's official website, further enhancing information transparency and keeping investors informed.

In 2013, Fubon Financial Holdings and its major subsidiaries posted material information on the MOPS site 451 times in both Chinese and English in line with "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities" and other regulations. These real-time disclosures covered important decisions related to financial, business or operational issues or resolutions made by the board of directors, helping investors make informed choices. The information was made public on the MOPS site (<http://newmops.tse.com.tw>) and Fubon's official website (<http://www.fubon.com>).

Fubon's efforts in this area have earned acclaim from the "Information Disclosure and Transparency Ranking System," which was developed by the Securities and Futures Institute at the request of the Taiwan Stock Exchange Corporation and the GreTai Securities Market. The system evaluates the transparency and disclosure practices of all publicly listed domestic companies on an annual basis based on an analysis of filings with the market observation post system and information available in the companies' annual reports and posted on their websites. Fubon had earned an "A" rating for information disclosure for many years in row, but was honored in 2013 with the highest possible rating, an "A++," validating our efforts in this area.

Investor Relations

- Fubon Financial Holdings has long made investor relations a top priority. Because it cares for shareholder's rights, it created an Investor Relations Department that caters to both domestic and foreign investors.
- The Investor Relations team held nearly 300 meetings/conference calls with investors and analysts in 2013.
- Fubon Financial Holdings was awarded "Best Corporate Investor Relations" by CorporateGovernance Asia for the fourth consecutive year, reflecting the international recognition it has received for its efforts in the field.

Fubon Financial Holdings has long made investor relations a priority and created an Investor Relations Department to serve domestic and foreign institutional shareholders. Beyond its commitment to information transparency and maintaining real-time communications with investors, the division also regularly organizes investor conferences and participates in seminars and roadshows organized by brokerage firms to communicate Fubon's operating performance, financial results, strategic development and direction with investment community. Nearly 300 meetings with investors and analysts were held in 2013, which was 50 more than in 2012.

As we expand our operations and generate progressively good results, we continue to instill a spirit of corporate governance, including in serving investors, to forge a solid foundation for the Company's sustainable operations. The company's website has Chinese and English website pages that enable investors to search and download financial statements, annual reports and important financial information. Investors can also check Fubon's share price or browse investor conference and shareholder meeting information. To further solidify communications with investors, we post earnings announcement on the official website every month, taking the initiative to highlight key aspects of our performance. In addition, important announcements are sent by e-mail to nearly 1,000 website members, and investors can communicate with the Company by e-mail. The investor relations team refers opinions received to management, which takes them into account when making decisions.

Fubon Financial Holdings has earned widespread recognition and the praise of international investors for its efforts in building up its investor relations. In 2013, the Company was awarded "Best Corporate Investor Relations" in Taiwan for the fourth year in a row by Corporate Governance Asia.

We will remain committed in the future to improve shareholder value by strengthening our services to domestic and foreign institutional investors and providing the market with accurate, timely and transparent information on our business activities.

Corporate Governance Practice

Fubon Financial Holdings truly believes that sound corporate governance practices are at the foundation of a company's sustainability. Good corporate governance can help enterprises build solid foundations, deliver high-quality products and services to markets, and derive optimal returns for shareholders.

Fubon was both the first publicly listed company in Taiwan to introduce an independent director system and the first domestic financial institution to have independent directors make up more than a third of its board. Then, we took the unprecedented step of having shareholders vote on resolutions one at a time at the 2011 shareholders meeting, giving full expression to shareholder opinion on each motion. At the same meeting when a new board was elected, more than half of those chosen were outside directors and four, or more than 30%, were independent directors.

In 2012, the company's Articles of Incorporation were amended to institute a nomination system for all board director elections, strengthening the transparency of the director nomination review process. An electronic voting system for shareholders was instituted the same year to further safeguard shareholder equity and give them more options for participation. The system was used by 21% of shareholders in its first year and by 25.1% of shareholders in 2013.

Another major priority for Fubon is to build channels of communication with stakeholders. A centralized spokesperson system has been created, and ways to contact the Investor Relations Division are listed on the Fubon website, giving investors a variety of channels through which to get information about the Company. Several separate mailboxes have been set up that enable employees to report abuses, file grievances, express opinions, or communicate directly with independent board directors, encouraging smooth communications between Fubon and its people.

To verify the effectiveness of the corporate governance system, Fubon and its major subsidiaries have undergone "Corporate Governance System Assessment Certification" organized by the Taiwan Corporate Governance Association since 2009. The companies have earned certification three straight times, reflecting Fubon's determination and effort to continuously upgrade corporate governance practices.

Here is a more detailed description of the Company's corporate governance practices:

Issue		Fubon Financial Holdings Practices
Shareholder Structure and Shareholder Equity	Methods for handling shareholder suggestions or disputes	<ul style="list-style-type: none"> Contact information for Investor Relations division posted on company website, giving shareholders outlet for their questions and suggestions. All comments are carefully considered.
	Keeping track of Company's biggest shareholders or the controlling interests behind them	<ul style="list-style-type: none"> We keep track of the holdings of big shareholders through the Company's register of shareholders as of the record date and also through changes in the number of outstanding shares held by major shareholders reported every month.
	Building risk control mechanisms and firewalls with subsidiaries and affiliates	<ul style="list-style-type: none"> The Risk Management Committee under the Company's chairman is responsible for overseeing the effective operation of the risk management systems of Fubon Financial Holdings and its subsidiaries. Robust risk management policies and related practices have been established, and an independent risk management unit is in charge of Fubon's risk controls. Based on Articles 44 and 45 of the Financial Holding Company Act, the Company has developed "Guidelines Governing Interested Party Transactions for Fubon Financial Holding Company and Its Subsidiaries" and "Firewall Management Policies for Fubon Financial Holding Company and Its Subsidiaries." These measures set norms for business conducted between the parent company and subsidiaries, among the subsidiaries themselves, and with outside stakeholders where a conflict of interest might exist. The goal is to prevent possible conflicts of interest and put in place a risk management mechanism so that the rights and interests of clients, the Company, Fubon subsidiaries and shareholders can be guaranteed.
Board's Structure and Duties	Fubon's use of independent directors	<ul style="list-style-type: none"> Fubon Financial Holdings has 4 independent directors.
	Regularly assessing and verifying CPA's independence	<ul style="list-style-type: none"> The Company has devised "Instructions for Certifying Annual CPA Performance Indicator Assessments and Approving CPA Appointment and Fees for Fubon Financial Holding Company and Its Subsidiaries." CPAs are contracted on a year-to-year basis, and the Audit Committee and board of directors assess and certify their performance and independence for use as a reference in approving a CPA's hiring and fees. When the board of directors discusses hiring CPAs and their independence, it must check the recommended CPAs' resumes (which should detail the CPAs' past and present clients) and their statements of independence (that they have not violated the "Norms of Professional Ethics for CPAs, Bulletin No. 10.")
Building communication channels with stakeholders		<ul style="list-style-type: none"> A spokesperson and acting spokesperson system has been established and a special independent director's mailbox set up as key communication channels with stakeholders. Fubon's official website has complete contact information for the Investor Relations Division, enabling institutional investors to raise questions and make suggestions. Their inquiries are given careful attention. To safeguard customer privacy, customers have fast and convenient channels through which they can request that their personal information be removed, whether by phone, fax or e-mail. Subsidiaries, meanwhile, provide 0800 service hotlines and online services for customers to get a better understanding of the companies' products or react to problems encountered. Open and diverse communications channels have been set up to foster harmonious worker-management relations, such as separate mailboxes for employee grievances and suggestions, worker-management meetings, a monthly employee periodical, and a human resources relationship manager system.
Information Disclosure	Has developed website to disclose financial and corporate governance information	<ul style="list-style-type: none"> Fubon has built a website (in both Chinese and English) on which financial and business information is disclosed as well as the quarterly audited financial statements of Fubon and its subsidiaries. Major developments, meanwhile, are disclosed on the Taiwan Stock Exchange's Market Observation Post System. Corporate governance information is reported to the stock exchange based on established rules, and dedicated corporate governance and investor relations windows are set up on the website.
	Other disclosure methods adopted	<ul style="list-style-type: none"> Regular investor conferences are held to keep domestic and foreign investors informed, and conference summaries in English are posted on the company's website. At the same time, a video link to the investor conferences is provided on the Company's official website for those interested to watch. The video files are kept for at least a year. If there are questions about the business, the Company answers them through a centralized spokesperson system.
Establishing Nomination, Remuneration and other Function Board Committees and their Operations		<ul style="list-style-type: none"> Fubon has established three functional committees: the Audit Committee, Remuneration Committee and Corporate Governance Committee. The Corporate Governance Committee includes the functions of a nomination committee. These three committees operate based on existing laws. The Audit Committee meets at least once per quarter but it can convene at any time (it met 10 times in 2013). The Corporate Governance Committee and Remuneration Committee meet at least twice a year but can also meet as needed. (The committees meet twice and five times in 2013, respectively.)

Issue	Fubon Financial Holdings Practices
Requiring Continuing Education Board Directors, Supervisors	<ul style="list-style-type: none"> The Company has established "Rules Governing Implementation of Continuing Education for Directors and Supervisors." The rules require directors sitting on the board of a publicly listed company for the first time to attend at least 12 hours of training programs in their first year, while incumbent and re-elected directors must take at least three hours of training classes a year. In 2013, the directors met the requirements laid out in the company's rules for continuing education hours. Incumbent and re-elected directors must take at least three hours of training classes a year. In 2013, the directors met the requirements laid out in the company's rules for continuing education hours. On December 18, 2013, Minister without Portfolio Schive Chi was invited to talk to directors and supervisors of Fubon and its subsidiaries as part of their continuing education on "Taiwan's Financial Sector Development Policies – Rising like a Phoenix from the Ashes." He shared his perspective on the international economic situation and analyzed the direction of Taiwan's policies related to the financial sector.
Buying Liability Insurance for Board Directors, Supervisors	<ul style="list-style-type: none"> Considering the delicate balance between the board and key managers in exercising power and carrying out responsibilities, and to effectively lower their liability, the Company began purchasing Directors and Officers Liability Insurance for board members and top executives in 2002. The policy is reviewed on a yearly basis to optimize the policy's conditions.

Operations of the Board of Directors

As of the end of 2013, Fubon Financial's board of directors had 13 members averaging 57 years of age, of which seven, or more than 50%, were outside directors (including four independent directors). The four independent directors, all leading figures in academia and the private sector, are: Hong-chang Chang, a former dean of National Taiwan University's College of Management; Chi-yan Cheung, former executive director of Ping An Insurance (Group) Company of China, Ltd.; Yuan-chi Chao, former acting chairman of First Financial Holding Co., Ltd.; and Shau-kong Jaw, chairman of the Broadcasting Corporation of China. The other three outside directors were appointed by the Taipei City government. The six executive directors from the Fubon Group's management team are banking, insurance and securities experts. The board's members have extensive experience and expertise in banking, finance, accounting and the law. Directors service three-year terms, and the current term of board members runs from June 24, 2011 to June 23, 2014.

Director	Education	Past Experience Highlights / Current Position
Chairman Daniel M. Tsai	Master of Laws, Georgetown University	Past Experience: Chairman, Fubon Insurance Co., Ltd. / Vice Chairman, Fubon Financial Holding Co., Ltd. Current Positions: Chairman, Fubon Financial Holding Co., Ltd. / Chairman, Taipei Fubon Commercial Bank Co., Ltd. Vice Chairman, Taiwan Mobile Co., Ltd. / Vice Chairman, Fubon Bank (Hong Kong) Limited
Vice Chairman Richard Tsai	Master of Business Administration, Stern School, New York University	Past Experience: Vice Chairman, Taiwan Mobile Co., Ltd. Current Positions: Vice Chairman, Fubon Financial Holding Co., Ltd. Vice Chairman, Taipei Fubon Commercial Bank Co., Ltd. / Chairman, Fubon Bank (Hong Kong) Limited Director, Fubon Life Insurance Co., Ltd. / Chairman, Taiwan Mobile Co., Ltd.
Independent Director Hong-chang Chang	Ph.D., Wharton School, University of Pennsylvania	Past Experience: Dean, National Taiwan University College of Management / Supervisor, Fubon Financial Holding Co., Ltd. Current Positions: Independent Director, Fubon Financial Holding Co., Ltd. Professor Emeritus, National Taiwan University College of Management Independent and Managing Director, Taipei Fubon Commercial Bank Co., Ltd. Independent Director, Fubon Securities Co., Ltd.
Independent Director Chi-yan Cheung	Ph.D., School of Technology, University of Cambridge	Past Experience: Non-executive Director, Executive Director, President, Ping An Insurance (Group) Company of China, Ltd. Senior Advisor to the Chairman, Chief Information Officer, Vice President and Chief Financial Officer, Ping An Insurance (Group) Company of China, Ltd. Current Positions: Independent Director, Fubon Financial Holding Co., Ltd. Managing Partner, Boyu Capital Advisory Co., Ltd. Independent Non-executive Director, Standard Chartered PLC
Independent Director Yuan-chi Chao	M.S. Finance, New York University (MBA)	Past Experience: Acting Chairman and President, First Financial Holding Co., Ltd. President, China Development Financial Holding Co., Ltd. Current Positions: Independent Director, Fubon Financial Holding Co., Ltd. Independent and Managing Director, Taipei Fubon Commercial Bank Co., Ltd. Independent Director, Fubon Insurance Co., Ltd. Chairman, Concord Asia Finance Ltd.
Independent Director Shau-kong Jaw	M.S. Mechanical Engineering, Clemson University	Past Experience: Chairman, UFO Broadcasting Corporation Minister, Environmental Protection Administration of Executive Yuan Current Positions: Chairman, Broadcasting Corporation of China / Independent Director, Fubon Financial Holding Co., Ltd. Independent Director, Fubon Life Insurance Co., Ltd. / Independent Director, Fubon Insurance Co., Ltd.

Director	Education	Past Experience Highlights / Current Position
Director Ying-rong Chen 	M.A. in Political Science, National Taiwan University	Past Experience: Acting Commissioner, Department of Finance, Taipei City Government Deputy Commissioner, Department of Finance, Taipei City Government Current Positions: Director, Fubon Financial Holding Co., Ltd. / Commissioner, Department of Finance, Taipei City Government
Director Yeh-shin Chen 	Master of Laws, National Chengchi University	Past Experience: Judge, Kaohsiung District Court Current Positions: Commissioner, Department of Labor, Taipei City Government / Director, Fubon Financial Holding Co., Ltd.
Director Li-wen Tsai 	Master of Laws, National Taiwan University	Past Experience: Chairperson, Administrative Appeals Commission, Taipei City Government Prosecutor, Taipei District Prosecutors Office Current Positions: Director, Fubon Financial Holding Co., Ltd. / Director, Taipei Fubon Commercial Bank Co., Ltd. Commissioner, Department of Legal Affairs, Taipei City Government
Director Victor Kung 	Master of Business Administration in Finance, Master of Economics, New York University	Past Experience: Chief Financial Officer, Fubon Financial Holding Co., Ltd. / President, Fubon Financial Holding Co., Ltd. Director, Fubon Insurance Co., Ltd. Current Positions: Director, Fubon Financial Holding Co., Ltd. / Chairman, Fubon Insurance Co., Ltd. Director, Taipei Fubon Commercial Bank Co., Ltd. / Non-executive Director, Fubon Bank (Hong Kong) Limited Director, Fubon Securities Investment Services Co., Ltd.
Director Peng-yuan Cheng 	Bachelor of Laws, National Taiwan University	Past Experience: President, Fubon Life Insurance Co., Ltd. Current Positions: Chairman, Fubon Life Insurance Co., Ltd. / Director, Fubon Financial Holding Co., Ltd. Director, Fubon Direct Marketing Consulting Co., Ltd.
Director Jen-shou Hsu 	MBA, Department of Business Administration, Chinese Culture University	Past Experience: President, Taiwan Stock Exchange Corp. / Chairman, Chunghwa Post Co., Ltd. Current Positions: Director, Fubon Financial Holding Co., Ltd. / Chairman, Fubon Securities Co., Ltd. Director, Taipei Fubon Commercial Bank Co., Ltd.
Director Jerry Harn 	Master of Business Administration, Ohio State University	Past Experience: President, Corporate Banking, Taipei Fubon Commercial Bank Co., Ltd. Head of the Corporate Banking Group, Chinatrust Commercial Bank Co., Ltd. Current Positions: President/Managing Director, Taipei Fubon Commercial Bank Co., Ltd. Director, Fubon Financial Holding Co., Ltd. / Chairman, Fubon Asset Management Co., Ltd.

The board meets at least once every two months. In 2013, it held six regularly scheduled meeting and three extraordinary meetings, and the directors had an attendance rate of 94.1% (100% if authorized proxies included).

The board of directors drafted or amended several important internal regulations and guidelines in 2013, including: “Deferred Bonus Guidelines,” “Rules of Procedure for Board Meetings,” “Operational Risk Management Policies,” “Performance Assessment Guidelines,” and “Guidelines Governing Interested Party Transactions.”

The “Rules of Procedures for Board Meetings” were amended based on revisions to the Company Act, Regulations Governing Procedure for Board of Directors Meetings of Public Companies, and a sample template for “OOO Co., Ltd. Rules of Procedure for Board of Directors Meetings” issued by the Taiwan Stock Exchange. The changes were made as follows.

To strengthen corporate governance and prevent certified public accountants, attorneys or other professionals attending meetings from unduly influencing board resolutions, the new rules stipulate that these participants must leave the meeting when deliberation or voting takes place. A need existed to strengthen rules covering the consideration of a donation by the Company to a related or non-related party that could affect shareholder equity. A rule was added that requires a donation to a related party or a major donation to a non-related party be discussed by the board, and it established a clear definition for “related party” and a standard and calculation method for a “major donation.”

To ensure sound corporate governance, compel the board to identify agenda items that may represent conflicts of interest, and protect investors’ rights, a rule was added requiring that if a director or a legal person represented by the director is an interested party, the director must explain the important aspects of the interested party relationship to the board. To strengthen disclosure of directors participating in agenda items in which they may be interested parties, a rule was added on what must be recorded at board meetings. They include the names of a director who was an interested party, an explanation of the important aspects of the relationship, the reasons why the director was asked or not asked to recuse himself or herself, and the status of the recusal.

Functional Committees

Fubon Financial Holdings has established three functional committees under the board of directors: the Audit Committee, the Remuneration Committee and the Corporate Governance Committee.

Audit Committee

The Audit Committee is responsible for overseeing the fair presentation of the Company's financial statements, the hiring (dismissal), independence and performance of its certified public accountants, and the effectiveness of the Company's internal controls. Other key functions include supervising the appropriateness of internal legal compliance procedures and plans and overseeing the management of existing or potential risk. The Committee focuses on discussing and adopting the major investment which are significant, and the committee to strength the risk management and supervision of the plan and putting in place a related internal control system, fulfilling its important oversight role.

It took several important steps in 2013, including revamping the Company's accounting system, to align it with new international accounting standards and amending the "Operational Risk Management Policies" to incorporate newly enacted "Enforcement Rules of the Personal Information Protection Act" and strengthen personal information security. To improve information security and prevent hacking, the committee had the corporate security officer prepare a report on Fubon's information security policy, which explained in detail corporate controls on downloading information, mechanisms to shield personal information, and information security checks. Other actions taken included installing accountability systems and controlling risk related to the Company's reorganization along with monitoring the audit results of overseas subsidiaries and sub-subsidiaries.

The Audit Committee consists of the board's (four) independent directors, as stipulated by the Securities and Exchange Act, and one of them is chosen by the others as committee convener. Independent director Hong-chang Chang serves in that role on Fubon's Audit Committee. In 2013, the committee met 10 times, with an overall attendance rate of 95%.

Remuneration Committee

The Remuneration Committee is responsible for establishing and reviewing the company's policies, systems, standards and structures related to the performance evaluations and remuneration of board members and top executives, and it passes its recommendations to the board of directors. In 2012, it reviewed Fubon's "Guidelines on Payment of Remuneration to Directors," and drew up a clear scope, amount and review process for director remuneration. The committee also sought to link performance bonuses and risk to keep directors and executives from overstepping the Company's appetite for risk in pursuit of high compensation. To achieve that goal, unprecedented "Deferred Bonus Guidelines" were approved in 2012 and were revised in 2013 after a review of how effectively the guidelines were being implemented. Meanwhile, to balance the Company's long-term profits and shareholder interests, the committee revised Fubon's "Guidelines on Executive Performance Evaluation and Payment of Remuneration," setting clearer norms for performance evaluations.

When the Remuneration Committee was formed, the Corporate Governance Committee recommended a list of potential members to the board. The board eventually decided that the committee be made up of the Company's four independent directors, and Hong-chang Chang was chosen as the committee's convener. In 2013, it held five meetings, with an overall attendance rate of 90%.

Corporate Governance Committee

The Corporate Governance Committee's responsibilities include the function of a "Nomination Committee" advocated by many modern corporate governance experts – helping the board of directors select new director nominees – and also advises the Company on its operations and management. In 2013, it helped the board assess the execution of the board's annual plan for 2012 and draft the annual plan for 2014. The committee also solidified the Company's corporate governance by amending the Fubon's "Rules of Procedures for Board Meetings." The revisions strengthened the disclosure of potential conflicts of interest by board directors and procedures for approving major corporate donations.

The Corporate Governance Committee's members are decided and appointed by the board. It currently consists of six members: all of the board's four independent directors, one director representing Ming Dong Industrial Co. and one director representing the Taipei City government, a major Fubon shareholder. Chi-yan Cheung was chosen as committee convener by the other members. The committee met twice in 2013, with an overall attendance rate of 91.7%.

