

Determined to emerge as one of Asia's first-class financial institutions, Fubon Financial is Taiwan's second largest financial holding company, with total assets of NT\$3 trillion as of December 2009. Fubon Financial has the most complete product line and consists of subsidiaries that are top performers in their respective sectors. Its main subsidiaries include Taipei Fubon Bank, Fubon Insurance, Fubon Life, Fubon Bank (Hong Kong), Fubon Securities and Fubon Asset Management.

From the end of the 1980s, when Taiwan's government began to liberalize the domestic financial market, the Fubon Group successively applied to establish subsidiaries in the banking, securities, securities investment services, asset management, life insurance, futures, venture capital, and AMC fields. At the end of 2001, Fubon Financial became the first financial holding company in Taiwan to go public and it now boasts the most comprehensive product line in the sector.

Fubon Financial has also moved aggressively to extend its reach throughout Greater China. At the end of 2008, Fubon Financial acquired a stake in Xiamen City Commercial Bank through Fubon Bank (Hong Kong). With the acquisition, Fubon Financial became Taiwan's first financial institution to gain a presence in China's market and develop a complete financial platform in the Greater China region.

Fubon's emphasis on corporate governance has been a key factor in its market-leading operational performance. Four of Fubon Financial's 12 board directors were independent directors, a 33% ratio, the highest ratio of independent directors of any financial holding company. The performance has been awarded for "Best Corporate Governance in Taiwan — Banks and Financial Institutions" by Euromoney six years running and also won plaudits from Asiamoney, FinanceAsia and The Asset.

The key businesses and development strategies of our main subsidiaries are as follows:

(1) Taipei Fubon Bank

Taipei Bank acquired Taipei Bank in 2002, the first ever merger in Taiwan between private and government owned institutions. The combination propelled Taipei Fubon Bank to rank among the biggest of Taiwan's privately owned banks.

Taipei Fubon Bank continued to post outstanding results with the help of Fubon Financial's abundant resources by capitalizing on cross-selling opportunities, product and service innovation, and a common marketing strategy. It remained the leading underwriter of

syndicated loans among private banks in Taiwan with a market share of 7.8% in 2009.

(2) Fubon Insurance

Fubon Insurance is Taiwan's first private property and casualty insurer. Direct written premium totaled NT\$21.3 billion in 2009, giving us a 21% share of the market to lead the industry for the 28th consecutive year.

(3) Fubon Life

In June 2009, ING Life and Fubon Life formally merged, and the move's positive synergies were immediately reflected in the merged unit's bottom line. Fubon Life was the biggest contributor to Fubon Financial's profitability, accounting for 51% of total after-tax income.

First-year premium rose 24.1% in 2009 — three times the 8% growth averaged across the sector — to NT\$205.7 billion, driving market share up to 22% from 18% a year earlier to rank second in the industry.

(4) Fubon Securities

Fubon Securities remained 16.4% share of the transaction volume on the GreTai Emerging Stock Market ranked second in the industry. It also ranked third in IPO underwriting by amount, SPO amount and brokerage business.

(5) Fubon Asset Management

Fubon Asset Management has earned widespread acclaim as a pioneer in Taiwan's domestic equity fund market. Because of the surge in investment in socially responsible corporations in recent years, it launched Taiwan's first corporate social responsibility fund in March 2009. Also, as cross-Taiwan Strait financial exchanges intensify, Fubon Asset Management will push to list Taiwan ETFs in Hong Kong and introduce overseas ETFs in Taiwan.