Ethics and Integrity

To help ensure the sustainability of the business, Fubon Financial Holdings established a “Code of Ethical Conduct” in 1996 and “Ethical Management Best Practice Principles” and “Corporate Social Responsibility Best Practice Principles” in 2011. These guidelines have reinforced ethical corporate management, fostered sound commercial operating models and risk management mechanisms, and promoted social welfare.

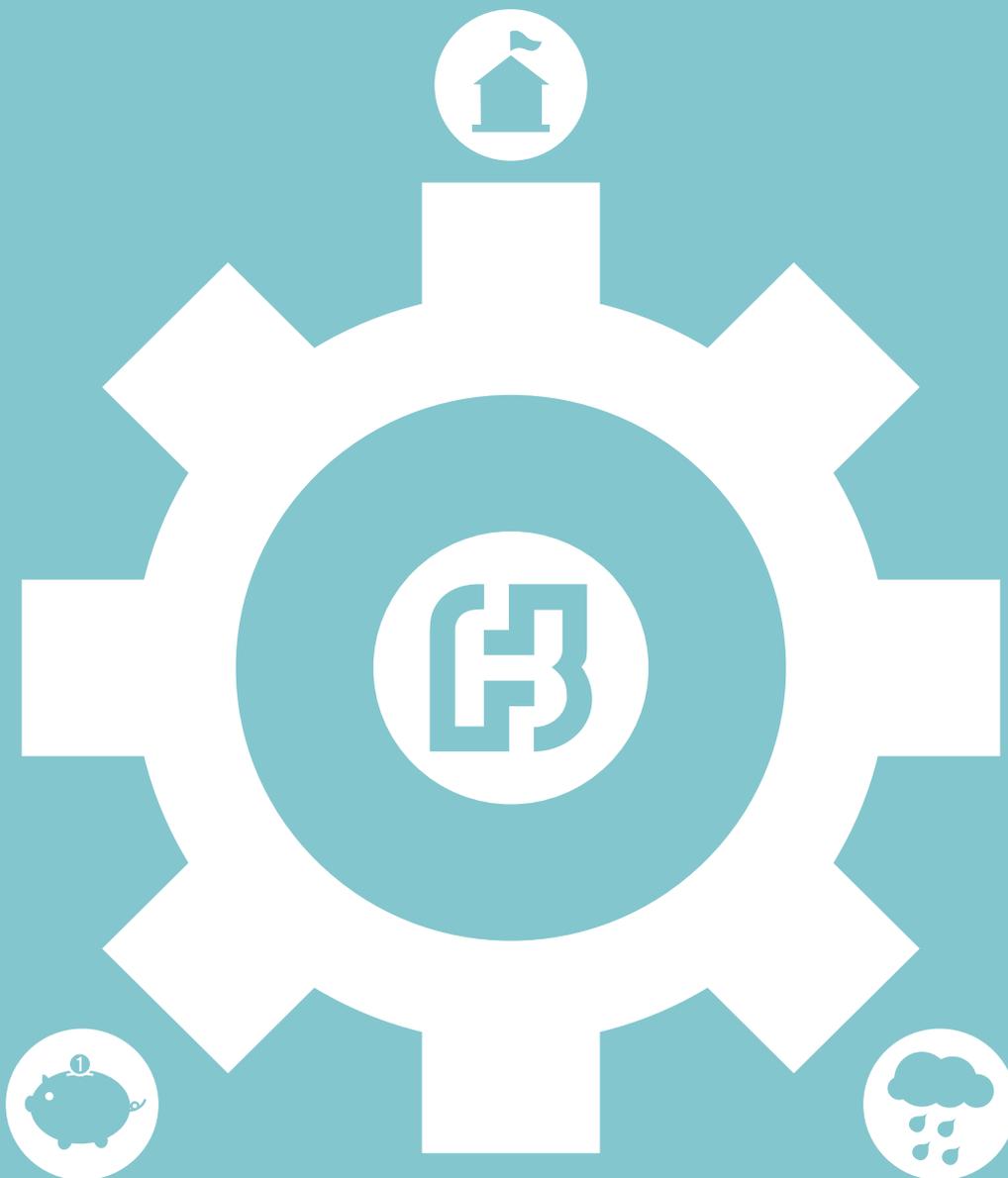
Fubon’s “Ethical Management Best Practice Principles” prohibit board directors, managers or employees from: giving or taking bribes; making illegal political contributions; improperly sponsoring or donating money to charity; or giving or accepting unreasonable gifts or hospitality or other improper benefits. Those who violate these guidelines will be disciplined according to the severity of their offense based on Fubon’s “Employee Rewards and Punishment Rules.” The board of directors and top executives have actively pushed ethics in management, taking actions to imbue the concept internally and through external commercial activities. The board also has “duty of care” responsibilities to see that managers act ethically. It monitors the Company’s efforts to prevent unethical behavior, examining the effectiveness of measures taken as necessary and pushing for improvements.

Fubon Financial Holdings’ efforts to promote ethical management are described in detail below:

	Issue	Fubon Financial Holdings Practices
Setting Ethical Management Policies and Directions	Extent of description of ethical management policies in internal regulations and public documents and commitments to implement the policies made by the board of directors and managers.	Fubon has established “Ethical Management Best Practice Principles,” a “Code of Ethical Conduct,” and other guidelines that cover all members of the organization, from board directors and supervisors to executives and employees.
	Status of programs developed to prevent unethical behavior; extent of operating procedures, behavior guidelines and training in the programs.	Fubon’s “Ethical Management Best Practice Principles” prohibits board directors and supervisors, executives and employees from directly or indirectly offering, promising, requesting or accepting any improper benefits or engaging in any other ethics violations, illegal behavior or breach of fiduciary duty to receive or maintain benefits.
	Extent of measures taken to include the prevention of giving or taking bribes or making illegal political contributions in initiatives targeted especially at business activities at higher risk of unethical behavior.	Preventive measures taken by Fubon to address business activities where the risk of unethical behavior is relatively high include: prohibiting giving or taking bribes; prohibiting making illegal political contributions; and prohibiting giving or accepting unreasonable gifts or hospitality or other improper benefits.
Carrying Out Ethical Management	Status of efforts made to avoid doing business with people with records of unethical behavior and stipulating ethical behavior clauses in contracts.	Fubon’s codes of conducts and practices clearly stipulate that when doing business with agents, suppliers, customers and others, their legal status and whether or not they have a record of unethical behavior should be considered. Also, when Fubon signs a contract with another party, the contract must include a clause allowing Fubon to terminate or get out of the agreement if the other party is involved in unethical behavior.
	Operations of divisions responsible for carry out ethical management practices promoted by the Company, and status of board supervision those efforts.	Fubon’s Secretariat Division developed the “Ethical Management Best Practice Principles,” and it is up to the responsible units to implement them. These principles were approved by Fubon’s Corporate Governance Committee and the board of directors and reported at the annual shareholders meeting. Ethical management issues (such as establishing “Ethical Management Best Practice Principles” and a “Code of Ethical Conduct”) are fully discussed by the board.
	Status of policies devised to prevent conflicts of interest and appropriate channels provided to report concerns.	Fubon’s board directors and supervisors and executives are not allowed to obtain improper benefits through their position for themselves or their spouse, parents, children or close relatives. To prevent conflicts of interest, any loans or provisions of guarantees, major asset transactions, or the purchase or sale of goods between companies with which any of the above individuals are affiliated and Fubon Financial Holdings or its subsidiaries must comply with the Company’s conflict of interest regulations. The director, supervisor, or manager involved should take the initiative to explain to the Company if a conflict of interest exists. When the board of directors or a board committee is dealing with an agenda item in which there could be a conflict of interest with a director, supervisor or manager or a juristic person they are representing, they are not allowed to participate in the vote on the issue. They can express opinions or answer questions but must recuse themselves when voting takes place.
	Status of accounting and internal control systems developed to implement ethical management practices, and use of audits by auditing personnel.	Fubon has developed effective accounting and internal control systems for business activities at higher risk of unethical behavior, and conducts reviews to ensure that the systems’ designs and execution remain effective. The Auditor Division has incorporated compliance with ethical management principles into its regular audits, and reports regularly to the board on any shortcomings and improvements being made.
	Status of channels and whistleblowing system for reporting abuses and disciplining of violators of ethical management rules.	Fubon has established channels for reporting abuses that protect the whistleblower’s identity, encouraging employees to report illegal or irregular behavior. At present, these channels are functioning normally.
Enhancing Information Disclosure	Extent of information on ethical management disclosed on official website	Fubon discloses rules and regulations related to ethical management on its official website. Disclosures include the “Code of Ethical Conduct” and “Ethical Management Best Practice Principles.”
	Other information disclosure methods (such as setting up English website, designating people to be responsible for collecting and disclosing information on the Company’s website)	To make it easier for overseas investors to get information on the Company, the English versions of related rules and regulations are posted on Fubon’s official website. These are kept on the website and updated regularly for the convenience of foreign investors. If there are any questions, they are addressed through a spokesperson system.

Core Competencies

Fubon Financial Holdings incorporates its core competencies into its corporate development strategies and corporate social responsibility programs. The goal is to draw on Fubon's financial expertise and wealth of practical experience to develop financial products that can help solve social problems and create products and services to cope with social transitions and climate change.



Intensifying Financial Education

One of the ways we use our core corporate competencies to give back to society is by harnessing our financial expertise to impart healthy attitudes toward money and financial knowledge to many different groups. These tangible actions supporting financial education manifest Fubon's concern for society.

Campus Outreach

Fubon Financial Holdings has been at the forefront of financial education in the financial services sector since 1998, when it launched "Budding Tycoon Money Management Camps" for students during summer vacation. It followed that up in September 2012 with a "Future Tycoon Outreach Program" that brought financial education to schools in remote parts of the country and on Taiwan's outlying islands. As of April 2014, the program had toured more than 60 schools and held classes for nearly 20,000 students.

Every Fubon associate who has participated in the initiative has been moved by the enthusiasm for learning about money matters shown by the teenage students. Even Fubon Financial Holdings Chairman Daniel M. Tsai asked to get involved and lead a class to show his support for promoting financial education and demonstrate Fubon's social engagement through concrete action.

Mr. Tsai led one of the sessions at a junior high school in New Taipei City in May 2013. He had the more than 400 students in attendance to think about money-related values and money management concepts and stressed that intangible assets, such as credibility and family, were the greatest sources of wealth in life and necessary to achieve success.

Mr. Tsai started the class by talking about his own experience. While acknowledging that he was raised in an affluent family, he said his parents were principled and taught their children by example the importance of "self-discipline" as well as the ability to discern need from want and to avoid unnecessary waste. They were particularly focused, he said, on the virtues of earning the trust of others and treasuring personal credibility, and he credited the healthy values imparted by his parents for enabling their children to tell right from wrong and not fall prey to materialism as they grew up.

Mr. Tsai also explained that fulfilling one's dream for success has to be backed by financial means, so that managing money – even the sums spent on daily necessities such as food, clothing and housing – is extremely important. He also presented general economic concepts to the group of 12-15 year olds in layman's terms, describing inflation, for example, as a thief that uses higher prices to rob people of their buying power. As a consequence, he said, people today should learn how to invest their money prudently, putting it into different types of assets and diversifying risk to overcome the impact of real negative interest rates.

Outreach Program Reaction



Teachers

- After attending the class, many students wanted to return home and share the teaching materials from the class with their parents because their parents needed to know more about how to manage their assets.
- The families of many of our students receive low-income subsidies, and the parents do odd jobs to make ends meet. Because they don't understand the concept of balancing spending and income, they often spend their paychecks as soon as they get them, leaving nothing for their children's education. So we were very happy to invite Fubon to hold the seminar and teach the students concepts on the proper way to handle money.



Students

- Based on the results of a survey (2,684 valid samples), 96.5% of the junior high students who participated in the outreach program said they learned a lot about handling money. The topics that left the deepest impressions were "managing your allowance," "developing healthy attitudes toward money," and "preserving your personal credibility."
- I didn't know that "credibility" was a personal asset. After attending the seminar, I will insist on doing what I say and get people to trust me.
- My family sells souvenirs at a tourist spot, and my parents get a lot of renminbi, U.S. dollars, and Japanese yen. After hearing the lecture, I now know that when my parents go to the bank to exchange those currencies into New Taiwan dollars, they need to look at the "buying rate." It seems I'm learning how to run my own business.



Instructors

- The children in remote areas are very straightforward and appreciate that the class was designed for them, and they were eager to learn. Participating in this program gave me a sense of achievement knowing that I was able to use my area of expertise to give back to society.



Fubon Financial Holdings Chairman Daniel M. Tsai offers pointers on handling money to junior high students.

During the class, a series of short animated films made by Movect Studio (makers of Silent Code), produced by Fubon Financial Holdings and released by the Fubon Cultural & Educational Foundation called “the Legend of the Fubon Brave Fighters” were screened. Mr. Tsai appears in animated form as a “guardian” imparting three important lessons about money: “price does not equal value,” “the truly brave have real credibility,” and “beware of Internet fraud.” This teaching tool will be distributed to teachers in the future to expand its reach and impact.

In early 2014, executives from Fubon Financial Holdings and its subsidiaries showed their support for the program through their actions. Taipei Fubon Bank Executive Vice President Morris Huang and Fubon Financial Holdings President Vivien Hsu visited schools in April and June, respectively, further extending Fubon’s deep resources to all corners of Taiwan.

Poverty-busting Savings Plan

The Taiwan Fubon Bank Charity Foundation pioneered Taiwan’s first long-term poverty alleviation program in 2003. Backed by Fubon’s core competency in financial management, the foundation works with local governments to help second-generation members of low-income families “save” their way out of poverty. Participants must save between NT\$1,000 and NT\$3,000 every month in personal savings accounts to accumulate assets.

Fubon associates complement the savings program by giving seminars that impart healthy concepts about money. These classes give participants the ability to identify their own needs and use practical money management concepts to effectively manage their finances. At the same time, the program offers courses on such topics as “personal growth,” “career development,” “volunteer services,” and “money management concepts and practices” that enhance participants’ financial knowledge. These courses get them prepared to build up their assets and help to reduce their dependence on social welfare programs.

In 2013, poverty-busting plans organized with the Chiayi City and Taitung County governments were continued and are scheduled to be completed in 2014. The two programs are helping 70 second-generation members of low-income families to escape the spiral of poverty by giving them the tools to stand up on their own financially.

Products and Services that Address Social Change

- Fubon encourages employees to care for the elderly and disadvantaged and better understand the operations of long-term care centers and then share that experience with their families and customers to help them make long-term care plans and create a financial safety net.
- Fubon encourages employees to care for the elderly and disadvantaged and better understand the operations of long-term care centers and then share that experience with their families and customers to help them make long-term care plans and create a financial safety net.

As times change, so do the challenges facing society. With families getting older and having fewer children, insurance policies that offer long-term benefits have become the trend. People’s insurance needs in the past focused on lump-sum payments for a policyholder’s medical bills and support of his or her family, but Fubon Life has found that products offering benefits in installments have gained widespread market acceptance over the years. As a result, Fubon Life was the first insurer in the industry to develop products offering annual or monthly benefits to help relieve the regular financial pressures beneficiaries face.

With Taiwanese society aging, people consuming more processed foods, and food safety scandals becoming more frequent, the prevalence of chronic and catastrophic illnesses is on the rise, with some patients suffering from two or more ailments at a time. Improvements in medicine have extended patients’ survival rates, but that has also increased their spending on drugs and care. Fubon Life responded to the trend and customer feedback by introducing in 2013 “Multiple Catastrophic Illness Health Insurance” that offered Taiwanese residents enhanced protection against major ailments.

The pioneering policy was innovative in four ways. First, it was the first policy to establish an independent “catastrophic illness” category, and it remains the only “multiple illness” product on the market to reimburse medical bills for three different diseases. Second, it offers the longest protection in the industry, committing to help policyholders until they are 99 years old. Third, the policy comes with riders giving customers different benefit options. Finally, the product offers “simplified disease verification,” under which diseases are clearly identified and recognized, saving the

patient the trouble of going to the hospital regularly to get written confirmation that he or she has the disease. Customers can collect up to 200% of the amount insured and be covered for up to 120 months of catastrophic illness insurance premiums for a policy covering a specific critical illness. These innovations are offering better policy protection options than ever.

The roll-out of Fubon Life “Multiple Catastrophic Illness Health Insurance” not only offered better protection against major illnesses, it had four other effects:

- 1) It brought affordable, lifetime protection to policyholders, ensuring that their treatment options won't be limited because of the high costs of care and guaranteeing fair, reasonable access to treatment.
- 2) Diseases were clearly defined, and verification of the disease was simplified. As long as the first diagnosis is confirmed, patients never have to apply again for verification that they have the condition.
- 3) Giving beneficiaries one big payout means they can use it as they see fit, including choosing between Chinese medicine or Western medicine treatments.
- 4) Fubon Life hopes that because this insurance product will lower the potential impact of a catastrophic illness, families will feel better prepared and stronger if a major illness strikes. It should have a calming effect on society because it will ease the panic felt by patients and their families and reduce the financial burden of the government and society.

Testimonial

Thank Goodness for the Insurance Benefits

At the end of 2012, 50-something Mr. You (pseudonym) suffered a stroke, leaving him totally paralyzed. The only remaining income earner in the family was his wife, who worked at a securities brokerage. She not only had to spend a lot on medicine and caregiver fees, she also had to support her two high school boys and her octogenarian mother-in-law. Recalling how she was overcome with anxiety outside the intensive care unit, Mrs. You couldn't help think at the time: “Thank goodness I still insurance benefits. Otherwise, I wouldn't have the courage to save him!” Mr. You now lives at home with the help of a foreign caregiver. Though his rehabilitation has progressed slowly, the insurance benefits received, including coverage of medical expenses and NT\$150,000 a year in disability assistance, has enabled the family to stay afloat financially and hire a live-in caregiver.

Validation of the Job

Fubon Life has encouraged employees to personally learn about the needs of those receiving long-term care by caring for the elderly. Business managers bring colleagues to nursing homes or centers taking care of people in a vegetative state, giving them a feel for the operations of long-term care facilities and, when possible, the patients' state of mind. A Fubon office in Kaohsiung designates one day a month as “Giving Back Day,” during which the manager and subordinates visit a nursing home and spend time with the residents, sometimes taking seniors in their wheelchairs to a temple to pray for good health. During Chinese New Year's visits, red envelopes are handed out. One supervisor encourages his colleagues by telling them, “Volunteering not only affirms the value of your work, it gives you a valuable experience when you're young. If you don't plan for long-term care, and something happens to a family member's health, it will be hard to live the way you want.” These young employees share their experiences with their families and customers and impress on them the importance of long-term care planning to create a safety net.

Testimonial

Products and Services that Address Climate Change

- Fubon Insurance has developed “Weather Insurance” that offers complete protection from weather-related risk factors and helps companies effectively transfer weather risk.
- Fubon Insurance teamed up with National Central University and National Taiwan University to develop risk assessment models for natural disasters that support natural disaster risk management services. Typhoon and flood insurance is also available to help companies with their insurance planning and ensure they have comprehensive protection.
- Fubon Insurance offers companies loss control services and holds regular loss control technology seminars.

As Taiwan's first privately owned property and casualty insurer and a two-time recipient of Asian Insurance Review's “General Insurance Company of the Year” award, Fubon Insurance has a proud 52-year history full of innovations. As the threat from climate change mounts, Fubon Insurance is doing more than just offering the best insurance products on the market; it is developing innovative risk solutions to position itself as clients' preferred risk management consultant. This comprehensive approach has emerged as one of Fubon Insurance's successful business models and represents an unwavering commitment to clients and the environment.

Weather Insurance: Helping Companies Divert Weather Risk

Climate change has led to the increased frequency of extreme weather events that have made life even more difficult for companies vulnerable to adverse weather conditions. To protect companies from major shifts in their operations because of changes in the weather, “Fubon Weather Insurance” covers the insured against losses (such as extra expenses, a loss in revenues, or the loss of expected revenues based on projections of normal operations or established plans) incurred from abnormal weather events such as heavy rain, strong winds or unexpected temperatures – ensuring that their operations are sustainable. At the same time, Fubon Insurance has hired a meteorological team led by prominent forecaster scholar Dr. Peng Chi-ming to help analyze correlations between clients’ past sales revenues and changes in the weather. Building on that analysis, insured scholar values for different kinds of abnormal weather events are established, helping businesses manage weather risk and stabilize revenues. A client that operates an amusement park, for example, has increased indoor events and performances when faced with the prospect of inclement weather. When good weather is forecast and heavy crowds are expected, traffic controls are instituted and changes to crowd flows are made to reduce waiting times for rides. From 2006 when the service was first offered to the end of 2013, Fubon Insurance provided weather risk management services to 75 clients.

Integrated Natural Disaster Risk Management Services

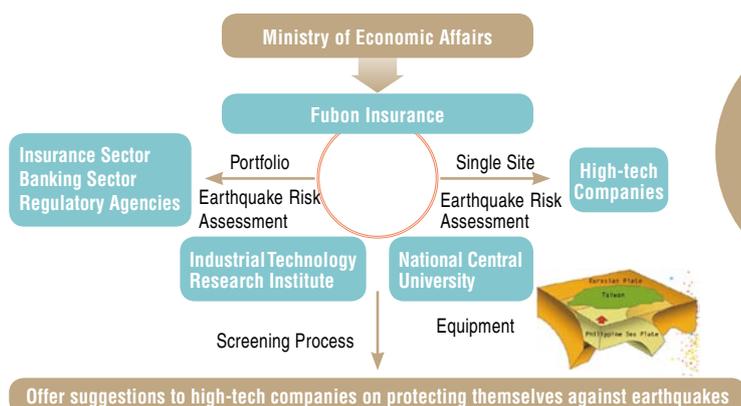
According to Munich Re statistics, losses from natural disasters around the globe set a record in 2011. Taiwan is highly vulnerable to earthquakes and typhoons because of its location on the western edge of the Pacific Ocean along the Pacific Ring of Fire. Through the support of international reinsurance companies, Fubon Insurance packages several insurance products such as earthquake, typhoon and flood insurance and business interruption insurance to offer companies and the public natural disaster protection. To get a better grasp of the risk generated by natural disasters, Fubon Insurance teamed up with Taiwan Risk Management Company under National Central University’s Innovation & Incubation Center to develop a risk assessment system for earthquakes and with National Taiwan University’s Center for Weather Climate and Natural Disaster Research to develop one for floods. These new technologies that quantify risk can assist companies in choosing factory locations, developing earthquake-resistant designs and flood prevention measures, and planning for emergencies.

Through its natural disaster risk assessment technology, business continuity management programs, and recommendations for improvements, Fubon Insurance has helped corporate clients improve their ability to manage risk from natural disasters. This integrated risk management service model has earned the recognition of major clients and foreign reinsurers, and is now being used to promote social welfare. In 2013, more than 300 schools were given free access to the technology to assess the potential of flood inundation at their locations.

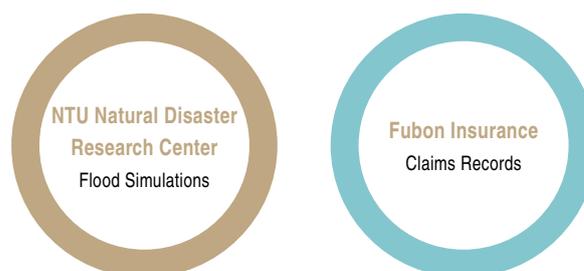
Natural Disaster Insurance Sales

	Item	2013 Results	2012 Results	Annual Growth
Premium Revenue	Earthquake Insurance	NT\$1.284 billion	NT\$1.221 billion	5.15%
	Typhoon and Flood Insurance	NT\$925 million	NT\$877 million	5.47%
	Business Interruption Insurance	NT\$266 million	NT\$264 million	0.75%
No. of Policies Underwritten	Earthquake Insurance	4,740	4,569	3.75%
	Typhoon and Flood Insurance	3,469	3,367	3.05%
	Business Interruption Insurance	439	416	5.52%

Fubon Insurance Earthquake Risk Assessment Model



Fubon Insurance Flood Risk Assessment Model



Innovative Corporate Loss Control Services

Fubon Insurance has been the industry's leader for 30 years, and its employees are well aware of the important mission and social responsibility they shoulder and understand the high expectations customers and society have of the company. To provide corporate clients even better services, Fubon Insurance became in 1995 the first domestic insurer to set up a Loss Control Department. It also regularly organizes seminars on loss prevention technologies and has introduced international fire safety practices, helping customers elevate their risk management processes and infrastructure to international standards. The loss control team, which advises customers on a variety of loss control technologies, currently consists of 15 engineers specializing in several fields, from fire safety, environmental engineering, chemical engineering, and industrial safety to electrical engineering, civil engineering, and structural engineering. It is the most competitive risk engineering and technology services team in the country.

According to National Fire Agency statistics, electrical fires are the most common cause of fires in Taiwan. Fubon Insurance invested NT\$3 million on infrared imaging camera technology developed by the Industrial Technology Research Institute in 2003 to offer companies electrical safety inspections using infrared thermography. This service effectively lowered the cost to society of fires and got companies to take the threat of fires more seriously. In 2013, Fubon conducted more than 200 tests using the infrared technology.

Fubon Insurance has always been committed to introducing innovative technologies, and its efforts have received considerable recognition. Aside from being the first financial services company to receive a grant under the Ministry of Economic Affairs' Technology Development Program, it has also been honored with an "Innovation Award" from the MOEA and an "Innovation of the Year" award from *Asia Insurance Review*. The Fubon's passion for innovation will be sustained into the future as it leads the industry in doing the right thing.

Seminar Summary

Year	2011-2013	2008-2010
Total Participants	3,246	2,228
Seminar themes during the past three years	Climate change; hydrological disasters; disaster risk analysis technology; extreme weather loss prevention and control; manufacturing sector continuity practices; business continuity planning for disaster risk; APEC crisis management plan; analysis of examples of civil engineering and construction disasters; examples of engineering insurance claims; anti-vibration strategies for high-tech machines and plants; electrical and mechanical fire loss prevention; insurance planning from the perspective of an actual fire; layer of protection analysis technology and actual cases; legal responsibilities of board directors, board supervisors and executives based on litigated cases; and information security and the Personal Information Protection Act.	

Fubon Insurance Fire Safety Training Laboratory

In 1997, Fubon Insurance invested NT\$40 million in a "Fire Safety Training Laboratory" in Tamsui, the largest of its kind in southeastern Asia. The two-story 660 square-meter facility showcases some of the most advanced passive fire resistant building materials and active fire safety systems in the world today, and live simulations can be done with several of the materials and pieces of equipment on hand. These demonstrations often leave visitors deeply impressed and help firmly implant the concept of risk prevention in more people's minds. Through education and training facilities such as this one, Fubon Insurance hopes to help more people understand risk and take risk management seriously. The training laboratory is open not just to Fubon customers but also to schools and individuals free of charge and averages about 600 to 1,000 visitors a year. In 2013, it welcomed student groups from Ming Chuan University, National Cheng Chi University, National Taipei University of Business, and Tamkang University, etc.

Fubon Insurance Loss Control Services



Taking on Disaster Risk with Help of Strict Underwriting and Prudent Reinsurance Arrangement

Fubon Insurance is the major catastrophic risk insurer for top 1,000 enterprises and the public in Taiwan. Fubon takes natural disaster risk management very seriously, both to satisfy the requirement of regulators and the company's own high standards. It has designed a rigorous underwriting process that makes appropriate use of international reinsurers, and conducts risk analyses using internationally recognized catastrophe risk models (from RMS and AIR) along with an internal model developed in house to check and verify its results. Because of the growing threat posed by abnormal weather, Fubon also simulates many extreme scenarios to test their impact on its risk-based capital ratio. These diverse initiatives have been recognized by government, earning Fubon Insurance a Gold Award for risk management at the prestigious Taiwan Insurance Best Performance Awards in 2013.

The First Step in Becoming a Low Carbon Company

- 1 Taipei Fubon Bank pioneered a “Good Find” app for Fubon credit card holders as part of Fubon’s initiative to increase the “green value” of financial services. The app has strengthened Fubon’s portfolio of mobile services and reduced paper usage.
- 2 As it moves toward becoming a low-carbon business, Taipei Fubon Bank continues to optimize and add mobile banking services and plan related promotional events.
 - (1) Taipei Fubon Bank revised its mobile banking services platform seven times in 2013 and added or optimized 30 functions.
 - (2) Hoping for more mobile banking users, Taipei Fubon Bank continued to aggressively promote mobile banking and had 200,000 people apply for a mobile banking account during the year.
- 3 With Fubon Life’s mobile insurance services, customers no longer have to fill out complicated paper forms, and application processing times have been shortened from three days to 10 minutes, leaving salespeople more time to call on at least another one or two customers a day.
- 4 Fubon Life customers can buy insurance and have the policy approved online. Where it used to take three days to approve a paper application, the computer does the job in 10 minutes.
- 5 Fubon Securities and Taiwan Mobile teamed up on “m+VIP mobile value-added services,” innovative services that have opened a new “blue ocean” in the securities sector.



Dealing with global climate change, a rapidly deteriorating natural environment and the need to save energy and reduce greenhouse gases has become a matter of top priority for citizens of the world. Dedicated to environmentally sustainable development, Fubon Financial has aligned itself with the government's environmental policy and acted as a responsible corporate citizen by doing everything it can to save energy and cut carbon emissions. It is also committed to building a "green" financial services brand, creating services based on green values and fostering an environmentally friendly corporate culture.

Building a Green Banking Brand

Taiwan's Environmental Protection Administration has made energy conservation and carbon emissions reduction major priorities in recent years and created an "Action Mark" to certify good environmental practices. In 2013, certification was based on four criteria: "measures to improve energy efficiency of equipment," "internal management strategies save energy and reduce emissions," "efforts to publicize and educate people about energy conservation and carbon reduction and measures to improve practices in the future," and "disclosure of information on environmental efforts."

Fubon Financial Holdings has responded to the government's environmental policy with an unwavering commitment to environmentally sustainable operations and a desire to become a benchmark company for green practices. In 2013, Fubon made NT\$163.57 million in green purchases and invested about NT\$15 million to replace older central air conditioning units that wasted energy, while also changing all lighting in Fubon offices to T5 and LED energy-saving lights. Fubon retail outlets were encouraged to turn off the lights in their outdoor signs an hour earlier, at 11 p.m. instead of midnight. These initiatives can save an estimated 274,000 kWh of electricity and 145.77 tons of carbon dioxide emissions annually, equivalent to the amount absorbed by 14,000 trees, assuming that one tree can absorb about 10 kilograms of carbon emissions per year. (The Bureau of Energy estimates that every kilowatt-hour saved leads to the reduction of 532 grams of CO₂ emissions.)

Our efforts to install energy-efficient lighting and turn off outdoor signage an hour earlier than normal were recognized by EPA evaluators, helping Fubon earn "Action Mark" certification for the third consecutive year.

As seen above, we have adopted many strategies to protect the environment, from managing energy consumption in our buildings, using smart systems to conserve energy, and reducing and recycling waste, to embracing green purchasing and green building. But our environmental agenda has not stopped there. Through education and training programs, we have encouraged employees to develop more environmentally friendly habits in their daily lives, and other initiatives have been taken to get society more involved in environmental activities.

Fubon, for example, participated in Earth Hour Taiwan every year from 2010 to 2012 and then co-sponsored the event in 2013, helping promote the campaign aimed at saving 10% in energy consumption and mobilizing employees, customers and the public to love the Earth. In 2014, Fubon became the main sponsor and organizer of Earth Hour Taiwan, and 267 Fubon locations joined the initiative by turning their lights out for an hour that day. One hundred Fubon people also joined in a 4-kilometer night run on the banks of the Love River in Kaohsiung that night to highlight the relationship between climate change and habitat conservation.



Greenhouse Gas and Carbon Footprint Inventory

Fubon Financial Holdings has actively responded to the global challenge of climate change and the international trend toward reducing greenhouse gases. A major step forward came in 2012, when we developed a system to take inventory of our greenhouse gases under the ISO 14064-1 standard, and we later became the first financial holding company to have the system certified by a third party. According to Fubon's 2013 greenhouse gas inventory report (completed in 2014), verified by global testing services provider SGS, Fubon Financial Holdings and its subsidiaries emitted 17,849.32 tons of carbon dioxide equivalents in 2013.



The Company established 2011 as the baseline year for internal greenhouse gas emissions and set the goal of reducing carbon dioxide emissions by 5% within five years. As of the end of 2013, a 3% reduction had already been achieved, and the goal should be attainable as energy-saving efforts are redoubled in the coming years. Fubon plans to install chilled water air conditioning systems, LED lighting, and automatic switches to replace energy-inefficient devices, and equip elevators with frequency converters to save power. In addition, Fubon holds an annual energy conservation competition internally that encourages employees, offices and whole divisions to embrace the concept of a low-carbon business.



Fubon Financial Holdings becomes the first FHC to receive ISO14064-1 certification.

The First Credit Card with Carbon Footprint Verification

Beyond taking inventory of the carbon emissions generated by the organization as a whole, Fubon Financial Holdings has also begun assessing the emissions of individual products and services, starting with one of Taipei Fubon Bank's main credit cards, the Fubon Fortune Platinum Card. The card's carbon footprint is determined by the emissions generated throughout its life cycle, from material extraction and manufacturing to packaging and delivery to the bank, with the results verified by a third party. The initiative is aimed at exploring ways to reduce emissions while providing even better financial services to customers.

The various stages of the production and delivery of the "Fubon Fortune Platinum Card" generate a total of 106.05 grams CO₂e per card. More than 30 million credit cards are currently circulating in Taiwan and if stored-value EasyCards, access cards and other plastic cards are added, there are more than 100 million cards floating around the country. That represents a substantial volume of carbon emissions that do no favors to the environment. Fubon hopes that through its actions, its consumers will become more environmentally aware.



Mobile Services

Capitalizing on the growing popularity of smartphones and tablet computers, Fubon subsidiaries have introduced several mobile apps to enhance the "green value" of their financial services. These apps have optimized Fubon's mobile services and sped up the time it takes to process requests and search for information, enabling salespeople to respond to customers in a more timely manner, enhancing customer loyalty.

“Good Find” Service Locator App

Taipei Fubon Bank pioneered a new “Good Find” service locator app for credit card users that integrates social networking, location-based service and O2O (online to offline) concepts. Within three months after the app was introduced, more than 30,000 people had registered as members, more than 80,000 pieces of information had been downloaded, and more than 18,000 e-coupons had been sent. The “Good Find” app clearly differentiated itself from other apps in the sector because it was the first to offer incentives and rewards. It has three main special features:

- “Good Find Search” function: Through mobile location-based service technology, users get information on stores offering deals that are closest to them with a single touch of their smartphone. Function offers convenience and saves users time.
- “Good Find Reward” function: Card users can quickly accumulate reward points by charging items at physical retail stores with Fubon credit cards or sharing information on a retailer on a social network. The reward points can be exchanged on the app for electronic coupons or cash rebates on credit card charges. By getting consumers into retail stores to charge purchases or claim coupons, the initiative showcases the positive synergies of the O2O model.
- “Good Find Calendar” function: The special offers available to credit card users are noted on the user’s mobile calendar based on each promotion’s time frame, helping card users keep track of good deals in an organized way and reminding them when special offers are about to expire.

Taipei Fubon Bank intends to offer even more personalized services in the future to further tap into “Good Find” app members, strengthen the bank’s brand image among potential customers and enhance the brand loyalty of existing customers.

Optimizing Mobile Banking Services

To help Fubon achieve its goal of becoming a low-carbon business, Taipei Fubon Bank has added or improved many mobile banking services and organized marketing campaigns to raise those services’ visibility, as follows:

- Over 53% of Taiwanese use their smartphone to go online, according to the results of the Research, Development and Evaluation Commission’s 2013 Individual/Household Digital Opportunity Survey. Taipei Fubon Bank has aggressively developed its mobile banking business to better reach that growing segment of smartphone users and offer customers more real-time service channels. Customers can now use the “mobile Internet” for several functions, including for searching for information on such things as credit card services and special offers, checking on the status of their accounts, making transfers, or paying their credit card bills.

Mobile banking functions that were improved or added in 2013

Taipei Fubon Bank made several improvements and additions to its mobile banking platform in 2013, including upgrades to the credit card customer login system, changing to a new version of iOS7, and adding information on principal risks of the funds.

- Mobile banking promotional events in 2013: Taipei Fubon Bank ran several campaigns during the year to increase the number of customers using mobile banking services. A “Get into Mobile Banking” promotion held in the first half of the year had the most noticeable impact, with more than 10,000 new users signing up that month, 50% more than normal. For the year as a whole, 200,000 people registered to use the service.

In 2014, the emphasis will be on making the mobile banking system even more convenient for customers to navigate. Mobile device users prize ease of use more than any other features, and Taipei Fubon Bank is determined to satisfy that need and make it easier for them to access financial services by further simplifying mobile banking operations. The bank expects the streamlining of the customer application and account opening process to be completed in the first half of the year, and a one-time password function will be added to allow customers make transfers on smartphones from overseas.

Fubon Life has also incorporated mobile technology and applications into its business, developing several innovative functions to help salespeople serve customers as efficiently as possible. This transition to mobile services will digitize the life insurer’s marketing, service and management functions and create a truly mobile sales force.

Here is a summary of the improvements made

Mobile Functions	No. of Upgrades
Transfers and Pay Bills/taxes	8
General System	6
Credit Card Services	3
Fund Services	3
Wealth Management Information	3
Applications/Account Opening	2
VISA Debit Card Inquiries	1
Other	4
Total	30

Cloud Insurance Counter Makes Getting Insured a Cinch

Fubon Life has set up a “cloud insurance counter” in recognition of the growing popularity of tablet computers and the government’s policy goal of reducing paper use. The cloud system, featuring an easy-to-use interface and intelligent verification system, enables salespeople to provide any insurance services on the spot when visiting customers. For a new insurance contract, for example, a simple procedure is used: the policy is entered into the system and verified, then shown in its final form to the customer for him or her to review and sign, all on the tablet. The process, from proposal planning to approval of the policy, used to involve cumbersome paperwork and took three days to complete, but can now be done in 10 minutes, saving both the salesperson and customer precious time.

Real-time Premium Information

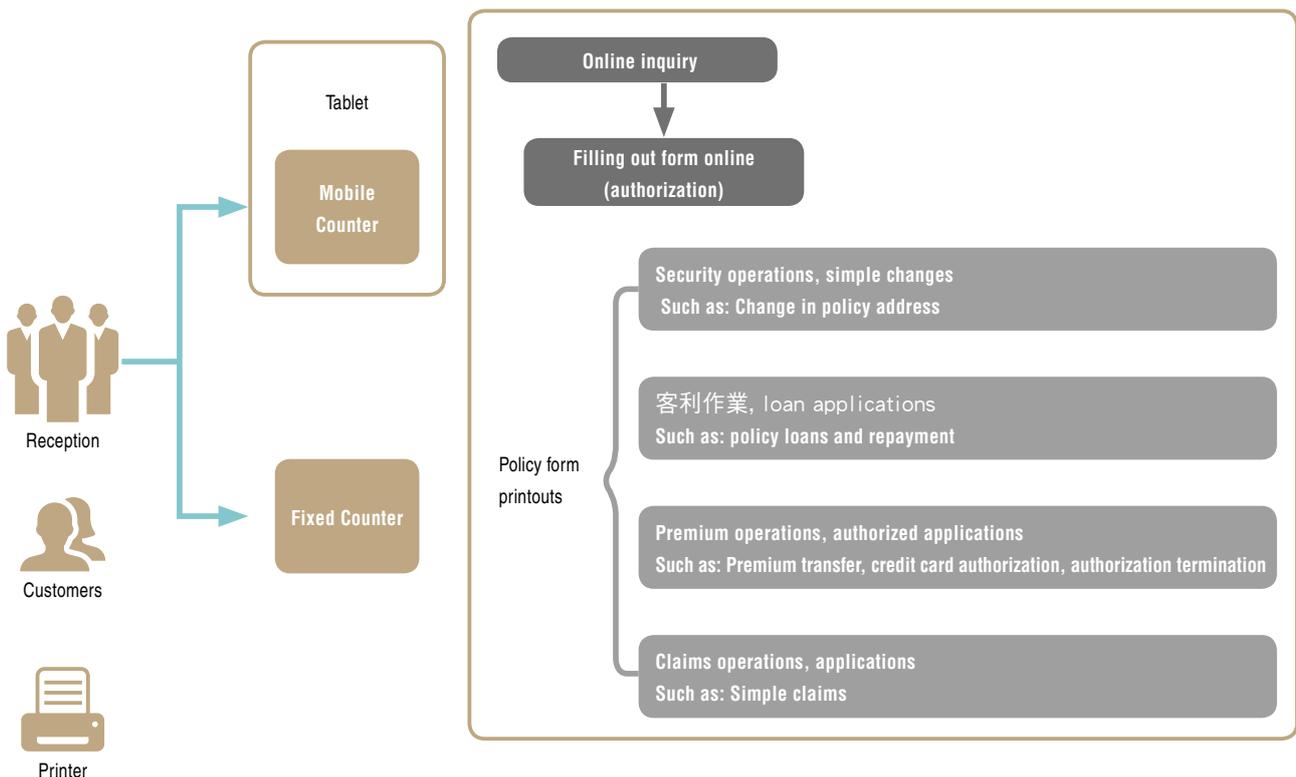
Fubon Life introduced a “Premium Search” smartphone function to arm its salespeople with important consumer information in a highly portable device. Salespeople can now use their smartphones anywhere at any time to quickly and efficiently answer all of the questions customers have about premiums, raising customer service to a whole new level.

Upgraded Accessories for Salespeople

Fubon Life’s “Sales e-Convenience” app for smartphones, which features interactive functions related to policy services, supports salespeople in the field. The “To Do’ Reminder” function, for example, automatically reminds Fubon salespeople of things still to be done, and has dramatically reduced the incidence of tasks being handled too late or forgotten. A “Case Progress Search” function helps salespeople stay up to the minute on the progress being made on a customer application, enabling them to keep the customer well informed. Aside from these functions, Fubon Life has also developed a push notification service to automatically send reminders of things pending and target customers to the mobile devices of its sales force on a daily basis. The messages help keep Fubon Life’s salespeople organized amid their busy days and maintain a high level of service quality.

‘Mobile e-Convenience’ – Pioneering Push Notification

Fubon Life has also developed an innovative “e-Convenience” mobile services app that sends updates on policies to customers’ mobile phones. Initially, the app enabled customers to find Fubon Life retail locations and information on different kinds of insurance policies, but four new functions have since been added to bring customers even more convenient, real-time services: on-the-spot travel insurance, a policy loan and repayment calculator, claims information and ibon form printing services, and information helpful to daily life, such as bus schedules, information on calling a taxi and the weather. It set a first in the industry when it decided to send all messages to policyholders by push notification, and



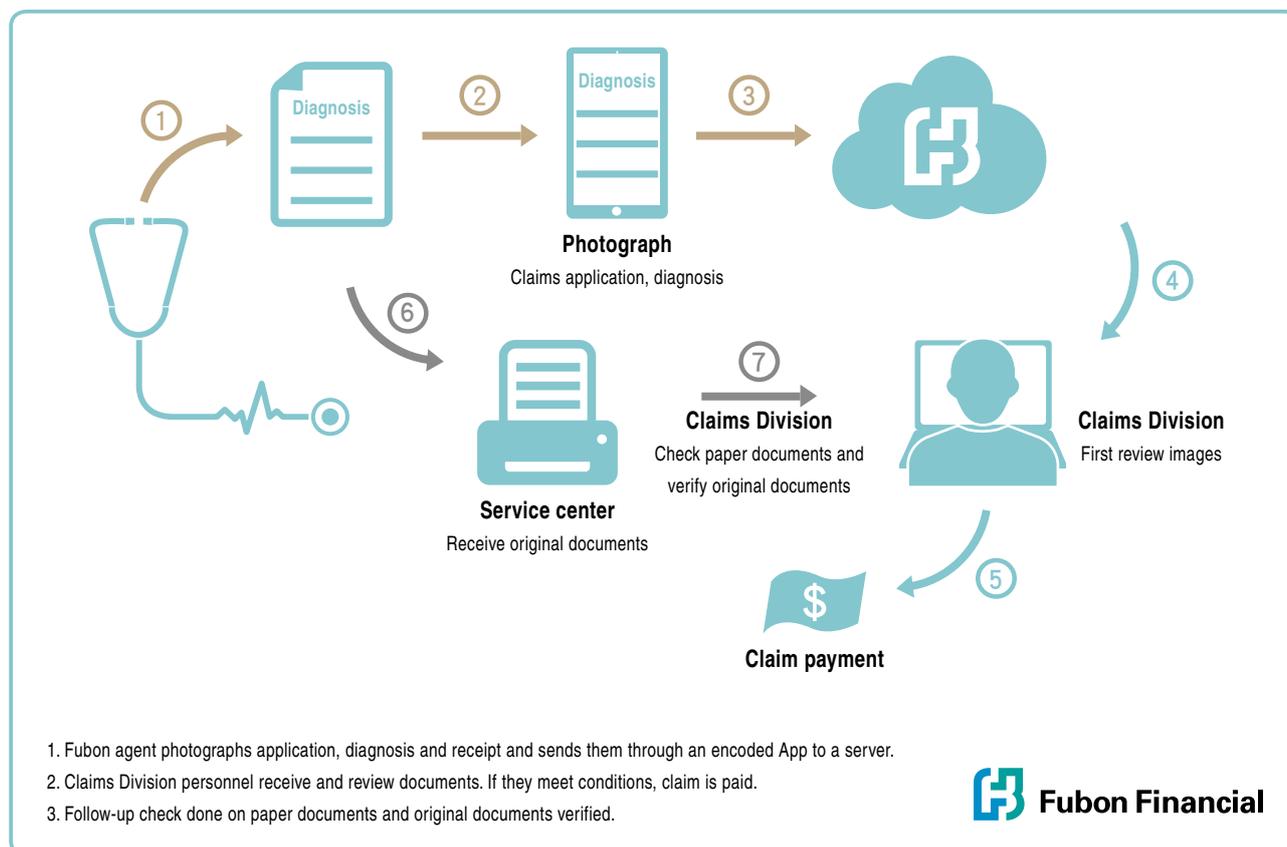
pioneered a service that automatically “pushes” personalized messages to the calendars of policyholders’ mobile devices to keep them posted on important insurance dates, such as premium payment due dates. The service sends messages and reminders on dozens of topics related to policyholder interests, including survival/full maturity benefits, renewal premiums due, investment rates of return, policy loan information, policyholder birthday activities and health reminders.

Six-star Reception Counter, VIP Service

Fubon “House” service centers can be found around Taiwan. They mostly handle basic customer service functions, including processing changes to policies, handling simple claims and policy loans or repayments, granting authorization to complete transactions online, underwriting travel insurance, collecting premium payments and providing copies of premium receipts. To provide faster and more convenient counter services, Fubon Life began planning two new platforms – “mobile counter tablets” and a “GO convenient form-filling tool” – in 2013 that will make use of mobile devices and wireless connectivity. These new platforms should have many benefits, including 1) speeding up initial document reviews and the completion of basic checklists; 2) simplifying the processing of basic customer inquiries; 3) shortening the time people spend at service counters; and 4) enhancing overall customer satisfaction. As part of the new services, Fubon associates will take the initiative to go to customers, making them feel like VIPs, and personally attend to their needs, whether adjusting a contract, arranging a policy loan, or setting up automatic deductions of insurance premiums from a designated bank account. Forms for these and other services can be filled out by the associate on a tablet computer, ensuring that Fubon’s services can reach wherever the customer is.

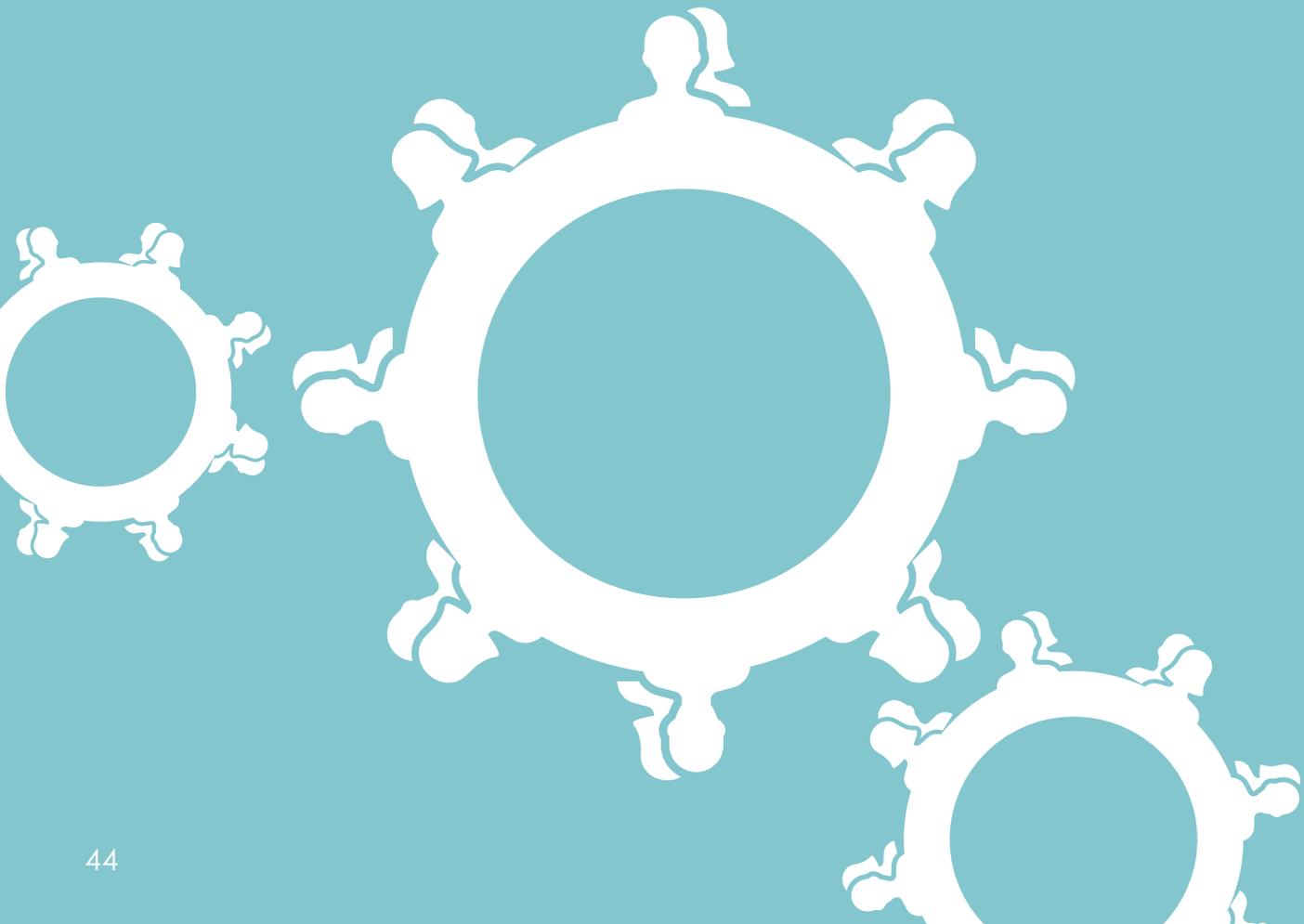
Making Claims Services Mobile – Photo Claims

Customers have hoped for improved claims services that give them an answer to their claim requests more quickly and accurately than ever. To meet their needs, Fubon has pioneered an efficient claims system for medical bills that is extremely responsive. The policyholder can notify a claims specialist as soon as he or she obtains a “certificate of diagnosis,” or, in the case of an “orphan” insurance policy, the customer can call Fubon’s toll-free service hotline to register the claim. An agent will immediately visit the customer and send pictures of the written diagnosis and other relevant documents by a mobile device to Fubon Life’s “Fubon e-Photo Management Center.” As soon as the claims documents are received, they are processed within 30 minutes, and the result is relayed back to the agent. It should take no more than two hours from first contact with the customer for the amount to be remitted to the policyholder’s account.



Caring for Our Employees

- 1 Fubon Financial Holdings does not discriminate on the basis of gender, age, ethnicity, religion or political beliefs. Any individual with the ability and qualifications needed has an equal opportunity at being hired. We also show concern for the disadvantage, hiring more people with disabilities than legally required. Many Fubon subsidiaries have been honored by the Taipei City government for their hiring practices in this area.
- 2 Fubon Financial Holdings' talent development program relies on a learning platform tailored to business, functional and career development needs that offers employees diverse learning opportunities and resources.
- 3 Beyond specialized financial training programs, Fubon Financial Holdings also offers continuing education subsidies and organizes lectures by prominent speakers to inspire employees to develop themselves further.
- 4 Fubon Financial Holdings has devised a management training program for management trainees, newly promoted managers, and entry-and mid-level managers, and it also offers managers advanced elective courses to encourage their continuing education.
- 5 Fubon Financial Holdings has a fair, rational and competitive compensation system. Outstanding employees can be promoted or receive a raise on an annual basis through Fubon's performance management system, and year-end bonuses are paid based on the Company's operating results and each employee's performance.
- 6 Beyond offering a well-rounded benefits system, Fubon Financial Holdings aspires to be a company that puts a premium on employee well-being by fostering a healthy workplace and friendly workplace environment. We organize "healthy workplace" activities and put in place other conveniences that truly show concern for our employees.
- 7 Fubon Financial fully respects employees' legal rights and has established open and diversified communications channels, such as an employee grievance channel, face-to-face meetings at all levels, a monthly employee periodical, employee opinion and communications mailboxes, and a human resource customer service system, to foster harmonious worker-management relations.

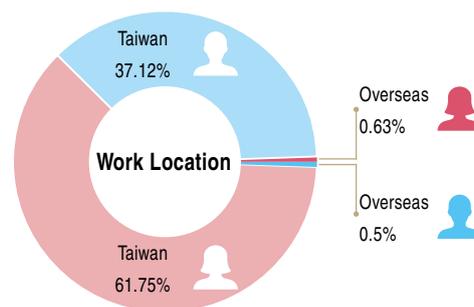


Equality in the Workplace

Fubon Financial Holdings embraces the core values of integrity, sincerity, professionalism and innovation when serving customers and insists on treating employees with a fair, impartial, diligent and caring attitude. When new employees arrive for their first day of work, their managers personally introduce to them the Company's organization and environment. Training for new employees at Fubon Insurance lasts two weeks to foster strong bonds with the rest of the team. Because Fubon's operations are mostly in Taiwan, the vast majority of employees come from Taiwan. The company strictly adheres to Taiwan's labor laws and regulations and does not hire child workers. Foreign national hirings are handled based primarily on two statutes: the Employment Services Act and Regulations on the Permission and Administration of the Employment of Foreign Workers.

Work Location

As of the end of 2013	Taiwan		Overseas		Total
Fubon Financial	50	86	0	0	136
Taipei Fubon Bank	2,369	4,133	103	177	6,782
Fubon Life (Outside Agents)	5,908	9,889	0	0	15,797
Fubon Life (Office Staff)	884	2,141	11	4	3,040
Fubon Insurance	1,285	1,075	39	5	2,404
Fubon Securities	724	1,344	1	1	2,070
Total	11,220	18,668	154	187	30,229



Note: The Taiwan workforce in this chart includes 11 foreign nationals.

New Employees

2013	Employees at end of 2013	New hires in 2013/ total employees at end of 2013(%)	Taiwan						Overseas						Total	
			Under 30	30~49	50 and Over	Under 30	30~49	50 and Over	Under 30	30~49	50 and Over	Under 30	30~49	50 and Over		
Fubon Financial	136	23.53	9	10	2	1	7	3	0	0	0	0	0	0	0	32
Taipei Fubon Bank	6,782	13.34	262	227	6	159	199	5	17	14	1	4	9	2	905	
Fubon Life (Office Staff)	3,040	7.24	58	75	0	27	60	0	0	0	0	0	0	0	220	
Fubon Insurance	2,404	8.53	74	35	0	58	37	1	0	0	0	0	0	0	205	
Fubon Securities	2,070	4.83	19	41	0	14	23	3	0	0	0	0	0	0	100	
Total	14,432	10.13	422	388	8	259	326	12	17	14	1	4	9	2	1,462	

Note: Fubon Life's outside sales agents were not included in these figures because of the special nature of their jobs.

New Employee Attrition and Turnover Rate

2013	Total New Employees in 2013	New Employee Turnover Rate in 2013(%)	Taiwan						Overseas						Total
			Under 30	30~49	50 and Over	Under 30	30~49	50 and Over	Under 30	30~49	50 and Over	Under 30	30~49	50 and Over	
Fubon Financial	32	6	0	1	0	1	0	0	0	0	0	0	0	0	2
Taipei Fubon Bank	905	22	43	59	0	33	46	2	5	5	0	1	3	0	197
Fubon Life (Office Staff)	220	10	7	6	0	4	6	0	0	0	0	0	0	0	23
Fubon Insurance	205	12	12	4	0	4	5	0	0	0	0	0	0	0	25
Fubon Securities	100	7	1	2	0	2	2	0	0	0	0	0	0	0	7
Total	1,462	17	63	72	0	44	59	2	5	5	0	1	3	0	254

Notes: 1. New employee turnover rate = number of new employees who resigned / total new employees in 2013.

2. Fubon Life's outside sales agents were not included in these figures because of the special nature of their jobs.

Fubon Financial Holdings truly cares for employees with disabilities and insists on providing a comfortable and fair workplace environment that ensures that people with disabilities can fully harness their skills and work hard in unison with the Company. Any individual with an interest and related expertise in the financial services industry, regardless of gender, age, race or ethnicity, religion or political affiliation, and the ability and qualifications needed to meet a position's requirements, has an equal opportunity at being hired. In 2013, nine Fubon subsidiaries, including the banking, life insurance, general insurance and securities subsidiaries, were honored by the Taipei City government as employing as many or more people with disabilities than they were legally required to.



When Fubon employees use the term "Blue Monday," it's because that's the masseurs' day off, an indication of how popular our office massage stations are.



The massage stations provide job opportunities for people with disabilities, whose professionalism and service attitude have earned widespread praise.

No. of People with Disabilities Employed as of the end of 2013

End of 2013	No. of Disabled Persons Employed	Legally Mandated No. of Disabled Employees	No. of Disabled Employed Beyond Legal Requirement
Fubon Financial	2	1	1
Taipei Fubon Bank	68	67	1
Fubon Life	206	187	19
Fubon Insurance	32	16	16
Fubon Securities	24	21	3

As of the end of 2013, Fubon Financial Holdings had 30,229 employees, of which 18,855, or 62.37%, were women. There were also 35 hourly workers (of which 25, or 71.43%, were women) and 34 massage workers on fixed-term contracts (of which 13, or 38%, were women). In an industry where women tend to comprise the majority of the workforce, Fubon does not discriminate based on gender when it comes to employee advancement. Of its 5,438 managers at the end of the year, 3,218, or 59.18%, were women. Here is a detailed look at the structure of Fubon's workforce:

Employee Type/Age/Gender Distribution

As of the end of 2013	Managers							
				Total				Total
	Under 30	30-49	50 and Over		Under 30	30-49	50 and Over	
Fubon Financial	0	2	8	10	0	6	4	10
Taipei Fubon Bank	0	20	30	50	0	10	9	19
Fubon Life (Outside Agents)	483	1,135	294	1,912	390	1,958	768	3,116
Fubon Life (Office Staff)	0	33	45	78	0	34	14	48
Fubon Insurance	0	17	66	83	0	4	3	7
Fubon Securities	0	44	43	87	0	11	7	18
Total	483	1,251	486	2,220	390	2,023	805	3,218

Note: The managers counted in the above chart are division/department managers and above.

As of the end of 2013	Business, General Administration and Other							
				Total				Total
	Under 30	30-49	50 and Over		Under 30	30-49	50 and Over	
Fubon Financial	2	29	9	40	15	57	4	76
Taipei Fubon Bank	350	1,769	303	2,422	904	3,188	199	4,291
Fubon Life (Outside Agents)	2,061	1,614	321	3,996	1,686	4,073	1,014	6,773
Fubon Life (Office Staff)	77	664	76	817	207	1,830	60	2,097
Fubon Insurance	156	959	126	1,241	227	810	36	1,073
Fubon Securities	60	478	100	638	101	1,011	215	1,327
Total	2,706	5,513	935	9,154	3,140	10,969	1,528	15,637

Employee Turnover Rate

2013	Employees at end of 2013	2013 Turnover Rate (%)	Taiwan						Overseas						Total	
																
			Under 30	30-49	50 and Over	Under 30	30-49	50 and Over	Under 30	30-49	50 and Over	Under 30	30-49	50 and Over		
Fubon Financial	136	9	2	3	0	2	5	0	0	0	0	0	0	0	0	12
Taipei Fubon Bank	6,782	13	143	309	26	94	250	27	7	11	7	6	12	10		902
Fubon Life (Office Staff)	3,040	6	36	82	2	15	48	5	0	0	0	0	0	0		188
Fubon Insurance	2,404	7	19	45	10	32	41	28	0	0	0	0	0	0		175
Fubon Securities	2,070	11	29	80	18	15	59	19	0	0	0	0	0	0		220
Total	14,432	10	229	519	56	158	403	79	7	11	7	6	12	10		1,497

Notes: 1. Fubon Life's outside sales agents were not included in these figures because of the special nature of their jobs.

2. Numbers above under "Women" and "Men" are numbers of people who left Fubon during the year.

Diverse Talent Development Programs

Fubon Financial Holdings fully believes that people are a company's greatest competitive advantage, the key force that steadily pushes a company to new heights, and a high priority is put on cultivating talent internally. Our systematic talent development program, which covers everything from entry-level training to managerial development, enhances employees' professional expertise and equips them to cope with a constantly changing business environment. A broad diversity of learning resources and opportunities are also made available to stimulate their desire to grow and continue to learn. Partly in recognition of this commitment, Fubon Financial Holdings was ranked by Commonwealth Magazine in its 2013 "Corporate Citizenship" awards as the top large-scale company in Taiwan in the "Corporate Commitment" category.

Managers as Students

We have developed training courses for managers at all levels of the organization that are tailored to their management capacities and professional development. The courses help managers keep their expertise and management skills sharp by exposing them to the latest management techniques and knowledge in ways that keep learning fresh and encourage managers to grow. Classes can involve experiential learning, role playing, video sharing and other methods that have been received enthusiastically by employees. A total of 58 management classes attended by 1,789 people were held in 2013. The average satisfaction level was 4.53 on a scale of 5, with many managers describing what they learned as practical and applicable to their jobs. Based on observations and feedback from managerial-level courses offered from 2009 to 2012, we have also developed advanced online elective courses and after-class projects to strengthen their application of the knowledge they have picked up and extend the benefits of the learning program.

Management trainees are an important part of Fubon's talent development process. Senior executives select individuals with development potential who after passing an evaluation enter the Fubon talent pool, becoming the top choices for future promotion. Their evaluation program focuses on such themes as management thinking, problem solving, and quality management and also requires candidates to complete a designated number of volunteer hours to reinforce the Fubon mission of spreading positive energy throughout society. A total of 336 management trainees were certified as qualified from 2009 to 2013, and about 40% of them have already been promoted to managerial positions.

To develop managers with an international perspective and the forward thinking needed for the organization's development, Fubon Financial Holdings began recommending outstanding employees in 2009 to take one-year advanced management courses at MIT's Sloan School of Management. Participants not only continue to collect their salary during their year abroad, their tuition is paid in full by the company and they also receive a living allowance. Fubon expects that this exposure to highly talented people from different countries and sectors will stimulate new ways of thinking that can be injected into the organization and used to enhance business development and the cultivation of talent.

Masters of Their Own Development

To encourage employees to continue their education, expand their horizons and enhance their professional competitiveness, Fubon Financial offers various financial grants for language training or pursuing a degree or professional certification. Nearly NT\$2.7 million was distributed in grants for these purposes in 2013. Courses are offered both in classrooms and on our digital learning online platform. The platform has 471 courses available – some developed in-house and some purchased from outside organizations – to enable employees to learn without time constraints. In 2013, Fubon also held a film appreciation seminar featuring the documentary "Beyond Beauty – Taiwan from Above" to raise awareness of environmental issues and solidify people's emotional bonds with their homeland.

Our employees have many opportunities to learn on their own based on their interests and needs, but they also can learn through the successful experiences of leaders from many fields. We began organizing forums with prominent speakers, called "Master Lectures," in 2009 and, in 2013, we invited prominent writer Wu Ruo-chuan to talk about the spirit of accountability and ultramarathon runner Tommy Chen to speak about challenging yourself. Those who attended said they got a lot out of the presentations. Fubon also offered free passes to employees to the "Fubon Forum" lecture series organized by the Fubon Art Foundation, with 990 taking advantage of the opportunity in 2013.



People attending "Master Lectures" receive a free book related to the topic discussed to learn more about it.



The first film appreciation seminar for employees was a big hit, with the event fully booked soon after registration began.

Job Rotation System

Fubon Financial Holdings encourages job rotation to give employees exposure to different types of jobs and enhance service efficiency, and established "Regulations on Rotating and Transferring Personnel" to optimize the process. Managers can apply to have their subordinates rotated based on the employee's experience, performance, development potential or professional needs. Employees can also go through internal recruiting channels to pursue rotation opportunities. To comply with rules on internal control systems in the financial services sector, people in positions involving finance, cashier, or purchasing functions are given the chance to rotate after completing five years in the same job.

In recent years, our strategy has increasingly focused on overseas expansion, with more employees getting opportunities to be rotated abroad. The training given those being sent abroad, which gives them an in-depth look at their new market's economic trends, local politics and culture, and the financial regulatory environment, contributes to our systematic efforts to nurture international talent. Such training, combined with overseas rotations or internships, enable our people to quickly accumulate valuable international experience and develop professional competencies.

Company	Managers		Non-managers		Average Training Hours Per Employee
					
Fubon Financial	31.47	23.17	23.39	34.82	27.61
Taipei Fubon Bank	41.28	34.87	31.86	33.90	33.12
Fubon Life (Office Staff)	44.86	40.40	23.57	27.91	27.15
Fubon Life (Outside Agents)	32.54	40.03	46.38	62.37	48.52
Fubon Insurance	49.06	43.62	25.73	28.68	29.76
Fubon Securities	55.19	47.60	41.95	41.97	43.07
Average Training Hours Per Employee	35.36	40.24	38.21	48.27	41.16

2013 Fubon Financial Holdings Training Overview

Item	2013
No. of Employees	30,229
Total Training Attendance (Person times)	376,648
Total Employee Training Hours	1,213,987
Average Training Hours Per Employee	41

Attractive Benefits

Fair Pay and Diverse Benefits

Fubon Financial Holdings has developed a fair and rational compensation system that sets pay levels based on the skills and experience needed for specific positions and offers equal pay to men and women. Annual salary surveys are conducted to ensure that Fubon Financial maintains its competitive edge in the human resources market and is able to attract top talent to grow with the Company. Benchmarked against other companies in the financial sector, management pay is divided into fixed salary and variable compensation (including performance bonuses) and based on both the individual's performance and the company's results. Fubon Financial Holdings has also established a Remuneration Committee that establishes and periodically reviews management compensation policies and whether the pay levels of individual executives are rational.

In addition to its competitive compensation system, Fubon Financial also offers a generous package of benefits to attract, motivate, and retain top talent. Among them: bonuses for Taiwan's three main festivals; special subsidies (such as for getting married or having a child or children's education); labor, health and group insurance; pensions; paid vacation; employee stock ownership trusts; seniority rewards; treasury share transfers; and employee emergency relief.

Comparison of pay levels for men and women by type of job and employer

End of 2013	Management (Taiwan)		Business, Administration and other (Taiwan)	
				
Fubon Financial	100%	141%	100%	105%
Taipei Fubon Bank	100%	154%	100%	115%
Fubon Life	100%	119%	100%	119%
Fubon Insurance	100%	116%	100%	129%
Fubon Securities	100%	99%	100%	104%

Note: The actual ratio of female to male pay may be slightly distorted by number of people, their positions, individual performance, and seniority in each category.

Summary of Employee Benefits

Benefit	Description
Festival Bonus System	Bonuses are issued for the Lunar New Year holiday, the Dragon Boat Festival and the Mid-Autumn Festival.
Special Subsidies	Special subsidies are given for getting married, having a child, or when a death occurs in the family; recreation and leisure activities; the education of an employee's children; and social activities.
Employee Insurance	Fubon registers every employee for labor and health insurance. It also has group insurance that includes life insurance, catastrophic illness insurance, accident insurance and medical insurance. Fubon pays 70% of the premiums for employees in its group insurance coverage.
Retirement Benefits	Fubon's retirement system is based on provisions in Taiwan's "Labor Standards Act" and "Labor Pension Act" and ensures that employees will receive a steady pension after they retire.
Vacation System	In addition to legally mandated vacation provisions, Fubon also offers "volunteer leave" (to encourage employees to participate in Fubon Group charity events). Fubon also offers a flexible work system that empowers employees to more flexibly juggle their work and family life.
Employee Stock Trusts	Fubon launched an employee stock ownership trust system in July 2005. Employees can choose to invest a certain sum in the trust every month that is matched dollar-for-dollar by the company.
Seniority Rewards	To reward senior workers for their long-term contribution to the company, Fubon prepares special gifts for workers who have spent 10 years or multiples of 10 years with the firm.
Employee Emergency Relief	Emergency assistance is available for employees whose families suddenly face financial difficulties. If an employee dies from an occupational injury or disease, Fubon will provide compensation based on the "Labor Standards Act." For employees who die of causes unrelated to the workplace, their families are given condolence money (based on retirement benefit standards) that exceeds legal requirements.
Other Benefits	Sharing resources with affiliates; special discounts at selected stores; preferential mortgages for Fubon Group employees; preferential savings accounts for bank employees; etc.

Performance Management System

Fubon's performance management system not only helps employees do their jobs well, it is critical in empowering them to perform even better over time. Under the system, managers regularly offer employees guidance and support based on daily observations, and performance targets are agreed upon at mid-year and year-end manager-employee interviews. Employees who perform outstandingly have opportunities at raises and promotions every year, and year-end bonuses are given based on the Company's results and each individual's evaluation. Also, career development plans are tailored to each individual's needs. Because of the way the system is designed, organizational and personal goals are aligned and the talent management and development process is performance-oriented.



Great Working Environment

A friendly environment and healthy employees are essential to a company's well-being. To ensure that employees maintain their energy levels on the job, the Company arranges regular physicals and has installed massage stations in Fubon offices to relieve stress. New "Health Stations" equipped with blood pressure devices and other diagnostic tools were launched in 2013 to make it easier for employees to keep tabs on key health indicators. Fubon has also hired a professional trainer to lead a "Run for Fun Gang" training program and other activities promoting a healthy workplace. Beyond initiatives to keep people's bodies healthy, Fubon joined with the "Taiwan Institute of Psychotherapy" to set up mental health counseling services for employees while protecting their privacy. We also invited psychological counselors to conduct "happy workplace" training and help workers build positive attitudes to coping with on-the-job stress.

Summary of Healthy Workplace Promotion Activities

Activity	Description
Regular Physicals/ Health Checkups	Fubon works with many top health care institutions to help employees manage their health and prevent disease. Employees and their families can get health exams at special contract prices, and the Company pays for a regular physical for all employees. Through these checkups, physicians can offer guidance on how patients can improve their health, and employees can better understand the keys to staying healthy and avoiding major illnesses based on the results of their physical. Fubon also takes preventing and controlling the risk from major infectious diseases very seriously and reminds employees of disease prevention steps at appropriate times. During the H1N1 flu virus scare, for example, Fubon issued "emergency contingency measures to control human activity in response to the H1N1 flu." The measures, directed at employees or family members suspected of having the flu, required that they take time off and that a daily reporting system be set up.
Simple Exercise Center/ Blood Pressure Monitors and Other Equipment	Fubon has taken many steps to encourage employees to exercise during their free time or after work, including negotiating deals for favorable rates with fitness centers near its offices, giving Fubon employees and their families diverse exercise options. It has also set up "exercise centers" in office buildings with relatively high concentrations of employees. These centers are equipped with ping-pong tables, basketball machines and other equipment, giving employees the chance to relax and relieve stress. Blood pressure devices have also been placed in Fubon office buildings for employee use to help them keep tabs on their health.
Massage Station System	In collaboration with the Suang Lien Foundation for the Visually Impaired, Fubon has hired a number of visually impaired licensed masseurs to give Fubon employees free massages every Tuesday to Friday in the afternoon. The arrangement, which has led to steady work for 34 massage specialists, helps employees relieve stress and provides opportunities for the visually impaired, thus creating benefits for the Company, its employees and society.
Psychological Counseling	Fubon has put a priority on caring for employees' mental health and indirectly improving their mood at work, job performance and team spirit. Periodic lectures or training sessions on such topics as "EQ" or "Stress Management" are organized, and arrangements have been made with outside organizations such as the Teacher Chang Foundation to provide psychological counseling for Fubon employees as needed at the Company's expense. The services protect employees' privacy and cover such areas as workplace problems, personal problems, career planning, and family and marriage issues. The hope is to provide more comprehensive care to help employees get into a good mindset and face up to challenges.
Other Health Promotion Initiatives	Several other initiatives showcase Fubon's efforts to promote exercise. Sports groups can apply for activity subsidies, and employees who register ahead of time for an annual marathon sponsored by Fubon can get a discount on registration fees. In addition, Fubon holds an annual "Family Day" outing at which employees and their family members are welcomed, giving them the chance to have fun together. In 2013, Fubon hired a professional trainer to lead a "Run for Fun Gang" running program, teaching employees how to run with the right form.



Employees participate in "Run for Fun Gang" activities after work, learning proper warm-up and running techniques from a professional coach.



When employees get their physical, human resources colleagues show their concern by handing out a "Happy Apple."



Fubon Financial Holdings has made a concerted effort over the years to promote a friendly workplace through its efforts, for example, to ensure employees' personal safety, care for women during their pregnancies, offer women childbirth allowances, grant maternity leave without pay, and provide child care assistance. Fubon office buildings have set up breastfeeding rooms in line with statutory requirements, enabling employees to feel the Company's concern for their well-being and determination to create a "happy company."

1. Personal Safety: When employees work past 10 p.m. because of their shifts, they can take a taxi home at the Company's expense. The shift supervisor then checks to make sure that the individual has arrived home safely.
2. Prenatal Peace of Mind: Employees who are pregnant can take time off while they are pregnant and be taken off the graveyard shift during their pregnancy. To show consideration for female employees, Fubon also lends special maternity versions of company uniforms at no charge to pregnant employees.
3. Childbirth Allowances: Fubon and its subsidiaries have set rules on providing an allowance to employees or their spouses who give birth.
4. Maternity Leave (with job protection but without pay): Employees can apply for job-protected leave without pay to nurse their newborn child based on internal company regulations covering maternity leave. When the employee returns to work, the priority is to have the person resume his or her original job. If their original position is no longer vacant, the Company will work with other units or subsidiaries to arrange an appropriate position.
5. Child Care Assistance: Fubon has contracted with several licensed child care organizations with branches around the country to meet employees' day care needs at preferential group rates. We also have set up child care subsidies and education subsidies and grants to help employees defray the cost of educating their children.

Status of Employees Taking Parental Leave without Pay

Description	Fubon Financial		Taipei Fubon Bank		Fubon Life (Office Staff)		Fubon Insurance		Fubon Securities	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
No. of people who applied for parental leave without pay in 2013	0	1	6	62	3	52	0	16	2	9
No. of people expected back from parental leave in 2013 (A)	0	0	5	17	3	28	0	1	1	2
No. of people who returned in 2013 (B)	0	0	3	9	3	26	0	1	0	0
No. of people who returned in 2012 (C)	0	3	2	17	0	12	0	1	0	5
No. of people at work for more than a year after returning from parental leave in 2012 (D)	0	2	2	13	0	10	0	0	0	3
Return-to-Work Rate (B/A)	0%	0%	60%	53%	100%	93%	0%	100%	0%	0%
Retention Rate (D/C)	0%	67%	100%	76%	0%	83%	0%	0%	0%	60%

Notes: 1. The number of workers who did return to work after taking unpaid parental leave includes those who returned earlier than expected.

2. Because of the special nature of the jobs of Fubon Life's outside agents, they are not included in these figures.



The breastfeeding rooms provide many comforting features that earned Fubon a certificate from the Taipei government for “Outstanding Breastfeeding Rooms.”

Effective Communication with Employees

Effectively communicating with employees is of fundamental importance to the success of a company. Fubon Financial Holdings does this in many ways, including publishing a monthly periodical – the “Human Resources e-Paper” – that keeps employees up to date on the Company’s latest trends and development strategies. If employees want to react or have opinions they want to express, they can post them on an “employee opinion mailbox” found on the Company’s internal website. Management and division meetings at many different levels are held on a regular basis to communicate policies or share information, strengthening employee cohesion.

Beyond these standard communication channels, Fubon has also appointed human resources relationship managers in all business units throughout the organization. These specialists can respond immediately to employee questions and suggestions and draw on extensive resources to help employees solve whatever problems they have, creating a harmonious workplace environment.

To encourage employees to express their ideas and embrace our core value of “innovation,” we have established formal guidelines for incentives to reward new ideas and suggestions for improving internal processes. In 2013, we also organized an unprecedented “Open Forum with Fubon Leaders” that had Fubon Chairman Daniel M. Tsai and Vice Chairman Richard Tsai converse with a big group of employees face-to-face, explaining Fubon’s operating strategies and future directions and answering questions. The gathering, which featured many lighter moments, helped employees learn more about what Fubon’s leaders were thinking and earned widespread praise.

In 2013, there were three cases of employee feedback (generally on work rules), one employee grievance case and no sexual harassment complaints. After the incidents occurred, the Company established the facts rationally and lawfully within specified deadlines and presented its findings in writing or by telephone to the affected employees, effectively resolving their problems and bringing the cases to satisfactory conclusions.

‘Open Forum’ with Fubon Leaders

In 2013, we organized an unprecedented “Open Forum with Fubon Leaders” at which Fubon Chairman Daniel M. Tsai and Vice Chairman Richard Tsai chatted with a big group of employees face-to-face. The event will be held quarterly in the future, and the two leaders will discuss a range of issues, including Fubon’s development strategies and future directions and their life experiences while also responding to employee questions and ideas on the spot. The gatherings give employees more perspective on what Fubon’s leaders are thinking and showcase employee communication. Employees have responded enthusiastically to the sessions.



Item	Description
Handling Employee Grievances	Good labor-management relations and a sound management structure have been developed to safeguard employees’ legal rights. Fubon immediately addresses employee grievances based on the rules and procedures outlined in the Company’s “Regulations for Handling Employee Grievances” and responds to the employee in writing or by phone, whichever the employee chooses.
Handling of Sexual Harassment Complaints	Fubon has established a sexual harassment committee at the financial holding company level to coordinate the handling of all sexual harassment complaints. A task force under the committee, consisting of three or more people, including a chairman, an appointed member, and other individuals with authority, is set up within seven days of a formal complaint to investigate each case. The task force submits a report for the committee to review, leading to a final decision. Cases are brought to a conclusion within 60 days.

Customer Commitment

Customer Privacy Protection

In providing customers with a diversified array of financial products and services, Fubon Financial Holdings takes consumer rights very seriously and puts the highest priority on safeguarding customers' personal information and protecting their privacy. After the government amended the Personal Information Protection Act, Fubon conducted a thorough review of all internal management practices and standards. Limits on internal access to customer information were imposed and guidelines on recycling or disposing of marketing lists after their use were strengthened. The tighter measures especially targeted customer information shared by subsidiaries. To prevent such information from being misused or abused, subsidiaries were asked to strictly screen the names chosen to be used on marketing lists based on customers' most recent requests. They were also urged to check the lists before and after promotional events to make sure that internal marketing guidelines and management regulations were observed and that each customer's wishes were respected. Separate steps were taken, meanwhile, to broaden employees' legal awareness and tighten controls on employee computer use. Limits were imposed on the types of information that could be stored and processed; e-mail and Internet use were more closely monitored; and instruction on the Personal Information Protection Act was strengthened.

Having already been certified based on the ISO27001 information security management system standard, Fubon Financial Holdings enlisted the help of Deloitte Taiwan in 2012 to launch a program to strengthen services related to personal information protection and finalize our information management policies and related mechanisms. In 2013, we built on the system already in place by further strengthening information security controls. Beyond persistent efforts to upgrade monitoring equipment and tighten information security systems, we have put a premium on ingraining customer privacy concepts and related legal compliance issues into employees' minds. Training sessions on customer information protection procedures and laws are held regularly to nurture employee sensitivity to the secure use of information, and, in 2013, Fubon organized 22 information security sessions attended by 14,587 people and seven classes on legal compliance attended by 4,525 people. The sessions covered examples of past incidents, customer complaints and previous penalties incurred that we hope will raise employee awareness of the risks of information leaks or misuse and compel our people to be more vigilant on the job to reduce such risks to a minimum. The Company's internal mechanisms to control and protect computer usage are geared toward preventing external attacks and maintaining the system's security and integrity. Computers are regularly monitored and records stored to effectively detect and prevent viruses or other malicious software or behavior from destroying information systems. These robust protective measures ensure that our information is protected at every level.

In terms of consumers' rights, every product agreement clearly details the rights customers have vis-à-vis the collection, processing and usage of their information, and they are separately informed about privacy issues so they can fully understand them. Should customers request that their personal information be changed or not used, they have many convenient channels through which they can quickly notify Fubon Financial Holdings or its subsidiaries to make revisions. Designated workers regularly check computer management reports to verify the accuracy of changes made to individual customer records on whether they agree to have their information shared or not. When it comes to protecting customers' privacy and personal information, we are fully committed to pursuing perfection.

Customer Commitment

The quality of a company's service is a tangible indicator of its commitment to customers. A Service Excellence Committee (SEC), chaired by Fubon Financial Holdings President Vivien Hsu and consisting of the presidents of Fubon subsidiaries, has been established to ensure outstanding service throughout the organization. The committee meets regularly to check on service strategies and special projects, and demonstrates management's emphasis on customer service through the following initiatives:



Service Excellence Project

Fubon Financial Holdings and its subsidiaries periodically review the execution of Fubon's Service Excellence Project, checking on each subsidiary's service quality indicators and the operations of their service channels. The results of the project are reported to top management through the Service Excellence Committee. The process has heightened the determination of Fubon subsidiaries to enhance service quality.

Service Star Awards

To encourage a passion for service within the organization, Fubon Financial publicly honors and recognizes a select group of "Service Stars" every six months. Only 41 out of an eligible 24,000 employees are chosen for the award each time. As of the end of 2013, 515 people had been selected as "Service Stars," with one employee honored as a "Diamond Service Star" for being selected three times. He was presented with a real diamond to highlight the achievement.

Customer Satisfaction Surveys

Fubon Financial has an outside organization conduct a customer satisfaction survey every year to better understand how customers really feel about Fubon's products and service and have an empirical basis for making improvements. The 2013 survey targeted Fubon credit card users and Taipei Fubon Bank customers, focused on such factors as satisfaction with the customer experience, customer loyalty and brand equity.

Our 2013 customer satisfaction survey found that nearly 80% of Fubon credit card users were either "extremely satisfied" or "satisfied" with the overall level of service, and 94% said they were willing to continue using Fubon cards. Respondents were most satisfied with "spending rewards" and "cash rebates" and described the brand image's most distinctive features as being "young and innovative." The average Taipei Fubon Bank customer cited two areas – "bank tellers handle transactions quickly and precisely" and "bank tellers have sincere service attitudes" – as the bank's best service features, while a strong majority of wealth management clients described financial advisers as "trustworthy" and "able to listen to and understand your financial needs." Overall, nearly 60% of respondents said Taipei Fubon Bank's service was either "excellent" or "very good," continuing the rising trend seen in recent years.

Aside from the annual customer satisfaction survey described above, Fubon Financial Holdings subsidiaries regularly ask customers to rate their satisfaction of 0800 service hotline calls they have just made, enabling the company to get immediate feedbacks on how the customer felt about the experience and quickly respond to customer expectations.

Mystery Shopper Evaluations

Fubon Financial Holdings also commissions independent organizations to conduct mystery shopper evaluations on an annual basis to assess its subsidiaries' service quality from a consumer's perspective. The 2013 survey of banks again included evaluations of other banks as well to get an understanding of how Fubon's main competitors were doing. The survey found that Taipei Fubon Bank outperformed its core rivals in basic service areas (operating environment, uniform appearance, service etiquette, and answering questions) and in solving problems.

Overall, Fubon's subsidiaries improved on their 2013 evaluations. Fubon's banking, securities, general insurance and life insurance units made especially notable progress in "customer relationship management" (narrowing the distance between the subsidiaries and customers). Through the financial holding company, project implementation grew 136.5%. The emphasis in the future will be on making customers feel like VIPs and promoting differentiated services.

Committed to Innovative Services

Taking advantage of rapid advances in technology and communication software, Fubon subsidiaries have launched a succession of mobile service functions that offer customers convenient service channels. For example, Fubon Mobile Banking is dedicated to bringing consumers the most secure, convenient online banking experience while Fubon Securities' M+ Messenger delivers users the latest market information in real time.

A Complete System to Handle Complaints

Fubon Financial Holdings and its subsidiaries have established a standard customer complaint mechanism that relies on a dedicated unit to handle product disputes, service requests, or suggestions. The system ensures that subsidiaries comply with legal regulations and show empathy in solving problems and eliminate customers' doubts.

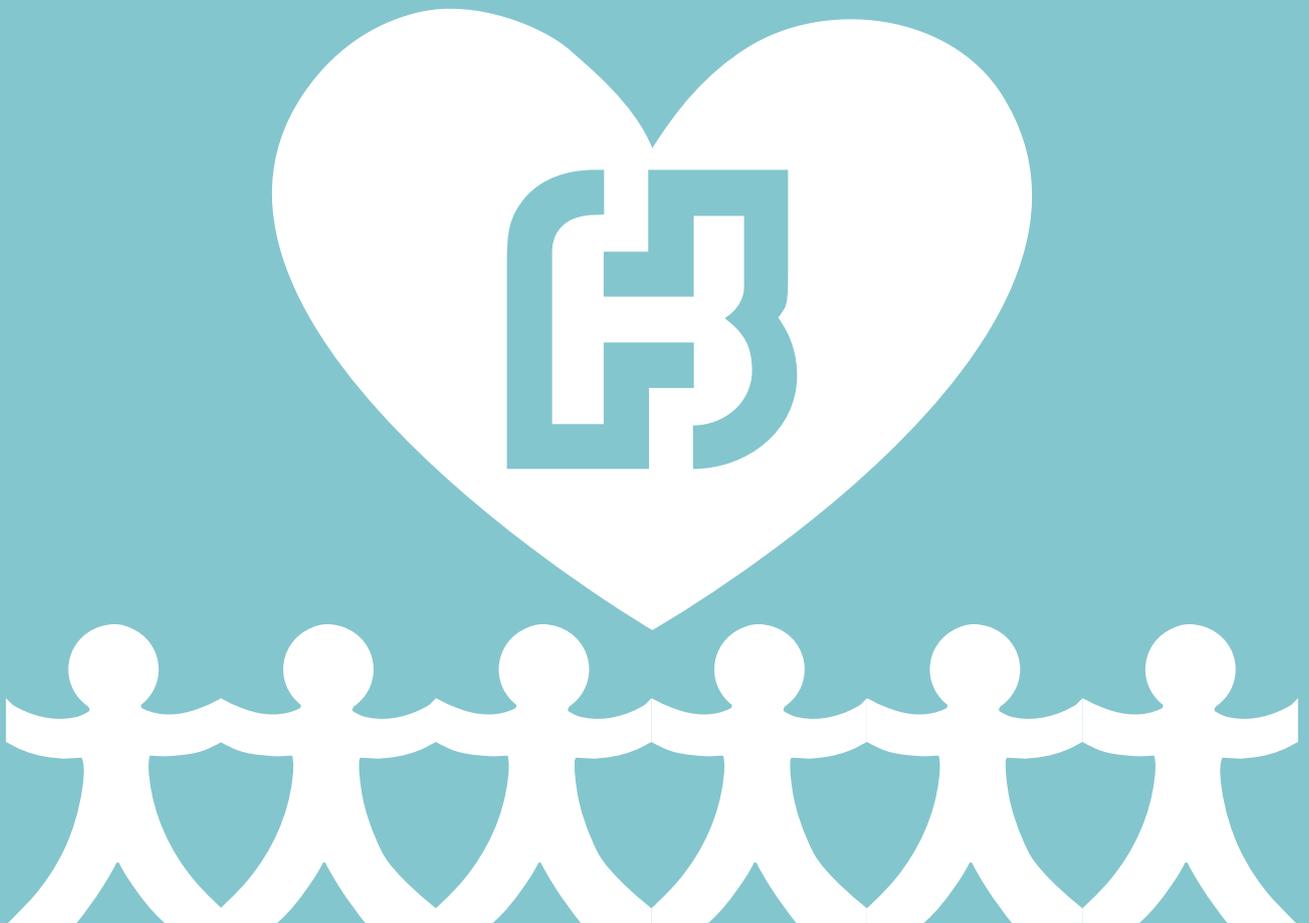
In this day and age when financial fraud is rampant, we regularly post fraud prevention information on our website and try to educate our customers to be vigilant. At the same time, a fraud consulting hotline has been set up to help customers effectively protect their financial assets.

Corporate Citizenship

Fubon Financial Holdings showcases the “positive energy” the Fubon brand represents in its sound and steady business approach that helped the Company lead the financial holding sector in profits for the fifth consecutive year in 2013. That positive energy has also extended to social causes through an in-house social welfare platform consisting of four foundations. Employees are encouraged to get involved in social welfare activities and help Fubon galvanize all of society in creating a better common good.

Fubon’s four foundations, the first of which was created a quarter of a century ago, show concern for a broad range of causes and disaffected groups. The Fubon Charity Foundation was founded in 1988 to help Taiwan’s socially disadvantaged groups. Two years later, the Fubon Cultural & Educational Foundation was established to promote media literacy, life education and career planning among adolescents. In 1997, the Fubon Art Foundation was created to sponsor artistic creativity, expand art education and enhance local lifestyles. The last of the foursome, the Taipei Fubon Bank Charity Foundation, was founded in 2003 to promote day care for the elderly, draw out the talents of the disabled, and help the poor escape poverty.

At the end of each year, the four foundations must report their activities and spending over the just-concluded 12 months and their budget and project plans for the coming year to Fubon Financial Holdings’ “Executive Committee.” The Executive Committee offers suggestions and opinions on each foundation’s work and direction. Each subsidiary then evaluates the foundations’ proposals for the coming year and reports its conclusion to its board of directors for approval. Once board approval is obtained, funds are disbursed to each foundation, which then optimize use of the funds through institutionalized corporate management models and truly give tangible expression to Fubon’s corporate social responsibility.



Beyond our own foundations, we also sponsor academic activities through donations to schools and academic associations and other means to cultivate specialized talent. Meanwhile, when major disasters occur, Fubon is always there to lend a helping hand in rebuilding affected areas. That was the case in 2013 following a major earthquake in China's Sichuan province in April and after Super Typhoon Haiyan swept through the central Philippines in November. Out of humanitarian concern, Fubon donated US\$1 million to help with disaster relief efforts in Sichuan and donated NT\$5 million to help with reconstruction efforts in the Philippines in response to a fundraising campaign led by Taipei's Department of Social Welfare.

For the year as a whole, Fubon Financial Holdings and its subsidiaries contributed a total of NT\$171.88 million to Fubon foundations, social welfare groups, stakeholders and other nonprofit organizations.

Charitable Contributions in 2013

Unit: NT\$

Description	Amount
Donations to social welfare groups or other nonprofit organizations (including stakeholders)	50,203,778
Donations to the group's four foundations to finance their activities during the year	121,684,689
Tota	171,888,467

Sharing Fubon's Positive Energy

The spirit of "positive energy" embodied by Fubon's brand has also been spread through the Company's long-term sponsorship of sports events and athletes. We invested NT\$330 million in sports sponsorships from 2009 to 2013, including support for the amateur baseball team the Fubon Bulls, the Fubon Senior Open (golf), the Taipei Fubon Marathon and others. These efforts have gradually strengthened Taiwan's ability to stage international-caliber sporting events. As part of its commitment to creating a better sports environment in Taiwan, Fubon has nurtured some of Taiwan's best athletes, from Olympic taekwondo champion Chu Mu-yen and archery Olympian Yuan Shu-chi to badminton star Cheng Shao-chieh, giving them monthly stipends as they prepared to represent their country in major competitions such as the Olympics and Asian Games.

In 2013, Fubon funded many younger athletes, who performed outstandingly. Rising women's golf star Phoebe Yao won the 2013 Yeangder TLGPA Open in Taiwan and the Fujisankei Ladies Classic in Japan in April 2014. The win in Japan vaulted her to eighth on the Japanese LPGA money list as of the end of April and to within the top 100 in the Rolex Rankings. Budding tennis star Hsu Ching-wen won her first professional women's singles title within a year of turning pro at an ITF tournament in Guadeloupe in January 2014, an indication of her potential. Ultramarathoner Tommy Chen, meanwhile, realized his goal of completing eight ultramarathons on seven continents within five years in 2013 with the help of funding from Fubon, becoming the first Asian to accomplish the feat. His amazing milestone earned him recognition as one of Taiwan's 10 Outstanding Young Persons of 2013.

In sponsoring sporting events for many years, Fubon has inspired people in Taiwan to jump on the exercise bandwagon and injected much needed vitality into the fabric of everyday life, spreading "positive energy" to all corners of society.



Handing Down the Game

Fubon has sponsored the Fubon Senior Open for many years, and it elevated the tournament's international profile in 2011 by making it a regular European Senior Tour event. The 2013 Fubon Senior Open, the second to last event on the European Senior Tour calendar, offered the highest total prize money of any senior golf tournament in Taiwan's history.

The core spirit of the Fubon Senior Open is to hand down the game to the younger generation. A series of activities, from the "Golf Train of Hope" to the "Fubon Junior Golf Clinic," are organized in conjunction with the tournament to give experienced veterans the chance to pass on their skills and wisdom to the next generation of stars.

Fubon Financial Holdings expanded its sponsorship of golf in 2012 when it became the title sponsor of the Fubon Ladies Open, a Taiwan LPGA event. To help the TLPGA meet the requirements needed for inclusion in the world rankings system, Fubon increased the tournament's purse by 50% in 2013 and elevated its profile, giving Taiwanese golfers a chance to match their skills against top overseas competitors and shine on the international stage.

Growing the Game of Baseball

Fubon began sponsoring the National College of Physical Education and Sports' baseball team in 1993, and has contributed funding to the team – which became known as the Fubon Bulls – every year for the past 20 years. The initiative has not only helped the Bulls top the standings of Taiwan's top amateur baseball league many times over those two decades, it has also raised the caliber of play in the country. The Bulls have produced some of Taiwan's finest baseball talent, and several players have emerged as stars in professional leagues after graduating. A number of them – from E-Da Rhinos coach Feng Sheng-hsien and Uni-President 7-Eleven Lions catcher Kao Chih-kang to Lamigo Monkeys outfielder Chan Zhi-yao and Chinatrust Brother Elephants pitcher Tseng Sung-wei – have even been core players on Taiwan's national baseball teams.

Fubon Financial Holdings extended its support for baseball in 2013 to the grassroots level when it donated NT\$3 million to six elementary school baseball teams in Taipei for the purchase of baseball gear and training equipment. The initiative will help improve the skills of young baseball players in the city and enable the cultivation of baseball talent to truly take root. Fubon also hopes that this show of support for grassroots baseball will compel other big companies to join in the campaign and invest resources to develop Taiwan's baseball stars of tomorrow. Creating a solid foundation for the game at the youth level will also lay the groundwork for repeated success by Taiwan's national team in future international tournaments.

Beep Baseball

Beep baseball is Taiwan's most stimulating team sport for the visually impaired. The baseball, which looks more like a softball, emits beeps, and players in the field chase after it by following the sounds. The batter must run toward a base, which also gives off sound, and scores a run if he reaches the base before the fielder picks up the ball. The game is highly competitive, with runs decided by split seconds.

Though visually impaired players have the help of a sighted pitcher, catcher and spotters, they still have to overcome the fear of running into other each. They have to stay vigilant, trust their teammates, and defend their positions if they hope to successfully corral every ball. They also rely on their own sighted pitcher to put the ball where it can be hit and sighted spotters in the outfield to call out a number indicating where the ball has been hit. The game could not be played without these sighted helpers.



Fubon got involved in sponsoring a different type of baseball in 2013 in a roundabout way. Under the "Fubon Social Welfare Ambassador" program, Fubon employees are encouraged to propose social welfare projects and participate in them. As the program entered its 10th year in 2013, one employee proposed backing a program to prepare Taiwan's team for the 2013 National Beep Baseball Association World Series (for blind players). Players and coaches from the Fubon Bulls were invited to help train the players and hone their swings, helping the team – the Taiwan Homerun – win its second consecutive championship.

Creating Interest in Running

Every year on the third Sunday in December, Fubon invites the best long-distance runners in the world and the general public to gather in the plaza outside Taipei City Hall and participate in Taiwan's most important marathon. The Taipei Fubon Marathon has spurred a healthy running culture in Taiwan, prompting a growing number of people to take up jogging and gain a new understanding of their abilities.

Fubon Financial Holdings Chairman Daniel M. Tsai participated in the 3-kilometer Fun Run in 2010 and 2011, and then ran in the 9-kilometer race in 2012 and the half marathon in 2013. Mr. Tsai said that as he ran the half marathon, he saw tens of thousands of people running to prove themselves and conquer their limitations – demonstrating not only a healthy vitality but also the resilient positive energy of Taiwan's people. That

feeling, he said, made Fubon appreciate the profound significance of organizing the event.

While promoting running and healthy exercise, the Taipei Fubon Marathon also aspires to nurture healthy exercise habits among Taiwan's youth. A relay race for young runners – the “Elementary School Interscholastic Cup” – is held in the month leading up to the marathon and has emerged as one of the big annual events for elementary schools around Taiwan. In 2013, more than 400 young athletes representing over 70 teams competed in the race. A “Celebrity Charity Race” held at the same time drew three teams comprised of leading figures from the sports and entertainment world. They successfully raised funds for three social welfare groups: the Taiwan Foundation for Rare Disorders, the Children's Hearing Foundation, and Good Shepherd Social Welfare Services.

Other special charitable activities are held in conjunction with the marathon. Proceeds from the sale of Taipei Fubon Marathon T-shirts in the run-up to the event were given to charity, and on race day, NT\$1.24 million was raised from 12,400 runners willing to donate their NT\$100 deposits for their racing chips to help those in need. The proceeds benefited the three NGOs mentioned above. In addition, Fubon turned the distance every marathon participant ran into “social welfare love funds,” contributing NT\$1 per kilometer run, and donated it on behalf of the 5,000 people who helped put the marathon together (including workers, volunteers, referees, police, cheerleaders and medical personnel). All told, a total of NT\$2.4 million was raised through the many marathon-related activities in 2013 and donated to charity.

Importance of a Quick Response

Many heart attacks are deadly because of sudden cardiac arrest. Statistics indicate that patients have a 90% chance of survival if given an electric shock within a minute after suffering from cardiac arrest and a 50% chance of survival if given a shock within five minutes of having cardiac arrest.

Caring for Society

Cardiovascular disease is the second leading cause of death in Taiwan. Hoping to increase the survival rate of sudden cardiac arrest victims, Taiwan's Legislature passed an amendment to the Emergency Medical Services Act at the end of 2012 that required public places to install an automated external defibrillator (AED) or other necessary emergency rescue equipment. To comply with the law, the Taipei Fire Department and Department of Health worked together to install AEDs in public venues and vehicles. The device, when used in conjunction with CPR given by people trained in the procedure, can help save the lives of some heart attack victims.

Recognizing the need for installing AEDs at public venues, Fubon Financial Holdings donated 50 of the devices to the Taipei City government, and the Company's occupational safety and health committee invited officials to show employees how to use the devices and give them the knowledge that could help them save lives.

About the Taipei Fubon Marathon

About the Taipei Fubon Marathon The Taipei Fubon Marathon has been held for 10 years. A total of 47,700 people competed in the racing division in 2013, and the funds raised for charity brought total donations from the race over the years to NT\$18.8 million.

Taipei Fubon Marathon Dream Project

The Taipei Fubon Marathon is more than just a platform for running; it also opens the door to give runners the chance to fulfill their aspirations. Generating positive energy with their two legs, runners take advantage of the marathon's Dream Project social welfare fund to achieve their dream. In 2013, the Dream Project successfully helped Lin Hsin-ting, a runner known as the “blind Forrest Gump,” and audio engineer Lee Pai-wen fulfill their desire to help the visually impaired experience and appreciate life.



Helping the Visually Impaired See Light

Lin Hsin-ting, the spokesman for the Taiwan Ah-Gan Spiritual Development Association, went blind from retinopathy, but that did not hold back his passion for sports. He found that running made him feel healthier, more energetic and happier, and opened a new window on life that allowed him to see light. In 2013, he participated in the Taipei Fubon Marathon Dream Project to enable other visually impaired people to savor that same glow by raising money for the training of blind runners and the organization of running events for the blind. Through the initiative, he was able share the “feeding” he felt from running a marathon.

Collecting Beautiful Sounds for the Visually Impaired

To bring the beauty of Taiwan to the visually impaired, audio engineer Lee Pai-wen visited 168 towns to record a CD of sounds that best represent the island. Her own eyesight impaired by severe floaters, Lee can sympathize with the difficulties of not being able



to see and the difficulty of getting around. So she decided to record authentic sounds of Taiwan to enable the visually impaired to appreciate its diverse lifestyles. In 2013, she participated in the Taipei Fubon Marathon Dream Project not only to collect the sounds of runners' footsteps but also to raise funds to continue recording Taiwan's beauty.



Fubon Charity Foundation

Founded in 1988 as the Fubon Group's first philanthropic organization, the Fubon Charity Foundation dedicates itself to mobilizing resources for a wide-reaching social welfare platform and providing sustained support to underprivileged groups. Its core causes now include the "Making Friends with Love" campaign to help children stay in school, the "Emergency Relief Fund" to help families survive economic emergencies, and "Fubon Volunteer Association" activities.

"Making Friends with Love" Campaign

The Fubon Charity Foundation quickly came to realize the importance of helping the socially disadvantaged and ensuring that the education of the next generation was not disrupted by a poor living environment, and launched the "Making Friends with Love" campaign as a result. The program pools contributions from society at large and Fubon employees to protect the right to an education of students at elementary, junior high and high schools around Taiwan. Students can apply for financial assistance at their school. The "Making Friends with Love" campaign raised NT\$121,100,400 in 2013, helping 16,819 students continue their education. Overall, the campaign has helped 145,899 children since its inception in 2002.

'Exchanging Points for Love' In December 2002, the Fubon Charity Foundation joined with Taipei Fubon Bank to launch the "Exchanging Points for Love" campaign, which allows Fubon credit card holders to redeem bonus points as charitable donations (every 2,000 points can be turned into a NT\$150 donation). The funds are then donated through the public welfare platform built by the Foundation to social welfare groups in need of or having trouble raising funds. Fubon cardholders donated NT\$2,703,150 through the campaign to 13 social welfare groups in 2013, and they have contributed more than NT\$29.70 million to 130 social welfare groups since the program began.

Emergency Relief Fund Programs

The Fubon Charity Foundation's top priority since it was founded has been the "Emergency Relief Fund." The Emergency Relief Fund distributed NT\$18,210,802 in 2013 to help 5,077 individuals and families.

Individual Financial Assistance The Foundation relies on an emergency assistance notification system set up with the cooperation of city and county government social bureaus, social services offices at private and public hospitals, social welfare groups, schools, and branches of the Fubon Volunteer Association to identify individuals or families facing emergencies. It then uses the fund to provide them with subsidies to cover living, medical or even funeral expenses and help them get back on their feet and emerge from their predicament. In 2013, a total of 1,107 families or individuals received help through the emergency relief program.



A gong is struck to declare the opening of "Fubon Social Welfare Year," which starts with the "Fubon 10-der Love" campaign.

Medical Fund Accounts The "Fubon Charity Emergency Relief Medical Fund," set up in collaboration with Buddhist Tzu Chi General Hospital in Hualien, Mennonite Christian Hospital in Hualien and Cathay General Hospital in Taipei, provided medical assistance to 3,732 people in 2013.

921 Orphan Scholarships The "921 Orphan Scholarship" program, sponsored by Fubon Life, offered financial assistance to 40 students in 2013 to help them continue their education.

Fubon Insurance 'Microinsurance' Project In 2013, the microinsurance project offered protection to 187 people.

Scholarships for Orphans of Typhoon Morakot Heroes Eleven children – two in elementary school, six in high school and three in college – received assistance under the program in 2013.

Fubon Volunteer Association Activities

The Fubon has always seen itself as "social catalyst" in which every employee is a member of the "Fubon Volunteer Association." The practice of top business group executives leading their colleagues in serving and caring for society and engaging in charitable activities has long been

an intrinsic part of the Fubon corporate culture. Since being founded in 2003, the Fubon Volunteer Association has set up 22 branches and sub-branches in 17 cities and counties around Taiwan. The presidents of Fubon's subsidiaries personally lead the volunteer branches and meet on a regular basis to discuss the volunteer association's operations. The association is dedicated to meeting the development needs of local communities through the integration of Fubon's resources, and it leverages Fubon Financial Holdings' core competencies to offer diversified and comprehensive services that embody the Company's positive dynamism.

Blood Drives The "Fubon 10-der Love" blood drive was held in January during the period just before the Chinese New Year holiday when blood is in short supply. Blood was collected at 27 locations around Taiwan. The nearly month-long blood drive collected a combined 4,124 bags, or 1.03 million cc of blood. The activity earned Fubon the honor of being named an "Outstanding Blood Donating Organization" for the fifth consecutive year by the Taiwan Blood Services Foundation.

Fubon Public Welfare Ambassador Campaign The "Fubon Public Welfare Ambassador" campaign was conceived to encourage Fubon employees to participate in and support outside public welfare activities and put Fubon's corporate social responsibility into action. In 2013, of 92 proposals submitted, 42 were approved. Each project was eligible for up to NT\$200,000 in funding, and a total of NT\$3.25 million in grants were distributed to support a wide range of NGO activities and services.

'Fubon Volunteer Association' Anniversary Activities Beyond extending the above initiatives, the Fubon Volunteer Association and Fubon Financial Holdings' Communications & Brand Management Division organized a series of special events to celebrate the association's 10th anniversary year and mobilize Fubon volunteers around Taiwan to get involved.

- 1) "Take the Oath" rally: Invited all Fubon associates to visit the activity's Web page and take an oath to participate in Fubon volunteer services. A total of 11,327 employees clicked on the oath, pledging their commitment to volunteer.
- 2) "Public Welfare Ambassadorship" sponsorship vote: Fubon employees were asked to vote online for their favorite "Public Welfare Ambassadorship" project among the 42 approved. The top five vote-getters each received an extra NT\$20,000 in funding. A total of 18,075 votes were cast.
- 3) "Give a Wish, Build a Future" campaign: The campaign was designed to fulfill the wishes of economically disadvantaged children by giving them things that they needed but were out of their reach. Fubon employees donated either the items wished for or small amounts of money, and their donations fulfilled the wishes of 6,249 students and other children sheltered by social welfare organizations. Some 607 Fubon volunteers at the volunteer association's branches and sub-branches around Taiwan collected, organized and delivered the gifts and delivered them to schools on Christmas Eve, extending boundless love throughout society.
- 4) If kids Theatre charity tour: The association worked with the If Kids Theatre for the first time in 2012, inviting the troupe to perform for economically disadvantaged students in Taitung County. The program was highly acclaimed by students and teachers in the audience. Building on that success, another charity performance tour was arranged for the group in 2013 that took it to Taichung and Chiayi County. More than 2,200 students attended the shows and 175 Fubon volunteers helped out at the events.



The "Fubon 10-der Love" If kids theatre charity tour.

Results Summary In 2013, 2,865 volunteers participated in activities organized by the association or in other Fubon public welfare activities and contributed 16,362 hours of their time.

Note: Based on the minimum hourly wage of NT\$115/hour set by the Council of Labor Affairs, the economic contribution of the volunteers in 2013 totaled NT\$115*16,362 hours = NT\$1,881,630.

Volunteerism in 2013	Volunteerism in 2012	Comparison
Volunteer participation: 2,865 times	Volunteer participation: 1,387 times	Volunteers participated in activities 1,478 more times in 2013 than in 2012
Total hours served: 16,362	Total hours served: 9,859	Volunteers served 6,503 more hours in 2013 than in 2012

In the future, the Fubon Charity Foundation will continue to remain on the front lines of public service, fulfilling Fubon's corporate citizenship mission by exerting positive influence and bringing love and caring wherever it's needed throughout society.



Fubon Cultural & Educational Foundation

Since its inception in 1990, the Fubon Cultural & Educational Foundation has developed comprehensive learning strategies that embrace innovation and change in response to social trends and served as a bridge between teenagers and their parents and teachers. Dedicated to promoting “media literacy,” “life education,” and “financial education,” the Foundation aspires to create diverse opportunities for society to collectively foster the “new competitiveness” of the next generation.

Media Literacy

Young Voice Program

The program has had four main objectives since being launched in 2005:

- 1) To encourage teenagers to break through the limitations and strengthen their self-identity and self-confidence while also learning to communicate effectively
- 2) To nurture teenagers’ creativity and enhance their ability to express thoughts logically
- 3) To cultivate teenagers’ media literacy and their ability to think independently
- 4) To broaden teenagers’ horizons in observing society and get them to take action on things they care about

In 2013, the Foundation again helped teenagers understand how to make their voices heard and the significance of expressing themselves through six hands-on “Young Voice Workshops” covering reporting, photography, art, creative imaging, leadership training, and film critique. The workshops helped students carefully examine their personal relationships and care for their social environment while also gaining the ability to show their creativity through different media tools. The best films produced were broadcast on cable operator kbro Co.’s Connect TV, and the top essays and photographs were published in YoungVoice.tw magazine, Taiwan’s first magazine dedicated solely to new-generation teenagers. Published once every six months, the publication is distributed to Taiwan’s high school and vocational high school students. Two editions were issued in 2013, with a circulation of 2,000 magazines each time, and they were very well received by teenagers. An online magazine will be issued in the future.

Volunteerism in 2013	Volunteerism in 2012	Comparison
Held 14 summer and winter vacation camps and in-semester courses; nearly 1,000 students participated.	Held 20 summer and winter vacation camps and in-semester courses; nearly 900 students participated.	Six fewer events held in 2013 but about 100 more students participated, an indication that teenagers are getting more interested in Young Voice courses.
YoungVoice.tw magazine had circulation of 4,000	YoungVoice.tw magazine had circulation of 3,000	Circulation rose by 1,000, indicating rising demand

Internet Television (www.fbwebshow.com)

Launched in December 2013, the “Let’s Talk about Media” combined the strengths of broadcasting and the Internet to produce a televised version of the program that brought a new visual dimension to the product and made it more interactive. The program has many regular segments on such topics as parent-child relationships, male-female relationships, financial management, healthy living, matters of the soul, and general entertainment. Within the first week of the online televised broadcasts, more than 10,000 viewers tuned in, with viewership rising by 500 to 1,000 per day. A total of 400 segments (with each segment 7-8 minutes long) on 100 topics are expected to be produced in 2014. The programs will be shown online in Greater China on Sina Weibo’s micro TV service, sharing healthy concepts and improving media literacy throughout the region.

Life Education

The Foundation selects outstanding movies that touch on thought-provoking topics about life to create a series of educational forums, including film appreciation sessions, teacher workshops, post-screening interactive discussions and creative thinking activities for teenagers. This use of film as a medium to spark dialogue and promote life education has helped young participants appreciate and develop greater respect for different life values and strengthened their ability to think in more positive ways about life. Four films were selected as teaching materials in 2012: “War Dance”, “Young@Heart”, “Simple Simon”, and “fantôme, oùes-tu?” They conveyed many themes and values, including the power of courage (breaking out from a bad predicament); the importance of social engagement (bringing together different generations to create a healthier society); the need to accept different people (meeting a child with an unusual affliction); and the value of making a mistake (a troubled youth slowly turns the corner). In 2013, the Foundation screened the film “Rock Me to the Moon” at 15 high schools and vocational high schools in Penghu, Taitung, and Yunlin counties and the city of Tainan. More than 5,000 people have participated in the program since its inception. Teacher workshops in Taipei and Taichung have been planned for winter and summer vacation in 2014, with professional lecturers and film industry veterans leading

the seminars that will explore how to use images in teaching. The Foundation is also planning a film screening tour of 25 schools beginning in September when school starts up again and is giving schools a choice of 10 films from which they can select four to be screened. Translated teaching materials for the screenings will also be provided to help teachers lead discussions.

Volunteerism in 2013	Volunteerism in 2012	Comparison
Toured 15 schools, with 3,000 people participating	Toured seven schools, with about 2,000 people participating	Eight more schools were visited in 2013, and 1,000 more people participated
One film used: "Rock Me to the Moon".	Four films used: "War Dance", "Young@Heart", "Fantôme, où es-tu?" and "Simple Simon".	Fewer films were screened, but the one film shown was a blockbuster hit.

Financial Education

A firm believer in the principle that financial education is an extension of life education, the Fubon Cultural & Educational Foundation decided to make use of the Fubon Group's core competencies and give back to society by initiating a financial education program. With the financial holding company's help, the Foundation created a complete package of teaching materials and a system to train instructors before launching the "Budding Tycoon Outreach Program" in September 2012. Under the initiative, which has different teaching approaches catering to children of different ages, Taipei Fubon Bank executives serve as instructors. Armed with booklets on how to manage money, they visit elementary and junior high schools in non-urban areas to guide students on how to properly manage tangible assets and cherish intangible assets such as family, friends and confidence. The goal is to help every student become a "budding tycoon" in both mind and body. In May 2013, Fubon Financial Holdings Chairman Daniel M. Tsai personally led a session at Sanduo Junior High School in New Taipei. With the help of a series of short animated films called the "Legend of the Fubon Brave Fighters," Mr. Tsai got the students to think about money-related values and money handling concepts in layman's terms. His talk drew an enthusiastic response from the audience of more than 400 students. In 2014, the Foundation plans to extend the program to another 50 elementary schools around Taiwan, with Fubon Financial Holdings President Vivien Hsu and Taipei Fubon Bank Executive Vice President Morris Huang taking turns as instructors. An elementary school essay contest has also been planned featuring the topic "I Have Good Money Sense," and more animated teaching materials will be introduced.

Volunteerism in 2013	Volunteerism in 2012	Comparison
25 schools visited and 8,000 people participated	21 schools visited and 7,000 people participated	Four more schools visited and 1,000 more participants in 2013
Fubon Financial Holdings Chairman Daniel M. Tsai and Taipei Fubon Bank executives serve as instructors.	Taipei Fubon Bank executives serve as instructors.	Fubon Financial Holdings Chairman Daniel M. Tsai joined the ranks of instructors in 2013, demonstrating Fubon's concern for society with tangible action.
<ul style="list-style-type: none"> ● "Legend of the Fubon Brave Fighters" Series of 3 animated financial education films ● Booklet for children on how to handle money 	<ul style="list-style-type: none"> ● Booklet for children on how to handle money 	<ul style="list-style-type: none"> ● Series of 3 short animated films to support financial education classes added in 2013.



2013 "Budding Tycoon Outreach Program" –Fubon Financial Holdings Chairman Daniel M. Tsai personally led a session at Sanduo Junior High School in New Taipei.



"Budding Tycoon Outreach Program" instructors training.



Fubon Art Foundation

Since its inception in 1997, the Fubon Art Foundation has remained loyal to its original inspiration of “sharing” art and has launched many popular events guided by that principle, including the annual “Very Fun Park” contemporary art exhibition in eastern Taipei and the informative and lively “Fubon Forums.” Sharing is also at the heart of the “Art Map,” a guide to life in the eastern part of the city, and the co-produced radio show “Fun Art Radio.” Through its commitment to sponsoring artistic creativity, promoting art education, and enhancing lifestyles, the Foundation has transformed the idea of “bringing life into art and art into life” into a widely embraced pursuit.

Aesthetic Education

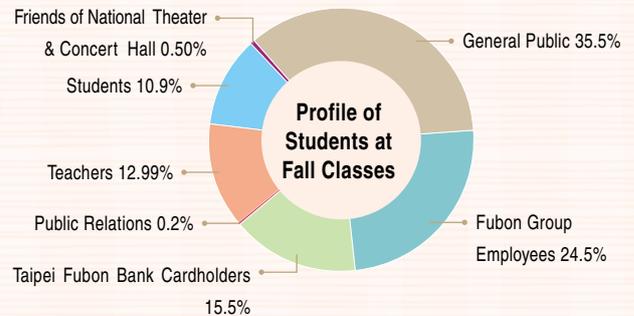
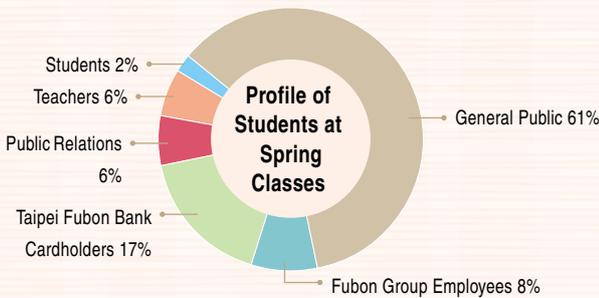
Fubon Forums

In the 13 years since they were launched, the Fubon Forum program has held countless activities in step with the latest trends and events that offer an endless reserve of cultural and creative sustenance to the public. Over that time, the Forums have steadily brewed a cultural heritage unique to Taiwan, attracting over 80,000 members and 570 prominent speakers. More than 150,000 people have attended nearly 1,600 Fubon Forum life aesthetics classes and events to date that have covered topics ranging from literature, cultural and creative issues and gourmet food to architecture, design and film and also included several workshop series. Among the highlights are free lectures given by internationally renowned masters every year. In 2013, the speaker lineup represented a veritable who’s who from the worlds of film, gastronomy, literature and architecture. They were: renowned artist Timmy Yip, who won an Oscar for Best Art Direction and has worked on movie, television and theater projects and exhibited his own works; Taiwan-born chef Andre Chiang, described by Time magazine as creating “the greatest food in the Indian Ocean”; Ko Matsubara, editor-in-chief of Casa Brutus, Japan’s design, fashion and lifestyle bible; Kenneth Hsien-yung Pai, a giant in contemporary Taiwanese literature; and Toyo Ito, the renowned Japanese architect who won the Pritzker Architecture Prize in 2013.



Dutch designer Gijs Bakker, co-founder of Droog Design, speaks at a Fubon Forum.

Profiles of Students at 2013 Spring/Fall Fubon Forums Classes



UFO Radio (Fun Art Radio)

The Foundation and UFO Radio co-produce the show “Fun Art Radio,” which reaches a large audience through the radio station’s broad listenership in Taipei. The foundation has been able to expand its partnerships and areas of interest through its contact with the many distinguished cultural figures who have been invited on the show and has maintained excellent relationships with them. In 2013, the show was nominated for two Radio Broadcasting Golden Bell Awards for the first time, in the categories “Best Art and Culture Program” and “Best Art and Culture Program Host.” The show also hosted a number of segments during the year to promote artistic and cultural activities.

Art Map

The “Art Map” published quarterly by the Foundation has become deeply entrenched in the community and recognized by residents of eastern Taipei as their “private city journal.” In 2013, the Foundation held its first “You Are What You Map” exhibition at the newly opened Taipei New Horizon, showcasing the best of the 20 Art Maps published over the previous five years. The exhibition also featured individual exhibits on 16 of the best-liked vendors in the community, with each exhibit providing a 55cm x 55cm display platform on which the shops were able to display special items that told their stories.

Museums without Walls

In promoting its core philosophy of “bringing art into life and life into art,” the Fubon Art Foundation has shown that art is, in fact, fun and that creative endeavors should have the courage to converse with different types of spaces. Those values spawned the “wall-less museum” concept, embodied in the annual “Very Fun Park” event. As more venues have embraced the campaign, a common consciousness and shared dream about our living environment has emerged, a consensus that represents one of the Very Fun Park’s significant achievements. The cumulative effect of the measured but weighty steps the Foundation has taken to explore different parts of eastern Taipei where the Very Fun Park is held mirrors the collective memories stored in visitors’ minds. The hope is that this greater vision will inspire more private initiatives and more effective policies that move Taiwan forward and help visitors experience Taiwan’s many artistic and cultural flavors, get progressive companies to better appreciate the value in participating, and spread the tradition of events that dare to dream.

Very Fun Park Contemporary Art Exhibition in Eastern Taipei

In the eight years since it got its start, the Very Fun Park Contemporary Art Exhibition has pursued the ideal of a “wall-less museum” and taken on the conventional wisdom that art can only be appreciated up close in a museum. During that time, it has showcased installation art, sculptures, paintings and techno-art in plain view on busy city streets to highlight the diversity of contemporary art. In 2013, the event was built around the theme of “harmony” to create a positive voice for the city, and the scope of the Very Fun Park was expanded from Zhongxiao East Rd., Renai Rd. and Fuxing South Rd. to the Songshan Cultural and Creative Park. A total of 30 venues were chosen for the exhibits, spanning trendy shops, boutiques, bookstores and coffee houses, neighborhood activity centers, roadside trees and even community alleyways. The Foundation teamed up with 34 artists from around the world to create sparks of excitement that attracted 300,000 visitors.

While contemporary art was the main draw of the Very Fun Park, an education promotion campaign held at the same time was also an important feature of the exhibition. The campaign was aimed at cultivating people’s interest in art and art appreciation, including by giving visitors the opportunity to meet and converse with artists and participate in the creative process. By stimulating all five senses, the experience made art more relevant to people’s lives, fulfilling the Foundation’s mission to more closely integrate art and life. A total of 11 educational activities were held during the exhibition period and drew 18,242 participants.

Very Fun Park – National Taiwan University Exhibition

From 2010 to 2012, the Very Fun Park extended its reach by turning the campus of National Chengchi University into a wall-less museum. The enthusiastic response reflected the real significance of art education and the need for it in people’s lives. That experience set the stage for a new opportunity to sustain the development of the wall-less museum concept at a local university.

In 2013, the Very Fun Park entered the campus of National Taiwan University in conjunction with the school’s 85th anniversary. The exhibition, called “NTU Very Fun Park – Eyes of the Times: Conversing with Contemporary Art,” featured 17 works by 13 artists installed in 13 locations. The exhibition was designed to encourage visitors to sharpen their awareness and powers of observation and allow their imaginations to soar beyond the boundaries of academic learning, forging a keener sensitivity to a cultivated lifestyle. The exhibition, complemented by art forums and interviews with artists, used art and the Very Fun Park’s typical relaxed humor, passion and creativity to help NTU celebrate its 85th anniversary in style.

Plans for 2014

The Fubon Art Foundation relies on its deep network of artists at home and abroad to spin art into the thread of life and use it to weave beauty and creativity, from developing and designing the Fubon Group’s stylish premiums and sponsoring the production of UFO Radio show “Fun Art Radio to publishing the eastern Taipei “Art Map.” In the coming year, the Foundation will sustain its core programs but has also set some ambitious goals. Among them: developing a digital art platform and audio-visual applications to overcome urban-rural and time-space barriers and establish a true “wall-less” medium for artistic and cultural exchanges; and holding performances and exhibitions featuring a wide array of cultural and creative products at Taipei New Horizon, using art to concoct beauty from creativity and life and sustain the passion for an artistic lifestyle.



2013 Very Fun Park opening ceremony.



Taipei Fubon Bank Charity Foundation

The Taipei Fubon Bank Charity Foundation has been dedicated to helping and mobilizing support for the socially disadvantaged since it was founded in 2003, and has actively cared for the elderly, people with disabilities, and the economically underprivileged and backed other related social welfare activities.

Caring for the Health of the Elderly

Day Care Center Network

The Foundation has long been an advocate of healthy aging in local communities. An initiative was launched in 2005 to create a network of centers to provide day care to senior citizens in the neighborhoods where they live. In 2013, the Foundation continued to support and guide the 13th center established nationwide in the village of Tomiyac. Open Tuesdays and Thursdays, the center offers communal meals, blood sugar and blood pressure testing, physical fitness activities, DIY crafts activities, and home visits to check up on people, promoting the Foundation's healthy aging agenda.

“Happy Train” Program

In Taiwan's rapidly aging society, the Foundation has made a special effort to encourage senior citizens to participate in social activities, giving them a chance to relax and broaden their horizons while retarding the aging process. Every year since 2007 on the “Double Ninth Festival” – the ninth day of the ninth lunar month when seniors are traditionally honored in Taiwan – the highly anticipated “Happy Train” excursions for seniors in Taipei Fubon Bank day care centers are set into motion. Several diverse excursions were organized in 2013 in response to the needs and preferences of day care center users, and the program again proved to be one of the Foundation's healthy aging activities with the greatest impact. A total of nine excursions were organized in 2013, with 347 seniors participating.

“Giving Family Caregivers a Breather” Program

Responding to the growing challenge of elderly care, the Foundation set up the “Giving Family Caregivers a Breather” program in 2008 to give caregivers the knowledge and support they need to maintain their health and take even better care of their family members. The program was expanded in 2013 to provide additional support. Aside from the 55 “Giving Family Caregivers a Breather” excursions organized around the country, another 40 events were held to support those who look after elderly family members with dementia and give them tools to cope with the rise of the affliction's prevalence in Taiwan. A total of 2,549 people benefited from these caregiver support activities, which earned the foundation a Corporate Social Responsibility award from Global Views Monthly for addressing an important social need.



“Giving Family Caregivers a Breather” Program earned the a Corporate Social Responsibility award from Global Views Monthly.

Meals for Seniors Living Alone

The Foundation has cooperated with the Taitung branch of Mackay Memorial Hospital since 2009 to deliver meals on weekends and holidays to seniors living alone on the outlying Green and Orchard islands. Because of indigenous Tao traditions and practical realities on Orchid Island, an unusually high proportion of seniors there live on their own, and many receive government-funded meal deliveries from the government on weekdays under a program for low- and middle income seniors. As has been the case in the past, the Foundation reinforced the government program in 2013 by providing meals on weekends to 80 people receiving government help. Those delivering the meals also assessed the seniors' health and living conditions during their visits and provided other assistance as necessary, which also raised awareness among local residents of the need to care for older members of society.

Encouraging the Disabled to Harness their Talents

Taipei Fubon Bank Artistic Achievement Awards for the Disabled

The Taipei Fubon Bank Charity Foundation launched the “Artistic Achievement Awards for the Disabled” to uncover the amazing talents of people with disabilities and give society the chance to appreciate their compelling stories. Beyond the incentive of winning an award, the project gives

the participants opportunities for positive exposure through performances and exhibitions, forms of participation that the Foundation believes strengthens the artists' self-confidence and earns their artistic potential greater praise and recognition from society. The sixth "Taipei Fubon Bank Artistic Achievement Awards for the Disabled" were held in 2013 – this time under the theme "courageously embracing life, creating amazing art." They fully showcased the participants' courage in showing no fear of their disabilities and embracing and challenging any obstacles in their way. The competition in 2013 was divided into a "creative works" division with two categories – "paintings" and "arts and crafts" – and a "performance" division with three categories – "instrumental music," "singing" and "physical performing arts." There were 255 entries in the creative works division and 244 in the performing arts division vying for the NT\$1 million in prize money. In all, 25 individuals and groups won awards.

All Love Orchestra Performances

The "All Love Orchestra," composed of musicians who have won Taipei Fubon Bank Artistic Achievement Awards, performs regularly around the country at events emceed by the host of radio show "Let's Talk about Media," writer Eric Wu. The band's appearances at schools and public venues always draw enthusiastic responses and recognition, and the musicians' superb performances and captivating life stories convey their resolve to transcend obstacles and challenge boundaries. In 2013, the ensemble performed as part of National Cheng Kung University's 82nd anniversary celebrations. In sharing their life stories, the musicians relived how they emerged from life's difficulties and walked a path of courage and self-confidence, ultimately sharing with the university students in attendance a celebration of art merging with life.

Helping the Underprivileged Escape Poverty

Poverty-busting Savings Plan

Since 2003, the Foundation, with the backing of the Fubon Group's financial expertise, has collaborated with local governments to create savings plans designed to help second-generation members of low-income families escape poverty. The plan helps participants accumulate tangible and intangible assets, in part through seminars on investing and managing money, and the Fubon employees who lead the seminars also strengthen their professional capabilities through the experience. In 2013, poverty-busting programs run in conjunction with the Chiayi City and Taitung County governments (which will run until 2014) were continued, helping the second-generations of 70 low-income households climb out of poverty by giving them the tools necessary to achieve success.

1919 Go Exercise – Fubon Emergency Household Relief Plan

One of the Foundation's main initiatives since 2005 has been the "1919 Go Exercise – Fubon Emergency Household Relief Plan." Run in collaboration with the Chinese Christian Relief Association (CCRS), the program provides immediate emergency assistance to 1,000 families a year that have fallen on hard times because of unforeseen circumstances.

The main fundraising activity of the 12th "1919 Go Exercise" campaign – the "Biking Taiwan" event – involved cyclists biking around Taiwan and riders accompanying them on three stages of their journey. Fubon employees participated in all three group ride stages, led by Foundation Chairman Pai Hsiu-hsiung. "Every year, we invite hundreds of employees to accompany the cyclists in different cities and counties (in Taiwan), and 400 people participated this year. This is a very meaningful activity because riding alongside the cyclists touring Taiwan is the same as helping families through their emergencies," Mr. Pai said. At the same time, Mr. Pai and honorary CCRS president and retired actor Sun Yueh act as spokesmen for the activity every year to appeal to the public to show its concern for and help the families facing emergencies.

Supporting NGOs

Keeping Seniors from Going Missing

In the four years since the "Love Wristband" campaign was launched with the Federation for the Welfare of the Elderly in 2010, the Foundation has distributed 2,500 wristbands and funded search services to protect individuals at risk of going missing when on their own. The initiative has been promoted through Fubon ATMs and direct mailings to get the public to take this preventive step seriously. Those wearing the wristbands who have gone missing have been found 100% of the time, with the bracelets in effect accompanying families in searching for their loved ones and sharing in the joy when they are located.

Other Social Welfare Support

Aside from organizing its own activities to help the elderly, people with disabilities and the economically disadvantaged, the Foundation has also supported outside events related to these causes to make more effective use of social resources and create a better and more harmonious society.

Appendix

Assurance Statements

INDEPENDENT ASSURANCE OPINION STATEMENT

Fubon Financial Holding Company 2013 Corporate Social Responsibility Report

The British Standards Institution is independent to Fubon Financial Holding Company (hereafter referred to as FFHC in this statement) and has no financial interest in the operation of FFHC other than for the assessment and assurance of this report.

This independent assurance opinion statement has been prepared for FFHC only for the purposes of assuring its statements relating to its corporate social responsibility (CSR), more particularly described in the Scope, below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by FFHC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to FFHC only.

Scope

The scope of engagement agreed upon with FFHC includes the followings:

1. The assurance covers the whole report and focuses on systems and activities during the 2013 calendar year on the FFHC headquarter and relevant operations in Taiwan, including Taipei Fubon Commercial Bank, Fubon Securities, Fubon Insurance and Fubon Life.
2. The evaluation of the nature and extent of the FFHC's adherence to all three AA1000 AccountAbility Principles in this report as conducted in accordance with type 1 of AA1000AS (2008) assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the 2013 FFHC Corporate Social Responsibility Report provides a fair view of the FFHC CSR programmes and performances during 2013. We believe that the 2013 economic, social and environment performance indicators are fairly represented. The CSR performance indicators disclosed in the report demonstrate FFHC's efforts recognized by its stakeholders.

Our work was carried out by a team of CSR report assurers in accordance with the AA1000 Assurance Standard (2008). We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that FFHC's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI guidelines were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to FFHC's policies to provide a check on the appropriateness of statements made in the report, we also interviewed top management level.
- discussion with managers and staffs on FFHC's approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 47 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.

- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, materiality and responsiveness as described in the AA1000 AccountAbility Principles Standard (2008).

Conclusions

A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness and the GRI G4.0 guidelines is set out below:

Inclusivity

This report has reflected a fact that FFHC is seeking the engagement of its stakeholders. The participation of stakeholders has been initiated in developing and achieving an accountable and strategic response to sustainability. The reporting systems are being developed to deliver the required information. There are fair reporting and disclosures for economic, social and environmental information in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the FFHC's inclusivity issues, however, the future report should be further enhanced by the following areas:

- Continually watch latest CSR development as supply chain management to correspond in international society's needs for future reporting

Materiality

FFHC publishes sustainability information that enables its stakeholders to make informed judgments about the company's management and performance. In our professional opinion the report covers the FFHC's material issues, however, the future report should be further enhanced by the following areas:

- Encouraging to improving the materiality identification process which more broadly consider the relevant risks and opportunities in the value chain

Responsiveness

FFHC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for FFHC is developed and provides the opportunity to further enhance FFHC's responsiveness to stakeholder concerns. Issues that stakeholder concern about have been responded timely. In our professional opinion the report covers the FFHC's responsiveness issues, however, the future report should be further enhanced by the following areas:

- Encouraging to work towards a type 2 of AA1000AS (2008) engagement with a view to providing the reliability of sustainability performance information that stakeholder concerns

GRI-reporting

FFHC provided us with their self declaration of 'in accordance' with the Guidelines: the Core option (at least one Indicator related to each identified material Aspect). Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index are reported, partially reported or omitted. In our professional opinion the self declaration covers the FFHC's social responsibility and sustainability issues, however, the future report will be improved by the following areas:

- Continuously focus on the implementation of sustainability procedures and programs along with the newly developed Standards

Assurance level

The moderate level assurance provided is in accordance with AA1000 Assurance Standard (2008) in our review, as defined by the scope and methodology described in this statement.

Responsibility

This CSR report is the responsibility of the FFHC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead Auditors and Carbon Footprint Verifiers experienced in industrial sector, and trained in a range of sustainability, environmental and social standards including AA1000 AS, ISO14001, OHSAS18001, ISO14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



Peter Pu
Managing Director BSI Taiwan
30 June, 2014

bsi.



AA1000
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GRI Index and Guidelines

Material Aspects	GRI	Content Index	Extent of Reporting and Explanatory Notes	Assurance Statement
Standard Disclosures				
Strategy and Analysis	G4-1	Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	Message from the Chairman	Refer to Independent Assurance Opinion Statement
	G4-2	Provide a description of key impacts, risks, and opportunities	Message from the Chairman	As above
	G4-3	Report the name of the organization	Company Introduction	As above
	G4-4	Report the primary brands, products, and services	Company Introduction	As above
	G4-5	Report the location of the organization's headquarters.	Company Introduction	As above
	G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	Company Introduction	As above
	G4-7	Report the nature of ownership and legal form	Company Introduction	As above
	G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	Company Introduction	As above
	G4-9	Report the scale of the organization, including: 1. Total number of employees; 2 Total number of operations; 3. Net sales (for private sector organizations) or net revenues (for public sector organizations); 4. Total capitalization broken down in terms of debt and equity (for private sector organizations); 5. Quantity of products or services provided	Company Introduction	As above
Organizational Profile	G4-10	a.Report the total number of employees by employment contract and gender b.Report the total number of permanent employees by employment type and gender c.Report the total workforce by employees and supervised workers and by gender d.Report the total workforce by region and gender e.Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)	Equality in the Workplace	As above
	G4-11	Report the percentage of total employees covered by collective bargaining agreements	Equality in the Workplace	As above
	G4-12	Describe the organization's supply chain	The Company's suppliers consist mainly of: 1) 14 suppliers, mainly providing office supplies and equipment; 2) 51 contractors, such as building renovation contractors, and plumbers and electrical contractors; and 3) distributors of financial products, such as peers in the industry and other commercial partners. In 2013, the Company's green purchases totaled NT\$163,565,588.	As above
	G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	Company Introduction	As above
	G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	Legal Compliance	As above
	G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Fubon Financial Holdings joined the Business Council for Sustainable Development of Taiwan in 2013 and took part in the "Energy and Climate Change" task force, sending people to attend task force meetings.	As above
Identified Material Aspects and Boundaries	G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization	Fubon Financial Holdings is a member of the Financial Planning Association of Taiwan Fubon Life is a member of: The Life Insurance Association of the Republic of China/The Life Insurance Management Institute of the Republic of China/The Taiwan Financial Services Roundtable/The Chinese Insurance Services Association	As above
	G4-17	a.List all entities included in the organization's consolidated financial statements or equivalent documents b.Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	Company Introduction	As above
	G4-18	a.Explain the process for defining the report content and the Aspect Boundaries b.Explain how the organization has implemented the Reporting Principles for Defining Report Content	Key Topics Raised by Stakeholders	As above

Material Aspects	GRI	Content Index	Extent of Reporting and Explanatory Notes	Assurance Statement
Identified Material Aspects and Boundaries	G4-19	List all the material Aspects identified in the process for defining report content	Key Topics Raised by Stakeholders	As above
	G4-20	For each material Aspect, report the Aspect Boundary within the organization	Material Aspects and Boundaries	As above
	G4-21	For each material Aspect, report the Aspect Boundary within the organization	Material Aspects and Boundaries	As above
	G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	About This Report	As above
	G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	About This Report	As above
Stakeholder Engagement	G4-24	Provide a list of stakeholder groups engaged by the organization	Material Aspects and Boundaries	As above
	G4-25	Report basis for identification and selection of stakeholders with whom to engage.	Key Topics Raised by Stakeholders	As above
	G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Key Topics Raised by Stakeholders	As above
	G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	Key Topics Raised by Stakeholders	As above
Report Profile	G4-28	Reporting period (such as fiscal or calendar year) for information provided	About This Report	As above
	G4-29	Date of most recent previous report (if any)	2012 Fubon Financial Holdings Corporate Social Responsibility Report was published in September 2013.	As above
	G4-30	Reporting cycle (such as annual, biennial)	About This Report	As above
	G4-31	Provide contact point for questions regarding the report or its contents	About This Report	As above
	G4-32	a.Report the 'in accordance' option the organization has chosen b.Report the GRI Content Index for the chosen option c.Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines	About This Report	As above
	G4-33	a.Report the organization's policy and current practice with regard to seeking external assurance for the report b.If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided c.Report the relationship between the organization and the assurance providers d.Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report	About This Report/ Assurance Statements	As above
	G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	Sustainable Operations/ Corporate Governance Performance / Corporate Citizenship	As above
Governance	G4-38	Report the composition of the highest governance body and its committees	Sustainable Operations/ Corporate Governance Performance / Corporate Citizenship	As above
	G4-39	Report whether the Chair of the highest governance body is also an executive officer	The Chairman of Fubon Financial Holdings is Daniel M. Tsai and the President of the company is Vivien Hsu.	As above
	G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	Corporate Governance Performance	As above
	G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders	Corporate Governance Performance	As above
	G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Corporate Governance Performance	As above
	G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	Corporate Governance Performance	As above
	G4-44	a.Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice	Corporate Governance Performance	As above

Material Aspects	GRI	Content Index	Extent of Reporting and Explanatory Notes	Assurance Statement
Governance	G4-45	a.Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b.Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	Corporate Governance Performance	As above
	G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Risk Management	As above
	G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Risk Management	As above
	G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	Corporate Governance Performance	As above
	G4-49	Report the process for communicating critical concerns to the highest governance body	Corporate Governance Performance	As above
	G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	Corporate Governance Performance	As above
	G4-51	a.Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: · Fixed pay and variable pay: 1.Performance-based pay; 2.Equity-based pay ;3.Bonuses ; 4.Deferred or vested shares · Sign-on bonuses or recruitment incentive payments · Termination payments · Clawbacks · Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees b.Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives	Corporate Governance Performance	As above
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	Corporate Governance Performance	As above	
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	Corporate Governance Performance	As above	
Ethics and Integrity	G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Ethics and Integrity	As above
	G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Ethics and Integrity	As above
	G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Ethics and Integrity	As above
Indicators by Aspects				
Category: Economic				
Economic Performance	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Refer to 2013 Fubon Financial Holdings Annual Report	As above
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Products and Services that Address Climate Changes	As above
	EC3	Coverage of the organization's defined benefit plan obligations	Attractive Benefits	As above
	EC4	Significant financial assistance received from government	In reporting its taxes in 2013, Fubon Financial Holdings did not make use of loss carry forwards, investment tax credits, or any other tax incentives.	As above
Market Presence	EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Attractive Benefits	As above
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Equality in the Workplace	As above
Indirect Economic Impacts	EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	Core Competencies--Deepening of Financial Education	As above

Material Aspects	GRI	Content Index	Extent of Reporting and Explanatory Notes	Assurance Statement
Category: Environmental				
Energy	EN6	Reduction of energy consumption	The First Step in Becoming a Low Carbon Company	As above
	EN7	Reductions in energy requirements of products and services	The First Step in Becoming a Low Carbon Company	As above
Emissions	EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Greenhouse Gas and Carbon Footprint Inventory	As above
	EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Greenhouse Gas and Carbon Footprint Inventory	As above
	EN19	Reduction of greenhouse gas (GHG) emissions	The First Step in Becoming a Low Carbon Company	As above
Compliance	EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	In 2013, the company did not have any major violations of environmental regulations and was not penalized for any violations.	As above
Overall	EN31	Total environmental protection expenditures and ?	The First Step in Becoming a Low Carbon Company	As above
Category: Social				
Labor Practices and Decent Work				
Employment	LA1	Report the total number and rate of new employee hires during the reporting period, by age group, gender and region.	Equality in the Workplace	As above
	LA2	Report the benefits which are standard for full-time employees of the organization	Attractive Benefits	As above
	LA3	Report the total number of employees that return to work and retention rates after parental leave by gender	Great Working Environment	As above
Labor/Management Relations	LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Great Working Environment	As above
	LA8	Health and safety topics covered in formal agreements with trade unions	Attractive Benefits	As above
Training and Education	LA9	The average hours of training that the organization's employees have undertaken during the reporting period, by gender and employee category	Diverse Talent Cultivation Programs	As above
	LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Diverse Talent Cultivation Programs	As above
	LA11	Percentage of employees receiving regular performance and career development reviews by gender and by employee category	Diverse Talent Cultivation Programs	As above
Diversity and Equal Opportunity	LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age, group, minority group membership, and other indicators of diversity	Equality in the Workplace	As above
Equal Remuneration for Women and Men	LA13	Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.	Attractive Benefits	As above
Labor Practices Grievance Mechanisms	LA16	Number of grievances about labor practices filed through formal grievance mechanisms	Effective Employee Communication	As above
Human Rights				
Investment	HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employee trained	Diverse Talent Cultivation Programs	As above
Non-discrimination	HR3	Total number of incidents of discrimination and corrective actions taken	Effective Employee Communication	As above
Indigenous Rights	HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	Fubon Financial Holdings is willing to hire any person interested in the financial services sector, including indigenous people, and offers them appropriate opportunities for career development. There have been no incidents of human rights violations.	As above
Assessment	HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	Equality in the Workplace	As above
Human Rights Grievance Mechanisms	HR12	Number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms	Effective Employee Communication	As above
Society				
Material Aspects	SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Feeling Fubon's Positive Energy/ Concern for Society	As above
	SO2	Operations with significant actual and potential negative impact on local communities	The Company's locations are all in metropolitan areas; it does not have any SO10 negative impact on local communities.	As above

Material Aspects	GRI	Content Index	Extent of Reporting and Explanatory Notes	Assurance Statement
Public Policy	SO6	Total value of political contributions by country and recipient/Beneficiary	No political contributions made in 2013	As above
Product Responsibility				
Product and Service Labeling	PR5	Results of surveys measuring customer satisfaction	Customer Commitment	As above
Marketing Communications	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications including advertising, promotion, and sponsorship, by type of outcomes	Fubon Financial Holdings and its subsidiaries were censured by regulatory agencies two times in 2013. For more details,	As above
Customer Privacy	PR8	Total number of substantiated complaints regarding breaches of customer privacy of losses of customer data	Customer Privacy Protection	As above
Compliance	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Fubon Financial Holdings and its subsidiaries were fined, censured or disciplined by regulatory agencies three times in 2013. The fines amounted to NT\$1.68 million. For more details, please refer to Fubon Financial Holdings' 2013 Annual Report, pages 58.	As above
Financial Services Sector Disclosures				
Product and Service Impact Section				
Financial Services Sector-Specific Product and Service Impact Disclosure on Management Approach	FS5	Interactions with clients/business partners regarding environmental and social risks and opportunities.	Core Competencies/The First Step in Becoming a Low Carbon Company	As above
Product Portfolio	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Core Competencies	As above
	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	The First Step in Becoming a Low Carbon Company	As above
Social Section				
Local Communities	FS13	Access points in low-populated or economically disadvantaged areas by type.	Core Competencies	As above
Product and Service Labeling	FS16	Initiatives to enhance financial literacy by type of beneficiary.	Core Competencies	As above

GRI Disclosure on Management Approach (DMA)

DMA	Aspects	Fubon's Key Issues	Assurance Statement
Economic	Economic performance	Operational sustainability/ Information transparency/ Tax contributions/ Operating performance/ Fair pay/ Product convenience	Refer to Independent Assurance Opinion Statement
	Indirect economic impacts	Operational sustainability /Corporate brand image/ Application of core competencies	As above
Environment	Overall	Corporate engagement and environmental protection	As above
Social: labor	Labor/Management Relations	Employee relations/ Employee care	As above
	Occupational Health and Safety	Occupational health and safety	As above
	Training and Education	Talent development and cultivation	As above
	Labor Practices Grievance Mechanisms	Employee relations	As above
Social: human rights	Investment		As above
	Non-discrimination		As above
	Child Labor	Rights equality	As above
	Assessment		As above
	Human Rights Grievance Mechanisms		As above
Social: society	Local Communities	Mobile services	As above
	Compliance	Legal compliance	As above

DMA	Aspects	Fubon's Key Issues	Assurance Statement
Product Responsibility	Product and Service Labeling	Service quality /Customer satisfaction/ Customer complaint handling	As above
	Customer Privacy	Privacy issues/ Consumer rights protection	As above

Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies

	Content	Related Fubon CSR report Section and Explanatory Notes
Chapter 1	General provisions, states the purpose for implementing the Principles, identifies companies to be governed by the Principles and stipulates implementing guidelines	Stakeholder Engagement
Chapter 2	Exercising corporate governance Corporate Governance	Corporate Governance
Chapter 3	Fostering a sustainable environment	The First Step in Becoming a Low Carbon Company
Chapter 4	Enhancing disclosure of corporate social responsibility information	Caring for Our Employees/ Corporate Citizenship
Chapter 5	Enhancing disclosure of corporate social responsibility information	About This Report
Chapter 6	Examining and improving corporate social responsibility programs established by the companies	Stakeholder Engagement

Ten Principles of the UN Global Compact

	Content	Related Fubon CSR report Section and Explanatory Notes
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights; and	Caring for Our Employees
	2. make sure that they are not complicit in human rights abuses.	Caring for Our Employees
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Caring for Our Employees
	4. the elimination of all forms of forced and compulsory labor;	Caring for Our Employees
	5. the effective abolition of child labor; and	Caring for Our Employees
	6. the elimination of discrimination in respect of employment and occupation.	Caring for Our Employees
Environment	7. Businesses should support a precautionary approach to environmental challenges;	The First Step in Becoming a Low Carbon Company
	8. undertake initiatives to promote greater environmental responsibility; and	Core Competencies/ Corporate Citizenship
	9. encourage the development and diffusion of environmentally friendly technologies.	Core Competencies/ The First Step in Becoming a Low Carbon Company
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	Corporate Governance

Core subjects and issues of social responsibility addressed in ISO 26000

	Content	Related Fubon CSR report Section and Explanatory Notes
Human Rights	Due diligence	Caring for Our Employees
	Human rights risk situations	Caring for Our Employees
	Avoidance of complicity	Caring for Our Employees
	Resolving grievances	Caring for Our Employees
	Employee Overview	Caring for Our Employees
	Civil and political rights	Caring for Our Employees
	Economic, social and cultural rights	Caring for Our Employees
Labor practices	Fundamental principles and rights at work	Caring for Our Employees
	Employment and employment relationships	Caring for Our Employees
	Conditions of work and social protection	Caring for Our Employees
	Social dialogue	Stakeholder Engagement/ Caring for Our Employees

	Content	Related Fubon CSR report Section and Explanatory Notes
Labor practices	Health and safety at work	Caring for Our Employees
	Human development and training in the workplace	Caring for Our Employees
The environment	Prevention of pollution	The First Step in Becoming a Low Carbon Company
	Sustainable resource use	The First Step in Becoming a Low Carbon Company
	Climate change mitigation and adaptation	Products and Services that Address Climate Change
	Protection of the environment, biodiversity and restoration of natural habitats	The First Step in Becoming a Low Carbon Company
Fair operating practices	Anti-corruption	Corporate Citizenship
	Responsible political involvement	No political contributions made in 2013
	Fair competition	Corporate Citizenship
	Promoting social responsibility in the value chain	Corporate Citizenship
	Respect for property rights	Caring for Our Employees
Consumer issues	Fair marketing, factual and unbiased information and fair contractual practices	Customer Commitment
	Protecting consumers' health and safety	Customer Commitment
	Sustainable consumption	Customer Commitment
	Consumer service, support, and complaint and dispute resolution	Customer Commitment
	Consumer data protection and privacy	Customer Commitment
	Access to essential services	Customer Commitment
	Education and awareness	Customer Commitment
Community involvement and development	Community involvement	Corporate Citizenship
	Education and culture	Core Competencies
	Employment creation and skills development	Corporate Citizenship/ Products and Services that Address Social Change
	Technology development and access	Corporate Citizenship/ Mobile Services
	Wealth and income creation	Corporate Citizenship
	Health	Corporate Citizenship
	Social investment	Corporate Citizenship

Fubon Financial Holdings Corporate Social Responsibility Best Practice Principles (approved by board of directors on April 29, 2011)

	Content	Related Fubon CSR report Section and Explanatory Notes
Article 1	The Company is founded on integrity. All employees must comply with Fubon's "Ethical Management Best Practice Principles" and do their jobs legally and pragmatically, while not engaging in corruption and bribery.	Corporate Citizenship
Article 2	The Company should realize a corporate governance system and sound institutions in response to the hopes of stakeholders (such as employees, shareholders, customers, and government regulators). Fubon Financial Holdings is committed to elevating its operating performance and safeguarding its sustainable operations.	Corporate Citizenship
Article 3	The Company upholds the principle of accurate, detailed and fair disclosure of corporate information to stakeholders and strives to make operating information more transparent.	Corporate Citizenship
Article 4	The Company highly values its people and is dedicated to the training and development of talent. It encourages employees to better themselves and helps them develop their careers.	Caring for Our Employees
Article 5	The Company aggressively promotes environmental protection and energy conservation measures to reduce the impact its operations have on the environment.	The First Step in Becoming a Low Carbon Company
Article 6	The resources of the financial holding company should be used to maximum effect in caring for the socially disadvantaged, implanting cultural education and bringing art into daily life.	Corporate Citizenship

